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*Committee on Industry, Research and Energy*

PROVISIONAL  
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26.10.2005

**\*\*\*I**

## **DRAFT REPORT**

on the proposal for a decision of the European Parliament and of the Council  
establishing a Competitiveness and Innovation Framework Programme (2007-  
2013)  
(COM(2005)0121 – C6-0098/2005 – 2005/0050(COD))

Committee on Industry, Research and Energy

Rapporteur: Jorgo Chatzimarkakis

### ***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 decision of the European Parliament and of the Council establishing a Competitiveness and Innovation Framework Programme (2007-2013) (COM(2005)0121 – C6-0098/2005 – 2005/0050(COD))

(Codecision procedure: first reading)

*The European Parliament,*

- having regard to the Commission proposal to the European Parliament and the Council (COM(2005)0121)<sup>1</sup>,
  - having regard to Article 251(2) and Articles 156, 157(3) and 175(1) of the EC Treaty, pursuant to which the Commission submitted the proposal to Parliament (C6-0098/2005),
  - 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 opinions of the Committee on the Internal Market and Consumer Protection, the Committee on the Environment, Public Health and Food Safety, the Committee on Employment and Social Affairs, the Committee on Economic and Monetary Affairs and the Committee on Budgets (A6-0000/2005),
1. Approves the Commission proposal as amended;
  2. Calls on the Commission to refer the matter to Parliament again if it intends 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  
Article 1, paragraph 2

2. The Framework Programme shall contribute to the competitiveness and innovative capacity of the Community as an advanced knowledge society, with sustainable development based on **balanced** economic growth and a highly competitive social market economy with a **high** level of protection and **improvement**

2. The Framework Programme shall contribute to the competitiveness and innovative capacity of the Community as an advanced knowledge society, with sustainable development based on **robust** economic growth and a highly competitive social market economy with **an appropriate** level of protection and **a high** quality of the environment, **based on the**

<sup>1</sup> Not yet published in the Official Journal.

*of the quality of the environment.*

***idea of sustainable development. In this process , particular importance shall be attached to supporting small and medium-sized enterprises and the innovative use of research results.***

#### *Justification*

*At a time when Europe as a whole is facing a crisis of economic growth, everything must be done to achieve robust growth. The use of words such as 'high' and 'improvement' casts doubt on Europe's considerable achievements in raising protection levels and the quality of the environment.*

#### Amendment 2 Article 1, paragraph 3

3. The Framework Programme shall not cover research and technological development activities carried out in accordance with Article 166 of the Treaty.

3. The Framework Programme shall not cover research and technological development activities carried out in accordance with Article 166 of the Treaty, ***however it shall specifically promote the innovative implementation by enterprises of research and development results. It shall also promote the grey area between research and application (the so-called Pre-Seed Phase) in accordance with Article 166 of the Treaty.***

#### *Justification*

*The application of research and development results in entrepreneurial production processes and marketable products is vitally important if the exploitation of the innovation potential is to be realized. It is particularly important that the gap between research and innovation be closed; eligibility for aid must therefore be formulated in such a way that no technical gap can arise between aid programmes.*

Amendment 3  
Article 2, paragraph 1

1. The Framework Programme shall have the following objectives:

- (a) to foster the competitiveness of enterprises and in particular Small and Medium sized Enterprises (SMEs);
- (b) to promote innovation including eco-innovation;
  
- (c) to accelerate the development of a competitive, innovative and inclusive Information Society;
- (d) to promote energy efficiency and new and renewable energy sources in all sectors including transport.

1. The Framework Programme shall have the following **overriding** objectives:

- (a) to foster the competitiveness of enterprises and in particular Small and Medium sized Enterprises (SMEs);
  - (b) to promote innovation including eco-innovation;
- This produces the following secondary objectives which are intended to help attain the above objectives:***
- (a) to accelerate the development of a competitive, innovative and inclusive Information Society;
  - (b) to promote energy efficiency and new and renewable energy sources in all sectors including transport.

*Justification*

*Competitiveness and innovation are the main objectives of the framework programme. The creation of an Information Society and the responsible use of energy must of course contribute to the attainment of these objectives and are indispensable, but do not constitute separate objectives within this programme.*

Amendment 4  
Article 4, letter d

(d) other third countries, when agreements so allow.

