



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 10 March 2011

7585/11

**RECH 59
COMPET 103
FIN 167**

OUTCOME OF PROCEEDINGS

From: General Secretariat of the Council
To Delegations
No. prev. doc.: 6932/11 RECH 39 COMPET 62 FIN 114
Subject: Interim evaluation of the 7th Research Framework Programme (FP7) including
the Risk-Sharing Finance Facility (RSFF)
- Council conclusions

Delegations will find attached the Council conclusions on the interim evaluation of the Seventh Framework Programme for Research, Technological Development and Demonstration activities (FP7), including the Risk-sharing finance facility (RSFF), as adopted by the Council ("Competitiveness") at its meeting on 9-10 March 2011.

Council conclusions on the interim evaluation of the Seventh Framework Programme for Research, Technological Development and Demonstration activities (FP7), including the Risk-sharing finance facility (RSFF)

1. The Council RECALLS:

- the general framework of the Europe 2020 strategy¹, and notably the Council conclusions of 26 November 2010 on Europe 2020 flagship initiative "Innovation Union": Accelerating the transformation of Europe through innovation in a fast changing world², and Council conclusions of 26 May and 12 October 2010 on simplification of EU research and innovation programmes³ and the conclusions of the European Council of 4 February 2011 regarding innovation.⁴
- its earlier conclusions relevant for the evaluation of the Seventh Framework Programme⁵ and for the European Research Area (ERA).⁶
- the discussions at the Conference "Interim evaluation of FP7 from different perspectives" which took place in Budapest on 24-25 February 2011.

¹ Conclusions of the European Council of 17 June 2010 (EUCO 13/1/10).

² 17165/10.

³ 10268/10 and 14980/10.

⁴ EUCO 2/11.

⁵ Notably Council conclusions of 29 May 2009 on the Evaluation and Impact Assessment of European Research Framework programmes (10610/09).

⁶ Notably Council conclusions of 2 December 2008 on the Definition of a "2020 vision for the European research area" (Official Journal C 25, 31.1.2009, p. 1-4).

2. The Council WELCOMES the interim evaluation⁷ of the Seventh Framework Programme (FP7) by the Expert Group, NOTES the Commission's response to the findings and recommendations of the evaluation and ACKNOWLEDGES the recent actions already being undertaken by the Commission as a first step in this respect.⁸
3. The Council ACKNOWLEDGES the key recommendations of the Expert Group as a valuable contribution to the implementation of the remaining period of FP7 and, on that basis, PUTS FORWARD the following considerations:

⁷ Article 7(2) of Decision 1982/2006/EC of the European Parliament and of the Council of 18 December 2006 concerning the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007-2013): "*No later than 2010, the Commission shall carry out, with the assistance of external experts, an evidence-based interim evaluation of this Framework Programme and its specific programmes building upon the ex-post evaluation of the Sixth Framework Programme. This evaluation shall cover the quality of the research activities under way, as well as the quality of implementation and management, and progress towards the objectives set.*" (Official Journal L 412, 30.12.2006, p. 1 - 41).

⁸ 6525/11 [COM(2011) 52 final].

- a) In order to advance **ERA and Innovation Union objectives**, FP7 should help integrate the research base by overcoming fragmentation while simultaneously encouraging the development of scientific capacities across Europe and taking full advantage of Europe's intellectual capital, in the context of promoting and investing in world-class state-of-art research, based primarily upon the principle of excellence in research. A balanced division of labour between what is done at EU, national and regional levels is needed and European research and innovation efforts must concentrate on those areas and activities where critical mass is vital for success and where breakthroughs require cross-border solutions, while also allocating sufficient resources to R&D topics which promise radical breakthroughs and promoting favourable conditions for innovation. Addressing the grand challenges confronting Europe and increasing global industrial competition should be an essential part of EU research and innovation policy.⁹ The Innovation Union, including the European Innovation Partnerships, should lead to a strategic approach to research and innovation and, taking into account the ERA-Initiatives, also contribute to a simpler and more transparent European research and innovation landscape, overcoming previous obstacles in creating a fully functioning European Research Area.

⁹ See also Council conclusions of 3 December 2009 on Guidance on future priorities for European research and research-based innovation in post-2010 Lisbon strategy (17189/09).

