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signed by Mr Jordi AYET PUIGARNAU, Director

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to: Mr Uwe CORSEPIUS, Secretary-General of the Council of the European  
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**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND  
THE COUNCIL**

**on the evaluation of the Union's finances based on the results achieved**

{SWD(2012) 4 final}

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

## **on the evaluation of the Union's finances based on the results achieved**

### **1. PRELIMINARY REMARKS**

This is the first Commission report to the European Parliament (EP) and the Council on the evaluation of the Union's finances based on the results achieved, pursuant to Article 318 of the Treaty on the Functioning of the European Union (TFEU).

Article 318 TFEU provides that the Commission shall:

"submit to the European Parliament and the Council an evaluation report on the Union's finances based on the results achieved, in particular in relation to the indications given by the European Parliament and the Council pursuant to Article 319."

Article 319 TFEU provides that the European Parliament, acting on a recommendation from the Council, shall give a discharge to the Commission in respect of the implementation of the EU budget. The article also provides that, in doing so, the Council and the European Parliament examine the accounts, the financial statement and the Article 318 TFEU evaluation report, plus the annual report by the Court of Auditors and the replies of the institutions to the observations of the Court of Auditors, and the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions required under Article 287 TFEU.

The Commission is examining ways to align the reports required under the different procedures with due regard to the different timing and coverage of evaluation and budget discharge work and to avoid any duplication of work, as explained further in this report. This will be a progressive process, building each year on the experience of earlier years. As from the 2011 discharge procedure, the Commission will aim to adopt the evaluation report by mid-November each year.

### **2. INTRODUCTION**

One of the main features of Article 318 TFEU is that the evaluation report focuses on the finances of the Union from the standpoint of the results achieved by the relevant programmes.

To contribute to this assessment of overall results and impacts, the Commission undertakes evaluations during and after the completion of the different financial programmes in order to analyse the extent to which the programmes have achieved their objectives and to measure the impact of the programmes on society.

The implementation of the programmes entails initial capacity-building and it can take several years for the momentum of change to gather force and speed, with the result that expenditure is spread over several years. Longer-term impacts only materialise over time and not necessarily on a uniform or regular annual basis.

It is also important to base the evaluation of results and subsequent decision-making on data trends rather than single sets of figures so that sound conclusions can be drawn. Sufficient and reliable information on the results and impacts of specific programmes tend to become available only several years after the completion of the whole programme.

In contrast, the process for the discharge of annual expenditure under the EU budget is a specific process designed to produce a definitive result on each year's expenditure. It is a process which follows a set timetable which allows it to be completed for a year of expenditure by May in the second subsequent year. Moreover, the budget discharge process has in the past mainly focused on legality and regularity, although now a broader focus is being developed.

Thus, there is no direct match between the timing and coverage of evaluations of financial programmes on the one hand and the discharge of annual expenditure on the other hand. The indications given by the European Parliament and Council in connection with the procedure for the financial discharge for expenditure incurred in one year may not always relate to the phase of the financial programme and the evaluation results produced at or around the same time.

A lot of detailed information on the assessment of the results and impacts of different EU financial programmes is already made available through individual evaluations and Impact Assessments and through the Annual Activity Reports<sup>1</sup>, the Synthesis Report of Management Achievements, the Activity Statements<sup>2</sup> and the report on the follow-up to the Discharge resolution and recommendation, which are all published year-on-year. In addition, the Article 318 TFEU evaluation report should not duplicate the evaluation work done as required by the basic acts establishing the EU Programmes.

Therefore, the Commission has considered whether the evaluation report should systematically cover all programmes each year or rather in each year only those programmes for which sufficient relevant and new information has become available. To cover all of the programmes financed by the EU from year to year would risk producing a very extensive and unfocussed outcome, with repetition of information contained in earlier reports for those programmes where no major evolution has taken place since the last report. A clearer and stronger focus will result from reports which

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<sup>1</sup> Each Director General/Head of Service shall submit to his/her institution an Annual Activity Report together with financial and management information. This report gives account of the achievements of the key policy objectives and core activities of the Directorate-General or Service taking into account the corresponding resources used

<sup>2</sup> Activity Statements provide the main elements of justification for the level of resources requested by the Commission in its Draft Budget (DB). They include details of the resources (human and financial) allocated by Activity, as well as associated objectives, indicators and outputs. Major achievements and evaluation results are also included. Hence, they justify the Commission's DB in terms of performance information (objectives, indicators, evaluation results and outputs), i.e. depict what benefits are rendered to the beneficiaries of EU - programmes.

target a limited number of programmes each year, taking account of the importance of each programme and the availability of recent evaluation results, while ensuring that a broad range of financial sectors are covered in the medium term.

