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23 October 2002

*****I** **REPORT**

on the proposal for a European Parliament and Council decision on adopting a multiannual programme for action in the field of energy: "Intelligent Energy for Europe" Programme (2003-2006)
(COM(2002) 162 – C5-0179/2002 – 2002/0082(COD))

Committee on Industry, External Trade, Research and Energy

Rapporteur: Eryl Margaret McNally

Symbols for procedures

- * Consultation procedure
majority of the votes cast
- **I Cooperation procedure (first reading)
majority of the votes cast
- **II Cooperation procedure (second reading)
*majority of the votes cast, to approve the common position
majority of Parliament's component Members, to reject or amend
the common position*
- *** Assent procedure
*majority of Parliament's component Members except in cases
covered by Articles 105, 107, 161 and 300 of the EC Treaty and
Article 7 of the EU Treaty*
- ***I Codecision procedure (first reading)
majority of the votes cast
- ***II Codecision procedure (second reading)
*majority of the votes cast, to approve the common position
majority of Parliament's component Members, to reject or amend
the common position*
- ***III Codecision procedure (third reading)
majority of the votes cast, to approve the joint text

(The type of procedure depends on the legal basis proposed by the Commission)

Amendments to a legislative text

In amendments by Parliament, amended text is highlighted in ***bold italics***. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the legislative text for which a correction is proposed, to assist preparation of the final text (for instance, obvious errors or omissions in a given language version). These suggested corrections are subject to the agreement of the departments concerned.

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PROCEDURAL PAGE

By letter of 11 April 2002 the Commission submitted to Parliament, pursuant to Article 251(2) and Article 175(1) of the EC Treaty, the proposal for a European Parliament and Council decision on adopting a multiannual programme for action in the field of energy: "Intelligent Energy for Europe" Programme (2003-2006) (COM(2002) 162 – 2002/0082 (COD)).

At the sitting of 13 May 2002 the President of Parliament announced that he had referred this proposal to the Committee on Industry, External Trade, Research and Energy as the committee responsible and the Committee on Budgets, the Committee on Budgetary Control and the Committee on the Environment, Public Health and Consumer Policy for their opinions (C5-0179/2002).

The Committee on Industry, External Trade, Research and Energy appointed Eryl Margaret McNally rapporteur at its meeting of 22 May 2002.

It considered the Commission proposal and draft report at its meetings of 9 July 2002, 11 September 2002, 1 October 2002 and 21 October 2002.

At the latter meeting it adopted the draft legislative resolution by 32 votes to 4.

The following were present for the vote: Carlos Westendorp y Cabeza, chairman; Yves Piétrasanta, vice-chairman; Eryl Margaret McNally, rapporteur; Konstantinos Alyssandrakis, Sir Robert Atkins, Luis Berenguer Fuster, Gérard Caudron, Giles Bryan Chichester, Thierry de La Perriere (for Marco Cappato), Harlem Désir, Carlo Fatuzzo (for Guido Bodrato), Concepció Ferrer, Marialiese Flemming (for Paul Rübig, pursuant to Rule 153(2)), Norbert Glante, Hans Karlsson, Bernd Lange (for Massimo Carraro), Peter Liese (for Werner Langen), Rolf Linkohr, Giorgio Lisi (for Michel Hansenne, pursuant to Rule 153(2)), Hans-Peter Martin (for Gary Titley), Elizabeth Montfort, Bill Newton Dunn (for Nicholas Clegg), Reino Paasilinna, Elly Plooiij-van Gorsel, John Purvis, Imelda Mary Read, Didier Rod (for Nuala Ahern, pursuant to Rule 153(2)), Mechtild Rothe, Guido Sacconi (for Olga Zrihen Zaari, pursuant to Rule 153(2)), Karin Scheele (for Erika Mann, pursuant to Rule 153(2)), Inger Schörling (for Caroline Lucas, pursuant to Rule 153(2)), Esko Olavi Seppänen, Antonios Trakatellis (for Bashir Khanbhai, pursuant to Rule 153(2)), Claude Turmes, W.G. van Velzen and Myrsini Zorba.

The opinion of the Committee on Budgets is attached; the Committee on Budgetary Control and the Committee on the Environment, Public Health and Consumer Policy decided on 10 September 2002 and on 23 May 2002 not to deliver opinions.

The report was tabled on 23 October 2002.

DRAFT LEGISLATIVE RESOLUTION

European Parliament legislative resolution on the proposal for a European Parliament and Council decision on adopting a multiannual programme for action in the field of energy: "Intelligent Energy for Europe" Programme (2003-2006) (COM(2002) 162 – C5-0179/2002 – 2002/0082(COD))

(Codecision procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to the European Parliament and the Council (COM(2002) 162¹),
 - having regard to Article 251(2) of the EC Treaty and Article 175(1) of the EC Treaty, pursuant to which the Commission submitted the proposal to Parliament (C5-0179/2002),
 - having regard to Rule 67 of its Rules of Procedure,
 - having regard to the report of the Committee on Industry, External Trade, Research and Energy and the opinion of the Committee on Budgets (A5-0357/2002),
1. Approves the Commission proposal as amended;
 2. Asks to be consulted again should the Commission intend to amend the proposal substantially or replace it with another text;
 3. Instructs its President to forward its position to the Council and Commission.

Text proposed by the Commission

Amendments by Parliament

Amendment 1 Title

"Intelligent Energy for Europe"

"Intelligent Energy"

(This amendment applies throughout the text. Adopting it will necessitate corresponding changes throughout.)

Justification

This EU Energy Framework Programme addresses not only Europe but also third countries, via the COOPENER programme. This should be reflected in the overall title of the programme.

¹ OJ C 203 E, 27.8.2002, p. 47

Amendment 2

Recital 4

(4) Measures relating to energy efficiency and renewable energy sources are important elements of the action needed to comply with the provisions of the Kyoto Protocol, as provided for in the European Climate Change Programme (ECCP).

(4) Measures relating to energy efficiency and renewable energy sources are important elements of the action needed to comply with the provisions of the Kyoto Protocol, as provided for in the European Climate Change Programme (ECCP).

The recent weather phenomena experienced throughout Europe and elsewhere in the world highlight the need for urgent action.

Justification

Self-explanatory.

