

JOINT POSITION PAPER

ON THE FUTURE RTD PROGRAMME IN EUROPE

BY THE EU ENLARGEMENT COUNTRIES
ASSOCIATED TO FP7

A PRODUCT OF THE REGIONAL DIALOGUE OF



AND

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Executive Summary

The “Enlargement Countries Associated to FP7”, which are constituted by the European Union (EU) Candidate Countries* and Potential Candidate Countries, has taken the initiative to manifest their Joint Position on the next Research and Technology Development (RTD) Framework Programme of the European Union to which currently they are Associated countries.

An Interim Evaluation Report of the 7th Framework Programme (FP7) has been released on 12 November 2010. Among others things, the report touches upon the issue of low success rates and low participation in FP7 of some countries compared to others. The countries that are parties to this Joint Position are quite affected from this situation due to various reasons including their imperfections about human capital, infrastructure capacities, limited financial resources, let alone their very recent involvement to the EU Framework Programmes as Associated Countries compared to the EU Member States.

The purpose of this Joint Position Paper is to pronounce the perceived shortcomings in the current RTD programming in Europe in addressing the far reaching issues of research and to propose actions for the future RTD framework programme for better results for Europe. In the first section of this Joint Position Paper, the discussions revolving around the future RTD Framework Programme is outlined with a view to building insight on the direction of the future RTD programming at the European level. In the second section, an outline of problems and issues related to RTD and common to involved countries are identified. In the third section, the Joint Position of the Enlargement Countries Associated to FP7 on the Future RTD Framework Programme is introduced.

This Joint Position Paper resulted from a continuous consultation processes. The proposal for such a Joint Position came up at the Regional Dialogue meeting held in Becici, Montenegro on 8 November 2010, within the scope of FP7 coordination action WBC-INCO.NET.

The countries involved held consultation processes at the national level with various stakeholders. The ministries and research councils involved undertook online and virtual consultations to finalize the process.

The main axis of the Joint Position is based on eight arguments. The first is constituted by an argument for a balanced reinforcement of research excellence with capacity building activities. The second is an argument for prevalence of thematically oriented collaborative research. The third is a recommendation for special measures to foster innovation in the region. The fourth is a

*Due to regional and socio-economic considerations and very recent participation of Iceland to the EU Candidate Countries classification, this joint position paper excludes the opinion from Iceland.

call for a more coordinated commitment from the EU side to diverse policy domains such as cohesion, enlargement, research and innovation. The fifth is a call for simplification for easier and faster access to funds. The sixth is a case for creating better conditions and incentives for mobility of the researchers from the concerned countries to be integrated into the European research networks. The seventh is a call for administrative capacity development of the concerned countries for better involvement in the governance structures of the European Research Area (ERA). Finally, the eighth is a case for a more balanced distribution of European research infrastructures as well as support in access to large European infrastructures.

Introduction

While the consecutive enlargements of the EU have considerably strengthened it with enlarging markets, it has also sometimes caused social problems and cohesion concerns. Research cooperation with the enlargement countries' scientific community is a tool which can facilitate the integration process of candidate and potential candidate countries into the European Union, as well as overcoming social and cohesion problems.

Ten years after the adoption of the Lisbon Strategy, Europe is now challenged with the ever-increasing effects of the financial crisis with declining rates of employment and increasing debts. As a way to exit from the crisis and sustain growth thereafter, the EU has adopted the Europe 2020 Strategy which is endowed with seven flagship initiatives designed to achieve smart, sustainable and inclusive growth. The strategy set out headline targets for 2020 in research and innovation, education, climate change and energy, employment and poverty. Amongst those, research and innovation is key to the competitiveness of European economy on the world stage.

While the EU is targeting a giant leap forwards by 2020, this is accompanied by a focus on deepening the integration in research in Europe, through the creation of European Research Area (ERA) by the 2020 Vision for ERA. The Vision foresees the "fifth freedom" across the ERA, i.e. free circulation of researchers, knowledge and technology.

