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REPORT

on the mid-term review of the Seventh Framework Programme of the European Union for research, technological development and demonstration activities (2011/2043(INI))

Committee on Industry, Research and Energy

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United in diversity

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the mid-term review of the Seventh Framework Programme of the European Union for research, technological development and demonstration activities (2011/2043(INI))

The European Parliament,

- having regard to the Treaty on European Union (TEU) and the Treaty on the Functioning of the European Union (TFEU), in particular the articles relating to research,
- having regard to the decision of the European Parliament and of the Council of 18 December 2006 concerning the 7th Framework Programme of the European Community (*or European Union, since the Treaty of Lisbon*) for research, technological development and demonstration activities (2007-2013)¹,
- having particular regard to Article 7 of the above decision on monitoring, evaluation and review of FP7,
- having regard to Article 182(2) TFEU on adaptation of the framework programme as the situation changes,
- having regard to the Commission communication of 9 February 2011 entitled ‘Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the Response to the Report of the Expert Group on the Interim Evaluation of the 7th Framework Programme for Research, Technological Development and Demonstration Activities and to the Report of the Expert Group on the Interim Evaluation of the Risk-Sharing Finance Facility’ (COM(2011)0052),
- having regard to the conclusions of the Interim Evaluation of the Seventh Framework Programme for Research Activities (FP7), including the risk-sharing finance facility, by the 3074th EU Council meeting on competitiveness (Internal Market, Industry, Research and Space) of 9 March 2011,
- having regard to the final report of the Expert Group ‘Interim Evaluation of the 7th Framework Programme’ of 12 November 2010,
- having regard to its resolution of 11 November 2010 on simplifying the implementation of the Research Framework Programmes²,
- having regard to the report of the Expert Group ‘Evaluation of the Sixth Framework Programmes for Research and Technological Development 2002-2006’ of February 2009,
- having regard to the report of the Committee of Experts ‘Towards a world class Frontier Research Organisation - Review of the European Research Council’s Structures and

¹OJ L 412, 30.12.2006, p. 1.

²Texts adopted on that date, P7_TA(2010)0401.

Mechanisms' of 23 July 2009,

- having regard to the report of the Group of Independent Experts 'Mid-Term Evaluation of the Risk-Sharing Financial Facility (RSFF)' of 31 July 2010,
- having regard to the report of the Committee of Experts 'First Interim Evaluation of the Innovative Medicines Initiative Joint Undertaking' of 20 December 2010,
- having regard to the report of the Committee of Experts 'First Interim Evaluation of the ARTEMIS and ENIAC Joint Technology Initiatives' of 30 July 2010,
- having regard to the independent panel report 'Interim Evaluation of the Ambient Assisted Living Joint Programme' of December 2010,
- having regard to the opinion of the Committee of the Regions, adopted at its plenary session held on 27 and 28 January 2011, on simplifying the implementation of the Research Framework Programmes,
- having regard to its resolution of 20 May 2010 on the implementation of the synergies of research and innovation earmarked Funds in Regulation (EC) No 1080/2006 concerning the European Fund of Regional Development and the Seventh Framework Programme for Research and Development in cities and regions as well as in the Member States and the Union¹,
- having regard to Special Report No 9/2007 of the European Court of Auditors of 22 November 2007 concerning 'Evaluating the EU Research and Technological Development (RTD) framework programmes – could the Commission's approach be improved?',
- having regard to Special Report No 8/2009 of the European Court of Auditors on networks of excellence and integrated projects in Community research policy,
- having regard to Special Report No 2/2010 of the European Court of Auditors on the effectiveness of the Design Studies and Construction of New Infrastructures support schemes under the Sixth Framework Programme for Research,
- having regard to the opinion of the European Economic and Social Committee of 15 September 2010 on the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions 'Simplifying the implementation of the research framework programmes',
- having regard to Rule 48 of its Rules of Procedure,
- having regard to the report of the Committee on Industry, Research and Energy and the opinion of the Committee on Budgets (A7-0160/2011),

A. whereas the 7th Framework Programme of the European Community for research,

¹ Texts adopted on that date, P7_TA(2010)0189.

technological development and demonstration activities (FP7) is the largest research support instrument in the world and represents the primary tool of European Union research policy,

- B. whereas it is necessary to allow for developments resulting from the mid-term review of FP7 in the light of the numerous changes that have taken place since it was negotiated and adopted in 2006 (new institutions, new political bodies, economic crisis), and also given the scale of the financial sums available between now and when it ends,
- C. whereas the Treaty of Lisbon introduces achievement of the European research area as a specific medium of European policy,
- D. whereas the Europe 2020 strategy makes research and innovation central to smart, sustainable and inclusive growth,
- E. whereas research is the process of converting economic power into knowledge, while innovation is the reverse process of transforming knowledge into economic power,
- F. whereas the EU and its Member States must give themselves the means to respond jointly to the major societal, economic, environmental, demographic and ethical challenges facing the peoples of Europe, such as demographic ageing, health, food supply, sustainable development, the major environmental challenges etc., and whereas the resulting solutions must motivate individuals to shoulder greater responsibility for their actions,
- G. whereas investment in RDI is the best possible long-term response to the current economic and financial crisis, enabling the EU to become a society with skills that are competitive at world level,
- H. whereas Europe is competing with economic powers such as China, India, Brazil, Australia, United States of America, and Russia, and whereas our capacity to unite and coordinate our efforts, particularly in research, between the European Union and the Member States very largely determines our economic competitiveness, and hence the possibility of financing our social ambitions and meeting our commitments concerning the wellbeing of Europe's citizens and the protection of the environment,
- I. whereas R&D expenditures in Europe is low compared with other global powers, among others due to a lack of private investment and innovation friendly framework conditions; whereas the attractiveness of FP7 for the industrial sector and the use of research for the benefit of the economy are thus not fully demonstrated; whereas beyond the sums involved, there is also a clear need for better coordination and co-financing between the Union, the Member States, and the regions, with full respect for the specificities and the ethical options made by the Member States,
- J. whereas only a relatively low level of public investment in RDI is the subject of European cooperation,
- K. whereas 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,

