



2021/2226(BUI)

3.3.2022

OPINION

of the Committee on Industry, Research and Energy

for the Committee on Budgets

on guidelines for the 2023 budget – Section III
(2021/2226(BUI))

Rapporteur for opinion: Christian Ehler

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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. Underlines the importance of aligning the budget with the objectives of the European Green Deal and the Paris Agreement by ensuring sufficient funding to contribute to the ecological and digital transitions towards climate neutrality by 2050 and to shape Europe's Digital Decade, while strengthening the resilience of the EU's economy and the competitiveness of its industries; recalls the crucial role of strategic foresight and the importance of evidence-based and anticipatory policymaking; stresses that 2023 must be a year of social development for Europe and that the EU budget should focus on social development, quality jobs for high-quality living standards and addressing the social and economic impacts of the transition on the EU's citizens, industries and communities; recalls that 2023 will be the last year of NextGenerationEU (NGEU); emphasises that the Commission should ensure that the entire amount earmarked under NGEU for the digital and green transitions is put to use;
2. Recalls the targets agreed under the 2021-2027 multiannual financial framework (MFF) for achieving spending levels of 10 % for biodiversity and 30 % for climate mainstreaming; reiterates its call to continue the work on tracking methodologies for climate and biodiversity-related expenditure, while applying a more robust, transparent and comprehensive methodology; calls for the European Parliament to be fully involved 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 on budgetary discipline, on cooperation in budgetary matters and on sound financial management¹;
3. Believes that new initiatives such as the New European Bauhaus and the European Chips Act should be accompanied by fresh budgetary resources to be added to the relevant MFF programmes when the new spending priorities are set out; recognises that some aspects of new initiatives are covered by existing spending priorities and urges that synergies be forged between existing programmes and policy objectives in order to avoid duplication; warns, however, against overburdening existing programmes with new policy priorities, as doing so could put those programmes at risk;
4. Notes with concern that some EU programmes that fall within the remit of the Committee on Industry, Research and Energy (ITRE) have had a slow start, with relatively low levels of commitments in 2021; urges the Commission to ensure that all of the available commitment appropriations are used, as public investment remains essential for helping to alleviate the impact of the COVID-19 crisis; requests that the Commission report to ITRE on its forecasts for payments in the coming year in light of the shift in commitments due to the slow start to the programmes;
5. Recalls that low success rates were a substantial challenge for Horizon 2020; notes that initial indications suggest that the success rates for Horizon Europe could turn out to be

¹ OJ L 433 I, 22.12.2020, p. 28.

even lower than for Horizon 2020; notes that extremely low success rates will discourage the best researchers from applying for funding; underlines the need to equip Horizon Europe with sufficient funding and advocates greater synergies with other EU funds and applying the seal of excellence quality label where possible; calls on the Council, therefore, to agree to the maximum spending for Horizon Europe under the current MFF, making full use of the flexibility on offer;

6. Calls for the full use of Article 15(3) of the Financial Regulation in order to allocate all available decommitments to Horizon Europe; recalls the Joint Declaration on the reuse of decommitted funds in relation to the research programme²; notes, in this context, the role of the joint undertakings, which leverage private investments in research towards public policy objectives, including pressing societal issues such as building a competitive, digital, low-carbon and circular economy, exploring the potential of the cultural and creative sectors, promoting socioeconomic transformations that contribute to inclusion and growth, and fighting climate change, by making the energy and transport sectors more climate and environment-friendly, more efficient and competitive, smarter, safer and more resilient, and by promoting the use of renewable energy sources and energy efficiency; notes that decommitments in addition to the spending agreed in the MFF agreement could be repurposed as fresh funding that could support new policy objectives; warns against frontloading research funds, not least because 2023 is the last year of NGEU;
7. Considers the European Innovation Council (EIC) and above all its new approach to financing deep tech innovation a crucial instrument for Europe's competitiveness; emphasises that this new approach can only succeed if the EIC Fund can take the risk of being the lead investor in non-bankable projects; calls on the Commission to ensure that the EIC Fund is institutionally geared towards these kinds of investments; reiterates that the Horizon legislation requires that applicants to the EIC Accelerator Programme be given one single funding decision;
8. Highlights that academic freedom is a fundamental right laid down in Article 13 of the Charter of Fundamental Rights of the EU; recalls recital 72 of the Horizon Europe Regulation, which affirms that respect for academic freedom should be promoted in all countries that benefit from Horizon Europe funding; calls on the Commission to develop a credible strategy to protect academic freedom in all countries where EU funding is disbursed through Horizon Europe;
9. Emphasises that Horizon Europe is a central investment programme for achieving the EU's policy objectives, including through the clusters set out in Pillar II; highlights, in particular, that research investment in digital and sustainable innovation is crucial for Europe's future; points out that Horizon Europe represents a significant contribution of the EU's spending on remaining cutting-edge in strategically defined priorities, including civil security, culture and creativity, and agriculture;
10. Deplores the fact that the 2022 budget agreement modified the allocation of decommitments set out in the Joint Political Statement on the reuse of decommitted funds in Horizon Europe³; reiterates that the final allocation drawn up in the statement

² OJ C 444 I, 22.12.2020, p. 3.

