

Basic information	
2005/0188(CNS) CNS - Consultation procedure Decision	Procedure completed
Research RTD, 7th EC Framework Programme 2007-2013: Capacities specific programme for European research and innovation Repealed by 2011/0402(CNS) Subject 3.50.02.01 EC, EU framework programme 3.50.04 Innovation	

Key players					
European Parliament	Committee responsible		Rapporteur	Appointed	
	ITRE Industry, Research and Energy		PRODI Vittorio (ALDE)	05/10/2005	
	Committee for opinion		Rapporteur for opinion	Appointed	
	BUDG Budgets		XENOGIANNAKOPOULOU Marilisa (PSE)	20/09/2004	
	EMPL Employment and Social Affairs		The committee decided not to give an opinion.		
	CULT Culture and Education		BERLINGUER Giovanni (PSE)	07/10/2005	
	Council of the European Union	Council configuration		Meetings	Date
		Competitiveness (Internal Market, Industry, Research and Space)		2731	2006-05-29
Agriculture and Fisheries		2774	2006-12-19		
European Commission	Commission DG		Commissioner		
	Research and Innovation		POTOČNIK Janez		

Key events			
Date	Event	Reference	Summary

21/09/2005	Legislative proposal published	COM(2005)0443 	Summary
17/11/2005	Committee referral announced in Parliament		
29/05/2006	Debate in Council		
10/10/2006	Vote in committee		
23/10/2006	Committee report tabled for plenary, 1st reading/single reading	A6-0371/2006	
29/11/2006	Debate in Parliament		
30/11/2006	Decision by Parliament	T6-0520/2006	Summary
30/11/2006	Results of vote in Parliament		
19/12/2006	Act adopted by Council after consultation of Parliament		
19/12/2006	End of procedure in Parliament		
30/12/2006	Final act published in Official Journal		

Technical information	
Procedure reference	2005/0188(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Decision
Amendments and repeals	Repealed by 2011/0402(CNS)
Legal basis	EC Treaty (after Amsterdam) EC 166
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/6/30663

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Committee opinion	CULT	PE367.927	21/03/2006	
Committee draft report		PE368.077	31/03/2006	
Amendments tabled in committee		PE374.088	13/06/2006	
Committee opinion	BUDG	PE374.074	23/06/2006	
Committee report tabled for plenary, 1st reading/single reading		A6-0371/2006	23/10/2006	
Text adopted by Parliament, 1st reading/single reading		T6-0520/2006	30/11/2006	Summary
European Commission				
Document type	Reference	Date	Summary	

Legislative proposal	COM(2005)0443 	21/09/2005	Summary
Supplementary legislative basic document	COM(2005)0443/2 	24/05/2006	Summary
Document attached to the procedure	COM(2006)0239 	24/05/2006	Summary
Commission response to text adopted in plenary	SP(2007)0054	11/01/2007	
Follow-up document	COM(2011)0052 	09/02/2011	Summary
Follow-up document	COM(2014)0686 	30/10/2014	Summary
Follow-up document	SWD(2014)0335 	30/10/2014	Summary

Additional information		
Source	Document	Date
European Commission	EUR-Lex	

Final act	
Decision 2006/0974 OJ L 400 30.12.2006, p. 0298	Summary

Research RTD, 7th EC Framework Programme 2007-2013: Capacities specific programme for European research and innovation

2005/0188(CNS) - 21/09/2005 - Legislative proposal

PURPOSE: To establish a specific programme entitled "Capacities" within the context of the EU's 7th research framework programme.

PROPOSED ACT: Council Decision

CONTENT: The European Commission is presenting five "specific programmes" in follow up to the approval of the 7th Framework Programme in April 2005. The first relates directly to actions funded under the Joint Research Centre. The other four are entitled: Co-operation, Ideas, Peoples and Capacity. The one under discussion here is the Capacities specific programme.

Background:

The restructuring of the RT&D framework programmes is a bid by the European Commission to help the EU achieve its goal of becoming the most competitive knowledge-based economy in the world by 2010 and to help the EU realise its ambition of devoting 3% of GDP to RT&D by the same date. The specific programmes identified by the Commission have been designed to address major weaknesses in the level, quality and impact of European research. Their creation represents a further consolidation of the European Research Area by offering financial support to the free movement of ideas, knowledge and researchers. The re-structuring of the programmes includes a number of core innovations, including, for example, allowing researchers (under some actions) to identify topics for future funding. Other advances include the setting up of a Risk-Sharing Facility to improve access to EIB loans for large scale European actions and the establishment of a European Research Council. The Commission is also looking to overhaul the management methods of the framework programme by introducing improved efficiency drives through the externalisation of administrative tasks to an executive agency, seeking a clearer presentation of evaluation criteria, guaranteeing transparent work programmes and streamlining procedures for approving projects.