- L. whereas FP7 should be modelled on the same general principles as European Research Area (ERA),
 - M. whereas, of the EUR 54.6 billion in the programme, 25.8 billion have been committed over the first four years (2007 to 2010), i.e. 6.5 billion a year on average, and 28.8 billion remain to be committed over the last three years (2011 to 2013), i.e. 9.6 billion a year on average,
 - N. whereas the years 2011 to 2013 are fragile years, requiring immediate particular attention with regard to competitiveness and social cohesion factors, of which research and innovation are essential components,
 - O. whereas complexity of administrative management, considerable red tape, bureaucracy, lack of transparency, inefficiency and unjustified delays remain major handicaps for FP7 and provide important disincentives for researchers, industry and SMEs from participating in the programme and therefore achieving a quantum leap in simplification should be one of the highest priorities,
 - P. whereas the target of participation of 40 % women researchers in FP7 is ambitious and the right target; whereas the current female participation of researchers in FP7 research projects is a disappointingly 25.5 %,
1. Welcomes the quality of the expert reports on the interim evaluation of FP7 and of the risk-sharing finance facility, covering the quality of activities, implementation and the results obtained, despite the general nature of the remit given to the expert groups; points out, however, that the evaluation did not cover the overall picture made up of the actions of the Member States and those of the Union;
 2. Fails to understand the delay on the part of the Commission, which published its communication on 9 February 2011 although it had an obligation to do so no later than 2010, and regrets the weakness of the Commission communication in view of current challenges, particularly the current economic crisis situation, the sums remaining to be committed under the FP7 etc.;
 3. Asks the Commission to follow up in particular the ten specific recommendations made by the expert group;
 4. Underlines the relative nature of the conclusions drawn by the interim evaluation, seeing 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;

Results of FP7

5. Takes the view that, 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; however, calls on Commission to step up its efforts in communicating the successful results to Member

States, the scientific community and European citizens;

6. Deplores the lack of a method for evaluating how far projects funded by FP7 have advanced scientific knowledge;
7. Calls on the Commission and the Member States to boost up their communication efforts regarding FP7 (including through the use of new technologies, such as smart research information services), facilitating access to information on participation, announcing forthcoming research challenges, and disseminating of research findings; supports the Commission's initiatives to promote open access to the results of publicly funded research, where relevant and feasible in relation to intellectual property rights;
8. Welcomes the level of participation and excellence in project selection; regrets, however, that the success rate under this programme generally remains quite low and is a disincentive to apply, particularly for SMEs, which play an important role in turning research results in products and services; believes that simplification of administrative and financial rules, as well as projects and procedures that better fit SMEs' needs could improve this situation;
9. Notes that an ever-growing number of objectives and themes covered and diversification of instruments has widened the scope of FP7 and reduced its capacity to serve a specific European objective;
10. Approves the strengthening of the 'Cooperation' specific programme, which remains relevant given current scientific and technological challenges; stresses its role in developing RDI critical mass of a kind not achievable at national/regional level, thus demonstrating European added-value; believes that collaborative transnational research should remain a priority; recommends implementation of the 'Future and Emerging Technologies' scheme and extension of the use of 'roadmaps' to all thematic areas; asks for more flexibility in setting call themes and financial thresholds and ceilings, making a distinction between large and small projects; underlines that the current Cooperation programme is too narrow and the topics often too specific to address grand societal challenges; recommends that the next framework programme provides for calls with a broader thematic scope;
11. Stresses that wider interdisciplinary perspectives will also be needed to tackle the growing societal challenges effectively; underlines that social sciences and humanities play a vital role in answering the grand challenges that the EU is facing; regrets that the very specific and narrow calls in the Cooperation chapter on socio-economic sciences and humanities makes it very difficult to make new and innovation research in this area;
12. Proposes that, in order to meet the EU 2020 strategy objectives, research supported by FP7 be focussed towards addressing EU's most pressing challenges within the sectors identified in the 'Cooperation' chapter of FP7: health (including clinical and preventive research and medical technologies), food and biotechnology (including food safety), ICT, nanosciences and nanotechnologies, energy (including energy efficiency, smart grids, renewable energy, CCS, the SET-PLAN and the use of biogas), environment (including climate change, water, soil, woods and forests), sustainable transport, socio-economic sciences and humanities, space and security;

