



**COUNCIL OF
THE EUROPEAN UNION**

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COMPET 551**

REPORT

From: Permanent Representatives Committee
To: Council

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SAN 186 SOC 806 TELECOM 133

Subject: Partnering in Research and Innovation
- Adoption of Council Conclusions

1. The Commission published on 21 September 2011 its Communication on Partnering in Research and Innovation¹.
2. On the above basis the Research Working Party has prepared draft Council conclusions on Partnering in Research and Innovation.

¹ Doc. 14555/11.

3. At its meeting of 25 November 2011 the Permanent Representatives Committee reached an agreement on the text of the above-mentioned draft Council conclusions as set out in the Annex.

 4. The Council ("Competitiveness") at its session on 5-6 December 2011 is therefore called upon to adopt the conclusions.
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DRAFT

Council Conclusions on Partnering in Research and Innovation²

The Council of the European Union

RECALLING

- Council Conclusions of 28 February 2008 on European Strategic Energy Technology Plan (SET Plan)³;
- Council Conclusions of 2 December 2008, 3 December 2009, 12 October 2010 and 30 September 2011 on Joint Programming in Research⁴;
- European Council Conclusions of 11-12 December 2008 on the European Economic Recovery Plan⁵;
- Council Conclusions of 26 May 2010 on various issues related to the development of the ERA, in particular their section on PPPs for research and innovation⁶;
- European Council Conclusions of 17 June 2010 on "Europe 2020 - A strategy for smart, sustainable and inclusive growth"⁷;
- Council Conclusions of 26 November 2010 on Europe 2020 Flagship Initiative "Innovation Union"⁸;
- Council Conclusions of 26 November 2010 on the progress in the Joint Programming process welcoming the Voluntary Guidelines for Framework Conditions on Joint Programming as a living document that will facilitate and simplify implementation of JPIs⁹;
- Council Conclusions of 13 December 2010 on an integrated industrial policy for the globalisation era - Putting competitiveness and sustainability at centre stage¹⁰;

² Changes to doc.16736/11 are in ~~striketrough~~ and **bold underlined**.

³ 6326/1/08 REV 1.

⁴ 16775/08, 17226/09, 14976/10, 14992/11.

⁵ 17271/1/08

⁶ 10246/10

⁷ EUCO 13/1/10.

⁸ 17165/10.

⁹ 17166/10.

¹⁰ 17838/10.

- European Council Conclusions of 4 February 2011 calling for synergies between the EU and Member States to ensure that innovations with a societal benefit get to the market quicker and recognising the role of joint programming¹¹;
 - Council Conclusions of 9 March 2011 on the evaluation of the 7th Framework Programme for research including the risk-sharing finance facility¹²;
 - Council Conclusions of 9 March 2011 on preparatory work for the Pilot European Innovation partnership on "Active and Healthy Ageing" (AHA)¹³;
 - ERAC Opinion on ERA-related instruments of 24 May 2011¹⁴;
 - Council conclusions of 31 May 2011 on the interim evaluation of the Eurostars Joint Programme¹⁵ and on the first interim evaluation of the Ambient Assisted Living Joint Programme (AAL)¹⁶ based on Article 185 of the TFEU.
1. NOTES the Commission's response to the recommendations of the first interim evaluation¹⁷ of the ARTEMIS and ENIAC¹⁸ and the Innovative Medicine, Clean Sky and the Fuel Cells and Hydrogen Joint Technology Initiatives (JTIs)¹⁹ and NOTES the information from the Commission on Pilot European Innovation partnership on AHA – "First experiences on governance and processes"²⁰.
 2. NOTES the Commission's communication "Partnering in Research and Innovation"²¹ taking stock of the state of play of various partnership concepts and a wide range of instruments and identifying steps to further develop the partnering approach also in order to reduce unnecessary multiplication of initiatives and fragmentation of research and innovation (R&I).

¹¹ EUCO 2/1/11 REV 1.

¹² 7585/11.

¹³ 7586/11

¹⁴ ERAC 1208/11.

¹⁵ 11030/11.

¹⁶ 11031/11.

¹⁷ In line with Article 11.2 of the Council Regulations setting up the Joint Undertakings to implement the Joint Technology Initiatives.

