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signed by Mr Jordi AYET PUIGARNAU, Director

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**REPORT FROM THE COMMISSION TO THE COUNCIL AND THE EUROPEAN
PARLIAMENT**

**on the European Research Council's operations and realisation of the objectives set out
in the Specific Programme "Ideas" in 2012**

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1. INTRODUCTION AND LEGAL BASE

The European Research Council (ERC), established by Commission Decision 2007/134/EC¹, has as its essential task the implementation of the Specific Programme "Ideas", with an overall budget of € 7.51 billion.

The ERC consists of an independent Scientific Council supported by a dedicated implementation structure, which took the form of the ERC Executive Agency (ERCEA), created under the general regime of executive agencies². Responsibility for implementing the "Ideas" programme and supporting the Scientific Council was delegated to the Agency by the Commission in 2008 and autonomy was granted to the Agency in July 2009.

In conformity with Article 4.4 and Annex I of the Council Decision on the Specific Programme "Ideas", this Annual Report of the Commission, drawn up in co-operation with the ERC Scientific Council and the ERC Executive Agency, presents the Commission's assessment of the ERC's operations and the achievement of its objectives in 2012. This report is complemented by a report from the Scientific Council on the scientific implementation and achievements of the programme during the year 2012³.

2. STRATEGY MATTERS

The Scientific Council is responsible for setting the ERC's scientific strategy, including establishing the ERC's most important strategy document, the annual Ideas Work Programme.

2.1. Types of action

Two types of grant form the core of the Ideas Work Programme:

Starting Grants, supporting researchers at the early stage of their careers, with the aim of providing working conditions that enable them to become independent research leaders.

Advanced Grants, designed to support outstanding and established research leaders by providing resources necessary to enable them to continue the work of their teams, seeking new breakthroughs in their line of research.

¹ OJ L 57, 24.02.2007, p.14.

² 2008/37/EC: Commission Decision of 14 December 2007 setting up the European Research Council Executive Agency for the management of the specific Community programme Ideas in the field of frontier research in application of Council Regulation (EC) No 58/2003 (OJ L9, 12.01.2008, p.15).

³ http://erc.europa.eu/sites/default/files/document/file/erc_annual_report_2012.pdf

An additional granting opportunity – the *Proof of Concept* – is offered to ERC grant holders to establish the innovation potential of ideas arising from their ERC-funded projects. It aims to cover a funding gap in the earliest stage of an innovation.

In 2012, the Scientific Council introduced, on a pilot basis, the *Synergy Grants*, addressed to small groups of Principal Investigators and their teams. In contrast to consortia, the Synergy Grant targets individual investigators whose complementary skills, knowledge and resources enable them to jointly address research problems at the frontier of knowledge, going beyond what the individual researchers could achieve alone. Synergy Grants follow the strict ERC excellence-only approach, and are open to proposals from all fields of science and scholarship.

2.2. 2012 Work Programme for the Specific Programme "Ideas"

The 2012 Work Programme for the Specific Programme "Ideas" was established by the Scientific Council on 21 March 2011 and subsequently adopted by the Commission on 19 July 2011⁴.

Apart from the introduction of the Synergy Grants, few adjustments were made in the scientific strategy and they relate to the peer review: interdisciplinary proposals are now evaluated by the panel indicated by the applicant, with the assistance of other relevant panels; and a new "scoring" system (A, B or C accompanied by the rank of the proposal) was introduced to provide better feedback to applicants.

2.3. Peer review methodology

The ERC employs a structure of high-level peer review panels whose members are selected by the Scientific Council and include scientists, engineers and scholars from both within the EU and beyond. These panels cover all research disciplines and are organised in a framework of three main research domains: Physical Sciences and Engineering, Life Sciences, and Social Sciences and Humanities. Consistent with previous calls, the number of panels was 25 for both Starting and Advanced Grants. Proof of Concept proposals were evaluated by a specific set of peer reviewers working remotely. The Synergy Grants were evaluated by five different panels in a 2-step evaluation procedure specifically designed for this purpose.