13. Proposes the reinforcement of collaborative research such as the activities funded in the specific programme ‘Cooperation’; calls for the possibility of forming smaller and medium sized projects and partner consortia that allow efficient coordination, in addition to strengthening scientific excellence; stresses that the collaborative research approach must remain the core element of the Framework Programme;
14. Welcomes, in the ‘Ideas’ chapter, promising results obtained by the European Research Council (ERC) and its role aimed at enhancing the visibility and attractiveness of European research; regrets the lack of private sector participation and involvement in the ERC; calls on the Commission to increase funding for the ERC (which will also increase the success rate), as well as to assess the options for further improving its structures and mechanisms, including making the ERC an independent legal entity with decision-making power, directly responsible for its own scientific strategy and administrative management, which could also be used as a pilot for greater independence of other funding agencies for R&D and innovation; supports greater transparency in the process of the appointment of the Scientific Council and in the composition of the review panels; recommends that the ERC retains a strong support for individual excellent scientists; however, calls on the ERC to also provide a possibility for support of team-based projects, always provided that such projects are formed through bottom-up processes;
15. Supports, within the framework of the ‘People’ chapter, the Marie Curie Actions, which are of great value to researchers in their career, secure individualised bottom-up research within a very broad range of topics, put an end to the ‘brain drain’, make research careers more attractive to very promising young researchers both from Europe and third countries; with a view to the relatively high oversubscription, recommends that the Marie Curie programme for mobility is continued with extended resources within FP7 to further enhance the possibilities for mobility of researchers and PhD students (including between academia and private sector or between Member States, for example by introducing a research voucher scheme with money for research following the researchers); however believes that within the Marie Curie Actions there is also room for simplification within the number of actions; regrets that most of the scientific work carried out within EU is still done under precarious working conditions;
16. Considers that in order to increase the human resources dedicated to research in Europe, it is necessary to make professional careers in this field more attractive by eliminating administrative barriers and recognising merit and training time and work at any research centre; to this end, encourages the Commission and Member States to establish a common system to evaluate the researchers’ excellence and career, as well as to assess universities’ performance; reaffirms the importance of investing in education, training and skills development and complementing the linkages between education, research and innovation;
17. Voices concerns regarding the heterogeneous nature of the objectives of the ‘Capacities’ chapter and the difficulties that result, notably with regard to international cooperation and the progress on the major Research Infrastructures (ESFRI); considers that there is a clear need for actions in favour of SMEs and innovative SMEs and calls on the Commission to at least maintain these actions and the budget associated with them, while taking steps to improve their implementation; considers that the ERA-NET and ERA-NET+

‘Infrastructure’ projects and the initiatives based on Article 185 fulfil their role aimed at structuring the European Research Area (ERA);

18. Acknowledges that ‘Joint Technological Initiatives’ (JTIs) assist the competitiveness of European industry; regrets the legal and administrative obstacles (legal personality, financial rules and in some cases also intellectual property), which may discourage a large number of key research actors and SMEs from participating; also regrets the heterogeneous governance and legal structures and the high operating costs specific to start-up of JTIs; calls on Member States to fulfil their obligations once they have agreed to co-fund JTIs; calls on the Commission to simplify rules and funding rates for similar categories of participants in all JTIs following the FP7 model, including national co-funding; asks to be more closely involved in the political oversight of these instruments in particular for ensuring an adequate balance of participation and of activities; underlies that these initiatives should not lead to the outsourcing of public funding and should remain within the legal boundaries concerning state aid and pre-competition;
19. Asks the Commission to give Parliament clear and detailed information on the functioning of JTIs, stating in each case their legal status, the people who make up the governing board, and activities undertaken;
20. Recognises the more systematic use of overly open calls for proposals (bottom-up approach) to ensure a long-term capacity for research; stresses the need, however, to maintain the balance between the two approaches (bottom-up and top-down), which each meet specific needs; stresses the need to consult and work together with the researchers, the industry and civil society actors, in order to set the research agendas;
21. Believes that given, notably, the EU 2020 strategy and the objective of ‘intelligent growth’, it is necessary to identify common research areas among those which appear most promising in terms of concrete applications enabling the highest extent of sharing in an ethical context; points out that such areas could form part of a common research platform financed by the EU and supported by a common network for data exchange, which should be treated as being of major importance and priority interest;
22. Deplores the fact that research funding is still very fragmented in Europe, with multiple sources of funding from the Member States and the Community applying different priorities, evaluation criteria, definitions and procedures, leading to unnecessary overlap, confusion, error and lack of critical mass; 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; calls on the Commission to carry out an analysis to improve the link between European and national actions, including possible coordination in the phases of formulating calls for proposals and evaluating projects, as well as the identification of national rules or laws that hinder or complicate the financial management of international research cooperation projects; asks that calls for proposals, including those of July 2011, be issued in consultation with the Member States, not duplicating or competing with national initiatives but complementing them; in this respect, considers that the ERA-Net scheme should be strengthened as a tool to support excellence and the development of criteria for quality indicators which constitutes the basis for coordination between programmes or joint ventures; suggests that FP7 should complement the efforts of actors

managing national programmes involved in joint programming in order to move the RDFPs away from project management thinking towards programme management thinking, but without neglecting the management of small projects; believes that for Joint Programming to be successful, projects should be selected on the basis of excellence, tailored to the characteristics of each sector, the coordinating role of the Commission should be strengthened, and participating Member States should honour their financial commitments; asks that the last three years of FP7 be devoted to helping structure the European Research Area;

