

Basic information	
<p>2005/0277(COD)</p> <p>COD - Ordinary legislative procedure (ex-codecision procedure) Regulation</p>	Procedure completed
<p>Research RTD, 7th EC framework programme 2007-2013: participation of undertakings, research centres and universities</p> <p>Repealed by 2011/0399(COD)</p> <p>Subject</p> <p>3.50.02.01 EC, EU framework programme</p>	

Key players				
European Parliament	Committee responsible		Rapporteur	Appointed
	ITRE Industry, Research and Energy		BUSQUIN Philippe (PSE)	31/01/2006
	Committee for opinion		Rapporteur for opinion	Appointed
	BUDG Budgets		XENOGIANNAKOPOULOU Marilisa (PSE)	20/09/2004
	CULT Culture and Education		RESETARITS Karin (ALDE)	23/01/2006
	Council of the European Union	Council configuration		Meetings
Competitiveness (Internal Market, Industry, Research and Space)		2731	2006-05-29	
Competitiveness (Internal Market, Industry, Research and Space)		2715	2006-03-13	
Environment		2773	2006-12-18	
European Commission	Commission DG		Commissioner	
	Research and Innovation		POTOČNIK Janez	

Key events			
Date	Event	Reference	Summary
23/12/2005	Legislative proposal published	COM(2005)0705 	Summary
01/02/2006	Committee referral announced in Parliament, 1st reading		

13/03/2006	Debate in Council		Summary
29/05/2006	Debate in Council		Summary
12/09/2006	Vote in committee, 1st reading		Summary
22/09/2006	Committee report tabled for plenary, 1st reading	A6-0304/2006	
29/11/2006	Debate in Parliament		
30/11/2006	Decision by Parliament, 1st reading	T6-0514/2006	Summary
30/11/2006	Results of vote in Parliament		
18/12/2006	Act adopted by Council after Parliament's 1st reading		
18/12/2006	Final act signed		
18/12/2006	End of procedure in Parliament		
30/12/2006	Final act published in Official Journal		

Technical information	
Procedure reference	2005/0277(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Repealed by 2011/0399(COD)
Legal basis	EC Treaty (after Amsterdam) EC 172-p2 EC Treaty (after Amsterdam) EC 167
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/6/33010

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Amendments tabled in committee		PE374.237	29/05/2006	
Amendments tabled in committee		PE374.248	29/05/2006	
Amendments tabled in committee		PE374.261	29/05/2006	
Committee opinion	CULT	PE374.025	23/06/2006	
Committee opinion	BUDG	PE374.186	23/06/2006	
Committee draft report		PE371.986	17/07/2006	
Committee report tabled for plenary, 1st reading/single reading		A6-0304/2006	22/09/2006	
Text adopted by Parliament, 1st reading/single reading		T6-0514/2006	30/11/2006	Summary
European Commission				

Document type	Reference	Date	Summary
Legislative proposal	COM(2005)0705 	23/12/2005	Summary
Commission response to text adopted in plenary	SP(2007)0054	11/01/2007	
Follow-up document	COM(2014)0686 	30/10/2014	Summary
Follow-up document	SWD(2014)0335 	30/10/2014	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES0956/2006	05/07/2006	

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

[Regulation 2006/1906](#)
[OJ L 391 30.12.2006, p. 0001](#)

[Summary](#)

[Corrigendum to final act 32006R1906R\(01\)](#)
[OJ L 242 22.09.2011, p. 0022](#)

Research RTD, 7th EC framework programme 2007-2013: participation of undertakings, research centres and universities

2005/0277(COD) - 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: participation of undertakings, research centres and universities

2005/0277(COD) - 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.