In order to avoid duplication and to start this new process of reporting, the Commission has decided to focus on selected policy areas in this evaluation report. The report covers two areas: Education and Culture, and Research. These areas seem most appropriate for this first report as they contribute to the EU 2020 headline targets and flagship initiatives.<sup>3</sup> They involve an important amount of expenditure, nearly € 8 billion in 2010. They are also key examples of policies implemented on a centralised basis, not on a shared basis with the Member States. In future years the Commission intends to cover the main financial programmes implemented on a centralised basis or by shared or decentralised management, each year covering a different selection from such areas as Regional Policy or one of the other Structural Funds, Enterprise, Taxation, Energy, Mobility and Transport or Information Society.

The availability of the recent evaluation results referred to later in this report in the two selected areas makes them well-suited to be covered, even if recent evaluation material is available this year for many financial programmes due to the preparations under way for the new Multi-annual Financial Framework. In other years the availability of recent evaluation results will vary, since evaluations are programmed as much as possible to support decision-making. The Commission is therefore making an effort to better align the monitoring and evaluation arrangements with the programming cycle, which means that there are likely be more evaluations available for the preparation of new proposals and fewer evaluations in the other years.

In line with Article 318 TFEU, the examination of the two selected policy areas should have been linked to the 2009 discharge recommendation, that is to the requests made by the European Parliament and Council with regard to those areas. However, the Discharge Authority did not give any particular indications regarding the policy outcomes of Education and Culture and Research in the 2009 resolution and recommendation.

In the following sections, the report first identifies the programmes covered and then summarises their role and current objectives. Second, it looks at the recent evaluation results that have been produced, variously covering the extent to which the programmes have contributed to their objectives and produced the expected impacts. Since the programmes are still running, this evaluation report presents the main conclusions on progress achieved so far. Finally, it also sometimes refers to evaluations of earlier programmes in order to present a reasonably complete and coherent picture. A list of reference documentation is provided in the accompanying Staff Working Document.

### **3. EDUCATION AND CULTURE**

#### **3.1. Introduction**

The policy area Education and Culture has the following general objectives:

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<sup>3</sup> COM(2010)2020 final

- (1) Raise the level and relevance of skills contributing to excellence and equity and to make mobility a possibility for all young learners and researchers.
- (2) Foster creativity, promote intercultural dialogue and cultural and linguistic richness and to build the job-creating potential of the creative economy.
- (3) Reinforce participation, solidarity and exchanges between people, focusing on the young.
- (4) Cooperate with world partner countries or regions and international organisations to promote European values worldwide, and to strengthening people to people contacts.
- (5) The Lifelong Learning Programme (LLP), the European Institute of Innovation and Technology (EIT), the Marie Curie Actions (in the FP7 People programme), Youth in Action, the Culture programme and MEDIA 2007 are the main financial instruments applied to achieve the general objectives, with a total budget of nearly €14 billion for 2007-2013. As such, they also contribute to several flagship initiatives of the Europe 2020 agenda (Youth on the Move, Agenda for new Skills and Jobs, Innovation Union, Digital Agenda, and Platform against Poverty) and to progress in the Europe 2020 headline targets in the education field.<sup>4</sup>

The added value of the programmes lies in the transnational character of their activities, which are additional to national or regional actions. In addition, the European action ensures a wider dissemination of results, which can contribute to better informed policy-making throughout the Union and beyond.

### **3.2. Lifelong Learning**

The Lifelong Learning Programme (LLP) is comprised of five sector programmes:

- (1) Comenius (primary and secondary school education)
- (2) Erasmus (higher/tertiary education)
- (3) Leonardo da Vinci (vocational education and training)
- (4) Grundtvig (adult education)
- (5) Transversal and Jean Monnet (supporting cross-cutting activities, such as policy cooperation and innovation).

The LLP supports mobility for students, pupils and education staff from all education sectors to spend time learning in the educational system of another Member State. In line with the Europe 2020 strategy, the general objective is to contribute to the

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<sup>4</sup> Reduce the number of early school leavers to below 10% of 18-24 year olds by 2020 (declined from 17.6% in 2000 to 14.4% in 2009); increase the number of graduates from tertiary education to at least 40% of 30-34 year olds by the same date (increased from 22.4% in 2000 to 32.3% in 2009).

development of the EU as an advanced knowledge-based society, with sustainable economic development, more and better jobs and greater social cohesion.

