

# EUROPEAN PARLIAMENT

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*Committee on Industry, Research and Energy*

PROVISIONAL  
**2005/0188(CNS)**

31.3.2006

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## **DRAFT REPORT**

on the proposal for a Council decision on the Specific Programme:  
"Capacities" implementing the 7th Framework Programme (2007-2013) of the  
European Community for research, technological development and  
demonstration activities  
(COM(2005)0443 – C6-0384/2005 – 2005/0188(CNS))

Committee on Industry, Research and Energy

Rapporteur: Vittorio Prodi

### ***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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## DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the proposal for a Council decision on the Specific Programme: "Capacities" implementing the 7th Framework Programme (2007-2013) of the European Community for research, technological development and demonstration activities (COM(2005)0443 – C6-0384/2005 – 2005/0188(CNS))**

### (Consultation procedure)

*The European Parliament,*

- having regard to the Commission proposal to the Council (COM(2005)0443)<sup>1</sup>,
  - having regard to Article 166 of the EC Treaty, pursuant to which the Council consulted Parliament (C6-0384/2005),
  - having regard to Rule 51 of its Rules of Procedure,
  - having regard to the report of the Committee on Industry, Research and Energy and the opinion of the Committee on Budgets (A6-0000/2006),
1. Approves the Commission proposal as amended;
  2. Calls on the Commission to alter its proposal accordingly, pursuant to Article 250(2) of the EC Treaty;
  3. Calls on the Council to notify Parliament if it intends to depart from the text approved by Parliament;
  4. Asks the Council to consult Parliament again if it intends to amend the Commission proposal substantially;
  5. Instructs its President to forward its position to the Council and Commission.

Text proposed by the Commission

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Amendments by Parliament

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#### Amendment 1

Annex I, Theme 1, "Research Infrastructures", Sub-title "Activities", point 1.2 , paragraph 1 a (new)

***ESFRI should play a key role in this context, but also TPs, JTIs and ERC will be requested to express the needs for research infrastructures.***

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<sup>1</sup> Not yet published in OJ.

### *Justification*

*All the stakeholders should express their opinion on construction of new research infrastructures and on the upgrade of the existing ones.*

#### Amendment 2

Annex I, Theme 1, "Research Infrastructures", Sub-title "Activities", point 1.2 .2, bullet 2, paragraph 1

In the second stage, building on the achieved technical, legal, administrative and financial agreements, using notably the complementarity between national and Community instruments (such as the Structural funds or the European Investment bank), the construction plans would be implemented. The Framework Programme financial support for the construction phase may be provided to those priority projects for which there is a critical need for such support. In these cases, decisions will be taken through a mechanism that will depend on the nature and the level of funding required (e.g., direct grant; European Investment Bank loans, the access to which may be facilitated through the Risk Sharing Finance Facility (Annex III); Article 171).

In the second stage, building on the achieved technical, legal, administrative and financial agreements, using notably the complementarity between national and Community instruments (such as the Structural funds or the European Investment bank), the construction plans would be implemented ***with the involvement of the appropriate private financial institutions.*** The Framework Programme financial support for the construction phase may be provided to those priority projects for which there is a critical need for such support. In these cases, decisions will be taken through a mechanism that will depend on the nature and the level of funding required (e.g., direct grant; European Investment Bank loans, the access to which may be facilitated through the Risk Sharing Finance Facility (Annex III); Article 171).