- b) **Research infrastructures** (RIs) are amongst the main pillars of ERA. Greater synergy is needed between the strategic aims of RI funding provided by FP7 and the Member States (taking into account the ESFRI¹⁰ roadmap), taking into consideration the differences of Member States and the specific goals of the related policies and initiatives, such as Cohesion policy and the Joint Programming Initiatives. Based on the European added value a more integrated approach is needed to boost RIs during the coming stages of FP7. In addition, there should be a focus on promoting their impact by establishing synergies between training instruments and utilisation of RIs and by further stimulating access of European researchers to RIs.¹¹

- c) A well-articulated overarching holistic **research and innovation strategy** needs to ensure that instruments and priorities encourage the participation from a broad spectrum of enterprises, universities and research and technology organisations. Such strategy also has to take into account the need to support European enterprises' efforts to integrate in global innovation networks. The Council encourages the Commission to continue enhancing the innovation impact of FP7 and notes the Commission's intention to fund projects which take research results closer to the market, and to put additional emphasis on innovation impact when evaluating proposals, as appropriate. Full use should be made of the open, international character of FP7. In the context of the exit strategy from the financial crisis support should be channelled for research and innovation in areas of crucial importance for European competitiveness, such as key technologies. Innovation also requires more attention to the distinctive needs of industry, among which reductions in administrative burdens are vital.¹²

¹⁰ European Strategy Forum for Research Infrastructures.

¹¹ See also Council conclusions of 29 May 2009 on Research Infrastructures and the regional dimension of the European Research Area (10612/09), and Council conclusions of 26 November 2010 on Court of Auditors Special Report No. 2/2010: The effectiveness of the Design Studies and Construction of New Infrastructures support schemes under the Sixth Framework Programme for Research (15267/10).

¹² See also Council conclusions of 26 May 2010 on Creating an innovative Europe (10266/10).

- d) The Council agrees with the need for a "quantum leap" in **simplification** called for by the Expert Group. It welcomes the recent measures by the Commission¹³ as a first step and calls on the Commission to ensure that they are applied rigorously from 2011. The Council recalls its conclusions of 12 October 2010 requesting removing the requirement to open interest-bearing bank accounts for pre-financing and notes the proposals made by the Commission in this respect and on an appropriate tolerable risk of error. It encourages the Commission to continue its efforts to give full follow-up to other aspects raised in the Council conclusions of 26 May and 12 October 2010, including as regards the urgent need to reduce time-to-grant period as well as the need to accept usual accounting practice of the beneficiaries. Coherence of procedures and approaches across Commission services and the Executive Agencies responsible for administering FP7 is of crucial importance. The Commission is invited to utilise the present revision of the Financial Regulation and its implementing modalities as an opportunity to contribute to a common strategic framework with harmonised and more flexible conditions for research, including as regards Joint Technology Initiatives. The Council calls on the Commission to continue looking into possibilities to switch to a more trust-based and risk-tolerant approach as soon as possible in line with the European Council conclusions of 4 February 2011.¹⁴

¹³ Commission decision of 24 January 2011.

¹⁴ See also Council conclusions of 26 May 2010 on Simplified and more efficient Programmes supporting European Research and Innovation (10268/10), and Council conclusions of 11-12 October 2010 on Making EU research and innovation programmes more attractive: the simplification challenge (14980/10).

- e) The **mix of funding measures** in FP7 should strike a right balance between bottom-up and top-down approaches to research, from fundamental to applied. The Council acknowledges the findings of the Expert Group on the important contribution of collaborative research in the development of ERA. In the "Cooperation" Specific Programme, greater emphasis should be put on bottom-up open calls. It is also important to focus on education and advanced training as part of the Knowledge Triangle, ensuring that linkages between research and innovation are adequately complemented by research training, building also on the development of and experience from the Knowledge and Innovation Communities (KICs) of the EIT.

- f) The Council takes note of the Expert Group's call to consider a moratorium on new instruments and notes that the set of FP7 **instruments** as set out in the FP7 Decision will remain unchanged until the end of the current programme (2013). The Council calls on the Commission to assess carefully the experience gained from the FP7 instruments, taking into account the opinion of ERAC, with a view to developing a coherent and streamlined portfolio of instruments to be proposed for the future programme. This should provide more European added value, stronger impact and enhanced leverage effects, both in terms of science and innovation, while keeping the good practices and lessons from the past. New instruments and mechanisms should only be introduced when fully justified.