The 2011 interim evaluation<sup>5</sup> finds that the LLP overall is effective in dealing with the needs of the sectors addressed. It has been found that the actions carried out bring a clear added value to national activities. The programme is either identified as achieving most of its objectives or it is indicated that the implementation and output results show that it will in all likelihood achieve those objectives. Furthermore the main target groups are being reached. The programme is evaluated as enhancing the skills, adaptability and employability of students, and strengthening the openness and efficiency of labour markets. It enhances professional development for staff members, improving the effectiveness of European education.

Also in terms of interim results, 2.4 million students have benefited from the Erasmus sub-Programme since 1987, building from a low starting point, and with a target of 3 million students by 2013. The market value of this type of exchange is confirmed by more than 40% of employers who consider that internationally experienced graduates have higher competences than those without international experience. Over 40,000 members of university staff have benefited from the same programme every year.

Similarly, according to the LLP interim evaluation, more than 77,000 persons have benefited from learning or teaching mobility supported by the Leonardo da Vinci sub-programme. 85% of the participants in Leonardo da Vinci mobility find that their training placements were beneficial for their career.

The interim evaluation indicates that the LLP has proven its added value in terms of increasing the European dimension of learning in all its areas and sub-programmes. The higher education sub-programme, Erasmus, shows measurable EU added value<sup>6</sup> beyond "inspiring" or "influencing".

Overall, it is concluded that the efficiency and effectiveness of LLP is good and the objectives are still relevant. Findings of implementation problems are mostly due to negative external factors such as the lack of language knowledge among potential participants. The Erasmus sub-programme deals most directly with this.

However, according to the findings of the interim evaluation, there are also clear indications that the performance of the different sub-programmes is uneven and the level of ambition of the objectives are in certain instances disproportionate to the funds allocated, particularly for the sub-programme Comenius. The number of specific and operational objectives is too large, which may have a negative influence on the already fragmented nature of the LLP. Furthermore some of the specific objectives lack a clear link to the general objectives and the objectives also overlap in several cases. These findings provided critical input for the streamlined design of the proposed "Erasmus for All" programme.

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<sup>5</sup> Interim evaluation of the Lifelong Learning Programme (2007-2013), 2011: [http://ec.europa.eu/dgs/education\\_culture/evalreports/education/2011/lpreport\\_en.pdf](http://ec.europa.eu/dgs/education_culture/evalreports/education/2011/lpreport_en.pdf)

<sup>6</sup> For more details on the EU added value, see SEC(2011)867: Commission Staff Working Paper - The added value of the EU budget -accompanying the document COM(2011)500: A budget for Europe 2020

### **3.3. European Institute of Innovation and Technology**

The recently established European Institute of Innovation and Technology targets the integration of higher education, research and innovation. Its priorities are the transfer of long-term innovation activities to commercial applications, in particular through start-up and spin-off enterprises.

The first Knowledge and Innovation Communities (KIC) supported by the EIT, but with 75% of KIC budget coming from other sources of funding, started work in 2010. The first evaluation confirmed that the EIT has broadly met its key operational objectives in the start-up phase, although with some delays due to its inherent complexity.<sup>7</sup>

The evaluation also noted, however, that at this early stage in its development, the EIT is still working towards achieving the objective of being a reference model. It still needs to acquire a sufficient level of experience and expertise across its functions. It was also found that the participation of world-class universities and innovation centres as well as the complementary relationship between the EIT and other EU programmes could be improved. The process and the criteria for selecting participating actors could be clarified. These evaluation findings provided input to the recent Commission proposal for the amendment of the EIT regulation (Regulation (EC) No 294/2008) and an Action Plan will be prepared in response to the evaluation results.

### **3.4. Marie Curie<sup>8</sup> actions**

Marie Curie actions to support mobility and training of researchers are financed through the "People" Specific Programme under the Seventh Framework Programme for Research. The recent Interim Evaluation of FP7 concluded that the People Programme seems to have been successful so far and that the actions taken are well-structured and balanced. The actions set a valuable bench-mark for the working conditions and employment standards of EU-researchers. It was recommended for the remaining years of FP7 to abstain from the introduction of new support schemes.