23. Is sceptical about the fact that it is frequently only possible to fund one - and only one - proposal per call, which leads to a waste of the resources invested in preparing and evaluating excellent proposals and the non-funding of some excellent ideas; calls on the Commission to explore the possibility of funding excellent, non-selected research proposals, through an additional research budget (matching research funds) to which Member States, regional and structural funds and the private sector will contribute;
24. Underlines the importance of the direct actions of the Joint Research Centre and their contribution to sustainable development, competitiveness and the security and safety of nuclear energy;
25. Recognises the importance of the BSI (Black Sea Interconnection) project in terms of creating a regional research and education network in the greater Black Sea area and linking it to GEANT, and calls on the Commission to continue to support research projects in the BSR (Black Sea Region) such as HP-SEE, SEE-GRID, SCENE, CAREN and BSRN;
26. Calls on the Commission to ensure, in the context of FP7 and the future financial framework, an appropriate level of R&D funding for Global Navigation Satellite System (GNSS) applications and services;
27. Stresses that all research conducted within the FP7 must be conducted in accordance with fundamental rights as expressed in the European Charter; therefore, strongly urges the Commission to immediately make all documents related to INDECT (a research project funded by the FP7 aimed at developing an automated observation system that constantly monitors web sites, surveillance cameras and individual computer systems) available and to define a clear and strict mandate for the research goal, the application and the end users of INDECT; stresses that before a thorough investigation on the possible impacts on fundamental rights is made, INDECT should not receive funding from the FP7;

Participation in FP7

28. Stresses that industry's participation rates do not appear any higher than in previous FPs, particularly under the 'Cooperation' chapter; thus calls on the Commission to carry out a detailed analysis of the Programme's capacity to better leverage private sector investment;
29. Believes that the procedures of competitive calls for additional partners should be based on the basic premise that the companies and researchers involved have the deepest knowledge of the project and which partner it needs best and that, rather than forcing them to follow the ranking lists of the evaluation experts, the Commission should evaluate a

written justification of the consortium's choice;

30. 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; in order to further facilitate SME participation, calls for issuing more non-thematic calls for SMEs, opening more often a call for proposals for SME specific activities (or having a permanently open call), further simplifying the rules (including the rules for the 'Eurostars' programme) and shortening the time-to-grant periods; recommends that SMEs are more actively involved in the process of exploiting the achieved results;
31. Believes that the participation of young scientists in project teams in the context of collaborative research activities by industry and science organisation should be incentivated; calls for the Commission and the Member States to take specific measures designed to increase the participation of young researchers in the framework programmes; calls on the Commission to use the mid-term review of the Seventh Framework Programme to promote the employment of young scientists by designing the rules and modes of participation in such a way as to devote a substantial portion of funding for hiring young researchers;
32. Notes with concern the relatively modest participation of certain Member States in FP7, which does not contribute to the territorial cohesion and a balanced development in Europe; is of the opinion that a better coordination, coherence and synergy between FP7 and the Structural and Cohesion Funds, as well as a better use of the People programme, could improve the participation of under-represented Member States; believes 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); welcomes therefore the setting up of the Synergies Expert Group (SEG), set up to find synergies between FP7, the Structural Funds and the CIP; stresses, however, the absolute need to distinguish between criteria for FP7 and Structural Funds, as the principle of excellence (under the sole management and coordination by the Commission) should prevail when allocating FP7 funding in order to ensure maximum added value to RDI in Europe; points out with satisfaction that for the period 2007-2013 within the Cohesion Funds EUR 86 billion is allocated in support for innovation (25% of the total amount), of which the allocation for core research and technological development amounts to EUR 50 billion, equal to the total budget of FP7; stresses the importance of the territorial dimension of R&D, taking the specific needs and capabilities of the territories into account when devising policies ('smart specialisation'); therefore, sees the involvement of regional and local authorities as crucial in enhancing the research and innovation capacity of their region; recommends that the present unspent funds remaining in the EU budget up until the end of 2013 and those programmed for the period 2014-2020 be even more strongly orientated towards innovation, science and research, both in terms of human resources, development and infrastructure;
33. Welcomes the steady but timid progress towards a more balanced gender participation in FP7, since diversity is important for creativity and innovation; points out that female researchers tend to work on smaller, less profiled research projects and tasks and that a highly problematic 'glass ceiling' seems to exist for female researchers, leading to a

decrease of the share of female researchers with seniority, as also indicated by the low number of female researchers selected for the ERC advanced investigator grant; agrees that measures to boost female participation should be reinforced throughout project lifecycles (with particular attention to flexible working hours, improved child-care facilities, social security provisions and parental leave) and that the Commission should reinvigorate its approach to promoting female scientists and should aim to galvanise Member States to address gender gaps; underlines that the 40% target for female participation in the Programme and Advisory Committees should be sensitively implemented; 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 as recommended by the FP6 Ex Post Evaluation; calls on universities and EU Institutions to promote science as an interesting field for both sexes from early stages of education on, by promoting female researchers as role models;

34. Calls for recognition at regional level of the important role played by intermediary organisations (such as chambers of commerce, the Enterprise Europe Network and regional innovation agencies) as a link between innovative SMEs in each region and the Commission;
35. Believes that the programmes should be opened up to international partners; highlights that the basic principle should be that all programmes should be open for financing also of foreign groupings (given specific competencies); rejects the notion that the Commission would be better placed than researchers to determine the choice of cooperation partners;
36. Takes the view that FP7 should affirm its international cooperation priorities; is of the opinion that the choice of target countries and subjects for international cooperation actions must be made in consultation with the Member States in order to ensure complementarities of these actions with all parties involved; reaffirms, nevertheless, that attention must be given to the cooperation with developing countries;

