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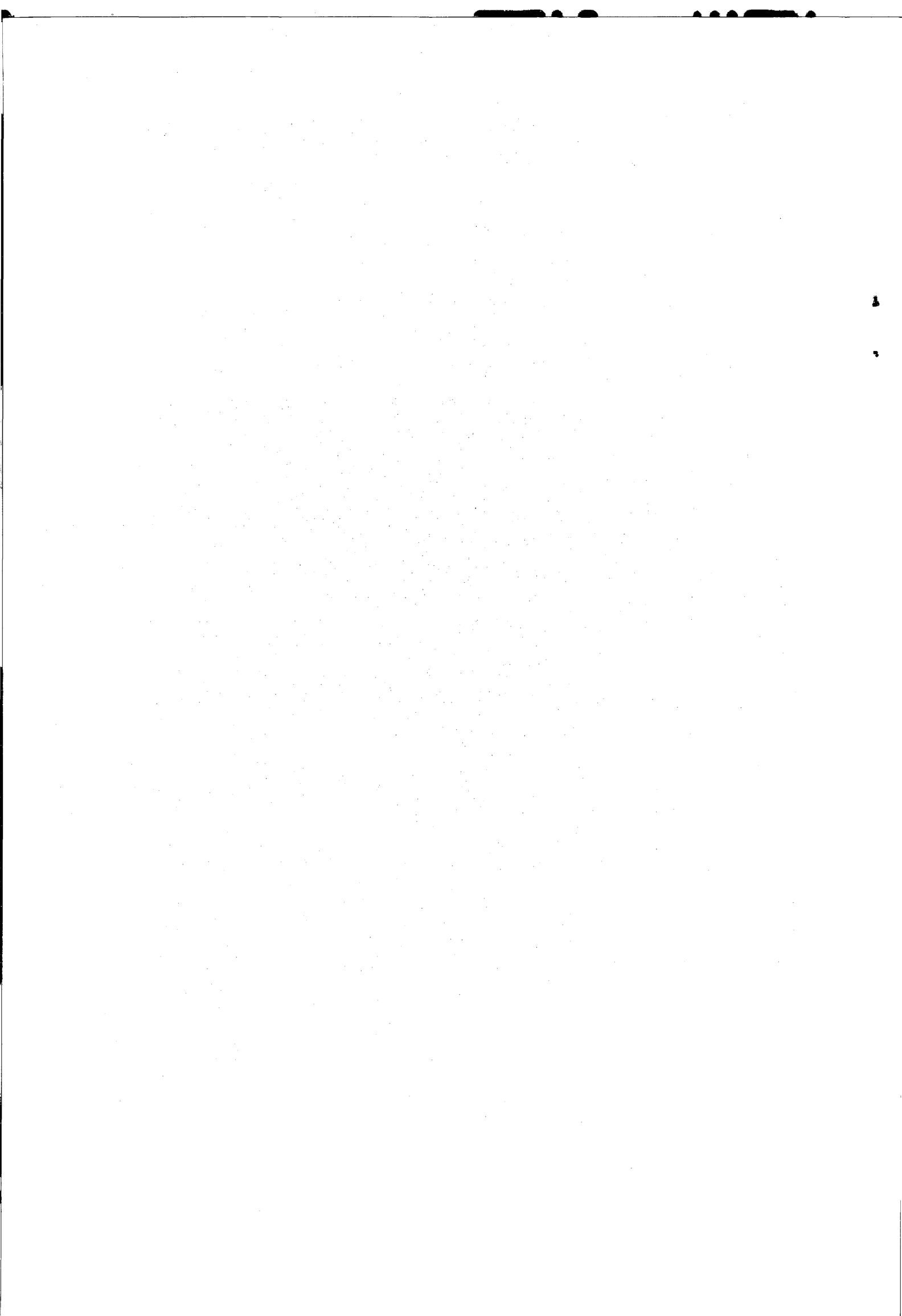
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COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT

pursuant to the second subparagraph of Article 189 B. (2) of the EC Treaty

**concerning the common position of the Council with a view to a
decision adopting the Fourth Framework Programme of
Community activities in the field of research, technological
development and demonstration (1994 to 1998)**



COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT

Subject: Common position of the Council with a view to a decision adopting the Fourth Framework Programme of Community activities in the field of research, technological development and demonstration (1994 to 1998)

1. Introduction

In accordance with Article 189b of the EC Treaty, this paper sets out to present the Commission's position on the common position of the Council of 14 January 1994 on the Fourth Framework Programme. The Commission's position takes account of the adoption by the European Parliament on 18 November 1993 of an opinion on the Commission's proposal (COM (93) 276) at first reading.