### **3.5. Youth in Action**

In the framework of the Europe 2020 strategy, the Youth in Action programme (YiA) aims at promoting opportunities for cross-border learning mobility and employability of young people and youth workers, as well as personal development and entrepreneurial spirit. According to the interim evaluation of the YiA, since 2007, more than 500,000 young people or youth workers participated in projects supported by the programme.<sup>9</sup> Up to 2011, more than 130,000 Youth pass non formal learning

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<sup>7</sup> Evaluation of the European Institute of Innovation, 2011: [http://ec.europa.eu/dgs/education\\_culture/evalreports/education/2011/eitreport\\_en.pdf](http://ec.europa.eu/dgs/education_culture/evalreports/education/2011/eitreport_en.pdf)

<sup>8</sup> Although Marie Curie actions are part of the People Programme financed from the Seventh Framework Programme, they are included in the policy area of Education and Culture according to the ABB nomenclature and are therefore reported under this section.

<sup>9</sup> Interim evaluation of Youth in Action, 2011: [http://ec.europa.eu/dgs/education\\_culture/evalreports/youth/2011/interimreport\\_en.pdf](http://ec.europa.eu/dgs/education_culture/evalreports/youth/2011/interimreport_en.pdf)



opportunities certificates were delivered, documenting better the improved skills intended to increase employability.

The Interim Evaluation confirms the added value of the programme. It is identified as helping young people having fewer opportunities, a unique feature compared to other programmes. 95% of participating young people consider that they learned to communicate better with people who speak another language and 66% believe that their job chances have increased thanks to the co-funded project experience. Furthermore, the evaluation and recent monitoring surveys<sup>10</sup> confirm that the programme is effective in encouraging the active participation of young people in society.

However, it has also been identified that too high a number of objectives and actions makes the programme lose focus and internal coherence. The framework of the future single programme "Erasmus for All" provides an opportunity to re-group and revise the current objectives to make them more consistent and coherent.

### **3.6. Culture**

The Culture programme promotes cross-border mobility of those working in the cultural sector, encourages the transnational circulation of cultural and artistic output, and fosters intercultural dialogue.

The essential added value of the Programme is its contribution to greater awareness of the existence of a common European heritage, intercultural dialogue, the safeguarding and promotion of the diversity and richness of European cultures, and the promotion of the transnational mobility of artistic and cultural professionals and their works. In line with the Europe 2020 strategy, cultural and creative sectors supported by EU action (e.g. European Capitals of Culture, translation of fiction, EU Prizes, etc) contribute to innovation, to job creation, to local and regional development, and social inclusion.

In 2010 alone, almost 20,000 artists and cultural workers moved between Member States through transnational cooperation projects and several thousands of works circulated within the EU due to the support provided. This provided millions of Europeans with access to European cultural works; for example, some 25 million people visited more than 22,600 sites open to the public in 2010 under the European Heritage Days co-financed by the programme.

According to the Mid-term Evaluation, the programme plays a unique role in stimulating cross-border cooperation, promoting peer learning and the professionalisation of the sector, increasing the access of European citizens to non-national works of European origin.<sup>11</sup>

However, the evaluation also concludes that there is a need to adapt the current programme's three specific objectives to the real needs of project promoters.

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<sup>10</sup> YiA monitoring surveys: [http://ec.europa.eu/youth/focus/doc/monitoring\\_survey/report\\_monitoring\\_survey\\_2011.pdf](http://ec.europa.eu/youth/focus/doc/monitoring_survey/report_monitoring_survey_2011.pdf)

<sup>11</sup> Interim evaluation of the Culture Programme (2007-2013), 2011: [http://ec.europa.eu/dgs/education\\_culture/evalreports/culture/2010/progreport\\_en.pdf](http://ec.europa.eu/dgs/education_culture/evalreports/culture/2010/progreport_en.pdf)

Experience of the co-operation projects also shows a clear problem with how the objectives of the programme should be understood, articulated and promoted. In the management of the programme itself, there remains room for further improvement on some aspects of the information systems supporting the programme. Drawing on these lessons, the Commission's proposal for the future Creative Europe framework programme seeks to make the necessary adaptations to meet the challenges currently faced by cultural and creative sectors in Europe.

### **3.7. MEDIA 2007**

In line with the Europe 2020 strategy, the main objective of the MEDIA programme is to strengthen the competitiveness of the European audiovisual sector. The programme supports training and networking for professionals and the development and cross-border circulation of European films and audiovisual works. The new MEDIA Production Guarantee Fund facilitates access to financing for European audiovisual production companies. MEDIA Mundus supports cooperation between professionals from the EU and third countries.

