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Report

drawn up on behalf of the Committee on Energy and Research

on the communication from the Commission of the European Communities to the Council on the objectives, priorities and resources for a common research and development policy

Rapporteur: Mr P. KRIEG

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PE 43.239/fin.

By letter of 2 December 1975, the Committee on Energy and Research requested authorization to draw up a report on the communication from the Commission of the European Communities to the Council on the objectives, priorities and resources for a common research and development policy.

By letter of 18 December 1975, the President of the European Parliament authorized the committee to prepare a report on this communication and requested the Committee on Budgets for its opinion.

On 22 December 1975, the Committee on Energy and Research appointed Mr Krieg rapporteur.

It considered this communication at its meetings of 22 January and 16 March 1976 and unanimously adopted the motion for a resolution together with the explanatory statement on 22 April 1976.

Present : Mr Springorum, chairman; Mr Flämig, vice-chairman;
Mr Krieg, rapporteur; Mr Ariosto (deputizing for Mr Müller),
Lord Bessborough, Mr Dalyell, Mr Ellis, Mr Frehsee,
Mr Giraud, Mrs Kruchow, Mr Van der Mei, Mr Noé, Mr Osborn,
Mr Schwabe and Mr Vandewiele.

The opinion of the Committee on Budgets is attached.

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The Committee on Energy and Research hereby submits to the European Parliament the following motion for a resolution, together with explanatory statement :

MOTION FOR A RESOLUTION

on the communication from the Commission of the European Communities to the Council on the objectives, priorities and resources for a common research and development policy

The European Parliament

- having regard to the communication from the Commission of the European Communities to the Council (COM(75) 535 final),
 - having regard to the report of the Committee on Energy and Research and the opinion of the Committee on Budgets (Doc. 71/76),
 - having regard to its earlier resolutions on Community research and development policy, in particular
 - on a scientific and technological policy programme¹,
 - on the need for a common policy on technology²,
 - 'Energy for Europe: Research and Development'³,
 - on a programme of research and development actions in the field of energy⁴,
1. Points to the need for the Community to have a research and development policy and to equip itself with the means of implementing it;
 2. Considers that the aim of such a policy should be to improve the coordination of research carried out at national level and to help promote and carry out Community projects drawn up on the basis of objective criteria;
 3. Believes that the objectives and priorities defined by the Commission are consistent with this aim;

¹ OJ No. C 108, 10.12.1973, p. 58

² OJ No. C 108, 10.12.1973, p. 60

³ OJ No. C 60, 13.3.1975, p. 34

⁴ OJ No. C. 76, 7.4.1975, p. 28

4. Takes the view that, within the context of these objectives, the implementation of the research projects proposed by the Commission could further the development of common policies and contribute to the definition of new policies;
5. Stresses, however, that the absence of a common industrial policy handicaps the implementation and further consolidation of a research and development policy, especially in the area of advanced technology;
6. Emphasises that making the JRC, its role and its activities part of the common research and development policy is a step forward;
7. Considers that the submission of detailed budgetary information will enhance the credibility and further the implementation of the research and development policy;
8. Requests the Commission to ensure that Community appropriations are used as effectively as possible and thus contribute fully to stimulating and promoting research and development policy;
9. Warns against the temptation to cut down on national spending as a means of recouping the appropriations earmarked at Community level for the research and development policy as this would nullify the efforts made at this level;
10. Looks to the Commission to establish clear criteria for establishing priorities so that manner in which the various projects will be carried out (direct, indirect, concerted or coordinated action) may be determined;
11. Requests the Commission to report to it at regular intervals on progress made in the Community research and development policy;
12. Instructs its Chairman to forward this resolution and the report of its Committee to the Council and Commission of the European Communities.