3. PROGRAMME IMPLEMENTATION

In the implementation of the Programme in 2012, commitment credits of €1.6 billion (global commitment) and payments of €871 million were fully executed, representing 100% of the operational credits of the Ideas Specific Programme for 2012. Around 2.4% of the operational budget was spent on administration.

3.1. Grants

Since the 2008 Work Programme, ERC calls involve a one-stage submission process, where applicants are required to submit their full proposal, and a two-step evaluation.

⁴ C(2011)4961 of 19.07.11, not published

Grants are offered to the best proposals depending on the budget available. The offer is made on the basis of the proposal itself and the funding recommended by the peer review evaluation.

3.1.1. ERC Starting Grants

The 2012 ERC Starting Grant call was published in July 2011 with an indicative budget of €730 million (representing a 10% increase compared to 2011). In total, 4741 proposals were received, distributed by domain as follows: 2058 proposals in Physical Sciences and Engineering (43%), 1653 in Life Sciences (35 %) and 1030 (22 %) in Social Sciences and Humanities. A total of 566 proposals were selected for funding. More than €790 million was awarded with an overall average grant size of around €1.4 million.

The 2013 Starting Grant call was published in July 2012 for applicants qualifying as ‘starters’ (i.e. Principal Investigators that have been awarded their first PhD at least 2 and up to 7 years from the call date) with an indicative budget of €398 million. A total of 3329 proposals were submitted: 1486 in Physical Sciences and Engineering, 1073 in Life Sciences and 770 in Social Sciences and Humanities, representing respectively 45%, 32% and 23%. A small, but constant, increase of the share of proposals in Physical Sciences and Engineering can be noticed from 41% in 2011 to 43% in 2012 and 45% in 2013.

3.1.2. ERC Advanced Grants

The 2012 ERC Advanced Grant call was published in November 2011 with an indicative budget of €680 million. A total of 2304 proposals were received, distributed by domain as follows: 978 proposals in Physical Sciences and Engineering (42%), 773 in Life Sciences (34%) and 553 in Social Sciences and Humanities (24%). The evaluation process resulted in a total of 313 proposals being retained for funding for a total of about €720 million and an overall average grant size of around €2.3 million.

The 2013 ERC Advanced Grant call was published in July 2012 with an indicative budget of €662 million. A total of 2408 proposals were submitted: 1053 in Physical Sciences and Engineering, 788 in Life Sciences and 567 in Social Sciences and Humanities, representing respectively 44%, 33% and 23%. The share of Physical Sciences and Engineering proposals increased from 40% in 2011 to 42% in 2012 and 44% in 2013.

3.1.3. ERC Proof of Concept

In the first call for the Proof of Concept (PoC) in 2011, a total of 51 grants were awarded, of which the final 22, selected at the end of 2011, were announced in February 2012. The first 29 grants were announced in October 2011.

In 2012, a further 33 PoC grants were awarded at the May deadline and another 27 at the October deadline, bringing the total number of PoCs selected for granting by the end of 2012 to 111.

3.1.4. Synergy Grants

The first call for Synergy Grants attracted 710 applications, which were assessed following an evaluation procedure specifically designed for this purpose. In an extremely competitive call, 11 projects were finally selected in December 2012 to receive funding for up to 6 years. The average Synergy Grant selected for funding is worth €11.5 million and the total budget

allocated in 2012 was €126 million. As each Synergy Grant project involves between two and four Principal Investigators, 38 outstanding researchers are being supported through these 11 grants. The high number of proposals received attests to a very substantial interest from the scientific community for this new type of grant.

3.2. Co-operation between the ERC and the NSF

On 13 July 2012, Máire Geoghegan-Quinn, European Commissioner for Research, Innovation and Science, and Dr Subra Suresh, Director of the National Science Foundation of USA (NSF), signed an "implementing arrangement" in the framework of the EU-US Science and Technology Agreement. This initiative is designed to help young top talent, based in the U.S. and pre-selected by the NSF, to spend some time – between 6 and 12 months – in Europe, hosted as members of ERC grantees' teams. To date, 2330 ERC grantees have been contacted and 760 positive replies have been received. The initiative aims to connect researchers with shared interests and complementary strengths in their endeavour to advance the frontiers of science and to enhance scientific and technological cooperation between the two continents.