(d) other third countries, when agreements so allow ***and if this produces added value for EU competitiveness.***

*Justification*

*Implementation in third countries is also an opportunity and should not therefore be excluded, but must be based on European added value.*

Amendment 5  
Article 5, paragraph 1, subparagraph 1a (new)

***The Commission shall report to the European Parliament comprehensively and without delay on these work programmes.***

*Justification*

*The obligation to report to the European Parliament should be reinforced.*

Amendment 6  
Article 6, Title

***Type of*** implementing measures

***Common*** implementing measures

*Justification*

*It should be made clear that all instruments contained in the CIP may be used jointly by all parts of the programme.*

Amendment 7  
Article 6, paragraph 1

***1. The measures for the implementation of the work programmes shall be, in particular:***

***The instruments outlined in the 'Implementation' sections of Chapters I, II and III below shall constitute part of a common toolbox of the framework programme. They may also be used to attain the objectives of other parts of the programme.***

- (a) Community financial instruments for SMEs;***
- (b) networks bringing together a variety of stakeholders;***
- (c) pilot projects, market replication, projects and other measures to support the take-up of innovation;***
- (d) policy analyses, development and coordination with participating countries;***



- (e) information sharing, dissemination and awareness raising;*
- (f) support to joint actions of Member States or regions;*
- (g) procurement based on technical specifications elaborated in cooperation with the Member States;*
- (h) twinning between authorities at national and regional level.*

*Justification*

*Clarification was essential. A list of the common instruments is therefore redundant.*

Amendment 8  
Article 7, paragraph 2 a (new)

***The Commission shall as far as possible minimise spending on the services referred to in this article in order to channel the largest possible amount of resources to the actual vehicles of competitiveness and innovation.***

*Justification*

*The Commission must have at its disposal an appropriate amount for technical support, but this must not be excessive.*

Amendment 9  
Article 8, paragraph 5

5. The Commission shall communicate the **main** results of the interim and final evaluations of the Framework Programme and of its specific programmes to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.

5. The Commission shall communicate the results of the interim and final evaluations of the Framework Programme and of its specific programmes to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.

## *Justification*

*Is a matter for the addressee institutions themselves to decide on the importance of individual results.*

Amendment 10  
Article 9 a (new)

**9a**

### ***Application procedure***

- 1. The Commission shall develop a simple unbureaucratic application procedure which allows participants to have the eligibility of their project examined in an initial standardised application form limited to two pages (hereinafter the ‘simplified application procedure’, before having to submit detailed application documentation.***
- 2. The deadline for the Commission’s opinion in the simplified application procedure shall be set at six weeks from receipt of the initial application.***
- 3. Participants who submit the complete documentation immediately may not be referred to the simplified application procedure.***
- 4. Under the simplified application procedure, the Commission shall grant an additional two-month deadline for the submission of detailed and complete documentation in order to allow SMEs in particular to take part in EU aid programmes without excessive bureaucracy.***
- 5. This procedure shall apply to all programme parts of the entire framework programme whenever aid is distributed directly by the Commission. This shall not apply to the financial instruments referred to in Articles 16, 17 and 18.***

### *Justification*

*The application procedure must be made easy for enterprises so as to avoid creating major hurdles which prevent enterprises taking advantage of innovation promotion procedures. A simplified procedure is particularly important for SMEs, since unnecessary paperwork can be avoided if the project is deemed ineligible.*

#### Amendment 11 Article 10, paragraph 2, letter b

(b) creation of an environment favourable to SME cooperation;

(b) creation of an environment favourable to SME cooperation, ***in particular in the field of transfrontier cooperation;***

### *Justification*

*Transfrontier cooperation should be reinforced in the SME sector.*

#### Amendment 12 Article 10, paragraph 2, letter 3

(e) enterprise and innovation related economic and administrative reform.

(e) enterprise and innovation related economic and administrative reform, ***in particular for the dismantling of bureaucratic obstacles for SMEs.***

### *Justification*

*The dismantling of bureaucracy is of key importance for competitiveness.*

#### Amendment 13 Article 11, Introduction

Action in relation to access to finance for the start-up and growth of SMEs ***and for*** investment in innovation activities, including eco-innovation, may include:

Action in relation to access to finance for the start-up and growth of SMEs, ***the development of*** investment in innovation activities, including eco-innovation, ***and the internationalisation of their business activities,*** may include:

*Justification*

*The aid objective 'internationalisation of SMEs' should also be stated as the specific objective of the financial instruments. In business practice, the financing of SMEs' transfrontier investment projects is often rendered difficult by the fact that specific additional risks of the foreign activities of SMEs cannot be shared. The internationalisation of SMEs is a core task of the EU, owing to its transfrontier character, and should also receive financial aid and not just benefit from advisory services.*

Amendment 14  
Article 14, letter c

(c) supporting policy development and cooperation between actors, ***including national and regional programme managers.***

(c) supporting policy development and cooperation between actors.

