



**COUNCIL OF
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NOTE

from: General Secretariat of the Council
to: Delegations

Subject: Summary record of the meeting of the European Parliament **Committee on Industry, Research and Energy**, held in Brussels on 19-21 March 2012

The meeting was chaired by Ms Sartori (EPP, IT), Chair, Ms Toia (S&D, IT), Vice-Chair and Mr Creutzmann (ALDE, DE).

1. Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (COSME)(2014 - 2020)

2011/0394(COD) COM(2011)0834

Rapporteur : Jürgen Creutzmann (ALDE, DE)

Opinions: BUDG, ECON, EMPL, IMCO, TRAN, FEMM

Presentation by the Commission - exchange of views

The rapporteur, Mr Creutzmann, welcomed the fact that the Competitiveness and Innovation Framework Programme (CIP) had not been fully absorbed into Horizon 2020 and that entrepreneurial initiative and innovations remained under COSME. He also welcomed the proposed budget of EUR 2.5 billion, which doubled the budget of the CIP. Regarding the programme

priorities, he considered that SMEs across all sectors should be treated equally and did not support the focus on tourism. He stressed that business transfer was an essential aspect of growth and should be encouraged. He also mentioned the issues of simplification and access to finances (including the level of maximum loan securities, which was too low).

The representative of the Commission presented the objectives and main points of COSME. He underlined the central role of SMEs in the EU economy and commented on the devastating effect of the crisis on them. He pointed to their current problems, such as lack of liquidity, difficult access to markets and barriers to growth. Those issues were being addressed by means of the following programme priorities: improvement of access to finance (budget EUR 1.4 billion, with guarantees and venture capital funds as main instruments); improvement of access to markets (Enterprise Europe Network, IPR Helpdesk in China); promotion of entrepreneurship (Erasmus for Young Entrepreneurs, European Network of Female Entrepreneurship Ambassadors); and improvement of framework conditions (contributions to the implementation of Small Business Act and COSME as a policy support programme). He concluded by reiterating the need to mobilise funds and efforts to help the SMEs to grow.

During the discussion, Members raised various issues. Regarding the size of budget, Mr Bendtsen (EPP, DK) thought it was too small compared to the effect on growth and competitiveness and, together with Ms Mazej Kukovič (EPP, SI), called for its increase. Ms Herczog (S&D, HU) supported his call and added that it should be accompanied by appropriate structural policies. Mr Rübzig (EPP, AT) specified that the budget could be increased by the fines collected by the Commission (e.g. from Microsoft) and by unused regional subsidies. Some Members (Mr Bendtsen, Mr Kelly (EPP, IE)) considered that third or EFTA countries should not be financially supported. Members reiterated that SMEs' easy access to finances was crucial (Mr Bendtsen, Mr Kelly, Ms Ford (ECR, UK), Ms Herczog) and highlighted the role of venture capital (Mr Rübzig, Ms Niebler (EPP, DE), Mr Langen (EPP, DE), Ms Ford). They also called for greater simplification (Mr Audy (EPP, FR), Ms Merkies (S&D, NL), Mr Rübzig, Ms Herczog, Mr Langen, Ms Ford, Ms del Castillo Vera (EPP, ES)), with Ms Niebler and Mr Rübzig calling for specific exemptions for SMEs, unless there were specifically justified. Other topics mentioned were the potential of women and young entrepreneurs (Mr Rübzig, Ms Niebler, Ms Herczog, Mr Audy, Mr Kelly), separate schemes for micro-, small- and medium-sized enterprises (Mr Langen, Mr Kelly, Ms Ford), digitalisation of SMEs and e-commerce (Mr Kelly, Ms del Castillo Vera, Ms Herczog), disagreement with the preferential treatment of tourism (Mr Bendtsen, Mr Audy), access to public markets, training, and links between Horizon 2020 and COSME.

Given the cross-boarder character of COSME, the rapporteur acknowledged that the budget was not big enough and suggested to transfer some funds from Horizon 2020. He agreed that if the funding capital of SMEs was too small, access to finance should be dealt at the EU level, but it should not replace national programmes.