The Commission estimates that, thanks to the leveraging effect of the MEDIA Production Guarantee Fund, more than €100 million will result in loans to film producers. About 300 new films are supported by the MEDIA Development scheme every year, and those supported under the MEDIA Distribution scheme represent 50% of European films displayed in cinemas. One Euro invested from the MEDIA 2007 programme is assessed as triggering the generation of €6 from private financing sources with a multiplier of 14 in the funding of the cinema theatres sector.

The Interim Evaluation of MEDIA 2007 concludes that the programme is achieving its main objective. It contributes substantially to the promotion of cultural diversity in Europe. The effectiveness of co-funded actions was affirmed and the added value it brings to national interventions was confirmed. The evaluations available for MEDIA Plus and MEDIA 2007 demonstrated that these programmes contributed to a more even production of audiovisual works from European countries having varied audiovisual production capacity.<sup>12</sup>

However, the interim evaluation also concludes that there is poor effectiveness in the MEDIA programme's support for broadcasting and for the development of online and offline interactive work. While efforts are being made to adapt the MEDIA programme, in some instances, the programme's traditional modes of intervention do not enable it to fully meet the fast-changing needs of the sector. The Commission has proposed to remedy this situation in the framework of the future "Creative Europe" programme.

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<sup>12</sup> Interim evaluation of the MEDIA 2007 Programme, 2010: [http://ec.europa.eu/dgs/education\\_culture/evalreports/culture/2010/media\\_en.pdf](http://ec.europa.eu/dgs/education_culture/evalreports/culture/2010/media_en.pdf)  
Évaluation finale des programmes MEDIA Plus et MEDIA Formation, 2007: [http://ec.europa.eu/culture/media/programme/docs/overview/evaluation/reports/media%20plus/rapport\\_finale\\_m\\_plus.pdf](http://ec.europa.eu/culture/media/programme/docs/overview/evaluation/reports/media%20plus/rapport_finale_m_plus.pdf)

## 4. RESEARCH<sup>13</sup>

### 4.1. Introduction

In line with the Treaty, the Europe 2020 strategy and the Innovation Union flagship initiative<sup>14</sup>, there are three general objectives for European research policy:

- (1) Developing an economy based on knowledge and innovation.
- (2) Mobilizing and coordinating research and innovation efforts on an appropriate scale to tackle societal challenges, such as climate change, energy and resource efficiency, health and the ageing population.
- (3) Strengthening the knowledge base and achieving research excellence in Europe.

The Seventh Framework Programme (FP7) is the main policy tool of the European Union in the field of research with a total budget of over € 50 billion.<sup>15</sup>

FP7 invests in and promotes leading-edge, world-class research. The FP7 is being implemented through four specific programmes: Cooperation, Ideas, People<sup>16</sup> and Capacities.

The Specific Programme '**Cooperation**' provides funding for collaborative research projects carried out by transnational consortia of industry and academia organised through ten themes: Health; Food, Agriculture and Fisheries, Biotechnology; Information and Communication Technologies; Nanosciences, Nanotechnologies, Materials and new Production Technologies; Energy; Environment (including Climate Change); Transport (including Aeronautics); Socio-economic Sciences and Humanities; Space; Security.<sup>17</sup>

The Specific Programme '**Ideas**' provides funding for individuals and their teams engaged in frontier research in new areas of scientific and technological advancement. The programme is implemented by the European Research Council (ERC). The ERC has been established with the objective of reinforcing excellence, dynamism and creativity, as well as improving the attractiveness of Europe for the best investigator-driven research projects.

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<sup>13</sup> This section focuses on research activities included in title 8 'Research' of the General Budget. Activities in the Seventh Framework Programme that are part of other policy areas according to the ABB nomenclature are not included.

<sup>14</sup> SEC(2010)1161

<sup>15</sup> Decision No 1982/2006/EC of the European Parliament and of the Council of 18 December 2006 concerning the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007-2013), OJ L 412/2006

<sup>16</sup> The achievement of objectives of Marie Curie Actions is reported under the Education and Culture part as since 2010 it is DG EAC that manages this Programme

<sup>17</sup> Parts of the Cooperation Program (Space and Security) are managed by DG Enterprise, while DG INFSO is responsible for managing the Information and Communication Technologies part

The Specific Programme '**Capacities**' funds actions that are designed to improve Europe's research infrastructure and the research capacity of SMEs. It also hosts smaller programmes relating to Science in Society, Regions of Knowledge, Research Potential, International Cooperation, and the Coherent Development of Research Policies.