³ OJ C 185, 12.5.2021, p. 1.

was an integral part of the balanced budget agreement reached during the Horizon Europe trilogue; recalls that the allocation of the decommitments was not part of the basic act only because it was not technically possible; underlines the need to ensure mutual trust between the EU institutions and to further involve the European Parliament and its competent committees when budgetary modifications could jeopardise the achievements of EU policy priorities; calls, therefore, for the balanced budget agreement to be reinstated by using additional decommitments available in 2023 and ensuring that they are distributed across the programme in a fair and proportionate manner;

11. Welcomes the Commission's new initiatives in the domains of research, space, healthcare, microchips and global resilience, but underlines that they should be financed with additional resources without burdening existing core programmes such as Copernicus, Horizon Europe, the Connecting Europe Facility and Digital Europe, among others; stresses the need, in that regard, to support Europe's competitiveness and industrial capacity; underlines the importance of further strengthening the EU's open strategic autonomy; considers, furthermore, that in order to secure Europe's global role, disruptive technologies such as blockchain, quantum computing and artificial intelligence (AI) should be given much higher priority and provided with their own funding programmes;
12. Welcomes the ongoing development of the transition pathways for the 14 ecosystems covered by the European industrial strategy; underlines that any new breakthrough innovations expected to underpin those pathways should be considered new priorities and should therefore be funded on top of the existing budgets of the relevant programmes; calls for synergies with existing EU programmes when the pathways innovation needs alignment with the existing research agendas;
13. Stresses that the impact and consequences of the COVID-19 pandemic have exacerbated persistent weaknesses in health systems and demonstrated the need for public investment in health research; calls for adequate resources to be invested in researching effective treatment for the purposes of preparing for future crises;
14. Highlights the necessity to ensure substantial financial support to those small and medium-sized enterprises (SMEs), microenterprises and start-ups which have been and still are severely affected by the crisis;
15. Welcomes the Commission's initiatives to strengthen the value chain and ecosystem of Europe's semiconductor industry; recalls that both the digital and ecological transitions will be highly dependent on new technologies, most of which will need microchips in order to function, and therefore concludes that the availability of chips in Europe is crucial for both transitions; recognises that both the EU and its Member States will need to make significant investments in order to secure open strategic autonomy in this crucial sector of the economy; recalls that any new priorities should be funded with fresh resources in the MFF and that existing funding should not be overburdened with new policy objectives;
16. Calls on the Commission to ensure sufficient funding for the EU's flagship space initiatives, such as Copernicus; notes with concern that the delay to the UK's

association with Copernicus may lead to financial challenges for the project; reiterates that launching new and necessary initiatives should not mean existing ones go underfunded;

17. Expresses concerns about the recent situation on the energy market, which has seen an unprecedented rise in energy prices that leads to a direct socioeconomic impact on EU citizens and deepening energy poverty; highlights the importance of early and substantial investments in energy and resource efficiency measures to ensure the rapid achievement of the EU's energy and climate goals; underlines, in this context, the importance of robust investment in a technologically, economically and socially sustainable energy transition, cleaner energy, renewable technologies and an efficient, interconnected energy system which can safeguard security of supply; recalls that energy independence for the EU would improve the stability and affordability of energy prices for its citizens and businesses, especially SMEs; recalls that 2023 will be the year for establishing the next list of energy Projects of Common Interest and invites the Commission to set aside adequate funding; welcomes the proposals in the Commission's Fit for 55 package and highlights the need for sufficient resources and adequate measures to support the ecological and sustainable digital transition, while also ensuring that the EU's decarbonisation efforts are coordinated at a global level in order to prevent emissions exports;
18. Recalls, in this context, its legislative resolution of 16 September 2020 on the draft Council decision on the system of own resources of the EU⁴ and welcomes the recent legislative proposals on the next generation of own resources for the EU budget; highlights the importance of successfully implementing the new own resources roadmap;
19. Welcomes the new Global Gateway initiative and calls for adequate financing under the initiative for energy and communications interconnectivity projects, as well as facilities for enabling access for European SMEs and above all microenterprises to the opportunities it provides;
20. Recognises the contribution of EU funding programmes to the economic recovery and to maintaining sustainable and inclusive growth that helps to reduce the digital divide, securing quality job creation and innovation, and in particular to supporting SMEs, microenterprises and start-ups; stresses the need to create an SME-friendly business environment; notes the difficulties encountered by smaller enterprises in accessing EU and national financing instruments; highlights, in this context, the role of InvestEU, its SME window, and the possibility for SMEs to access financing thereunder; recalls the importance of public and private support for ramping up investment in research and innovation and accelerating the achievement of the green and digital goals; highlights the relevance of the Horizon Europe instruments, such as the EIC, the EU missions and the European partnerships;
21. Recalls that industrial competitiveness and climate policy can be mutually reinforcing and that spending in innovative and climate-neutral reindustrialisation will thus create local jobs and ensure the competitiveness of the European economy;

⁴ OJ C 385, 22.9.2021, p. 256.