3.3. Programme Committee

The Programme Committee of the Specific Programme "Ideas" serves, in addition to its formal duties, as an important communication network between the Member States and FP7 Associated Countries, the Scientific Council, the ERC Secretary General and the Commission. In 2012 meetings of this committee were held on 18 April and 12 October.

3.4. Ethical review

In 2012 three proposals involving research on Human Embryonic Stem Cells were cleared following an ethics review and obtained the approval of the Ideas Programme Committee. Another three proposals underwent ethics review and are currently under consideration by the Ideas Programme committee.

3.5. Redress

In 2012, the total number of redress cases decreased from 234 to 204 (- 13%), despite the fact that in 2012 the total number of proposals increased by 21.24 %. This number, representing 2.58% of the proposals received, indicates a positive downward trend of redress cases, thanks to the continuous improvement of working methods and compliance with procedures.

3.6. Communication

In February 2012, the ERC celebrated its 5th anniversary, an occasion for presenting its achievements so far. The two-day event brought together policy makers and beneficiaries of ERC grants. Three European Commissioners, the European Parliament's ITRE President, the Danish Science Minister representing the EU Presidency, and the ERC leadership had the opportunity to listen to research results, success stories and, more importantly, plans for the future.

In 2012, the Scientific Council launched the "ERC goes Global" campaign, headed by the ERC Secretary General Professor Donald Dingwell. In less than a year, he visited 26 cities in 9 countries and has given 70 presentations. National Contact Points (NCP) are being set up in the wake of these visits and two of them (Brazil, Taiwan) have attended the annual NCP meeting in Brussels in November. The ERC was present for the first time at the Annual

Meeting of the New Champions (also known as Summer Davos) held in China. In North America, the ERC attended the NSF career fair and the MIT European career fair, the American Association for the Advancement of Science (AAAS) conference, and the annual meetings of the American Association for Cancer Research, Society for Neuroscience, the American Anthropological Association and the American Geophysical Union.

In addition to initiatives aimed at raising the visibility of ERC's funding opportunities at a global level, the ERC increased its presence in major international scientific conferences, events and exhibitions, as well as career fairs and workshops in Europe. The ERC President, Professor Helga Nowotny attended the European Excellence Conference 2012 organised in Aarhus under the Danish Presidency and the Falling Walls Conference in Berlin. Additional conferences were attended by Scientific Council members and ERCEA staff, where an ERC stand or session was organised to inform of ERC funding opportunities: the Euroscience Open Forum (ESOF) conference held in Dublin, the Lindau Nobel Laureates' meeting, the Nature Jobs Career Fair, the World Congress of Political Sciences and the European Congress of Mathematics, to name but a few.

The national contact points (NCPs), based across Europe, serving as information multipliers to potential applicants, were continuously kept informed about ERC calls via e-mail and through biannual meetings organised in Brussels, in June and November.

This year, the ERC has received extensive media coverage worldwide and in Europe, both as a funding organisation and through its funded projects and its grant holders. Through its "ERC goes Global" campaign, it has intensified its efforts in international press relations, which resulted in more coverage around the globe than ever before. The landmark event on the occasion of the ERC's fifth anniversary also attracted a great deal of media attention and so did the Nobel laureates' initiative against possible cuts in the EU research budget, where the ERC was mentioned as a European success story. In addition to the media events organised throughout the year, the ERC regularly issued press releases and updates. Numerous press interviews with the ERC President, the ERC Secretary-General and Scientific Council members have been published. These press activities have resulted in a significant number of articles in both the scientific and the general press (over 2100 mentions). Concerning the presence of the ERC on social media, a Facebook account and a Twitter account were launched in 2012. The ERC has more than 1 100 followers on Facebook and more than 1 800 followers on Twitter.

3.7. Monitoring, Assessment and Evaluation of the Specific Programme "Ideas"

An evaluation of the ERC main results was prepared in conjunction with the ex-ante impact assessment of the Commission's proposal on Horizon 2020, the next Framework Programme for Research and Innovation⁵. Findings from the continuous monitoring of the programme include the following:

- The ERC counts five Nobel laureates and three Fields Medalists among its grant holders. A total of 76 ERC grantees have received other prestigious international scientific prizes and awards.
- Over 7900 articles acknowledging ERC-funding have appeared in peer-reviewed high impact journals between 2008 and 2012.