In the forthcoming ten years, the EU is aiming significant improvement for its economy through research and innovation to coincide with further deepening of European Research Area (ERA). The preparations for the next wave of EU enlargement should be seen far from havoc in this process, but a means to ensure the creation of a genuine ERA with the potential to push on the achievement of Europe 2020 Strategy. In the past, the EU enlargements have many times coincided with the deepening of the European integration. At a time when there is a pressing urge for a revival in Europe, a boost in widening and deepening of the European integration in research would serve to be the engine of change implemented harmoniously.

The purpose of this Joint Position Paper is to pronounce the perceived shortcomings in the current RTD programming in Europe in addressing the far reaching issues of research and to propose actions in the future RTD programming period for better programming. The underlying reasoning is that research is inherently transnational and any international cooperation mechanism hampering this, needs to be revised and adapted. The enlargement countries which are Associated to the 7th Framework Programme are not at the same level of scientific and technological potential with most of the EU Member States - all other things being equal. Therefore, in fierce competition, their chances to create, access and accumulate knowledge in

collaboration with European networks remain low, which will eventually result in further setbacks for them in the future framework programmes. Such disparity eventually hampers the transnational character of the 7th Framework Programme through favouring the researchers of certain countries to some others. What renders the Enlargement countries crucial for the future of Europe is the fact that they are under the way for integration to the European Union, a process which makes the issues of those countries, the issues of Europe.

The Interim Evaluation Report of the FP7 and the lessons learned by the EU Member States, FP7 Associated Countries and the European Commission since the start of FP7, provides a solid ground to reflect upon it and pronounce the interests and positions of the parties concerned.

1. MAIN ELEMENTS OF THE DISCUSSION ON THE EU'S FUTURE RTD PROGRAMME

EU Member States and FP7 Associated Countries are at the stage of building on their past experiences and developing novel mechanisms just before the official launch of the preparations for the future framework programme, to have their views and proposals effectively incorporated to the process.

The main elements of the discussion on the EU's future RTD programme outlined in this section, is based on the arguments and indications embedded in the Europe 2020 Strategy (March 2010), Research and Innovation Plan (September 2010), FP7 Interim Evaluation (September 2010) and ERA partnership initiatives launched in 2008.

The future framework programme is expected to contribute significantly to the achievement of the Europe 2020 Strategy and its headline targets as well as further deepening of the ERA and reaching to the 2020 Vision for ERA through realizing the ERA partnership initiatives.

In this context, the issues revolving around the future RTD programming for Europe include the following:

- The current as well as the future RTD programme of the European Union is orientated towards "excellence" in order to enable Europe to become a competitive actor in the global scene.
- There is an inclination to move away from thematic approach in RTD funding towards various clusters of disciplines in order to address a set of "grand challenges".
- "Grand challenges" discussions also bring about the discussions on the Joint Programming Initiatives (JPIs) some of which are already operational.

- Innovation emphasis inherent in the flagship initiative “Innovation Union” of the Europe 2020 Strategy is expected to be one of the main orientations of the new RTD programme of the EU with a strong stress on take up of the research results by the business.
- In terms of administrative mechanisms, simplification of access to EU research grants is on the agenda and is decisively supported by all the stakeholders concerned.
- On the agenda is also the continued emphasis on boosting mobility and supporting the completion of "fifth freedom" across the ERA through the free circulation of researchers.