The Risk-Sharing Finance Facility (RSFF) 2007-2013 and its successor the InnovFin Large Projects, InnovFin MidCap Growth Finance and InnovFin MidCap Guarantee 2014-2020

To recall, the InnovFin Large Projects, InnovFin MidCap Growth Finance and InnovFin MidCap Guarantee aim is to improve access to risk finance for R&I projects carried out by a variety of promoters notably including medium and large midcaps, larger companies, **universities and research institutes**, R&I infrastructures and special-purpose vehicles located in Member States or in Associated Countries.

This instrument will help address riskier projects or sub-investment grade promoters carrying out RDI investments across all Horizon 2020's Societal Challenges. A particular approach is foreseen to address the financing needs of midcap companies (with employees between 500 and 3000 employees).

The results of the RSFF under FP7 covering from 2007 until 2013 showed the following:

- the total number of SMEs transactions is 602, which amounts to EUR 374.8 million committed to final recipients. Achieved impact of EUR 9 billion
- EU contribution: the 2007 -2013 contribution of EUR 960 million under the RSFF, whereas the 2014-2020 Union contribution of EUR 1 billion under the successor is expected to support debt financing of at least EUR 5 to 6.5 billion before the end of 2020
- 117 Research Development and Innovation (RDI) loan operations and 98 disbursed operations (EUR 9.556 billion). Achieved impact of EUR 10 billion

- Improving access to risk finance: supported new loans amount: EUR 11.313 billion for R&I projects.

Research RTD, 7th EC framework programme 2007-2013: participation of undertakings, research centres and universities

2005/0277(COD) - 18/12/2006 - Final act

PURPOSE: i) to lay down the rules for the participation of undertakings, research centres and universities in the 7th Framework Programme (2007-2013) and ii) to lay down rules for the dissemination of research results.

LEGISLATIVE ACT: Regulation 1906/2006/EC of the European Parliament and of the Council laying down the rules for the participation of undertakings, research centres and universities in actions under the Seventh Framework Programme and for the dissemination of research results (2007-2013).

CONTENT: this Regulation has been adopted alongside Decision 1982/20067/EC adopting the Seventh RT&D Framework Programme 2007-2013. See: [COD/2005/0043](#).

The purpose of this Regulation is to lay down the rules for the participation of undertakings, research centres, universities and any other legal entities, in actions undertaken by one or more participants through Funding Schemes as set out by the Seventh Framework Programme. It also lays down the rules on:

- results from the research programmes;
- direct or indirect utilisation of foreground in further research activities other than those covered by the indirect action concerned;
- developing, creating and marketing a product or process;
- creating and providing a service; and
- licences and user rights – referred to as “access rights”.

The provisions have been drafted so as to offer undertakings, research centres and universities a coherent, comprehensive and transparent framework. They have also been formulated so as to facilitate the exploitation of intellectual property developed by participants whilst taking account of the Community's interest in any subsequent IPR.

The Regulation also specifies the following points:

- The 7th Framework Programme will be implemented in accordance with State Aid rules.
- Confidential data will be governed by relevant Community legislation.
- Overseas countries and territories will be eligible to participate, as will legal entities established in third countries.
- Rules governing the use of independent experts will be established by the Commission.
- The Community's financial interests will be governed by the Financial Regulation and the Implementing Rules.
- The Community's financial contribution will reach participants without undue delay.
- Any Agreements concluded under the terms of this Regulation may be subject to on-the-spot checks carried out by the European Anti-Fraud Office (OLAF).
- The obligation for certain participants to take financial responsibility for their partners in the same consortium (as set out in the 6th Framework Programme) will be waived. Instead a “participant guarantee fund” will be established to cover costs which have not been reimbursed by defaulting partners.
- Community grants may be awarded to the EIB in order to allow for a larger volume of EIB lending. Financing may thus be given to risky RT&D projects.
- Financial support will be offered in the form of either: public procurement; grants; subscription to organisations in the form of a membership fee; or in the form of honoraria for independent experts.