*Justification*

*Aid should be given to innovatory enterprises rather than to consultancies and advisory services.*

Amendment 15  
Article 15, Introduction

Action regarding to enterprise and innovation related economic and administrative reform ***may include:***

Action regarding to enterprise and innovation related economic and administrative reform ***must result in the dismantling of bureaucracy and improved structures for SMEs. If this condition is met, the following measures may also be taken into account:***

*Justification*

*The promotion of economic and administrative reforms must always serve the objective of increased competitiveness.*

Amendment 16  
Article 16, paragraph 1

1. Community financial instruments shall be operated with the aim to facilitate access to finance for SMEs in certain phases of their life cycle: seed, start-up, expansion and business transfer. Investments made by SMEs in activities such as technological development, innovation, and technology transfer shall be included in the scope of the instruments.

1. Community financial instruments shall be operated with the aim to facilitate access to finance for SMEs in certain phases of their life cycle: seed, start-up, expansion and business transfer. Investments made by SMEs in activities such as technological development, innovation, and technology transfer **and the transfrontier expansion of their business activities** shall be included in the scope of the instruments.

*Justification*

*The competitiveness and innovation potential of enterprises in the European single market must be increased.*

Amendment 17  
Article 17, paragraph 2, subparagraph 2

The first window, called GIF1, shall cover early stage (seed and start up) investments. It shall target investments in specialised venture capital funds such as early stage funds, funds operating regionally, funds focused on specific sectors, technologies or RTD and funds linked to incubators, which shall in turn provide capital to SMEs. It may also co-invest in funds and investment vehicles promoted by business angels.

The first window, called GIF1, shall cover early stage (seed and start up) investments. It shall target investments in specialised venture capital funds such as early stage funds, funds operating regionally, funds focused on specific sectors, technologies or RTD and funds linked to incubators, which shall in turn provide capital to SMEs. ***It may invest in promotional seed, start up or technology transfer funds which are purely or predominantly funded by governments and/or public (promotional) institutions or which give private investors in those funds preferential treatment vis-à-vis public investors, if these funds/schemes operate along market principles.*** It may also co-invest in funds and investment vehicles promoted by business angels ***and in pilot projects in the field of technology transfer.***

### *Justification*

*The utilisation of the ETF Start-up Scheme, the predecessor of GIF 1 under MAP, was very low during the past years due to a lack of private investors raising the necessary 50 % of the capital invested in the respective fund. Therefore in order to make GIF 1 workable this time, it should also be opened for public investors.*

*GIF 1 should also operate in the field of technology transfer and should mainly concentrate on pilot projects as the existing financing gap in this area cannot be bridged with the CIP budget.*

### Amendment 18

Article 17, paragraph 2 a (new)

***2a. GIF 1 and thus the award of risk capital in the seed and start-up phases shall be given priority in financial planning.***

### *Justification*

*The EU has a great deal of catching up to do especially in the award of risk capital - a substantial leverage effect is also to be expected here.*

### Amendment 19

Article 18, paragraph 2, part d

(d) securitisation of SME debt finance portfolios, shall mobilise additional debt financing for SMEs under appropriate risk-sharing arrangements with the targeted institutions. Support for those transactions shall be conditional upon an undertaking by the originating institutions to grant a significant part of the resulting liquidity of the mobilised capital for new SME lending in a reasonable period of time.

