

Procedure file

Basic information	
COD - Ordinary legislative procedure (ex-codecision procedure) Decision	2013/0232(COD) Procedure completed
Research and development programme aimed at supporting research performing small and medium-sized enterprises: participation of the Union See also 2011/0401(COD)	
Subject 3.45.02 Small and medium-sized enterprises (SME), craft industries 3.50.01 European research area and policy	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	ITRE Industry, Research and Energy	Shadow rapporteur PPE MAZEJ KUKOVIČ Zofija S&D TOIA Patrizia ALDE JOHANSSON Kent Verts/ALE LAMBERTS Philippe ECR KARIM Sajjad	
	Committee for opinion	Rapporteur for opinion	Appointed
	BUDG Budgets	The committee decided not to give an opinion.	
Council of the European Union	Council configuration	Meeting	Date
	Economic and Financial Affairs ECOFIN	3310	06/05/2014
	Competitiveness (Internal Market, Industry, Research and Space)	3276	03/12/2013
	Competitiveness (Internal Market, Industry, Research and Space)	3258	26/09/2013
European Commission	Commission DG Research and Innovation	Commissioner GEOGHEGAN-QUINN Máire	
European Economic and Social Committee			

Key events			
10/07/2013	Legislative proposal published	COM(2013)0493	Summary
10/09/2013	Committee referral announced in Parliament, 1st reading		
26/09/2013	Debate in Council	3258	
23/01/2014	Vote in committee, 1st reading		
31/01/2014	Committee report tabled for plenary, 1st reading	A7-0077/2014	Summary
15/04/2014	Results of vote in Parliament		

15/04/2014	Decision by Parliament, 1st reading	T7-0364/2014	Summary
06/05/2014	Act adopted by Council after Parliament's 1st reading		
15/05/2014	Final act signed		
15/05/2014	End of procedure in Parliament		
07/06/2014	Final act published in Official Journal		

Technical information

Procedure reference	2013/0232(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Decision
	See also 2011/0401(COD)
Legal basis	Treaty on the Functioning of the EU TFEU 188-p2; Treaty on the Functioning of the EU TFEU 185
Other legal basis	Rules of Procedure EP 159
Mandatory consultation of other institutions	European Economic and Social Committee
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/7/13411

Documentation gateway

Legislative proposal	COM(2013)0493	10/07/2013	EC	Summary
Document attached to the procedure	SWD(2013)0242	10/07/2013	EC	
Document attached to the procedure	SWD(2013)0243	10/07/2013	EC	
Committee draft report	PE522.920	11/11/2013	EP	
Amendments tabled in committee	PE524.786	06/12/2013	EP	
Committee report tabled for plenary, 1st reading/single reading	A7-0077/2014	31/01/2014	EP	Summary
Text adopted by Parliament, 1st reading/single reading	T7-0364/2014	15/04/2014	EP	Summary
Draft final act	00050/2014/LEX	15/05/2014	CSL	
Commission response to text adopted in plenary	SP(2014)471	09/07/2014	EC	

Additional information

National parliaments	IPEX
European Commission	EUR-Lex

Final act

[Decision 2014/553](#)
[OJ L 169 07.06.2014, p. 0001](#) Summary

Research and development programme aimed at supporting research performing small and medium-sized enterprises: participation of the Union

PURPOSE: to enable the participation of the Union in a Research and Development Programme jointly undertaken by several Member States aimed at supporting research performing small and medium-sized enterprises (Eurostars-2).

PROPOSED ACT: Decision of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: SMEs have the potential to contribute significantly to creating more growth and jobs in the European Union. There are around 20.7 million SMEs representing more than 98 % of all businesses in the EU, accounting for approximately 58 % of the EU's GVA and employing more than 87 million people (67 % of total employment, and in some key industries as much as 80 % of all jobs).

In 2008, 32 European countries that were members of the Eureka network decided to adopt a coherent approach at European level in the field of research-performing SMEs by setting up the Eurostars Joint Programme. The objective of Eurostars is to support research-performing SMEs by co-financing their market-oriented transnational research in a bottom-up manner and by providing them with a legal and organisational framework.

