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Subject: Proposal for a Regulation of the European Parliament and the Council
establishing Horizon 2020 - The Framework Programme for Research and
Innovation (2014-2020)
- 4-column document (Articles)

Following the vote in Parliament's ITRE committee on 28 November and in view of the RECH Working Party on Thursday 10 January 2013, delegations will find attached a 4-column document on the Horizon 2020 Framework Programme proposal (Articles only).

In the column related to the position of the ITRE Committee, the changes to the Commission proposal are indicated in ***bold italics*** for additions and in ~~strikeout~~ for deletions.

In the column related to the position of the Council (partial general approach -PGA- doc.10663/12), the changes to the Commission proposal are indicated in **bold** for additions and in ~~strikeout~~ for deletions

TITLE 1: ESTABLISHMENT

COMMISSION PROPOSAL	EUROPEAN PARLIAMENT (ITRE VOTE 28.11.12)	COUNCIL (PGA ADOPTED ON 31.05.12)	COMPROMISE TEXT
<p>Article 1 <i>Subject Matter</i></p> <p>This Regulation establishes Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) ("Horizon 2020") and determines the framework governing Union support to research and innovation activities and fostering better exploitation of the industrial potential of policies of innovation, research and technological development.</p>	<p>Article 1 <i>Subject Matter</i></p> <p>AMD 52</p> <p>This Regulation establishes Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) ("Horizon 2020") and determines the framework governing Union support to research and innovation activities, strengthening the European scientific and technological base and fostering better exploitation of the societal, economic and industrial potential of policies of innovation, research and technological development.</p>	<p>Article 1 <i>Subject Matter</i></p> <p>This Regulation establishes Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) ("Horizon 2020") and determines the framework governing Union support to research and innovation activities, strengthening European scientific and technological base and fostering benefits for society as well as better exploitation of the industrial potential of policies of innovation, research and technological development.</p>	

COMMISSION PROPOSAL	EUROPEAN PARLIAMENT (ITRE VOTE 28.11.12)	COUNCIL (PGA ADOPTED ON 31.05.12)	COMPROMISE TEXT
Article 2 Definitions For the purposes of this Regulation the following definitions apply:	Article 2 Definitions [no change]	Article 2 Definitions [no change]	
(a) ' <i>research and innovation activities</i> ' means the whole spectrum of activities of research, technological development, demonstration and innovation, including the promotion of cooperation with third countries and international organisations, dissemination and optimisation of results and stimulation of the training and mobility of researchers in the Union;	AMD 53 (a) 'research and innovation activities' means the whole spectrum of activities of research, technological development, demonstration and innovation, including the promotion of cooperation with third countries and international organisations, dissemination and optimisation of results and stimulation of the high quality, targeted training and mobility of researchers in the Union; [no change]	[no change]	
(b). ' <i>direct actions</i> ' mean research and innovation activities undertaken by the Commission through its Joint Research Centre;	[no change]	[no change]	
(c). ' <i>indirect actions</i> ' mean research and innovation activities to which the Union provides financial support and which are undertaken by participants;	[no change]	[no change]	

<p>(d). 'public-private partnership' means a partnership where private sector partners, the Union and, where appropriate, other partners, commit to jointly support the development and implementation of a research and innovation programme or activities ;</p>	<p>(d) 'public-private partnership' means a partnership where between private sector partners and public sectors partners such as universities, research organisations and other public institutions including the Union where appropriate, supported jointly by the Union and, where appropriate, either its partners, commit to jointly support the development and implementation of a research and innovation programme or activities;</p>	<p>(d) 'public-private partnership' means a partnership where private sector partners, the Union and, where appropriate, other partners, such as public sector bodies, commit to jointly support the development and implementation of a research and innovation programme or activities;</p>	
<p>(e). 'public-public partnership' means a partnership where public sector bodies or bodies with a public service mission at regional, national or international level commit with the Union to jointly support the development and implementation of a research and innovation programme or activities.</p>	<p>(e) 'public-public partnership' means a partnership where public sector bodies or bodies with a public service mission at local, regional, national or international level commit with the Union to jointly support the development and implementation of a research and innovation programme or activities.</p>	<p>[no change]</p>	

	<p><i>(ea) 'research infrastructures' (RI) means facilities, resources, organisational systems and services that are used by the research communities to conduct research and innovation in their fields. Where relevant, they may be used beyond research, e.g. for education or public services. RI includes: major scientific equipment (or sets of instruments); knowledge-based resources such as collections, archives or scientific data; e-infrastructures, such as data, computing and software systems, communication networks and systems to promote openness and digital trust; any other infrastructure of a unique nature essential to achieve excellence in research and innovation;</i></p>		
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	<p><i>(eb) 'smart specialisation' means the concept underpinning for the development of the Union's R&D&I policy, the objective of which is to promote efficient and effective use of public investment using synergies among countries and regions and strengthening their innovation capacity.</i></p>		
	<p><i>(ec) "smart specialisation strategy" means a strategy comprised of a multi-annual strategy programme whose goal is to develop a functional national or regional research innovation system.</i></p>		

COMMISSION PROPOSAL	EUROPEAN PARLIAMENT (UTRE VOTE 28.11.12)	COUNCIL (PGA ADOPTED ON 31.05.12)	COMPROMISE TEXT
<p>Article 3 Establishment of Horizon 2020 Horizon 2020 is hereby established for the period from 1 January 2014 to 31 December 2020.</p>	<p>Article 3 Establishment of Horizon 2020 [no change]</p>	<p>Article 3 Establishment of Horizon 2020 [no change]</p>	
<p>Article 4 Union added value Horizon 2020 shall play a central role in the delivery of the Europe 2020 strategy for smart, sustainable and inclusive growth by providing a common strategic framework for the Union's research and innovation funding, thus acting as a vehicle for leveraging private investment, creating new job opportunities and ensuring Europe's long-term sustainable growth and competitiveness.</p>	<p>Article 4 Union added value AMD 54 Horizon 2020 shall play a central role in the delivery of the Europe 2020 strategy for smart, sustainable and inclusive growth by providing a common strategic framework for the Union's funding excellent research and innovation funding in the Union, thus acting as a vehicle for leveraging public and private investment, creating new job opportunities and ensuring Europe's long-term sustainability, economic development, social inclusion and industrial sustainable growth and competitiveness. Support under Horizon 2020 shall be targeted towards activities where intervention at Union level brings added value compared to intervention at national or regional level.</p>	<p>Article 4 Union added value Horizon 2020 shall play a central role in the delivery of the Europe 2020 strategy for smart, sustainable and inclusive growth by providing a common strategic framework for the Union's research and innovation funding, thus acting as a vehicle for leveraging private and public investment, creating new job opportunities and ensuring Europe's long-term sustainable growth and competitiveness- as well as addressing societal challenges across the Union.</p>	

COMMISSION PROPOSAL	EUROPEAN PARLIAMENT (UTRE VOTE 28.11.12)	COUNCIL (PGA ADOPTED ON 31.05.12)	COMPROMISE TEXT
<p>Article 5 <i>General objective, priorities and specific objectives</i></p> <p>1. Horizon 2020 shall contribute to building an economy based on knowledge and innovation across the whole Union by leveraging sufficient additional research, development and innovation funding. Thereby, it shall support the implementation of the Europe 2020 strategy and other Union policies, as well as the achievement and functioning of the European Research Area (ERA). The relevant performance indicators are set out in the introduction of Annex I.</p>	<p>Article 5 <i>General objective, priorities and specific objectives</i></p> <p>AMD 55</p> <p>1. Horizon 2020 shall contribute to building an economy-based on a knowledge and innovation based economy across the whole Union by leveraging sufficient additional research, development and innovation funding and thus shall contribute to attaining the target of 3% of GDP funding for research and development across the Union by 2020. Thereby, it shall support the implementation of the Europe 2020 strategy and other Union policies, as well as the achievement and functioning of the European Research Area (ERA). The relevant performance indicators are set out in the introduction of Annex I. through specific and exemplary actions fostering structural changes in European research and innovation systems.</p>	<p>Article 5 <i>General objective, priorities and specific objectives</i></p> <p>1. Horizon 2020 shall contribute to building a society and an economy based on knowledge and innovation across the whole Union by leveraging sufficient additional research, development and innovation funding. Thereby, it shall support the implementation of the Europe 2020 strategy and other Union policies, as well as the achievement and functioning of the European Research Area (ERA). The first set of relevant performance indicators are set out in the introduction of Annex I.</p>	

<p>2. This general objective shall be pursued through three mutually reinforcing priorities dedicated to:</p> <p>(a) excellent science;</p> <p>(b) industrial leadership;</p> <p>(c) societal challenges.</p> <p>The specific objectives corresponding to each of those three priorities are set out in Parts I to III of Annex I, together with the broad lines of the activities.</p>	<p>[no change]</p> <p>[no change]</p> <p>[no change]</p> <p>[no change]</p> <p>[no change]</p>	<p>[no change]</p> <p>[no change]</p> <p>[no change]</p> <p>[no change]</p> <p>[no change]</p>	
<p>3. The Joint Research Centre shall contribute to the general objective and priorities set out in paragraphs 1 and 2 by providing scientific and technical support to Union policies. The broad lines of the activities are set out in Part IV of Annex I.</p>	<p>3. The Joint Research Centre shall contribute to the general objective and priorities set out in paragraphs 1 and 2 by providing scientific and technical support to Union policies. The broad lines of the activities are set out in Part IV of Annex I. <i>In addition, the Joint Research Centre shall provide support to national and regional authorities in the development of their smart specialisation strategies.</i></p>	<p>3. The Joint Research Centre shall contribute to the general objective and priorities set out in paragraphs 1 and 2 by providing scientific and technical support to Union policies: in collaboration with relevant national and regional research stakeholders, where appropriate. The broad lines of the activities are set out in Part IV of Annex I.</p>	

<p>4. The European Institute of Innovation and Technology (EIT) set up by Regulation (EU) No 294/2008 of the European Parliament and of the Council¹⁸ shall contribute to the general objective and priorities set out in paragraphs 1 and 2 with the specific objective of integrating the knowledge triangle of research, innovation and education. The relevant performance indicators for the European Institute of Innovation and Technology are set out in the introduction of Annex I and the broad lines of that specific objective and the activities are set out in Part V of Annex I.</p> <p>_____</p> <p>¹⁸ OJ L 97, 9.4.2008, p. 1.</p>	<p>[no change]</p>	<p>4. The European Institute of Innovation and Technology (EIT) set up by Regulation (EU) No 294/2008 of the European Parliament and of the Council¹⁸ shall contribute to the general objective and priorities set out in paragraphs 1 and 2 with the specific objective of integrating the knowledge triangle of research, innovation and higher education. The relevant performance indicators for the European Institute of Innovation and Technology EIT are set out in the introduction of Annex I and the broad lines of that specific objective and the activities are set out in Part V of Annex I.</p> <p>_____</p> <p>¹⁸ OJ L 97, 9.4.2008, p. 1.</p>	
<p>5. Within the priorities and broad lines referred to in paragraph 2, account may be taken of new and unforeseen needs that arise during the period of implementation of Horizon 2020. This may include responses to emerging opportunities, crises and threats, to needs relating to the development of new Union policies, and to the piloting of actions foreseen for support under future programmes.</p>	<p>5. Within the priorities and broad lines referred to in paragraph 2, account may be taken of new and unforeseen needs that arise during the period of implementation of Horizon 2020. This may include responses to emerging opportunities, crises and threats, to needs relating to the development of new Union policies, and to the piloting of actions foreseen for support under future programmes.</p>	<p>5. Within the priorities and broad lines referred to in paragraph 2, account may be taken of new and unforeseen needs that arise during the period of implementation of Horizon 2020. This may, if duly justified, include responses to emerging opportunities, crises and threats, to needs relating to the development of new Union policies, and to the piloting of actions foreseen for support under future programmes.</p>	