As far as the upper funding limits are concerned the Community financial contribution may reach a maximum of 50% of the total eligible costs. However,

- a) in the case of non-profit public bodies, secondary and higher education establishments, research organisations and SMEs, it may reach a maximum of 75% of the total eligible costs;
- b) in the case of security-related research, it may reach a maximum of 75% for development capabilities in domains with very limited market size;

c) in the case of demonstration activities, the financial contribution may reach a maximum of 50% of the total eligible cost;

d) in the case of "frontier-driven" research actions, coordination and support actions, and actions for training and career development, the financial contribution may reach a maximum of 100% of the total eligible costs.

Non-profit public bodies, secondary and higher education establishments, research organisations and SMEs which are unable to identify their real indirect costs may opt for a flat-rate equal to 60% of the total direct eligible costs for grants awarded under calls for proposal closing before 1 January 2010.

ENTRY INTO FORCE: 2 January 2007.

Research RTD, 7th EC framework programme 2007-2013: participation of undertakings, research centres and universities

2005/0277(COD) - 29/05/2006

Council reached an agreement on a general approach for participation on the 7th framework programme, which applies to undertakings, research centres and universities. The general approach also covered the dissemination of research results. Parliament is still due to deliver its opinion in first reading.

The rules will stipulate conditions for participation as well as setting out the rights and obligations of legal entities wishing to take part in the 7th framework programme.

In March Council held preliminary discussions on the proposal which looked at the proposal from a broader perspective. Corresponding rules on participation in the 7th Euratom framework programme will be examined at a later stage.

Research RTD, 7th EC framework programme 2007-2013: participation of undertakings, research centres and universities

2005/0277(COD) - 30/11/2006 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution drafted by Philippe **BUSQUIN** (PES, BE) amending the proposed regulation on rules for the participation of undertakings, research centres and universities in actions under the 7th Framework Programme and for the dissemination of research results. After the adoption of the report in committee on 12 September 2006, a compromise was negotiated between the rapporteur, the shadow rapporteurs and the Council.

A number of amendments were designed to achieve greater simplification of the rules of participation. They clarified certain concepts and definitions, such as "legal entity", "affiliated entity", "fair and reasonable conditions" and "participant". Parliament also introduced certain principles for evaluation, and selection and award criteria set out in the specific programme and the work programme. For the "Cooperation" programme, the criteria are as follows: scientific and/or technological excellence; relevance to the objectives of these specific programmes; the potential impact through the development, dissemination and use of project results; and the quality and efficiency of the implementation and management. For the "People" programme, certain other criteria would be used, such as: quality and implementation capacity of the proposers (researchers/organisations) and their potential for further progression; and quality of the proposed activity in scientific training and/or transfer of knowledge.

For support for "frontier" research actions under the "Ideas" Programme the sole criterion of excellence will apply. For coordination and support actions, project-related criteria may apply.

The terms of the compromise state that the Commission shall adopt and publish rules governing the procedure for the submission of proposals, as well as the related evaluation, selection and award procedures and publish guides for applicants including guidelines for evaluators. In particular, it shall lay down detailed rules for the two-stage procedure for submission (including as regards the scope and nature of the first stage proposal as well as those of the complete second stage proposal), and rules for the two-step evaluation procedure. The Commission shall provide information and set out redress procedures for applicants. It must also establish and publish guidelines on the main issues that may be addressed by participants in their consortium agreements, including provisions on promoting the participation of SMEs.

Other amendments concern the following:

- for security-related research and technological development activities, the Community financial contribution may reach a maximum of 75% in the case of the development of capabilities in domains with very limited market size and a risk of "market failure" and for accelerated equipment development in response to new threats;

- several additions and amendments were made to the risk avoidance mechanism. The financial responsibility of each participant shall be limited to its own debt, but the Commission must establish and operate a participant Guarantee Fund in accordance with the Annex. The contribution to the Fund by a participant to an indirect action taking the form of a grant shall not exceed 5% of the Community financial contribution due to the participant. At the end of the action the amount contributed to the Fund shall be returned to the participant, via the coordinator. However, if the interests generated by the Fund are insufficient to cover sums due to the Community, the Commission may deduct from the amount to be returned to a participant a maximum of 1% of the Community financial contribution to it;

