



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 03.07.1998
COM(1998) 422 final

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OPINION OF THE COMMISSION

pursuant to Article 189 b (2) (d) of the EC Treaty,
on the European Parliament's amendments
to the Council's common position regarding the

proposal for a
EUROPEAN PARLIAMENT AND COUNCIL DECISION

**adopting the 5th Framework Programme of the
European Community for research, technological development and
demonstration activities (1998-2002)**

EXPLANATORY MEMORANDUM

Pursuant to Article 189b (2) (d) of the EC Treaty, the Commission is required to deliver an opinion on amendments proposed by the European Parliament on second reading.

The Commission sets out below its opinion on the amendments proposed by the European Parliament.

1. Background

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|------------------|---|
| 30 April 1997 | COM - Initial proposal (EC and EURATOM) |
| 11 August 1997 | COM - 1st amended proposal (EC and EURATOM)
(Supplement concerning the overall amount of funding) |
| 18 December 1997 | EP - Opinion on 1st reading (EC and EURATOM) |
| 14 January 1998 | COM - 2nd amended proposal (EC and EURATOM) (following EP opinion) |
| 23 March 1998 | COUNCIL - Common position on FP 5 (EC) |
| 30 March 1998 | COM - Commission communication to Parliament on the Council's common position |
| 2 April 1998 | EP - Receipt by Parliament of the Council's common position and explanatory memorandum for 2nd reading, and receipt by Parliament of the political agreement on EURATOM (for information) |
| 17 June 1998 | EP - Adoption of 35 amendments to the Council's common position |

2. Purpose of the proposal for a Decision

Based on Article 130 i of the Treaty, the aim of the Framework Programme is to strengthen the Union's science and technology base and encourage its competitiveness. The 5th Framework Programme (1998-2002) includes among its objectives the Union's major socio-economic needs and identifies the research priorities designed to address them.

3. Commission opinion on Parliament's amendments on 2nd reading

Introduction

In accordance with Article 189b of the EC Treaty, the purpose of this opinion is to set out the Commission's position on the amendments adopted by Parliament on 2nd reading on 17 June 1998.

The Commission's opinion should make it possible to identify the essential points on which there is a convergence of views between Parliament and Council and those where

their respective positions are still different. Another aim is to ensure that the co-decision procedure results in a balanced outcome within a time limit such that the efficiency and continuity of Community research activities are ensured.

General assessment

The Commission notes the convergence of views between the three institutions on the structure and scientific and technical content of the Framework Programme. The broad strategic guidelines set out in the Commission's proposal are confirmed by the EP on its 2nd reading; the need to concentrate efforts is reaffirmed; and the key actions, which are essential components of the thematic programmes, are regarded as appropriate means of mobilising the expertise needed in order to meet the expectations of society.

The Commission also sees that the European Parliament wishes to assign to the 5th Framework Programme resources commensurate with the stated objectives, and that Parliament supports the Commission's proposal for an overall budget of ECU 16.3 billion¹ for the 5th Framework Programme, whereas the figure in the Council's common position is much lower, namely ECU 14 billion.

In view of this, the Commission has opted to maintain its amended proposal of 14 January 1998 and not to incorporate in it amendments other than the ones that it had already taken over following the 1st reading.

Analysis of the 2nd reading

A significant number of the amendments concern the breakdown of the overall amount of funding and its links with the financial perspective and the budgetary decisions (Amendments 4 to 7, 9, 35).

