

EUROPEAN PARLIAMENT

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Committee on Industry, Research and Energy

2006/2018(BUD)

12.9.2006

OPINION

of the Committee on Industry, Research and Energy

for the Committee on Budgets

on the draft general budget of the European Union for the financial year 2007
(C6-0000/2006 - 2006/2018(BUD))

Section III - Commission

Draftswoman: Neena Gill

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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 in its motion for a resolution:

1. Reiterates the challenges which the EU is facing and the goals of the Lisbon Strategy, and expresses its concern that the appropriations under the relevant headings of the multi-annual financial framework do not reflect them;
2. Particularly regrets the reduction in the multi-annual financial framework of nearly 30% of the budget for the Seventh Framework Programme for research, technical development and demonstration activities (FP7) and of nearly 25% of the budget for the Competitiveness and Innovation Framework Programme (CIP); emphasizes, however, that Member States also finance research and innovation, and recalls the Barcelona target, according to which two-thirds of funding should be provided by the private sector;
3. Welcomes the contribution of the European Investment Bank via the risk-sharing financing facility for research and development and via the provision of loans and guarantees for the trans-European networks and for SMEs as these could reinforce the leverage effect of the EU budget;
4. Stresses the flexibility of 5% provided for in the Interinstitutional Agreement with regard to co-decided multi-annual programmes, as such flexibility could be used to take on more commitments early on in programmes so as to boost those programmes that are considered as a priority for the European Parliament;
5. Recalls the importance of strengthening the capacities of the 'knowledge triangle' of education, research and innovation and of reinforcing the links between them; strongly supports the development of the European information society, as it promotes inclusion, better public services and a better quality of life;
6. Believes that the employment potential of innovative enterprises could help the EU to overcome certain difficulties posed by globalisation; underlines the importance of continued simplification of the regulatory regime, in particular that for SMEs;
7. Recognises the importance of sustainability, competitiveness and security of energy supply as well as the efficient use of energy in the EU; stresses the importance of diversifying gas and oil supply and of exploring all possible means of enhancing the EU's self-sufficiency in energy;
8. Emphasises that the budget for the financial year 2007 should reflect Parliament's position of 15 June 2006 on FP7¹, especially with regard to the division of the space and security themes, the support for an autonomous and independent European Research Council and the decision to spend two-thirds of the non-nuclear energy research budget under FP7 on renewable energy sources and energy efficiency.

¹ *Texts Adopted*, P6_TA(2006)0265.

SHORT JUSTIFICATION

The PDB 2007 is the first of the new multiannual financial framework, which will guide EU finances up to 2013, with many new programmes to be launched in 2007.

Sub-heading 1a is the "essence" of the Lisbon strategy. Commitment appropriations under this sub-heading have been increased by 11,5% to EUR 8 796,1 million, leaving a margin of EUR 121,9 million. Payment appropriations have been decreased by 6,5% to EUR 6 943,5 million; the main reason behind that might be the launch of new programmes and the fact that the deployment phase is usually frontloaded with more commitments than payments.

TITLE 01: ECONOMIC AND FINANCIAL AFFAIRS

Financial operations and instruments (Chapter 04)

The budget of this chapter has increased from EUR 320,64 million to EUR 367,16 million. The "Programme for enterprises — improvement of the financial environment for SMEs" will come to the end, meaning that there are no commitments but payments only for 2007. CIP will be launched in 2007 and a new line 01 04 04 has been created for its Entrepreneurship and Innovation Programme.

TITLE 02: ENTERPRISE

Competitiveness, industrial policy, innovation and entrepreneurship (Chapter 02)

The budget of this chapter has increased from EUR 73,74 million to EUR 145,86 million (increase of 97,82 %). This activity will be supported by the Entrepreneurship and Innovation Programme of the CIP which will cluster the corresponding financial resources available in 2007.

Cooperation — Space and security (Chapter 04)

The budget of this chapter has been increased from EUR 122,10 million to EUR 171,72 million (increase of 40,64%); FP7 will provide a substantial increase of resources. A new line (Security and Space Research - 02 04 01) has been created to cover all activities in this field.

TITLE 06: ENERGY AND TRANSPORT

Inland, air and maritime transport (Chapter 02)

Activity of high importance for ITRE is the creation of a specific programme for Galileo (implementation phase, new line 06 02 10, EUR 100 million in commitment appropriations); and the development of the Galileo Supervisory Authority (line 06 02 09, increase of 68,5%).