- Parliament clarified the role of coordinator and the concepts of direct and indirect eligible costs;
- non-profit public bodies, secondary and higher education establishments, research organisations and SMEs which are unable to identify with certainty their real indirect costs for the action concerned, when participating in funding schemes which include research and technological development and demonstration activities, as referred to in Article 33, may opt for a flat-rate equal to 60% of the total direct eligible costs for grants awarded under calls for proposals closing before 1 January 2010. For grants awarded under calls closing after 31 December 2009, the Commission must establish an appropriate level of flat rate which should be an approximation of the real indirect costs concerned but not lower than 40%. This will be based on an evaluation of participation by non-profit public bodies, secondary and higher education establishments, research organisations and SMEs which are unable to identify with certainty their real indirect costs for the action concerned;
- the certification on the financial statements, where the compromise agreed reflects common goal of Parliament and Council to simplify and limit the number of certificates;
- "European" affiliates established in a Member State or associated country will enjoy access rights if they are needed to use their own foreground under the same conditions as the participant to which they are affiliated.

Research RTD, 7th EC framework programme 2007-2013: participation of undertakings, research centres and universities

2005/0277(COD) - 23/12/2005 - Legislative proposal

PURPOSE : to lay down the rules for the participation of undertakings, research centres and universities under the 7th Framework Programme (2007-2013) and for the dissemination of research results.

PROPOSED ACT : Regulation of the European Parliament and of the Council.

CONTENT : this proposal is being presented within the context of the seventh framework programme, which was adopted in April 2005. Its purpose is to establish the "Rules for Participation" in the programme. In preparing this proposal the Commission has sought to simplify as much as possible, the Rules in line with the Commission Staff Working Paper "Simplification in the 7th Framework Programme". The proposal is based on Article 167 of the Treaty, which foresees the adoption of rules for participation and relates to undertakings, research centres and universities. This article also refers to the rules of disseminating results.

The current proposal contains four chapters.

- The first being introductory provisions. Here the Articles refer largely to the subject matter, definitions and confidentiality clauses.
- The second Chapter deals with "participation in indirect actions". This Chapter sets the minimum conditions which need to be fulfilled prior to participation. It also establishes procedures such as the minimum number of candidates needed to participate, their place of establishment, proposal submissions and evaluation, the implementation of grant agreements, the monitoring of projects and programmes, the Community's financial contribution, eligibility for funding and the kind of grants, reimbursement rates, payment, distribution, recovery and guarantees offered by the EU.
- The third Chapter concerns the European Investment Bank.
- The fourth Chapter deals with "Rules for dissemination and use and access rights". In other words it covers all aspects of ownership, protection of rights, publications, dissemination and use and access rights to the research.

As far as the minimum number of participants is concerned the proposal suggests that this be dependant on where the participants are established and according to the type of action being financed. Legal entities established in Associated countries may participate on the same basis as those established in the Member States. In addition the new Rules set out the procedures to be followed for issuing calls for proposals, the exception to calls for proposals, rules on their submission, evaluation, selection and their award. Additional procedures are spelt out for the appointment of external experts.

As far as the evaluation process is concerned the Commission proposes to continue with the current internal rules without substantial changes. Greater use will be made of remote evaluation where possible. Other features of the proposal include:

- Accepting the use of electronic submissions. A single registration system comprising a common database for all Commission services should help significantly.
- The establishment of a model grant in which the rights and obligations of participants and the Community are spelt out. The grant agreement will come into force upon signature by the co-ordinator and Commission authorising officer.
- As with the 6th FP, participants will be required to conclude consortium agreements, except where exempted by the call for proposals. However, many of the new provisions relating to intellectual property should make it easier to establish consortiums.
- Participants eligible for Community funding are listed in the sub-section on Community financial contribution.