Amendment 3

Recital 5 a (new)

(5 a) In its Resolution on the Green Paper "Towards a European strategy for Security of Supply"¹, the European Parliament identified energy efficiency and savings as first priority. It called for the promotion of an "intelligent" approach to energy use, making Europe the most energy-efficient economy in the world.

¹ Report A5-0363/01, See European Parliament resolution of 15.11.2001, OJ C 140 E, 13.06.2002, p. 543

Justification

The results of the debate on the Commission Green Paper "Towards a European strategy for security of supply" represent an important set of principles to be taken into account for the preparation of all future legislative measures in this sector.

Amendment 4
Recital 7 a (new)

(7 a) The Directive 2001/77/EC of the European Parliament and of the Council of 27 September 2001 on the promotion of electricity produced from renewable energy sources in the internal electricity market¹ set national indicative targets consistent with the EU global indicative target of 12 % of gross national energy consumption by 2010 and in particular with the 22,1 % indicative share of electricity produced from renewable energy sources in total Community electricity consumption by 2010.

¹ OJ L 283, 27.10.2001, p. 33

Justification

New Community legislation has to be consistent with the achievement of the targets set in Directive 2001/77/EC. The Intelligent Energy programme will contribute to the promotion of renewable energy sources as laid down in Directive 2001/77/EC.

Amendment 5
Recital 7 b (new)

(7 b) The Resolution on the use of renewable energy sources in the ACP States adopted by the ACP-EU Joint Parliamentary Assembly on 1 November 2001, "calls on the Commission to include sustainable energy supplies, in particular through energy efficiency and the use of renewable forms of energy, as a priority action field in the new development policy strategy."¹

¹ OJ C 78, 02.04.2002, p.35

Justification

The promotion of energy efficiency and renewable forms of energy is supported not only by the EC but also by representatives of the ACP countries.

Amendment 6
Recital 7 c (new)

(7 c) The 'Final Implementation Plan' of the World Summit on Sustainable Development, agreed on 2 September 2002, committed the signatory countries, including the EU, to making efforts to increase substantially the global share of renewable energy sources in the energy mix, create a level playing field for renewable energy sources with respect to other energy sources, promote increased research and development in renewable energy sources, energy efficiency and cleaner conventional fuel technologies, and provide developing countries with financial resources to develop energy expertise, including renewable energy sources, energy efficiency and cleaner conventional fuel technologies, with the aim of achieving sustainable development.

Justification

The results of the recent World Summit on Sustainable Development confirm the need for an enhanced energy cooperation with developing countries.

Amendment 7
Recital 7 d (new)

(7 d) The EU partnership initiative 'Energy Initiative for poverty eradication & sustainable development' launched on 1 September 2002 is based on the increased use of energy efficiency and renewable energy sources, and several developing countries and regional organisations, as well as private sector and civil society organisations, have already associated themselves with this initiative, the principles and strategy of which are laid out in the Commission Communication on 'Energy cooperation with the developing countries'¹

¹Communication from the Commission to the Council and the European Parliament of 17.07.2002 on 'Energy cooperation with the developing countries', COM(2002) 408 final.

Justification

Community action in the field of energy has to reflect the commitments undertaken by the EC in the framework of its cooperation with developing countries.

Amendment 8
Recital 9 a (new)

(9 a) Since the enlargement of the Union is anticipated from 2004 onwards during the course of this framework programme, particular attention must be paid to new Member States and their efforts to integrate the EU policy framework for renewable energy sources and energy efficiency.

Justification

Self-explanatory.

Amendment 9
Recital 9 b (new)

(9 b) In order to increase energy efficiency and the use of renewable energy sources across all sectors of society, the establishment of a European Intelligent Energy Agency, responsible for strategic thinking to help in the development, promotion and implementation of technological and behavioural measures will be indispensable in the medium term. Such an Agency, with the support of Member States, will assist with ensuring that best practices are quickly replicated across the Union and facilitate the introduction of new technologies, leading to associated environmental and economic benefits. The Agency will not necessarily be

expected to take on administrative work in relation to the programme.

Justification

See justification to amendment concerning article 4 c (new).

Amendment 10
Recital 11 a (new)

(11 a) Taking into account the conclusions from the mid-term assessment of the Energy Framework Programme (1998-2002) which stated that all programmes amongst them ALTENER and SAVE, as well as SYNERGY as the predecessor of COOPENER, suffered from a serious lack of resources, an increase in the budget for an even more encompassing "Intelligent Energy for Europe" program is indispensable.

Justification

Self-explanatory.

Amendment 11
Recital 15

(15) Improving energy use in the transport sector is extremely important in Community efforts to reduce the negative effects of transport on the environment. This justifies the inclusion in the ***present*** programme of a specific field concerning the energy aspects of transport - "STEER".

(15) Improving energy use in the transport sector, ***including the diversification of fuels***, is extremely important in Community efforts to reduce the negative effects of transport on the environment. This justifies the inclusion in the ***Intelligent Energy*** programme of a specific field concerning the energy aspects of transport - "STEER".

Justification

The diversification of fuels as a contribution to security of energy supply in the EU is an important aspect of the programme.

Amendment 12
Recital 17

This Decision lays down for the entire duration of the programme ***an overall budget*** constituting the prime reference for the budgetary authority, within the meaning of point 33 of the Interinstitutional Agreement between the European Parliament, the Council and the Commission of 6 May 1999 on budgetary discipline and improvement of the budgetary procedure.

This Decision lays down for the entire duration of the programme ***a financial framework*** constituting the prime reference for the budgetary authority, within the meaning of point 33 of the Interinstitutional Agreement between the European Parliament, the Council and the Commission of 6 May 1999 on budgetary discipline and improvement of the budgetary procedure.

Justification

The terminology of the Interinstitutional Agreement should be used.

Amendment 13
Recital 17 a (new)

(17 a) Exchange of know-how, best practice and project results, coordination within the programme and with other Community policies, continuity with existing programmes, stability of rules of participation, sufficient human resources as well as a rapid implementation will be crucial for the success of the "Intelligent Energy" programme.

Justification

The conclusions drawn by the Evaluation report need to be taken into account for the new programme.