(d) securitisation of SME debt finance portfolios, shall mobilise additional debt financing for SMEs under appropriate risk-sharing arrangements with the targeted institutions. Support for those transactions shall be conditional upon an undertaking by the originating institutions to grant a significant part of the resulting liquidity of the mobilised capital for new SME lending in a reasonable period of time. ***The amount of this renewed loan shall be calculated in relation to the amount of the guaranteed portfolio risk and shall be negotiated, together with the period of time, individually with each originating institution.***

*Justification*

*The use of public funds to promote securitisation is intended to increase lending to SMEs. The originating institutions should therefore use the new liquidity obtained partly for further lending to SMEs. A useful reference value could be the portfolio risk assumed through guaranteeing the tranche in question. The precise amount and period of time should be established for each 'originating institution' in accordance with its situation and current credit demand.*

Amendment 20

Article 18, paragraph 2 a (new)

***2a. The award of small and micro-loans in accordance with Article 2, part b) shall be granted priority within the SMEG Facility***

*Justification*

*The award of small-scale and micro-loans has a particularly strong leverage effect, and this must be exploited.*

Amendment 21

Article 19, paragraph 1, subparagraph 2, letter a

(a) improving the investment and technology expertise of funds investing in innovative SMEs or SMEs with growth potential;

(a) improving the investment and technology expertise of funds investing in, ***or banks for,*** innovative SMEs or SMEs with growth potential;

*Justification*

*In areas where banking systems are not yet particularly well developed, banks without any experience in managing such funds should be included.*

Amendment 22  
Article 20, paragraph 2, subparagraph 1

2. For the purpose of paragraph 1, financial support may be granted to network partners to provide, in particular:

(a) Information, Feedback and Business Cooperation services;

(b) Innovation, Technology and Knowledge transfer services;

(c) Services encouraging the participation of SMEs in the Community framework Programme for RTD.

2. For the purpose of paragraph 1, financial support may be granted to network partners to provide, in particular:

***(-a) The establishment of one-stop shops for the entire framework programme where interested parties and potential applicants may obtain comprehensive assistance relating to the possibilities of aid under the framework programme and also be referred to other possibilities of aid and the relevant contact partners. The bulk of the grants intended for actions under this article shall be allocated to this end.***

(a) Information, Feedback and Business Cooperation services;

(b) Innovation, Technology and Knowledge transfer services;

(c) Services encouraging the participation of SMEs in the Community framework Programme for RTD.

***(ca) Cooperation services aimed at improving the promotion of the competitiveness and innovation of SMEs through exchanges between promoters.***

*Justification*

*SMEs and other applicants must be able to obtain all information relating to the framework programme from the same source.*

*Cooperation between promoters is of key importance for achieving synergy as regards the innovation and competitiveness of SMEs.*



Amendment 23  
Article 20, paragraph 3

3. The Commission shall select network partners through calls for proposals in relation to the different services referred to in paragraph 2(a), (b) **and** (c). Following those calls for proposals the Commission may establish a framework partnership agreement with selected network partners specifying the type of activities to be offered, the procedure for awarding grants to them and the general rights and obligations of each party. The framework partnership may cover the whole period of duration of the programme.

3. The Commission shall select network partners through calls for proposals in relation to the different services referred to in paragraph 2(a), (b), (c) **and (ca)**. ***In this process particular importance shall be attached to the relevant experiences of applicants as regards the planning and implementation of support services for enterprises, in particular SMEs, in the transfrontier expansion of their activities.*** Following those calls for proposals the Commission may establish a framework partnership agreement with selected network partners specifying the type of activities to be offered, the procedure for awarding grants to them and the general rights and obligations of each party. The framework partnership may cover the whole period of duration of the programme.

*Justification*

*Experience to date should be utilised.*

Amendment 24  
Article 20 a (new)

***Article 20 a***

***Quality of the networks***

***In order to ensure the quality of the networks, the Commission shall set stringent conditions for establishing networks. In so doing, it shall attach particular importance to the quality of advisory services.***

*Justification*

*Quality control measures are important. There must be a significant increase in quality compared to the advisory services provided by the existing Euro Info Centres (EIC) or Innovation Relay Centres (IRC).*

Amendment 25  
Article 21, paragraph 2

2. ***A group of cooperating*** programmes may be eligible for Community support when they:

(a) are individually managed by public authorities at national or sub-national level;  
***and***

(b) ***together involve*** at least ***three*** participating countries; ***and***

(c) are coordinated or jointly operated.

2. ***The common implementation of several*** programmes may be eligible for Community support when they:

(a) are individually managed by public authorities at national or sub-national level;

(b) ***participants shall come from*** at least ***two*** participating countries;

(c) are coordinated or jointly operated.

*Justification*

*Simplification and clarification. Access to aid must be simplified.*

Amendment 26  
Article 23, Title

Twinning between authorities at national and regional level

Twinning between authorities ***or non-governmental organisations*** at national and regional level

*Justification*

*Cooperation between enterprises and their organisations should be included.*

Amendment 27  
Article 23, paragraph 1

1. In order to allow for targeted administrative co-operation, twinning actions may be established on the basis of calls for proposals to national contact points. These may subsequently identify a lead expert or a team of experts in agreement with the relevant national or regional authorities.