Financing

37. 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 recalls that investment in RDI is long-term investment and is key to achieving the objectives of the Europe 2020 strategy;
38. Believes 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; believes that scientific progress on grand challenges requires medium to long-term commitment of funding instruments that support both fundamental research and collaboration with industry and other external partners;
39. Highlights the pivotal role of research infrastructures and stresses that their development and financing (based on the ESFRI-list and including the provision of laboratory equipment and instruments and their maintenance) should be better coordinated and co-financed between FP7, EIB instruments, the Structural Funds and national and regional policies; believes that duplication of research infrastructure in different Member States should be avoided and that an open and excellence-based access to research

infrastructures should be enhanced; calls for efforts to boost the financing of research infrastructures within FP7, especially where there is the greatest scope for EU added value;

40. Considers that the beneficiaries of research infrastructure financing should clearly justify their role and their use of the equipment, laboratories and research or technical staff; to this end, believes that a monitoring and inspection system which verify compliance of the agreements should be created;
41. Calls on the Member States and the EU to meet their financial commitments, including commitments for actions on the basis of Articles 185 and 187, under international research agreements;
42. Calls on the Commission – in view of the objective of devoting 3% of GDP to a research and technological development by 2020 and recognising that research and innovation provide the only sure path to economic recovery in the EU – 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;

Role of innovation

43. Notes a strengthening of the ‘innovation’ dimension in future work programmes; is of the opinion 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; calls 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; believes, also in this respect, that close coordination is needed between FP7, the CIP and Structural Funds;
44. Notes that if FP7 is structured in such a way as to distinguish between science for science’s sake, science for competition, and science for society, there is a risk that the gradual transition from basic research to applied research and innovation will be left out of consideration; points to the need to prevent the successful implementation of integrated projects being hampered by structural rigidity;
45. Believes that both FP7 and the future FP8 should make a greater contribution to the development of industry in Europe, and calls on the Commission and the Member States to encourage applied research;
46. While recognising that FP7 is primarily aimed towards research and technological development, stresses the importance of devising EU policies and programmes in such a way that synergies within the entire R&D value chain (from research and education, through innovation, to job creation) are exploited to the fullest; believes that this is the only way to attain the goals set out in the ‘Innovation Union’ and to accelerate Europe’s transformation into a knowledge-based society; in this regard, while welcoming the current development of an innovation scoreboard, calls for a broad definition of

innovation (including non-technological and employee driven innovation) and for the development of more effective models, methodologies and tools to measure and boost innovation, including through public procurement, standards setting and financial engineering;

47. Acknowledges that European Technology Platforms, JTIs and PPPs contribute towards greater industry participation and calls for their consolidation in future programmes; stresses the need to ensure adequate rules for participation (including intellectual property rules) and funding rates (including funding rates for indirect costs), as well as strive for further simplification, in order to attract a larger number of SMEs, public research institutes and smaller research organisations and with that to ensure a better balance in stakeholders' access and participation in JTIs and PPPs;

Follow-up to simplification measures

48. Is concerned by the excessive administrative burden of FP7; stresses that simplification measures that do not require a change of regulation should be implemented as soon as possible, while respecting simplicity, stability, consistency, legal certainty, transparency, excellence and trust, and 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; calls on the Commission to 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; stresses that a risk-averse culture of EU research funding would prevent financing of high-risk research ideas with the highest potential for breakthroughs, and therefore suggests that a trust-based approach with higher tolerance for risk and failure should be taken, as opposed to a purely results-based approach which could hamper innovative research; recommends a simplified interpretation and further clarification of the definition of eligible costs; supports the proposal to review the Financial Regulation to simplify procedures and calls for the revision and/or extended interpretation of the EU Staff Regulations on the issue of personal liability; calls for more precise, consistent and transparent procedural rules for audits, including by using less random sampling and more realistic criteria, such as the experience of participants and the background of errors and compliance;
49. Reiterates the importance of introducing, without delay, procedural, administrative and financial simplification measures into current management of FP7, such as those identified in Parliament's resolution of 11 November 2010; welcomes the Commission Decision of 24 January 2011 introducing three simplification measures, as well as the creation of the Unique Registration Facility; calls on the Commission to rapidly implement these measures in a uniform way and to investigate where additional simplification measures are still possible; regrets the serious problems of interpretation and legal uncertainty for the participants of FP7 and reiterates its wish to see current legal proceedings between the Commission and beneficiaries across all of the framework programmes settled quickly, while respecting the principle of responsible management of public money; asks the Commission to allow beneficiaries to consult the Research

Clearing Committee during or after a project to clarify issues related to cost calculation, rules for participation and audits, including ex-post audits; stresses the need to preserve what works well and only change the rules which need to be adapted;

50. Calls for measures to decrease time-to-grant targeted at improving the percentage of grants signed in less than eight months by a certain percentage in 2011 and less than six months during the remaining period;
51. Warmly welcomes the recommendations to shorten the timeframe for adjudication and calls for an evaluation of existing instruments before the creation of any new instruments within the framework of FP7;
52. Proposes that the Commission help public bodies to improve their management systems by carrying out assessments without financial consequences which would encourage these bodies to take a number of actions to improve their project management and implement them within a specific deadline of less than a year;

