



**COUNCIL OF
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NOTE

from: General Secretariat of the Council
to: Delegations

Subject : Summary of the meeting of the **Committee on Industry, Research and Energy (ITRE)**, held in Brussels on 18-19 June 2012

The meeting was chaired by Ms Toia (Vice-Chair) (S&D, IT), Mr Rohde (Vice-Chair) (ALDE, DK) and Mr Chichester (ECR, UK).

THE HORIZON 2020 PACKAGE

- 1. Establishment of Horizon 2020 - The Framework Programme for Research and Innovation (2014-2020)**
2011/0401(COD) COM(2011)0809
Rapporteur : Teresa Riera Madurell (S&D, ES)
Opinions: BUDG, EMPL, ENVI, TRAN, REGI, AGRI, PECH, CULT, JURI, FEMM
- 2. Specific Programme Implementing Horizon 2020 - The Framework Programme for Research and Innovation (2014-2020)**
2011/0402(CNS) COM(2011)0811
Rapporteur : Maria Da Graça Carvalho (EPP, PT)
Opinions: BUDG, EMPL, ENVI, TRAN, AGRI, CULT, JURI

3. Amendment of Regulation (EC) No 294/2008 establishing the European Institute of Innovation and Technology

2011/0384(COD) COM(2011)0817

Rapporteur: Philippe Lamberts (Greens/EFA, BE)

Opinions: BUDG, EMPL, CULT, JURI

4. Strategic Innovation Agenda of the European Institute of Innovation and Technology (EIT): the contribution of the EIT to a more innovative Europe

2011/0387(COD) COM(2011)0822

Rapporteur: Marisa Matias (GUE/NGL, PT)

Opinions: BUDG, EMPL, ENVI, AGRI, CULT, JURI

5. Research and Training Programme of the European Atomic Energy Community (2014-2018) complementing Horizon 2020 – The Framework Programme for Research and Innovation

2011/0400(NLE) COM(2011)0812

Rapporteur: Peter Skinner (S&D, UK)

Opinions: BUDG, ENVI, JURI

The debate was divided into three blocks: on general issues, the European Institute of Innovation and Technology (EIT) and nuclear research.

Mentioning the Horizon 2020 programme as a tool with which to tackle the crisis, the rapporteur, Ms Riera Madurell, called for the doubling of its budget compared to the Seventh Framework Programme and stressed the need to improve its governance. She highlighted the issues of excellence, the innovation chain and the multidisciplinary approach and welcomed the allocation of two thirds of energy funds to renewables. In order to underline the role of human and social science, she proposed to split the sixth societal challenge ("Inclusive, innovative and secure societies"), whereby "secure societies" would be included in a new challenge. She also mentioned gender equality and public access to research results. The rapporteur, Ms Carvalho, was against the splitting of the sixth challenge. She, for her part, emphasised excellence and widening of participation, synergies with the structural funds and the central role of SMEs.

Members welcomed the proposal to allocate EUR 100bn to the programme. They emphasised the importance of excellence and its spreading and promotion by means of targeting funds, teaming and twinning, among others. In this context, they stressed that widening of participation should not be achieved at the cost of excellence. The key role of SMEs and their participation was also emphasised and Members commented on the earmarking of 15% of budget to them. Some agreed with the principle, but given that simplification and flexibility was needed, they were not sure whether having an earmarked percentage was the best solution.

Others called for an increased amount. Members also discussed the splitting of the sixth societal challenge; the synergies, complementarity and better coordination with the structural funds and simplification; as well as industry participation, international cooperation, open access to research results and health issues, the key role of human resources and a need for an integrated approach to research and innovation.

Given the role of the EIT as a link between industries, the academic world and research and its potential leverage effect, the rapporteur, Ms Matias, supported its proposed wider agenda and the increased budget. She pointed to the role of training, strengthened participation of SMEs and geographic widening of clusters through targeted measures and strategies. She also proposed Strasbourg as the headquarters for the EIT as a solution for "single EP seat" discussions.