COMMISSION PROPOSAL	EUROPEAN PARLIAMENT (ITRE VOTE 28.11.12)	COUNCIL (PGA ADOPTED ON 31.05.12)	COMPROMISE TEXT
Article 6 Budget	Article 6 Budget	Article 6 Budget	
1. The financial envelope for the implementation of Horizon 2020 shall be EUR 87740 million, of which a maximum of EUR 86198 million shall be allocated to activities under Title XIX of the Treaty on the Functioning of the European Union (TFEU).	AMD 56 1. The financial envelope for the implementation of Horizon 2020 shall be EUR 87740 xxx million, of which a maximum of EUR 86198 million 98,2% shall be allocated to activities under Title XIX of the Treaty on the Functioning of the European Union (TFEU). <i>[no change]</i>	<i>[nota bene: the Council has not discussed Article 6 (1) and (2), pending the discussions on the MFF]</i>	
2. The amount for activities under Title XIX TFEU shall be distributed among the priorities set out in Article 5(2) as follows:			
(a) Excellent science, EUR 27818 million;	(a) Excellent science, EUR 27818 million 32,6% of the total budget ,		
(b) Industrial leadership, EUR 20280 million;	(b) Industrial leadership, EUR 20280 million 24,3% of the total budget ,		
(c) Societal challenges, EUR 35888 million.	(c) Societal challenges, EUR 35888 million 37,5% of the total budget ,		

<p>The maximum overall amount for the Union financial contribution from Horizon 2020 to the non-nuclear direct actions of the Joint Research Centre shall be EUR 2212 million.</p>	<p>The maximum overall amount for the Union financial contribution from Horizon 2020 to the non-nuclear direct actions of the Joint Research Centre shall be EUR 2212 million 2,4% of the total Horizon 2020 budget.</p>		
<p>The indicative breakdown for the specific objectives within the priorities and the maximum overall amount of the contribution to the non-nuclear direct actions of the Joint Research Centre are set out in Annex II.</p>	<p>The indicative breakdown for the specific objectives within the priorities and the maximum overall amount of the contribution to the non-nuclear direct actions of the Joint Research Centre are set out in Annex II.</p>		
	<p><i>The Commission shall set aside an appropriate amount of money to allocate to calls which receive more bids evaluated to be of a high standard of excellence than anticipated in order to fund more than one project where appropriate.</i></p>		

<p>3. The European Institute of Innovation and Technology shall be financed through a maximum contribution from Horizon 2020 of EUR 3194 million as set out in Annex II. A first allocation of EUR 1542 million shall be provided to the European Institute of Innovation and Technology for activities under Title XVII of the Treaty on the Functioning of the European Union. A second allocation of up to EUR 1652 million shall be provided, subject to the review set out in Article 26 (1). This additional amount shall be provided on a pro-rata basis, as indicated in Annex II, from the amount for the specific objective "Leadership in enabling and industrial technologies" within the priority on industrial leadership set out in paragraph 2(b) and from the amount for the priority on societal challenges set out in 2(c).</p>	<p>3. The European Institute of Innovation and Technology shall be financed through a maximum contribution from Horizon 2020 of EUR 3194 million 3,3% of the <i>total budget</i> as set out in Annex II. A first allocation of EUR 1542 million shall be provided to the European Institute of Innovation and Technology for activities under Title XVII of the Treaty on the Functioning of the European Union. A second allocation of up to EUR 1652 million shall be provided, subject to the review set out in Article 26 (1). This additional amount shall be provided on a pro-rata basis, as indicated in Annex II, from the amount for the specific objective 'Leadership in enabling and industrial technologies' within the priority on industrial leadership set out in paragraph 2(b) and from the amount for the priority on societal challenges set out in 2(e).</p>	<p>3. The European Institute of Innovation and Technology EIT shall be financed through a maximum contribution from Horizon 2020 of [EUR 3194 million] as set out in Annex II. A first allocation of [EUR 1542 million] shall be provided to the European Institute of Innovation and Technology EIT for activities under Title XVII of the Treaty on the Functioning of the European Union: TFEU. A second allocation of up to [EUR 1652 million] shall may be provided, subject to a positive result of the review set out in Article 26 (1). This additional amount shall may be provided on a pro-rata basis, as indicated in Annex II, from the amount for the specific objective "Leadership in enabling and industrial technologies" within the priority on industrial leadership set out in paragraph 2(b) and from the amount for the priority on societal challenges set out in paragraph 2(c).</p>
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<p>This funding in two multiannual allocations shall cover:</p> <p>(a) in the first allocation, the ongoing developments of the current Knowledge and Innovation Communities (hereinafter KICs) and seed money for the launch of the second wave of three new KICs</p> <p>(b) in the second allocation, the ongoing developments of the KICs already launched and the seed money for the launch of the third wave of three new KICs</p>	<p>This funding in two multiannual allocations shall cover:</p> <p>(a) in the first allocation, the ongoing developments of the current Knowledge and Innovation Communities (hereinafter KICs) and seed money for the launch of the second wave of three new KICs</p> <p>(b) in the second allocation, the ongoing developments of the KICs already launched and the seed money for the launch of the third wave of three new KICs</p>	<p>This funding in two multiannual allocations shall cover be as follows:</p> <p>(a) in the first allocation, shall cover the ongoing developments of the current Knowledge and Innovation Communities (hereinafter KICs) and seed money for the launch of the second wave of three new KICs;</p> <p>(b) in the second allocation, may cover the ongoing developments of the KICs already launched and the seed money for the launch of the third wave of three new KICs.</p>	
<p>The second allocation shall be made available following the review set out in Article 26(1) taking into account in particular:</p> <p>(a) the agreed timing of the creation of the third wave of KICs;</p> <p>(b) the programmed financial needs of the existing ones according to their specific development;</p> <p>(c) the contribution of the European Institute of Innovation and Technology and its KICs to the Horizon 2020 objectives.</p>	<p>The second allocation shall be made available following the review set out in Article 26(1) taking into account in particular:</p> <p>(a) the agreed timing of the creation of the third wave of KICs;</p> <p>(b) the programmed financial needs of the existing ones according to their specific development;</p> <p>(c) the contribution of the European Institute of Innovation and Technology and its KICs to the Horizon 2020 objectives.</p>	<p>The second allocation shall may be made available following subject to the positive result of the review set out in Article 26(1) taking into account in particular:</p> <p>(a) the agreed timing of the creation of the third wave of new KICs;</p> <p><i>[no change]</i></p> <p>(c) the contribution of the European Institute of Innovation and Technology and its KICs to the Horizon 2020 objectives.</p>	

<p>4. The financial envelope of Horizon 2020 may cover expenses pertaining to preparatory, monitoring, control, audit and evaluation activities which are required for the management of Horizon 2020 and the achievement of its objectives, in particular studies and meetings of experts, as far as they are related to the objectives of Horizon 2020, expenses linked to information technology networks focusing on information processing and exchange, together with all other technical and administrative assistance expenses incurred by the Commission for the management of Horizon 2020.</p>	<p>4. The financial envelope of Horizon 2020 may cover expenses pertaining to preparatory, monitoring, control, audit and evaluation activities which are required for the management of Horizon 2020 and the achievement of its objectives, in particular studies and meetings of experts, as far as they are related to the objectives of Horizon 2020, expenses linked to information technology networks focusing on information processing and exchange, together with all other technical and administrative assistance expenses incurred by the Commission for the management of Horizon 2020.</p>	<p>[no change]</p>	
<p>Where necessary, appropriations may be entered in the budget beyond 2020 to cover technical and administrative assistance expenses, in order to enable the management of actions not yet completed by 31 December 2020.</p>	<p>Where necessary, appropriations may be entered in the budget beyond 2020 to cover technical and This Regulation shall not fund the Commission's administrative assistance expenses, in order to enable the management of actions not yet completed by 31 December 2020 expenditure to execute Horizon 2020, nor the construction nor the operation of large European infrastructural projects, such as Galileo, GMES or ITER.</p>	<p>Where necessary and duly justified, appropriations may be entered in the budget beyond 2020 to cover technical and administrative assistance expenses, in order to enable the management of actions not yet completed by 31 December 2020.</p>	

<p>5. In order to respond to unforeseen situations or new developments and needs, and to take into account the provisions of paragraph 3 of this article, the Commission may, following the interim evaluation of Horizon 2020 as referred to in Article 26(1)(a) of this Regulation, within the annual budgetary procedure review the amounts set out for the priorities in paragraph 2 and the indicative breakdown by specific objectives within these priorities set out in Annex II and transfer appropriations between the priorities and specific objectives up to 10 % of the total initial allocation of each priority and up to 10 % of the initial indicative breakdown of each specific objective. This does not concern the amount set out for the direct actions of the Joint Research Centre in paragraph 2 or the contribution to the European Institute of Innovation and Technology set out in paragraph 3.</p>	<p>5. In order to respond to unforeseen situations or new developments and needs, and to take into account the provisions of paragraph 3 of this article, <i>the evolving nature of science, technology and innovation</i> and to <i>adapt Horizon 2020 to new developments and needs as necessary</i>, the Commission may, <i>without prejudice to the annual budgetary procedure</i>, following the interim <i>evaluation of Horizon 2020 as referred to mid-term review set out</i> in Article 26(1) (b), (a) of this Regulation, within the annual budgetary procedure review the amounts set out for the priorities in paragraph 2 and the indicative <i>adopt delegated acts in accordance with Articles 26a to modify the</i> breakdown by specific objectives within these priorities set out in Annex II and transfer appropriations between the priorities and specific objectives <i>by</i> up to 15% of the total initial allocation of <i>for</i> each priority and up to 10% of the initial indicative breakdown of each <i>specific objective and, where relevant, the</i> specific objective. This does not concern the amount set out for the direct actions of the Joint Research Centre in paragraph 2 or the contribution to the European Institute of Innovation and Technology set out in paragraph 3. <i>in Annex I.</i></p>	<p>5. In order to respond to unforeseen situations or new developments and needs, and to take into account the provisions of paragraph 3 of this Article, the Commission may, following the interim evaluation of Horizon 2020 as referred to in Article 26(1)(a) of this Regulation, within the annual budgetary procedure review the amounts set out for the priorities in paragraph 2 and the indicative breakdown by specific objectives within these priorities set out in Annex II and transfer appropriations between the priorities and specific objectives up to 40 a maximum of 7.5% of the total initial allocation of each priority and up to 40 a maximum of 7.5% of the initial indicative breakdown of each specific objective. This does not concern the amount set out for the direct actions of the Joint Research Centre in paragraph 2 or the contribution to the European Institute of Innovation and Technology EIT set out in paragraph 3.</p>
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	<i>In modifying Annexes I and II, the Commission shall in particular take into account:</i>		
	<i>(a) the contribution of the different parts of Horizon 2020 to its objectives;</i>		
	<i>(b) the development of the key indicators for assessing results and impacts of the different parts of Horizon 2020 as specified in Annex II of the specific programme referred to in Article 8 of this Regulation;</i>		
	<i>(c) the envisaged future financial needs of the different parts and instruments of Horizon 2020.</i>		

COMMISSION PROPOSAL	EUROPEAN PARLIAMENT (UTRE VOTE 28.11.12)	COUNCIL (PGA ADOPTED ON 31.05.12)	COMPROMISE TEXT
Article 7 <i>Association of third countries</i>	Article 7 <i>Association of third countries</i>	Article 7 <i>Association of third countries</i>	
1. Horizon 2020 shall be open to the association of:	<i>[no change]</i>	<i>[no change]</i>	
(a). acceding countries, candidate countries and potential candidates, in accordance with the general principles and general terms and conditions for the participation of those countries in Union programmes established in the respective framework agreements and decisions of association councils or similar agreements;	<i>[no change]</i>	<i>[no change]</i>	
(b) selected third countries that fulfil all of the following criteria:	<u>AMD 57</u> (b) selected third countries that fulfil all of the following criteria:	<i>[no change]</i>	
(i) have a good capacity in science, technology and innovation;	<i>[no change]</i>	<i>[no change]</i>	
(ii) have a good track record of participation in Union research and innovation programmes;	<i>[no change]</i>	<i>[no change]</i>	