Specific programme – Capacities:

The purpose of the Capacities specific programme is to ensure the optimal use of Europe's research capabilities. By this it means that the programme will offer a unique role in facilitating and supporting the existing EU's research infrastructures. A specific programme designed to buttress and strengthen existing – and future – research infrastructures is deemed essential if researchers and European industry alike are able to exploit the EU's research possibilities. Access to existing infrastructures is considered indispensable for the execution of innovative science and technology projects.

More specifically speaking, the Capacities programme will be implemented by:

- Optimising the use and development of research infrastructures.
- Strengthening innovative capacities of SMEs and their ability to benefit from research.
- Supporting the development of regional research-driven clusters.
- Unlocking the research potential of the EU's outermost regions.
- Seeking a rapprochement between society as a whole and science.
- Supporting international co-operation.

As part of the over-all management of the Capacities programme, the Commission will encourage synergies with other Community policies such as the Structural Funds. In addition it will complement the other "specific programmes" being proposed by the Commission and in particular the Co-operation programme.

By research infrastructure, the Commission is referring to facilities or services that are needed by the research community to conduct research in all scientific and technological fields. Typically, the definition covers major equipment or sets of instruments used for research purposes. It can also refer to major collections, archives, computing and software applications. In terms of optimising the use of research infrastructures, the Commission proposes to do so firstly, by building upon and improving existing research infrastructure and secondly by fostering the development of new research infrastructures of pan-European interest based on the work of the European Strategy Forum on Research Infrastructure (ESFRI).

Trans-national access to research infrastructures is given priority. Access may be made available to external users, either in person or by suitable electronic communication and will be implemented through "bottom-up" calls for proposals open to all scientific fields. Other measures will include the deployment of e-Infrastructures based on targeted calls for proposals. The e-Infrastructures will seek to foster high-performance communications and grid empowered infrastructures. There will be an emphasis on supercomputing facilities, data storage and advanced visualisation facilities. In addition to existing structures, the Capacities programme will encourage new research structures through design studies. Concerning the development of new infrastructures the Capacities programme will offer financial help for both preparatory and construction studies.

A further key feature of the Capacities programme is offering streamlined proposals which address the needs and concerns of Europe's SME's. By offering SME's help, the Commission hopes that they will be in a better position to outsource research, increase their research efforts, extend their networks, acquire technological know-how and significantly exploit the results of their own research.

The unexploited possibilities of the EU's outermost and convergence regions is also given due consideration within the context of the Capacities programme. In order to unleash the EU's full research potential the Commission proposes the creation of regional "research-driven clusters". Such clusters would be made up of regional authorities, universities, research centres, enterprises and related stake-holders. The realisation of such clusters will be done through a more focused use of Structural Funds for R&D investment. In addition "Regions of Knowledge" will be developed with the sole aim of improving the relevance and effectiveness of regional research agendas.

A further chapter proposed under the Capacities programme focuses on the outermost and convergence regions of the EU. Actions under this heading will build on past and existing measures and centre on both the "European Centres of Excellence" and the Marie Curie Host Fellowships for the Transfer of Knowledge.

Under the heading of Science in Society the Commission is seeking to build an effective and democratic European society of knowledge by stimulating a harmonious integration of scientific and technology. It is an attempt by the Commission to bridge the gap between many who feel alienated from rapid scientific advantages with the scientists themselves. In other words it seeks to stimulate an on-going and open debate with the wider community on the benefits and potential pitfalls of ground breaking innovative research. The Commission suggests that citizens' alienation from science in society can partly be blamed on insufficient public participation in the decision-making process, a growing reservation regarding certain scientific developments and a questioning of the objectivity of scientific evidence relied on for policy making. In order to address these and other issues the Commission proposes more inclusive and transparent procedure for accessing the expertise needed to underpin credible policies. It also proposes setting ethical landmarks and to try and bridge the gap between those with a scientific background and those without.

A final Chapter proposed under the Capacities specific programme deals with activities at an international level. The international co-operation component of this specific programme will have two objectives, namely to support European competitiveness through strategic international partnerships and to address the specific problems faced by third countries on the basis of mutual interest

For further information concerning the financial implications of this measure, please refer to the financial statement.