The representative of the Commission stressed that COSME, as a specific programme targeting the SMEs, was trying to bring the added value created by them to EU level. On the distinction between various types of enterprise, he informed Members that the Commission was launching a study to establish whether a revision of the existing definition was necessary. Regarding access to finance, he supported Members' opinions on venture capital. As to simplification, he agreed on the need to include a SME-test in all impact assessments. He was cautious about the exclusion of third countries and explained the programme was not financing third countries, but aimed to facilitate exports by European SMEs to their markets. In conclusion, he underlined the need for urgency, as the situation of SMEs was changing rapidly.

<u>Timetable:</u>	workshop on Financial Instruments:	11 April 2012
	workshop on Effectiveness of CIP programme:	25 April 2012
	public hearing:	8 May 2012

2. Small and Medium Size Enterprises (SMEs): competitiveness and business opportunities

2012/2042(INI) COM(2011)0642

Rapporteur : Paul Rübige (EPP, AT)

Opinions: INTA, ECON, EMPL, ENVI, IMCO

The rapporteur, Mr Rübige, clarified that the proposal tackled the international framework for SMEs, including trade facilitations. In this context, he called on the WTO to publish its binding rules on a transparent way. He focused on education and further training, as well as on measures to counteract the brain drain (including targeting migrants). In this context, he considered that Erasmus for Young Entrepreneurs should be expanded internationally. He also highlighted the issue of co-financing, and the need to build clusters and networks, develop standards, benchmarks and scoreboards, and encourage the protection of IPRs and the exchange of best practices.

Given the small size of companies, Ms Mazej Kukovič (EPP, SI) underlined the need to build technological platforms, as cooperation was the only way for small companies to export or pool their knowledge. Mr Perello Rodriguez (S&D, ES) focused on small companies in the area of fisheries and highlighted the need for a cross-border transfer of knowledge, using the European Social Fund and other resources. Ms Ford (ECR, UK) was interested in simplification of information available to SMEs, also in the context of governance structure, and in payment delays.

The representative of the Commission agreed that it was important for SMEs to be paid on time, in particular by public administrations. He informed Members that the Commissioner had sent a letter to all Member States asking them to transpose the Late Payments Directive ahead of schedule.

The rapporteur concluded that the programme Erasmus for Young Entrepreneurs should receive more funding, as he saw it as a way of creating more companies, providing more jobs and decreasing unemployment.

3. Engaging in energy policy cooperation with partners beyond our borders: A strategic approach to secure, sustainable and competitive energy supply

2012/2029(INI) COM(2011)0539

Rapporteur : Edit Herczog (S&D, HU)

Opinions: AFET, DEVE, INTA, ENVI

The rapporteur, Ms Herczog informed Members that AFET was still working on its opinion. She said that there were no controversial issues and she would try to work on compromises for 182 amendments that had been tabled.

Members pointed out that the report strongly supported the legislation on exchange mechanisms for intergovernmental agreements (IGAs). Mr Turmes (Greens/EFA, MU) advocated greater coordination and considered that situations where different Member States defended different positions at international level should be avoided. Mr Vidal-Quadras (EPP, ES) emphasised the importance of internal cooperation and the need for a single EU voice. In his view, the EU could turn its heavy dependence on external energy supplies to its advantage. Ms Carvalho (EPP, PT) highlighted the issue of standards (in particular with third countries) and saw a need to strengthen the reference to technological cooperation. Mr Turmes added that technological cooperation should focus on issues of market interest, such as energy efficiency, transmission systems, renewables and grids, and micro-grids. Members also mentioned cooperation with developing countries, biofuels and biomass, shale gas, the specific situation of South and South-Eastern Europe as regards energy developments, cooperation between the EU and Russia and the need for a comprehensive table containing information on how continents manage their problems in relation to security of supply.