Amendment 14
Recital 17 b (new)

(17 b) Gender mainstreaming is an important aspect of all Community programmes and should therefore be taken into account in the framework of the Intelligent Energy programme.

Justification

Self-explanatory.

Amendment 15
Article 1, paragraph 2

2. This programme will contribute to the implementation of the medium and long-term Community energy strategy and, in particular, to the achievement of the following general objectives:

- a) security of supply,
- b) competitiveness, ***and***
- c) environmental protection.

2. This programme will contribute to the implementation of the medium and long-term Community energy strategy and, in particular, to the achievement of the following general objectives:

- a) security of supply,
- b) competitiveness,
- c) environmental protection, ***and***
c a) economic and social cohesion

Justification

The promotion of economic and social cohesion is an important objective of European energy policy. Support for renewable energy projects in remote areas, such as islands can be cited as an example for a measure having a positive impact on economic and social cohesion in the EU.

Amendment 16
Artikel 2, letter a

a) provide the elements needed for the development and implementation of a

a) provide the elements needed for the development and implementation of a

medium and long-term energy policy, notably with regard to demand management, increased use of renewable energy sources, energy diversification, including in transport, and strengthening the potential of the regions, in particular the outlying regions, and preparing the legislative measures needed to attain these strategic objectives

medium and long-term energy policy, notably with regard to demand management, increased use of renewable energy sources, energy diversification ***through new and renewable energy sources***, including in transport, and strengthening the potential of the regions, in particular the outlying regions, and preparing the legislative measures needed to attain these strategic objectives

Justification

In order to clarify that only the promotion of renewable energy sources allows for an increase of security of supply without impinging on the other long-term EC energy policy goal of environmental protection this wording shall be added.

Amendment 17

Artikel 3, paragraph 1, letter c

c) "STEER", which concerns support for initiatives relating to the energy aspects of transport, ***the diversification of fuels*** and the promotion of renewable fuels and energy efficiency in transport, including the preparation of legislative measures and their application;

c) "STEER", which concerns support for initiatives relating to the energy aspects of transport, and the promotion of renewable fuels and energy efficiency in transport, including the preparation of legislative measures and their application;

Justification

The fact, that the diversification of fuels in the transport sector are brought about through the promotion of renewable energy sources is highlighted when deleting these words.

Amendment 18

Article 3, paragraph 1, letter d

d) "COOPENER", which concerns support for initiatives relating to the promotion of renewable energy sources and energy efficiency in the developing countries.

d) "COOPENER", which concerns support for initiatives relating to the promotion of renewable energy sources and energy efficiency in the developing countries, ***in***

particular in the framework of the EC cooperation with developing countries in Africa, Asia and Latin America.

Justification

The COOPENER programme should be associated with other Community action already existing in the field of development and cooperation. This would ensure that the necessary infrastructure is already in place and the little money available for COOPENER would be spent in a more efficient way.

Amendment 19
Article 3, paragraph 2

2. Initiatives may refer to one of the above-mentioned specific areas or combine several specific areas.

2. Initiatives, referred to as "key actions", combining several specific areas and/or relating to certain Community priorities, for example in the outermost regions as defined in Article 299(2) of the Treaty, may be launched.

Initiatives, referred to as "key actions", combining several specific areas and/or relating to certain Community priorities, for example in the outermost regions as defined in Article 299(2) of the Treaty, may be launched.

Justification

For reasons of clarity and legal certainty it must be stated clearly that both projects concerning one specific area and projects concerning several of them are eligible for funding under the IE programme.

Amendment 20
Article 4, paragraph 1 d

d) the development of information, education and training structures; the utilisation of results, the promotion and dissemination of know-how and best practices involving all consumers, and cooperation with the Member States through operational networks at Community and international level;

d) the development of information, education and training structures; the utilisation of results, **including for the preparation of future legislative measures to be adopted by the European Community**, the promotion and dissemination of know-how and best practices involving all consumers, and cooperation with the Member States through operational networks at

Justification

Results of initiatives funded under the IE programme can make a valuable contribution to the preparation of future Community legislation in the field of energy. An efficient use of financial resources also means making use of project results wherever this is possible.

Amendment 21

Article 4, Paragraph 2, subparagraph 1 and 1 a (new)

2. Under this programme, the financial assistance allocated to the actions and measures in the four specific fields referred to in Article 3(1) shall be established on the basis of the Community added value of the action proposed and will depend on its benefit and expected impact ***as well as on the origin of the initiative.***

2. Under this programme, the financial assistance allocated to the actions and measures in the four specific fields referred to in Article 3(1) shall be established on the basis of the Community added value of the action proposed and will depend on its benefit and expected impact.

Where appropriate, priority shall be given to small and medium-sized enterprises and regional or local networks.

Justification

At least some bullet points of the selection criteria need to be stated in the Decision establishing the IE programme. It is not acceptable for this to be left entirely to the work programme, which will be adopted by a comitology procedure.

Amendment 22

Article 4, paragraph 2, subparagraph 2

The aid may not exceed 50% of the total cost of the measure, the rest being covered either by public or private funds, or a combination of the two. The aid may, however, cover all the cost of some actions, such as studies and other actions to prepare, supplement, implement and evaluate the impact of Community strategy

The aid may not exceed 50% of the total cost of the measure, the rest being covered either by public or private funds, or a combination of the two. The aid may, however, cover all the cost of some actions, such as studies, ***the dissemination of project results*** and other actions to prepare, supplement, implement and

and policy measures and any measures proposed by the Commission to encourage exchanges of experience and know-how to improve the coordination between Community, national, international and other initiatives.

evaluate the impact of Community strategy and policy measures and any measures proposed by the Commission to encourage exchanges of experience and know-how to improve the coordination between Community, national, international and other initiatives.

Justification

A survey of associations and bodies carrying out projects under the current programmes has shown that in many cases no co-financing can be achieved for measures aimed at the dissemination of project results. As the EC has a particular interest that the results of the programme are spread as much as possible, the Decision should provide for the possibility of 100% funding in this case.

Amendment 23 Article 4 a (new)

1. Access to information on forthcoming programmes shall be readily available to current and possible future participants.

2. The Commission shall ensure the systematic dissemination and evaluation of the results of all initiatives funded under the programme.