<p>(iii) have close economic and geographical links to the Union;</p>	<p>(iii) have close economic and geographical links to the Union or maintain special historical and cultural ties with Member States;</p>	<p>[no change]</p>	
<p>(iv) are European Free Trade Association (EFTA) members or countries or territories listed in the Annex to Regulation (EU) No XX/2012 of the European Parliament and the Council establishing a European Neighbourhood Instrument¹⁹.</p> <p>¹⁹ OJ L [], [], p. []</p>	<p>(iv) are European Free Trade Association (EFTA) members or countries or territories listed in the Annex to Regulation (EU) No XX/2012 of the European Parliament and the Council establishing a European Neighbourhood Instrument. The terms and conditions regarding the participation of the EFTA States that are party to the EEA Agreement shall be in accordance with the provisions of that Agreement.</p>	<p>[no change]</p>	
	<p>Horizon 2020 shall be open to participation by the overseas countries and territories referred to in Council Decision 2001/822/EC of 27 November 2001 on the association of the overseas countries and territories with the European Community ('Overseas Association Decision')¹ subject to the specific conditions laid down therein.</p> <p>¹ <u>OJ L 314, 30.11.2001, p. 1.</u></p>		

		(v) have fair and equitable treatment of Intellectual Property Rights.	
		(c) countries or territories associated to the Seventh Framework Programme.	
2. Specific terms and conditions regarding the participation of associated countries in Horizon 2020, including the financial contribution, based on the gross domestic product of the associated country shall be determined by international agreements between the Union and the associated countries.	<i>[no change]</i>	2. Specific terms and conditions regarding the participation of associated countries in Horizon 2020, including the financial contribution, based on the gross domestic product of the associated country shall be determined by international agreements between the Union and the associated countries.	

TITLE II: IMPLEMENTATION

CHAPTER I: IMPLEMENTATION, MANAGEMENT AND FORMS OF SUPPORT

COMMISSION PROPOSAL	EUROPEAN PARLIAMENT (ITRE VOTE 28.11.12)	COUNCIL (PGA ADOPTED ON 31.05.12)	COMPROMISE TEXT
<p>Article 8</p> <p><i>Implementation by means of a specific programme and the contribution to the European Institute of Innovation and Technology</i></p> <p>Horizon 2020 shall be implemented through a consolidated specific programme and a financial contribution to the European Institute of Innovation and Technology.</p>	<p>Article 8</p> <p><i>Implementation by means of a specific programme and the contribution to the European Institute of Innovation and Technology</i></p> <p>[no change]</p>	<p>Article 8</p> <p><i>Implementation by means of a specific programme and the contribution to the European Institute of Innovation and Technology</i></p> <p>Horizon 2020 shall be implemented through a consolidated specific programme and a financial contribution to the European Institute of Innovation and Technology. This programme shall specify the objectives and the detailed rules for implementation. Horizon 2020 shall also be implemented through a financial contribution to the EIT.</p>	
<p>The specific programme shall set out one Part for each of the three priorities set out in Article 5(2) and one Part for the non-nuclear direct actions of the Joint Research Centre.</p>	<p>[no change]</p>	<p>[no change]</p>	

COMMISSION PROPOSAL	EUROPEAN PARLIAMENT (UTRE VOTE 28.11.12)	COUNCIL (PGA ADOPTED ON 31.05.12)	COMPROMISE TEXT
	<p><u>AMD 58</u> <i>Effective coordination between the three main pillars of Horizon 2020 shall be ensured.</i></p>	<p>Effective coordination between the three main priorities of Horizon 2020 shall be required.</p>	
<p>Article 9 <i>Management</i></p> <p>1. Horizon 2020 shall be implemented by the Commission in accordance with Regulation (EU) No XXXX/2012 [New Financial Regulation].</p>	<p>Article 9 <i>Management</i></p> <p>[no change]</p>	<p>Article 9 <i>Management</i></p> <p>[no change]</p>	
<p>2. The Commission may also entrust part of the implementation of Horizon 2020 to the funding bodies referred to in Article [55(1)(b)] of Regulation (EU) No XXXX/2012 [New Financial Regulation].</p>	<p>[no change]</p>	<p>[no change]</p>	

COMMISSION PROPOSAL	EUROPEAN PARLIAMENT (ITRE VOTE 28.11.12)	COUNCIL (PGA ADOPTED ON 31.05.12)	COMPROMISE TEXT
<p>Article 10 <i>Forms of Union support</i></p> <p>1. Horizon 2020 shall support indirect actions through one or several of the forms of funding provided for by Regulation (EU) No XX/2012 [New Financial Regulation] in particular grants, prizes, procurement and financial instruments.</p>	<p>Article 10 <i>Forms of Union support</i></p> <p>AMD 59 1. Horizon 2020 shall support indirect actions through one or several of the forms of funding provided for by Regulation (EU, Euratom) No 966/2012 in particular grants, prizes, procurement and financial instruments. The latter shall be the predominant form of funding for activities close to market, supported under Horizon 2020.</p> <p>[no change]</p>	<p>Article 10 <i>Forms of Union support</i></p> <p>1. Horizon 2020 shall support indirect actions through one or several of the forms of funding provided for by Regulation (EU) No XX/2012 [New Financial Regulation], in particular grants, prizes, procurement and financial instruments.</p>	
<p>2. Horizon 2020 shall also support direct actions undertaken by the Joint Research Centre.</p> <p>3. Where the Joint Research Centre direct actions contribute to initiatives established under Article 185 or Article 187 TFEU, this contribution shall not be considered as part of the financial contribution allocated to these initiatives.</p>	<p>[no change]</p> <p>[no change]</p>	<p>[no change]</p> <p>3. Where the Joint Research Centre direct actions undertaken by the Joint Research Centre contribute to initiatives established under Article 185 or Article 187 TFEU, this contribution shall not be considered as part of the financial contribution allocated to these initiatives.</p>	

COMMISSION PROPOSAL	EUROPEAN PARLIAMENT (UTRE VOTE 28.11.12)	COUNCIL (PGA ADOPTED ON 31.05.12)	COMPROMISE TEXT
<p>Article 11 <i>Rules for participation and dissemination of results</i></p> <p>The rules for participation and dissemination of results laid down in Regulation (EU) No XX/2012 [Rules for participation and dissemination] shall apply to indirect actions.</p>	<p>Article 11 <i>Rules for participation and dissemination of results</i></p> <p>[no change]</p>	<p>Article 11 <i>Rules for participation and dissemination of results</i></p> <p>[no change]</p>	
	<p><u>AMD 60</u> <i>Article 11a (new)</i> <i>Strategic Advice and Coordination</i></p> <p><i>Strategic advice and coordination of research and innovation aiming at common objectives and requiring synergies across Horizon 2020 shall be pursued.</i></p>		

CHAPTER II: PROGRAMMING

SECTION I: GENERAL PRINCIPLES

COMMISSION PROPOSAL	EUROPEAN PARLIAMENT (ITRE VOTE 28.11.12)	COUNCIL (PGA ADOPTED ON 31.05.12)	COMPROMISE TEXT
<p>Article 12 <i>External advice and societal engagement</i></p> <p>1. For the implementation of Horizon 2020, account shall be taken of advice and inputs provided by: advisory groups of independent, high level experts set up by the Commission; dialogue structures created under international science and technology agreements; forward looking activities; targeted public consultations; and transparent and interactive processes that ensure responsible research and innovation is supported.</p>	<p>Article 12 <i>External advice and societal engagement</i></p> <p>AMD 61 1. For the implementation of Horizon 2020, account shall be taken of advice and inputs provided by: advisory groups of independent, high level experts set up by the Commission, from a wide variety of sectors, disciplines and backgrounds, and in which input from civil society organisations is included; dialogue structures created under international science and technology agreements; targeted forward looking activities; targeted public consultations; and transparent and interactive processes that ensure responsible research and innovation is supported through a streamlined set of measures that avoids duplication and overlapping of funding structures.</p>	<p>Article 12 <i>External advice and societal engagement</i></p> <p>1. For the implementation of Horizon 2020, account shall be taken of advice and inputs provided by: advisory groups of independent, high level experts set up by the Commission; dialogue structures created under international science and technology agreements; forward looking activities; targeted public consultations (including, where appropriate, national and regional authorities or stakeholders); and transparent and interactive processes that ensure responsible research and innovation is supported.</p>	

		<p>Advice on the identification and design of strategic priorities by the European Research Area Committee (ERAC), other ERA-related Groups and the Enterprise Policy Group (EPG) shall, where appropriate, also be taken into consideration.</p>	
	<p><i>1a. In drawing up the work programmes stipulated in Article 5 of Council Decision No XX/XX/EU of ... [Specific Programme H2020], the Commission shall take account of the widest advice and input provided by the stakeholders, the Member States, the European Parliament and the Council. The Committee responsible in the European Parliament may invite representatives of the Commission to present to the Committee the draft work programmes.</i></p>		
<p>2. Full account shall also be taken of relevant aspects of the research and innovation agendas established by European Technology Platforms, Joint Programming Initiatives and European Innovation Partnerships.</p>	<p>AMD 62 2. Full account shall also be taken of relevant aspects of the research and innovation agendas established by <i>the EIT and the KICs</i>, European Technology Platforms, Joint Programming Initiatives and, European Innovation Partnerships, <i>and European international research organisations, provided those agendas have been drafted in consultation with a wide range of experts and stakeholders.</i></p>	<p>2. Full account shall also be taken of relevant aspects of the research and innovation agendas established by, inter alia, European Technology Platforms; Joint Programming Initiatives and European Innovation Partnerships.</p>	

COMMISSION PROPOSAL	EUROPEAN PARLIAMENT (UTRE VOTE 28.11.12)	COUNCIL (PGA ADOPTED ON 31.05.12)	COMPROMISE TEXT
		<p>Article 12a</p> <p><u>Synergies with national programmes and joint programming</u></p> <p>1. For the implementation of Horizon 2020, account shall be taken of the need to build appropriate synergies and complementarities between national and European research and innovation programmes, in particular in areas where coordination efforts are made through the Joint Programming Initiatives.</p>	
		<p>2. Union support to Joint Programming Initiatives may be considered through the instruments referred to in Article 20, subject to the conditions and criteria laid down for such instruments.</p>	

COMMISSION PROPOSAL	EUROPEAN PARLIAMENT (UTRE VOTE 28.11.12)	COUNCIL (PGA ADOPTED ON 31.05.12)	COMPROMISE TEXT
<p>Article 13 <i>Cross-cutting actions</i></p> <p>1. Linkages and interfaces shall be implemented across and within the priorities of Horizon 2020. Particular attention shall be paid in this respect to the development and application of key enabling and industrial technologies, to bridging from discovery to market application, to cross-disciplinary research and innovation, to social and economic sciences and humanities, to fostering the functioning and achievement of the ERA,</p>	<p>Article 13 <i>Cross-cutting actions</i></p> <p>AMD 63</p> <p>1. Linkages and interfaces shall be implemented across and within the priorities of Horizon 2020. Particular attention shall be paid in this respect to the development and application of key enabling and industrial technologies, to bridging from discovery to market application, to cross-disciplinary multi-, cross-, trans- and interdisciplinary research and innovation, to social and economic sciences and humanities, to climate change and sustainable development, to fostering the functioning and achievement of the ERA,</p>	<p>Article 13 <i>Cross-cutting actions issues</i></p> <p>1. Linkages and interfaces shall be implemented across and within the priorities of Horizon 2020. Particular attention shall be paid in this respect to the development and application of key enabling and industrial technologies areas relating to bridging from discovery to market application, to cross-disciplinary research and innovation; to social and economic sciences and humanities; to climate change and sustainable development; to fostering the functioning and achievement of the ERA;</p>	

