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DRAFT REPORT

on the mid-term review of the 7th Framework Programme for Research
(2011/2043(INI))

Committee on Industry, Research and Energy

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the mid-term review of the 7th Framework Programme for Research (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 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 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,

¹OJ L 412, 30.12.2006, p. 1.

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

- 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 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 Rule 48 of its Rules of Procedure,
 - having regard to the report of the Committee on Industry, Research and Energy and the opinions of the Committees on Budgetary Control and Regional Development (A7-0000/2011),
- A. whereas the 7th Framework Programme of the European Community for research, 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 there is a need for a 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 makes achievement of the European research area a specific objective of European policy,
 - D. whereas the Europe 2020 strategy makes research and innovation central to smart, sustainable and inclusive growth,
 - E. whereas the EU and its Member States must give themselves the means to respond jointly to the major societal challenges facing the peoples of Europe,
 - F. whereas Europe is in competition with ‘Continent States’ (China, India, Brazil, Australia, United States of America, Russia) but Europe is not a nation, rather a Union of States, and 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 environmental commitments,

- G. whereas delayed investment in Europe compared with other global powers is essentially due to a lack of private investment and the attractiveness of FP7 for the industrial sector is thus not fully demonstrated; but also, beyond the sums involved, there is a clear need for better coordination between the Member States and the Union,
 - H. whereas a better relationship between the academic and industrial worlds is essential for research results to be converted into products and services generating economic growth,
 - I. 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,
 - J. whereas the years 2011 to 2013 are fragile years, requiring immediate particular attention with regard to competitiveness factors, which include research and innovation,
 - K. whereas complexity of administrative management remains a major handicap for FP7, to the extent that its simplification is a major challenge for the future of the programme;
1. Welcomes the quality of the expert reports on the interim evaluation of FP7, despite the general nature of the remit given to the expert groups; regrets, 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;

Results of FP7

3. Takes the view that the results achieved by FP7 do not demonstrate sufficient European added-value with regard to RDI;
4. 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, particularly for SMEs;
5. Notes that growth in financial and human resources, an ever-growing number of objectives and themes covered and diversification of instruments has reduced the capacity of FP7 to serve a specific headline European objective;
6. Approves the strengthening of the 'Cooperation' chapter, 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; 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;

7. Proposes that research be accelerated in the sectors identified in the 'Cooperation' chapter of FP7: health, medicine, food, biotechnology, ICT, nanosciences and nanotechnologies, materials, pollution, energy, environment (including climate change, woods and forests), ecotechnologies, CO2 capture, transport, socio-economic sciences and humanities, space and security; water research should also be a priority;
8. 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 bodies; stresses the need to make the ERC an independent legal entity with decision-making power, directly responsible for its own scientific strategy and administrative management;
9. Supports, within the framework of the 'People' chapter, the Marie Curie Actions, which are of great value to researchers in their career;
10. 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 actions in favour of SMEs and innovative SMEs; considers, however, that the ERA-NET and ERA-NET+ projects and the initiatives based on Article 185 fulfil their role aimed at structuring the European Research Area (ERA);
11. Acknowledges that 'Joint Technological Initiatives' (JTIs) assist the competitiveness of European industry; regrets, however, the legal and administrative obstacles (legal personality, intellectual property, financial rules) and also the high operating costs specific to start-up of JTIs; asks to be more closely involved in political control of these instruments;
12. Expresses reservations regarding more systematic use of overly open calls for proposals (bottom-up approach), preferring to maintain a balance between the two approaches (bottom-up and top-down), which meet specific needs;
13. Calls on the Commission to carry out an analysis to improve the link between European and national actions; 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; 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; asks that the last three years of FP7 be devoted to helping structure the European Research Area;
14. Proposes that an ambitious European research plan for technology and defence be adopted between the Union and the Member States and receive significant initial financing from FP7 and the European Defence Agency on the basis of Article 45(d) of the EU Treaty, with a view to enhancing the industrial and technological base of the defence sector while at the same time improving the efficiency of military public spending;

Participation in FP7

15. Stresses that industry's participation rates do not appear any higher than in previous FPs, particular under the 'Cooperation' chapter; thus calls on the Commission to carry out a detailed analysis of the Programme's capacity to attract private sector investment;
16. Welcomes the results of FP7 in favour of SMEs, as regards both the 15% target set in the 'Cooperation' chapter and the 'Eurostars' programme; is of the opinion that better coordination between FP7 and the Structural Funds could facilitate the participation of under-represented Member States;
17. Proposes that research and development policies be territorialised;
18. 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 confirm the relevance and benefit of these actions for them;

Financing

19. Takes the view that the level of financing of FP7 must be maintained and recalls that investment in RDI is long-term investment and is key to achieving the objectives of the Europe 2020 strategy;
20. Stresses that financing of research infrastructures should be better coordinated between FP7, EIB instruments, the Structural Funds and national and regional policies;
21. Calls on the Member States and the EU to meet their financial commitments under international research agreements;

Role of innovation

22. Is of the opinion that commercialisation should be included in the parameters of future calls for projects under FP7 in the field of innovation;
23. Acknowledges that European Technology Platforms, ICT and PPPs contribute towards greater industry participation;

Follow-up to simplification measures

24. Is concerned by the excessive administrative burden of FP7; supports the proposal to review the Financial Regulation to simplify procedures;
25. 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; calls on the Commission to make proposals on these simplification measures in the context of the current FP7 to complement its initial proposals; 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;
26. Warmly welcomes the recommendations to shorten the timeframe for adjudication and

establish a moratorium on the creation of new instruments within the framework of FP7;

Risk-Sharing Finance Facility (RSFF)

27. Takes the view that the RSFF has acted as a decisive lever 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;
28. Recommends that application of this innovative financial instrument be continued and intensified in FP8, since it contributes to improving access to finance and encouraging private investment;
29. 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;

Overall conclusion

30. Calls for the use of FP7 to take account of the consequences 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;
31. 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 prestigious 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 27 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.