3. The results of the initiatives funded under the programme shall be made easily accessible for the public.

Justification

Transparency and availability of information are crucial for the success of the programme. Barriers for new participants have to be eliminated as much as possible.

Amendment 24 Article 4 b (new)

A (horizontal) task force shall be established in order to ensure

- *coordination between the 4 fields of the programme,*
- *linkage with other Community policies (e.g. development and cooperation, structural funds) and with related activities of various DGs (basically DG Tren, DG Environment, DG Regio, DG Relex, DG Enlargement and DG Research) and*
- *utilisation of the project results.*

Justification

To increase coordination within the Commission, as recommended in the evaluation report, a task force is needed in order to ensure optimal use of a relatively small budget and to use the IE programme as the 'guideline programme' in the fields of energy efficiency and renewable energy sources for other community programmes. This would apply to those operating inside the Union and in candidate countries (Structural Funds, Phare, environment programmes, etc.) and to those of international cooperation (Tacis, Meda, Lome, etc.). The task force would thus ensure linkage with other Community policies related to energy policy, such as environmental protection, regional policy, foreign policy and cooperation with developing countries.

Amendment 25 Article 4 c (new)

- 1. The Commission shall present a report leading to a possible proposal for a European Intelligent Energy Agency (including internal structure, functioning and financial requirements).***
- 2. A European Intelligent Energy Agency shall ensure high levels of development, promotion and implementation of technological and behavioural measures designed to increase energy efficiency and the use of renewable energy sources across all sectors of society.***
- 3. The Agency, with the support of Member States, shall provide the technical and scientific assistance needed and a high level of expertise, in order to ensure that the best practices are quickly replicated across the European Union and to facilitate the introduction and deployment of new***

technologies, leading to associated environmental and economic benefits.

4. The Commission shall, in its report, also examine the possibility of assigning the responsibilities as explained above, to an already existing European agency, such as the European Environment Agency in Copenhagen.

Justification

The challenges of future European energy policy are subject to ongoing changes such as technological progress. A European Energy Agency for strategic thinking would make a valuable contribution by evaluating trends, carrying out benchmarking etc.

Unlike a possible Executive Agency, such a European Energy Agency would not necessarily be expected to be involved in the administrative implementation of the programme.

Amendment 26 Article 5, paragraph 1

1. Within six months of the adoption of this Decision, the Commission shall establish a work programme, in consultation with the Committee referred to in Article 8(1). This work programme shall be prepared and updated in accordance with the procedure laid down in Article 8(2).

1. Within six months of the adoption of this Decision, the Commission shall establish a work programme, in consultation with the Committee referred to in Article 8(1). This work programme shall be ***based on the principles set out in Article 1 (2), Article 2, Article 3 and Article 4. It shall be*** prepared and updated in accordance with the procedure laid down in Article 8(2 ***a new***).

Justification

The work programme will set out important, general aspects of the IE programme, such as guidelines, selection criteria, the timetable for the implementation etc. This goes far beyond the pure implementation of the programme, with which the Commission will be assisted by a management committee.

Consequently, a regulatory committee procedure (including droit de regard for the PE) should apply to the adoption of the work programme.

A third paragraph is therefore added to article 8, providing for a regulatory committee.

It has to be stated clearly that the work programme must be based on the principles laid down in this Decision.

Amendment 27

Article 5, paragraph 2, letter a

a) the guidelines, ***specific objectives and priorities*** for each of the specific areas referred to in Article 3(1), taking account of the added value that all the measures proposed will provide at Community level as compared with existing measures;

a) the guidelines for each of the specific areas referred to in Article 3(1) ***in order to implement the objectives and priorities laid down in Article 1 (2), Article 2, Article 3 and Article 4*** taking account of the added value that all the measures proposed will provide at Community level as compared with existing measures;

Justification

It has to be stated clearly that the work programme which will be adopted by a comitology procedure has to be based on the principles laid down in this Decision.

Amendment 28

Article 5, paragraph 2, letter c

c) the selection criteria and the arrangements for applying them to each type of action and the method ***and instruments for monitoring and utilising the results of the actions and/or projects, including the definition of performance indicators;***

c) the selection criteria, ***reflecting the objectives mentioned in this Decision***, and the arrangements for applying them to each type of action and the method. ***Selection criteria shall be public and a high level of transparency shall be maintained. Gender mainstreaming shall be maintained throughout the programme.***

Justification

As a rule, gender mainstreaming is considered in the framework of all Community programmes. This principle should therefore be mentioned in the IE programme.

Amendment 29
Article 5, paragraph 2, letter d

d) the indicative timetable for the implementation of the work programme, in particular as regards the contents of the calls for proposals;

d) the indicative timetable for the implementation of the work programme, in particular as regards the contents of the calls for proposals, ***with the aim of ensuring as much continuity as possible between the predecessor specific energy programmes and the Intelligent Energy programme;***

There shall be a quickening and simplification of procedure with the intention of early implementation of the work programme.

Justification

A survey has shown that associations and bodies participating in the current programmes attach utmost importance to continuity between the existing programmes and the IE programme.

An emphasis on speed and simplification should prevent administrative delay.

Amendment 30
Article 5, paragraph 2, letter e

e) the detailed rules for coordination and linkage with other Community policies, ***and the*** procedure for the development and implementation of actions and measures coordinated with those carried out by the Member States in the field of sustainable energy in order to provide added value as compared with measures taken by each Member State acting on its own ***and in order*** to achieve an optimum combination of the various instruments at the disposal of both the European Union and the Member States;

e) the detailed rules for coordination and linkage with other Community policies, ***including the establishment of a task force.*** The procedure for the development and implementation of actions and measures coordinated with those carried out by the Member States in the field of sustainable energy ***shall be set out. This is*** in order to provide added value as compared with measures taken by each Member State acting on its own. ***These measures will permit*** to achieve an optimum combination of the various instruments at the disposal of both the European Union and the Member States;

Justification

See justification to the amendment concerning article 4 b (new). In order to make it easier to understand, the long sentence has been divided into several parts.

Amendment 31

Article 5, paragraph 2, letter f a (new)

f a) the guidelines and conditions for the participation of candidate countries.

Justification

In view of the enlargement of the Union, which is anticipated from 2004, the work programme has to provide for the procedure to be applied to the candidate countries' participation in the IE programme.

