

European research area: activities within the scope of the EC framework programme 2002-2006

2001/0053(COD) - 24/10/2005 - Follow-up document

This Annual Report covers developments and activities during 2004. It is accompanied by a Commission Staff Working Document, which provides a more detailed overview of statistics. The Report notes that the implementation of the 6th Framework Programme has been a success. Launched in 2002 with a budget of EUR 17 500 million (later increased to EUR 19 200 million following enlargement) it sought to integrate the new Member States as much as possible. In 2004 almost 16 000 proposals were received with more than 84 000 participants, of which 2 000 were given Community funding. In total 2 100 contracts were signed with a total EU contribution amounting to more than EUR 4 200 million.

In addition to the Framework Programme, the EU took a number of important steps towards the creation of a European Research Area. Actions included the “Investing in research” action plan, preparing a Communication on nano-technology, establishing an independent European satellite observation and remote sensing capacity under the Global Monitoring for Environment and Security (GMES) initiative and supporting the GALILEO initiative. Further, the EU worked to secure a consensus between the parties on the geographical location of the ITER project in France. The EU has encouraged the use of the Open Method of Coordination (OMC) to help policy learning and integration through the mutual exchange of knowledge and best practice.

Regarding overall trends in research investment, the Commission notes that R&D intensity in the period 2000-2003 is close to stagnation. This can be attributed to the low growth rate of R&D spending in Germany, France and the UK, which represent around two thirds of the total R&D expenditure in the EU-25. The annual growth rate in R&D intensity of 0,7% (average annual growth between 2000 and 2003) is far from sufficient to reach the 3% objective by 2010. If this trend remains unchanged (*i.e.* assuming a linear forecast applied on the 2000-2003 trend), the EU's R&D intensity will be some 2,20% in 2010. The EU's R&D intensity, however, grew at a higher rate than that of the US, where private spending on R&D has been significantly decreasing since 2000. As a result, the EU-25 as a whole is slowly catching up with the US. The growth of R&D intensity is higher in Japan than in both the EU and the US, although this seemingly good performance can be partially explained by the low growth rate of Japan's GDP (denominator) over recent years. At an EU level, the share of R&D private sector funding is considerably lower than that of Japan and the US.

It has been estimated that to fulfill the Lisbon target, an extra 1.2 million researchers are needed: 500 000 for renewal of the research labour force and 700 000 net new entries. At the same time, the Report notes that the number of researchers has been growing by 22.5% between 1997 and 2002, equivalent to 105 000 full-time researchers.

In terms of trends in research funding, the Report finds that there is a growing awareness amongst the Member States of the need for improved coherence and an integration of policies. A first trend identified is the convergence of conceptual approaches to R&D policy toward the so-called “system” framework. This policy framework is explicitly adopted in countries such as Finland, Germany, Sweden and the Netherlands. It focuses on the overall system of institutions and organisation that foster research and innovation. An increasing complexity of policy mixes has been identified as the second trend. The range

of long standing policies for funding such as subsidies and technology transfers has been expanded with additional financial instruments such as venture capital operations. Other initiatives relate to education and researcher training, clustering policies, company formation etc.

Lastly, in terms of the future outlook, the Commission reports that the future of European R&D has been secured by a proposed doubling of the budget under the financial perspective, 2007-2013. The preparation of the 7th framework programme is well under way and is to be based around six major objectives namely, creating centres of excellence through collaborative research, launching major European technological initiatives, stimulating basic research and creating a European Research Council, making Europe attractive to the most talented researchers, developing research infrastructures and improving the co-ordination of national research programmes. These proposals are complemented by the proposed next generation Structural Funds, which also emphasise investment in research and innovation as a source of economic growth.