For the first four years of FP7 (2007 until 2010), 245 concluded calls received 59,140 proposals<sup>18</sup>, involving about 312,600 applicants. Out of these, almost 12,500 proposals involving about 69,300 participants were retained for funding negotiations, with a corresponding total EU contribution envisaged of 20.4 billion €<sup>19</sup>.

In 2010, 35% of participants in retained proposals came from the Higher and Secondary Education sector, so mainly from universities. 27% of the participants came from industry, and research organisations represented another 24% of participants.

The Commission pays special attention to the funding for SMEs under the Cooperation Specific Programme, following the corresponding 15% target in the FP7 Decision<sup>20</sup>. Focusing on SME participation in the Cooperation Programme themes, just over 14% of the Cooperation Programme budget is going to SMEs. With the scheduled SME dedicated calls under the 2011 and 2012 Work Programmes, the 15% target should be met before the end of FP7 in 2013.

The strong international character of the FP is illustrated by the fact that 169 countries are involved in FP7 activities.

FP7 runs from 2007 until 2013. The evidence presented here is based on the Interim Evaluation of FP7, which was carried out in 2010, and on the – somewhat more extensive – Ex-post Evaluation of FP6, which was presented in 2009.

#### **4.2. Framework Programmes 6 and 7**

The FP6 ex-post evaluation report acknowledges the Framework Programme as a powerful mechanism for catalysing research and development in Europe that could only be realised through action at the European level. The activities under FP6 are identified as having generated European added value, contributed generally towards increased industrial competitiveness, generated network externalities, and strengthened the knowledge infrastructure in Europe.<sup>21</sup>

More specifically, but still concerning the performance of the overall programme, FP6 was identified as having included first-rate projects, involving top-quality researchers and well-managed consortia. These have contributed to the improved mobility of researchers and the internationalisation of research teams. This has helped Europe to

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<sup>18</sup> Numbers based on eligible proposals and not including first-stage proposals in the case of two-stage calls.

<sup>19</sup> These figures and those in the three following paragraphs are extracted from: *Fourth FP7 Monitoring Report - Monitoring Report 2010*: [http://ec.europa.eu/research/evaluations/index\\_en.cfm?pg=fp7-monitoring](http://ec.europa.eu/research/evaluations/index_en.cfm?pg=fp7-monitoring)

<sup>20</sup> The aim is to ensure that at least 15% of the funding of the programme goes to SMEs.

<sup>21</sup> Evaluation of the Sixth Framework Programmes for Research and Technological development 2002 – 2006: [http://ec.europa.eu/research/reports/2009/pdf/fp6\\_evaluation\\_final\\_report\\_en.pdf](http://ec.europa.eu/research/reports/2009/pdf/fp6_evaluation_final_report_en.pdf)

improve its capacity to perform internationally competitive research at the frontiers of science and technology and in research areas of social and industrial importance.

Concerning areas which need to be improved, the goal of 40% female participation is some way from being met and is particularly challenging given that women comprise only some 30% of the research workforce across the EU. Women are also even less represented at the most senior levels, even if this is expected gradually to improve over time.

Furthermore despite the acknowledged importance of the participation in research of both large companies and SMEs to bridge the gap between research results and innovation, industry participation has been declining, whether measured as a share of funding or number of participants. Industry participation fell from 39% in FP4 to 31% in FP6 and currently accounts for only 25% in FP7. There is still evidence that small businesses are more easily deterred by complexity of procedures and delays in contracts. This is the case even if increased industry participation is expected to come from Joint Technology Initiatives which have been slow to develop.

Nevertheless, FP7 has been evaluated as creating and fostering a broad range of networking activities between a large number of national research centres, opening opportunities for scientists and supplementing existing financing such as through the Risk-sharing Finance Facility. Its role has been confirmed in fostering collaborative research with a strong international dimension through the participation of 169 countries world-wide.<sup>22</sup> Whether judged by the number of researchers involved, the geographical spread of teams or the range of topics covered, the evaluation identifies that FP7 has an impressively wide reach.<sup>23</sup>

More specifically, the FP7 Interim Evaluation also reasoned that, even though the FP7 is defined as a pre-competitive research and development programme, it has some key components that underpin innovation processes and capacities contributing to industrial and market efficiency. Reference is made to the ways in which research teams from different countries and across different sectors collaborate, creating a distinctive feature of dynamic innovation systems. This contributes to the finding that participants from industry, research and higher education achieve a high degree of inter-disciplinary collaboration and application-orientation.<sup>24</sup>