Amendment 32

Article 6, paragraph 1, subparagraph 1

1. The financial reference amount for implementing this programme is €**215** million.

1. The financial reference amount for implementing this programme is €**255** million. ***As a result of the enlargement of the Union an additional contribution reflecting the number and size of new Member States shall be foreseen from 2004 onwards.***

Justification

It has to be stated clearly that the budget for the IE programme is designed for the current 15 Members States of the EU. This amount will have to be increased as soon as new countries become members of the EU. The increase will have to be appropriate to the number and size of the new Member States.

Amendment 33
Article 6, paragraph 1, subparagraph 3

Financial reference amounts shall be laid down on an indicative basis for each specific area. An indicative breakdown of this amount is given in the Annex. The budgetary allocation between areas shall be flexible in order to deal more effectively with changing needs in the sector.

Financial reference amounts shall be laid down on an indicative basis for each specific area. An indicative breakdown of this amount is given in the Annex. The budgetary allocation between areas shall be flexible in order to deal more effectively with changing needs in the sector. ***The Commission shall make a concerted effort to ensure high and balanced implementation rates of the programme.***

Justification

A balanced and foreseeable implementation is essential for the success of the Intelligent Energy programme. In future, it should be avoided that calls for tenders are cancelled, as it was the case for the Synergy programme.

Amendment 34
Article 7

The Commission shall be responsible for the execution of this programme ***and for establishing draft guidelines applicable to the actions and measures to be undertaken for each of the specific areas referred to in Article 3(1). These guidelines shall be adopted*** in accordance with the procedure laid down in Article 8(2).

The Commission shall be responsible for the execution of this programme in accordance with the procedure laid down in Article 8(2).

Justification

The guidelines are part of the work programme mentioned in Article 5 (2), for which the rapporteur proposes a regulatory committee (see amendment on Article 5 (1)). They should therefore not be mentioned again in this context.

The management committee procedure, proposed by the Commission, should apply to all measures related to the execution of the programme.

It has to be stated clearly that the work programme must be based on the principles laid down in this Decision.

Amendment 35
Article 7, paragraph 1 a (new)

1 a) The Commission shall, in consultation with the Member States, identify regional or local organisations which will have the role of co-ordinating the application of this programme with corresponding national programmes.

Such regional or local organisations may be established throughout the Community.

Justification

The involvement of local organisations in this programme will aid implementation.

Amendment 36
Article 8, paragraph 1

1. The Commission shall be assisted by a Committee made up of the representatives of the Member States and chaired by the Commission representative.

1. The Commission shall be assisted by a Committee made up of the representatives of the Member States, ***5 members of the European Parliament with full status*** and chaired by the Commission representative.

Justification

The role of this committee in determining e.g. the guidelines applicable to the actions is too important in determining the final shape of the programme. Since decisions on e.g. guidelines will only be taken after the adoption, it is indispensable to allow also for EP representatives to join this committee.

Amendment 37
Article 8, paragraph 2 a (new)

2 a. Where reference is made to this paragraph, Articles 5 and 7 of Decision 1999/468/EC shall apply, in conformity with the provisions of Article 8 thereof.

Justification

See justification to the amendment on article 5, paragraph 1.

Amendment 38
Article 9, paragraph 1

1. The Commission shall carry out an annual examination of the progress made on this programme and the actions carried out in the four specific areas referred to in Article 3(1).

1. The Commission shall carry out an annual examination of the progress made on this programme and the actions carried out in the four specific areas referred to in Article 3(1). **The Commission shall communicate the results of this annual examination, including a summary of actions carried out under the programme to the European Parliament and the Council.**

Justification

In order to carry out its task of monitoring the implementation of the budget, the European Parliament needs to be kept informed on a regular basis.

Amendment 39
Article 9, paragraph 2

2. During the third year of the period of application of the programme and in any case before putting forward proposals on any subsequent programme, the Commission shall have independent experts carry out an external evaluation of the overall implementation of the Community actions carried out under this

2. During the third year of the period of application of the programme and in any case **no later than 12 months** before putting forward proposals on any subsequent programme, the Commission shall have independent experts carry out an external evaluation of the overall implementation of the Community actions

programme. The Commission shall communicate the conclusions of this evaluation to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions.

carried out under this programme. The Commission shall communicate the conclusions of this evaluation to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions.

Justification

It is reasonable to expect an annual report on the progress made under this programme as the financial amounts involved are so considerable. Also, proposals, in the future, for modifications or a prolongation of the act would presumably be subject to co-decision. The external evaluation should therefore be presented at least one year in advance to allow the necessary time for this procedure.

Amendment 40 Article 10, paragraph 1

1. Without prejudice to paragraphs 2 and 3, participation in this programme shall be open to any legal, public or private person established on the territory of the European Union.

1. Without prejudice to paragraphs 2 and 3, participation in this programme shall be open to any legal, public or private person established on the territory of the European Union. ***Administrative procedures shall be reviewed and simplified in order to get rid of administrative impediments that prevent a large part of public and private persons to become beneficiaries of this programme.***

Justification

See amendment to recital 11 b (new). The shortcomings of too complex administrative procedures turned out to be one of the most important impediments. Significant time gaps between the call for tender and the final signatures and, moreover, the restriction of the programme to a limited number of well-informed public or private persons were the consequences. Tackling these obstacles could significantly improve the efficiency, transparency and public image of the new framework programme.

Amendment 41
Annex, Table

Text proposed by the Commission

<i>Areas of action</i>	€ million (2003-2006)
1) Rational use of energy and demand management	75
2) New and renewable energy sources and diversification of energy production	86
3) Energy aspects of transport	35
4) Promotion of renewable energy sources and energy efficiency at international level, particularly in the developing countries	19
TOTAL	€215 million^{2,3,4}

² The appropriations earmarked for international promotion are a fixed amount representing **8.8%** of the total programme cost.

³ ***An additional contribution is to be anticipated*** from 2004 onwards ***as a result of the enlargement of the Union to include new Member States.***

⁴ The budget for the Executive Agency is set by the budgetary authority as a percentage of the programme's overall financial allocation.