- Parliament's amendments on the breakdown of the overall amount are indicative of differences of opinion about the major priorities of the future Framework Programme:
 - Parliament wishes to increase the budget for the thematic programme "Quality of life and management of living resources". The Commission had itself assigned priority to this by nearly doubling the relative share for this area. Any further increase in this part of the Framework Programme would result in a corresponding reduction in other activities which are equally crucial in order to enhance the Union's competitiveness.
 - This is the case, for example, with the 4th activity concerning human potential: Parliament would have to reduce the support for the mobility of researchers and training through research.
- Parliament wishes to reduce the constraints resulting from the link with the financial perspective in terms of the implementation of the future specific programmes. While sharing the EP's concerns in this respect, the Commission finds that the scenario envisaged, namely the inconsistency of the overall amount with the financial

¹ Parliament wishes to assign ECU 15 040 million to the part covered by the EC Treaty (the only one that is concerned by this 2nd reading).

perspective or the absence of a new financial perspective, is very hypothetical; it also considers that this could seriously jeopardise the chances of success in the final stage of the co-decision procedure.

Another series of amendments concern the monitoring and implementation of the Framework Programme (Amendments 3, 8, 10 to 14)

The Commission sees that Parliament wants to be more involved in the implementation of the Framework Programme. It notes in this connection that Parliament shares its concern to combine the requirements relating to transparent implementation and efficient management.

The amendments concern four broad types of functions:

- Technical functions. These are linked to the *modus operandi* of the consultative groups for the key actions and the committees of independent experts to evaluate the research proposals. The Commission has laid down and will continue to lay down internal operating rules to guarantee transparency.
- Monitoring. This makes it possible to provide, each year, elements of guidance for each programme. The monitoring reports are accessible and made available to Parliament, but formal transmission would place an extra burden on programme implementation.
- Transmission of information and evaluations to Parliament and the Council.

The formal transmissions already established cover all Community RTD activities; they comprise:

- a very detailed annual report on research activities drawn up pursuant to Article 130p of the Treaty.
- a five-year evaluation exercise both for each specific programme and for the Framework Programme as a whole, entailing a wide-ranging examination of activities in progress and resulting in a series of recommendations.
- Mid-term review of the Framework Programme. Given the decision-making rules now in force the guidelines adopted following this exercise may not be adopted before the end of the period covered by the Framework Programme.

Most of the other amendments concern specific aspects of the content of the Framework Programme and the participation arrangements (Amendments 2, 15, 17, 22 to 25, 27 to 29, 31 to 34, 36).

- The Commission shares the EP's concern about the need to facilitate and increase SME participation in Community research activities, but this must be achieved without departing from the objectives of the Framework Programme or the participation rules.
- Parliament wishes to create a new key action "Information society and social context". The Commission takes the view that this aspect, which is to a large extent covered by

the content of theme 2, will be addressed all the more effectively if it is tackled in an integrated fashion within the existing key actions of this programme.

- Other amendments relating to the scientific and technological content of the Framework Programme would result in a dispersion of priorities that would be detrimental to the objective of targeting and concentration which is the underlying principle of the Commission's proposal; some of them concern points of detail that it is more appropriate to address at the level of the specific programmes.

In general, for many of the issues raised, Parliament will find more details, which should broadly satisfy its expectations, in the proposals concerning the specific programmes.

In any case, a significant number of amendments (Amendments 1, 16, 18 to 21, 30), most of which make useful additions or clarifications to the content of the Framework Programme, have already been taken up in the Commission's revised proposal following the first reading: on all these points the Commission can only confirm its support for Parliament's amendments.

Conclusion

The Commission has opted to maintain its amended proposal without including in it amendments other than the ones that it had already taken up, as they stand or in large degree, following the 1st reading.

The Commission is well aware that further efforts to achieve convergence between Parliament and Council will have to be made on the basis of the amendments arising from Parliament's 2nd reading and it is determined to work towards an overall compromise in the context of the conciliation procedure.

The Commission renews its appeal to Council and Parliament to keep Community research efforts at the appropriate level, while ensuring the continuity of the Union's research and technological development activities.

Summary table

Amendments accepted by the Commission (incorporated in the amended proposal of 14 January 1998)	16, 21;
Amendments the substance of which has been taken up by the Commission (incorporated in the amended proposal of 14 January 1998)	1, 18 to 20, 30;
Amendments rejected	2 to 15, 17, 22 to 25, 27 to 29, 31 to 36

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DOCUMENTS

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