

SCIENTIFIC AND TECHNICAL  
RESEARCH COMMITTEE

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– CREST –  
Secretariat

CREST 1202/1/06  
REV 1

**NOTE**

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To: Crest delegations

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Subject : **DRAFT SUMMARY CONCLUSIONS OF THE 306<sup>th</sup> MEETING OF THE  
SCIENTIFIC AND TECHNICAL RESEARCH COMMITTEE (CREST)  
HELD IN VIENNA (AUSTRIA) ON 26 JANUARY 2006**

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The meeting was chaired by Mr Richard ESCRITT (European Commission, DG Research, Director).

1. ADOPTION OF THE DRAFT AGENDA

The Committee adopted the agenda as set out in communication CM 151/06 of 13 January 2006.

2. APPROVAL OF THE DRAFT SUMMARY CONCLUSIONS OF THE 305<sup>th</sup> MEETING OF  
5 DECEMBER 2005

The Committee approved the summary conclusions set out in doc. CREST 1209/05.

### 3. INFORMATION FROM THE PRESIDENCY AND THE COMMISSION

a) Mr SEISER (AT Presidency) informed the Committee on:

- progress concerning the negotiations taking place in the Council Research Working Party on the proposals for the specific programmes of the 7th Framework Programme;
- the procedure concerning the Key Issues Paper (Research issues), which will serve as the input from the Competitiveness Council to the Spring European Council in March;
- a number of research-related conferences and similar events to be held under Austrian Presidency, in particular:
  - = a Senior Officials Meeting on EU-Latin America and Caribbean partnership (1-3 February, Salzburg)
  - = a European Conference on Security Research (20-21 February, Vienna)
  - = a Conference on European Technology Platforms (4-5 May, Vienna)
  - = the conference "Improving research policies in Europe through the Open Method of coordination (18 May)

b) Mr ESCRITT and Mrs DE LA TORRE (Commission services) informed the Committee on:

- the next steps regarding the Interinstitutional Agreement on the financial perspectives (2007-2013); in this context the Commission services will prepare, as soon as possible, a breakdown of the proposed budgetary figures into the different policy areas and programmes;
- the proposal for the rules for participation in the Euratom programme which should be available by the beginning of February;
- the Commission Communications on the role of universities and on the European Institute of Technology, both scheduled for mid-February 2006.

#### 4. HAMPTON COURT FOLLOW-UP ON R&D

Mr GEORGHIU (University of Manchester) presented the report of the independent expert group on R&D and innovation chaired by Mr AHO and appointed by the Commission following the Hampton Court Summit.

The following issues raised by the report were underlined:

- underinvestment in R&D in several European countries, reflected by insufficient productivity growth compared to other competitors on the global scale;
- the need for further initiatives to create an innovation-friendly market environment;
- the importance of encouraging the mobility of human resources for research and innovation, as well as of financial resources (venture capital) and the need to support certain types of regional agglomerations (e.g. clustering);
- the need for large-scale strategic actions, for example in the areas of eHealth, environment, energy, transport and logistics;
- the suggestion of appointing a high level coordinator for better liaison between R&D performers, regulators, users and sectoral stakeholders.

In their comments to the report, delegations focused, inter alia, on the following:

- the need to stress the role of basic research for a knowledge-based society;
- the value-added of additional reporting concerning the Lisbon Strategy which still needs further reflection;
- the question of synergy between the structural funds and FP 7 and the way the report presented target figures for some input indicators, but not for others;
- the unclear notion of "low priority research" used in some part of the report.

5. 3% AND OPEN METHOD OF COORDINATION

a) Constitution of the drafting group for the second cycle OMC report

Mr GOENAGA (Commission services) noted that a number of volunteers had expressed their interest in participating in the drafting group for the "Second Cycle OMC" CREST report. It was intended that the drafting group should present a synthesis report on the progress made by the CREST expert groups in the second cycle. The report should focus on recommendations and point to good practices relating to the topics concerned.

Further details on the coordination of the drafting group and its work programme would be presented to the March meeting of CREST.

