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'I' ITEM NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee
Subject:	Proposal for a COUNCIL REGULATION amending Regulation (EU) 2021/2085 establishing the Joint Undertakings under Horizon Europe, as regards the Chips Joint Undertaking - Information from the Presidency

I. INTRODUCTION

1. On 8 February 2022, the Commission transmitted the above-mentioned proposal[1] for an amendment to a Regulation to the European Parliament and to the Council.

[1] 6171/22.

2. The objective of this proposal is to amend Council Regulation (EU) 2021/2085 establishing the Joint Undertakings under Horizon Europe (the 'Single Basic Act') in order to include new tasks and to rename the Key Digital Technologies Joint Undertaking as the "Chips Joint Undertaking". This proposal complements the proposal for a Regulation of the European Parliament and Council establishing a framework of measures for strengthening Europe's semiconductor ecosystem ('Chips Act')[2] by having most of the actions foreseen under the Chips for Europe Initiative set up under the Chips Act proposal implemented through the Chips Joint Undertaking.

3. The new Chips Joint Undertaking will in particular contribute to building up advanced design capacities for integrated semiconductor technologies; developing new pilot lines; accelerating the development of cutting-edge quantum chips; and creating a network of competence centres across the Union.

II. WORK IN OTHER INSTITUTIONS

4. On 16 March 2022, the Council consulted the European Parliament. The proposal was referred to the Committee on Industry, Research and Energy (ITRE) which appointed Ms Eva MAYDELL (EPP, BG) as Rapporteur. The European Parliament voted its report at the plenary of 15 February 2023 (594 votes in favour, 15 votes against, 27 abstentions).

5. The European Economic and Social Committee issued its opinion on 15 June 2022[3].

III. STATE OF PLAY

6. The Working Party on Research started examining the proposal on 10 March 2022 under the French Presidency and work continued under the Czech and Swedish Presidencies. Overall the working party met 11 times to discuss the proposal.

[2] 6170/22.
[3] 10447/22.

7. The Presidency structured the discussions focusing first on the provisions which are specific to the Single Basic Act and then, after the political agreement was reached with the European Parliament on the Chips Act, on common provisions.

8. Discussions have resulted in the following main changes compared to the Commission proposal:

   – clarifying that capacity building activities should be financed through the Digital Europe Programme while related research and innovation activities should be financed by the Horizon Europe programme;

   – opening the access to a wide range of users of the capacities resulting from implementation by the Chips Joint Undertaking on a transparent and non-discriminatory basis;

   – including a retroactivity provision to take into account some investments made by Member States after the publication of the Commission proposal, due to the political urgency to respond to the chips crisis, and subject to a number of conditions;

   – complementing a number of provisions, in particular concerning the capping of the Union financial contribution for capacity building activities (Article 128(6)), the structure of the work programme and the related voting rights (Articles 133(3a) and 137(aa)), the possibility of funding up to 100% for certain research activities (Article 141(1a)), and related recitals;

   – aligning the wording of several provisions and recitals directly stemming from the Chips Act, in particular regarding the European Chips Infrastructure Consortium.

9. In addition, a Council statement was agreed to invite the Commission to propose a specific budget allocation between the clusters under the Horizon Europe programme.

10. The compromise proposal provided by the Presidency represents an overall balanced package. Delegations broadly supported the Presidency text and the Council statement.

IV. CONCLUSION

11. The Permanent Representatives Committee is therefore invited to take note of the Presidency compromise text and of the Council statement included in Addendum 1 and Addendum 2 to this note respectively.