<p>to cooperation with third countries, to responsible research and innovation including gender, and to enhancing the attractiveness of the research profession and to facilitating cross-border and cross-sector mobility of researchers.</p>	<p><i>to widening participation across the Union and closing the research and innovation divide in Europe, to broader private sector participation, to involving SMEs, to cooperation with third countries, to responsible research and innovation, including the gender perspective in projects, to a more inclusive governance of research, and to enhancing the attractiveness of the research profession and to facilitating cross-border and cross-sector mobility of researchers.</i></p>	<p>and of the Innovation Union; to framework conditions in support of the Innovation Union; to contributing to the Digital Agenda; to widening participation across the EU in research and innovation; to international networks for excellent researchers and innovators such as COST; to cooperation with third countries; to responsible research and innovation including gender; and; to SME involvement in research and innovation and the broader private sector participation; to enhancing the attractiveness of the research profession and to facilitating cross-border and cross-sector mobility of researchers.</p>	
<p>2. Where an indirect action is supported which is of high relevance to several of the priorities set out in Article 5(2) or to several specific objectives within those priorities, the financial amount for that action may be combined from the amounts allocated to respectively each priority or specific objective concerned.</p>	<p><i>[no change]</i></p>	<p>Particular attention shall also be paid to the cross-sectoral dimension of some research and innovation areas of Horizon 2020, such as the development and application of key enabling and industrial technologies as well as future and emerging technologies.</p> <p><i>[no change]</i></p>	

COMMISSION PROPOSAL	EUROPEAN PARLIAMENT (UTRE VOTE 28.11.12)	COUNCIL (PGA ADOPTED ON 31.05.12)	COMPROMISE TEXT
<p>Article 14 <i>Evolving nature of science, technology, innovation, markets and society</i></p> <p>Horizon 2020 shall be implemented in a manner ensuring that the priorities and actions supported are relevant to changing needs and take account of the evolving nature of science, technology, innovation, markets and society, where innovation includes business, organisational and social aspects.</p>	<p>Article 14 <i>Evolving nature of science, technology, innovation, markets and society</i></p> <p>AMD 64 Horizon 2020 shall be implemented in a manner ensuring that the priorities and actions supported are relevant to changing needs and take account of the evolving nature of science, technology, innovation, markets <i>economies</i> and society <i>in a globalised world</i>, where innovation includes business, organisational and, <i>technological</i>, social <i>and environmental</i> aspects <i>as well as transfer of science results to all levels of education and training</i>.</p>	<p>Article 14 <i>Evolving nature of science, technology, innovation, markets economies and society</i></p> <p>Horizon 2020 shall be implemented in a manner ensuring that the priorities and actions supported are relevant to changing needs and take account of the evolving nature of science, technology, innovation, markets economies and society, where innovation includes business, organisational and social societal aspects. Proposal for changes to the priorities and actions under Horizon 2020 will take into account the external advice from groups referred to in Article 12 as well as the recommendations from the interim evaluation referred to in Article 26.</p>	

COMMISSION PROPOSAL	EUROPEAN PARLIAMENT (ITRE VOTE 28.11.12)	COUNCIL (PGA ADOPTED ON 31.05.12)	COMPROMISE TEXT
<p>Article 15 Gender equality</p> <p>Horizon 2020 shall ensure the effective promotion of gender equality and the gender dimension in research and innovation content.</p>	<p>Article 15 Gender equality</p> <p>AMD 65 Horizon 2020 shall ensure the effective promotion of gender equality and the gender dimension in research and innovation content. Particular attention shall be paid to ensuring gender balance in bodies such as selection boards, advisory groups, committees and expert groups.</p> <p>AMD 66 Horizon 2020 shall ensure that the gender dimension is properly considered in research and innovation content at all stages of the process, from priority setting, to definition of calls and proposals, to evaluation and monitoring of programs and projects, to negotiations and agreements.</p> <p>AMD 67 In order to promote gender equality, specific measures shall be implemented to assist those who take a career break to return to work.</p>	<p>Article 15 Gender equality</p> <p><i>[no change]</i></p>	

COMMISSION PROPOSAL	EUROPEAN PARLIAMENT (ITRE VOTE 28.11.12)	COUNCIL (PGA ADOPTED ON 31.05.12)	COMPROMISE TEXT
	<p><i>Article 15b Researchers' careers</i></p> <p>AMD 69 <i>Fostering human resources for science, technology and innovation across Europe shall be a priority in Horizon 2020. Horizon 2020 shall be implemented in accordance with Regulation (EU) No xx/2013 [Rules for Participation], which shall contribute to the reinforcement of a single market for researchers and attractiveness of researchers' careers across the Union in the context of the European Research Area, by taking into account the transnational character of the actions supported under it.</i></p>	<p>Article 15a Researchers' careers</p> <p>Horizon 2020 shall be implemented in accordance with the Regulation (EU) No xx/2013 [Rules for Participation], which shall contribute to the reinforcement of a single market for researchers and attractiveness of researchers' careers across the Union in the context of the European Research Area, by taking into account the transnational character of the majority of the actions supported under it.</p>	
	<p><i>Article 15a Non-discrimination</i></p> <p>AMD 68 <i>Horizon 2020 shall ensure the effective promotion of equal treatment and non-discrimination and properly consider that aspect in research and innovation content at all stages of the process.</i></p>		

COMMISSION PROPOSAL	EUROPEAN PARLIAMENT (ITRE VOTE 28.11.12)	COUNCIL (PGA ADOPTED ON 31.05.12)	COMPROMISE TEXT
	<p><u>AMD 70</u></p> <p><i>Article 15c</i> <i>Open Access</i></p>		
	<p><i>1. Where a decision to publish is taken, open access to scientific publications resulting from publicly funded research under Horizon 2020 shall be mandatory.</i></p> <p><i>2. Open access to scientific data resulting from publicly funded research under Horizon 2020 shall be promoted, taking into account constraints pertaining to privacy, national security and intellectual property rights.</i></p>		
	<p><i>3. The Commission shall evaluate, before the end of the financing period of Horizon 2020, the impact of the practice of open access to data on the circulation of scientific knowledge and the acceleration of innovation. This shall be done with a view to defining the further policy on open access and its implementation in the next Union research framework programme.</i></p>		

COMMISSION PROPOSAL	EUROPEAN PARLIAMENT (UTRE VOTE 28.11.12)	COUNCIL (PGA ADOPTED ON 31.05.12)	COMPROMISE TEXT
<p>Article 16 <i>Ethical principles</i></p> <p>1. All the research and innovation activities carried out under Horizon 2020 shall comply with ethical principles and relevant national, Union and international legislation, including the Charter of Fundamental Rights of the European Union and the European Convention on Human Rights and its Supplementary Protocols.</p>	<p>Article 16 <i>Ethical principles</i></p> <p>AMD 71 1. All the research and innovation activities carried out under Horizon 2020 shall comply with ethical principles and relevant national, Union and international legislation, including the Charter of Fundamental Rights of the European Union and the European Convention on Human Rights and its Supplementary Protocols. <i>The opinions of the European Group on Ethics in Science and New Technologies shall be taken into account.</i></p>	<p>Article 16 <i>Ethical principles</i></p> <p><i>[no change]</i></p>	
<p>Particular attention shall be paid to the principle of proportionality, the right to privacy, the right to the protection of personal data, the right to the physical and mental integrity of a person, the right to non-discrimination and the need to ensure high levels of human health protection.</p>	<p><i>[no change]</i></p>	<p><i>[no change]</i></p>	

2. Research and innovation activities carried out under Horizon 2020 shall have an exclusive focus on civil applications.	<i>[no change]</i>	<i>[no change]</i>	<i>[no change]</i>
3. The following fields of research shall not be financed:	<i>[no change]</i>	<i>[no change]</i>	<i>[no change]</i>
(a) research activity aiming at human cloning for reproductive purposes;	<i>[no change]</i>	<i>[no change]</i>	<i>[no change]</i>
(b) research activity intended to modify the genetic heritage of human beings which could make such changes heritable;	<i>[no change]</i>	(b) research activity intended to modify the genetic heritage of human beings which could make such changes heritable ³	
(c) research activities intended to create human embryos solely for the purpose of research or for the purpose of stem cell procurement, including by means of somatic cell nuclear transfer.	AMD 72 (c) research activities intended to create human embryos solely for the purpose of research or for the purpose of stem cell procurement, including by means of somatic cell nuclear transfer.	<i>[no change]</i>	<i>[no change]</i>
4. Research on human stem cells, both adult and embryonic, may be financed, depending both on the contents of the scientific proposal and the legal framework of the Member States involved. No funding shall be granted for research activities that are prohibited in all the Member States. No activity shall be funded in a Member State where such activity is forbidden.	<i>[no change]</i>	<i>[no change]</i>	<i>[no change]</i>

³ **Research relating to cancer treatment of the gonads can be financed.**

COMMISSION PROPOSAL	EUROPEAN PARLIAMENT (ITRE VOTE 28.11.12)	COUNCIL (PGA ADOPTED ON 31.05.12)	COMPROMISE TEXT
<p>5. The fields of research set out in paragraph 3 may be reviewed within the context of the interim evaluation set out in Article 26(1) in the light of scientific advances.</p>	<p>[no change]</p>	<p>[no change]</p>	
<p>Article 17 <i>Complementarity with other Union programmes</i></p>	<p>Article 17 <i>Complementarity with other Union programmes</i></p>	<p>Article 17 <i>Complementarity with other Union programmes</i></p>	
<p>AMD 73 Horizon 2020 shall be implemented in a way which is complementary to other Union funding programmes, including the Structural Funds.</p>	<p>Horizon 2020 shall be implemented in a way which is complementary to other Union funding programmes, including the Structural Funds.</p>	<p>Horizon 2020 shall be implemented in a way which is complementary to other Union funding programmes and policies, including the Structural Funds, the Common Agricultural Policy, the Programme for the Competitiveness of Enterprises and SMEs (COSME), Erasmus for all and Life+.</p>	

COMMISSION PROPOSAL	EUROPEAN PARLIAMENT (ITRE VOTE 28.11.12)	COUNCIL (PGA ADOPTED ON 31.05.12)	COMPROMISE TEXT
	<p><u>AMD 74</u> <i>Article 17a</i> <i>Synergies with the Structural Funds</i> <i>Horizon 2020 shall contribute to the closing of the research and innovation divide within the Union by enabling synergies with the Structural Funds in support of research and innovation through the implementation of complementary measures in a coordinated way. Where possible, the interoperability between Horizon 2020 and the Structural Funds shall be promoted and cumulative or combined funding shall be encouraged.</i></p>		

SECTION II: SPECIFIC FIELDS OF ACTIONS

COMMISSION PROPOSAL	EUROPEAN PARLIAMENT (ITRE VOTE 28.11.12)	COUNCIL (PGA ADOPTED ON 31.05.12)	COMPROMISE TEXT
<p>Article 18 <i>Small and medium-sized enterprises</i></p> <p>1. Particular attention shall be paid to ensuring the adequate participation of, and innovation impact on, small and medium-sized enterprises (SME) in Horizon 2020. Quantitative and qualitative assessments of SME participation shall be undertaken as part of the evaluation and monitoring arrangements.</p>	<p>Article 18 <i>Small and medium-sized enterprises</i></p> <p>AMD 75</p> <p>1. Particular attention shall be paid to ensuring the adequate increased participation of, and research and innovation impact on, small and medium-sized enterprises (SME) ## throughout the implementation of Horizon 2020. Quantitative and qualitative assessments of SME participation shall be undertaken as part of the evaluation and monitoring arrangements.</p>	<p>Article 18 <i>Small and medium-sized enterprises</i></p> <p>1. Particular attention shall be paid to ensuring the adequate participation of, and innovation impact on, small and medium-sized enterprises (SME)s) as well as private sector in general in Horizon 2020. Quantitative and qualitative assessments of SME participation shall be undertaken as part of the evaluation and monitoring arrangements.</p>	