Mr Lamberts, the rapporteur, focused on greater competition and competitiveness in project selection, the leverage effect, higher participation of SMEs, the free flow of knowledge and the need for a systemic approach for social sciences and humanities. Referring to the sixth societal challenge, he considered that the security and defence element should not be financed by the EU budget at all, as it was not an EU competence but a national one.

Members were divided over the EIT's increased role and budget, as some of them were not convinced of its benefits or achievements and opposed the proposal to seat the EIT in Strasbourg. They also discussed the selection process and the timetable for launching the Knowledge and Innovation Communities (KICs), their financing, follow-up and closer link to Horizon 2020; start-ups created by the EIT as a means of job creation; a greater link between training/apprenticeship and Marie Curie actions, SMEs and innovation; and the question of the EIT being under the political surveillance of the EU.

With regard to nuclear research, the rapporteur, Mr Skinner, reminded Members of its different legal basis and called for an increase in its budget. He highlighted the issues of simplification and cutting red tape, as SMEs in particular were under-represented in this field of research.

He also emphasised international cooperation, mainly in the fields of prevention, standards, safety of working conditions and workers' protection. He advocated financing of ITER through the MFF. Until ITER became operational, JET (Joint European Torus), its predecessor, should be fully supported to avoid any gaps between the two.

Members welcomed the report. They highlighted the issues of human resources, training and development; promotion of excellence through sufficient funding and knowledge exchange; international cooperation to improve security standards and to share the EU experience; and the prominent role of fundamental research. They also examined the need to solve the problem of the financing of ITER and additional nuclear fusion projects, as well as an efficient use of resources. In this context they felt that the 13.5% ratio of Commission administrative expenditure was too high and could be used better, e.g. to fund the fusion projects.

Concerning the structure of Horizon 2020, the Commission representative highlighted simplification as the leitmotiv of Horizon 2020 and called for working in line with the proposal. He underlined the Commission's commitment to building the stairway to excellence, in association with the structural funds, among others. In this context, he welcomed the proposed teaming and twinning of excellence. He criticised the idea of decoupling the sixth societal challenge, as in his view the topics were interconnected. On budget-related issues, the Commission favoured internal flexibility to allow for adjustment to requirements as they arose. As regards open access to publicly funded research results, he warned Members that imposing this as a general rule might lead to the withdrawal of the co-financing industrial partner. On nuclear research, he stressed the importance of investing in nuclear safety, supporting ITER and international cooperation. Accordingly, he reminded Members that there were many nuclear power plants (NPPs) in the EU needing to be decommissioned which required appropriate expertise.

The rapporteurs highlighted the need for a simple, flexible and adequately funded programme and again noted disagreements on the sixth societal challenge and the widening of participation. Mr Skinner addressed the issue of fundamental research, considering that it should not be financed at the expense of excellence and innovation close to markets.

Timetable: deadline for amendments: 26 June 2012, 12:00 (reports by Ms Riera Madurell and Mr Skinner)
27 June 2012, 12:00 (Mr Lamberts's report)
28 June 2012, 12:00 (reports by Ms Carvalho and Ms Matias)

first consideration of amendments: 17 September 2012

6. 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, reiterated that the proposed budget of EUR 2.5bn was very limited and called for it to be increased. He focused on better access to finance, easier access to markets and simplification of bureaucracy. He commented on the leverage effect of financial instruments and stressed that 55.5% of the budget should be allocated to them. He called for greater focus on micro-enterprises and pointed to the case of non-innovative SMEs, which were at risk of being left out of Horizon 2020. Mr Creutzmann highlighted the need for European added-value (EAV), EU measures to correct market weaknesses and sector-specific initiatives (even though he was opposed to singling out tourism), as well as the need to promote youth employment. He concluded that COSME should cover all phases of businesses, from start-ups to second chances and transfers.