⁵ COM(2011) 809 final of 30.11.2011

- Each ERC grantee employs on average six other researchers, contributing in this way to the training of a new generation of excellent researchers.
- The analysis of a significant sample of projects shows that around half of ERC team members hold a nationality that is different from that of the Principal Investigator. ERC team members come from 38 of the 41 European Research Area (ERA) countries. In addition, researchers of 55 different nationalities outside the ERA are present in the teams working on ERC projects, with Americans, Chinese, Indians and Russians taking the lead.
- The same analysis shows positive figures in terms of gender balance: around 37% of ERC team members are women, which is a higher share than the number of female ERC Principal Investigators (20%). The majority of these women are at the start of their research career, so this can be seen as an encouraging sign for a better representation of women in cutting-edge research in the future.

In July 2012, the ERC Executive Agency completed 3 years of autonomous existence and is currently undergoing an external evaluation, which includes a cost-benefit analysis. The evaluation report is expected in spring 2013 and will be transmitted to the European Parliament, the Council and the Court of Auditors.

4. STRUCTURE OF THE EUROPEAN RESEARCH COUNCIL

4.1. The Scientific Council

A staged renewal of the members of the Scientific Council will take effect in February and April 2013. The standing Identification Committee presented its proposals to the Commission in July 2012 and its report⁶ was transmitted to Council and Parliament. Based on these proposals, the Commission nominated as new members of the Scientific Council the following: Professor Klaus Bock (Danish National Research Foundation), Professor Athene Donald (University of Cambridge), Dr Barbara Ensoli (Istituto Superiore di Sanità, Rome), Professor Nuria Sebastian Galles (Universitat Pompeu Fabra, Barcelona), Professor Reinhard Genzel (Max Planck Institute for Extra-terrestrial Physics), Professor Dr Ing. Matthias Kleiner (University of Dortmund), Professor Eva Kondorosi (Hungarian Academy of Sciences) and Professor Dr Reinhilde Veugelers (KU Leuven)⁷.

The Scientific Council held 5 plenary meetings in 2012, two of which were held outside Brussels: in Sofia (Bulgaria) in April and in Limassol (Cyprus) in October. The summary of the plenary meetings is published on the ERC website⁸.

The members of the Scientific Council also met in Working Groups (WGs) addressing specific issues: innovation and relations with industry, internationalisation, gender balance and open access.

In July 2012, the Scientific Council took a further step to strengthen its policy on open access, by encouraging ERC-funded researchers to use discipline-specific repositories. Since its

⁶ http://erc.europa.eu/sites/default/files/document/file/ERC_Identification_Committee_Final_Report_2012.pdf

⁷ C(2012) 9244 of 13.12.2012, OJ C 396 of 21.12.2012, p.30

⁸ <http://erc.europa.eu/about-erc/organisation>

creation, the ERC has been a strong supporter of the idea that the wide range of research results — including publications and primary data — should be made freely accessible. In 2007, the Scientific Council laid down specific guidelines requiring that all peer-reviewed publications springing from ERC-funded projects be deposited on publication into appropriate research or institutional repositories and subsequently made open access within 6 months of publication.

The Scientific Council has two Standing Committees, one on peer review and one on conflict of interest, scientific misconduct and ethical issues.

- In May 2012, the ERC participated in the Global Summit on merit (peer) review in Washington hosted by the National Science Foundation (NSF). Heads of research councils from about 50 countries agreed upon a set of merit review principles and established a Global Research Council (GRC).
- Based on the work of its committee on conflicts of interest, scientific misconduct and ethical issues, at its plenary meeting of 4 and 5 October 2012, the Scientific Council adopted a strategy for identifying and addressing scientific misconduct concerning ERC applicants and projects⁹. The strategy institutionalises what has been the ERC practice so far in dealing with scientific misconduct. It ensures that all concerns about potential scientific misconduct or suspected breaches of research integrity concerning an ERC applicant or project will be addressed by the ERC within the legal and procedural framework applicable to an agency established within the European Commission framework.