The representative of the Commission reminded Members that the IGAs aimed to facilitate mainly large-scaled infrastructure projects; they did not deal with price setting or volume. On the legal instrument establishing the Energy Observatory, she pointed to the existing structure, which was functioning well. As to the European Energy Community, she said that at this stage it did not require any new institutional setting. She also mentioned that several amendments, such as those on

renewable targets and infrastructure, were not linked exclusively to energy matters and should be addressed by the relevant reports.

The rapporteur concluded that the EU, acting together, could bring added value to energy matters at global level, in particular in the field of new technologies.

Timetable: vote in ITRE: 8 May 2012

4. Hearing on Horizon 2020: The Framework Programme for Research and Innovation

Not covered.

5. Implementation and exploitation of European satellite navigation systems

2011/0392(COD) COM(2011)0814

Rapporteur : Marian-Jean Marinescu (EPP,RO)

Opinions: AFET, BUDG, TRAN

Presentation by the Commission -exchange of views

The representative of the Commission recalled that Galileo and EGNOS, programmes in satellite navigation, were important components of the Europe 2020 strategy and gave a brief overview of their status quo. He informed Members that the proposal for a Regulation encompassed both the end phase of infrastructure deployment and EGNOS and Galileo operations from 2014 to 2020. The guiding principle was the need to define responsibilities and ensure the use of existing infrastructures, as well as the development of market applications and services. On finances, he said that the GNSS (global navigation satellite systems) would require EUR 1 billion per year (based on figures for existing contracts).

During the ensuing discussion, Members raised various issues, including the budget figures (Ms Hall (ALDE, UK), Mr Lamberts (Greens/EFA, BE)) and overruns (Ms Hall); governance (Ms Hall, Ms Țicău (S&D, RO), Mr Remek (GUE/NGL, CZ)) and the respective responsibilities of the European GNSS Agency (GSA) and European Space Agency (ESA) (Mr Marinescu (EPP, RO)); safety of systems' operations (Ms Țicău); services, applications and the need for further research (Ms Țicău, Mr Tošenovský (ECR, CZ)); need to speed up investments (Mr Prodi (S&D, IT)); coverage of the EU territory by EGNOS (Ms Țicău); digital tachographs (Ms Țicău), systems and their military use (Mr Lamberts); participation of industry in Galileo and participation of third countries (Mr van Nistelrooij (EPP, NL)).

Concerning the areas of responsibility, the representative of the Commission gave the example of EGNOS. The Commission was currently managing the infrastructure and different operational contracts. From 2020, this task would be transferred to the GSA and the ESA would deal with future development of the system, including updates and improvements. As regards financing, he stressed the need to avoid overruns in the future. He recalled that the proposed budget was based on real figures coming from existing contracts (therefore exact costs were known) and included a risk forecast. He added that in the future public funds would be used to finance the operation of the systems. Concerning military use of the systems, he mentioned talks with the Member States about the use of Public Regulated Service (PRS). Regarding the operational safety of systems, he said specifications were in line with the Member States' safety requirements. They would later certify the systems to ensure that they met all safety requirements. On EGNOS coverage, he acknowledged that it did not cover the whole EU territory and stressed that work was ongoing to extend the coverage.

Timetable: deadline for amendments: 22 March 2012; 12:00

6. Creative Europe Programme

2011/0370(COD) COM(2011)0785

Rapporteur for the opinion: Silvia-Adriana Țicău (S&D, RO)

Responsible: CULT

The rapporteur, Ms Țicău, highlighted the importance of creative and cultural sectors. She pointed to the difficulties of SMEs in these sectors, mainly caused by the lack of marketing experience and financing, the nature of production and problems with IPRs. Her amendments covered the adaptation of sectors to globalisation and digitalisation, access to cultural goods (including digital storage), promotion of innovation, budgetary issues and co-financing, and improvement of access of people with disabilities.

Members discussed the management and preservation of cultural heritage and synergies with Europeana, the digital single market linked to the resolution of IPR issues, the need to foster innovation and create clusters, access of SMEs to finance, simplification, sport, social media, key enabling technologies, and clear reference to EU and EU symbols in projects and promotional material.