2. RESEARCH RELATED ISSUES COMMON TO EU ENLARGEMENT COUNTRIES ASSOCIATED TO FP7

The research and development related issues of the EU Enlargement Countries constitute a traceable pattern in the relevant EU progress reports and analytical reports. The main axis of the R&D related problems of the region can be summarized as follows:

- Low national R&D funding (GERD below 1% of GDP)
- Limited research institutions capacity
- Limited administrative capacity
- Limited involvement in ERA governance structures
- Low level of SME and industry participation to research activities
- Brain drain problem, mobility of researchers need improvement
- FP7 participation relatively low compared to EU Member States and other Associated Countries
- Lack of or less developed integrated research policy / strategy

3. JOINT POSITION OF ENLARGEMENT COUNTRIES ON THE FUTURE RTD PROGRAMME

Building upon the discussions occupying the agenda of the future RTD programme and deriving conclusions from the research related issues and problems that are common to EU Enlargement countries associated to FP7, the below recommendations are proposed to constitute the main axis of a joint position of the countries involved.

- I. **Excellence** in European research is important in order to achieve the targets set forth by the EU for 2020. In the future research framework programme, excellent research should be fostered by all the means possible. However, such monolithic focus on excellence runs the risk of undermining regions and countries which are lagging behind and thereby resulting in less excellent economies. Therefore, the excellence superstructure has to be supported with inclusive strategies for capacity building and cohesion. This is important to enable the prevalence of excellent and competitive research through Europe and to avoid rendering excellence an exception in Europe. Capacity building should not be neglected at the expense of excellence. In this context, capacity building should remain an important pillar of the future RTD programme of the EU, thereby underpinning the excellent research superstructure. The ongoing shift towards further reinforcing already-excellent research infrastructures and partnerships would result in unfavourable situation for European Research Area for various reasons, especially taking into account the long term considerations in accordance with inclusive strategies and cohesion objectives. Excellence in research should not be considered as an end in itself, but as a mean to achieve the ERA objectives. An EU-wide monolithic one-size-fits-all approach in fostering excellence impairs the balanced development of Europe. Therefore, a regional outlook is called for by the Enlargement Countries when balancing the bid for excellence and the need for capacity building. Research excellence and capacity building in Europe needs to be fostered with a regional focus. In that, the EU should take specific measures for improving RTD capacities especially in its convergence regions. Such capacity building can be enabled and supported either through regional actions, or by stimulating participation of institutions from enlargement countries in FP-wide calls. This would enable the regions lagging behind to build up a solid ground for their future contribution in building up an excellent ERA that is globally competitive.

In this context, the enlargement countries are in favour of maintain the Capacities Programme within the future RTD programme in Europe not only because of the foregoing reasons, but also because of the fact that the largest portion of funds received

from FP7 by the researchers of the countries involved in this position, are received through the Capacities Programme. Therefore, a downsizing or elimination of this programme and capacity building actions, would nullify the financial justification of participation of the enlargement countries in the future RTD framework programme. Justification of public spending on research in the enlargement countries need to be linked with solid benefits arising out of this spending. If only high-end excellent research is supported in countries with already-excellent research capacities, without any consideration for capacity building in the countries lagging behind, the benefits of public spending in those countries for participation to the Framework Programme would be questioned.

- II. Problem based research funding in response to **grand challenges** (e.g. climate change, energy and food supply etc.) is initiated for Europe to deal with issues and problems with scale where single national research programmes cannot tackle effectively on their own. Joint Programming has been the means to implement this in order to overcome fragmentation of research in such issues that is concern to Europe as a whole on the basis of public-public cooperation model. The enlargement countries acknowledge that grand challenges constitute the major concerns for the European well-being in the future. Developing solutions for grand challenges should be tied to thematically oriented collaborative research.

However, recent orientations to move beyond thematic approach for strategic partnerships may tend to abolish the thematic focus in Framework Programmes. This is expected to result in a loss of structuring effect which would provide a significant contribution to European Research Area (ERA). The main considerations for sustaining European wide thematic research are manifold. Firstly, through thematically oriented collaborative research a structuring effect in ERA s enabled upon which strategic action could be built to target major societal challenges. Secondly, thematically oriented collaborative research fleshes out national research potentials for the sake of European added value and provides the basis for grand schemes. Thirdly, thematic approach is not a rigidity to block Europe's ability to tackle Grand Challenges, but constitute a structured base with the mechanisms that could be devised to tackle Grand Challenges. Finally, thematic priorities should sustain also to feed cross-cutting research so as to better address and tackle grand challenges.