Members focused on the issues of cutting red tape; increasing the budget since it did not reflect the political importance of the issue; and access for SMEs to markets, including internationalisation. They also commented on SMEs' access to finance and mentioned low loan thresholds. They were favourable to the inclusion of tourism in the scope of the proposal.

The Commission representative agreed with the priorities of laying stress on EAV and the leverage factor of EU funding. Regarding administrative burdens, he explained that the Commission wanted to focus on the qualitative aspects. As to the budget, he was cautious about raising the loan threshold and allocations for financial instruments, since this might decrease SMEs' support and leave less for entrepreneurship, competitiveness and sustainable growth. He agreed that non-member country markets were a priority. In the light of the Lisbon Treaty and the specificity of the sector, he advocated maintaining tourism in the programme.

The rapporteur pointed out that he was not against supporting tourism in particular, but he opposed the principle of singling out one sector. Regarding the budget of 15% for SMEs in Horizon 2020, he would instead advocate a figure of EUR 5bn, which would allow loan thresholds to be raised. He reminded Members that the outcome of the Horizon 2020 discussions would be crucial and that COSME would have to fit into its structure.

Timetable: deadline for amendments: 20 June 2012, 12:00

7. Exchange mechanism with regard to intergovernmental agreements (IGAs) between Member States and third countries in the field of energy

2011/0238(COD) COM(2011)0540

Rapporteur : Krišjānis Kariņš (EPP, LV)

Opinions : AFET, INTA

- Presentation of the outcome of negotiations with the Council and the Commission

The rapporteur, Mr Kariņš, acknowledged that the compromise text fell short of the Committee's expectations, but reminded Members that the Member States did not want the legislation at all, in particular the part on ex-ante compatibility control. Against this background, he suggested moving towards the first-reading agreement, as he considered that some legislation which could be amended at a later stage was better than no legislation at all. The ALDE group endorsed this position. The S&D group, together with Greens/EFA, felt it important to have the ex-ante compatibility check. They were therefore against the first reading agreement and informed the rapporteur that they would propose new amendments during the plenary process.

8. Presentation of the Stress Tests Peer Review report performed on European Nuclear power plants

As a consequence of the nuclear accident in Fukushima, the Commission representative reminded Members of the Commission's mandate to develop a methodology for the stress tests and to review and make proposals on the EU nuclear safety framework. He gave a brief overview of the methodology, the scope and the participating countries, and informed the Committee that the consolidated report containing recommendations and 17 detailed national reports was available on the website of ENSREG (European Nuclear Safety Regulators Group).

Mr Jamet, Chairman of the Peer Review Board, gave a more detailed presentation. He focused on the topics of the stress tests (natural hazards, loss of safety systems and severe accident management), their specification and peer review; steps; peer review scope; participants; public outreach and output. The tests showed significant steps taken to improve safety of NPPs, varying degrees of practical implementation (depending on regulatory systems and the extent of nuclear programmes), overall consistency across the EU in identification of strong features, weaknesses and measures to increase robustness (such as additional mobile equipment, hardened fixed equipment, improvement of severe accident management with appropriate staffing, etc). These resulted in four main recommendations :

- assessment of natural hazards and margins - issuing WENRA (Western European Nuclear Regulators' Association) guidance;
- importance of periodic safety reviews;
- implementation of the recognised measures to protect containment integrity (such as bunkered equipment including instrumentation and means of communication, emergency response centres, etc);
- prevention of accidents resulting from natural hazards and limiting their consequences.

As to the follow-up, he mentioned the benefits of sharing the results of tests and ideas to strengthen the safety and robustness of NPPs. By way of conclusion, Mr Jamet informed Members that ENSREG and the Commission would propose an action plan in the field.