- Proposing three forms of grants. They are the reimbursement of eligible costs, lump sums and flat-rate financing. The use of lump sums and flat rate financing will be introduced gradually and, if successful, will be used more extensively over time.
- For the proposed "Frontier Research Actions", the European Research Council's Scientific Council will propose appropriate funding modalities.
- The Commission has decided to abandon the three cost reporting models used in previous Framework Programmes. Instead the definition of "eligible costs" has been simplified.
- The Community's financial contribution will cover a maximum of 50% of eligible costs minus receipts both for research and for demonstration activities.
- For SME's, public bodies, secondary and higher education establishments and non-profit organisations there will be a top up of a maximum of 25% for research activities.
- Frontier Research Actions would be reimbursed at 100% of all entities.
- All other activities, including those relating to co-ordination and support actions and actions for the training and career development of researchers would be reimbursed at up to 100% for all entities.
- A lump sum is proposed for Networks of Excellence
- The Commission has decided to do away with the principle of financial collective responsibility in order to secure greater SME participation.
- Bank guarantees will only be requested in rare cases, where pre-financing represents over 80% of the grant.
- As far as the ownership and protection of rights are concerned the Commission has strayed little from the 6th FP. There has been some fine tuning of the procedures based largely on experience gained over the implementation of the previous programme. The main changes made relate to:
 - removing most of the obligation on participants to finalise conditions before they can sign an EU contract and
 - removing most of the obligations requiring prior approval from the Commission for publication, transfers of ownership and provisions of access rights to third parties.
- For Joint Ownership, a default regime is being proposed in order to facilitate the exploitation of jointly owned results in the absence of a clear agreement between the parties

Information on projects funded will be provided to the Programme Committee but their role in approving individual projects has been removed. This will eliminate the need for a Commission decision for each project selected for funding. Such a measure, it is hoped, will speed up the "time to contract" process. Programme Committees will, however continue with their important role of reviewing and approving work programmes and other major policy issues.

Lastly, the Commission proposes to make further efforts to guarantee that information will be as clear and accessible as possible. The number and size of documents is to be reduced and consolidated. Duplication of information will be avoided. In addition the Commission will continue to be assisted by an IPR helpdesk.

Research RTD, 7th EC framework programme 2007-2013: participation of undertakings, research centres and universities

2005/0277(COD) - 13/03/2006

The Council held an exchange of views on five of the seven specific programmes proposed for implementing the 7th research framework programme (FP7). It also took note of a progress report, followed by an exchange of views, on the rules for participation of undertakings, research centres and universities in actions under FP7.

The Council instructed the permanent representatives committee to continue the examination of the Commission proposals bearing in mind the guidance given by the Council and in the light of the opinions that will be delivered by the European Parliament and the outcome of the ongoing discussions on the long-term financial perspective.

The debate took place on the basis of compromise proposals for the following specific programmes: "Cooperation": collaborative research; "Ideas": establishment of a European Research Council (ERC); two programmes for direct actions to be carried out by the Joint Research Centre; "Euratom": for nuclear research and training activities.

The debate focused on the following: the ethical principles that apply in respect of the eligibility of projects to be funded under FP7; the broad principles governing the management and implementation of the specific programmes; questions related to the implementing structure for the ERC.

Following the exchange of views a large degree of consensus was reached on the abovementioned specific programmes.

To recall, the Council, at its meeting on 28 November 2005, reached agreement on a partial general approach on FP7 for research, technological development and demonstration activities for the years 2007 to 2013, including the separate "Euratom" decision (which runs until 2011).

The remaining specific programmes, "People" (human resources) and "Capacities" (potential research capacities of small and medium enterprises), will be examined at a later stage.

As far as the rules for participation are concerned, the exchange of views on the draft regulation laying down rules for the participation of undertakings, research centres and universities in actions under FP7 and for the dissemination of research results (2007-2013), took place on the basis of a report prepared by the presidency reflecting the current state of play.