The orientation towards funding grand challenges is expected to trigger a move towards bigger projects in the future RTD programme in order to tackle grand challenges compared to smaller thematic projects which would cast off smaller actors from the play.

For the enlargement countries, small scale cooperative projects are crucial. Certainly, a limited number of the top research institutes in Europe could be able to contribute to grand challenges immediately. However, funding through the thematic priorities should prevail and coordinated so as to respond to the interdisciplinary problems of our day. The enlargement countries call for larger number of smaller grants that will motivate wider research audience to be involved in European research networks and to contribute to them in responding to grand challenges. It should also be noted that participation of research institutes from enlargement countries and their contributions in addressing to grand challenges could be efficient and productive only with enhanced capacity building based on thematic constellations, which is in principle continuous process.

In the future RTD framework programme, thematically oriented collaborative research should sustain and constitute the backbone of the responses sought to the grand challenges. The thematic approach in research funding bolsters the links among the researchers across the nations involved and structures the European Research Area. The interdisciplinary nature of the current thematic approach constitutes an important asset to build strategic responses on the face of the grand challenges.

III. Innovation orientation of the future RTD programme is expected to call for stronger links among research and the industry thereby facilitating the take-up of the research results by the industry to create commercial value for Europe. Most of Enlargement countries involved in this joint initiative are lagging behind with respect to industry involvement in and take up of research activities. The main considerations on this issue include the following:

- The future RTD programme should ensure coherence among innovation related policies of the EU and streamline the mechanisms that support innovation and research such as FPs, CIP, structural funds etc. Innovation inherent in research should be complemented with other facets of innovation such as innovation funding, innovation oriented framework conditions, etc.
- Special measures should be introduced in the future RTD programme for countries or regions lagging behind in innovation culture as well as industry involvement in RTD.

- Considering the conditions in the region, regional innovation can be tailored in the future RTD programme for those conditions. In this sense, innovation for the enlargement countries shall refer to developments new to the region in addition to the developments new to the world.
- Of particular importance to the concerned enlargement countries is reinforcing and encouraging industry – academia partnerships to culminate in innovation activities. Fostering industry – academia cooperation at a regional as well as European scale would add to creating convenient conditions for innovation as driver to future prosperity.
- Additionally, particularly in the concerned region, funding SME participants at the same ratio as academic participants would significantly enhance the participation of business enterprises from the region to the Framework Programme projects, which in return would help balance the SME participation among countries and regions in Europe.
- Industrial doctorates could also be integrated in the future Mobility Programme with special incentives for the Enlargement Countries.
- Twinning activities on innovation between advanced innovative SMEs of Europe and SMEs of the Enlargement Countries are also called for by the enlargement countries especially in certain thematic areas that are of priority to the enlargement countries.

IV. A more coordinated commitment from the EU side is needed to bond **closer ties among diverse policy domains** such as cohesion, enlargement, research and innovation. The emphasis on innovation calls for greater attention on the development of an integrated policy among research and innovation policy domains. In RTD and innovation domain, such an integrated and coherent policy is called for towards the Enlargement countries. More specifically, the EU Enlargement policy should be streamlined with the research and innovation policy in order to ensure cohesive approximation. Coupling enlargement policy to the innovation policy could be used as an efficient instrument to boost funding for innovation, as well as development of policies that would stimulate innovation.

Parallel to this policy streamlining, the funds from the Instrument for Pre-Accession Assistance (IPA) should be rendered much more accessible for research and innovation capacity building and infrastructure support in the enlargement countries.