¹⁸ 5050/11.

¹⁹ 14555/11 ADD 1.

²⁰ 7586/11.

²¹ 14555/11.

3. ACKNOWLEDGES that both the Member States and the European Union must stimulate the efficient use of existing public and private resources for R&I to optimise the contribution of public and private players in achieving smart, sustainable and inclusive growth, take full advantage of Europe's intellectual capital and strengthen its excellent science base and innovation potential.
4. RECALLS the different categories of partnering that already exist in the field of R&I:
- Public-Public Partnerships (P2Ps) such as ERA-NETs, ERA-NET Plus, Article 185 Initiatives and Joint Programming Initiatives (JPIs);
 - Public-Private Partnerships (PPPs) such as Joint Technology Initiatives (JTIs), *ad hoc* PPPs launched through the European Economic Recovery Plan or on a case by case basis;
 - Knowledge and Innovation Communities (KICs) operating under the framework of the European Institute of Innovation and Technology (EIT);
- as well as the concept of
- European Innovation Partnerships (EIPs) introduced by the Innovation Union flagship initiative.
5. Without prejudice to the forthcoming negotiations about the next Framework Programme for Research and Innovation (Horizon 2020) and the ERA Framework, RECOGNIZES the advantages of public-public and public-private partnering instruments and that the partnering approach in appropriate areas can help to:
- a) mobilise private and public resources to address major societal challenges in the most effective way and strengthen European competitiveness;

- b) facilitate the optimal use of resources especially in the times of tight public and private investment budgets and hence develop full use of Europe's intellectual capital and contribute to the integration of ERA; reduce unnecessary duplication and provide better coordination of implementation between individual instruments;
- c) reduce the fragmentation of public and private research efforts facilitating the development of a joint vision, when appropriate;
- d) identify, develop and exploit synergies between existing instruments in order to strengthen Europe's competitive position with a view to achieving the strategic objectives of the Flagship Initiative "Innovation Union";
- e) underpin potential and provide critical mass for more efficient interaction with strategic international partners, when there are benefits to Europe in doing so;
- f) strengthen European industrial leadership by supporting and leveraging R&I investments in specific areas and making the R&I cycle more efficient;
- g) build networks of cooperation in a spirit of mutual trust.

6. UNDERLINES the need to

- a) deliver added value at the European and Member States level through the partnering approach;
- b) improve conditions allowing and encouraging all interested Member States and other stakeholders to participate in different forms of partnering, while maintaining their voluntary nature and taking account of national approaches to research funding;
- c) increase and maintain the commitment and active participation of all partners including the private sector, especially small and medium-sized enterprises (SMEs), in public-private partnerships;
- d) develop synergies and complementarities between Horizon 2020 and the Common Strategic Framework for Cohesion Policy when developing partnering activities, while recognising that these instruments have different purposes;
- e) reduce the administrative burden for all participants in partnering instruments and pursue the effort of simplification of rules and procedures.

7. EMPHASISES the need to create a transparent and accessible overall landscape of programmes and instruments for all parties involved. To this end, NOTES the need for rationalisation, including mergers when deemed appropriate, to avoid unnecessary duplication and overlapping, and LOOKS FORWARD to discussing this issue further in the context of, amongst others, the Commission proposals for Horizon 2020 and the ERA Framework.

As regards the Public-Public Partnerships (P2Ps)

8. EMPHASISES the need to improve the effectiveness and efficiency of existing partnering instruments and TAKES NOTE of the Commission's intention to merge existing instruments, such as ERA-NETs and ERA-NET Plus, to form a single, more flexible and ERA-NET-like instrument and LOOKS FORWARD to discussing this aspect in the context of Horizon 2020.
9. EMPHASISES the nature of Joint Programming as a Member States led voluntary process and its significant potential for R&I in Europe and contribution to address major societal challenges; CALLS for considering synergies between JPIs and Framework Programme instruments, in particular for the use of its P2P instruments, ~~where the area being addressed by a JPI fits with Horizon 2020 priorities~~; ENCOURAGES the Member States participating in JPIs to make best use of the Voluntary Guidelines on Framework Conditions for Joint Programming and RECALLS the need to regularly review these guidelines based on the experience of the JPIs with the aim to improve their applicability.
10. ACKNOWLEDGES that, in order to ensure strong, long-term partnerships, questions related to issues such as IP management, funding and improvement of cross-border cooperation and knowledge circulation need to be addressed also in the context of the development of the ERA Framework and that this process must fully recognise the voluntary nature of individual partnerships and the need to respect national competence.