Research RTD, 7th EC Framework Programme 2007-2013: Capacities specific programme for European research and innovation

2005/0188(CNS) - 19/12/2006 - Final act

PURPOSE: to adopt the Specific Programme "**Capacity**" under the 7th Framework Programme.

LEGISLATIVE ACT: Council Decision 2006/0974/EC concerning the Specific Programme "Capacity" implementing the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007 – 2013).

CONTENT: the adoption of the Specific Programme "Capacity" stems from Council Decision 1982/2006/EC concerning the Seventh Framework Programme (2007-2013). See: [COD/2005/0043](#). The new 7th Framework Programme is centred on four research pillars: Co-operation; Ideas; People; and Capacity.

The purpose of the Capacities Specific Programme is to ensure the optimal use of Europe's research capabilities. By this it means that the programme will offer a unique role in facilitating and supporting the existing EU's research infrastructures. A specific programme designed to buttress and strengthen existing – and future – research infrastructures is deemed essential if researchers and European industry alike are able to exploit the EU's research possibilities. Access to existing infrastructures is considered indispensable for the execution of innovative science and technology projects. The Programme has been awarded a **EUR 4 097 million** budget to help realise these objectives.

More specifically speaking, the Capacities programme will support:

- a) research infrastructures;
- b) research for the benefit of SME's;
- c) regions of knowledge;
- d) research potential;
- e) science in society;
- f) support for the coherent development of research policies;
- g) activities of international co-operation.

As part of the over-all management of the Capacities programme, the Commission will encourage synergies with other Community policies such as the Structural Funds. In addition it will complement the other "specific programmes" being proposed by the Commission and in particular the Co-operation programme.

By research infrastructure, the Commission is referring to facilities or services that are needed by the research community to conduct research in all scientific and technological fields. Typically, the definition covers: major equipment or sets of instruments used for research purposes. It can also refer to major collections, archives, computing and software applications.

Trans-national access to research infrastructures is given priority. Access may be made available to external users, either in person or by suitable electronic communication and will be implemented through "bottom-up" calls for proposals open to all scientific fields. Other measures will include the deployment of e-Infrastructures based on targeted calls for proposals. The e-Infrastructures will seek to foster high-performance communications and grid empowered infrastructures. There will be an emphasis on supercomputing facilities, data storage and advanced visualisation facilities. In addition to existing structures, the Capacities programme will encourage new research structures through design studies. Concerning the development of new infrastructures the Capacities programme will offer financial help for both preparatory and construction studies.

A further key feature of the Capacities programme is offering streamlined proposals which address the needs and concerns of Europe's SME's. By offering SME's help, the Commission hopes that they will be in a better position to outsource research, increase their research efforts, extend their networks, acquire technological know-how and significantly exploit the results of their own research.

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Under the heading of Science in Society the Commission is seeking to build an effective and democratic European society of knowledge by stimulating a harmonious integration of scientific and technology. It is an attempt to bridge the gap between many who feel alienated from rapid scientific advantages with the scientists themselves.

A final Chapter under the Capacities specific programme deals with activities at an international level. The international co-operation component of this specific programme will have two objectives, namely to support European competitiveness through strategic international partnerships and to address the specific problems faced by third countries on the basis of mutual interest

ENTRY INTO FORCE: 2 January 2007.

Research RTD, 7th EC Framework Programme 2007-2013: Capacities specific programme for European research and innovation

2005/0188(CNS) - 24/05/2006

Package of legislative proposals following the Interinstitutional Agreement on budgetary discipline and sound financial management

The conclusion on 17 May 2006 by the Commission, the Council and the European Parliament of the agreement on the 2007-2013 financial framework (Interinstitutional Agreement on budgetary discipline and sound financial management – please refer to procedure ACI/2004/2099) marks a real success for Europe, providing a stable financial framework for the political priorities of the enlarged Union for the next seven years. It is now up to the institutions and Member States to ensure that the financial resources available are used and implemented as well as possible. Action at European level must contribute true added value to that taken at national, regional or local level and must have an optimum impact on each European player. The Commission is ready to play a full role in all these areas.

The agreement marks a decisive step forward towards the ultimate objective of providing the Union with operational programmes by the beginning of 2007. Work must now be continued on each legislative act. To this end, the Commission intends to continue to provide momentum and act as a facilitator, as it has been doing since the start of the negotiations.