The Scientific Council's plenary meetings and the meetings of its members with ERC stakeholders are prepared with the organisational and administrative support of the Executive Agency. The Agency also provides advice and analysis to facilitate the Scientific Council to fulfil its tasks as described in Annex 1 of the Ideas Specific Programme, as well as support to the operational activities of its Working Groups and Standing Committees.

To further assure its liaison with the European Commission and the Executive Agency, the Chair and vice Chairs of the Scientific Council, the ERC Secretary General and the Director of the Agency meet regularly as the ERC Board. These meetings are also attended by the senior management of the Agency. The Board met in Brussels 10 times in 2012, in particular to prepare or to follow up the meetings of the Scientific Council.

4.2. The ERC Executive Agency

Since July 2009 the Agency has been responsible for all aspects of administrative implementation and programme execution as provided for in the Work Programme.

The operations of the Agency are supervised by a Steering Committee, appointed by the Commission. It is chaired by the Director-General of DG Research and Innovation and includes as external members two members of the Scientific Council. In 2012, the Steering Committee held four meetings and adopted decisions related to the Agency's Annual Work Programme, budget and accounts, as well as its organisational structure. Pablo Amor was appointed Director of the ERC Executive Agency on 25 July 2012.

⁹ http://erc.europa.eu/sites/default/files/press_release/files/ERC_Scmisconduct_Strategy.pdf

4.2.1. Agency Staff

The 2012 operating budget provided for the employment of 100 temporary agents, 281 contract staff and 8 seconded national experts, adding up to a total of 389 agents.

At the end of December 2012, the agency employed indeed a total of 380 agents: 96 temporary agents, 275 contract agents and 9 seconded national experts.

Statistics of December 2012 show that the agency employs approximately 35% men and 65% women. As regards the gender balance of highly specialised staff (temporary agents and contract agents in Function Group IV), 61% of the posts are occupied by women. At the end of 2012, the ERC Executive Agency employed nationals from 26 Member States.

5. CONCLUSIONS AND OUTLOOK FOR 2013

The year 2012 saw several significant developments for the ERC. It was marked by the ERC's fifth anniversary celebration, the launch of the "ERC goes Global" campaign, the first international agreement with the US National Science Foundation, an ERC Principal Investigator winning the Nobel Prize for physics, and ERC grantees participating in the Summer Davos meeting. By the end of 2012, the ERC had completed ten calls for proposals for the Starting and Advanced Grants, two calls for the Proof of Concept and one for the Synergy Grants. The competitions yielded a total of over 34000 proposals out of which more than 3500 have been selected for funding through a rigorous peer review.

The year 2013 is eagerly awaited for the decisions of the European Parliament and the Council on the Commission's proposals for Horizon 2020, including an anticipated increase of funding for the ERC. Boosting the ERC budget will allow more top researchers and their pioneering ideas to be supported, and especially younger researchers to be provided with a long-term perspective.

Two further developments are foreseen in 2013:

- Since 2010, the Starting Grant has been "streamed" to allow applicants to be compared with researchers of a similar level. In general, "Starters" (from 2 and up to 7 years from their PhD award) are still in the process of setting up their own research group, while "Consolidators" (from 7 up to 12 years from their PhD award) are very often already working with their own group, but need to consolidate. As a development from this practice, and in response to the rapidly rising number of applications for Starting Grants, the Scientific Council will introduce two separate calls in the 2013 Work Programme¹⁰.
- In line with the recommendations of the ERC Task Force, incorporated in its proposals for Horizon 2020, the Commission has set up a high level independent search committee for the next ERC President¹¹. Under Horizon 2020, the ERC President will also ensure the tasks of the ERC Secretary General, will be based in Brussels and devote most of her/his time to ERC activities. The search committee, chaired by Lord Sainsbury of Turville, is expected to report to the Commission in

¹⁰ <http://erc.europa.eu/documents/erc-work-programme-2013>

¹¹ http://europa.eu/rapid/press-release_IP-12-1393_en.htm

time for the appointment of the next ERC President upon the entry into force of Horizon 2020.