<p>2. Specific actions shall be undertaken within the specific objective "Leadership in enabling and industrial technologies" set out in Point 1 of Part II of Annex I and each of the specific objectives under the priority "Societal challenges" set out in Points 1 to 6 of Part III of Annex I. These specific actions shall take the form of a dedicated SME instrument that is targeted at all types of SMEs with an innovation potential and shall be implemented in a consistent manner and tailored to the needs of SMEs as set out under the specific objective "Innovation in SMEs" in Point 3.3.(a) of Part II of Annex I.</p>	<p>AMD 76</p> <p>2. Specific actions <i>for SMEs</i> shall be undertaken within <i>to ensure that SMEs are integrated within the whole value chain and get access to all opportunities in Horizon 2020. Such actions include those set out under point 3.3 of part II of Annex I. These specific actions shall take the form of a dedicated SME instrument that is targeted at all types of SMEs with an innovation potential and shall be implemented in a consistent manner and tailored to the needs of SMEs as set out under the specific objective "Innovation in SMEs" in Point 3.3.(a) of Part II of Annex I.</i></p> <p><i>A dedicated SME instrument targeted at all types of SMEs with an innovation potential shall be created under a single management body and shall be implemented primarily in a bottom-up manner as set out under the specific objective "Innovation in SMEs" in Point 3.3.(a) of part II of Annex I. This instrument shall thematically relate to the specific objective "Leadership in enabling and industrial technologies" set out in Point 1 of Part II of Annex I and each of the specific objectives under the priority "Societal challenges" set out in Points 1 to 6 of Part III of Annex I.</i></p>	<p>2. Specific Further to the establishment of better conditions for SMEs to participate in Horizon 2020, specific actions shall be undertaken within the specific objective "Leadership in enabling and industrial technologies" set out in Point 1 of Part II of Annex I and each of the specific objectives under the priority "Societal challenges" set out in Points 1 to 6 of Part III of Annex I. These specific actions shall take the form of a dedicated SME instrument that is targeted at all types of SMEs with an innovation potential, in a broad sense, and shall be implemented in a consistent manner and tailored to the needs of SMEs as set out under the specific objective "Innovation in SMEs" in Point 3.3.(a) of Part II of Annex I.</p>
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<p>3. The integrated approach set out in paragraphs 1 and 2 is expected to lead to around 15% of the total combined budget for the specific objective on "Leadership in enabling and industrial technologies" and the priority "Societal challenges" going to SMEs.</p>	<p>AMD 77 3. The integrated approach set out in paragraphs 1 and 2 is expected to lead to around 15% and the <i>simplification of the application procedures should reach at least 20%</i> of the total combined budget for the specific objective on "Leadership in enabling and industrial technologies" and the priority "Societal challenges" going to SMEs.</p>	<p>3. The integrated approach set out in paragraphs 1 and 2 is expected to lead to around 15% should lead to around 15 a minimum of 20% of the total combined budget for the specific objective on "Leadership in enabling and industrial technologies" and the priority "Societal challenges" going to SMEs.</p>	
	<p><i>3a. In accordance with paragraphs 1 and 3, the Commission shall carry out evaluations and record the rate of participation by SMEs in the research programmes. Should the target rate of 20% not be achieved, the Commission shall examine the reasons for this situation and shall propose, without delay, new measures for achieving the target.</i></p>		
	<p><i>3b. Particular attention shall also be paid to the adequate participation and representation of SMEs in the governing structures of the ERA and in particular of public-private partnerships.</i></p>		

COMMISSION PROPOSAL	EUROPEAN PARLIAMENT (ITRE VOTE 28.11.12)	COUNCIL (PGA ADOPTED ON 31.05.12)	COMPROMISE TEXT
		<p>Article 18a <u>Collaborative projects and partnership programmes</u> Horizon 2020 should be implemented primarily through transnational collaborative projects, delivered through calls for proposals in the Horizon 2020 Annual Work Programmes. These projects will be complemented by public-private and public-public partnerships. The partnerships will be designed with the involvement of Member States and shall develop principles for their internal management.</p>	
	<p><u>AMD 78</u> <i>Article 18a</i> <i>Fast Track to Innovation</i> <i>1. To accelerate the commercialisation and diffusion of innovation, a significant amount of the Union funding within the specific objective 'Leadership in enabling and industrial technologies' and in each of the 'Societal challenges' in Part III of Annex I shall be set aside for the 'Fast Track to Innovation'.</i></p>		

	<p><i>2. The 'Fast track to innovation' is an instrument following a bottom-up-driven logic that will speed up time from idea to market significantly and is expected to increase industry participation in Horizon 2020 as well as the participation of SMEs and first-time applicants from the public and non-profit research sector. Thereby it shall stimulate private sector R&D&I investment, promote research and innovation with a focus on value creation and accelerate the maturing of new technologies into innovative products being in demand, which will underpin future businesses and economic growth and employment.</i></p>		
	<p><i>3. Activities shall cover the whole innovation cycle, but shall focus on innovation-related activities, experimental and pre-commercial development, comprising the development stages from technology demonstration up to market uptake, including piloting, demonstration, test-beds, pre-normative research and standard setting, and market uptake of innovations.</i></p>		

	<p>4. The 'Fast track to innovation' shall be implemented as a visible funding instrument presenting a simple and fast entry into applied collaborative research, following a special selection process as set out in Regulation (EU) No xxx/2012 [Rules for Participation and Dissemination].</p>		
	<p>5. While synergies between the 'Fast Track to Innovation' and the dedicated SME instrument shall be taking into account, the two instruments shall be implemented in parallel as two separate procedures, taking due account of the respective targeted participant groups, and without affecting the budget that has been ringfenced for the SME instrument.</p>		

COMMISSION PROPOSAL	EUROPEAN PARLIAMENT (ITRE VOTE 28.11.12)	COUNCIL (PGA ADOPTED ON 31.05.12)	COMPROMISE TEXT
<p>Article 19 <i>Public-private partnerships</i></p> <p>1. Horizon 2020 may be implemented through public-private partnerships where all the partners concerned commit to support the development and implementation of research and innovation activities of strategic importance to the Union's competitiveness and industrial leadership or to address specific societal challenges.</p>	<p>Article 19 <i>Public-private partnerships</i></p> <p>AMD 79</p> <p>1. Horizon 2020 may be implemented through public-private partnerships where all the partners concerned commit to support the development and implementation of <i>pre-competitive</i> research and innovation activities of strategic importance to the Union's competitiveness and industrial leadership or to address specific societal challenges. <i>Excellence shall be key in selecting the participants.</i></p>	<p>Article 19 <i>Public-private partnerships</i></p> <p>1. Horizon 2020 may be implemented through public-private partnerships where all the partners concerned commit to support the development and implementation of research and innovation activities of strategic importance to the Union's competitiveness and industrial leadership or to address specific societal challenges. Public-private partnerships shall be implemented in such a way that they do not impede the full participation of the best European players.</p>	
<p>2. Involvement of the Union in those partnerships may take one of the following forms:</p>	<p>[no change]</p>	<p>2. Involvement of the Union in those partnerships shall make use of the pre-existing and lean governance structures and may take one of the following forms:</p>	

<p>(a) financial contributions from the Union to joint undertakings established on the basis of Article 187 TFEU under the Seventh Framework Programme, subject to the amendment of their basic acts; to new public-private partnerships set up on the basis of Article 187 TFEU; and to other funding bodies referred to in Article [55(1)(b)(v) or (vii)] of Regulation (EU) No XX/2012 [New Financial Regulation]. This form of partnerships shall only be implemented where the scope of the objectives pursued and the scale of the resources required justify it;</p>	<p>(a) financial contributions from the Union to joint undertakings established on the basis of Article 187 TFEU under the Seventh Framework Programme, subject to the amendment of their basic acts taking full account of the results of the cost benefit analysis to be conducted under the foreseen impact assessment of this instrument; to new public-private partnerships set up on the basis of Article 187 TFEU; and to other funding bodies referred to in Article [55(1)(b)(v) or (vii)] of Regulation (EU, Euratom) No 966/2012. This form of partnerships shall only be implemented where the scope of the objectives pursued, the consistency with existing Union policy objectives and the scale of the resources required justify it and where other forms of partnerships will not fulfil the necessary leverage;</p>	<p>(a) financial contributions from the Union to joint undertakings established on the basis of pursuant to Article 187 TFEU under the Seventh Framework Programme, subject to the amendment of their basic acts; to new public-private partnerships set up on the basis of established pursuant to Article 187 TFEU; and to other funding bodies referred to in Article [55(1)(b)(v) or (vii)] of Regulation (EU) No XX/2012 [New Financial Regulation]. This form of partnerships shall only be implemented where the scope of the objectives pursued and the scale of the resources required justify it;</p>	
<p>(b) entering a contractual agreement between the partners referred to in paragraph 1, which specifies the objectives of the partnership, respective commitments of the partners, key performance indicators, and outputs to be delivered including the identification of research and innovation activities that require support from Horizon 2020.</p>	<p>[no change]</p>	<p>[no change]</p>	

		<p>The public-private partnerships shall make public funds accessible through transparent processes and mainly through competitive calls, with rules for participation in compliance with those of Horizon 2020. Exceptions to the use of competitive calls should be duly justified.</p>	
<p>3. Public-private partnerships shall be identified in an open and transparent way based on all of the following criteria:</p>	<p>3. Public-private partnerships shall be identified in an open and transparent way based on all of the following criteria: and implemented on the criteria of openness, transparency, effectiveness and efficiency as well as the fulfilment of the criterion set out in Article X of Regulation (EU) No xxx/2012 [Rules for participation].</p>	<p>[no change]</p>	
<p>(a) the added value of action at Union level;</p>	<p>(a) the added value of action at Union level;</p>	<p>[no change]</p>	
<p>(b) the scale of impact on industrial competitiveness, sustainable growth and socio-economic issues;</p>	<p>(b) the scale of impact on industrial competitiveness, sustainable growth and socio-economic issues;</p>	<p>(b) the scale of impact on industrial competitiveness, job creation, sustainable growth and socio-economic issues; including societal challenges;</p>	
<p>(c) the long-term commitment from all partners based on a shared vision and clearly defined objectives;</p>	<p>(c) the long-term commitment from all partners based on a shared vision and clearly defined objectives;</p>	<p>[no change]</p>	
<p>(d) the scale of the resources involved and the ability to leverage additional investments in research and innovation;</p>	<p>(d) the scale of the resources involved and the ability to leverage additional investments in research and innovation;</p>	<p>[no change]</p>	

COMMISSION PROPOSAL	EUROPEAN PARLIAMENT (ITRE VOTE 28.11.12)	COUNCIL (PGA ADOPTED ON 31.05.12)	COMPROMISE TEXT
(e) a clear definition of roles for each of the partners and agreed key performance indicators over the period chosen.	(e) a clear definition of roles for each of the partners and agreed key performance indicators over the period chosen.	<i>[no change]</i>	
		Where appropriate, complementarity to priorities, activities and involvement of Member States shall be ensured in public-private partnerships.	
	<i>3a. The research priorities covered by public-private partnerships shall also be funded through the work programmes in regular calls for proposal.</i>		
Article 20 Public-public partnerships	Article 20 Public-public partnerships	Article 20 Public-public partnerships	
1. Horizon 2020 shall contribute to the strengthening of public-public partnerships where actions at regional, national or international level are jointly implemented within the Union.	<i>[no change]</i>	1. Horizon 2020 shall contribute to the strengthening of public-public partnerships, as and when appropriate , where actions at regional, national or international level are jointly implemented within the Union.	

