



Committee on Industry, Research and Energy

2017/2052(INI)

15.1.2018

OPINION

of the Committee on Industry, Research and Energy

for the Committee on Budgets

on the next MFF: Preparing Parliament's position on the MFF post-2020
(2017/2052(INI))

Rapporteur: Marian-Jean Marinescu

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SUGGESTIONS

The Committee on Industry, Research and Energy calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Highlights the importance of completing the energy union with a forward-looking climate change policy, and of completing the digital single market, the capital markets union and the European research area, as fundamental elements of the single market; stresses that research and innovation policy is a key strategic component of energy, industrial and digital policies, and underlines the need to allocate the necessary budgetary resources to it;
2. Recalls that the current multiannual financial framework (MFF), covering the period 2014-2020, involved less than 1 % of Member States' gross national income in payments and represented a sharp reduction from the previous MFF, which undermined territorial, economic and social cohesion and the principle of solidarity within the EU; points out that the economic and social crisis that hit the Member States is far from over, while new priorities, challenges and unforeseen crises also need to be addressed; considers, therefore, that the post-2020 MFF budget should be increased compared with the current period; calls on the Commission to structure the next MFF in a manner that clearly reflects both existing and new priorities and enables a response to unforeseen crises; stresses, in this context, that new priorities should be financed with fresh funding without jeopardising long-term policy objectives and programmes;
3. Considers it a priority to close, together with the post-2020 MFF regulation, all post-2020 European policy files before 2019 European elections; calls on the Commission to put forward, as soon as possible, proposals for all European policies, based on regulations currently in force and updated following application in the current MFF, in order to prevent delays in programming and implementation for the new period;
4. Believes that the next MFF should focus primarily on areas and projects with clear added European value, on areas that stimulate re-industrialisation, economic growth, competitiveness and real innovation, and that boost jobs, such as the Framework Programme for Research and Innovation (R&I), in order to accelerate the transition towards a sustainable, world-leading, knowledge-based economy;
5. Stresses that sufficient funding should be guaranteed for supporting the new sustainable industrial policy strategy so that the EU can reflect the ever increasing competition and innovation boom in digitalisation and greening in other parts of the world, and can become the world leader in the fields of sustainability, innovation, digitalisation and low-carbon economy; calls for the necessary financial programmes to be safeguarded and extended through a dedicated optimised investment programme and funding that facilitates the development of a comprehensive industrial strategy targeting key EU industrial sectors coordinated with the EU's environmental policies;
6. Calls on the Commission to guarantee financing for innovation aimed at the development of infrastructure and plug-in and storage solutions for hydrogen and electric vehicles and to continue to support and further develop initiatives such as the Europe-wide electro mobility initiative and the Fuel Cells and Hydrogen Joint Undertaking;

7. Recalls the European Court of Auditors' assessment of the EU's as yet unfulfilled commitment to spend 20 % of its budget on climate action; reiterates its position that a forward-looking climate change policy, application of the energy efficiency first principle, emissions saving, a low-carbon economy, renewables, and smart and modern infrastructure should be the backbone of the energy union and thus prioritised in the next MFF;
8. Considers that the next MFF period should make provision for increased EU funding, including structural and investment funds, in order to deepen the integration of the EU energy market, and to help achieve the EU's climate goals in line with the Paris Agreement, especially for key energy infrastructure projects such as projects of common interest (PCIs);
9. Stresses the importance of establishing comprehensive support for coal- and carbon-intensive regions in transition in order to support energy transition, the transition to a low-carbon economy and the modernisation of power generation, grids, and carbon capture storage and utilisation technologies, especially in industrial sectors, as well as the modernisation of district heating; considers that the transformation of the energy sector in the light of the climate ambitions objectives should rely on the mobilisation of existing funds or the creation of an energy transition fund under the next MFF, so as to facilitate structural changes in energy-intensive industries and carbon-intensive electricity production plants and incentivise sustainable low-carbon investments and innovative solutions;
10. Considers that sufficient resources need to be allocated in order for the Energy Union to function well, and to make the EU interconnection network viable, revamp and extend transport and distribution grids, and manage energy demand, supply and storage within the EU; emphasises the importance of connecting Europe with the Caspian Sea area, the Middle East and Central Asia, and of investing in the East Mediterranean Gas Corridor in order to reduce the EU's dependency on Russian gas; reiterates the need to strengthen multilateral energy cooperation in the Black Sea region;
11. Stresses the need for an upgraded, more effective and environmentally sustainable Connecting Europe Facility (CEF) which will close the missing links in Europe's energy and digital backbone by supporting the development of high-performance and sustainable trans-European networks; calls for priority to be given, within the European networks, to horizontal projects linking infrastructure, digital, energy and transport projects;
12. Notes the recent tendency to increase the use of financial instruments; reiterates that, in the next MFF, financial instruments cannot replace grants in financing research and innovation, energy efficiency, efforts to tackle energy poverty, renewable energy, and innovative technologies for conventional energy, as grants deliver stable funding, maximise output on the ground and ensure broader stakeholder involvement, including academia, research centres, local public authorities, SMEs, civil society organisations and citizens; stresses, furthermore, the importance of investment in less mature technologies, in particular as regards renewable energy;
13. Recalls the importance of ensuring financing for completing the digital single market by making full use of spectrum, 5G and internet connectivity, and by making further progress on harmonising EU telecom rules to set the right regulatory framework for improving