11. RECOGNISES that firm scientific, management and financial commitment from all participants can greatly assist the launch of future Article 185 initiatives.

As regards the Public-Private Partnerships (PPPs)

12. AGREES that future PPPs should serve the need of enhanced industrial competitiveness and smart, sustainable and inclusive growth and contribute to address major societal challenges.

13. AGREES to the need for an analysis of the legal framework to set up future JTIs and LOOKS FORWARD to discuss the Commission's proposal for a specific "PPP body" status implemented under Article 201 of the proposed new Financial Regulation to simplify the set-up and operational procedures, whilst ensuring the necessary flexibility to adapt structures to meet the specific needs of individual JTIs, following best practices including those of the Framework Programme.

14. UNDERLINES that PPPs in which Member States can participate should be based on the flexibility for Member States to decide at a national level if and how they want to support them, while not impeding the full participation of the best European players.

15. RECOGNISES that selection criteria for PPPs should include the scale of EU level impact, relevant contribution to Europe 2020 objectives, long-term commitment of partners and leverage effect on R&I investments and CALLS upon all partners to ensure that the initiatives operate in an open, flexible and transparent set-up.

16. ENCOURAGES the Commission and the Member States participating in PPPs to examine further possibilities for harmonisation and simplification of administrative procedures, where appropriate, thus contributing to increase participation of private sector, especially SMEs.

17. UNDERLINES the need for PPPs to operate flexibly within common criteria including an open and transparent decision making process which respects the appropriate role of the public sector in programme implementation, funding and fund management.

As regards the European Institute of Innovation and Technology (EIT)

18. RECALLS the important role that the EIT and its Knowledge and Innovation Communities (KICs) can play in integrating education, research and business actors in the framework of Horizon 2020.

As regards the European Innovation Partnerships (EIPs)

19. CONSIDERS that Member States should be involved in the decision-making process of EIPs; UNDERLINES that implementation of EIPs must be addressed through the proper political and administrative channels including the Programme Committees; RECALLS the need to cover the whole R&I cycle by bringing together supply and demand side of R&I policy actions; and ASKS the Commission to ensure that EIPs contribute to streamlining, simplifying and better coordination of existing instruments and initiatives;
20. NOTES the evaluated first experiences in terms of governance and processes of the pilot on Active and Healthy Ageing (AHA); LOOKS FORWARD to the Commission Communication transmitting the Strategic Implementation Plan (SIP) to the European Parliament and the Council for endorsement and that will provide a basis for ~~considering~~ **launching** the future EIPs and RECOMMENDS
- a) to further evaluate the overall performance of the pilot AHA in order to clarify and develop practical implementation of the EIP concept with particular attention to the governance issues, SIP and implementation measures, i.e. practical implementation of actions described in the SIPs, while noting that AHA does not set any precedent;
 - b) to work towards ensuring a strong and high level of commitment from all key stakeholders including all types of innovation actors, in particular SMEs, on a long-term basis.

Further steps

21. HAVING IN MIND the recommendation of the evaluation of FP7 for a moratorium on new instruments, unless fully justified, INVITES the Commission to consult the Member States in a timely manner whenever the Commission considers new instruments in the future, and also whenever it considers rationalisation of the range of the existing ones including possible mergers.

22. NOTES the Commission's intention to establish benchmarks by the end of 2013 against which to assess the efficiency and effectiveness of the implementation of the partnering concepts and initiatives while STRESSING the need to avoid additional administrative burden; and RECOGNISES the intention to carry out a strategic exercise on this basis in the light of experience with the implementation of partnering under FP7; and

23. WELCOMES the Commission's intention to develop a common set of simple rules for all initiatives within Horizon 2020, in order to simplify participation, while ensuring the flexibility and encompassing the differences in the nature of instruments.