As part of the negotiations on the 2007-2013 financial framework, in October 2005 the European Parliament, the Council and the Commission adopted a joint declaration in which they undertook to continue work on the legislative proposals currently being discussed and then, once the interinstitutional agreement had been adopted and on the basis of amended proposals by the Commission, to reach agreement on each of these proposals. Thus, in accordance with Article 250(2) of the EC Treaty and in order to facilitate this phase for each legislative act, the Commission has adopted a total of 30 proposals, 26 of which are amended and 4 new.

The **proposals amended as a result of the IIA** are as follows:

Programmes concerning the external policy of the Union and development cooperation:

- Ø COD/2004/0219 (European Neighbourhood and Partnership Instrument)
- Ø COD/2004/0220 (development co-operation and economic co-operation instrument)

Solidarity and Management of Migration Flows Programme (JHA):

- Ø COD/2005/0046 (European Refugee Fund)
- Ø COD/2005/0047 (External borders fund, 2007-2013)
- Ø COD/2005/0049 (European Return Fund)

Fundamental Rights and Justice Programme (JHA):

- Ø COD/2005/0037/A(DAPHNE)
- Ø COD/2005/0037/B (drugs prevention and information)

RDT Framework Programme and specific programmes :

- Ø COD/2005/0043 (RDT Framework Programme)
- Ø CNS/2005/0044(Nuclear Research Programme)
- Ø CNS/2005/0184 (Joint Research Centre - JRC)
- Ø CNS/2005/0185 (Transnational cooperation specific programme)
- Ø CNS/2005/0186 (Specific programme Ideas, frontier research)
- Ø CNS/2005/0187(Specific programme supporting researchers)
- Ø CNS/2005/0188 (RDTCapacities specific programme)
- Ø CNS/2005/0189 (specific programme direct actions by the Joint Research Centre JRC)
- Ø CNS/2005/0190 (fusion energy, nuclear fission and radiation protection specific programme)

Employment and social cohesion Programme:COD/2004/0158

- Programmes in the fields of youth and education:
 - Ø **COD/2004/0152 (Youth)**
 - Ø **COD/2004/0153 (Education – lifelong learning)**
- Consumer Protection and Public Health Framework programme:
 - Ø **COD/2005/0042/A (Public health)**
 - Ø **COD/2005/0042/B (Consumers)**
- Programme in the fields of energy, environment and transport :
 - Ø **COD/2004/0218 (LIFE+)**
 - Ø **COD/2004/0154 (TransEuropean networks in the areas of energy and transport)**
 - Ø **CNS/2004/0221 (Decommissioning of the Bohunice nuclear plant)**
- **GALILEO (radio-navigation by satellite): COD/2004/0156**

In terms of **new proposals**, the Commission has already submitted three in the area of agriculture and rural development policy and fisheries and aquaculture policy:

- Ø **CNS/2006/0081 (fisheries and aquaculture)**
- Ø **CNS/2006/0082 (rural development)**
- Ø **CNS/2006/0083 (common agricultural policy).**

Certain legislative acts do not form part of this package of measures, in particular those on which political agreement has been reached since 17 May. For these measures, the Commission has played a full part in helping to bring about agreement between the arms of the legislative authority. The same applies to the acts for which conclusion of the interinstitutional agreement does not modify the Commission's original proposal. For all the others, which are included in the package presented, the changes proposed by the Commission take account of the content of the interinstitutional agreement adopted, either in a simplified form, where the financial resources allocated to each programme must be adapted, or in a more detailed form where the structure or even the content of the act must be revised. It should also be noted that four of the amended proposals contain amendments already voted on by the European Parliament at first reading and that one proposal has been divided into two amended proposals in response to a request by the Council and the European Parliament, although Parliament has not yet proceeded to a first reading of this proposal.

Based on these amended proposals, the Commission calls on the European Parliament and the Council to continue their discussions of these proposals and conclude them as soon as possible in order to ensure that all the legal instruments are available in time for the effective launch of the programmes in January 2007.