Risk-Sharing Finance Facility (RSFF)

53. Takes the view 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;
54. Expresses concern, however, in the light of the derisory sums allocated to research infrastructures, universities and research bodies and SMEs, in particular innovative SMEs, and also given the acknowledged geographical and sectoral imbalance in loans allocated; supports, therefore, the specific recommendations made by the expert group aimed at improving participation of certain under-represented target groups, and endorses the European Council's conclusions of 4 February 2011, especially its call for all possible options to be explored with a view to the valorisation of intellectual property rights at the European level, in particular to ease SMEs' access to the knowledge market;
55. Expresses 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 underrepresented in the RSFF; calls on the Commission to assess the reasons why the nine other EU Member States have not used this new facility, which has proved to contribute decisively to increasing RDI funding, and to ensure participation of all the countries concerned;
56. Calls on the Commission and Member States to investigate the publicity regarding the availability of the RSFF loans at Member State level and ensure that potential participants have adequate information and assistance to access RSFF loans, especially in those Member States whose currency is not the Euro;
57. Recommends that application of this innovative financial instrument be continued and intensified in FP7 and for the future in FP8, since it contributes to improving access to finance and leveraging private investment; stresses the need to ensure that these financial instruments are suitable for SMEs;

Overall conclusion and future orientations

58. Calls 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; calls in particular for the alignment of the FP7 programme objectives with EU strategies on Resource Efficiency, Raw Materials and the Digital Agenda;
59. Believes that the remaining sums should not be diverted from research and used for other programmes or instruments that do not come within the research and innovation sector or the objectives and scope of FP7;
60. Stresses the need to enhance, stimulate and secure the financing of research and development in the Union via a significant increase in relevant expenditure from 2013 onwards; is of the opinion that this increase of funding, ideally by doubling the budget, must foster sustainable growth and competition via excellence; emphasises hereby that this increase of funds must be coupled with a more result-oriented, performance-driven approach and with a radical simplification of funding procedures; supports a further collaboration and cooperation between different EU RDI programmes, for example under the title 'Common Strategic Framework for Research and Innovation'; believes that continuity of the future programme, once established, is important for all actors involved;
61. Stresses that it is important to consider the assessment of the results obtained in each of the areas defined as political priorities for funding, and how effective they were, in order to improve the evaluation of future programmes;
62. Instructs its President to forward this resolution to the Council, the Commission and the Member States.

EXPLANATORY STATEMENT

Reconciling science and the citizen

‘This 21st Century offers us a curious paradox: it poses major scientific challenges and the impact of science and technology is felt throughout our daily lives, and yet the sciences have never seemed so distant, inaccessible and troubling’ - Claudie Haigneré, President of universcience, former Minister for Research (2002-2004) and former Minister for European Affairs (2004-2005) of the French Republic, doctor and astronaut.

On 23 and 24 March 2000, the European Council, meeting in Lisbon, set the European Union (EU) an ambitious strategic objective: to become, by 2010, the most competitive and dynamic knowledge-based economy in the world. The central role played by research in this strategy has been acknowledged.

Such an objective seemed within the reach of the 15 States that made up the Union, some of which, nostalgic for their vanished empire, saw in the EU hope for a new society.

This strategy, termed the ‘Lisbon Strategy’, has been a failure without the Union having really analysed the reasons why.

Was it the fault of the States, which failed to meet the European commitments they had signed up to?

Was it the fault of the peoples, who did not feel sufficiently involved and would make the elites pay dearly for that?

Was it the fault of the elites, who had not understood people’s hunger to understand the meaning of what they were being offered?

Was it the force of contrary political events, which outweighed that of the Union and its members?

Historians will have to make sense of what happened in the challenging decade 2000 – 2010, which probably saw the end of a cycle of peace, prosperity and fraternity among the peoples of Europe that began after the Second World War and ended with the fall of the Berlin Wall and its consequences.

The decade opened with the introduction of the euro, the great hope for monetary stability that turned into an enormous budget fiasco, since it had been forgotten that there can be no monetary union without economic union and the States did not abide by the stability pact they had signed.

It continued via the Treaty of Nice, which entered into force on 1 February 2003 and was so disastrous and complex that the signatories immediately launched a ‘debate on the future of the Union’, which would supposedly lead to a new text.

It experienced immense joy when the continent was finally reunified in 2004 and 2007 with the accession of 12 States, 10 of which were post-communist, but the onset of the crisis inflamed national self-interest, which had an impact on public opinion in some quarters.

It witnessed the disarray of peoples who, starting in 2005 with France and the Netherlands, expressed their hunger to understand and not be forgotten by a European project that they no longer understood. France and the Netherlands should not be made to feel guilty: had there been 25 referendums in 2005, more than two States would have voted NO.

The decade drew to a close with the financial and economic crisis from 2008 onwards.

It ended in 2009 with new institutions, a new European Commission and a new European Parliament.

In the meantime, the Union had committed itself to two major projects: Galileo and ITER, for the success of which science and research are crucial and the difficulties of which illustrate the harsh European reality.

How, in the light of such political events, can we have imagined that we might hope to become the leading knowledge-based economy, the most competitive in the world?

