OPINION

of the Committee on Industry, Research and Energy

for the Committee on Budgets

on Guidelines for the 2022 Budget - Section III
(2020/2265(BUI))

Rapporteur for opinion: Christian Ehler
PA_NonLeg
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. Stresses that 2022 should be a year for boosting a rapid recovery for a socially, ecologically and economically resilient Europe; considers that Union action should be directed to alleviate the effects of the economic downturn; emphasises that recovery will need to foster Europe’s twin-transition and believes, therefore, that funding for digital and energy related investments play a key role in recovery, while taking into account the two distinct yet interlinked phases as identified by Parliament in its report on the New Industrial Strategy for Europe; stresses that the 2022 Union budget should support enterprises in crisis, help create quality jobs, support re-and upskilling to improve employability and contribute to energy poverty alleviation; underlines the importance of efficient deployment of Next Generation EU (NGEU) funds to implement national recovery plans; recalls the crucial role of strategic foresight;

2. Highlights the need to support research and innovation in the context of the current pandemic and the EU’s green and digital ambitions; welcomes, therefore, the additional EUR 4 billion (in 2018 prices) for Horizon Europe, including EUR 1 billion for the European Research Council, from competition fines, margins and decommitments, as agreed in the compromise on the multiannual financial framework (MFF), as well as the additional EUR 5 billion (in 2018 prices) from NGEU; recalls that these additional commitments should be spent in accordance with the outcome of the final trilogue on Horizon Europe reached on 11 December 2020, and endorsed by the Committee on Industry, Research and Energy (ITRE) on 17 December 2020, including the joint declaration of the three EU institutions on the re-use of decommitted funds in Horizon Europe, and that these commitments should maintain the principle of budgetary continuity by stabilising variation in annual commitments, especially with regard to the increase of commitments from NGEU in the first years; considers it essential for the ITRE committee to be closely involved in the annual decisions on the structure of the Horizon Europe budget in order to ensure an optimal impact for Europe’s researchers;

3. Calls for the full use of Article 15(3) of the Financial Regulation, for all available decommitments from former EU Research Framework Programmes to Horizon Europe to be allocated, on top of the additional commitments mentioned in point 2, while keeping in mind the future additional needs that will arise after 2023 and at the end of NGEU commitments;

4. Expects the Commission to fully abide by the Joint Declaration on the re-use of decommitted funds for Horizon Europe by funding the three clusters mentioned, and to honour its agreement to provide funding for the establishment of a European cultural heritage collaborative space; calls for continuity of funding under Horizon Europe for the projects established as future emerging technologies (FET) Flagships under Horizon 2020 and for the implementation of the Research Agendas developed by the instrument’s preparatory actions for a new generation of FET Flagships in
line with the recitals set out in the proposal for a regulation of the European Parliament and of the Council of 29 May 2020 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination (COM(2020)0459); highlights the fact that sufficient funding should also be made available to allow the initial activities of the new knowledge and innovation community on the cultural and creative sectors and industries to take place in 2022;

5. Welcomes the new European space programme, with an overall budget of EUR 14.8 billion for the 2021-2027 period; recalls that space is a key sector for the Union, with an important spillover effect into other economic sectors, and that it fosters the digital transition; believes that the European space programme will play a particularly important role for the European Green Deal through its earth observation programme, which will lead to tangible benefits, such as environmental monitoring;

6. Underlines the need for the swift and full implementation of the Just Transition Fund in order to support a fair and socially acceptable energy and climate transition, which will mitigate negative socio-economic impacts in affected territories, communities and labour markets in transition and assist the diversification of local economic activities, in particular in those regions in transition that rely heavily on fossil fuels for energy use – especially coal, lignite, peat and oil shale – or greenhouse gas intensive industries; underlines the need to maintain economic competitiveness, energy security and affordability; highlights that a just climate and energy transition must not leave anyone behind and must include measures to address energy poverty;

7. Recalls Parliament’s resolution of 16 September 2020 on the draft Council decision on the system of own resources of the European Union; considers that fresh new own resources are vital for the 2022 Union budget;

8. Expects the promotion of gender equality in the implementation and monitoring of all programmes; highlights the importance of gender equality in the twin transitions and particularly with regard to women’s participation in the disciplines of science, technology, engineering, and mathematics;

9. Underlines the importance of ensuring sufficient funding to contribute to the twin transition towards the achievement of the 2030 energy and climate targets and climate-neutrality by 2050 and in order to shape Europe’s Digital Decade; believes that the digital transition should also facilitate and contribute itself to the green transition; notes in this regard the key role of sufficient funds for Horizon Europe, Connecting Europe Facility (CEF), in particular CEF-Energy and CEF Digital, the European space programme, the digital Europe programme, InvestEU and the European Partnerships, as well as the Just Transition Fund, which should be combined and aligned with further NGEU funding where possible;