Research RTD, 7th EC Framework Programme 2007-2013: Capacities specific programme for European research and innovation

2005/0188(CNS) - 30/11/2006 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution drafted by Vittorio **PRODI** (ADLE, I) on the proposal on the Specific Programme "Capacities" implementing the 7th Framework Programme (2007-2013). The following amendments were adopted in plenary:

- the Framework Programme should complement the activities carried out in the Member States and by the Member States through their participation in European intergovernmental research organisations;
- research activities carried out within this programme should respect fundamental ethical principles, including those which are reflected in the Charter of Fundamental Rights of the EU and reassert the civic and humanistic values of research, ensuring respect for ethnic and cultural diversity;
- to simplify calls for proposals and reduce costs, the Commission should set up a database as a prerequisite for notifying participants in calls for proposals;
- the overall administrative expenditure of the Specific Programme, including internal and management expenditure for the executive agency which it is proposed to set up, should be proportional to the activities undertaken under the Specific Programme and is subject to the decision of the budgetary and legislative authorities. Budget appropriations shall be used in accordance with the principle of sound financial management, namely in accordance with the principles of economy, efficiency and effectiveness, as well as the principle of proportionality;
- the Commission shall provide prior information to the budgetary authority whenever it intends to depart from the breakdown of expenditure stated in the remarks in and annex to the general budget of the European Union;

- the Work Programme shall take account of relevant research activities carried out by the Member States, associated countries and European and international organisations, with the aim of increasing synergies with such activities, achieving European added value, influencing industrial competitiveness and maintaining relevance to other Community policies;
- the Commission shall ensure that the research results are evaluated and shall report on their contribution to a dynamic, knowledge-based society in Europe;
- the Commission's report shall contain an assessment of the soundness of financial management and an evaluation of the efficiency and regularity of the budgetary and economic management of the programme;
- the Commission shall submit the present Decision and a report on the implementation of the Specific Programme to the competent bodies for review in sufficient time to ensure that the procedure for modifying this Decision can be completed by the end of 2010;
- existing informational help desks have to receive guidance and information so that they can be of service to SMEs, industry and knowledge institutions and do this with the idea of complementarity between the funds;
- Industrial research investment should be encouraged in sectors of key interest to the EU economy;
- research policies should be coordinated at the EU level in areas where there is a clear added value for cooperation. Duplication with work undertaken in the Member States' national research policies should be avoided at all costs;
- Special attention will be paid to: synergy in the development of research potential in combination with innovation-driven programmes and Structural Funds programmes; reducing administrative and physical hindrances to effective cross-border cooperation between regions in different Member States; and
the development of combined research and innovation capacity;
- research infrastructures have a vital role to play in disseminating research results to a wide range of research disciplines and communities, which is essential for fostering innovation. Information diffused via these infrastructures can also provide important evidence-based support for policy making;
- there is some emphasis on significant investment from public and private actors in all parts of Europe;
- optimising the utilisation of existing research infrastructures and improving their performance must be seen as a priority;
- it will be necessary to support in a coordinated way digital libraries (with a view to creating a European Digital Library);
- it is essential to improve the transparency of research infrastructures for potential users in order to promote their use by a wider range of communities in all parts of Europe;
- ESFRI as well as technology platforms, joint technology initiatives and the European Research Council will be requested to state their needs for research infrastructure;
- the variable geometry principle should be taken into account when deploying the new research structures pursued by this programme. It is also made clear that the selection criteria for actions under the Specific Programme should correspond to those laid down in the Seventh Framework Programme;
- the creation of "Open Innovation" centres would allow for single-site execution of major collaborative industrial R&D projects, with consortium partners seconding their staff on temporary postings and/or providing open access to research infrastructures and services on the basis of facility sharing;
- in order to share research results the establishment of a Scientific Methods Server would make a significant contribution to the efficiency of research methods by making the results of certain research steps accessible under comparable conditions;
- other amendments aim to strengthen the leading role of SMEs with regard to 'capabilities'; to achieve this, they must be given easier access to 'RTD performers'. Administrative procedures for SMEs will be made simpler and clearer and costs will be reduced for SMEs benefiting under the Framework Programme. Coordination will also be sought with relevant national research programmes. With this in view, consideration may also be given to possible joint implementation of technological development programmes aimed at SMEs under EUREKA in order to encourage innovative projects geared to market requirements. Mechanisms will also be introduced for cooperation with national and regional R&D support programmes for SMEs, with the aim of providing a more local service geared to their requirements and strengthening the critical mass and European dimension of the various national support schemes;
- funding will support small groups of innovative SMEs in solving common or complementary technological problems, through the Framework Programme and/or intergovernmental funding schemes such as the Commission's, EIB's and European Bank for Reconstruction and Development's (EBRD) JEREMIE and JASPER initiatives.

Research RTD, 7th EC Framework Programme 2007-2013: Capacities specific programme for European research and innovation

On 21 September 2005, the Commission presented a proposal for a Council Decision on the Specific Programme: "Capacities" implementing the 7th Framework Programme (2007-2013) of the European Community for research, technological development and demonstration activities.