EXPLANATORY STATEMENTI. Introduction

1. The communication from the Commission to the Council submitted for our consideration forms part of a long series of texts and documents relating to a Community research and development policy. Without going back too far, it may be recalled that the real impetus in this field was given by the Paris Summit Conference in October 1972, the final communiqué of which emphasized the need for objectives 'to be defined and the development of a common policy in the field of science and technology ensured. This policy will require the coordination, within the institutions of the Community, of national policies and joint implementation of projects of interest to the Community. To this end, a programme of action together with a precise time-table and appropriate measures should be decided by the Community's institutions before 1 January 1974'. In application of these provisions, the Commission forwarded to the Council in September 1973 a proposal for a scientific and technological policy programme (see Flämig report, Doc. 219/73). This programme was endorsed by the Council in January 1974.

This Council decision provided the framework within which a Community research and development policy could finally be introduced.

2. Developing its strategy, in October 1974 the Commission submitted a communication entitled 'Energy for Europe: Research and Development' (see Vandewiele report, Doc. 447/74). This communication constituted an outline programme for research and development in the energy sector. The programme was first implemented as a result of a Council decision of 22 August 1975 (OJ No L 231 of 2 September 1975) on research and development actions in the energy sector (energy conservation, production and utilization of hydrogen, solar energy, geothermal energy, systems analysis).

3. At the time when these first steps towards a research and development policy were taken, the Council suggested that, in order to assess the effectiveness of the procedures tested, improve the machinery used and, finally, to derive the guidelines for a common policy, the results of the first experiments should be evaluated at the end of 1976. At its meeting of 26 June 1975, the Council expressed the hope that discussions would begin as soon as possible on the major objectives to be included in Community research and development policy between then and 1980. The Council took the view that these objectives should provide the framework for the future multiannual JRC research programme.

4. In response to this request, the Commission is now submitting to the Council this interim study of the objectives, priorities and resources for a common research and development programme so that preliminary discussions can take place. At the same time and in the same context, the Commission

has submitted to the Council a document setting out the general concept of the future multiannual JRC programme (COM(75) 529 final - Flämig report, Doc.49/76) .

II. Scope of the communication

5. At the beginning of its communication to the Council, the Commission recalls briefly what has already been done following Council resolutions. Rightly emphasizing, in the opinion of your rapporteur, the fundamental importance which must be attached to the coordination of national research and development policies, the Commission stresses the positive role played in this field by the Scientific and Technical Research Committee (CREST). This aspect, however, is not dealt with in detail in the Commission document as it was considered that at the present stage it would be premature to undertake a review.

6. The Commission document adopts a dual approach:

- firstly, a definition of the medium-term objectives and priorities of the Community;
- secondly, a statement of the conditions governing the implementation of Community research and development projects.

A. Medium-term objectives and priorities of the Community

1. Objectives

7. Your committee has emphasized on several occasions that the introduction of a research and development policy implies, first of all, the definition according to known requirements of a set of coherent priorities reflecting the Community's objectives. Only in this way will it be possible to avoid the error of piecemeal action which does not fit in with any clearly defined political approach.

8. The Commission's document satisfies this requirement by setting out at the beginning the rules to be followed in framing a Community research and development policy. The Commission states that Community activities should be spelt out:

- either in terms of the sectoral policies adopted by the Community, in order to help achieve the objectives laid down for these policies (e.g. agriculture, energy, ...);
- or with the aim of helping to map out new policies for possible adoption which the Community might like to debate (e.g. raw materials, town planning, ...).

9. On the basis of these criteria, the Commission considers that as a priority, Community research and development actions should be undertaken in the following sectors:

- resources: energy, agriculture, raw materials
- environment:
- economic and industrial development
- the life of society (social research, biomedical research, urban development, construction, transport and telecommunications systems.)

10. It should be stressed that, apart from some minor differences, these sectors are the same as those proposed by the Commission in September 1973 in its scientific and technical policy programme for Community research (Doc. 166/73). This is also clearly shown by section C on page 8, where it is stated that 'the Commission has already sought to focus its recent programme proposals on the four priority areas set out above and intends to systematize its efforts in this direction, if the Council confirms these guidelines.' By recalling these objectives and defining their scope, the Commission hopes to receive final confirmation from the Council.