10. Recalls the importance of research and innovation to address the key challenge of

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1 Texts adopted, P9_TA(2020)0220.
tackling climate change and to secure the EU's strategic leadership; underlines the need to reform European industry and hard-to-abate sectors in order to achieve a sustainable, clean and competitive Union and ultimately our climate and energy goals; stresses that the 2022 Union budget should fund projects to provide secure and affordable energy supply to European citizens in line with the Paris Agreement, the objectives set out in the European Green Deals and the do-no-significant-harm principle;

11. Stresses the importance of the Fit for 55 package in policy areas such as renewables and energy efficiency; highlights the essential role of implementing the EU circular economy action plan to achieve the abovementioned policies; expects the 2022 Union budget to ensure substantial and early mobilisation of funding and investments in energy and resource efficiency measures, including the acceleration of deep energy renovation of buildings, the expansion of decentralised renewable energy sources and future-proof infrastructures, so as to avoid lock-in effects and stranded assets;

12. Recalls the targets agreed under the 2021-2027 MFF for achieving a biodiversity spending level of 10 % and a climate-mainstreaming spending level of 30 %; reiterates its call to continue work on the tracking methodologies for climate and biodiversity-related expenditures, while applying a more robust, transparent and comprehensive methodology; calls for the full involvement of Parliament in the development of these methodologies and looks forward to the annual consultations on the climate and biodiversity targets as laid down in the interinstitutional agreement;

13. Welcomes the Europe fit for the digital age programme and calls for investments in digitalisation and digital connectivity, a clear definition of 2030 digital targets and the tackling of challenges related to cybersecurity, interoperability, free flow of data, safety and liability and artificial intelligence; underlines the fact that in order to shape Europe’s digital decade, Union programmes supporting digital transformation need to receive sufficient funding; underlines the importance of securing the continuity of investments in high-performance computing and quantum technologies, and calls for an appropriate level of funding for the European High-Performance Computing (HPC) Joint Undertaking, given the high amount of resources that will be needed to develop its ecosystem, and for the further implementation of the ambitions of the Quantum Flagship;

14. Highlights the importance of strengthening EU strategic autonomy and the resilience of the EU’s economy; calls for the development of EU competitiveness and the sustainability of EU industries in order to become a globally competitive player and to achieve the objectives of achieving the green and digital transitions, technological autonomy, sustainable and inclusive growth, quality job creation and innovation;

15. Underlines the fact that given the current economic situation, it is highly important to establish and strengthen the support mechanism for micro, small and medium-sized enterprises (SMEs); calls in this regard for sufficient and accessible funding to support SMEs, microenterprises and start-ups, which have been severely affected by the crisis; welcomes, in this respect, the additional funds attributed in the MFF
negotiations to InvestEU and believes that this funding should focus on long-term investment to help the economic recovery of the EU; stresses the need to enable micro enterprises and SMEs to take full advantage of the opportunities arising from the European Green Deal and of their own business transformation towards environmental sustainability and digitalisation, and the need to avoid discriminating against companies experiencing difficulties that need assistance for their transition;

16. Considers it of utmost importance that the 2022 budget addresses industrial recovery strategically, in particular in the context of the green and digital transformations; recalls that industrial competitiveness and climate policy should be mutually reinforcing and stresses, therefore, that spending on innovative and climate-neutral reindustrialisation will lead to the creation of jobs in the EU and will boost the competitiveness of the EU’s economy; highlights, in this regard, the success of the European Battery Alliance in creating a competitive, circular, sustainable and safe value chain for batteries in Europe; underlines the importance of strengthening the EU’s strategic autonomy and notes the importance of programmes such as the European Defence Fund in this regard;

17. Stresses the fact that the impact and consequences of the outbreak of COVID-19 demonstrated the need for public and private investment in health research; calls, therefore, for sufficient funding in the 2022 budget for research and the development of production capabilities for vaccines and medicines; stresses the importance of ensuring access to safe, effective and affordable vaccines and medicines for all;

18. Calls for sufficient funding and staffing for EU agencies in particular for the Agency for the Cooperation of Energy Regulators (ACER), the Body of European Regulators for Electronic Communications, the European Union Agency for Cybersecurity and the new space programme agency; recalls the fact that ACER has been underfunded and understaffed for many years, thus putting at risk its functioning and ability to perform its tasks, including those additional tasks conferred to it through recent legislation, including through the Clean Energy Package.
INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

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| Result of final vote | +: 57  
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**Members present for the final vote**

**Substitutes present for the final vote**
Jakop G. Dalunde, Marian-Jean Marinescu, Susana Solís Pérez, Tomas Tóbé
## FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

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Key to symbols:
+ : in favour
- : against
0 : abstention