### *Justification*

*The implementation of the research infrastructures must count on the widest possible support*

#### Amendment 3

Annex I, Theme 4, "Research Potential", Sub-title "Activities", paragraph 1, bullet 1

• Exchange know-how and experience through trans-national two-way secondments of research staff between the selected centres in the qualifying regions and one or more partner organisations in ***another EU State***, with in-built obligatory return mechanisms for seconded staff originating from the selected centres in the

• Exchange know-how and experience through trans-national two-way secondments of research staff ***and managers*** between the selected centres in the qualifying regions and one or more partner organisations in ***Member States, associated countries, neighbourhood countries and third countries***, with in-built

qualifying regions;

obligatory return mechanisms for seconded staff originating from the selected centres in the qualifying regions;

*Justification*

*It is important to include managers for research and innovation activities into the exchange mechanism of personal.*

Amendment 4

Annex I, Theme 5, "Science in Society", Sub-title "Objective", paragraph 1 a (new)

***Environmental policy in particular will be the meeting point between the scientific knowledge and the social development. In addition there is a need for more quantitative elements to counter irrational arguments.***

*Justification*

*Scientific knowledge and social development should be developed in parallel.*

Amendment 5

Annex I, Theme 5, "Science in Society", Sub-title "Approach", sub-title "First action line" bullet 3, indent 4 a (new)

***- Risk assessment and management procedure as a tool for decision taking in order to limit irrational reactions of society.***

*Justification*

*Risk assessment is a procedure that allows a comparison to be made between different options in a quantitative way. Any effort should be made to inform citizens and so to limit the irrational implications on the decision taking.*

## EXPLANATORY STATEMENT

Research and Technical Development is of key importance for the European competitiveness. Specifically the function of industrial research has to be enhanced and strengthened if we don't want to lose our manufacturing ability in the EU. On the other hand, it is not possible to keep the design capability in Europe without a manufacturing ability at least in the top of the range of each sector.

The FP7 provides a very good opportunity to design a comprehensive effort to regain competitiveness for the whole Union, by implementing in full commitment the Lisbon scenario.

It should be underlined that FP7 is in fact the expression of the need to deal with R&TD at Union level and it should be pursued as a first nucleus of an economic and social development policy of the Union. Competition is taking place among actors that have continental or comparable scale and overwhelmingly exceed the size of a single Member State. Excellence has therefore to be searched at European scale.

The activities undertaken in this part of the Framework Programme aim to support a coherent development of Research policy, with a specification of the tasks that can be fulfilled at the regional scale in the light of subsidiary principle.

Research and innovation capacities should be facilitated through:

- Optimising the use and development of research infrastructures.
- Strengthening innovative capacities of SMEs and their ability to benefit from research.
- Supporting the development of regional research-driven clusters.
- Unlocking the research potential in the EU's convergence and outermost regions.
- Bringing science and society closer together for the harmonious integration of science and technology in European society.
- Horizontal actions and measures in support of international co-operation.

Support of existing and new research infrastructures should be the key action as well as the human potential development.

Research infrastructures are of fundamental importance for capacity building in Europe since they provide training, research and new business opportunities; in addition they help to create more visibility of European high excellence research.

To optimise the use of existing infrastructures in Europe more coordination is necessary and a community activity on networking existing research infrastructures should be enforced.

As regard the construction of the next generation of large scale infrastructures there is the need to define a European strategy which should start by identifying the requests of the



scientific community.

All the stakeholders could express their opinion on construction of new research infrastructures and on the upgrade of the existing ones. ESFRI should play a key role in this context, but also TPs, JTIs and ERC will be solicited to express the needs for research infrastructures.

As far as the construction of new infrastructures is concerned, an efficient coordination of the Community financial instruments, Framework Programme and Structural Funds in particular, will be ensured, with the involvement of the appropriate private financial institutions. The implementation of the research infrastructures must count on the widest possible support.

A better connection between the world of research and industry should be pursued. Member States should adopt fiscal and/or other measures oriented towards promoting industrial innovation, especially with reference to SMEs. On the other hand, the protection of intellectual property is essential feature for the development of the ERA.

It is absolutely essential to guarantee the intellectual property rights with transparent and simplified procedures that would mostly benefit SMEs.

The generalised involvement of all European enterprises being they Small or Medium or Large into an innovation effort is absolutely necessary for the competitiveness of our manufacturing industries. TPs and JTIs are an appropriate tool to expose all the enterprises to the advantages of the scientific and technological research for innovation.