In the past decade the EU and the Member States have faced an enormous challenge: to give their peoples prosperity and social progress in a fast-moving and increasingly complex world. States have taken time to realise, once the nostalgia for empire passed, that they were becoming too small and needed to unite.

Europe will take time to understand that it is no longer a great continent.

Europe must understand that its competitors are, in themselves, 'Continent States': China, Russia, India, Brazil, not to mention the United States and Australia.

But we are not a Nation: we are a Union of States.

We must unite to set our priorities.

In this context science is probably about coming together, as long as it is done with conscience and, of course, independently of interests outside the Union.

This report is being proposed in this spirit: to consider whether the review of the 7th Framework Programme for Research and Technological Development (FP7) may offer an opportunity to consolidate the golden triangle of knowledge, education and research that is the key to Europeans' destiny.

Why propose this for the review of FP7 and not wait for FP8?

Because four new factors affecting research and science have arisen since 2006, the year that the final decision on FP7 was taken by Parliament and the Council:

- under the Treaty of Lisbon, in force since 1 December 2009, we have new institutions;
- we have a new Commission and a new Parliament;
- we have a new EU 2020 roadmap;
- we are undergoing a major financial and economic crisis that started after negotiation of FP7 at the end of 2007/during 2008 and the final programming years (2011-2013) are fragile years for growth and exiting from the crisis: nothing must therefore be left to chance.

FP7 is a chance for the EU to make its research policy match its economic and social ambitions, in particular by consolidating the European Research Area (ERA). Allocated a budget of around EUR 54 billion for the period 2007-2013, FP7 has, over the years, become one of the largest research support programmes in the world and represents the primary tool of EU research policy. Four main objectives have been identified and correspond to four specific programmes that must structure the European research effort: the Cooperation programme, the Ideas programme, the People programme and the Capacity programme. The aim is to enable the EU to respond to the great societal challenges that concern all Member States and to which they cannot respond alone (ageing population and health, energy, water and food supplies, sustainable development, climate change, and so on), as well as to develop the knowledge to enable our businesses to innovate more and enhance their competitiveness.

In order to ensure that FP7 still meets the needs of European policies, Article 7(2) of Decision No 1982/2006/EC of the European Parliament and of the Council of 18 December 2006 had provided for an interim evaluation, based on specific data, by the end of 2010.

The rapporteur welcomes the good work carried out by the expert groups on the interim evaluation of FP7 and the Risk-Sharing Finance Facility, despite a very broad remit that would have merited a much more technical approach, and therefore hopes that such will be the case for future framework programmes. However, the rapporteur regrets the delay in publication of the Commission communication on this subject; the communication was expected by the end of 2010 but did not, in fact, see the light of day until February 2011. The rapporteur regrets, above all, that this evaluation did not take sufficient account of the global aspects of research between the EU and the Member States.

This evaluation is to be seen in the light of the significant sums still to be programmed: EUR 28.8 billion over three years (2011-2013), compared with the 25.8 billion programmed for the first four years of FP7 (2007-2010) and the 17 billion under FP6 (2002 to 2006). For 2011 there are more than EUR 8.5 billion, for 2012 more than EUR 9.5 billion, and for 2013 more than EUR 10.5 billion to be devoted to research. Such sums merit specific analysis in order to encourage participation of the actors concerned and avoid financing being dispersed among programmes that do not function properly or do not meet needs. The rapporteur considers that sound management of public money is necessary, whether in a crisis period or not, but that any modification or reorientation must respect stability, overall cohesion and legal certainty, which are the basis for mutual confidence between stakeholders.

A few broad guidelines for this mid-term review:

- simplification: already dealt with in the resolution of 11 November 2010 on simplifying the implementation of the Research Framework Programmes, this needs to be addressed again in order to follow up the requests made by Parliament. In fact, one of the difficulties noted is the complexity and burden of administrative procedures, as a result of which those seeking European financing are diverted towards national financing and Europe is made unpopular with regard to research. This problem has been made worse by recent Commission policy on financial audits. Today it seems more than necessary to solve the problems of the past, in particular those of FP6, and avoid repeating them in FP7, or in future framework programmes. Settling legal proceedings, without involving the Court of Justice, and present and future simplification that respects sound management of public money, are an essential pre-requisite for science, research and innovation to be dealt with on a European scale, particularly with a view to the negotiations with the Member States on FP8, if we want to Europeanise research further and finally achieve a European Research Area.
- SME participation: often seen as one of the weaknesses of the framework programmes, efforts are still needed but an improvement is noted – for example, the 15% target for SME participation in the ‘Cooperation’ programme has almost been achieved;
- innovation: a strengthening of the ‘innovation’ dimension can currently be seen and it is therefore important to direct the final years towards this type of project. The rapporteur is keen to stress, however, the refusal there is in Europe to link research/innovation and commercialisation, though potential for commercialisation should always be taken into account;
- the Risk-Sharing Finance Facility: introduction of this facility has had a very positive effect and it should be continued and intensified for the end of FP7 and in future programmes;
- the rapporteur proposes that research and development policies be territorialised so that research is distributed harmoniously in relation to all universities. The link with excellence often found in urban areas could be made by intensifying virtual links, for example through permanent videoconferencing and a smart connection between territorialised research centres

and centres of excellence;

- the rapporteur also proposes that an ambitious European research plan for defence technology should be adopted between the Union and the Member States, pursuant to Article 45(d) of the EU Treaty, with a view to enhancing the defence sector's industrial and technological base, while at the same time improving the efficiency of military public spending. This plan should have the aim of consolidating the European defence industry.