Under [Decision No 743/2008/EC of the European Parliament and the Council](#), the European Union participates financially in Eurostars by way of Article 185 TFEU (ex-Article 169 EC) with a contribution of up to one third of the effective contributions of the participating Member States and the other participating countries, within a ceiling of 100 million, for the period 2008-2013.

An interim evaluation conducted in 2010 concluded that Eurostars is well aligned with the objectives of Europe 2020, complements well the opportunities offered to SMEs in FP7 for international cooperation and has proven attractive to its target group. The Council also highlighted a number of recommendations for improving the programme in the future, including the need for participating countries and the EU to provide sufficient funds. This is the reason why it is envisaged to continue the programme beyond 2013.

IMPACT ASSESSMENT. the impact assessment considered the following options:

- Option 1 - the status quo option (baseline): the continuation of the existing Eurostars Joint Programme during the next programming period (2014-2020) with its current format;
- Option 2 - the zero option (no EU involvement in Eurostars-2): the EU participation and financial contribution to Eurostars would be stopped after the end of its current funding phase (i.e. by the end of 2013);
- Option 3 - the reinforced partnership option: under the reinforced partnership option, Eurostars would be continued in the next programming period in an improved format based on full implementation of the recommendations made in the Interim Evaluation Report and with an enhanced degree of integration and on an extended scale.

The ex-ante impact assessment concluded that Option 3 is the preferred option in view of its effectiveness in achieving the objectives, its efficiency and its coherence across all criteria.

CONTENT: the proposed Decision lays down rules on the participation of the Union in the second Research and Development Programme jointly undertaken by Germany, Austria, Belgium, Bulgaria, Cyprus, Croatia, Denmark, Spain, Estonia, Finland, France, Greece, Hungary, Italy, Ireland, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, the Czech Republic, Romania, Slovakia, Slovenia, Sweden and the United Kingdom, as well as Iceland, Israel, Norway, Switzerland and Turkey aimed at supporting research performing small and medium-sized enterprises (SME) ("Eurostars-2") and the conditions for its participation.

The general objective of the legislative proposal is to stimulate European economic growth and job creation by enhancing the competitiveness of research-performing small- and medium-sized enterprises (SMEs), therefore contributing to the Europe 2020.

This will be achieved by:

- promoting market-oriented transnational research activities without thematic restrictions by research-performing SMEs leading to new or improved product, processes and services to the market;
- contributing to the completion of the ERA and to increase accessibility, efficiency and efficacy of public funding for research-performing SMEs in Europe by aligning, harmonising and synchronising the national funding mechanisms.

The proposal allows derogations from the Horizon 2020 Rules for Participation. Those derogations result from the breakdown of responsibilities between the Eureka Secretariat and the national funding agencies: the Eureka Secretariat is in charge of receiving, distributing and monitoring the European Union contribution channelled to the beneficiaries through the national funding agencies.

BUDGETARY IMPLICATION: the maximum Union's financial contribution, including EFTA appropriations, to Eurostars-2 shall be EUR 287 million at current prices for the duration of the Horizon 2020 Framework Programme. The contributions will be made from the Innovation in SMEs objective under Part II Industrial Leadership.

Research and development programme aimed at supporting research performing small and medium-sized enterprises: participation of the Union

The Committee on Industry, Research and Energy adopted the report by Miloslav RANSDORF (GUE/NGL, CZ) on the proposal for a decision of the European Parliament and of the Council on the participation of the Union in a Research and Development Programme jointly undertaken by several Member States aimed at supporting research performing small and medium-sized enterprises (Eurostars-2).

The parliamentary committee recommended that the position adopted by the European Parliament at first reading under the ordinary

legislative procedure amend the Commissions proposal as follows:

Programme approach: Members underlined that, to ensure the success of Eurostars-2, the bottom-up nature and the business-driven agenda with its main focus on market potential from the previous Eurostars programme must be kept.

Union's financial contribution: the maximum Union financial contribution, including EFTA appropriations, to Eurostars-2, including central administrative costs and operational costs, shall be EUR 287 million (unchanged from the Commissions proposal). The contribution shall be paid from appropriations allocated to the relevant parts of the Specific Programme implementing the [Horizon 2020](#) Framework Programme and in particular from appropriations under the heading "innovation in SMEs" under pillar II.