1. In order to allow for targeted administrative co-operation, twinning actions may be established on the basis of calls for proposals to national contact points. These may subsequently identify a lead expert or a team of experts in agreement with the relevant national or regional authorities ***or non-governmental organisations.***

*Justification*

*Cooperation between enterprises and their organisations should be included.*

Amendment 28  
Article 23, paragraph 2

2. The Commission shall review the work plan established by the lead expert or the teams of experts and may award a grant to public administrations.

2. The Commission shall review the work plan established by the lead expert or the teams of experts and may award a grant to public administrations ***or non-governmental organisations.***

*Justification*

*Cooperation between enterprises and their organisations should be included.*

Amendment 29  
Article 23, paragraph 3

***3. The twinning actions may be accompanied by central support services from the Commission.***

***3. Authorities or non-governmental organisations which receive grants shall be committed to the objective of dismantling bureaucracy and creating better framework conditions for SMEs. The authorities or non-governmental organisations must show in their application how they intend to pursue this objective.***

*Justification*

*The objective is to promote innovations in enterprises, and resources must therefore be restricted to this purpose. Cooperation between enterprises and their organisations may further this objective.*

*It is important to ensure that authorities and organisations do not lose sight of the programme's objectives.*

Amendment 30  
Article 24, paragraph 1

The Commission **may** undertake the following:

**1.** The Commission **shall regularly** undertake the following:

*Justification*

*This will ensure controls of the programme and up-to-date information on implementation and effect.*

Amendment 31  
Article 24, letter b

(b) preparation of impact assessments of Community measures of particular relevance for the competitiveness of enterprises;

(b) preparation of impact assessments of Community measures of particular relevance for the competitiveness of enterprises. ***The results of the assessments shall be published;***

*Justification*

*This will ensure controls of the programme and up-to-date information on its implementation and effect.*

Amendment 32  
Article 25, paragraph 1 a (new)

***The objectives and priorities must be defined in such a way as to allow adjustments to future developments and changes in emphasis. The rules and criteria shall be drawn up jointly with interested parties and must be transparent, clear and comprehensible for all participants.***

*Justification*

*The optimum utilisation of budget funds over the relatively long period of seven years can only be achieved by flexible programming . It must be possible to redirect the financial instruments to other applications in the light of new developments. The criteria must be realistic and transparent for all interested parties and participants. This will ensure that sound applications having a good chance of success are submitted and that the relevant instruments are properly used.*

Amendment 33  
Article 26, paragraph 3

3. The actions referred to in paragraph 2 shall ***be carried out with a particular emphasis on*** promotion and awareness raising of the opportunities and benefits that ICTs bring to citizens and businesses.

3. ***Only a minority of*** the actions referred to in paragraph 2 shall ***cover the*** promotion and awareness raising of the opportunities and benefits that ICTs bring to citizens and businesses, ***while the majority should directly benefit the innovation potential and competitiveness of SMEs.***

*Justification*

*Awareness raising is of secondary importance compared to innovation proper.*

Amendment 34  
Article 30, paragraph 2 a (new)

***This part of the programme should above all reinforce the competitiveness and innovation potential of SMEs. The bulk of resources for the ICT programme part shall benefit them directly.***

*Justification*

*SMEs are the real motion of competitiveness and innovation. They should therefore be given a major role in implementing the programme.*

Amendment 35  
Article 31, paragraph 2, subparagraph 2

The Community may award a grant to the budget of the projects referred to in paragraph 1(a) corresponding to a maximum of 50 % of their total cost.  
***Public sector bodies may be reimbursed on the basis of 100 % of additional costs.***

The Community may award a grant to the budget of the projects referred to in paragraph 1(a) corresponding to a maximum of 50 % of their total cost.

*Justification*

*Equal treatment of all grants amounting to 50% gives participants a stake in the proper implementation of the programme. 100% grants, on the other hand, are an incentive to misuse public funds.*

Amendment 36  
Article 31, paragraph 3, subparagraph 2

The Community contribution for the measures set out in paragraph 1(b) shall be limited to direct costs deemed necessary or appropriate for achieving the specific objectives of the action.