On simplification, the representative of the Commission mentioned the use of e-forms, lump sums and flat rates for SMEs. The Commission was also promoting clusters and PPPs. Regarding access to finance, she said that the SME Guarantee Facility aimed at changing the mentality of the banking

sector towards the SMEs.

Timetable: deadline for amendments: 3 April 2012; 12:00

*** *Electronic vote* ***

7. A competitive digital single market - eGovernment as a spearhead

2011/2178(INI) COM(2010)0743

Rapporteur: Silvia-Adriana Țicău (S&D, RO)

Opinions : EMPL, ENVI, IMCO, REGI, CULT, JURI, LIBE

The draft report was adopted as amended (56 for, 0 against, 0 abstentions).

8. Attractiveness of investing in Europe

2011/2288(INI)

Rapporteur for the opinion: Jürgen Creutzmann (ALDE, DE)

Responsible: ECON

The draft opinion was adopted as amended (51 for, 0 against, 3 abstentions).

9. Amendment of Decision No 1639/2006/EC establishing a Competitiveness and Innovation Framework Programme (2007-2013) and of Regulation (EC) No 680/2007 laying down general rules for the granting of Community financial aid in the field of the trans-European transport and energy networks

2011/0301(COD) COM(2011)0659

Rapporteur for the opinion: Werner Langen (EPP, DE)

Responsible: BUDG

The draft opinion was adopted as amended (54 for, 0 against, 1 abstention).

*** *Electronic vote* ***

10. Mechanism for monitoring and reporting greenhouse gas emissions and for reporting other information at national and Union level relevant to climate change

2011/0372(COD) COM(2011)0789

Rapporteur for the opinion: Takis Hadjigeorgiou (GUE/NGL, CY)

Responsible: ENVI

The rapporteur, Mr Hadjigeorgiou, believed that the proposal would strengthen attempts to mitigate climate change and therefore should be supported. He highlighted the need to examine the appropriateness and viability of the Emissions Trading Scheme (ETS) and to ensure that the polluter pays principle was maintained. He expressed his regret that the Green Fund for climate change financing had not yet been set up.

Members discussed various issues. Ms Hall (ALDE, UK) and Mr Kelly underlined the need for monitoring and reporting on agriculture and transport and buildings. Mr Turmes (Greens/EFA, LU) added the maritime sector to the list. Ms Hall also saw a need for monitoring and reporting on cost efficient trajectories towards 2050 with decarbonisation goals and on actions by Member States in developing countries. Mr Kelly (EPP, IE) echoed the rapporteur's comments on the polluter pays principle. Ms Jordan (EPP, SI) suggested joint reporting (endorsed by Mr Turmes) to avoid excessive administrative burden, in particular for industry and SMEs. She also called on the Commission to provide information regarding comparisons between countries issuing reports. Mr Kelly suggested publications of statistics on national basis. Mr Prodi (S&D, IT) thought that a holistic approach would be simpler and quicker to implement than a sectoral approach. He also highlighted the potential of GMES in terms of accounting emissions.

The representative of the Commission reminded Members that the SMEs and industry were not the addressees of the regulation and there was no direct additional administrative burden imposed on them. She also said that the proposal referred to shipping and buildings. Regarding shipping, it was included despite the current state of play at international level, in order to make it possible to act as soon as the text allowing defining monitoring requirements was available.

Timetable: deadline for amendments: 12 April 2012; 12:00

11. The implementation of EU water legislation, ahead of a necessary overall approach to European water challenges

2011/2297(INI)

Rapporteur for the opinion: Konrad Szymański (ECR, PL)

Responsible: ENVI

Mr Chichester (ECR, UK), on behalf of the rapporteur, gave a brief overview of the rapporteur's suggestions, highlighting in particular the focus on better management of water resources, waste treatment and recycling technologies, as well as the potential of hydropower for energy production and the need to develop new and innovative solutions in this area. He called for enhanced international cooperation with third countries to tackle the current water challenges effectively.