internet connectivity throughout the Union, including in remote rural areas; calls on the Commission to provide the support required to remove language barriers and incentivise investment that helps to build a European Gigabit Society by 2025; stresses that any such funding should focus on a 'Digital Spine' which brings fibre backbone and backhaul connectivity to more remote communities, thereby providing the highest quality gigabit connections for education and public services, and mobile base stations to support 5G locally;

14. Further stresses the need to better coordinate EU instruments relating to investment, including in innovation, knowledge, skills, and access to markets for SMEs and start-ups; emphasises the importance of continued funding for SME-related programmes, such as the SME instrument and COSME, without impeding other programmes, in order to further enhance the competitiveness and sustainability of SMEs in the European Union;
15. Stresses the importance of striving to communicate better the impact of the Commission's new programmes;
16. Recalls that Member States set the target of reaching 3 % of GDP in R&D, two thirds of which should derive from the private sector; calls on the Member States to respect their national R&D investment commitments in order to meet this target; calls on the Member States to increase their national investments in R&D; emphasises that tools such as the Policy Support Facility should be further used to improve the efficiency of national research systems; calls for rules to facilitate, with the coordination of the Commission, synergies between future FP9 and national budgets;
17. Reiterates Parliament's call for an increased overall budget of at least EUR 120 billion for FP9 in order to be able to respond to societal challenges, to secure Europe's global competitiveness and scientific and industrial leadership in research and innovation, and to help achieve the EU's climate goals; calls, furthermore, for a greater focus on implementing research and innovation through joint undertakings and for investment in key technologies to be supported in order to close the investment gap in innovation; calls, in particular, for efforts to stimulate breakthrough, market creating-innovation initiatives, notably for SMEs;
18. Welcomes the Commissions' efforts to simplify the Framework Programme for R&I; calls for these endeavours to be maintained for FP9 in order to provide better access and a level playing field for the applicants from all Member States through a new system for evaluating applications based on the added value and possible results of proposals; calls on the Commission to assess whether an increased use of lump sums is the best option for beneficiaries and auditors; emphasises that the introduction of a single audit approach and greater acceptance of beneficiaries' accounting practices would mean a major simplification for FP beneficiaries; believes that the bottom-up approach should be strengthened in the next FP, as it would help to boost innovation; stresses that investment in scientific and technological infrastructure is essential for generating excellent R&I; underlines the success of the Seal of Excellence label;
19. Stresses the importance of the European Institute of Technology (EIT) and its Knowledge and Innovation Communities (KICs), which require adequate resources to further develop their actions in education, to foster start-ups and to support innovation that contributes to people's health, energy transition, digitalisation and climate action, inter alia, and that

responds to major challenges and benefits all of society;

