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*Committee on Budgets*

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**2011/2107(INI)**

13.7.2011

# OPINION

of the Committee on Budgets

for the Committee on Industry, Research and Energy

on the Green Paper: From Challenges to Opportunities: Towards a Common  
Strategic Framework for EU Research and Innovation funding  
(2011/2107(INI))

Rapporteur: Carl Haglund

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## SUGGESTIONS

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

1. Emphasises that the aim of the Common Strategic Framework is to cover all relevant EU research and innovation funding currently provided through the FP7, the CIP and EU initiatives such as the EIT, on the basis of coherent goals and shared strategic objectives;
2. Considers that the Structural and Cohesion Funds should complement EU research and innovation funds but cannot replace them, and that, because the principal aims of the respective funds differ, they should continue to be separate during the next multiannual financial framework (MFF); considers, further, that creating greater synergies between these funds is a vital way of ensuring European added value;
3. Welcomes the Commission's proposals on extending the use of innovative financial instruments to strengthen the leverage of the EU budget while fully respecting the rights of the budgetary and discharge authorities; asks the Commission to improve framework conditions and access to finance for primary target groups such as SMEs (and particularly seed and early-stage companies), universities and research centres; stipulates that any SME-specific activities should function under the umbrella of the EIB group, providing this does not divert funds from FP7 funding; calls for further evaluation of the concept of so-called 'soft loans'; expresses its doubts about any such loan arrangements which envisage the possibility of transforming loans into grants; asks the Commission and the EIB to implement the Risk Sharing Financial Facility (RSFF) as a key instrument to finance research and innovation projects and improve competitiveness ensuring long-term economic growth and employment in Europe;
4. Stresses that a risk-averse culture of EU research funding would prevent financing of high-risk research ideas with the greatest potential for breakthroughs, and advocates therefore a trust-based approach with higher tolerance for risk and failure – involving the use of prizes without substituting properly structured funding – in preference to a purely results-based approach, which is at odds with the very nature of innovative scientific research;
5. Is convinced that horizontal simplification activities throughout all research and innovation programmes should be one of the highest priorities for the new programme period, together with measures to ensure flexibility, and draws attention to the important decisions on simplification to be taken in the ongoing revision of the Financial Regulation, on matters such as simplifying the rules on pre-financing and eligibility of costs and increasing the scope for awarding research prizes; emphasises the need for further simplification of application procedures and control mechanisms, for the benefit of applicants for European research and innovation programmes;
6. Asks the Commission to build 'stairways to excellence' for all potential research and innovation players in those Member States with a low rate of participation in the FP7, inter alia by encouraging more effective and flexible use of the Structural and Cohesion Funds in this respect, including ways of maximising synergies between funds; underlines

the importance of transnational cooperation through collaborative projects and stresses the need to develop dedicated actions to foster excellence across Europe;

7. Reiterates its position that, with regard to the MFF post-2013, the financial resources dedicated to large-scale projects such as ITER and Galileo should be fixed for the whole programming period and ring-fenced, in order to ensure their planning continuity and organisation stability; believes that any cost overrun must be financed through employing budgetary flexibility, as opposed to the redeployment of funds at the expense of other programmes such as research and innovation;
8. Strongly supports a further substantial increase in the EU's annual budgets for research and innovation, as these have been proven to deliver excellent European added value, to support recovery from the economic crisis and to increase competitiveness; emphasises that the Europe 2020 strategy for growth and jobs, adopted by the Council, clearly states the need for additional funds for research and innovation;
9. Stresses the importance of further promoting the complementarity between EU and national R&D funding; calls, in this regard, for greater coordination at EU and national level, through enhanced joint programming efforts, agreed common standards and faster, more flexible and simpler instruments to allow co-funding;
10. Calls on the EU institutions and the Member States to agree without further delay on a specific roadmap for achieving the Europe 2020 target of 3 % of gross domestic product (GDP) expenditure on R&D; calls, in this sense, for a yearly evaluation of the implementation of the 3 % target in the context of the European Semester and points to the massive economic commitment that this target would entail, amounting to around EUR 130 billion annually for both the EU and national budgets and twice as much for the private sector; emphasises, in this respect, the importance of public and private partnerships in achieving the successful creation of the European Research Area and an 'Innovation Union';

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	13.7.2011
<b>Result of final vote</b>	+: 26 -: 1 0: 2
<b>Members present for the final vote</b>	Damien Abad, Alexander Alvaro, Andrea Cozzolino, Göran Färm, José Manuel Fernandes, Eider Gardiazábal Rubial, Salvador Garriga Polledo, Jens Geier, Ivars Godmanis, Estelle Grelier, Carl Haglund, Lucas Hartong, Jutta Haug, Monika Hohlmeier, Anne E. Jensen, Jan Kozłowski, Alain Lamassoure, Giovanni La Via, Barbara Matera, Claudio Morganti, Miguel Portas, Dominique Riquet, László Surján, Angelika Werthmann
<b>Substitute(s) present for the final vote</b>	François Alfonsi, Maria Da Graça Carvalho, Frédéric Daerden, Roberto Gualtieri, María Muñoz De Urquiza