Basic information

2011/2043(INI) INI - Own-initiative procedure	Procedure completed
Seventh EU programme for research, technological development and demonstration **Subject** 3.50.02.01 EC, EU framework programme	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ITRE Industry, Research and Energy	AUDY Jean-Pierre (PPE)	09/12/2010
	Shadow rapporteur THOMSEN Britta (S&D) EK Lena (ALDE) LAMBERTS Philippe (Verts/ALE) FORD Vicky (ECR) MATIAS Marisa (GUE/NGL)	

Committee for opinion	Rapporteur for opinion	Appointed
BUDG Budgets	HAGLUND Carl (ALDE)	07/02/2011
REGI Regional Development	The committee decided not to give an opinion.	
LIBE Civil Liberties, Justice and Home Affairs	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
Competitiveness (Internal Market, Industry, Research and Space)	3074	2011-03-09

European Commission

Commission DG	Commissioner
Research and Innovation	GEOGHEGAN-QUINN Máire

Key events

Date	Event	Reference	Summary
09/03/2011	Debate in Council		Summary
10/03/2011	Committee referral announced in Parliament		
12/04/2011	Vote in committee		Summary
18/04/2011	Committee report tabled for plenary	A7-0160/2011	
06/06/2011	Debate in Parliament		
07/06/2011	Results of vote in Parliament		
08/06/2011	Decision by Parliament	T7-0256/2011	Summary
08/06/2011	Results of vote in Parliament		
08/06/2011	End of procedure in Parliament		

Technical information

Procedure reference	2011/2043(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Implementation
Legal basis	Rules of Procedure EP 55
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/7/05244

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE458.539	23/02/2011	
Amendments tabled in committee		PE460.952	22/03/2011	
Amendments tabled in committee		PE462.545	24/03/2011	
Committee opinion	BUDG	PE458.822	31/03/2011	
Committee report tabled for plenary, single reading		A7-0160/2011	18/04/2011	
Text adopted by Parliament, single reading		T7-0256/2011	08/06/2011	Summary

European Commission

Document type	Reference	Date	Summary

For information	COM(2011)0052	09/02/2011	
Commission response to text adopted in plenary	SP(2011)8071	24/10/2011	

Seventh EU programme for research, technological development and demonstration

2011/2043(INI) - 09/03/2011

The Council adopted the conclusions on the interim evaluation of the EU's Seventh Framework Programme (FP7) for research activities (2007-2013), including the risk-sharing finance facility, and it puts forward the following considerations:

European Research Area (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. A balanced division of labour between what is done at EU, national and regional levels is needed. 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. 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 European research and innovation landscape.

Research infrastructures (RIs): these 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 specific goals of the related policies, such as Cohesion policy and the Joint Programming Initiatives. 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.

Research and innovation strategy: a well articulated 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.

Simplification: the Council agrees with the need for a "quantum leap" in simplification. It recalls its conclusions of 12 October 2010 requesting removal of 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 follow-up other aspects raised in previous Council conclusions, including the urgent need to reduce time-to-grant period as well as the need to accept the usual accounting practice of 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 as an opportunity to contribute to a common strategic framework with harmonised conditions for research, including 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.

Funding: the mix of funding measures in FP7 should strike a right balance between bottom-up and top-down approaches to research. 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.

Instruments: 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;

Female participation: 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;

Low participation: 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. Synergies 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 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.

International cooperation: the opening of FP7 to international cooperation has been of great value. As other regions rapidly strengthen their research and innovation capacities, the ability of European research and innovation to link up with other regions, markets, and research and innovation agendas and to cooperate on innovative solutions becomes increasingly important. Efficiency and added value of 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), 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 talent and also that special attention should be given to the management and protection of IPR.

Risk-Sharing Finance Facility: 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 million (including EUR 250 million for RSFF in the 2011 EU budget) for the period 2011-2013 under the conditions provided in the FP7 Decision. The Council calls on the Commission, in liaison with the European Investment Bank, urgently to examine ways 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 RSFF.

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 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 objectives of the Innovation Union and the Europe 2020 strategy.

Seventh EU programme for research, technological development and demonstration

2011/2043(INI) - 08/06/2011 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution on the mid-term review of the Seventh Framework Programme of the EU for research, technological development and demonstration activities.

It welcomes the quality of the expert reports on the interim evaluation of FP7 and of the risk-sharing finance facility, but points out that the evaluation did not cover the overall picture made up of the actions of Member States and those of the EU. Members criticise the delay on the part of the Commission in publishing its Communication, which was due in 2010, and they regret weaknesses in the communication in view of the current economic crisis situation, and the sums remaining to be committed under the FP7 (EUR 28.8 billion over three years). They note that the majority of FP7 funds have not yet been allocated, projects that have been initiated are still under way and others funded under the FP7 will run beyond its term.

