COUNCIL OF THE EUROPEAN UNION

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NOTE

From:	Presidency
To :	Permanent Representatives Committee/Council
Subject:	*Preparation of the Council ("Competitiveness") of 29-30 May 2013* Horizon 2020 (a) Proposal for a Regulation of the European Parliament and the Council establishing Horizon 2020 - The Framework Programme for Research and Innovation (2014-2020) (b) Proposal for a Regulation of the European Parliament and of the Council laying down the rules for participation and dissemination in "Horizon 2020" - The Framework Programme for Research and Innovation (2014-2020) - State of Play

1. Since January 2013, regular technical meetings with the European Parliament on both Framework Programme and Rules for Participation as well as EIT have taken place in order to prepare the discussions at the Working Party level, in Coreper and at the trilogues, contributing to advance on finding compromise especially on less controversial issues.

Trilogues, prepared by the Working Party level and by Coreper, have dealt with the more substantial and political matters.

- The **first** trilogue took place on 31 January 2013 and focused on the following issues: Widening participation; Societal challenges (cross-cutting challenges, scientific coordination/advisory boards, Science with and for Society); Principles and values (gender issues and non-discrimination); Time to grant; and Open access;
- The **second** trilogue on 5 March 2013 had the subsequent items for discussion: Framework Programme (Articles); Open access; Gender; Non-discrimination; PPPs and P2Ps; SMEs; and Fast-track to innovation;
- A **third** trilogue on the Horizon 2020 package covering the two EIT files took place on 26 March 2013;
- A **fourth** trilogue dealing with the Rules for Participation (excluding the funding model) took place on 9 April 2013;
- A **fifth** trilogue on 16 April focused on the Framework Programme: Annexes and the Rules for Participation: Funding model (articles 22, 22a, 24 and 24a).
- A **sixth** trilogue took place on 7 May dealing with the Rules for Participation, in particular with those articles that due to time constraints, were not discussed on 9 April 2013.

2. Significant progress has been made in the negotiations of H2020, including during the above mentioned 6 informal trilogues and several technical meetings to date. However, in the informal trilogue meeting of 16 April, it became apparent that the negotiations have reached a point at which a number of critical issues stand in the way of reaching agreement.

   To make progress, the Presidency prepared a Presidency Policy paper (note to Coreper doc. 9189/13) on which it presented the Presidency's assessment on the critical issues for the Parliament at this stage. These were classified in 3 categories, namely (1) issues related to the H2020 architecture, (2) new objectives, activity lines and sub-activity lines, and (3) simplification and effectiveness.

3. The discussion at Coreper on 8 May 2013 gave the Presidency some indication as to where the Member States position themselves on these major issues and where a possible way towards a bigger compromise package could be sought. On the basis of that discussion, the Presidency is currently working towards drafting compromise text on a global package to be discussed with the Member States and the European Parliament in view of the urgency of reaching agreement in first reading.

4. Following the COREPER of 8 May, the Presidency produced compromise proposals for discussion at the Research Working Party and in technical meetings with the European Parliament. An important new element in these discussions has been the budget. Following the Presidency's note to COREPER the working group has began to discuss the distribution of the budget in percentages, so that it can be comparable to the amendment proposals of the European Parliament.

   The table below presents a comparison of the Commission's proposal (excluding Euratom) and the European Parliament's amendments (excluding Euratom) in terms of the proposed budget distribution

	COM %	EP %
I Excellent Science, of which:	**31.69**	**32.6**
1. ERC	17.10	16.30
2. FET	3.99	3.50
3. MSCA…	7.41	8.30
4. …Research Infras…	3.19	3.60
II Industrial Leadership, of which:	**22.56**	**24.3**
1. Leadership in…	17.20	15.80
2. … Risk Finance	4.56	4.00
3. …SME's	0.80	4.50
III Societal Challenges, of which:	**39.60**	**37.4**
1. Health…	10.02	9.00
2. Food quality…	5.18	4.90
3. … Energy	7.21	8.40
4. … Transport	8.48	6.90
5. Climate …	3.95	4.00
6. …Inclusive… Societies	4.76	1.70
7. Secure Societies…		2.10
Widening Participation		**0.90**
Science for and with Society		**0.40**
EIT	**3.61**	**3.30**
JRC Non-nuclear	**2.53**	**2.40**
Total	**100.00**	**100.00**

(Note: The titles of specific objectives are shortened for easier reference).

The discussion of the budget is intricately linked to the elements of the package discussed in its note to COREPER of 8 May. Over the next few weeks, as part of building up the package to be agreed with the Parliament on 17 June, negotiations are likely to focus on the distribution of the budget between the different specific objectives and whether and how any budgetary preferences of the co-legislators are to be expressed in the text of the regulation and its annexes.

5. In this light the Presidency would like to ask Ministers to re-affirm their commitment to reaching agreement with the European Parliament before the European Council of 27-28 June.