20. Strongly believes that budget allocation for health – a basic determinant of people's quality of life and well-being – must be higher in FP9 than under Horizon 2020, and that the necessary amounts should be allocated to mechanisms that ensure the prioritisation of public research needs and a fair public return on investment; points out that the determinants of health are broad and encompass food, environment, and lifestyle, among others; calls, therefore, for a 'One Health' approach, including within R&D policy;
21. Considers that a combination of grants and innovative financial instruments relating to innovation, information and communication technology and energy infrastructure, including the European Fund for Strategic Investments (EFSI), could facilitate project implementation and stimulate and secure private financing;
22. Calls for a revised EFSI that fulfils its role in terms of economic additionality, that fosters projects with recognised positive externalities but greater risks than what the private sector is ready to face alone, and that would make it possible to bridge the gap between research and the market and focus on boosting market innovation; calls for the role and capacity of the European Investment Advisory Hub to be substantially reinforced, in particular through a proactive role in the preparation of projects; recalls that funding for the EFSI under the next MFF should not entail negative financial impacts on other programmes;
23. Calls on the Commission to develop, through the MFF, a comprehensive, coherent and long-term industrial policy framework to facilitate funding for the cultural and creative industries, in order to boost their competitiveness and enable them to fulfil their potential in terms of creating quality jobs and growth for the benefit of the Union; calls for additional links between the Framework Programme for R&I and the Creative Europe programme; calls on the Commission to abide by Article 167(4) of the Treaty on the Functioning of the European Union and establish the cultural and creative industries (CCIs) as a horizontal priority within EU funding schemes and programmes, particularly in the Framework Programme for R&I, the EU Programme for Employment and Social Innovation (EaSI) and the ESIFs;
24. Invites the Commission to propose, in the next MFF, regulatory procedures to facilitate, encourage and – with the support of the EU agencies – coordinate synergies between the European structural and investment funds (ESIF), CEF, Creative Europe and Horizon 2020 for R&D-related projects that can help build innovation capacity in poorly performing regions; calls for a more active involvement of the Commission in the coordination of R&D projects across different European Funds under different headings, including smart specialisation strategies and in the revision of state aid rules;
25. Emphasises that the next EU budget should include sufficient space-related funding to continue and further develop the Galileo, EGNOS and Copernicus space programmes, taking into account emerging user needs and the EU's political priorities, and, in particular, increasing cyber security and covering launch programmes, new technologies and Space Surveillance and Tracking (SST);
26. Strongly believes that space-related funding in FP 9 should be higher than under Horizon 2020, and that the necessary amounts should be allocated to the future Joint Technology

Initiative (JTI) on innovative materials for space equipment and deorbiting, in order to strengthen the competitiveness of the EU's space innovation; calls for the establishment of an integrated Governmental Satellite Communications programme (GOVSATCOM) that ensures cost-effective and secure satellite communication services for European public authorities; recalls its long-standing position that the SST support framework should be converted into a Union programme and that its remit should be extended, and considers that the budget allocated to this activity should be increased accordingly;

27. Draws attention to the European Defence Fund and the recent Commission proposal for a European defence industrial development programme, which is intended to cover the period 2019-2020; takes note of the Commission's intention to submit both a more substantial defence industrial development programme and a programme to support defence research for the benefit of all Member States and in order to usher in technological developments which can then reach other parts of society; considers that, in the next MFF, these defence-related programmes should be financed from additional resources and should thus not affect budgetary ambitions for the existing programmes;
28. Reiterates Parliament's position that any new political commitments should be financed with new appropriations and not through flexibility instruments or redeployment of appropriations from existing programmes; requests that sufficient resources be safeguarded for the existing programmes under the remit of Parliament's ITRE Committee;
29. Recalls the importance of enhanced flexibility that enables additional resources to be mobilised in order to respond to unforeseen situations; stresses, however, that intensive recourse to MFF flexibility instruments is not the best way to face up to complicated crises that are likely to continue; is convinced that it is essential that new EU own resources and revenues are introduced to the EU budget in order to bring the next MFF to a level that corresponds to the actual needs and political ambitions of the Union in ITRE-related areas; demands serious consideration of the options proposed in the report of the High-Level Group on Own Resources; calls for the establishment of a link between the financing of the EU budget and policy areas where the EU has triggered price reductions, such as energy and telecoms policies, as the most efficient and market-neutral approach;
30. Notes that the next MFF will need to consider the UK's departure from the EU and its implications for the EU budget; expresses the wish that EU programmes within the remit of ITRE may continue unaffected and that suitable measures are taken to fulfil this wish;
31. Invites the Commission to evaluate all assessments of different policies and financial instruments, including of its energy-related financial instruments and funds, particularly as regards results, and to use these evaluations when preparing the new MFF;
32. Recalls that the Agency for the Cooperation of Energy Regulators (ACER) and the European Network and Information Security Agency (ENISA) have been entrusted with greater responsibilities and thus require sufficient resources to carry out all their assignments, both old and new; stresses that the European Global Navigation Satellite Systems Agency (GSA) and Body of European Regulators for Electronic Communications (BEREC) also require adequate resources to fulfil their responsibilities properly and efficiently; calls for sufficient funding and staff for all agencies that fall within the remit of ITRE, so that they have the capacity to fulfil their tasks adequately;