Amendments by Parliament

<i>Areas of action</i>	€ million (2003-2006)
1) Rational use of energy and demand management	85
2) New and renewable energy sources and diversification of energy production	96
3) Energy aspects of transport	40
4) Promotion of renewable energy sources and energy efficiency at international level, particularly in the developing countries	34
TOTAL	€255 million^{2,3,4}

² The appropriations earmarked for international promotion are a fixed amount representing 13.3% of the total programme cost.

³ *As a result of the enlargement of the Union an additional contribution reflecting the number and size of new Member States shall be foreseen* from 2004 onwards.

⁴ The budget for a *possible* Executive Agency is set by the budgetary authority as a percentage of the programme's overall financial allocation.

Justification

Developments since the original programmes and improvements in the management of DG TREN mean that a modest increase, bearing in mind financial stringency, is called for. These programmes are very influential in both the energy efficiency and renewable energy sectors. Bearing in mind the increasing oil-dependancy of transport and its important share in CO₂-emissions the new 'STEER' programme also needs adequate funding.

For ALTENER, SAVE and STEER, an overall increase of €25m is proposed for the four-year period (2003-2006) and has been spread between the three areas of action in proportion to their relative sizes.

The world-wide emphasis on the need to promote Energy Efficiency and Renewable Energy in Developing Countries makes a better-funded programme of preparatory work crucially important. For COOPENER an increase of €15m is proposed for the four-year period (2003-2006).

This increase is all the more necessary since, according to the Commission, management costs related to a possible Executive Agency will have to be covered by the budget envelope of

the IE programme.

EXPLANATORY STATEMENT

The Commission's proposal for a multiannual programme for action in the field of energy: "Intelligent Energy for Europe" Programme (2003-2006) is to be welcomed. There is a real need for a new energy programme to follow on from the current Energy Framework Programme, which is the main EU non-technology-based support instrument for the energy sector.

This urgent need is further reinforced by the current EU energy policy developments and objectives regarding sustainable development, security of energy supply, energy efficiency, electricity produced from renewable energy sources, the use of biofuels in transport, and combined heat and power generation.

It is particularly welcome that this proposal seeks greater focus and integration, in order to achieve maximum results with what will be a very modest budget, considering the magnitude of EU energy policy objectives.

a) The current multiannual energy framework programme (1998-2002)

The current energy framework programme (EFP) has an overall budget of €175 million and comprised seven decisions: the decision adopting the framework programme¹ and six annexed decisions adopting the specific programmes:

- ALTENER² - promotion of renewable energy sources (€77m),
- SAVE³ - promotion of energy efficiency (€66m),
- SYNERGY⁴ - international energy cooperation (€15m),
- SURE⁵ - cooperation in the nuclear sector and in particular on safety, industrial cooperation with the NIS and the transport of radioactive material, including the combating of illicit traffic (€9m),
- ETAP⁶ - forward studies and monitoring of the markets (€5m),
- CARNOT⁷ - stimulation of technologies for the clean and efficient use of solid fuels (€3m).

The mid-term evaluation concluded that specific programmes were generally well run, funding good projects and producing useful outputs, although it also revealed that the Energy Framework Programme is lacking an adequate public profile and has been operating as six separate programmes. As a result, the evaluation showed, links between the programmes were generally weak and hardly any synergy has been created, except between SAVE and ALTENER.

b) Proposal for a new multiannual energy programme 2003-2006: "Intelligent Energy for Europe"

¹) Council Decision 1999/21/EC, Euratom, OJ L 7 13.01.1999, p. 16.

²) Decision 646/2000/EC of the European Parliament and of the Council, OJ L 79 30.03.2000, p. 1.

³) Decision 647/2000/EC of the European Parliament and of the Council, OJ L 79 30.03.2000, p. 6.

⁴) Council Decision 1999/23/EC, OJ L 7 13.01.1999, p. 23.

⁵) Council Decision 1995/25/EC, Euratom, OJ L 7 13.01.1999, p.28.

⁶) Council Decision 1999/22/EC, OJ L 7 13.01.1999, p. 20.

⁷) Council Decision 1999/24/EC, OJ L 7 13.01.1999, p. 28.

The new proposal strengthens Community support in those energy fields that contribute to sustainable development by grouping them in a single programme.

The single programme retains three of its current areas of activity - energy efficiency, renewable energy, and international co-operation with developing countries-, and includes an new, additional area on the energy aspects of transport, as recommended by a Panel of high-level, independent experts in the mid-term assessment of the current programme.

Funded measures and projects shall be concerned with one or several of the following specific areas:

- SAVE - improvement of energy efficiency and demand management, in particular in the building and industry sectors;
- ALTENER - promotion of new and renewable energy sources for centralised and decentralised production and their integration into the urban environment;
- STEER - energy aspects of transport, the diversification of fuels and the promotion of renewable fuels and energy efficiency in transport;
- COOPENER - promotion of renewable energy sources and energy efficiency in the developing countries (successor to the SYNERGY programme).

Since the CARNOT and SURE specific programmes have no particular synergies with the four proposed thematic areas, activities in these domains will not be conducted in the framework of this single and integrated energy programme. The work currently carried out by CARNOT is to be pursued through the 6th Framework Programme for Research¹, and SURE should be attached to activities in the field of nuclear energy.

Along these lines, the ETAP activities relevant to the new programme areas will be included within each of them.

The total budget the Commission has proposed for the period 2003-2006 is €215 million. The programme shall be open to the participation of the Central and Eastern European candidate countries, Cyprus, Malta and Turkey on the basis of the agreements concluded with these countries.

c) Amendments proposed by the rapporteur

– Adequate resources

The mid-term assessment stressed: “In spite of sectoral achievements and successes, all six programmes were considered to suffer from a serious lack of resources, both financial and human. The Panel considers that the future energy programme should be given a *substantially greater budget* than the 175 M€ that the EFP has had for the period 1998-2002.”

¹) Under priority N° 6 the first specific multi-annual programme 'Integrating and strengthening the European Research Area' (not yet published), mentions "capture and sequestration of CO₂, associated with cleaner fossil fuel plants", an important component of clean coal technology.

Therefore, while bearing in mind financial stringency, the rapporteur calls for a modest budget increase, as these programmes are very influential in both the energy efficiency and renewable energy sectors and current thinking on Kyoto obligations and security of supply make the need for action even more urgent.

