



**COUNCIL OF
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INFORMATION NOTE

from : the Presidency

to : the Council

Subject : 7th Research Framework Programme legislative package
– State of play

The timely adoption of the Framework Programme package remains one of the Council's main priorities given its significance for the Lisbon process. Research and technological development is also closely linked to innovation and the overall European competitiveness.

Following the political agreement reached on 24 July 2006, the formal adoption of the common position on the Seventh Framework Programme is scheduled for the session of the Competitiveness Council on 25 September 2006, following which it will be transmitted to the European Parliament so that the co-decision process can proceed swiftly.

Pending the formal adoption of the common position, the Presidency, assisted by the Council preparatory bodies, has been able to make good use of the time since July and has taken useful informal contacts with the representatives of the European Parliament which have enabled us to reach a close understanding of the issues concerned and to already reduce the number of outstanding issues. The key remaining question is linked to the setting up of the European Research

Council to finance basic research where the Parliament and the Council already largely agree on the fundamental principles to be followed, but the question of how to keep the Parliament duly involved in the process of deciding on the structures of the European Research Council remains to be settled. The Presidency is confident that both the European Parliament and the Council are prepared to do their utmost to reach a second reading agreement rapidly.

The Framework Programme will be accompanied by a Regulation of the European Parliament and the Council on the Rules for Participation. On this proposal the Council reached a general approach in May 2006 on which basis the Presidency has been in contact with the European Parliament. The Rules for Participation is an important element in the package and will have a major role in simplifying and facilitating the participation of all players to the programme. Important policy issues, notably regarding the intellectual property rights regime, also need to be addressed with the European Parliament to arrive at a balanced model enabling all participants, be they universities, research institutions or enterprises irrespective of their size, to benefit from the programme and thus contribute to European competitiveness. The Presidency will continue working closely with the Parliament with the ambition of reaching a first reading agreement so that this Regulation could be formally adopted together with the Framework Programme.

Finally, the Framework Programme will be implemented through Specific Programmes. There, some further work is needed in particular to flesh out the key principles on the operation of the envisaged new FP7 "instrument", the Risk sharing finance facility, a joint effort with the European Investment Bank, which is expected to help overcoming market failures regarding the funding for research and development. The Presidency undertakes to prepare these texts as soon as possible for the Council to decide upon after agreement has been reached with the European Parliament on the Framework Programme.

In the Presidency's appreciation, whilst not underestimating the work still to be done, a timely adoption of the Framework Programme package, before the end of the year, is well within reach, an objective which the European research community legitimately expects from the European legislator.