11. The Committee on Energy and Research has noted with interest the Commission's intention to consider systematically the possibilities for cooperation in research and development with the developing countries. It regrets however that the state of progress of the studies being undertaken by the Commission does not allow the ways and means of such cooperation to be specified.

2. Choice of projects

12. An examination of the criteria put forward by the Commission for the selection of research and development projects from the four priority sectors shows that they are much the same as those already adopted by the Council (decision of 14 January 1974).

13. The criteria are as follows:

- action designed to contribute directly to implementation of the Community's sectoral policies (e.g. agriculture, energy, raw materials, ...);
- action which, because of the extent of the human and financial resources required, cannot be carried out on a national basis (e.g. Fusion programme);
- action where development costs and outlets call for a huge market (aeronautics, data-processing);

- action that is transnational by its very nature (e.g. transport and telecommunications systems, scientific and technical information and documentation);
- action meeting local authority requirements common to the Member States (e.g. environment, town planning, biomedical research, CBR).

3. Implementation

14. It is regrettable that when dealing with a problem as important as the choice of implementing procedures, the Commission merely lists the various possibilities, namely: direct action, indirect action, concerted action or coordination of national programmes.

In the opinion of your rapporteur, the Commission should have defined objective criteria (and not resorted to the case by case rule as it proposes), making it possible to determine whether an activity should be undertaken in the form of direct or indirect action for example. Moreover, the coordination measures and the organic links between the various kinds of action should have been carefully studied by the Commission.

The same comment was made by Mr Elämig in his final report on the conditions for a fresh start in Community research (Doc. 49/76) in which he puts forward a number of criteria for choosing between direct and indirect actions.

4. Financial estimates

15. The table of research and development appropriations shows that these are to rise from 97 million u.a. in 1975 to 237 million u.a. in 1980. The breakdown of these appropriations by year and by research project is shown in the provisional financial table for the period 1976-1980 in Annex 2 of the Commission document. These estimates are an improvement over the vague information previously provided in this area.

Your committee wishes to stress that the allocation of appropriations to different research projects should help to advance these projects within the framework of Community research and development policy. Care should be taken to ensure that these appropriations are used as effectively as possible. With this in mind your committee is opposed in principle to any attempt to 'recoup' this expenditure by reducing by the same amount the appropriations originally earmarked for similar projects at the national level.

B. Conditions for the implementation of Community research and development projects

1. Sharing of tasks

16. Your committee shares the Commission's view that each time a programme is put into operation through indirect or concerted action, every effort should be made to ensure that tasks are shared according to the special capacities of the various Member States. This means that in assigning tasks to the laboratories of the Member States, their capacities, potential and other economic, regional or political considerations to be taken into account. Many Member States feel, however, that tasks should be allotted in a general way, from the basic research phase right up to the stage of industrial development.

17. Your rapporteur can only share the hope that a common research and development policy will produce collaboration between researchers with a view to the establishment of a European scientific and technological Community.

2. Link between the research phase and the utilization phase

18. The Commission rightly emphasizes the need to pursue a research and development policy in close inter-relationship with industrial policy.

When the document was being discussed, the Commission representatives pointed to the contacts which had already been established between the Community and the representative bodies of European industry as regards research and development.

19. Such links are essential, especially in industrial and technological research.

Your committee therefore feels obliged to emphasize the fact that the absence of an industrial policy has adverse repercussions on research and development policy. These adverse effects are felt at the research and processing stage and also when it comes to introducing new processes on the market.

Finally, the lack of a common industrial strategy is even more keenly felt in the area of advanced technology. In this area, research and development policy should fit logically in with industrial policy.

3. Utilization of research results

20. The effort employed in disseminating and utilizing the results of Community research should be commensurate with the effort devoted to the research itself. When committing itself to a programme, the Community will have to anticipate how the expected results can best be disseminated and utilized.