As a rule, the Union's contribution shall be equal to one third of the contributions of the participating states and shall cover operational costs, including the costs of the evaluation of proposals, and administrative costs. In the event that during the lifetime of the programme the rate of Union's contribution needs to be adapted, certain flexibility should be given for individual calls. In that case, the Union's contribution could go up to a maximum of half of the contribution of the participating states.

The maximum proportion of the Union's financial contribution that may be used to contribute to the administrative and project evaluation costs of Eurostars-2 shall be 6%.

Participation: any Eureka Members or Associated country that is not associated with Horizon 2020 may become a Eurostars-2 partner country, so long as it meets the requirements. Those partner states shall however not be eligible for the Union's financial contribution under Eurostars-2.

Rules of participation: in accordance with the principles of transparency and non-discrimination, calls for proposals organised by Eurostars-2 shall be published on the web-based Horizon 2020 Participant Portal.

Delegation agreement: this foresees a clear allocation of tasks and responsibilities between the Commission, ESE and the Member States and any duplication shall be avoided.

Audits: audits carried out by the Commission shall only be in duly justified cases and in consultation with the relevant parties.

In general, Members stress the need to reduce administrative and bureaucratic burdens for all parties. Double audits and excessive documentation and reports should be avoided.

Evaluation: the Commission shall organise an independent interim evaluation of Eurostars-2 by 30 June 2017 and send that report to the European Parliament and to the Council by 31 December 2017. The result of the interim evaluation of Eurostars-2 shall be taken into account in the interim evaluation of Horizon 2020.

In order to respond to unforeseen situations or to new developments and needs the Commission may, following the interim evaluation of Horizon 2020, review, within the annual budgetary procedure, the budget of Eurostars-2.

Research and development programme aimed at supporting research performing small and medium-sized enterprises: participation of the Union

The European Parliament adopted by 646 votes to 19 with 7 abstentions, a legislative resolution on the proposal for a decision of the European Parliament and of the Council on the participation of the Union in a Research and Development Programme jointly undertaken by several Member States aimed at supporting research performing small and medium-sized enterprises (Eurostars-2).

Parliament adopted its position at first reading under the ordinary legislative procedure. The amendments adopted in plenary were the result of a compromise between Parliament and Council. They amend the Commissions proposal as follows:

Programme approach: as required by Members, the text stressed that it was essential to keep the bottom-up nature and the business-driven agenda with its main focus on market potential from the previous Eurostars programme, which was key to the success of Eurostars-2.

Union's financial contribution: the maximum Union financial contribution, including EFTA appropriations, to Eurostars-2, including central administrative costs and operational costs, shall be EUR 287 million. The contribution shall be paid from appropriations allocated to the relevant parts of the Specific Programme implementing the [Horizon 2020](#) Framework Programme and in particular from appropriations under the heading "innovation in SMEs" under pillar II.

As a rule, the Union's contribution should be equal to one third of the contributions of the participating states and should cover operational costs, including the costs of the evaluation of proposals, and administrative costs. In the event that during the lifetime of the programme the rate of Union's contribution needed to be adapted, the Union's contribution could go up to a maximum of half of the contribution of the participating states.

The maximum proportion of the Union's financial contribution that may be used to contribute to the administrative and project evaluation costs of Eurostars-2 shall be 4%.

In order to take into account the duration of Horizon 2020, calls for proposals under Eurostars-2 should be launched at the latest by 31 December 2020.

SMEs concerned: it was specified that the Programme would cover SMEs having at least five full-time equivalents (for SME with no more than 100 full-time equivalents) or 10 full-time equivalents (for SME with over 100 full-time equivalents) for research and development activities.

Participation: any Eureka Members or Associated country that was not associated with Horizon 2020 may become a Eurostars-2 partner country, so long as it met the requirements. Those partner states may not, however, be eligible for the Union's financial contribution under Eurostars-2.

Delegation agreement: this should set out provisions for the publication of calls for proposals by Eurostars-2, in particular on the single portal for participants, as well as through other Horizon 2020 electronic means of dissemination managed by the Commission.

Audits: administrative burdens should be reduced for all parties. Double audits and disproportionate documentation and reporting should be

avoided.

