



**2018/0166R(APP)**

10.10.2018

# **OPINION**

of the Committee on Industry, Research and Energy

for the Committee on Budgets

on the Interim report on MFF 2021-2027 – Parliament's position in view of an agreement  
(COM(2018)0322 – 2018/0166R(APP))

Rapporteur for opinion: Jerzy Buzek



## 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 report:

1. Stresses that the 2021-27 MFF should not decrease in volume from 2020 levels, even in case of Brexit, and that new EU initiatives must be matched with new and adequate financial resources and be dealt with under the co-decision procedure; underlines that especially the long-term political priorities of the European Union, such as boosting jobs and growth, achieving a future-oriented and competitive European industry and fighting climate change through the transition to a low-carbon economy, need to be supported with sufficient resources and should remain the focal areas of the new MFF programme;
2. Emphasises that full respect for the rule of law is an essential precondition for sound financial management and effective EU funding; supports, therefore, the new mechanism that would allow the Commission to avail itself of effective and appropriate measures in cases of risk of financial loss caused by generalised deficiencies with respect to the rule of law in a Member State, with special regard to tackling grand corruption;
3. Calls for a clear methodology for the presentation of figures on the basis of constant prices;
4. Recalls that funding policies and projects should be in line with climate and energy objectives and the commitments made under the Paris Agreement; calls for an increase in the commitments to climate objectives to 30 % climate-related spending for the next MFF 2021-2027 period in order to facilitate and ensure the transition to a net-zero carbon economy in 2050;
5. Reiterates Parliament's call for an increased overall budget of at least EUR 120 billion in constant prices for Horizon Europe in order to be able to react appropriately to societal challenges, to secure Europe's global competitiveness, people's well-being and scientific and industrial leadership, and to help achieve the objectives set out in the Sustainable Development Goals and the Paris Agreement; underlines the necessity that Horizon Europe investment be focused on researching, developing and bringing to society technological and non-technological solutions that address pressing societal challenges, such as fighting climate change and the transition to sustainable and renewable energy, an energy- and resource-efficient, toxic-free circular economy, sustainable food and farming practices, and affordable healthcare and medicine; welcomes the possibility of transferring financial allocations for programmes from one fund to another introduced by the Common Provisions Regulation and encourages all territories to develop their research potential; believes that appropriate conditions and mechanisms for such transfers should be further elaborated to ensure compatibility with the structural funds and to avoid double auditing; underlines that financial support from Horizon Europe should be made accessible to beneficiaries through a fast, bottom-up and less administrative process, and by providing technical assistance services guiding beneficiaries to the most suitable funds; believes furthermore that synergies with other programmes and funding instruments should be encouraged while seeking maximum administrative simplification;
6. Believes that, particularly given the level of ambition to make Horizon Europe more flexible, the spending priorities of each programme should be determined in the

Framework Programme legislation, not in the agreement on the MFF;