2. The Commission's position on the common position

- 2.1 The Council's common position is based on the proposal from the Commission and on the 110 amendments introduced by the European Parliament. The Council has by and large taken account of the spirit, if not always the letter, of Parliament's amendments. In purely numerical terms, more than half the amendments have been wholly or partially incorporated in the common position.

Most of the Council's amendments are a constructive attempt to clarify or provide more detail on certain points and, with the exception of divergences of opinion as to certain aspects of the breakdown of the overall amount, and on the role of the JRC, the text of the common position does not differ all that widely from the Commission's proposal. However, some of the amendments water down the policy guidelines proposed by the Commission, as they have the effect of reducing the degree of concentration of activities, a move which, allied to the reduction in the overall amount, is liable to make Community research less effective. As a result, the common position emphasizes continuity with previous framework programmes rather than paving the way for the changes made necessary by the current socio-economic climate. In any event, the priorities within each research theme will have to be subjected to particularly close scrutiny at the level of the specific programmes.

In addition, a number of Parliament's amendments have not been incorporated because they refer either to non-RTD activities, for instance in the energy sector, or to across-the-board issues such as the powers conferred under the committee procedure in general, which should be settled in the broader context of inter-institutional relations.

2.2 The Commission would stress the agreement as to the broad principles of Community research which emerged during the course of the formal and informal negotiations. The following points in particular deserve mention:

- . Community RTD must seek to promote industrial competitiveness, quality of life and sustainable development;
- . RTD must contribute to growth and job creation. The Commission White Paper on growth, competitiveness and employment was favourably received at the December European Council, the conclusions to which stress that "the implementation of an ambitious, well-targeted research framework programme constitutes a significant contribution to efforts towards recovery".
- . the generic and non-sectoral nature of Community RTD is reaffirmed;
- . activities must take account of the needs of society and end-users;
- . efforts must be made to improve consultation and coordination at programme level and between the partners involved (research centres, industry, users, etc.);
- . the value of establishing regional research networks is stressed, in order to study problems common to a particular region, such as the Mediterranean;
- . particular attention should be paid to bioethics as a prerequisite for Community research activities and applications;
- . the need to ensure equal opportunities for male and female research scientists is stressed;
- . emphasis must be placed on the importance of high-standard, independent evaluations of the framework programme (and of the specific programmes) in taking decisions on future programmes;
- . the importance of dissemination and optimization of the results of Community RTD is stressed, although this is not reflected in the share of funds allocated to these activities in the Council's common position.

2.3 Opinions **diverge**, however, on the following points: the overall amount, certain aspects of its breakdown and the role given to the JRC in Community RTD.

As regards the overall amount, the Commission proposed a sum of ECU 13.1 billion, representing a slight increase compared with the level of activity in 1993. The overall amount adopted by the Council (ECU 12 billion) represents a drop in this level of activity which is situated around ECU 12.3 billion. The possibility of unfreezing a reserve of ECU 1 billion at a later stage would almost enable the level proposed by the Commission to be attained. The Commission would point out first of all that the figure laid down by the European Council is to be regarded as a minimum. The Commission deplores the fact that the ECU 1 billion reserve could not be made available now, as uncertainty is created by the fact that those concerned have to plan their research activities on the basis of partial decisions. A period of crisis is no time to cut the already small share of resources (some 4%) represented by joint RTD activities in the European Union. Leaving aside legal reservations, the Commission can only agree to spreading the overall amount over two phases, as provided for by the Council, on the basis that the decision on the reserve has to be taken by 30 June 1996, thus ensuring that it is not concentrated in the final two years of the framework programme and that part of it can be used during the first phase. The Commission will do everything in its power to bring this decision forward as far as possible. Finally, as regards the reserve of ECU 1 billion and without prejudice to later decisions implementing the framework programme, it has been agreed at this stage that the breakdown should be made proportionately between the 4 activities as well as between the 7 themes of the first activity and the JRC.