Replying to questions from Members, the Commission representative gave a reminder that the report on nuclear safety was due for October and would, hopefully, lead to the presentation of the legislation. He was already able to indicate that it would tackle three areas: governance and independence of national regulatory authorities, technical criteria and transparency in the nuclear field. On security aspects, he informed the Committee that the Council's working party on nuclear security had finalised its work, which was published on the web; and that the Commission would present its views on it. Concerning the status of stress tests, they were finished and he underlined the need for proper implementation of results by national authorities. Mr Jamet added that the responsibility for control of safety lay with national regulators: visits to NPPs were symbolic events, not inspections. He concluded that the stress tests were not only about natural hazards; their results were valid whatever the cause of the accident.

*** *Electronic vote* ***

9. Exchange mechanism with regard to intergovernmental agreements (IGAs) between Member States and third countries in the field of energy

2011/0238(COD) COM(2011)0540

Rapporteur : Krišjānis Kariņš (EPP, LV)

Opinions : AFET, INTA

The compromise text as agreed with the Council was adopted (36 for, 18 against, 0 abstentions).

The legislative resolution was adopted (35 for, 19 against, 0 abstentions).

10. Specific provisions concerning the European Regional Development Fund (ERDF) and the 'Investment for growth and jobs' goal and repeal of Regulation (EC) No 1080/2006

2011/0275(COD) COM(2011)0614

Rapporteur for the opinion: Patrizia Toia (S&D, IT)

Responsible: REGI

The draft opinion was adopted as amended (47 for, 5 against, 3 abstentions).

11. Common provisions on European Funds and repealing Regulation (EC) No 1083/2006

2011/0276(COD) COM(2011)0615

Rapporteur for the opinion: Patrizia Toia (S&D, IT)

Responsible: REGI

The draft opinion was adopted as amended (45 for, 2 against, 8 abstentions).

12. Cohesion Fund (CF) and repeal of Council Regulation (EC) No 1084/2006

2011/0274(COD) COM(2011)0612

Rapporteur for the opinion: Patrizia Toia (S&D, IT)

Responsible: REGI

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

13. Innovative financial instruments in the context of the next Multiannual Financial Framework

2012/2027(INI) COM(2011)0662

Rapporteur for the opinion: Antonio Cancian (EPP, IT)

Responsible: BUDG

The draft opinion was adopted as amended (49 for, 2 against, 5 abstentions).

14. Social Business Initiative - Creating a favourable climate for social enterprises, key stakeholders in the social economy and innovation

2012/2004(INI) COM(2011)0682

Rapporteur for the opinion: Bogdan Kazimierz Marcinkiewicz (EPP, PL)

Responsible: EMPL

The draft opinion was adopted as amended (50 for, 1 against, 0 abstentions).

14. Establishing a Partnership Instrument for cooperation with third countries

2011/0411(COD) COM(2011)0843

Rapporteur for the opinion: Niki Tzavela (EFD, EL)

Responsible: AFET

The draft opinion was adopted as amended (50 for, 1 against, 1 abstention).

*** End of electronic vote***

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

2012/2042(INI) COM(2011)0642

Rapporteur: Paul Rübiger (EPP, AT)

Opinions: INTA, ECON, EMPL, ENVI, IMCO, REGI

The rapporteur, Mr Rübiger, emphasised that his report was very relevant for re-launching growth. He reiterated his priorities on internationalisation and cutting red tape and was pleased that a good level of consensus had been reached on the report.

Mr Johansson (ALDE, SE) reiterated the need to improve SME's involvement in international trade, and the need to reduce red tape. Mr Bütikofer (Greens/EFA, DE), supported by Ms Toia (S&D, IT), added that the High Level Group on reduction of administrative burdens should be asked to give advice on taxation and cutting red tape, and report regularly also to the EP and the Council.

Ms Ford (ECR, UK) suggested, as a general rule, excluding SMEs from EU legislation unless there was a specific and justified need to include them. She also called for improving basic banking services for SMEs that traded across borders.