With this in view, the Commission suggests that the measures at present in force should be strengthened.

21. Generally speaking, the results of research for social purposes, such as bio-medical sciences, environment, town planning and education, simply call for dissemination of the information acquired, but the efficiency and speed of the dissemination media will have to be improved. The results of such research will have to be communicated to the public authorities so that it is taken into account when common policies are being drawn up.

22. As regards research for industrial purposes carried out under contract by industry, the policy followed hitherto by the Community does not seem to require any substantial modification: the manufacturer carrying out the research will remain the owner of the new products, equipment and processes invented and will have priority in exploiting them;

23. If, however, there are several complementary research projects converging towards related results, agreements will have to be concluded between the manufacturers concerned on the sharing of research tasks and cooperation in industrial exploitation.

In return for the priority of exploitation accorded to them, manufacturers will undertake to utilize the results for the benefit of Community requirements. The Commission proposes to exercise strict control over this commitment and will have the right to grant licences to third parties if it is not complied with.

All these obligations relating to the systems of dissemination and exploitation of research results have already formed the subject of a report by our committee (Petersen report, Doc. 355/73) and do not call for any special comment.

24. Your rapporteur does not consider it necessary to take up a position on the views expressed by the Commission concerning the role of the JRC within the framework of a Community research and development policy, since Mr Flämig's fourth interim report Doc. 49/76 is entirely devoted to this problem.

25. Finally, as regards the 'Europe plus 30' programme, your rapporteur considers that no further comment can be made until the document promised for 1976 by the Commission has appeared.

III. Conclusions

26. As already pointed out, the Commission document is an interim report drawn up at the request of the Council. It is an improvement over previous communications on research and development policy. The Commission has not confined itself to pinpointing research objectives and projects but also states what requirements must be met if they are to be implemented. Furthermore, it should be especially noted that the Commission has, for the first time, added detailed budgetary estimates to its proposals in the area of research and development.

The Committee on Energy and Research has already had occasion to stress the importance it attaches to a Community research and development policy and to notify its agreement with the objectives defined by the Commission. Subject to the comments made in this report, it reiterates its approval while hoping that in the fairly near future it will be asked to consider what the Community research and development policy has achieved.

Opinion of the Committee on Budgets

Draftsman: Mr Tam DLAYELL

On 28 January 1976 the Committee on Budgets appointed Mr DALYELL draftsman for the Opinion.

It considered the draft opinion at its meeting of 17 March 1976 and adopted it unanimously.

Present :

Mr Lange, chairman; Mr Dalyell, draftsman ; Mr Artzinger, Mr Bangemann, Lord Bruce of Donington, Mr Brugger, Mr Concas, Mr Fabbrini, Mr Gerlach, Mr Maigaard, Mr Shaw and Mr Yeats.

Introduction

1. This communication from the Commission to the Council was prepared after a Council Resolution in June 1975 calling for a debate as soon as possible on the major objectives that should be assigned to the Community in research and development policy from 1976 to 1980. This was the latest stand taken by the Council on the overall programme in this sector following

- the Summit Communiqué from Paris in 1972 which called for the definition of common policy objectives in the science and technology sectors ;
- the action programme in science and technology approved by Council in January 1974 ;
- the Commission's communication on research and development in "Energy for Europe" of October 1974, which has been reinforced by the Council Decision of 22 August 1975⁽¹⁾ concerning research and development actions in the energy sector.

2. The basic aim of the communication is as follows:

- (a) the setting out of medium-term objectives and priorities which the Commission proposes for adoption at Community level ;
- (b) the establishment of basic principles for carrying out the relevant projects of Community interest ;
- (c) the presentation of the financial consequences of measures adopted or proposed.