For ALTENER, SAVE and STEER, an overall increase compared to the Commission proposal of €25m is proposed.

The worldwide emphasis on the need to promote energy efficiency and renewable energy in Developing Countries makes a better-funded programme crucially important. Therefore, an increase of €15m is proposed for COOPENER, so that more meaningful initiatives can be undertaken.

The overall increase is all the more necessary given that, according to the Commission, the management costs relating to a possible Executive Agency would have to be covered by the budget envelope of the programme.

– Enlargement

Since the enlargement of the Union is anticipated from 2004 onwards during the course of this framework programme, particular attention must be paid to new Member States and their efforts to integrate the EU policy framework for renewable energy sources and energy efficiency and an additional contribution reflecting the number and size of new Member States shall be foreseen from 2004 onwards.

As the renewable energy sector is almost non-existent in the current candidate countries and policy and legal frameworks are lacking in this field, the challenge to increase the share of renewables in those countries will be much greater.

Because of their particular situation, specific guidelines and conditions for the participation of candidate countries shall be set out in detail in the work programme.

– Task Force for coordination within the European Commission

Since public awareness of the current Energy Framework Programme is lacking, operating as it does via six separate programmes with weak links and hardly any synergy, greater coordination will be needed within the new programme.

Moreover, considering the limited resources of the proposed programme and its relevance to other Community policy areas (e.g. development and cooperation, structural funds), communication and cooperation with other Directorates General of the European Commission will be crucial.

Therefore, a horizontal (cross-DG) Task Force should ensure coordination between the 4 fields of the programme, linkage with other Community policies, as well as the utilisation of the project results, including for the preparation of future legislative measures to be adopted by the European Community.

– Dissemination and access to information

So far, all programmes have paid insufficient attention to the dissemination of project outputs and impact assessment. In general aid may not exceed 50% of the total cost of the measure, but it may cover all the cost of some actions, and this should include the dissemination of project results.

Member State organisations and European and national networks should act as relays for the exchange of information. European information campaigns about the programme and its outputs are essential to increasing public awareness and promoting the aims of the programme. It is also crucial that both potential future participants and the public have easy access to information and that selection criteria be transparent.

– Implementation

The work programme, including selection criteria and guidelines, shall be adopted by comitology procedure, based on the objectives and principles set out in this Decision.

The work programme will set out important, general aspects of the IE programme, such as guidelines, selection criteria, the timetable for the implementation etc. This goes far beyond the pure implementation of the programme, for which the Commission will be assisted by a management committee.

Consequently, a regulatory committee procedure (including droit de regard for the PE) should apply to the adoption of the work programme.

Additionally, a balance must be struck between guaranteeing adequate financial control over individual projects, and ensuring that the overall budgetary allocations are fully spent. A stable set of slimmed-down participation procedures should permit easier access for prospective proposers and allow for participation on a regular and continuous basis.

The rapporteur welcomes the fact that no minimum project-size thresholds have been set: small projects at regional and local level are very valuable for the purposes of this programme.

– European Intelligent Energy Agency for strategic thinking

The rapporteur proposes the establishment of a European Intelligent Energy Agency, responsible for strategic thinking to help in the development, promotion and implementation of technological and behavioural measures. It should be noted that, unlike an Executive Agency, such an Agency would not necessarily be expected to be involved in the administrative implementation of the programme.

8 October 2002

OPINION OF THE COMMITTEE ON BUDGETS

for the Committee on Industry, External Trade, Research and Energy

on the proposal for a Council decision on adopting a multiannual programme for action in the field of energy: "Intelligent Energy for Europe" Programme (2003-2006)

(COM(2002) 162 – C5-0179/2002 – 2002/0082(COD))

Draftsman: Ian Stewart Hudghton

PROCEDURE

The Committee on Budgets appointed Ian Stewart Hudghton draftsman at its meeting of 20 June 2002.

It considered the draft opinion at its meeting of 8 October 2002.

At this meeting it adopted the following amendments unanimously.

The following were present for the vote: Terence Wynn chairman; Reimer Böge vice-chairman; Anne Elisabet Jensen, vice-chairman; Franz Turchi, vice-chairman; Ian Stewart Hudghton, draftsman; Joan Colom i Naval, Den Dover, Bárbara Dührkop Dührkop, Wilfried Kuckelkorn, Juan Andrés Naranjo Escobar, Joaquim Piscarreta, Bartho Pronk (for Ioannis Averoff) and Kyösti Tapio Virrankoski.

SHORT JUSTIFICATION

The suggested multi-annual programme for action in the field of energy "Intelligent Energy for Europe" (2003-2006) would replace the current Framework Programme in the energy sector and cover four sub-programmes:

- rational use of energy and demand management (SAVE)
- new and renewable energy sources (ALTENER)
- energy aspects of transport (STEER)
- promotion at international level, particularly with the developing countries, of cooperation in the fields of renewable energy sources and energy efficiency (COOPENER)

Financial impact

The financial reference amount suggested for the four-year period is € 215 million. In the financial statement the Commission gives a schedule of appropriations as follows:

Operative lines (B-lines) + BA-lines	2003	2004	2005	2006	Total
Commitment appropriations	50	55	55	55	215

Out of this overall amount € 196 million (on average € 49 million/year), would fall under Heading 3 of the budget and the Financial Perspective. The remaining € 19 million (on average €4,75 million/year) would fall under Heading 4 (external actions) relating to the cooperation at international level (COOPENER).

The existing Energy Framework Programme (1998-2002) has an overall reference amount of € 175 million (€ 35 million/year), all of which falls under Heading 3. If we assume that this level of funding would continue, and adjust for an annual inflation rate of 2%, we could extrapolate the following table:

Operative lines (B-lines) + BA-lines	2003	2004	2005	2006	Total
Commitment appropriations	35,7	36,4	37,1	37,9	147,1

It can be seen that the new proposal would entail, roughly, an additional € 12 million/year under Heading 3. Although this increase is not negligible, the draftsman feels that it would be compatible with the expenditure ceiling in place. He believes, however, that if the legislative authority were to introduce higher amounts in the course of adopting of this act, the budgetary authority would need to be consulted again in order to re-examine the impact on the ceiling of the current financial perspective. This would also be in line with the Parliament's Rules of Procedure on the verification of financial compatibility. An amendment to the Parliament's legislative resolution has been introduced to this effect.