The Community contribution for the measures set out in paragraph 1(b) shall be limited to **50% of** direct costs deemed necessary or appropriate for achieving the specific objectives of the action.

*Justification*

*Equal treatment of all grants amounting to 50% gives participants a stake in the proper implementation of the programme.*

Amendment 37  
Article 33, Introduction

The following shall be undertaken in support of policy analyses, development and coordination with participating countries:

The following shall be undertaken in support of policy analyses, development and coordination with participating countries, ***providing a direct benefit for the competitiveness and innovation potential of SMEs can be established:***

*Justification*

*CIP should serve primarily to boost the competitiveness and innovation potential of SMEs.*

Amendment 38  
Article 34, paragraph 1, Introduction

1. The following shall be undertaken in support of the implementation of the programme or the preparation of future activities:

1. The following shall be undertaken in support of the implementation of the programme or the preparation of future activities, ***providing a direct benefit for the competitiveness and innovation potential of SMEs can be established:***

*Justification*

*CIP should serve primarily to boost the competitiveness and innovation potential of SMEs.*

Amendment 39  
Article 36, paragraph 1 a (new)

*The objectives and priorities must be defined in such a way as to allow adjustments to future developments and changes in emphasis. The rules and criteria shall be drawn up jointly with interested parties and must be transparent, clear and comprehensible for all participants.*

*Justification*

Amendment 40  
Chapter III, Title

The Intelligent Energy-Europe Programme

The Intelligent Energy *and Technology* -  
Europe Programme

*Justification*

*The change in the title underscores the importance of technology for the programme objectives.*

Amendment 41  
Article 37, paragraph 2, letter b

(b) to promote new *and* renewable energy sources and to support energy diversification;

(b) to promote new, renewable *and existing* energy sources and to support energy diversification. *Existing energy sources shall only be promoted where this results in a contribution to an improvement in the quality of the environment or efficiency of usage;*



*Justification*

*The omission of all existing energy sources means that an opportunity is missed to achieve efficiency and environmental benefits in this area too.*

Amendment 42  
Article 38, letter b

(b) boosting investment across the Member States in new and best performing technologies in the fields of energy efficiency, renewable energy sources and energy diversification, including in transport, by bridging the gap between the successful demonstration of innovative technologies and their effective market uptake in broad scale in order to leverage public and private sector investment, promote key strategic technologies, bring down costs, increase market experience and contribute to reducing the financial risks and other perceived risks and barriers that hinder this type of investment;

(b) boosting investment across the Member States in new and best performing technologies in the fields of energy efficiency, renewable energy sources and energy diversification ***while maintaining existing clean energy sources***, including in transport, by bridging the gap between the successful demonstration of innovative technologies and their effective market uptake in broad scale in order to leverage public and private sector investment, promote key strategic technologies, bring down costs, increase market experience and contribute to reducing the financial risks and other perceived risks and barriers that hinder this type of investment;

*Justification*

*The diversification of energy supplies reduces dependence on a single source of energy. In selecting the individual components of the energy mix, account should, however, be taken of those energy sources which already contribute to the attainment of the Kyoto objectives and ensure energy supplies in the event of breakdowns in the supply of renewable sources of energy.*

Amendment 43  
Article 39, letter b

(b) supporting the preparation of legislative measures and their application.

(b) supporting the preparation of legislative measures and their application, ***providing this serves to increase competitiveness or promotes innovation and does not create new obstacles for energy enterprises.***

*Justification*

*Legislative support must serve the overall objectives of CIP.*

Amendment 44  
Article 40, letter a

(a) promoting new and renewable energy sources for centralised and decentralised production of electricity and heat and supporting the diversification of energy sources, with the exception of actions covered by Article 41;

(a) promoting new and renewable energy sources for centralised and decentralised production of electricity and heat and supporting the diversification of energy sources **while maintaining existing clean energy sources**, with the exception of actions covered by Article 41;

*Justification*

*The diversification of energy supplies reduces dependence on a single source of energy. In selecting the individual components of the energy mix, account should, however, be taken of those energy sources which already contribute to the attainment of the Kyoto objectives and ensure energy supplies in the event of breakdowns in the supply of renewable sources of energy.*

Amendment 45  
Article 40, letter b

(b) integrating new **and** renewable energy sources into the local environment and the energy systems;

(b) integrating new, renewable energy **and existing energy** sources into the local environment and the energy systems;

*Justification*

*In selecting the individual components of the energy mix, account should however also be taken of energy sources which already contribute to the attainment of the Kyoto objectives.*