3. The Commission, in its communication, reminds the Council that the criteria agreed for the choice of projects are the following :

- (i) action designed to contribute directly to implementation of the Community's sectoral policies (e.g. agriculture, energy) ;
- (ii) action which, because of the scale of the particular projects, cannot be carried out on a national basis (e.g. fusion programme) ;

(1) OJ No L 231, 2.9.1975

- (iii) action where development costs and outlets call for a huge market (e.g. aeronautics, data processing) ;
- (iv) action which is transnational by its very nature (e.g. transport, scientific and technical information etc) ;
- (v) action meeting local authority and national requirements common to the Member States (e.g. environment, biomedical research, etc.).

4. This is not a document about long-term aims and the Commission rightly restricts itself to a few limited reflections on long-term objectives and priorities - mainly in the field of forward analysis, forecasting and technological assessment. The Commission's reticence in this domain is justified by the fact that Council has delayed basic decisions on the medium-term programmes, so no clear profile of Community activities in the years immediately preceding 1980 can be depicted.

Different means of Community action

5. The procedures that have been adopted for implementing action in the various fields outlined above have been applied pragmatically and revolve around the following options :

- Direct action
- Indirect action
- Concerted action
- Coordination of national programmes
- or any appropriate combination of these.

The Commission provides a breakdown showing the different kinds of Community participation in the various projects already agreed upon as well as the Commission's proposals for particular programmes not yet adopted. Both in the Annex (II) and in the table on page 11, the Commission shows the volume of appropriations for direct and indirect action and makes estimates for the period under consideration (1976 - 1980) for projects decided by Council, for proposals already made by the Commission but awaiting Council decision, and for actions currently being prepared by the Commission for the period 1978 - 1980.

As yet the detailed proposals for this third group of actions have not been submitted so a detailed assessment of the development of the Community programme is not at the moment possible. Nonetheless, the communication fills a useful role in providing some overall view of the development of Community policy in this sector. A further breakdown (annex I) shows the source of Community action (under the EAEC Treaty, the ECSC Treaty and the EEC Treaty) for the appropriations for the 1976 - 1980 period.

Points of particular importance in the Communication

6. The major points of interest to the Committee on Budgets concerning the objectives of the Community's R and D are the following :

(i) A new emphasis on the dissemination and utilisation of research results : this area is one where the efforts of the Community need to be enforced so that the investment in research terms can be justified. The Commission rightly points out the need to close any loopholes in existing research, started by the Community, which might enable Member States to use results thus obtained for strictly national purposes. (1)

(ii) The idea is launched that the author of research activities might be required to pay royalties to the Community where the EEC has made a financial contribution to particular items of research.

(iii) The Commission in its chapter on the role of the Joint Research Centre, which has already been examined critically by the Committee on Budgets, redefines the contribution to be made by the Centre and sets its priorities in the energy and environment sectors. It proposes as a means to this end, the integration of its activities within the whole range of Community activities via the reinforcement of the role of the Advisory Committees on Programme Management (ACPM), ensuring the continuity of projects by adopting time-scaled "rolling programmes", introducing more flexibility in the management of those projects through staff mobility etc.

The Committee on Budgets has already pronounced on this last element - staff mobility - and has expressed its concern lest the principles embodied in the Staff Regulations be breached. However, the Committee would certainly welcome more liaison between the activities of the JRC and the objectives set out by the Community institutions and particularly welcomes the idea of staggered "rolling programmes". Although the mechanism envisaged is not spelled out,

(1) The Commission mentions this in the context of the JET programme which involves a major Community commitment.

nonetheless, such a concept could avoid the period of dislocation and under-employment, and consequently wastage of Community funds, which arises between the completion of one set of Community programmes and the commencement of another.

The Commission lays great emphasis on the coordination of national programmes and admits that the present track record has been unsatisfactory⁽¹⁾. Whilst new mechanisms have been set up, particularly via the CREST (Scientific and Technical Research Committee) and the ACPM, one can see that in various fields where important choices have been made, different states are proceeding along different paths.⁽²⁾

7. In the period towards the definitive financing of the Community Budget by own resources - and surely by 1980, this system will have been in place for some time - it is vital that there be a genuine "qualitative leap" in the Community's research and development activities in order to improve coordination and to carry out more and more activities in the frame of Community programmes to be implemented, as appropriate, in the frame of direct, indirect or concerted actions. The necessary criteria for choosing between the various ways for implementing common actions should be further developed.