On the subject of SMEs' internationalisation, the Commission representative informed Members that a mapping of current Member State business support actions abroad was underway and would be followed by political recommendations by the end of 2013, identifying where EU action was needed. He reminded Members that the Enterprise Europe Network (EEN) partners were selected on competitive calls. The new call would be launched soon and the Commission was in contact with European Business Organisations to help improve the governance structure for the EEN.

<u>Timetable:</u>	consideration of amendments:	19 June 2012
	vote in ITRE:	3 or 17-18 September 2012

16. Rules for the participation and dissemination in 'Horizon 2020 – the Framework Programme for Research and Innovation (2014-2020)'

2011/0399(COD) COM(2011)0810

Rapporteur: Christian Ehler (EPP, DE)

Opinion: AFET, BUDG, DEVE

The rapporteur, Mr Ehler, welcomed the Commission's focus on simplification and shift towards innovation, but considered that effectiveness should be sought as well. He highlighted the single funding rate for all participants, where his view differed from the Commission's proposal; red tape, including too long "time-to-grant", synergies between multiple EU funds; clear rules on open access and IPRs, and flexibility regarding public-private partnerships. He also referred to the Council's discussions about severe budget cuts having an impact on intervention rates and resulting in a need for careful assessment of the leverage potential.

Members broadly discussed the single funding rate. Some considered that the Commission's proposal was too simplified, called for greater flexibility in view of the broad range of activities and participants and supported the rapporteur's position (Mr Johansson (ALDE, SE), Mr Vidal-Quadras (EPP, ES), Mr van Nistelrooij (EPP, NL)). Others disagreed with the rapporteur, as they thought he complicated things even more (Mr Glante (S&D, DE)). Others again pointed out that actually the concerns of the industry were more red tape and late payments than the funding rates (Ms Ford (ECR, UK)). Concerning leverage, Mr Lamberts (Greens/EFA, FR) called for rules that would increase real actual leverage and industry's share in long-term investments. He was also intrigued that the funding was exempt from the state aid rules. Other issues raised were the flat-rate of 7% for administrative costs, which was considered too high (Mr Glante, Mr Lamberts); open access, IPRs and the need to strike the right balance (Mr Gierek (S&D, PL), Mr Glante) ; "time-to-grant" (Ms Carvalho (EPP, PT)) to be reduced to six months (Mr Johansson); selection of independent experts and promotion of research projects/topics based on competitiveness and likelihood to generate results (Mr Gierek); converting research into products (Mr Vidal-Quadras), and other matters.

The Commission representative opposed the idea of differentiated funding, as he considered that the single funding rate for all participants and activities delivered on simplification, on the need to reduce administrative burden and to speed up the grants. Concerning the "time-to-grant" of nine months, he recalled that it had been negotiated together with the VAT issue within the framework of the Financial Regulation, and was not to be covered in the participation rules.

The rapporteur thought that the Financial Regulation framework was too general. On the single funding rate, he considered that for economic reasons the SMEs should be supported more and called on the Commission to produce empirical figures. He underlined the need to achieve leverage and to simplify it.

Timetable: deadline for amendments: 27 June 2012, 12:00

17. Amendment of Directive 2003/98/EC on re-use of public sector information (PSI)

2011/0430(COD) COM(2011)0877

Rapporteur: Ivailo Kalfin (S&D, BG)

Opinion: IMCO, CULT, JURI, LIBE

The rapporteur, Mr Kalfin, supported the main ambitions of the proposal - make public sector information available on the internet (excepting personal and classified data) at costs based on marginal costs, underscoring its usefulness for SMEs. As regards the scope, he said that the

subsidiarity principle would be applied and the Member States would decide, but the access to information should remain the leading principle and the information should be available online. He thought that the proposed supervisory body would introduce additional red tape. He also tackled the issue of the time-frame, the requirement of having a machine-readable format, and financing, as reselling the information was an additional resource for authorities.