7. Supports the EUR 3.5 billion budget dedicated to InvestEU; underlines strongly, however, that this budget should not be taken from the Horizon Programme funding, but should be additional to it; believes that the InvestEU research, innovation and digitisation window should use the same rules as the successful InnovFin instrument, apply all underlying criteria and cover the highest risk tranche;
8. Welcomes the amount allocated to the energy and digital components of the Connecting Europe Facility (CEF) which aims at closing the missing links in Europe's energy and digital backbone by supporting the development of high-performance, sustainable and efficiently interconnected trans-European networks in the fields of energy and digital services, fully in line with the long-term EU energy and climate objectives; believes that CEF should be more ambitious on the issue of synergies, as indicated in its mid-term review, in particular to better exploit the synergies between transport, digital and energy infrastructures; recalls that the transition to a low-carbon system is the focal point of CEF;
9. Points up the effectiveness of the centralised governance structure laid down by the CEF Regulation; notes that transferring part of Cohesion Fund funding to the CEF has been a great success and that the degree of satisfaction of the Member States concerned opens up the prospect of that mechanism being extended under the next MFF; proposes accordingly an allocation of EUR 20 billion from the European Regional Development Fund to the CEF, with the same management rules to be laid down as for the transfer of management responsibility for Cohesion Fund funding for the CEF; considers that, in view of the big difference between available funding and what is needed, that move would ensure that TEN-E projects in Europe made significant headway;
10. Welcomes in general the Commission proposal to allocate EUR 16 billion to the new European Space Programme; calls, however, for a moderate increase in the overall budget of the programme; stresses, with regard to the programme's components, the need for more ambitious envelopes dedicated to SSA and GOVSATCOM, while maintaining or moderately increasing the budget earmarked for the Copernicus and Galileo components; stresses that it is extremely important to guarantee the continuity of the two flagship components, Galileo and Copernicus, and to ensure the functioning of the two new initiatives, GOVSATCOM and SSA, that deal with the increasing problem of the safety of space infrastructure and the security of satellite communication;
11. Welcomes the fact that at least EUR 9.194 billion are earmarked for the Digital Europe Programme that will build the Union's digital capacities, especially for Artificial Intelligence, Cybersecurity and High Performance Computing, while strengthening the digital transformation of the economy and society by supporting digital skills; emphasises the importance of close coordination with Horizon Europe, the CEF and the ESIF;
12. Insists on the need to adequately finance a programme for EU actions improving the competitiveness of enterprises, with a special emphasis on small and medium-sized enterprises (SMEs); notes that an SME-focused programme should complement other EU programmes and should also be built on the solid experience obtained from the predecessor programme (COSME) by aiming at enhancing access to markets inside and outside the Union, improving framework conditions for businesses and the competitiveness of enterprises, and promoting entrepreneurship and entrepreneurial

culture;

13. Believes that in the energy sector, emphasis should be placed on energy security, energy efficiency, the enhanced use of renewable energies, sector coupling, smart and modern infrastructure, consumer empowerment, and a functioning energy market with more cross-border trade and cooperation; considers it essential to reach at least a 15 % interconnectivity target by 2030; stresses that the next MFF should focus on accomplishing the goals of the Energy Union; stresses that the next MFF should focus on ensuring the decarbonisation of the European economy in order to accomplish the goals of the Energy Union, the EU climate goals and the sustainable development goals to benefit the EU and all its citizens and, in particular, to support vulnerable, low-income households at risk of energy poverty in becoming energy-efficient;
14. Underlines the importance of nuclear safety and emphasises the need to increase the amount allocated to the nuclear decommissioning assistance programme for the Ignalina nuclear power plant in Lithuania from EUR 552 million to EUR 780 million in order to adequately assist Lithuania in meeting the technological challenge of dismantling Chernobyl-type graphite reactor cores, as well as to prevent radiological risks and further reduce the hazard for EU citizens;
15. Deeply regrets that its call for the creation of a just transition fund for coal- and carbon-intensive regions under the new multiannual financial framework (MFF) was not reflected in the new MFF proposal; reiterates its appeal to create a Just Energy Transition Fund at Union level with a total budget of EUR 5 billion to support regions with a high share of workers in coal- and carbon-dependent sectors and communities adversely affected by this transition; further stresses that under this fund sufficient resources should be ensured for the development of inclusive, local and just transition strategies and for addressing societal, socio-economic and environmental impacts, along with the reconversion of sites and the creation of decent and sustainable jobs, together with re-skilling and up-skilling in clean processes and technologies based on renewables or energy-efficiency solutions;
16. Underline the need to maintain the adequate and clear budget of 13 billion for the European Defence Fund in order to boost the growth and competitiveness of European defence industries;
17. Calls for appropriate funding for agencies under ITRE's remit to ensure their capacity to fulfil their increasing number of tasks adequately;
18. Calls for a timely adoption of the MFF and the related legal bases to ensure a frictionless transition from one programme to another and to avoid implementation delays;
19. Underlines the need for a legally binding and compulsory MFF mid-term revision; believes that Parliament's involvement should be ensured in any revision of the MFF;
20. Notes that the mid-term review/revision of the MFF 2021-2027 is a key point in the management of EU spending, in order to assess how investment programmes are performing against stipulated targets and objectives, and if they present adequate absorption capacity and generate EU added value; underlines that the mid-term review/revision is an opportunity for further simplification throughout the overall implementation cycle;

21. Notes that the next MFF will need to consider the UK's departure from the EU and its implications for the EU budget; expresses the wish that EU programmes under ITRE's remit can continue unimpeded; welcomes, in this respect, the Commission's proposals regarding the modernisation of existing own resources and the implementation of new ones, as well as the elimination of rebates and the increase in the own resources ceiling.