Amendment 46  
Article 45, paragraph 1 a (new)

***The rules, provisions and criteria shall be drawn up jointly with interested parties and must be transparent, clear and comprehensible for all participants.***

*Justification*

*Clear and transparent rules, provisions and criteria will make it easier for interested parties to submit sound proposals having a good chance of success.*

Amendment 47  
Article 46 a (new)

***Article 46 a***

***Strategic management of the framework programme***

***The Commission and the EIPC referred to in Article 46 shall assume the strategic management of the framework programme. This shall include in particular the channelling and, where appropriate, reallocation of resources and a prioritisation of aid, where necessary.***

*Justification*

*Justification*

*The Commission's Enterprise Directorate General has the closest relations to SMEs, the actual vehicles of competitiveness and innovation. It should therefore be given a leading role to play.*

Amendment 48  
Annex II, Section I, Point D a (new)

***Da. Budget allocation for financial instruments***

***The total indicative budget allocated to Community financial instruments for SMEs shall be divided as follows: a minimum of 65% for the High Growth and Innovative SME Facility (GIF), spread equally over GIF 1 and GIF 2, and a maximum of 35% for the SME Guarantee (SMEG) Facility.***

*Justification*

*Supporting small and medium-sized enterprises in gaining access to calls for tender for public contracts in Europe opens up new business opportunities for these undertakings and promotes competitiveness and the use of the European Single Market.*

Amendment 49  
Annex II, Section 2, Point C(2)

GIF 1

GIF 1 shall invest in intermediary venture capital funds investing in SMEs up to 10 years old, typically starting from pre-A (seed) and A (early stage) rounds and providing follow-on investment where appropriate. The maximum aggregate investment in an intermediary venture capital fund shall be 25 % of the total capital held by the relevant fund, or up to 50 % for new funds likely to have a particularly strong catalytic role in the development of venture capital markets for a specific technology or in a specific region as well as business angels' investment vehicles. The maximum aggregate investment in an intermediary venture capital fund shall be 50 % in those cases where the fund's investment focus is on SMEs active in eco-innovation. At least 50 % of the capital invested in any fund

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shall be provided by investors operating in circumstances corresponding to normal market conditions (under the “market economy investor principle”), irrespective of the legal nature and ownership structure of the investors providing this part of the capital. No commitment in a single fund shall exceed EUR 30 million. GIF1 may co-invest with EIF own resources or resources under the EIB mandate or other resources managed by the EIF.

shall be provided by investors operating in circumstances corresponding to normal market conditions (under the “market economy investor principle”), irrespective of the legal nature and ownership structure of the investors providing this part of the capital. ***In this process efforts shall be made to involve private investors as much as possible.*** No commitment in a single fund shall exceed EUR 30 million. GIF1 may co-invest with EIF own resources or resources under the EIB mandate or other resources managed by the EIF.

#### *Justification*

*The utilisation of the ETF Start-Up Schemes, the precursor of GIF1 under MAP proved inadequate. The reason was the lack of private investors who are required to put up 50% of the capital. Unlike in the MAP, under the CIP an attempt should therefore be made to create an opening for public investors - as proposed here in the Commission text - while including the greatest possible number of private investors in order to ensure better utilisation of GIF 1.*

#### Amendment 50

Annex III, letter a, indent 7 a (new)

***- Support of SMEs in obtaining access to Europe-wide calls for tender for public contracts.***

#### *Justification*

*Supporting small and medium-sized enterprises in gaining access to calls for tender for public contracts in Europe opens up new business opportunities for these undertakings and promotes competitiveness and the use of the European Single Market.*

#### Amendment 51

Annex III, letter c, indent 2

- helping SMEs to identify their RTD needs and to find partners with similar RTD needs;

- helping SMEs to identify their RTD needs and to find partners with similar RTD needs ***and in the mediation of and search for RTD service providers;***

*Justification*

*SMEs also need final assistance in searching for RTD service providers.*

Amendment 52  
Annex III, letter c a (new)

***ca. Exchanges to improve the promotion of SMEs***

***- with the help of databanks, the internet-based gathering, assessment and transfer of knowledge and ideas on the financial and non-financial promotion of SMEs, with the inclusion of Community resources inter alia with the objective of developing innovative instruments and models for the promotion of SMEs.***

*Justification*

*Follows on from amendment to Article 20d.*