Trans-European networks (Chapter 03)

The budgetary increase of 17,51% is linked to the management of the new programme for 2007-2013. "Financial support for projects of common interest in the trans-european energy network" (06 03 02) will be completed, and a new line has been created (06 03 04).

Commitments under the old and the new line show continuity.

Conventional and renewable energy (Chapter 04)

The budget of this chapter has been slightly decreased from EUR 62,26 million to EUR 60,38 million (decrease of 3,01%). The "Intelligent Energy - Europe" programme will be completed

and the "Intelligent Energy - Europe II" programme (new line 06 04 06) will be deployed as part of the CIP. The new programme is front-loaded; however commitments under the old and the new line show continuity.

Nuclear energy (Chapter 05)

The budget of this chapter has been increased from EUR 165,30 million to EUR 264,30 million (increase of 59,89%). This large increase is mainly in connection with the increase in line 06 05 05 of "Nuclear safety - transitory measures (decommissioning)" (EUR 143,200 million in 2006 and EUR 244 million in 2007), which is due to enlargement.

TITLE 08: RESEARCH

Cooperation

This programme will cover research activities performed in trans-national cooperation; the 2007 budget provides continuity with actions already existing under FP6.

Ideas

This programme will be devoted to introducing a new dynamic in research by putting a premium on excellence through competition; a European Research Council will be sustained. These are newly conceived activities thus, the Commission proposal for 2007 budget must be read independently from the 2006 appropriations.

People

No major differences exist between the budget requested for this programme in 2007 and the FP6 2006 "Marie Curie" actions.

Capacities

The budget will be devoted to ensuring optimal use and development of research infrastructures. Under this specific objective appropriations have been requested for the financing of activities already existing under FP6; in addition, finance is requested for new activities devoted to the strengthening the research potential of European regions.

TITLE 09: INFORMATION SOCIETY AND MEDIA

For 2007, DG INFSO's objectives derive directly from the *i2010* strategy. The activities of lines 09 02 (*Electronic communications policy and network security*) and 09 06 (*Audiovisual Policy and Media programme*) are directly linked to the first pillar of *i2010*. Two research activities (09 04 *Cooperation — Information and communication* and 09.05 *Capacities — Research infrastructures*) contribute to the second pillar of *i2010* and fall within the FP7 (new lines). The activities of line 09 03 (*Content and services*) relates to the third pillar of *i2010*, where a new line has been created for the ICT policy support programme of CIP. There is no significant variation in the financial and human resources with respect to the 2006 budget.

TITLE 10: DIRECT RESEARCH

The budget for title 10 has been increased from EUR 329,60 million to EUR 348,47 million (increase of 5,73%). The majority of the activities listed in the two specific programmes for the JRC were already covered by the FP6 and will be continued in the FP7.

PROCEDURE

Title	Draft general budget of the European Union for the financial year 2007 - Section III - Commission		
Procedure number	2006/2018 (BUD)		
Committee responsible	BUDG		
Opinion by Date announced in plenary	ITRE		
Enhanced cooperation – date announced in plenary			
Drafts(wo)man Date appointed	Neena Gill 21.2.2006		
Previous drafts(wo)man			
Discussed in committee	20.6.2006	12.7.2006	12.9.2006
Date adopted	12.9.2006		
Result of final vote	+: 37	–: 3	0: 2
Members present for the final vote	John Attard-Montalto, Šarūnas Birutis, Philippe Busquin, Jerzy Buzek, Pilar del Castillo Vera, Giles Chichester, Den Dover, Lena Ek, Nicole Fontaine, Adam Gierek, Norbert Glante, Umberto Guidoni, András Gyürk, Fiona Hall, David Hammerstein Mintz, Rebecca Harms, Erna Hennicot-Schoepges, Ján Hudacký, Romana Jordan Cizelj, Anne Laperrouze, Eluned Morgan, Reino Paasilinna, Aldo Patriciello, Miloslav Ransdorf, Vladimír Remek, Herbert Reul, Mechtild Rothe, Paul Rübig, Andres Tarand, Britta Thomsen, Patrizia Toia, Catherine Trautmann, Claude Turmes, Nikolaos Vakalis, Dominique Vlasto		
Substitute(s) present for the final vote	María del Pilar Ayuso González, Daniel Caspary, Neena Gill, Cristina Gutiérrez-Cortines, Edit Herczog, Lambert van Nistelrooij, Vittorio Prodi		
Substitute(s) under Rule 178(2) present for the final vote			
Comments (available in one language only)			