Evaluations acknowledge the correctness of the FP implementation, highlighting that there has been considerable improvement in the way evaluation of the FP is organised in recent years<sup>25</sup> and that, at a procedural level, calls have been developed and

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<sup>22</sup> Interim Evaluation of the Seventh Framework Programme: [http://ec.europa.eu/research/evaluations/pdf/archive/other\\_reports\\_studies\\_and\\_documents/fp7\\_interim\\_evaluation\\_expert\\_group\\_report.pdf](http://ec.europa.eu/research/evaluations/pdf/archive/other_reports_studies_and_documents/fp7_interim_evaluation_expert_group_report.pdf)

<sup>23</sup> Interim Evaluation of the Seventh Framework Programme: [http://ec.europa.eu/research/evaluations/pdf/archive/other\\_reports\\_studies\\_and\\_documents/fp7\\_interim\\_evaluation\\_expert\\_group\\_report.pdf](http://ec.europa.eu/research/evaluations/pdf/archive/other_reports_studies_and_documents/fp7_interim_evaluation_expert_group_report.pdf)

<sup>24</sup> Interim Evaluation of the Seventh Framework Programme: [http://ec.europa.eu/research/evaluations/pdf/archive/other\\_reports\\_studies\\_and\\_documents/fp7\\_interim\\_evaluation\\_expert\\_group\\_report.pdf](http://ec.europa.eu/research/evaluations/pdf/archive/other_reports_studies_and_documents/fp7_interim_evaluation_expert_group_report.pdf)

<sup>25</sup> FP6 Ex-Post Evaluation, p. vii

processed effectively and that these procedures have ensured that funds are allocated in a reasonably timely manner and with integrity<sup>26</sup>.

At the same time, both FP level evaluations identify a strong need for further efforts at simplification of the FP, highlighting the various problems related to complexity in its functioning. The FP6 Ex-Post Evaluation states that FP6 has continued to entail a cumbersome level of administration. The experts point to the fact that this burden is especially large for new participants – whether they are SMEs, young researchers, participants from the new Member States or from ‘Third Countries’<sup>27</sup>.

Two years later, in 2010, the FP7 Interim Evaluation Panel highlights that several of the changes that were implemented for FP7 have been welcomed by the research community and have undoubtedly been successes, notably the Unique Registration Facility (URF), the EPSS submission tool and less demanding audit requirements. Nevertheless, the experts judge the lack of progress on many known problems as disappointing<sup>28</sup>.

#### 4.2.1. Cooperation Programme

The Cooperation Programme is one of the main sources of public funding for collaboration across national borders in the EU, ensuring European added value. Existing evaluations underline the importance of the programme for the formation of networks across Europe. The FP7 Interim Evaluation concludes that collaborative projects are at the core of the European Research Area and that FP7 is filling important gaps between national research activities, thus ensuring critical mass and added value in many areas. Many FP7 activities are identified as not likely to have taken place without EU level funding.<sup>29</sup>

One of the main conclusions from the body of work on research networks and their formation is that the FPs have been instrumental in stimulating a growing culture of knowledge-sharing. According to one study, FP6 has facilitated the creation of the ERA by improving the integration and coordination of research across Europe and has led to increased competitiveness. The study highlights a significant change in attitudes and behaviour among many of the FP6 participants and, in particular, an increased openness to international knowledge-sharing and collaborative research.<sup>30</sup>

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<sup>26</sup> FP7 Interim Evaluation, p.7

<sup>27</sup> FP6 Ex-Post Evaluation, p.36

<sup>28</sup> FP7 Interim Evaluation, p. 56-57

<sup>29</sup> Interim Evaluation of the Seventh Framework Programme: [http://ec.europa.eu/research/evaluations/pdf/archive/other\\_reports\\_studies\\_and\\_documents/fp7\\_interim\\_evaluation\\_expert\\_group\\_report.pdf](http://ec.europa.eu/research/evaluations/pdf/archive/other_reports_studies_and_documents/fp7_interim_evaluation_expert_group_report.pdf)