More generally, and with regard to the project calls still to be launched, the rapporteur proposes that these be used to consolidate the ERA and prove that European added-value can exist; all this with a view to negotiating, with the Member States and for the future Financial Perspective from 2014, the Europeanisation of research.

1.4.2011

OPINION OF THE COMMITTEE ON BUDGETS

for the Committee on Industry, Research and Energy

sur l'évaluation intermédiaire du septième programme-cadre de l'Union européenne pour des actions de recherche, de développement technologiques et de démonstration (2011/2043(INI))

Rapporteur: Carl Haglund

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SUGGESTIONS

The Committee on Budgets calls on the Committee on Industry, Research and Energy, to include the following in its motion for a resolution:

1. Deplores the fact that the Commission Communications on FP7 and the Risk-Sharing Finance Facility were adopted too late, leaving hardly any time for adjustments;
2. Stresses that the interim evaluation highlights shortcomings, asks the Commission to thoroughly address those and to correspondingly speed up implementation of FP7;
3. Stresses that the design and implementation of the current FP7 and future Framework Programmes must be based on the principles of simplicity, stability, legal certainty, consistency, excellence and trust;
4. While fully respecting the rights of the budgetary and discharge authorities, welcomes the RSFF and other innovative financial instruments which strengthen the leverage of the EU budget; emphasises the need for working delivery mechanisms for these; asks the Commission to improve access for primary target groups such as SMEs and higher education institutions;
5. Calls on the Commission to explore ways of strengthening links between research institutions and industry as a way of creating jobs and increasing productivity by harnessing the full potential of R&D funding;
6. Is convinced that simplification should be one of the highest priorities following the mid-term review of FP7; highlights the need to simplify administrative procedures to promote

participation by and increase the number of applications from smaller organisations and SMEs;

7. Stresses the need for further efforts in the field of research infrastructure, benefitting also SMEs and industry;
8. Stresses that a risk-averse culture of EU research funding would prevent financing of high-risk research ideas with the highest potential for breakthroughs, and therefore suggests that a trust-based approach with higher tolerance for risk and failure should be taken, as opposed to a purely results-based approach which could hamper innovative research;
9. Welcomes the simplifications concerning the acceptability of personnel costs and asks the Commission to explore further simplification measures, also with reference to contributions in kind by applicants; reaffirms its commitment to further simplifying the rules applicable to the implementation of the EU budget and to research spending in particular; calls on the Commission to further simplify the application process, including by providing researchers with assistance in finding project partners; asks the Commission to put the issues of exchanges and cooperation between the various programmes and Member State programmes and transparency at the top of its agenda;
10. Recommends a simplified interpretation and further clarification of the definition of eligible costs; calls for more precise, consistent and transparent procedural rules for audits;
11. Asks the Commission rapidly to resolve prior situations arising from inspections in progress, acting with tact and in a manner consistent with the principles of sound financial management;
12. Urges the Commission to further align FP7 with the Europe 2020 targets, while maintaining the overall level of funding for FP7;
13. Reiterates that all improvements to FP7 should be made with the next Framework Programme in mind.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	31.3.2011
Result of final vote	+: 24 -: 2 0: 1
Members present for the final vote	Marta Andreasen, Francesca Balzani, Reimer Böge, Lajos Bokros, Giovanni Collino, Jean-Luc Dehaene, Göran Färm, José Manuel Fernandes, Carl Haglund, Lucas Hartong, Monika Hohlmeier, Sergej Kozlík, Jan Kozłowski, Alain Lamassoure, Giovanni La Via, Vladimír Maňka, Claudio Morganti, Nadezhda Neynsky, Miguel Portas, László Surján, Angelika Werthmann, Jacek Włosowicz
Substitute(s) present for the final vote	Maria Da Graça Carvalho, Jan Olbrycht, Peter Šťastný, Theodor Dumitru Stolojan
Substitute(s) under Rule 187(2) present for the final vote	Ivo Vajgl

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	12.4.2011
Result of final vote	+: 45 -: 0 0: 0
Members present for the final vote	Jean-Pierre Audy, Zigmantas Balčytis, Bendt Bendtsen, Jan Březina, Reinhard Bütikofer, Maria Da Graça Carvalho, Giles Chichester, Pilar del Castillo Vera, Christian Ehler, Lena Ek, Ioan Enciu, Adam Gierek, Robert Goebbels, Fiona Hall, Jacky Hénin, Edit Herczog, Romana Jordan Cizelj, Krišjānis Kariņš, Lena Kolarska-Bobińska, Bogdan Kazimierz Marcinkiewicz, Judith A. Merkies, Jaroslav Paška, Aldo Patriciello, Anni Podimata, Miloslav Ransdorf, Herbert Reul, Amalia Sartori, Francisco Sosa Wagner, Konrad Szymański, Patrizia Toia, Evžen Tošenovský, Ioannis A. Tsoukalas, Claude Turmes, Niki Tzavela, Alejo Vidal-Quadras
Substitute(s) present for the final vote	Antonio Cancian, António Fernando Correia De Campos, Francesco De Angelis, Matthias Groote, Andrzej Grzyb, Satu Hassi, Yannick Jadot, Bernd Lange, Mario Pirillo, Catherine Trautmann