Members agreed that water management presented a huge challenge that could not be ignored. Mr Franco (EPP, FR) saw a need to optimise resources and distribution and suggested (with Mr Kelly (EPP, IE)) that research should focus on water recycling. They also raised the issue of

water leakage in the distribution network. Mr Gierak (S&D, PL) considered that water was a public good and should be accessible to everyone. In this context, he spoke against market monopolies. He suggested that EU Cohesion Funds should be used to finance water infrastructure.

Mr Audy added (EPP, FR) that an EU infrastructure plan was needed and called on the Commission to set up an EU infrastructure company. Together with Mr Rübzig (EPP, AT), he called for revision of the EU Water Framework Directive. In this context, Mr Rübzig also suggested that technological impact assessments should be carried out. Other issues discussed were tourism in the context of the use of water, the neighbourhood policy, international cooperation, addressing the water problem in the world and the need for an EU water policy.

Mr Chichester also considered that the water losses in transmission were unacceptable and pointed to the age of the infrastructure, saying it would need a lot of investment. He understood the concerns of Mr Gierak about monopolies and gave an example from the UK where privatisation was done in a tightly regulated way. He was not convinced by the EU-wide approach because national grids for water supply do not exist, and their construction would entail high costs, including for the cost of interconnections. He endorsed the innovation in supply, use and maintenance and cleaning.

Timetable: deadline for amendments: 12 April 2012; 12:00

12. EU Programme for Social Change and Innovation

2011/0270(COD) COM(2011)0609

Rapporteur for the opinion: Inês Cristina Zuber (GUE/NGL,PT)

Responsible : EMPL

The rapporteur, Ms Zuber, briefly introduced the programme that focused on social changes and innovation in the field of employment and was based on three existing instruments: the Progress programme, EURES and the European Progress Microfinance Facility for employment and social inclusion. Her suggestions included access to credit for micro-enterprises, focusing on technological innovation and an increase of financing for the axis Microfinance and Social Entrepreneurship.

Mr Rübzig (EPP, AT) highlighted the need for greater incentives for young female entrepreneurs. He thought that they should benefit from the same social security provisions as normal workers and suggested an introduction of a "risk premium" to compensate for financial and personal risks. Furthermore, he called on the Commission to come up with a proposal concerning a social safety net for entrepreneurs. Referring to the Article 2 of the proposal, Mr Audy (EPP, FR) would prefer to use the term "social economy" instead of "social enterprise".

The representative of the Commission recalled that the programme's main objective was to provide social integration and access to employment for the under-privileged and that it was not designed to create SMEs (other community tools were available for this purpose). He advocated maintaining the current budgetary allocation for programme axes as their redistribution could lead to the elimination of some activities under Progress.

Given the high level of unemployment in the EU, the rapporteur reiterated the possible need to redistribution of finances between the programme axes.

Timetable: deadline for amendments: 12 April 2012; 12:00

15. EU-Russia agreement on trade in parts and components of motor vehicles

2011/0324(NLE)

Rapporteur for the opinion: Béla Kovács (NI, HU)

Responsible : INTA

The rapporteur, Mr Kovács, gave a brief overview of the draft agreement and outlined his opinion.

Mr Gierk was interested to know whether the agreement concerned only Russia, or the Russia-Kazakhstan-Belarus customs union. Referring to Russia's accession to the WTO, he pointed out that Russian companies could still benefit from subsidies during the transition period. He also expressed his regret that the agreement did not refer to any standards requirements, which EU companies were applying and which the Russian companies might circumvent.

The rapporteur clarified that the agreement concerned only Russia, but welcomed the idea of its extension to the regional customs union.

Timetable: deadline for amendments: 26 March 2012; 12:00

Dates of the next meetings

- 27 March 2012, 15.00 – 16.30 - Meeting with the Transport Committee on Connection Europe Facilities
- 23 April 2012, 15.00 – 18.30
- 24 April 2012, 9.00 – 12.30 and 15.00 – 18.30