<p>Particular attention shall be paid to joint programming initiatives between Member States.</p>	<p>AMD 80 Particular attention shall be paid to joint programming initiatives between Member States, and such initiatives may include regions and cities where relevant. The financial contribution of the Union shall be of a limited nature and shall always be conditional on the demonstration of transparency, large participation of Member States, the existence of a Union added value and the additionality of the resources. Top-up funding will be restricted to initiatives permanently open to participation from all Member States.</p>	<p><i>[no change]</i></p>	
<p>2. Public-public partnerships may be supported either within, or across, the priorities set out in Article 5(2), in particular through:</p>	<p><i>[no change]</i></p>	<p><i>[no change]</i></p>	
<p>(a) an ERA-NET instrument using grants to support public-public partnerships in their preparation, establishment of networking structures, design, implementation and coordination of joint activities as well as topping up of individual joint calls and of actions of a transnational nature;</p>	<p><i>[no change]</i></p>	<p>(a) an ERA-NET instrument using grants to support public-public partnerships in their preparation, establishment of networking structures, design, implementation and coordination of joint activities as well as Union topping up of individual no more than one joint calls call a year and of actions of a transnational nature;</p>	

<p>(b) Union participation in programmes undertaken by several Member States in accordance with Article 185 TFEU</p>	<p>(b) Union participation in programmes undertaken by several Member States in accordance with Article 185 TFEU, with participation of regional authorities where relevant.</p>	<p>(b) Union participation in programmes undertaken by several Member States in accordance with Article 185 TFEU where it is justified by the scope of objectives pursued and the scale of resources required.</p>	
<p>For the purposes of point (a), top-up funding shall be conditional on a significant level of prior financial commitments of the participating entities to the joint calls and actions. The ERA-NET instrument may include an objective to harmonise rules and implementation modalities of the joint calls and actions. It may also be used in order to prepare for an initiative pursuant to Article 185 TFEU.</p>	<p>For the purposes of point (a), top-up funding shall be conditional on a significant level of prior financial commitments of the participating entities to the joint calls and actions. The ERA-NET instrument may include an objective to harmonise rules and implementation modalities of the joint calls and actions. It may also be used in order to prepare for an initiative pursuant to Article 185 TFEU.</p>	<p>For the purposes of point (a), top-up funding shall be conditional on a significant level of prior indicative financial commitments in cash or in kind of the participating entities to the joint calls and actions. The ERA-NET instrument may include, where possible, an objective to harmonise rules and implementation modalities of the joint calls and actions. It may also be used in order to prepare for an initiative pursuant to Article 185 TFEU.</p>	

<p>For the purposes of point (b) such initiatives shall only be proposed in cases where there is a need for a dedicated implementation structure and where there is a high level of commitment of the participating countries to integration at scientific, management and financial levels. In addition, proposals for initiatives referred to in point (b) shall be identified on the basis of all of the following criteria:</p>	<p>For the purposes of point (b) such initiatives shall only be proposed in cases where there is a need for a dedicated implementation structure and where there is a high level of commitment of the participating countries to integration at scientific, management and financial levels. In addition, proposals for initiatives referred to in point (b) shall be identified on the basis of all of the following criteria:</p>	<p><i>[no change]</i></p>	
<p>(a) a clear definition of the objective to be pursued and its relevance to the objectives of Horizon 2020 and broader Union policy objectives;</p>	<p>(a) a clear definition of the objective to be pursued and its relevance to the objectives of Horizon 2020 and broader Union policy objectives;</p>	<p><i>[no change]</i></p>	
<p>(b) clear financial commitments of the participating countries, including prior commitments to pool national and/or regional investments for transnational research and innovation;</p>	<p>(b) clear financial commitments of the participating countries, including prior commitments to pool national and/or regional investments for transnational research and innovation;</p>	<p>(b) clear indicative financial commitments of the participating countries, in cash or in kind including prior commitments to pool align national and/or regional investments for transnational research and innovation; and, where appropriate, to pool resources;</p>	

(c) the added value of action at Union level;	(e) the added value of action at Union level;	<i>[no change]</i>	
(d) the critical mass, with regard to the size and the number of programmes involved, the similarity of activities and the share of relevant research they cover;	(d) the critical mass, with regard to the size and the number of programmes involved, the similarity of activities and the share of relevant research they cover;	(d) the critical mass, with regard to the size and the number of programmes involved, the similarity or complementarities of activities and the share of relevant research they cover;	
(e) the efficiency of Article 185 TFEU as the most appropriate means for achieving the objectives	(e) the efficiency of Article 185 TFEU as the most appropriate means for achieving the objectives	<i>[no change]</i>	

COMMISSION PROPOSAL	EUROPEAN PARLIAMENT (ITRE VOTE 28.11.12)	COUNCIL (PGA ADOPTED ON 31.05.12)	COMPROMISE TEXT
<p>Article 21 <i>International cooperation with third countries and international organisations</i></p> <p>1. Entities established in third countries and international organisations shall be eligible to participate in indirect actions of Horizon 2020 under the conditions set out in Regulation (EU) XX/XX [Rules for Participation]. International cooperation with third countries and international organisations shall be promoted across and within Horizon 2020 to achieve, in particular, the following objectives:</p> <p>(a) strengthening the Union's excellence and attractiveness in research and innovation as well as its economic and industrial competitiveness;</p> <p>(b) tackling effectively global societal challenges;</p>	<p>Article 21 <i>International cooperation with third countries and international organisations</i></p> <p>AMD 81 1. Entities established in third countries and international organisations shall be eligible to participate in indirect actions of Horizon 2020 under the conditions set out in Regulation (EU) XX/XX [Rules for Participation]. International cooperation with third countries and international organisations shall be promoted across and within integrated in Horizon 2020 to achieve, in particular, the following objectives:</p> <p>[no change]</p>	<p>Article 21 <i>International cooperation with third countries and international organisations</i></p> <p>[no change]</p>	
<p>(a) strengthening the Union's excellence and attractiveness in research and innovation as well as its economic and industrial competitiveness;</p> <p>(b) tackling effectively global societal challenges;</p>	<p>[no change]</p>	<p>[no change]</p> <p>(b) tackling effectively global common societal challenges;</p>	

<p>(c) supporting the Union's external and development policy objectives, complementing external and development programmes.</p>	<p>AMD 82 (c) supporting the Union's external and development policy objectives, complementing external and development programmes <i>and international commitments such as the achievement of the Millennium Development Goals;</i></p>	<p>(c) supporting the Union's external and development policy objectives, complementing external and development programmes. Synergies with other Union policies will be sought.</p>	
	<p>AMD 83 <i>(ca) supporting the creation of globally competitive centres of excellence making the Union a global hub for world-leading cutting-edge research and innovation.</i></p>		
<p>2. Targeted actions with the objective of promoting cooperation with specific third countries or groups of third countries shall be implemented on the basis of common interest and mutual benefit, taking into account their scientific and technological capabilities and market opportunities, and the expected impact.</p>	<p>AMD 84 2. Targeted actions with the objective of promoting cooperation with specific third countries or groups of third countries, <i>in particular with the strategic partners of the Union</i>, shall be implemented on the basis of common interest and mutual benefit; taking into account their scientific and technological capabilities and market opportunities, and the expected impact. <i>Those actions shall include, in particular, research capacity building in developing countries and cooperation projects focusing on those countries' specific needs. Account shall be taken, in those cooperative activities, of the scientific and technological capabilities of the outermost regions of the Union and the overseas countries and territories associated with the Union.</i></p>	<p>2. Targeted actions with the objective of promoting cooperation with specific third countries or groups of third countries shall be implemented on the basis of a strategic approach as well as common interest, priorities, and mutual benefit, taking into account their scientific and technological capabilities and market opportunities, and the expected impact.</p>	

<p>Reciprocal access to third country programmes should be encouraged. In order to maximise impact, coordination and synergies with initiatives of Member States and associated countries shall be promoted.</p>	<p>AMD 85 Reciprocal access to third country programmes should be encouraged and periodically monitored. In order to maximise impact, coordination and synergies with initiatives of Member States and associated countries shall be promoted.</p>	<p>Reciprocal access to third country programmes should be encouraged. In order to maximise impact, coordination and synergies with initiatives of Member States and associated countries shall be promoted. The nature of the cooperation may vary according to the specific partner countries.</p>	
<p>Cooperation priorities shall take into account developments in Union policy and opportunities for cooperation with third countries, as well as possible deficiencies in third country intellectual property systems.</p>	<p>AMD 86 Cooperation priorities shall take into account developments in Union policy and opportunities for cooperation with third countries, as well as possible deficiencies in third country intellectual property systems, including external and development policies.</p>	<p>Cooperation priorities shall take into account developments in Union policy and opportunities for cooperation with third countries, as well as possible deficiencies in third country and fair and equitable treatment of intellectual property systems: rights.</p>	
	<p>AMD 87 <i>Due coordination shall be established with migration, asylum and development policies, in order to avoid a "brain drain" from developing countries.</i></p>		
<p>3. In addition, horizontal and cross-cutting activities to promote the strategic development of international cooperation shall be implemented under Horizon 2020 under the specific objective "Inclusive, innovative and secure societies" set out in Point 6.3.2(d) of Part III of Annex I.</p>	<p>AMD 88 3. In addition, horizontal and cross-cutting activities to promote the strategic development of international cooperation shall be implemented under Horizon 2020 under the specific objective 'Understanding Europe in a changing world - inclusive, innovative and secure reflective societies' set out in Point 6.3.2(d) of Part III of Annex I.</p>	<p>3. In addition, horizontal and cross-cutting activities to promote the strategic development of international cooperation shall be implemented under Horizon 2020 under the specific objective "Inclusive, innovative and secure societies" set out in Point 6.3.2(d) of Part III of Annex I.</p>	

	<p>AMD 89 <i>3a. In order to reduce the administrative burden for participants, national accounting practices of the beneficiaries shall be accepted by the Commission.</i></p>		
	<p>AMD 90 <i>3b. Beneficiaries who have executed their audits in a satisfactory manner for three consecutive years shall be subject to a lighter audit procedure, in order to foster an enhanced trust-based approach.</i></p>		

COMMISSION PROPOSAL	EUROPEAN PARLIAMENT (ITRE VOTE 28.11.12)	COUNCIL (PGA ADOPTED ON 31.05.12)	COMPROMISE TEXT
<p>Article 22 <i>Information, communication and dissemination</i></p> <p>The European Commission shall implement information and communication actions concerning Horizon 2020, including communication measures concerning supported projects and results.</p>	<p>Article 22 <i>Information, communication and dissemination</i></p> <p>AMD 91 The European Commission shall implement information and communication actions concerning Horizon 2020, including communication measures concerning supported projects and results.</p>	<p>Article 22 <i>Information, communication, exploitation and dissemination</i></p> <p>The European Commission shall implement information and communication actions concerning Horizon 2020, including communication measures concerning supported projects and results. In particular, it shall provide timely and thorough information to Member States.</p> <p><i>[no change]</i></p>	
<p>Budget allocated to communication under Horizon 2020 shall also contribute to covering the corporate communication of the Union's political priorities as far as they are related to the general objective of this Regulation.</p>	<p>Budget allocated to communication under Horizon 2020 shall also contribute to covering the corporate communication of the Union's political priorities as far as they are related to the general objective of this Regulation. In particular, the Commission shall provide timely and thorough information to Member States.</p>		

<p>Activities to disseminate information and carry out communication activities shall be an integral task under all of the actions supported by Horizon 2020.</p>	<p>AMD 92 Activities to disseminate information and carry out communication activities shall be an integral task under all of the actions supported by Horizon 2020. <i>All information and communication activities concerning Horizon 2020, including communication measures concerning supported projects, shall be made available and accessible to all citizens, and made public in digital form.</i></p>	<p>[no change]</p>	
	<p>AMD 93 <i>In order to simplify access to information and to develop an instrument with all the information requested by the research community and, having regard the need for a transparency, Cordis, as a digital instrument shall be revised and reformed in a clearer and more flexible way. The New Cordis shall be finalised by 31 May 2013.</i></p>		