The overall financial amount initially proposed by the Commission amounted to **EUR 7 486,265 million**.

The Commission subsequently adapted the budgetary aspects of these proposals following the Interinstitutional Agreement of 17 May 2006 on the Financial Framework 2007-2013.

The new overall amount is set at **EUR 4 291 million**, of which less than 6% shall be for the Commission's administrative expenditure.

Please refer to the financial statement for more details.

Research RTD, 7th EC Framework Programme 2007-2013: Capacities specific programme for European research and innovation

2005/0188(CNS) - 30/10/2014

This Staff Working Document (SWD) constitutes an Annex to the report of the Commission to the European Parliament and the Council on financial instruments supported by the general budget according to Article 140(8) of the [Financial Regulation](#) as at 31 December 2013. It provides specific information on individual financial instruments, their progress made in implementation and their environment in which they operate.

Financial instruments are a proven way to achieve EU policy objectives. They use EU funds to support economically viable projects and attract very significant volumes of public and private financing. By injecting money into the real economy, financial instruments contribute to the achievement of the EU policy objectives enshrined in the Europe 2020 Strategy, notably in terms of employment, innovation, climate change and energy sustainability, education and social inclusion.

The report gives detailed information on each financial instrument.

InnovFin SME Venture Capital (Horizon 2020)

The report notes that there is evidence that larger, established R&I-intensive firms have problems in accessing debt finance to fund innovation projects. To address R&I financing needs, which can hardly be met at the national level, the Commission has set up the Risk-Sharing Finance Facility (2007-2013) and its successor InnovFin Large Projects, InnovFin MidCap Growth Finance and InnovFin MidCap Guarantee under [Horizon 2020](#).

The InnovFin SME Venture Capital succeeds and refines the the Growth and Innovative Facility (GIF-1) under Competitiveness and Innovation Programme (CIP), and is part of a single equity financial instrument supporting the growth of enterprises and their R&I activities. It is designed to improve access to risk finance by early-stage R&I-driven SMEs and small midcaps through supporting early-stage risk capital funds that invest, on a predominantly cross-border basis, in individual enterprises.

SMEs and small midcaps located in Member States or in Associated Countries will be eligible as final recipients.

The [COSME](#) programme's Equity Facility for Growth (EFG) complements this facility, which, supported by a set of accompanying measures, will support the achievement of Horizon 2020 policy objectives.

In terms of Union added value, the InnovFin SME Venture Capital will complement national and regional schemes that cannot cater for cross-border investments in R&I. The early-stage deals will also have a demonstration effect that can benefit public and private investors across Europe. For the growth phase, only at European level is it possible to achieve the necessary scale and the strong participation of private investors that are essential to the functioning of a self-sustaining venture capital market.

Current Overall (2014-2020) Programme Budget amounts to EUR 430 million.

Research RTD, 7th EC Framework Programme 2007-2013: Capacities specific programme for European research and innovation

2005/0188(CNS) - 30/10/2014

This report from the Commission concerns financial instruments supported by the general budget according to Article 140(8) of the Financial Regulation as at 31 December 2013.

The report focuses on all centrally-managed Financial Instruments for internal and external Union policies supported by the general budget according to Article 140(8) of the [Financial Regulation](#) as of 31 December 2013.

To recall, financial instruments, including loans or guarantees with greater risk capacity, represent a smart way to finance the real economy, and boost growth and employment. They can achieve financial leverage (multiplying scarce budgetary resources by attracting private and public funds to support EU policy objectives), policy leverage (incentivising entrusted entities and financial intermediaries to pursue EU policy objectives through alignment of interest), and institutional leverage (benefiting from the expertise of the actors involved in the implementation chain).

This report is the **first to be prepared under the new requirements of the Financial Regulation**. It is intended to **provide an informative overview of how the taxpayer's money has been used** and of the progress made in the implementation of the Financial Instruments as of 31 December 2013.

The report is complemented by a Commission Staff Working Document which provides specific information on individual financial instruments, their progress made in implementation and their environment in which they operate.

The report highlights that **important outcomes have been achieved through the use of Financial Instruments in the years 2007-2013**, and they will play an even more significant role in the 2014-2020 Multi-annual Financial Framework (MFF). The budgetary authorities have expressed their **political commitment and increased the necessary resources**. Furthermore, the Financial Regulation has been extended with a dedicated chapter, setting up the appropriate regulatory framework for Financial Instruments' design, management and reporting.