The Chair concluded by noting that the Committee had agreed to constituting a second cycle drafting group: Mrs NOSSUM BIE (NO delegation), Mr VERLAECKT (BE delegation), Mr DELGADO (ES delegation), Mr HUGHES (IE delegation), Mr DARBY (UK delegation) and Mr CARELLI (IT delegation) had expressed their interest to become members. Mrs PREDESCU (RO delegation) has also expressed her willingness to participate in the drafting group.

b) Presentation of the independent expert group report on "Public Procurement for Research and Innovation"

Mrs WILKINSON (Managing director, policy and small business service; DTI, United Kingdom) presented the above-mentioned expert group report and gave additional information on the role of public procurement to stimulate research and innovation.

In particular, she pointed out that:

- the new European Union Directives on public procurement provide the framework to foster R&D and innovation; the Commission could thus review the effects of the public procurement directives on R&D 2010 and describe to what extent the new framework has been taken up both by practitioners and policy-makers;
- the impact of the new instruments described in the public procurement directives (e.g. competitive dialogue, framework agreements) should be emphasised;
- the public procurement instrument could address the innovation potential; the mechanisms could build on procurement experience and should include exchange of information on the best available technologies and solutions;
- with regard to the tendering process, it should be possible to favour innovative versions and solutions;
- concerning Intellectual Property Rights, there should be relevant clauses in public contracts clarifying how risk and reward are shared. Further experience in this respect is still needed.

In their comments, delegations focused on:

- the important role public procurement plays in promoting research and innovation;
- the opportunities which public procurement offers for innovative SMEs; more concrete examples of this are required to illustrate good practice;
- the need to report in a comprehensive way on the successful application of procurement instruments to stimulate research and innovation in order to facilitate mutual learning;
- the need for further assessment at all levels.

Mr SARAGOSSI (Commission services) pointed out that the Commission attached great importance to applying the main recommendations of the report. Furthermore, a Handbook on good practice will be elaborated by the Commission services. It will provide guidance to practitioners and will contain concrete examples in this area.

c) Commission's Annual Progress Report and the role of CREST in the Lisbon Strategy

Mr CHRISTENSEN gave an overview of the Annual Progress Report (APR) which focuses on the 25 National Reform Programmes (NRPs) and the Community Lisbon Programme. With regard to the NRPs all Member States considered research and innovation key priorities in their NRPs but only 18 have set targets related to the 3% objective. The APR asks Member States to set expenditure targets on the 3% objective for 2010. Implementation, monitoring and coordination at both national and Community level will be the key to success. The Commission will continue to identify the measures necessary for attaining the ambitions of the NRPs.

Concerning the role of CREST, Mr GOENAGA (Commission services) suggested certain principles for the involvement of CREST in the implementation of the research aspects of the Lisbon Strategy. Following the Conclusions of the Competitiveness Council of 28-29 November 2005 on the Commission's Communication "More Research and Innovation - Investing for Growth and Employment", and the indications in the APR, the following procedure could be considered:

- Based on the assessment of the NRPs, it seems appropriate for the Commission to identify certain emerging policy issues related to R&D and suggest new topics for debate to CREST requiring mutual learning, more coherent approaches or reinforced co-ordination;
- In addition to creating working groups to tackle some topics, CREST could consider getting involved in mutual learning at plenary level on some of the topics identified;

- CREST could assess the research part of individual NRPs and their implementation with a view to enhance mutual learning.

The UK delegation (supported by the Austrian delegation) reminded the Committee that streamlining was an aim of the re-launched Lisbon process and argued for an integrated role for CREST in the process rather than an additional one.

A number of delegations supported the idea that the Commission should suggest topics to CREST, resulting from an assessment of NRPs.

The Committee requested a written document from the Commission which would highlight the operational implications. The need to avoid any duplication with the work undertaken by other bodies (e.g. Working Party on Competitiveness and Growth, Research Working Party, EPC, etc.) was stressed.

It was agreed that to be effective, CREST would have to present timely inputs to both national and European policy-making processes.