Evaluation: the Commission must organise an independent interim evaluation of Eurostars-2 by 30 June 2017 and send that report to the European Parliament and to the Council by 31 December 2017. The result of the interim evaluation of Eurostars-2 will be taken into account in the interim evaluation of Horizon 2020.

Research and development programme aimed at supporting research performing small and medium-sized enterprises: participation of the Union

PURPOSE: to support transnational research activities performed by research-intensive SMEs and to contribute to the integration, alignment and synchronisation of national research funding programmes.

LEGISLATIVE ACT: Decision n° 553/2014/EU of the European Parliament and of the Council on the participation of the Union in a Research and Development Programme jointly undertaken by several Member States aimed at supporting research and development performing small and medium-sized enterprises.

CONTENT: this Decision is part of a package of four legal acts for a new generation of public-private partnerships that will allow large-scale, long-term innovation projects to be carried out under the umbrella of [Horizon 2020](#), the EU's research and innovation framework programme.

Three other public-public partnerships will be further developed on research programmes jointly undertaken by Member States with the participation of the Union in the areas of:

- a programme on research and development on active and assisted living ([AAL programme](#));
- a European research and innovation programme on metrology ([EMPIR](#));
- a second partnership programme between European and developing countries on clinical trials ([EDCTP-II](#)).

Objective: this Decision lays down rules on the participation of the Union in the second Research and Development Programme jointly undertaken by several Member States aimed at supporting research and development performing small and medium-sized enterprises (Eurostars-2) and the conditions for its participation.

Eurostars-2 is jointly undertaken by Austria, Belgium, Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey and the United Kingdom.

Any Eureka Member or country associated to Eureka that is not a Member State or a country associated to Horizon 2020 may become a Eurostars-2 partner country provided it fulfils the condition regarding financial contribution.

Programme objectives: Eurostars-2 will pursue the following objectives:

1) promote research activities that comply with the following conditions:

- the activities are carried out by transnational collaboration of research- and development performing SMEs among themselves or including other actors of the innovation chain (e.g. universities, research organisations);
- results of activities are expected to be introduced into the market within two years of the completion of an activity;

2) increase the accessibility, efficiency and efficacy of public funding for SMEs in Europe by aligning, harmonising and synchronising the national funding mechanisms of Participating States;

3) promote and increase the participation of SMEs without previous experience in transnational research.

Union financial contribution: the Union financial contribution, including EFTA appropriations, to Eurostars-2 shall be up to EUR 287 000 000. This contribution shall be paid from the appropriations allocated to the relevant parts of the [Specific Programme, implementing Horizon 2020](#), and in particular from appropriations under the heading "Innovation in SMEs" under Part II.

In general, the Unions contribution will be at least one third of the contributions of the Participating States and cover operational costs, including the costs of the evaluation of proposals, and administrative costs. Where during the lifetime of Eurostars-2 the rate of the Unions contribution needs to be adapted, the Unions contribution may go up to a maximum of half of the contributions of the Participating States.

An amount not exceeding 4 % of the Unions financial contribution may be used to contribute to the administrative costs of Eurostars-2.

Implementation: the Participating States have agreed on designating the Eureka Secretariat (ESE) as the implementation structure for Eurostars-2. ESE is an international non-profit association established under Belgian law in 1997 by the Eureka countries and, since 2008, is responsible for the implementation of Eurostars. ESE will be in charge of the organisation of the calls for proposals, the verification of the eligibility criteria, the peer-review evaluation and the selection and the monitoring of projects, as well as the allocation of the Union contribution.

Calls for proposals should be launched at the latest by 31 December 2020. In duly justified cases they may be launched by 31 December 2021. Calls for proposals should also be published on the single portal for participants as well as through other Horizon 2020 electronic means of dissemination managed by the Commission.

In order to protect the Unions financial interests, the Commission should have the right to reduce, suspend or terminate the Unions financial contribution if Eurostars-2 is implemented inadequately.

Evaluation: by 30 June 2017, the Commission shall carry out an interim evaluation of Eurostars-2. It shall send that report to the European Parliament and to the Council by 31 December 2017. The result of the interim evaluation of Eurostars-2 shall be taken into account in the interim evaluation of Horizon 2020.

ENTRY INTO FORCE: 27.06.2014.