## PROCEDURE – COMMITTEE ASKED FOR OPINION

<b>Title</b>	Interim report on the Multiannual Financial Framework 2021-2027 – Parliament's position with a view to an agreement
<b>References</b>	2018/0166R(APP)
<b>Committee responsible</b>	BUDG
<b>Opinion by</b> Date announced in plenary	ITRE 13.9.2018
<b>Rapporteur</b> Date appointed	Jerzy Buzek 16.7.2018
<b>Discussed in committee</b>	10.9.2018
<b>Date adopted</b>	9.10.2018
<b>Result of final vote</b>	+ :                 40 - :                 4 0 :                 10
<b>Members present for the final vote</b>	Zigmantas Balčytis, Bendt Bendtsen, Jonathan Bullock, Jerzy Buzek, Reinhard Bütikofer, Angelo Ciocca, Edward Czesak, Jakop Dalunde, Christian Ehler, Fredrick Federley, Ashley Fox, Theresa Griffin, Igor Gräzin, András Gyürk, Hans-Olaf Henkel, Eva Kaili, Barbara Kappel, Krišjānis Kariņš, Seán Kelly, Jeppe Kofod, Jaromír Kohlíček, Peter Kouroumbashev, Zdzisław Krasnodebski, Miapetra Kumpula-Natri, Christelle Lechevalier, Tilly Metz, Csaba Molnár, Nadine Morano, Dan Nica, Morten Helveg Petersen, Miroslav Poche, Carolina Punset, Julia Reda, Paul Rübig, Sven Schulze, Dario Tamburrano, Patrizia Toia, Vladimir Urutchev, Kathleen Van Brempt, Martina Werner, Lieve Wierinck, Hermann Winkler, Flavio Zanonato, Carlos Zorrinho, Anna Záborská, Pilar del Castillo Vera
<b>Substitutes present for the final vote</b>	Pilar Ayuso, Pervenche Berès, Tamás Deutsch, Jens Geier, Françoise Grossetête, Benedek Jávor, Werner Langen, Sofia Sakorafa

## FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

40	+
ALDE	Fredrick Federley, Igor Gräzin, Morten Helveg Petersen, Carolina Punset, Lieve Wierinck
ECR	Edward Czesak, Hans-Olaf Henkel, Zdzisław Krasnodębski
PPE	Pilar Ayuso, Bendt Bendtsen, Jerzy Buzek, Pilar del Castillo Vera, Tamás Deutsch, Françoise Grossetête, András Gyürk, Krišjānis Kariņš, Seán Kelly, Werner Langen, Nadine Morano, Paul Rübig, Sven Schulze, Vladimir Urutchev, Hermann Winkler, Anna Záborská
S&D	Zigmantas Balčytis, Pervenche Berès, Jens Geier, Theresa Griffin, Eva Kaili, Jeppe Kofod, Peter Kouroumbashev, Miapetra Kumpula-Natri, Csaba Molnár, Dan Nica, Miroslav Poche, Patrizia Toia, Kathleen Van Brempt, Martina Werner, Flavio Zanonato, Carlos Zorrinho

4	-
EFDD	Jonathan Bullock
ENF	Angelo Ciocca, Christelle Lechevalier
PPE	Christian Ehler

10	0
ECR	Ashley Fox
EFDD	Dario Tamburrano
ENF	Barbara Kappel
GUE/NGL	Jaromír Kohlíček, Sofia Sakorafa
VERTS/ALE	Reinhard Bütikofer, Jakop Dalunde, Benedek Jávor, Tilly Metz, Julia Reda

Key to symbols:

+ : in favour

- : against

0 : abstention