Financial appropriations

8. The table of appropriations shows a steady increase from a total of 97 m.u.c. for 1975 (direct and indirect action) to 237 m.u.c. for 1980. This increase is less dramatic than it seems given that the projects for 1976 listed by the Commission represent the beginning of the new programmes and already total 159 m.u.c.; so a total increase of 30% in the five years under consideration (at constant prices) does not seem excessive. The Committee considers these estimates to be a minimum in the light of the recommendations in paragraph 7.

(1) Page 2 of the communication, "... as far as the coordination of national policies is concerned, no significant results have been obtained to date"

(2) One has only to think of the recent decisions taken by the Dutch Government concerning the postponement of work on nuclear reactors, in this context.

R & D APPROPRIATIONS ENTERED OR ANTICIPATED, BY FINANCING CATEGORIES (1975, 1976 - 80)

(estimates in 1000s of u.a.)

Financing categories	1975	1976	1977	1978	1979	1980
<u>I. JRC direct action</u>						
Activities adopted by the Council	59,171	70,587				
Activities in preparation in the Departments			89,000	(94,000)	(100,500)	(106,500)
<u>II. Indirect action</u>						
R&D contracts, contracts of association and concerted projects						
Activities adopted by the Council (current prices)	38,021	24,283	30,248	27,739	13,919	1,703
Activities proposed or adopted by the Commission (current prices except where otherwise indicated)		61,153 ¹⁾	82,001 ¹⁾	84,735 ¹⁾	82,486 ¹⁾	83,449 ¹⁾
Activities in preparation in the Departments (constant prices except where otherwise indicated)		3,675	7,915	(15,025)	(30,000)	(45,750)
Total II	38,021	89,111	120,164	127,499 ²⁾	126,405 ²⁾	130,902 ²⁾
Total I + II⁽³⁾	97,192	159,698	209,164	221,499 ²⁾	226,905 ²⁾	237,402 ²⁾

(1) Including the "Fusion" Programme JET project ; evaluated as from 1977 at 1975 prices (108 mua)

(2) Total including constant-price evaluation

(3) To this total should be added ECSC actions whose figures are not included above

9. Part of the problem of assessing the budgetary impact of the programme is the considerable delay between presentation and adoption. A number of important projects remain on the Council's table, awaiting decision. Furthermore, the Commission is obliged to revise its estimates in view of the fact that in any given budgetary year, given that deadlines are not kept, the ability of the Commission to spend appropriations asked for is reduced. This table is in any case no longer valid other than as a general outline of expenditure, because it was drawn up before the end of the budgetary procedure for 1975, at which time the Commission lowered its estimates. The value of the tables provided under Annex II is also limited, given that the appropriations shown include those for actions still being prepared by Commission services, which have not yet even been approved by the Commission. In addition, pro memoria items are included in the industrial sector (as well as for medical research). When the proposals have been worked out, these will considerably expand the total appropriations for R&D within the Community budget.

Conclusion

10. We have seen that the Community is at the cross-roads in its research activities. At the end of 1975 and in the absence of determination by the Council to develop Community actions in this domain, there was a severe risk that large parts of the programme would have to be abandoned, with staff at the Community research centre having no work to do.

To avoid such dislocation in the future the concept of "rolling programmes" should be instituted to ensure that a continuous momentum is built up for Community research activities so that the five-yearly crisis that we have recently seen is avoided. The Committee on Budgets wishes to be consulted in the future on the detailed proposals concerning the financial structure of such programmes.

11. Furthermore, as Community activities finally become covered by a system of exclusive financing by own resources, the approval of all projects should be "communitarised" - involving full participation by the Parliament in approving the general policy guidelines. This means the progressive extension of the Community's direct action programmes and concerted coordination of those programmes still conducted by Member States.