- g) Further steps to encourage **female participation** and the involvement of early-stage researchers should be taken in the current FP7 by all relevant stake holders. Female participation should be boosted throughout project lifecycles, paying particular attention to overcoming gender-specific obstacles which women face. Positive measures for the training of female scientists should be considered. A quantitative target (40%) for female participation in relevant Committees should continue to be strived for.¹⁵

¹⁵ See also Council conclusions of 30 May 2008 on Family-Friendly Scientific Careers: towards an Integrated Model (10212/08), and Council conclusions of 26 September 2008 on Better careers and more mobility: a European partnership for researchers (13671/08).

- h) The Council acknowledges the findings of the Expert Group regarding the low **participation** from some Member States in FP7. The Council recalls that raising the competitiveness of European research requires that the potential across the whole European Research Area is fully unlocked, and that projects, aiming at providing scientific excellence, should be managed optimally with particular regard to the use of resources. Synergies and connections between the Structural Funds and the FP should be further improved. The work of the ERAC ad-hoc working group on Synergies should be taken into consideration. The Commission, in consultation with the Member States, is invited to analyse the reasons of low participation rates from certain Member States and report back to the Council as soon as possible but before the end of 2011, and put forward appropriate actions in this regard, aiming at spreading scientific excellence.
- i) Opening of FP7 to **international cooperation** has been of great value. As other regions rapidly strengthen their research and innovation capacities, but also as the urgency to address global challenges grows, the ability of European research and innovation to link up with other regions, markets, research and innovation agendas and to cooperate on innovative solutions becomes increasingly important. Efficiency and added value of the EU activities in this field require a strategy based on a constant analytical work. A review based upon a thorough analysis of the current approach towards international cooperation is needed, with the involvement of the Strategic Forum for International S&T Cooperation (SFIC)¹⁶, and European strategy should be reinforced. The Council recalls its conclusions of 26 November 2010 in which it stated that the external dimension must be duly taken into account in the design of EU research and innovation policies, with the aim of ensuring open and competitive markets in a spirit of reciprocity and mutual benefit, and attracting investments, researchers and creative and innovative talent and also that special attention should be given to the management and protection of IPR¹⁷.

¹⁶ See also Council conclusions of 2 December 2008 concerning a European partnership for international scientific and technological cooperation (Official Journal C 18, 24.1.2009, p. 11-13).

¹⁷ Council conclusions of 25-26 November 2010 on Europe 2020 flagship initiative Innovation Union: Accelerating the transformation of Europe through innovation in a fast changing world.

4. Regarding the role of the **Risk-Sharing Finance Facility** (RSFF) in FP7, the Council WELCOMES the finding of the Independent Experts Group (IEG) that RSFF has been a success, both in quantitative and qualitative terms and that very considerable results on an EU-wide scale have been achieved since its launch. The Council therefore AGREES with the recommendation of the IEG, also supported by the Commission, to release an additional EU contribution of up to EUR 500 million¹⁸ for the period 2011-2013 under the conditions foreseen in the FP7 Decision¹⁹ in accordance with the applicable procedures. The Council CALLS ON the Commission, in liaison with the European Investment Bank, to urgently examine ways and means to improve the take-up by currently underrepresented target groups, in particular SMEs, universities and research infrastructures with a view to achieving significant progress in 2012. A specific SME lending mechanism within the current facility is being designed by the Commission, the European Investment Fund and the EIB in this respect. The Council is looking forward to the Commission proposals called for by the European Council for scaling up the RSFF²⁰.
5. As to the **future EU support of research and innovation** (2014 -), the Council WELCOMES the Commission's intention to put forward its proposals for the next Multiannual Financial Framework (MFF) and the future programmes in a common strategic framework in order to improve the efficiency of EU's research and innovation funding and to contribute to reaching the ambitious objectives of the Innovation Union and the Europe 2020 strategy.

¹⁸ This includes EUR 250 million for RSFF in the 2011 EU budget as adopted by the European Parliament and the Council.

¹⁹ Annex II to Decision 1982/2006/EC of the European Parliament and of the Council of 18 December 2006 concerning the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007-2013): "*The Seventh Framework Programme will contribute an amount of up to EUR 500 million to the RSFF until 2010. For the period 2010-2013, there will be the possibility to release up to an additional EUR 500 million following the evaluation of the European Parliament and the Council in accordance with the procedure set out in Article 7(2) of this Decision on the basis of a report by the Commission containing information on the participation of SMEs and universities, the fulfilment of the Seventh Framework Programme selection criteria, the kind of projects supported and the demand for the instrument concerned, the duration of the authorisation procedure, the project results, and the funding distribution.*" (Official Journal L 412, 30.12.2006, p. 1 - 41).

²⁰ Doc. EUCO 2/11.