The main conclusions of the report are:

(1) **The implementation of the 2007-2013** centrally-managed financial instruments has been instrumental in helping to **alleviate financial market failures and leverage the positive effects of EU-wide actions**. For example, in the 2007-2013 period, the main EU-level financial instruments dedicated to SME support (CIP-GIF, CIP-SMEG 07 and RSI) and micro-SME support (EPMF) with an overall contribution (EU commitments) of more than EUR 1.6 billion, mobilised lending of nearly EUR 17.9 billion and also supported equity investments of about EUR 2.8 billion, thus enhancing access to finance for more than 336 000 SMEs.

(2) **The achieved leverage** is equal to 5 for Equity Instruments, and ranges from 4.8 to 31 for Guarantee instruments, from 10 to 259 for Risk-sharing instruments, from 1.54 to 158 for Dedicated Investment Vehicles, from 5 to 7 for Financial Instruments in the Enlargement Countries, from 5 to 27.6 for Financial Instruments in Neighbourhood Countries and Countries covered by the Development Cooperation Instrument.

With the experience gained in the course of implementation during the 2007-2013 period, and in the context of programme evaluations and audits, several lessons have been learned on how to further improve the design and management of financial instruments:

- best practices have been capitalised on the design and the management of the new generation of financial instruments;
- further, Financial Instruments will now cover **all main types of final recipients over the full funding cycle** and will include offer of both pro- and counter-cyclical instruments to respond flexibly to market needs, based on demand-driven implementation;
- effectiveness and efficiency have been enhanced through fewer instruments with larger volumes, ensuring critical mass in full consistency with State aid rules;
- alignment of interest with entrusted entities and financial intermediaries will be further achieved through fees and incentives, and risk sharing.

Since 2013 is the last year of commitment for the 2007-2013 programming period for a number of instruments, a final evaluation assessing the extent to which objectives have been achieved has not been finalised. More qualitative and in-depth feedback on the attainment of objectives will be available within one year and will be duly reported upon.

Research RTD, 7th EC Framework Programme 2007-2013: Capacities specific programme for European research and innovation

2005/0188(CNS) - 09/02/2011 - Follow-up document

The Commission presents its response to the report of the expert group (<http://ec.europa.eu/research/evaluations>) on the interim evaluation of FP7 (Seventh Framework Programme for Research) established by Decision No 1982/2006/EC and to the report by the IEG on the interim evaluation of the Risk-Sharing Finance Facility. The report was submitted on 12 November 2010. This Communication responds to the recommendations in these evaluations by outlining which actions the Commission intends to take or has already taken, but also indicating where no obvious or immediate solution exists. It is clear that a number of the issues raised, in particular regarding the design and content of the Framework Programmes and financial rules which govern their implementation, cannot be addressed by the Commission alone, but will need the engagement of a wider group of actors including the Member States, the Council and the European Parliament working together.

The report provides a detailed assessment of the implementation of FP7 so far and presents 10 recommendations for improvements:

Advance the European Research Area and Innovation Union objectives: the Commission states that future EU research programmes must provide a clearer focus on the major research items for science, technological leadership and industrial competitiveness and focus on the large societal challenges. Such an approach needs to be developed within the framework of the European Research Area, identifying areas of common or convergent interest, while ensuring better alignment of research capacities. The Innovation Union sets out how the **Europe 2020** objectives of smart, sustainable and inclusive growth can be achieved through a strategic and integrated approach to research and innovation. The **Green Paper on a Common Strategic Framework for EU Research and Innovation funding** will launch a wide public debate on the key issues to be taken into account in future programmes.

Develop and implement high quality research infrastructures: the Commission recognises that infrastructure funding will be improved through better alignment of the FP, with funding from the European Investment Bank and Structural Funds. Following the Europe 2020 Strategy a work package on innovation could be included in all research infrastructure projects thereby favouring greater involvement of industry. The work programme 2012 will better highlight the possibility for researchers from third countries to benefit from access to European research infrastructures. The development of e-Infrastructures will connect researchers, instruments, data and computation resources throughout Europe, creating a seamless "online ERA". As an integral part of the Digital Agenda flagship initiative, this work will continue in the second half of FP7.

Maintain, at least, the level of funding: the Europe 2020 strategy acknowledges that research and innovation are the key engines of societal progress and economic prosperity. a common strategic framework will ensure a more efficient use of the EU's research and innovation funding by enhancing its EU added value, making it more results oriented, and by leveraging other public and private sources of funding.