The Commission's legal reservation is motivated by the fact that, in accordance with Article 130I of the EC Treaty, it is incumbent on the legislative authority to fix only one maximum overall amount - that is to say, for the full duration of the programme - the phasing of the appropriations within this period being the responsibility of the budgetary authority in accordance with Articles 199 and 203 of the Treaty.

As regards the breakdown between the four activities, the substantial increase made by the Council for the first activity (RTD programmes) and the slight increase for the fourth activity (training and mobility of researchers) will work to the detriment of the second activity (international cooperation) and the third activity (dissemination and optimization of results).

The level of funding provided for by the common position for the **second activity (international cooperation)** constitutes a very substantial cutback compared with the means currently deployed, and would make it impossible for the European Union fully to meet its commitments in the international arena, particularly vis-a-vis Central and Eastern Europe and the developing world. It would result in serious restrictions on Community scientific and technical cooperation with non-member countries, and force choices to be made between priorities. More particularly, it is liable to lead to the

cancellation of funding of laboratories and research institutes in Central and Eastern Europe, the newly independent states of the former Soviet Union and the developing countries to enable them to participate in the first, third and fourth activities. While noting that cooperation on nuclear safety (Chernobyl) must be dealt with under the Euratom Framework Programme, the Commission feels increased funding for this activity to be justified.

The share earmarked for the **third activity (dissemination and optimization of results)** has been cut back sharply, although the impact is softened very slightly by the fact that the specific programmes under the first activity must allocate 1% of the overall amount for the Framework Programme to dissemination and optimization of their results. On the basis of the experience with the Third Framework Programme, which saw an increase for the dissemination of results, it would be appropriate to increase this allocation from 1% to 2% gradually during the course of the programme. The Commission, for its part, considers it more appropriate to increase the amount for the third activity to a level which is closer to its proposal. It is not convinced that the amounts accepted are commensurate with the importance of these activities in terms of the potential economic impact, particularly on SMEs, as stressed *inter alia* in the conclusions of the Edinburgh European Council and in the Commission White Paper. This reduction makes it extremely difficult to extend the established networks, particularly towards SMEs, with a view to disseminating the results of Community RTD and of research from other sources such as EUREKA or national programmes.

With regard to the breakdown of funds within the first activity (RTD programmes), the increases proposed by the Council under the headings "Industrial Technologies", "Environment" and "Life Sciences and Technologies" are in themselves acceptable, as they can be employed in an effective and useful manner. However, the Commission would point to the consequences of the resulting reductions in information and communications technologies (ICT), energy and targeted socio-economic research.

The Commission White Paper and the conclusions of the European Council held on 10 and 11 December 1993 stress the importance of ICT, in particular as regards infrastructure development. Research into telecommunications, telematics and information technology is needed in order to develop the networks. Given the strategic role of ICT in bolstering Europe's competitiveness, the Commission regrets this reduction, suggesting instead that funding be increased thus permitting the creation of real synergy with the guidelines set out in the White Paper.

As regards the "Energy" theme, the Council suggests maintaining the level of funding proposed by the Commission for non-nuclear energy sources. However, the Commission notes that the fact that certain non-nuclear aspects of energy, particularly relating to renewable energies, are covered within other themes will result in a further increase in the overall contribution for the energy sector. For instance, the increase in funding for "Life Sciences and Technologies", especially in the agricultural sector, will enable

biomass research to be stepped up and its economic viability improved thanks to an integrated approach enabling comprehensive use of biomass for energy and agro-industrial purposes. Research conducted under other headings such as ICT (CIME), industrial technologies (factory of the future) and transport (improvement of European transport networks) will also contribute to the efficient use of energy. Finally, the Commission would recall that, in the context of its energy policy, it will be proposing the continuation of activities close to the market and downstream of RTD, and therefore falling outside the scope of the Framework Programme.