The € 4,75 million per year under Heading 4 is also additional. Due to the relatively minor amount the draftsman feels that the budgetary authority could accommodate this within existing limitations.

Implementation and staffing

The proposal, as one option, is based on the assumption that an executive agency be set up to carry out certain specific tasks related to the management of the programme. The Commission indicates that such an agency would have a staff of 35 (27 to be recruited and 8 seconded from the Commission) whilst 30 officials would remain working on the programme in the Commission itself. Thus, a total of 65 staff.

As a second option the Commission indicates that the programme could be entirely managed "in-house" but that that would require an increase in the Commission's departments currently managing the programme from 38 to 52. This second option would also, according to the Commission, lead to a reduction of some activities.

It would fall to the legislative authority to decide on the creation of any Agency but the draftsman must point out, from the budgetary authority's point of view, and as indicated by the Commission in the Annex, that any contribution from the Community budget for such an Agency would be taken as a percentage of the programme's overall allocation. Given the constraints under Heading 3 it is currently not reasonable to expect that such financing could be found on top of the amounts proposed without jeopardising other policies.

The draftsman stresses that, under the option of managing the programme completely in-house, and if additional staffing would be needed as the Commission claims, it would have to be found solely through redeployment within the Commission. There is currently no scope for the creation of new posts given the reinforcements already accorded to the Commission over the past two years.

Comitology

In order to increase effectiveness of the decision-making process and to avoid excessive administrative costs, the draftsman proposes, in line with the traditional approach of the Budgets Committee, that the advisory procedure should apply.

Other aspects

Although naturally focussing this opinion on the budgetary and financial aspects of the proposal, the draftsman feels that that a reference to the mid-term review of the current framework programme should be made. He has introduced a recital to point this out and asks the lead Committee to take this into account in its negotiations with the Council.

Finally, in view of the Community's international commitments, he feels that the possibility to promote best practices in the field of renewable energy sources and energy efficiency, as well as transferring them to other countries, is indeed a crucial aspect. In order to achieve the best overall results and value for money, such actions on part of the Community should also be open to countries with economies in transition, and not necessarily only to those normally

referred to as developing countries.

The Committee on Budgets calls on the Committee on Industry, External Trade, Research and Energy, as the committee responsible, to incorporate the following amendments in its report:

AMENDMENT TO THE LEGISLATIVE RESOLUTION

Amendment 1

[The European Parliament]

Considers that the financial statement of the Commission proposal should be compatible with the ceilings of heading 3 and 4 of the Financial Perspective without restricting other policies

Justification

The amount proposed for the specific programme should be compatible with the expenditure ceilings under the financial perspective. If, in the course of the adoption of the decision, other amounts were to be proposed by the legislative authority, the budgetary authority would need to be consulted again. In this case, the Committee on Budgets would re-examine the impact on the ceiling under the current financial perspective.

AMENDMENTS TO THE LEGISLATIVE TEXT

Text proposed by the Commission¹

Amendments by Parliament

Amendment 2 Recital 11a (new)

The mid-term evaluation report of the programme also stated that SAVE and ALTENER suffered from a lack of resources.

Justification

The conclusions of the mid-term evaluation, as those of the annual evaluations, should be highlighted.

¹ OJ C ##.

Amendment 3
Recital 17

This Decision lays down for the entire duration of the programme ***an overall budget*** constituting the prime reference for the budgetary authority, within the meaning of point 33 of the Interinstitutional Agreement between the European Parliament, the Council and the Commission of 6 May 1999 on budgetary discipline and improvement of the budgetary procedure.

This Decision lays down for the entire duration of the programme ***a financial framework*** constituting the prime reference for the budgetary authority, within the meaning of point 33 of the Interinstitutional Agreement between the European Parliament, the Council and the Commission of 6 May 1999 on budgetary discipline and improvement of the budgetary procedure.

Justification

The terminology of the Interinstitutional Agreement should be used.

Amendment 4
Article 8

1. The Commission shall be assisted by a Committee made up of ***the representatives of the Member States*** and chaired by the Commission representative.
2. Where reference is made to this paragraph, ***Articles 4 and 7*** of Decision 1999/468/EC shall apply, in ***conformity with the provisions of Article 8 thereof. The period provided for in Article 5(6) of Decision 1999/468/EC shall be three months.***
3. The Committee shall adopt its rules of procedure.

1. The Commission shall be assisted by a Committee made up of ***one representative from each Member State*** and chaired by the Commission representative.
2. Where reference is made to this paragraph, ***the advisory procedure laid down in Article 3*** of Decision 1999/468/EC shall apply, in ***compliance with Article 7 (3)*** thereof.
3. The Committee shall adopt its rules of procedure.

Justification

The advisory committee would speed up implementation and reduce administrative bottlenecks. Member States should have one representative each in order to facilitate the

decision-making of the committee.

Amendment 5
Article 9

1. The Commission shall carry out an annual examination of the progress made on this programme and the actions carried out in the four specific areas referred to in Article 3(1).

2. During the third year of the period of application of the programme and in any case before putting forward proposals on any subsequent programme, the Commission shall have independent experts carry out an external evaluation of the overall implementation of the Community actions carried out under this programme. The Commission shall communicate the conclusions of this evaluation to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions.

1. ***Each year*** the Commission shall ***submit to the Committee referred to in Article 8(2) a follow-up report setting out*** the progress made on this programme and the actions carried out in the four specific areas referred to in Article 3(1). ***This report shall also be forwarded to the European Parliament, the Economic and Social Committee and the Committee of the Regions.***

2. During the third year of the period of application of the programme and in any case ***no later than 12 months*** before putting forward proposals on any subsequent programme, the Commission shall have independent experts carry out an external evaluation of the overall implementation of the Community actions carried out under this programme. The Commission shall communicate the conclusions of this evaluation to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions.

Justification

It is reasonable to expect an annual report on the progress made under this programme as the financial amounts involved are so considerable. Also, proposals, in the future, for modifications or a prolongation of the act would presumably be subject to co-decision. The external evaluation should therefore be presented at least one year in advance to allow the necessary time for this procedure.