Mr Sedó i Alabart (EPP, ES) pointed out that the reuse of information did not mean access to documents. He underlined the need to harmonise different rules in Member States and different applications under the current directive. As key points to work, he highlighted the costs (paid or free, with a need to define marginal costs) and the scope of reuse (e.g. museums, libraries, universities). He agreed with the rapporteur that the creation of an independent supervisory body was not necessary. Ms Andersdotter (Greens/EFA, SE) inquired about the role of public service companies. Mr Rohde, on behalf of Ms Vălean (ALDE, RO), also acknowledged the benefits for SMEs, but called for ensuring proper data protection to avoid any misuse of personal data. Other issues raised were the machine-readable format and IPRs.

Timetable: further discussion: 17-18 September 2012

18. Visit of Ole Sohn, Danish Minister for Business and Growth, Presidency-in-Office of the Council of the European Union, on the outcome of the Danish Presidency

Mr Sohn underlined that strengthened EU cooperation, growth and financial consolidation were key to overcoming the crisis and were the areas in which the Danish Presidency wanted to deliver. He focused in particular on the issues of the single market, the digital agenda, telecommunications, and SMEs. With regard to the digital agenda, he mentioned the adoption of the Roaming Regulation and gave a brief overview of its content. Moving on to SMEs, he reiterated their key role in generating growth and gave details about the Presidency's work on setting up the single market for venture capital, better access to financing and the COSME programme. As to telecommunications, Mr Sohn focused on the PSI Directive to promote the re-use of public data. He underlined the need for an effective and transparent framework that would secure a level playing field throughout the EU. He also highlighted the Connecting Europe Facility (CEF), a proposal outlining long-term investments to generate growth, and stressed that it needed to be in synergy with other EU funds.

Members were interested in access to financing, in particular for SMEs, the state of play of legislation on customs enforcement of IPRs, the principle of net neutrality, mentioned in the context of Mr Van Rompuy communicating on Twitter (a US company), the ACTA agreement and the budget for COSME.

Mr Sohn agreed that ensuring appropriate funding for SMEs was a prerequisite for growth. Regarding solutions to capitalise them, he pointed to the framework for venture capital, on which it was hoped agreement would be reached in June 2012, and the vital issue of patents as generators of growth, on which he also hoped to reach a compromise in June. Regarding the COSME budget, he explained that it depended on the MFF package. Concerning net neutrality, he underlined the need to ensure openness, accessibility and users' rights and informed Members that the Commission would launch an initiative in this area. Moreover, the European Network and Information Security Agency would be reporting on it shortly. As for ACTA, he said that he was not directly involved in the negotiations and the issue did not come within his mandate.

19. Trans-European telecommunications networks, and repeal of Decision No 1336/97/EC

2011/0299(COD) COM(2011)0657

Rapporteur: Evžen Tošenovský (ECR, CZ)

Opinion: ECON, ENVI, IMCO, REGI, CULT, LIBE

The rapporteur, Mr Tošenovský explained that the proposed Regulation aimed to establish guidelines for trans-European telecommunications networks to remove obstacles hindering the completion of the Digital Single Market and to encourage private investments in areas not covered by speed Internet. In his report, he prioritised investments in broadband in areas where profitability was not sufficient for private investors, while not distorting the market and competition in those regions. He said that the CEF should be used in synergy with other EU instruments, but duplication and any new administrative burden had to be avoided. He also highlighted technological neutrality and open access to broadband network.

Members agreed with the role of the CEF in financing where other investments were not available and supported the synergies between the CEF and other EU instruments. They also called for synergies between different networks (e.g. energy-smart grids and telecommunication networks) to avoid unnecessary double coverage. Some Members thought that the targets of the Digital Agenda should not be seen as unchangeable limits, as they might be already outdated, and mentioned several fast-growing technologies, some of which did not have commercial incentives yet. Others questioned the rapporteur's intention to exclude urban areas from financing, as well as his view on technological neutrality and open access to networks.