33. Considers that the future MFF should provide maximum predictability and flexibility in order to be utilised in full; considers, moreover, that the future MFF should guarantee that any surplus resulting from under-implementation of the EU Budget and de-commitments resulting from non-implementation should be made available again in the EU budget.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	11.1.2018
Result of final vote	+: 45 -: 9 0: 7
Members present for the final vote	Bendt Bendtsen, Xabier Benito Ziluaga, José Blanco López, David Borrelli, Jonathan Bullock, Reinhard Bütikofer, Jerzy Buzek, Edward Czesak, Fredrick Federley, Ashley Fox, Theresa Griffin, Hans-Olaf Henkel, Eva Kaili, Kaja Kallas, Barbara Kappel, Krišjānis Kariņš, Seán Kelly, Jeppe Kofod, Peter Kouroumbashev, Zdzisław Krasnodębski, Miapetra Kumpula-Natri, Christelle Lechevalier, Janusz Lewandowski, Edouard Martin, Angelika Mlinar, Csaba Molnár, Nadine Morano, Aldo Patriciello, Miroslav Poche, Paul Rübig, Massimiliano Salini, Algirdas Saudargas, Sven Schulze, Patrizia Toia, Claude Turmes, Vladimir Urutchev, Kathleen Van Brempt, Henna Virkkunen, Martina Werner, Lieve Wierinck, Hermann Winkler, Anna Záborská, Flavio Zanonato, Carlos Zorrinho
Substitutes present for the final vote	Michał Boni, Mario Borghezio, Jens Geier, Gerben-Jan Gerbrandy, Werner Langen, Morten Løkkegaard, Florent Marcellesi, Marian-Jean Marinescu, Rupert Matthews, Clare Moody, Răzvan Popa, Dennis Radtke, Michèle Rivasi, Sofia Sakorafa, Anneleen Van Bossuyt
Substitutes under Rule 200(2) present for the final vote	Max Andersson, Ingeborg Gräßle

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

45	+
ALDE	Fredrick Federley, Gerben-Jan Gerbrandy, Kaja Kallas, Morten Løkkegaard, Angelika Mlinar, Lieve Wierinck
ECR	Edward Czesak, Zdzisław Krasnodębski
PPE	Bendt Bendtsen, Michał Boni, Jerzy Buzek, Ingeborg Gräßle, Krišjānis Kariņš, Seán Kelly, Werner Langen, Janusz Lewandowski, Marian-Jean Marinescu, Nadine Morano, Aldo Patriciello, Dennis Radtke, Paul Rübig, Massimiliano Salini, Algirdas Saudargas, Sven Schulze, Vladimir Urutchev, Henna Virkkunen, Hermann Winkler, Anna Záborská
S&D	José Blanco López, Jens Geier, Theresa Griffin, Eva Kaili, Jeppe Kofod, Peter Kouroumbashev, Miapetra Kumpula-Natri, Edouard Martin, Csaba Molnár, Clare Moody, Miroslav Poche, Răzvan Popa, Patrizia Toia, Kathleen Van Brempt, Martina Werner, Flavio Zanonato, Carlos Zorrinho

9	-
EFDD	David Borrelli, Jonathan Bullock
ENF	Mario Borghezio, Christelle Lechevalier
VERTS/ALE	Max Andersson, Reinhard Bütikofer, Florent Marcellesi, Michèle Rivasi, Claude Turmes

7	0
ECR	Ashley Fox, Hans-Olaf Henkel, Rupert Matthews, Anneleen Van Bossuyt
ENF	Barbara Kappel
GUE/NGL	Xabier Benito Ziluaga, Sofia Sakorafa

Key to symbols:

+ : in favour

- : against

0 : abstention