Complementarity of future RTD framework programme funds and IPA funds for the enlargement countries should be ensured. A possible merging of research and innovation capacity building activities with Structural Funds for the EU Member States would rule out the Enlargement countries from such support. More significantly, as the greatest portion of the funds enlargement countries receive from FP7 is coming from the capacity building activities, such a merger would leave the enlargement countries with very little benefit from the future RTD Framework Programme. In such a case, it would not be possible in those countries to argue for the public spending made for participation to the common pool of the Framework Programme, which would eventually lead to a demarcation. Therefore, the concerned enlargement countries which are associated to FP7 call for capacity building activities to remain within the frame of future RTD Framework Programme, while IPA funds to provide capacity building support for enhanced participation to European research networks as well as infrastructure support in a less excellence oriented manner.

- V. Access to the funds** of the future RTD programme of the EU should be rendered easier and faster. Especially for newcomers to the framework programmes, massive administrative and financial procedures for access to funds as well as during the use of the funds, is a major setback for their future involvement in the framework programmes.

Complex and exhausting FP7 procedures added upon national procedures deter most of the participants after having involved in one project or so. Therefore, they constitute the main barriers for the sustainability of a certain level of participation from enlargement countries to the FP7. As all the countries involved in this joint initiative are more or less newcomers, a joint position in support of simplification of administrative and financial procedures is called for. The enlargement countries also call for a decrease in the time to grant. A genuine simplification is expected to constitute a sound incentive for the researchers and research institutions from the enlargement countries to participate in European research networks.

- VI. Building the human capital** in RTD constitute the core potential of the countries involved in this joint initiative. Sharing knowledge, skills, experiences and results with researchers throughout Europe and beyond is crucial for keeping pace with developed and advanced research communities and a prerequisite for a successful research environment. Still, the potential of the enlargement countries in this respect remains to

be exploited in order to boost research and innovation activity in those countries. For the enlargement countries, specific measures should definitely be included in the future RTD framework programme for human capital building. Taking into account the fierce competition in access to the Marie Curie grants, the success rates of the concerned countries are still very low. It is the joint position of the enlargement countries involved to demand such clearly defined specific measures in support of developing human capital in the future RTD programme. Particular proposals from the concerned enlargement countries under People Programme are as follows:

- Regionally designed grants for the mobility of researchers of the concerned enlargement countries.
- Incentives targeting mobility of excellent researchers from all over the world to host institutions in the enlargement countries.
- Targeted calls for the concerned enlargement countries for inter-sectoral and inter-disciplinary mobility.

VII. Participation to the ERA governance structures needs to be enhanced and encouraged for the enlargement countries. The enlargement countries acknowledge the open doors approach for participation to the ERA governance structures. However, the administrative capacities in some of the concerned countries impair their full participation to and representation in such structures. Support to the enlargement countries shall be provided through twinning, mentoring or partnerships with EU Member States for participation to ERA governance structures. Such activities would constitute a win-win case for both sides since they would not only pave the way for a learning process for policy making in the European RTD landscape, but also to a platform for introducing the capacities of the enlargement countries to the EU Member States.

A particular concern of the enlargement countries in that respect relate to the Programme Committees of the special programmes of the 7th Framework Programme. Being countries associated to FP7, the enlargement countries are short of voting rights in the Programme Committees of FP7 special programmes. Especially in the decision-making processes, more tangible inclusion of enlargement countries in consultation processes for identification of thematic priorities and policy-oriented research is called for.

VIII. European research infrastructures should be rendered more open towards enlargement countries. Especially, access to large European research infrastructures should be enhanced with more favourable conditions from EU, for example through co-funding (jointly with the national funding) of the access to distributed research infrastructures, as well as stimulated participation of institutes from the enlargement countries in ESFRI initiatives. When networking between existing research infrastructures is supported, inclusion of enlargement countries could be favoured. Partnerships among excellent infrastructures need to be extended to include less excellent infrastructures in order to maintain harmony and balanced development. The enlargement countries which are associated to FP7 should be regarded as a location for important research infrastructures. A more balanced distribution of research infrastructures, agencies and KICs should be ensured.