The Commission representative underscored that the CEF did not intend to replicate any private sector activity. Two instruments of EU intervention were considered, each with a different set of rules: grants and financial instruments. In this context, she also addressed the issues of state aid and project selection criteria, which were also different for both instruments.

With regard to technological neutrality, she pointed out that it was not up to the Commission to determine the technology to be used and that the right of the public/private promoter needed to be respected. She stressed support for synergies in both funds and networks.

The rapporteur explained that he had opted to exclude urban areas to avoid hindering competition there. Concerning technological neutrality, he clarified that he was not against any technology, but did not want to list all technologies that could be used. As to open access, he considered that if the infrastructure was funded by public money, the deliverer should allow access for all to these networks.

Timetable: workshop "Building the European Digital Infrastructure": 20 June 2012
deadline for amendments: 4 July 2012; 12:00

20. Implementation and exploitation of European satellite navigation systems

2011/0392(COD) COM(2011)0814

Rapporteur: Marian-Jean Marinescu (EPP, RO)

Opinion: AFET, BUDG, TRAN

When presenting his report, Mr Marinescu focused on governance and the respective roles of the Commission, the European GNSS Agency (GSA) and the European Space Agency (ESA). In this context, he considered that the actual real use of the system by customers was a crucial factor, and that the promotion of applications by the GSA consequently played a prominent role. He also referred to the budget and proposed creating four different segments related to space, earth, management and EGNOS (European Geostationary Navigation Overlay Service), instead of having one single figure for all activities.

Members underlined the need to guarantee that Galileo and EGNOS covered the whole EU territory and became fully operational as soon as possible. They welcomed the division of budgets based on segments and called on the Commission to provide greater transparency for allocations. Other issues raised were better access for SMEs to procurement contracts, applications in the context of investments, public awareness and marketing, monitoring of expenditure and the delegated acts.

The Commission representative assured Members that total coverage for the EU would become a reality. Regarding the budget, she did not go into the details of actual amounts, but pointed out that it was being discussed under the MFF and that premature transparency could jeopardise the efficiency and effectiveness of the systems. Concerning applications, she agreed with the rapporteur that the system needed to be used. As to their financing, she thought that given the proposed budget

of EUR 7bn from 2014 to 2020, they ought also to be financed through other programmes.

With regard to the promotion of SMEs, she noted that one of the priority goals of tenders was to promote their participation. As for delegated acts, she advised careful use of the proper and correct legal means, otherwise the whole Regulation could be watered down by the European Court of Justice.

Concluding the debate, the rapporteur underlined that EGNOS coverage should be available to all EU countries, candidate countries and countries in the framework of the EU Neighborhood Policy as soon as possible. The budget should be split into four segments to ensure clear distribution, guarantee effectiveness and address the need for flexibility of allocations.

Timetable: deadline for amendments: 21 June 2012; 12:00

21. Completing the Digital Single Market

2012/2030(INI) COM(2011)0942

Rapporteur for the opinion: Aldo Patriciello (EPP, IT)

Responsible: IMCO

Given the different rules and regulations on e-commerce and online service developments, the rapporteur, Mr Patricello, focused on the need for a community strategy to speed up the arrival of the digital economy and remove obstacles hindering its development, a safe Internet, and an integrated EU area for payments to develop e-commerce.

Members identified fragmentation of the market and national laws as the main problems for cross-border and e-commerce and called for the elimination of obstacles to online activities. They highlighted the issues of e-signature, e-procurement, a strong legal framework for consumer protection, net neutrality, differences between infrastructure and service providers, business confidence in online trading, broadband and the Directive on copyright.

With regard to e-commerce, the Commission representative said that the most of the Members' recommendations would be addressed in the framework of other legislative proposals. Concerning broadband, he reiterated the strong commitment to delivering. Concerning copyright, he announced that several proposals were to be submitted, and one on collective rights management would be presented in coming months.