<p>In addition, the following specific actions shall be supported:</p>	<p>[no change]</p>	<p>[no change]</p>	<p>[no change]</p>
<p>(a) initiatives aimed at widening awareness and facilitating access to funding under Horizon 2020, in particular for those regions or types of participant that are underrepresented;</p>	<p>AMD 94 (a) initiatives aimed at widening awareness and facilitating access to funding under Horizon 2020, in particular for those regions, <i>overseas countries and territories associated with the Union</i> or types of participant that are underrepresented, <i>including researchers and participants with disabilities</i>;</p>	<p>(a) initiatives aimed at widening awareness and facilitating access to funding under Horizon 2020, in particular for those regions or types of participant that are underrepresented; have a relatively low participation;</p>	
<p>(b) targeted assistance to projects and consortia to provide them with access to the necessary skills to optimise the communication and dissemination of results;</p>	<p>AMD 95 (b) targeted assistance to projects and consortia to provide them with <i>adequate</i> access to the necessary skills to optimise the communication and dissemination of results;</p>	<p>(b) targeted assistance to projects and consortia to provide them with access to the necessary skills to optimise the communication, exploitation and dissemination of results;</p>	
<p>(c) actions which bring together results from a range of projects, including those that may be funded from other sources, to provide user-friendly databases and reports that summarise key findings;</p>	<p>AMD 96 (c) actions which bring together <i>and evaluate</i> results from a range of projects, including those that may be funded from other sources, to provide user-friendly <i>and accessible digital</i> databases and <i>to draw up</i> reports that summarise key findings, <i>and where relevant communication and dissemination to the scientific community, industry and the general public</i>;</p>	<p>[no change]</p>	

<p>(d) dissemination to policy makers, including standardisation bodies, to promote the use of policy relevant results by the appropriate bodies at international, Union, national and regional level;</p>	<p>[no change]</p>	<p>[no change]</p>	
<p>(e) initiatives to foster dialogue and debate on scientific, technological and innovation related issues with the public, and to take advantage of social media and other innovative technologies and methodologies;</p>	<p>AMD 97 (e) initiatives to foster dialogue and debate on scientific, technological and innovation related issues with the public through involvement of the academic community, and to take advantage of social media and other innovative technologies and methodologies, especially in order to help raise public awareness of the benefits of research and innovation in meeting society's challenges;</p> <p>AMD 98 (ea) initiatives to include and promote the participation of civil society, and its organisations or institutions, in issues relating to the research and innovation process and to foster open, science-based debates on major societal issues.</p>	<p>(e) initiatives to foster dialogue and debate on scientific, technological and innovation related issues with the public, and to take advantage of social media and other innovative technologies and methodologies;</p>	

CHAPTER III: CONTROL

COMMISSION PROPOSAL	EUROPEAN PARLIAMENT (ITRE VOTE 28.11.12)	COUNCIL (PGA ADOPTED ON 31.05.12)	COMPROMISE TEXT
<p>Article 23 <i>Control and audit</i></p> <p>1. The control system set up for the implementation of this Regulation shall be designed so as to provide reasonable assurance of achieving adequate management of the risks relating to the effectiveness and efficiency of the operations as well as the legality and regularity of the underlying transactions, taking into account the multi-annual character of programmes as well as the nature of the payments concerned.</p>	<p>Article 23 <i>Control and audit</i></p> <p>AMD 99 1. The control system set up for the implementation of this Regulation shall be designed so as to provide reasonable assurance of achieving sufficient reduction and adequate management of the risks relating to the effectiveness and efficiency of the operations as well as the legality and regularity of the underlying transactions, taking into account the multi-annual character of programmes as well as the nature of the payments concerned.</p>	<p>Article 23 <i>Control and audit</i></p> <p>[no change]</p>	
<p>2. The control system shall ensure an appropriate balance between trust and control, taking into account administrative and other costs of controls at all levels, so that the objectives of Horizon 2020 can be achieved and the most excellent researchers and the most innovative enterprises can be attracted to it.</p>	<p>AMD 100 2. The control system shall ensure an appropriate balance between trust and control, taking into account administrative and other costs of controls at all levels, including at the level of beneficiaries, so that the objectives of Horizon 2020 can be achieved and the most excellent researchers and the most innovative enterprises can be attracted to it.</p>	<p>2. The control system shall ensure an appropriate balance between trust and control, taking into account administrative and other costs of controls at all levels, especially for participants, so that the objectives of Horizon 2020 can be achieved and the most excellent researchers and the most innovative enterprises can be attracted to it.</p>	

<p>3. As part of the control system, the audit strategy for expenditure on indirect actions under Horizon 2020 shall be based on the financial audit of a representative sample of expenditure across the whole framework programme. This representative sample shall be complemented by a selection based on an assessment of the risks related to expenditure.</p>	<p><i>[no change]</i></p>	<p><i>[no change]</i></p>	
<p>Audits of expenditure on indirect actions under Horizon 2020 shall be carried out in a coherent manner in accordance with the principles of economy, efficiency and effectiveness in order to minimize the audit burden of the participants</p>	<p><i>[no change]</i></p>	<p><i>[no change]</i></p>	

COMMISSION PROPOSAL	EUROPEAN PARLIAMENT (ITRE VOTE 28.11.12)	COUNCIL (PGA ADOPTED ON 31.05.12)	COMPROMISE TEXT
<p>Article 24 <i>Protection of the financial interests of the Union</i></p> <p>1. The Commission shall take appropriate measures ensuring that, when actions financed under this Regulation are implemented, the financial interests of the Union are protected by the application of preventive measures against fraud, corruption and any other illegal activities, by effective checks and, if irregularities are detected, by the recovery of the amounts wrongly paid and, where appropriate, by effective, proportionate and deterrent penalties.</p>	<p>Article 24 <i>Protection of the financial interests of the Union</i></p>	<p>[Article 24 <i>Protection of the financial interests of the Union</i></p> <p><i>[nota bene: the Council has not discussed Article 24, pending discussions on the Financial Regulation]</i></p>	
	<p>AMD 101 <i>Ia. An ad hoc mediator shall be appointed, with responsibility for ensuring uniform interpretation of the rules. In the event of conflict about the interpretation of the rules or procedures, based for example on an independent re-audit produced by any interested party, the Commission may resolve the conflict through a compromise on the advice of the ad hoc mediator.</i></p>		

<p>2. The Commission or its representatives and the Court of Auditors shall have the power of audit, on the basis of documents and on-the-spot checks and inspections, over all grant beneficiaries, contractors, subcontractors and other third parties who have received Union funds under Horizon 2020.</p>	<p>[no change]</p>	<p>[no change]</p>	<p>[no change]</p>
<p>Without prejudice to paragraph 3, audits by the Commission may be carried out up to four years after the final payment.</p>	<p>AMD 102 Without prejudice to paragraph 3, audits by the Commission may be carried out up to four two years after the final payment completion of a project.</p>	<p>[no change]</p>	<p>[no change]</p>
<p>3. The European Anti-Fraud Office (OLAF) may carry out on-the-spot checks and inspections on economic operators concerned directly or indirectly by such funding in accordance with the procedures laid down in Council Regulation (Euratom, EC) No 2185/96²⁰ with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union in connection with a grant agreement or grant decision or a contract concerning Union funding.</p> <p>²⁰ OJ L 292, 15.11.1996, p. 2</p>	<p>[no change]</p>	<p>3. The European Anti-Fraud Office (OLAF) may carry out on-the-spot checks and inspections on economic operators concerned directly or indirectly by such funding in accordance with the procedures laid down in Council Regulation (Euratom, EC) No 2185/96²⁰⁴ with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union in connection with a grant agreement or grant decision or a contract concerning Union funding.</p> <p>²⁰⁴ OJ L 292, 15.11.1996, p. 2</p>	<p>[no change]</p>

<p>4. Without prejudice to paragraphs 1, 2 and 3, cooperation agreements with third countries and international organisations and grant agreements and grant decisions and contracts resulting from the implementation of this Regulation shall expressly empower the Commission, the Court of Auditors and the OLAF to conduct such audits, on-the-spot checks and inspections.</p>	<p><i>[no change]</i></p>	<p>4. Without prejudice to paragraphs 1, 2 and 3, cooperation agreements with third countries and international organisations and grant agreements and grant decisions and contracts resulting from the implementation of this Regulation shall expressly empower the Commission, the Court of Auditors and the OLAF to conduct such audits, on-the-spot checks and inspections.]</p>	
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CHAPTER IV: MONITORING AND EVALUATION

COMMISSION PROPOSAL	EUROPEAN PARLIAMENT (UTRE VOTE 28.11.12)	COUNCIL (PGA ADOPTED ON 31.05.12)	COMPROMISE TEXT
<p>Article 25 <i>Monitoring</i></p> <p>1. The Commission shall annually monitor the implementation of Horizon 2020, its specific programme and the activities of the European Institute of Innovation and Technology. This shall include information on cross-cutting topics such as sustainability and climate change, including information on the amount of expenditure.</p>	<p>Article 25 <i>Monitoring</i></p> <p>AMD 103</p> <p>1. The Commission shall annually monitor the implementation of Horizon 2020, its specific programme and the activities of the <i>EIT and the public-private and funding of partnerships</i>. This shall include information <i>and indicators</i> on cross-cutting topics such as <i>gender equality, responsible research and innovation</i>, sustainability and climate change, including information on the amount of climate related expenditure, <i>private sector and SME participation in particular and the real impact of measures to widen the participation</i>.</p>	<p>Article 25 <i>Monitoring</i></p> <p>1. The Commission shall annually monitor the implementation of Horizon 2020, its specific programme and the activities of the European Institute of Innovation and Technology EIT. This shall include information on cross-cutting topics such as social and economic sciences and humanities, sustainability and climate change, including information on the amount of climate related expenditure, SME participation, private sector participation, gender equality, widening participation and progress against performance indicators. The monitoring shall also include information on the extent of funding for public-private and public-public partnerships, including Joint Programming Initiatives. The monitoring on funding for public-private partnerships shall, where appropriate, be undertaken in close consultation with the participants.</p>	

	<p>AMD 104 <i>1a. In order to deliver a future Union environment that offers a real increase in prosperity and in quality of life, the balance between economic, social and environmental aspects will need to be regularly and effectively monitored during the implementation of Horizon 2020. To this end, the Commission shall set up in advance a clear and transparent mechanism for such monitoring.</i></p>		
<p>2. The Commission shall report and disseminate the results of that monitoring.</p>	<p>AMD 105 2. The Commission shall report and disseminate the results of that <i>the monitoring referred to in paragraphs 1 and 1a, using, where appropriate, a set of common key indicators, comparable across the various instruments. In particular, they shall be transmitted to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.</i></p>	<p>2. The Commission shall report and disseminate make publicly available the results of that monitoring.</p>	

COMMISSION PROPOSAL	EUROPEAN PARLIAMENT (ITRE VOTE 28.11.12)	COUNCIL (PGA ADOPTED ON 31.05.12)	COMPROMISE TEXT
<p>Article 26 <i>Evaluation</i></p>	<p><u>AMD 106</u> Article 26 <i>Evaluation Mid-term review</i></p>	<p>Article 26 <i>Evaluation</i></p>	
<p>1. Evaluations shall be carried out in a sufficiently timely manner to feed into the decision-making process.</p>	<p><u>AMD 107</u> 1. Evaluations <i>Reviews and</i> <i>evaluations</i> shall be carried out in a sufficiently timely manner to feed into the decision-making process.</p>	<p><i>[no change]</i></p>	
<p>(a) Not later than end 2017, the Commission shall carry out, with the assistance of independent experts, a review of the European Institute of Innovation and Technology. The second allocation of funds to the European Institute of Innovation and Technology as set out in Article 6(3) shall be made available following this review. The review shall assess the progress of the European Institute of Innovation and Technology against all of the following:</p>	<p><u>AMD 108</u> (a) Not later than end 2017, the Commission shall carry out, with the assistance of independent experts, a review of the European Institute of Innovation and Technology. The second allocation of funds to the European Institute of Innovation and Technology as set out in Article 6(3) shall be made available following this review. The review shall assess the progress of the European Institute of Innovation and Technology against all of the following:</p>	<p>(a) Not later than end 2017, the Commission shall carry out, with the assistance of independent experts selected on the basis of a transparent process, a review of the European Institute of Innovation and Technology EIT, taking into account the evaluation provided for in Article 16 of the Regulation XX/2012 [revised EIT Regulation]. The second allocation of funds to the European Institute of Innovation and Technology EIT as set out in Article 6(3) shall may be made available following subject to a positive result of this review. The review shall assess the progress of the European Institute of Innovation and Technology EIT against all of the following:</p>	