The Chair concluded that there was an interest in the Commission's suggestions and that discussion on this item should continue at the March meeting of CREST on the basis of a Commission working document.

## 6. BASIC RESEARCH

Mr Koen VERLAECKT (Belgian delegation, rapporteur) presented the final version of his report on national basic research systems. He stressed that it is based on the contributions received from CREST delegations and was grateful for the good cooperation. On this basis, it had been possible to draw up a report that gives insights to the main characteristics of basic research funding throughout Europe.

The Committee formally adopted the report which will be made available as an official CREST document <sup>1</sup> and be transmitted to the Scientific Council of the proposed European Research Council.

## 7. PRESENTATION OF THE AUSTRIAN NATIONAL RESEARCH POLICY

Mr SEISER (Austrian Presidency) presented an overview of the Austrian national research policy, focusing on the position of Austria in the European and international context, recent improvements and efforts to mobilize additional funding in the context of the Lisbon strategy and the progress towards the 3% objective.<sup>2</sup>

When modernising its R&D system over the last few years, Austria has set particular store by the cooperation needed between science and industry as well as by the human resources aspects. Austria is determined to increase its cross-border cooperation activities, building, inter alia, on the experience of the European RTD Framework Programmes.

## 8. ART. 169 INITIATIVES - FINANCIAL INTEGRATION

Mr SMITS (Commission services) presented a discussion paper on the latest stage of the debate concerning financial integration, focusing on the "real common pot (RCP)" vs. "virtual common pot (VCP)" issue. It was recalled that scientific, management and financial integration are essential in order to plan and implement a joint programme on a long term basis. However, despite the fact that, for the vast majority of delegations, there are no major legal barriers which would prevent the constitution of a RCP, consultation of CREST showed that, at this stage, the VCP solution is the preferred one. In this context the Commission mentioned a number of pitfalls which would need to be overcome should the RCP approach be followed.

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<sup>1</sup> See doc. CREST 1201/06.

<sup>2</sup> An electronic version of this presentation was made available to delegations after the meeting.

Delegations commented on the discussion paper as well as on the possible future way forward. It was stressed that the Commission would shortly present a paper on how the four Article 169 initiatives identified in the Commission proposal for the FP 7 specific programmes would operate under the "virtual common pot approach", notably with regard to the boundary conditions to be fulfilled. Some delegations referred to the positive experience of ERA-NET which could be useful in this context. A memorandum of understanding may also be useful to fulfill the requirements of the VCP approach. In any case it should be borne in mind that an Article 169 initiative would need critical mass, both in the number of countries participating and in financial terms.

The opinion was also expressed that the advantages of an Art. 169 initiative would probably be lost with a VCP approach. The Commission should rather look to a different instrument in those cases where many countries, having an interest in a particular topic, cannot follow a RCP approach for legal reasons.

While some delegations shared the Commission's view that the risk of exhausting financial resources would be a disadvantage for the VCP approach, others did not see strong legal reasons militating against putting additional national money into a VCP.

Some delegations requested more detailed information on the practicalities of a VCP and on the experience gained under the current Article 169 initiative, namely "EDCTP", while one delegation stressed that further decisions by Member States should not be dependent on such an evaluation.

The Commission stated that it would shortly present the boundary conditions for future Article 169 initiatives under a VCP approach, taking into account the various issues raised by delegations on this approach.

9. AGENDA FOR THE NEXT MEETING (17 MARCH 2006; BRUSSELS)

The next meeting will take place in Brussels and is likely to cover the following items:

- 3% and OMC ;
- Art. 169 financial integration (including experience with the ERA-NET instrument);
- Science and Society;
- exchange of views on the working methods of CREST (see 10. below).

10. ANY OTHER BUSINESS

Mr SEISER (Austrian Presidency) presented a reflection paper on the working methods of the Committee.

Mr ZINSLI (Swiss delegation) drew the attention of delegates to the results of a conference on evaluation concerning the Swiss education and research network, SWITCH.

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