Timetable: deadline for amendments: 21 June 2012, 12:00

22. Visit of Máire Geoghegan-Quinn, Commissioner for Research, Innovation and Science, to present the ERA framework

The Commissioner reminded Members of the background to the initiative, which aimed to deliver the European Research Area by promoting open research systems and fully capitalising on their potential. Given the strategic role of the research sector and the need to attract the best brains, the functioning of the ERA was indispensable. She said that the ERA produced positive results, but acknowledged that progress was uneven, too slow and needed to be speeded up. She reiterated the priorities of the Commission communication to accomplish the ERA by 2014: the effectiveness of national research systems, optimal transnational cooperation and competition, the openness of labour markets for researchers, the circulation and transfer of scientific knowledge, and gender mainstreaming in research. Member States would remain the major drivers of change, but she highlighted the role of research stakeholders in some areas as best placed to deliver changes. For this reason she intended to conclude non-binding memoranda of understanding with them. She reiterated that the Commission supported all efforts to realise the ERA, including Horizon 2020 and the Structural Funds. She explained that the national monitoring process would be carried out in connection with the European Semester, and proposed forwarding the progress report to both the EP and the Council each year. The results of public consultation on the communication had been presented on 30 January and the Commission would adopt related measures next month.

In reply to questions from Members, the Commissioner assured them that the ERA was supported by all Member States, giving the example of two calls by the European Council for a unified European research area. She agreed that a lot of research was conducted in cohesion countries and thought it important for the ERA to spread the resources of the Structural Funds accordingly and to pool them to develop synergies. She explained that she had decided not to pursue the ERA through legislation as it was a lengthy process, but did not rule it out in the future. She also acknowledged the challenge of other regions becoming leaders in research and considered that changes in Horizon 2020, complemented by the ERA, could be a EU response.

Given the calls by Member States to lower the overall amount of the MFF, she was sure that the amount proposed for the ERA was not certain to be approved by the Council, anticipated a big fight and called on the EP for their support.

23. Visit of Morten Østergaard, Danish Minister for Research, Innovation and Higher Education, Presidency-in-Office of the Council of the European Union, on the outcome of the Danish Presidency

Mr Østergaard said that the Horizon 2020 framework, the EIT and nuclear research were central initiatives in his field, and gave an extended overview of related conferences and events.

He announced that the aim of the Danish Presidency to achieve a partial general approach on the structure of Horizon 2020 had been successful and believed that it represented a solid compromise: a first pillar with a strong focus on excellence, research mobility and first class research infrastructure, a second pillar tackling the declining participation of industry and supporting SMEs and key enabling technologies, and a third pillar dealing with societal challenges. With regard to the latter, he informed Members that the Member States were critical of the sixth challenge and that the compromise proposed splitting it up. Concerning the rules of participation, he said that the objective of simplification had been achieved by the introduction of a single set of rules with a single funding rate. He added that the competent Council Working Party was currently discussing the file and would continue under the Cyprus Presidency. With regard to the EIT, the progress report had been submitted and there were plans to discuss the file in the autumn. Nevertheless, he informed Members that the widening participation, the number of new KICs and their timetable were the outstanding issues. He also highlighted the Aarhus Declaration on Excellence, as well as the concept of responsible research and innovation. He reminded Members that the EIT conference on good practices would take place on 25 and 26 June in Copenhagen.

Answering questions from Members, Mr Østergaard clarified that the compromise on the sixth societal challenge had been reached between the Member States. Nevertheless, he agreed that humanities and social sciences could be classified as a cross-cutting issue. On widening participation, he referred to the innovation and research targets within the framework of the Cohesion Fund, which provided easier access for SMEs. He said again that discussion of the EIT and KICs were still ongoing as views differed and the budget figures were still awaited. He highlighted the importance of science in dialogue, as the challenges could not be met without having both science and politicians on board.

Dates of the next meeting :

- 11 July 2012, 9.00 – 12.30 and 15.00 – 18.30 (Brussels)
- 12 July 2012, 9.00 – 12.30 and 15.00 – 18.30 (Brussels)