<p>(i) the level of consumption of the first allocation of funds set out in Article 6(3), differentiating between the amount of money used for the development of the first wave of KICs and the effect of the seed money for the second phase, and the ability of the European Institute of Innovation and Technology to attract funds from the partners in the Knowledge and Innovation Communities and from the private sector, as set out in Regulation XX/2012 [revised EIT Regulation];</p>	<p>(i) the level of consumption of the first allocation of funds set out in Article 6(3), differentiating between the amount of money used for the development of the first wave of KICs and the effect of the seed money for the second phase, and the ability of the European Institute of Innovation and Technology to attract funds from the partners in the Knowledge and Innovation Communities and from the private sector, as set out in Regulation XX/2012 [revised EIT Regulation];</p>	<p>(i) the level of consumption and the efficiency in the use of the first allocation of funds set out in Article 6(3), differentiating between the amount of money used for the development of the first wave of KICs and the effect of the seed money for the second phase, and the ability of the European Institute of Innovation and Technology EIT to attract funds from the partners in the Knowledge and Innovation Communities and KICs and especially from the private sector, as set out in Regulation XX/2012 [revised EIT Regulation];</p>	
<p>(ii) the agreed timing for the creation of the third wave of Knowledge and Innovation Communities and the programmed financial needs of existing ones according to their specific development; and</p>	<p>(ii) the agreed timing for the creation of the third wave of Knowledge and Innovation Communities and the programmed financial needs of existing ones according to their specific development; and</p>	<p>(i) the agreed timing for the creation of contribution of the EIT and the third wave of Knowledge and Innovation Communities and the programmed financial needs of existing ones according to their specific development; and</p>	

<p>(iii) the contribution of the European Institute of Innovation and Technology and the Knowledge and Innovation Communities to the priority on societal challenges and the specific objective on "leadership in enabling and industrial technologies" of the programme Horizon 2020.</p>	<p>(iii) the contribution of the European Institute of Innovation and Technology and the Knowledge and Innovation Communities to the priority on societal challenges and the specific objective on "leadership in enabling and industrial technologies" of the programme Horizon 2020.</p>	<p>(iii) the contribution of the European Institute of Innovation and Technology and the Knowledge and Innovation Communities KICs to the priority on societal challenges and the specific objective on "leadership in enabling and industrial technologies" of the programme Horizon 2020: and the performance assessed on the basis of the indicators defined in Annex I.</p>
		<p>(iii) the contribution of the EIT and the KICs to the integration of higher education, research, innovation;</p>
<p>(b) Not later than end 2017, and taking into account the ex-post evaluation of the Seventh Framework Programme to be completed by the end of 2015 and the review of the European Institute of Innovation and Technology, the Commission shall carry out, with the assistance of independent experts, an interim evaluation of Horizon 2020, its specific programme, including the European Research Council, and the activities of Innovation and Technology,</p> <p><i>[nota bene: the rest of the paragraph is compared below]</i></p>	<p>AMD 109</p> <p>(b) Not later than end 2017, and taking into account the ex-post evaluation of the Seventh Framework Programme to be completed by the end of 2015 and the review of the European Institute of Innovation and Technology, the Commission shall carry out, with the assistance of independent experts, an interim evaluation a mid-term review of Horizon 2020, its specific programme, including the European Research Council, and the activities of the EIT.</p>	<p>(iv) the ability of the KICs to integrate relevant new partners where they can provide added value.</p> <p>(b) Not later than end 2017, and taking into account the ex-post evaluation of the Seventh Framework Programme to be completed by the end of 2015 and the review of the European Institute of Innovation and Technology EIT, the Commission shall carry out, with the assistance of independent experts, selected on the basis of a transparent process, an interim evaluation of Horizon 2020, its specific programme, including the European Research Council, and the activities of the European Institute of Innovation and Technology EIT,</p> <p><i>[nota bene: the rest of the paragraph is compared below]</i></p>

	<p><i>As part of the mid-term review, both existing and new public-private partnerships, including the JTIs, shall be subject to an in-depth assessment in order to analyse their European added value and the Commission shall submit proposals if necessary to improve their governance and functioning, in view of ensuring more effective and efficient impact, open and transparent functioning and avoiding conflicts of interests. The Commission shall present the result of this assessment to the European Parliament and the Council.</i></p>		
	<p><i>If the in-depth assessment reveals that the criterion of European added value is not satisfactorily met, the European Parliament and the Council may decide to no longer provide funding to these public-private partnerships.</i></p>		
	<p><i>The mid-term review shall take into consideration aspects relating to the dissemination and exploitation of research results. The mid-term review shall assess the progress of the different parts of Horizon 2020 against all of the following:</i></p>		

<p>on the achievements (at the level of results and progress towards impacts) of the objectives of Horizon 2020 and continued relevance of all the measures, the efficiency and use of resources, the scope for further simplification, and Union added value. That evaluation shall also take into consideration aspects relating to access to funding opportunities for participants in all regions, for SMEs and for promoting gender balance. That evaluation shall additionally take into account the contribution of the measures to the Union priorities of smart, sustainable and inclusive growth and results on the long-term impact of the predecessor measures.</p>	<p>(i) on the achievements (at the level of results and progress towards impacts, based on the indicators outlined in Annex II of the Specific Programme) of the objectives of Horizon 2020 and continued relevance of all the measures;</p> <p>(ii) the efficiency and use of resources; the scope for further simplification; with particular attention paid to cross-cutting actions and other elements referred to in Article 13(1); and</p> <p>(iii) the Union added value. That evaluation The mid-term review shall also take into consideration the scope for further simplification and aspects relating to access to funding opportunities for participants in all regions, for SMEs and for promoting gender balance. That evaluation It shall additionally take into account the contribution of the measures to the Union priorities of smart, sustainable and inclusive growth and results on the long-term impact of the predecessor measures. It shall be carried out in association with the Member States so as to ensure that research and innovation policies implemented in the Member States and by local authorities are complementary and offer Union added value.</p>	<p>on the achievements (at the level of results and progress towards impacts) of the objectives of Horizon 2020 and continued relevance of all the measures, the efficiency and use of resources, the scope for further simplification, and Union added value. That evaluation shall also take into consideration aspects relating to access to funding opportunities for participants in all regions, for the private sector, notably SMEs and for promoting gender balance. That evaluation shall additionally take into account the contribution of the measures to the Union priorities of smart, sustainable and inclusive growth and, results on the long-term impact of the predecessor measures; and the degree of synergy and interaction with other Union funding programmes, including the Structural Funds.</p>	
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<p>(c) Not later than end 2023, the Commission shall carry out, with the assistance of independent experts, an ex-post evaluation of Horizon 2020, its specific programme and the activities of the European Institute of Innovation and Technology. This shall cover the rationale, implementation and achievements, as well as the longer-term impacts and sustainability of the measures, to feed into a decision on a possible renewal, modification or suspension of a subsequent measure.</p>	<p>[no change]</p>	<p>(c) Not later than end 2023, the Commission shall carry out, with the assistance of independent experts, selected on the basis of a transparent process, an ex-post evaluation of Horizon 2020, its specific programme and the activities of the European Institute of Innovation and Technology EIT. This shall cover the rationale, implementation and achievements, as well as the longer-term impacts and sustainability of the measures, to feed into a decision on a possible renewal, modification or suspension of a subsequent measure.</p>	
	<p>AMD 110 <i>Ia (new). As part of the mid-term review referred to in point (b) of paragraph 1, the Commission shall provide concrete evidence, if available, of the complementarity and synergies achieved between the Union budget and the Members States' R& D target as well as the Europe 2020 innovation headline indicator.</i></p>		

	<p>AMD 111 <i>1b (new). Not later than 2016, and every two years thereafter, the Commission shall conduct a review of Union organisations' and third-country organisations' reciprocal access to research programmes. The review shall be conducted country by country and shall include a comparison between the funding received by third-country organisations from Horizon 2020 and that received by Union organisations from third countries' research programmes.</i></p> <p>[no change]</p>		
<p>2. The performance indicators for the general objectives and for the European Institute of Innovation and Technology, as set out in the introduction of Annex I to this Regulation, and for the specific objectives as established in the specific programme, including relevant baselines, shall provide the minimum basis for assessing the extent to which the objectives of Horizon 2020 have been achieved.</p>		<p>2. The performance indicators for the general objectives and for the European Institute of Innovation and Technology-EIT, as set out in the introduction of Annex I to this Regulation, and for the specific objectives as established in the specific programme, including relevant baselines, shall provide the minimum basis for assessing the extent to which the objectives of Horizon 2020 have been achieved.</p>	

COMMISSION PROPOSAL	EUROPEAN PARLIAMENT (ITRE VOTE 28.11.12)	COUNCIL (PGA ADOPTED ON 31.05.12)	COMPROMISE TEXT
3. Member States shall provide the Commission with data and information necessary to permit the monitoring and evaluation of the measures concerned.	<i>[no change]</i>	3. Where appropriate and available , Member States shall provide the Commission with data and information necessary to permit the monitoring and evaluation of the measures concerned.	
4. The Commission shall communicate the conclusions of those evaluations of Horizon 2020, accompanied by its observations, to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.	<i>[no change]</i>	<i>[no change]</i>	
	AMD 112 <i>Article 26 a</i> <i>Exercise of delegation</i>		
	1. The power to adopt the delegated acts is conferred on the Commission subject to the conditions laid down in this Article.		

	<p><i>2. The power to adopt delegated acts referred to in Article 6 shall be conferred on the Commission for a period of five years from [XX]. The Commission shall draw up a report in respect of the delegated power not later than six months before the end of the five-year period. The delegation of power shall be tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.</i></p>		
	<p><i>3. The delegation of powers referred to in Article 6 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.</i></p>		

	<p><i>4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.</i></p>		
	<p><i>5. A delegated act adopted pursuant to Article 6 shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.</i></p>		

TITLE III

FINAL PROVISIONS

COMMISSION PROPOSAL	EUROPEAN PARLIAMENT (ITRE VOTE 28.11.12)	COUNCIL (PGA ADOPTED ON 31.05.12)	COMPROMISE TEXT
<p>Article 27 Repeal and transitional provisions</p> <p>1. Decision No 1982/2006/EC is repealed with effect from 1 January 2014.</p> <p>2. However, actions initiated under Decision No 1982/2006/EC and financial obligations related to those actions shall continue to be governed by that Decision until their completion.</p> <p>3. The financial allocation referred to in Article 6 may also cover the technical and administrative assistance expenses necessary to ensure the transition between this programme and the measures adopted under Decision No 1982/2006/EC.</p>	<p>Article 27 Repeal and transitional provisions</p> <p>[no change]</p> <p>[no change]</p> <p>[no change]</p>	<p>Article 27 Repeal and transitional provisions</p> <p>[no change]</p> <p>[no change]</p> <p>[no change]</p>	

COMMISSION PROPOSAL	EUROPEAN PARLIAMENT (ITRE VOTE 28.11.12)	COUNCIL (PGA ADOPTED ON 31.05.12)	COMPROMISE TEXT
Article 28	Article 28	Article 28	
This Regulation shall enter into force on the third day following that of its publication in the <i>Official Journal of the European Union</i> .	[no change]	[no change]	
This Regulation shall be binding in its entirety and directly applicable in all Member States.	[no change]	[no change]	

Done at Brussels,

For the European Parliament
The President

For the Council
The President