Encourage participation from a broad spectrum of small and large enterprises, universities and research and technology organisations through a well-articulated innovation strategy: the Commission agrees with the recommendation which is convergent with the orientations provided in the Communication on Innovation Union within the context of the Europe 2020 Strategy. While Innovation Union commitments will only be fully implemented in the next generation of spending programmes, the Commission is already investing significant effort in enhancing the innovation impact of the current Framework Programme. This will be achieved in the remaining FP7 work programmes, including through funding for projects which take research results closer to market (e.g. demonstration projects) and additional emphasis on innovation impacts in evaluating proposals. In addition, further funding will be provided for both SME specific projects and topics which are attractive to SMEs or organisations that are 'new comers' to FP7.

Achieve a quantum leap with simplification: the Commission has acknowledged the need for further simplification, and refers to the Communication on simplifying the implementation of the FPs presenting a set of short term and longer term options.

The mix of funding measures in FP7 and successor programmes should strike a different balance between bottom-up and top-down approaches to research: significant parts of FP7 already provide bottom-up approaches to research. These include the Marie Curie Actions for researcher training and mobility and the European Research Council (ERC) for curiosity-driven research. Also noteworthy is the Future and Emerging Technology (FET) scheme which, through top-down thematic calls combined with bottom-up open calls is supporting multidisciplinary exploratory research in ICT. The **move towards more bottom-up funding** is set to continue, with the Commission proposal for further open, challenge-driven calls for proposals in the final years of FP7. Beyond this, the Innovation Union has committed to strengthen the role of the ERC and the issue of bottom-up versus top-down approaches will feature strongly in the orientation debate on the next FP.

Consider a moratorium on new instruments until the existing ones have been sufficiently developed and adequately evaluated: the Commission will examine the current portfolio of instruments to identify areas for simplification, possible redundancy and potential gaps. Novel approaches such as prizes or innovative procurement schemes should also be considered. This work will be supported in a number of ways including discussions within the European Research Area Committee (ERAC) and the forthcoming 'Communication on Partnerships'. The resulting ideas will be reflected in the proposals for the next FP.

Take further steps to increase female participation in FP7: the Commission attaches great importance to this issue although notes, since the FP is only a small part of total European research activity, the limits to what it can achieve on its own. Real progress necessitates a common approach actively supported by funding agencies and researchers across the European Research Area. In this context, the Commission accepts the challenge of taking a leading role. Further to the current activities - notably the 40% target; monitoring, awareness and promotion activities; and successes under the Marie Curie Actions - a series of additional activities are proposed. The Commission will launch new analyses with the support of Member States and research institutions to identify, by end 2011, the cultural and situational factors which help shape female researcher participation, as well as measures to overcome these.

Build connections between the FP and Structural Funds in order to pave the way for increased participation from Member States that are under-represented: a specific example of progress already being made is the Synergies Expert Group (SEG), set up to find synergies between FP7, the Structural Funds and the Competitiveness and Innovation Framework Programme. The Europe 2020 flagship initiatives on Innovation Union and the Digital Agenda have significant implications for achieving a better alignment of EU policies and activities, including research, innovation and cohesion funding.

Carry out a review based upon a thorough analysis of the current strategy towards international cooperation: the Commission will carry out a major review of its strategy for international collaboration. This will examine how to build critical mass and specialisation, in areas of European need and comparative advantage.

RSFF: as a positive interim evaluation of the RSFF is a prerequisite for the release of the second tranche of EUR 500 million of FP7 funding to the RSFF for the period from 2011 to 2013, the Commission notes that this release is strongly recommended by both the RSFF IEG and the FP7 Interim Evaluation Expert Group. By voting the EU Budget 2011, the Council and the European Parliament have already provided their agreement on principle to the release of the second tranche (budget of EUR 250 million for 2011). The Commission however invites them to provide a more formal answer later in 2011, on the whole period (2011-2013), if they deemed it appropriate.

The Commission fully endorses the recommendations of the IEG to address the needs of currently underrepresented groups in RSFF (i.e. SMEs, universities/research organisations and research infrastructures). Technical negotiations between the Commission and the EIB are already taking place on finding concrete solutions and new approaches on how to achieve these objectives, including in particular changes of risk-sharing, portfolio approaches, increase of risk levels, and introduction of equity funding. This work will lead to an amendment of the EC/EIB agreement on RSFF implementation already in the first half of 2011.