The Framework Programme for the nuclear sector is not subject to the co-decision procedure. However, in order to contribute to a complete picture of Community research, the Commission would wish to express its concerns with regard to the consequences of the financial restrictions which the Council foresees for the area of nuclear energy. Community research into controlled thermonuclear fusion addresses long-term objectives which require continuity of activities above a minimum threshold. Furthermore, the integration of all European activities in this field has enabled the Community to play a major and positive role in the establishment of important international collaborations and their continuation would be affected by a reduction in the available resources. Research into nuclear safety is of importance to all Community countries, and should underpin the international cooperation which is vital in this field, particularly with the countries of Central and Eastern Europe, as experience has shown that research is needed to guide nuclear safety measures.

The Council did not follow Parliament's suggestions aimed at bolstering the theme "Targeted Socio-Economic Research". Indeed, the level of funding is very slightly below that proposed by the Commission. The Commission would point out that this is the first programme devoted to this topic, which is why its proposal is relatively modest and targeted on certain areas of research. In addition, each theme in the framework programme is to pay particular attention to the socio-economic impact of the research which it supports. The Commission would like to see an increase in funding for this theme.

With regard to the "Environment" theme, the common position singles out the area of "Marine sciences and technologies", in accordance with Parliament's suggestions. The Commission has also made provision for research in this field, albeit without identifying it separately. The common position maintains environmental industrial technologies under the "Environment" heading, and the Commission feels that coordination with the activities conducted under the industrial technologies heading will enable any duplication to be avoided.

The number of specific programmes suggested by the Council (20 including those covered by the Euratom Treaty and those for the JRC) is acceptable, although it introduces greater rigidity.

The Council reached agreement on new guidelines on the role of the JRC within the framework programmes. While acknowledging the institutional role of the Centre in Community research, the Council expressed the wish to see a competitive approach introduced to JRC participation in the framework programmes. These guidelines contain the following elements:

- the types of activity conducted by the JRC under the framework programme are distinguished from each other as follows:
 - . *institutional research activities* directly attributed to the JRC with the required budget;
 - . *institutional activities to support Community policies*, to be conducted by the JRC as a supplier of services to the other Directorates-General of the Commission;
 - . *competitive activities*, for which funding has to be obtained by the JRC in competition with other private or public bodies.
- allocation to the JRC within the framework programmes of operational amounts to cover institutional research activities and the supply of services to the other Directorates-General. These amounts will be determined within the various specific programmes and, as a result, broken down between two distinct programmes for the JRC;
- the competitive activities will consist of JRC participation in the indirect actions conducted under the various specific programmes, and of competitive activities to underpin other Community policies for which the funds are managed by the Directorates-General;
- adaptation by 1 January 1995 of the administrative, budgetary and financial rules required to implement the competitive activities;
- closer coordination, at the programming stage, of JRC research activities with the indirect action programmes.

The Commission would stress the importance of the JRC's role at institutional and Community level, which should be reflected in a specific JRC programme within each framework programme. It is favourably disposed to the principle of making certain activities open to competition, provided the smooth operation of the JRC is ensured, the JRC is in a position to compete with other laboratories on an equal footing, and the competitive approach is introduced gradually. In this respect, the Commission considers that the amounts allocated to the JRC in the framework programme have the effect of exposing it to competition much too rapidly, corresponding to an average of 24% and 10% respectively of its European Union and Euratom activities between 1995 and 1998.

The Commission would recall that practical experience in the vast majority of countries has shown that changes on this scale have never been achieved nor even proposed. The introduction of a competitive approach will require changes to the administrative, budgetary and financial rules.

Furthermore, closer coordination between JRC programmes and the other specific programmes must not call into question the specific status of the JRC as a Community laboratory. The independence of the JRC's Board of Governors is essential in this regard. Moreover, the scientific and technical support activities for the Directorates-General of the Commission cannot be supervised by the different programme committees.

3. Conclusion

The Commission wishes to confirm its willingness to contribute to a satisfactory overall agreement between the three institutions. It will continue to act with the European Parliament and the Council in this sense. The object of the exercise, in line with the guidelines issued by the European Council, is to arrive at a framework programme which is commensurate with the challenges to be met, while being tailored to the economic climate in the Union, and which is adopted in time to avoid any disruption, even momentary, which would have a disproportionate impact on Community-led cross-border cooperation.