22. Expects the promotion of gender equality and equal rights and opportunities, especially in the field of science, technology, engineering and mathematics (STEM);
23. Welcomes the New European Bauhaus initiative, which bridges the worlds of science, technology, art and culture to efficiently address societal issues and create sustainable economic growth, but notes with concern that a coherent and strategic approach for the financing of the initiative is still lacking; considers that merely deploying existing funds may not be sufficient to achieve the objectives of the initiative and emphasises the need for new funding; invites the Commission to examine whether the establishment of a dedicated EU programme is necessary in order to support the initiative;
24. Calls for sufficient funding and staffing for all EU agencies and bodies that fall within the remit of ITRE, in particular the European Institute of Innovation and Technology, the EU Agency for the Space Programme and the EU Agency for the Cooperation of Energy Regulators.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	3.3.2022
Result of final vote	<div style="display: flex; justify-content: flex-end; align-items: center;"> <div style="text-align: right; padding-right: 10px;"> + : - : 0 : </div> <div style="text-align: right;"> 48 7 15 </div> </div>
Members present for the final vote	Matteo Adinolfi, Nicola Beer, François-Xavier Bellamy, Hildegard Bentele, Tom Berendsen, Vasile Blaga, Michael Bloss, Manuel Bompard, Paolo Borchia, Marc Botenga, Markus Buchheit, Cristian-Silviu Buşoi, Jerzy Buzek, Maria da Graça Carvalho, Ignazio Corrao, Ciarán Cuffe, Nicola Danti, Pilar del Castillo Vera, Martina Dlabajová, Christian Ehler, Valter Flego, Niels Fuglsang, Lina Gálvez Muñoz, Claudia Gamon, Nicolás González Casares, Bart Groothuis, Christophe Grudler, András Gyürk, Henrike Hahn, Ivo Hristov, Ivars Ijabs, Romana Jerković, Eva Kaili, Seán Kelly, Łukasz Kohut, Zdzisław Krasnodębski, Andrius Kubilius, Thierry Mariani, Marisa Matias, Eva Maydell, Georg Mayer, Joëlle Mélin, Iskra Mihaylova, Dan Nica, Angelika Niebler, Ville Niinistö, Aldo Patriciello, Mauri Pekkarinen, Tsvetelina Penkova, Morten Petersen, Pina Picierno, Markus Pieper, Clara Ponsatí Obiols, Manuela Ripa, Robert Roos, Sara Skyttedal, Maria Spyrali, Jessica Stegrud, Riho Terras, Grzegorz Tobiszowski, Patrizia Toia, Evžen Tošenovský, Marie Toussaint, Isabella Tovaglieri, Henna Virkkunen, Pernille Weiss, Carlos Zorrinho
Substitutes present for the final vote	Jakop G. Dalunde, Francesca Donato, Adriana Maldonado López

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

48	+
ECR	Zdzisław Krasnodębski, Grzegorz Tobiszowski, Evžen Tošenovský
NI	András Gyürk
PPE	François-Xavier Bellamy, Hildegard Bentele, Tom Berendsen, Vasile Blaga, Cristian-Silviu Buşoi, Jerzy Buzek, Maria da Graça Carvalho, Pilar del Castillo Vera, Christian Ehler, Seán Kelly, Andrius Kubilius, Eva Maydell, Angelika Niebler, Aldo Patriciello, Markus Pieper, Sara Skyttedal, Maria Spyrali, Riho Terras, Henna Virkkunen, Pernille Weiss
Renew	Nicola Beer, Nicola Danti, Martina Dlabajová, Valter Flego, Claudia Gamon, Bart Groothuis, Christophe Grudler, Ivars Ijabs, Iskra Mihaylova, Mauri Pekkarinen, Morten Petersen
S&D	Niels Fuglsang, Lina Gálvez Muñoz, Nicolás González Casares, Ivo Hristov, Romana Jerković, Eva Kaili, Łukasz Kohut, Adriana Maldonado López, Dan Nica, Tsvetelina Penkova, Pina Picierno, Patrizia Toia, Carlos Zorrinho

7	-
ECR	Robert Roos, Jessica Stegrud
ID	Matteo Adinolfi, Paolo Borchia, Markus Buchheit, Georg Mayer, Isabella Tovaglieri

15	0
ID	Thierry Mariani, Joëlle Mélin
NI	Francesca Donato, Clara Ponsatí Obiols
The Left	Manuel Bompard, Marc Botenga, Marisa Matias
Verts/ALE	Michael Bloss, Ignazio Corrao, Ciarán Cuffe, Jakop G. Dalunde, Henrike Hahn, Ville Niinistö, Manuela Ripa, Marie Toussaint

Key to symbols:

+ : in favour

- : against

0 : abstention