TPs should be the general tool for fostering European competitiveness, as a bottom-up self organisation of each trade. The enterprises will be the core stakeholders and others will be local institutions, research centres and Universities, Member States, Banks, Chambers of Commerce.

Where appropriate, TPs could have legal personality to organize their work and be able to accept and manage resources coming from the whole range of sources.

TPs could be detailed at the regional level in the form of regional research-driven clusters in order to fully exploit the potential of competitiveness of specific sectors within specific territories, such as the "Regions of knowledge".

Promoting the formation of scientific clusters even at regional level, with the involvement of SMEs within the framework of the TPs is essential. Regional clusters should be inserted into the wider European dimension to fully exploit the benefits of research and innovation.

To this regard support to single SMEs or SMEs associations will be a very useful tool.

Research policy and activities, at regional level, need a strong commitment of enterprises, as well as local institutions, research centres, Universities, Banks, and Chambers of Commerce to unlock the potential which lies in creating spin-off SMEs from research projects.

Synergy among all these actors is essential in order to create the right environment enabling European regions to strengthen their capacity for investing in R&D. TPs could be the appropriate tool for this kind of generalized participation. In particular, Regional Authorities

could plan a strong action to promote those factors that represent a particular strength linked to the territory like industrial clusters (existing or to be implemented). To this end, synergy among Structural Funds and FP7 resources, own regional resources and other financial facilities is to be pursued in order to stimulate the function of R&TD to become a central feature of clusters as it is shown by the successful story of clusters in several European Regions.

Considerable responsibility in the implementation of the objectives of the program should be recognized not only to the capacities of the researchers from the convergence and outermost regions but also to the capability to involve all financial mechanisms in R&TD potentially existing in each region.

A better use of Structural Funds to support R&TD at regional level is essential. Clear references should be made to use the Structural and Cohesion funds for investment in research infrastructure and for bridging the pre-seed gap between research and innovation. In this context it could be considered useful to finance pilot and demonstration projects in order to help to acquire start-up financing with the awareness that investments in R&TD and innovation could be at least comparable with the investments into hard infrastructures for the long term development of territories.

Special emphasis should be given even for local development to the organization of the system of production, collection and treatment of biomasses for direct hydrogen production. This technology appears extremely promising to provide even in short times hydrogen at a competitive level in terms of price and quantity.

The relation between science/technology with society/culture should be taken in strong consideration. Environmental policy, in particular, could be the meeting point.

Climate change by far is the metaphor of sustainable development as an expression of solidarity to future generations which is more and more considered as a compelling guiding principle of the EU.

An important role for the welfare of citizens is represented by the risk evaluation and assessment that have to become an integral part of citizens' culture, with the aim of introducing quantitative tools of decision taking and restricting the influence of emotional consideration.

To become competitive and play a leading role at world level, the European Community needs a strong and coherent international science and technology policy.

Strategic partnerships with ENPI (European Neighbourhood Policy Instrument) and third countries in selected fields of science and by engaging their best scientists to work in and with Europe should be pursued in spirit of an open cooperation.

To this regard the thematic areas indicated in the FP7 document (Chapter I. Cooperation) are to be understood as priorities but not exclusive of other items that could emerge in the field of international cooperation (with Neighbour and third countries).

Scientific research within international scientific cooperation has a high potential in the search of excellence with a definite structural effect of strong cohesion.

The Risk-Sharing Finance Facility (RSFF) from EIB to European investments funds with the involvement of national and regional banking system will be extremely important. The multiplying effect in "*cascade*" of risk sharing shall ensure the availability of venture capital for innovation and involve the local banking system into the ability of financial risk evaluation specifically for innovation.

To boost European competitiveness strategic partnership should be promoted between EUREKA and FP7 in synergy with JTIs, also to facilitate activities for high growth SMEs.