(1) Results of FP7: despite the fact that Europe continues to lag behind the US and is losing the lead it had over the emerging economies, the results achieved by FP7 tend to demonstrate a European added-value with regard to R&D in Europe. The resolution calls, however, on the Commission to step up its efforts in communicating the successful results to Member States, the scientific community and European citizens. It deplores the lack of a method for evaluating how far projects funded by FP7 have advanced scientific knowledge, and calls for increased communication efforts regarding FP7. Whilst welcoming the level of participation and excellence in project selection, Members regret that the success rate under this programme generally remains quite low and is a disincentive to apply, particularly for SMEs. They believe that simplification of administrative and financial rules, as well as projects and procedures that better fit SMEs' needs could improve this situation. The resolution goes on to make some observations and recommendations on the specific programmes. It deplores the fact that research funding is still very fragmented in Europe, and asks the Commission and the Council to put the **issues of cooperation and coordination** between the various EU and national programmes at the top of the agenda.

(2) Participation in FP7: Parliament stresses that **industry's participation** rates do not appear any higher than in previous FPs, particularly under the 'Cooperation' chapter, and it calls on the Commission to carry out a detailed analysis of the Programme's capacity to better leverage private sector investment. It welcomes the results of FP7 in favour of SMEs, as regards both the SME-support measures in the 'Capacity' chapter, the 'Eurostars' programme and the 15% target set in the 'Cooperation' chapter. However, Members call for issuing more non-thematic calls for SMEs, opening more often a call for proposals for SME specific activities, further simplifying the rules and shortening the time-to-grant periods. SME's should be more actively involved in the process of exploiting the results achieved.

Members also note with concern the **relatively modest participation of certain Member States in FP7**, and stress the need for a better coordination, coherence and synergy between FP7 and the Structural and Cohesion Funds, as well as a better use of the People programme.

They believe that by using the Structural Funds to strengthen research infrastructure and foster capacity building in research and innovation, all Member States can be enabled to reach a higher level of excellence (stairway to excellence).

Parliament welcomes the steady but timid progress towards a **more balanced gender participation in FP7**, and calls on the Commission to establish a cross-cutting committee to monitor and advice on the representation of female researchers and to develop a Gender Action Plan.

(3) Financing: Parliament takes the view that **the level of financing of FP7, which is credible and necessary, must at least be maintained** in order to meet the great societal challenges, and that FP7 spending, as well as the overall research orientation, should be aligned as far as possible with the overarching policy objectives set out in the Europe 2020 strategy. It calls on the Commission to consider the possibility of establishing a binding interim level of funding for research and technological development amounting to **around 1% of GDP by 2015**.

(4) Role of innovation: Parliament states that research is the process of converting economic power into knowledge, while innovation is the reverse process of transforming knowledge into economic power. In this regard, Members consider that, in order for research and innovation programmes to have a clear impact on the market and society, **actions should be devised that enable the optimum exploitation and commercialisation of research results**, such as addressing the potential of commercialisation of research results in specific calls or in evaluation criteria in particular areas. They call on the Commission to start financing demonstration, pilot and proof-of-concept projects before the end of FP7 and to consider a financing system to award successful projects and support their introduction on the market to complement the current up-front financing.

Parliament also considers that a **better relationship between the academic, research and industrial worlds** is essential for research results to be better converted into products and services generating economic growth and benefits for the society as a whole. The resolution also calls for close coordination between FP7, the CIP and Structural Funds. Both FP7 and the future FP8 should make a greater contribution to the **development of industry in Europe**, and the report calls on the Commission and the Member States to encourage applied research.

(5) Follow-up to simplification measures: Parliament is concerned by the excessive administrative burden of FP7. It encourages the Commission to:

- explore further simplification measures, including contributions in kind by applicants, as well as a further alignment with calculation and accounting methods used in national funding systems;
- take urgent measures to significantly shorten the time from application to grant, reduce bureaucratic procedures for preparing, submitting and assessing project (including through the use of an **EU application portal** based on the equivalent U.S. model), reduce the number of periodic financial status reports and auditing documents per reporting period, and find a better balance between research risk and control.

(6) Risk-Sharing Finance Facility (RSFF): Members consider that the RSFF has acted as a decisive lever in both qualitative and quantitative terms in increasing investment in RDI at a moment of crisis when the banking sector was no longer in a position to play this role, its first years resulting in EUR 8 billion in loans, generating more than EUR 20 billion in investment. They express regret that RSFF projects are only running in 18 EU Member States and two associate countries, and that SMEs, universities/research bodies and research facilities are currently under-represented in the RSFF, calling on the Commission to assess the reasons why the nine other EU Member States have not used this new facility. The resolution recommends that application of this innovative financial instrument be intensified in FP7 and for the future in FP8, since it contributes to improving access to finance and leveraging private investment. Members stress the need to ensure that these financial instruments are suitable for SMEs.

In conclusion, Members call for the use of FP7 to take account of the different consequences in each Member State of the economic crisis for the final years of the programme (2011-2013), given the considerable sums (EUR 28.8 billion over three years) still to be programmed, the objectives to be achieved for EU 2020 and preparation for a European Research Area and the Innovation Union. The resolution stresses the need to enhance the financing of research in the Union through a **significant increase in relevant expenditure from 2013 onwards**. The increase of funding, ideally by doubling the budget, must be coupled with a more result-oriented, performance-driven approach and with a radical simplification of funding procedures.