<sup>30</sup> NetPact: Structuring effects of Community research. The impact of the RTD Framework Programme on network formation. Final report to the European Commission: [http://ec.europa.eu/research/evaluations/pdf/archive/fp6-evidence-base/evaluation\\_studies\\_and\\_reports/evaluation\\_studies\\_and\\_reports\\_2009/structuring\\_effects\\_of\\_community\\_research\\_-\\_the\\_impact\\_of\\_the\\_framework\\_programme\\_for\\_rtd\\_on\\_network\\_formation.pdf#view=fit&page=none](http://ec.europa.eu/research/evaluations/pdf/archive/fp6-evidence-base/evaluation_studies_and_reports/evaluation_studies_and_reports_2009/structuring_effects_of_community_research_-_the_impact_of_the_framework_programme_for_rtd_on_network_formation.pdf#view=fit&page=none)

One of the conclusions of the FP7 evaluation is also that the main added value of collaborative health research at EU level is obtained from transnational cooperation, the integration of different activities and participants in different projects and the concentration of European effort on fewer but more important priorities. It also indicates that research into transport activities under FP7 applies a stronger as well as broader approach in addressing the challenges, including integration of the various modes of transport, the importance of the role of infrastructure and patterns of use. Multi-modal activities, combining different forms of transport, such as road, rail, air and waterway, are confirmed as of great European added value since national programmes more rarely address these questions. The evaluation of FP7 also shows that the Cooperation Programme develops the potential and capacity of smaller Member States to participate and collaborate.

#### 4.2.2. *Ideas Programme*

The findings of the FP7 Interim Evaluation on the *Ideas Programme* concluded that the principle of excellence in project selection is largely achieved, notably as leading researchers are being funded, the quality of proposals is generally assessed to be high and there is robust competition for funding. It was highlighted that the ERC has succeeded in attracting and funding world-class research, playing an important role in anchoring research talent in the EU.

The funding of a mix of investigator-driven competitive research proposals is identified as having allowed the ERC to fund research which is both directly relevant to EU policy needs and has the potential to address possible future challenges. Discoveries from ERC-funded projects have been hailed as "landmark" and "exceptional advances" by the research community.

#### 4.2.3. *The Capacities Programme*

Current evidence shows that FP7 has enhanced the capacity for high level research and knowledge in Europe by becoming the thread for networking for more than 500 national research infrastructures (RIs)<sup>31</sup> in diverse fields and provided high level education and training to young researchers through interactions encouraged in the framework of RIs. Also FP-7 supported RIs have been evaluated as having an impact on European competitiveness as test-beds for promoting innovation and creating 'research market' opportunities for industry.<sup>32</sup>

## 5. CONCLUSIONS

The Commission has set out in this report under Article 318 TFEU to provide an overview of the main results of recent evaluation work focusing on the different

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<sup>31</sup> Please note that parts on Research Infrastructures in Capacities Programme, ICT-based Research Infrastructures (e-Infrastructures), are managed by DG Information and Society

<sup>32</sup> Fotkis C. (2010) FP7 Interim Evaluation: Analyses of FP7 supported research infrastructures initiatives in the context of the European Research Area, available from [http://ec.europa.eu/research/evaluations/pdf/archive/fp7-evidence-base/experts\\_analysis/c.%20fotakis\\_research\\_infrastructure.pdf#view=fit&pagemode=none](http://ec.europa.eu/research/evaluations/pdf/archive/fp7-evidence-base/experts_analysis/c.%20fotakis_research_infrastructure.pdf#view=fit&pagemode=none)

stages in the development of two main areas of EU financial intervention: Education and Culture and Research.

The report focuses principally on the results and impacts identified as having been achieved as a result of EU financing through the most recent and substantial evaluations of the selected programmes and actions, sometimes supplemented by reference to earlier evaluation results. It provides an overview of the main recent evaluation results relevant to the selected programmes compared with the more detailed reports and other documents already available on specific elements of the programmes.

The report covers the areas of Education and Culture and Research, mainly in view of the link with the EU 2020 headline targets and flagship initiatives, the available performance and evaluation related information, and the centralised management method. The report relies upon the detailed information provided in the numerous sources identified in the text. It seeks to provide an overview of the objectives of the programmes being the subject of Union financing, and the impacts and results achieved dependent on the stage reached in the programme at the time of the relevant evaluations.

As regards the area of Education and Culture, the report shows that the financial instruments put in place, depending of the stage of realisation, show a good record in terms of producing tangible results and of achieving or being likely to achieve most of the objectives of those instruments. Moreover, the report provides various concrete examples of generated added value by, inter alia, introducing a transnational dimension, by cross-border cooperation and wider dissemination of knowledge or by generating leverage effects as for example in the case of the Media 2007 Programme. The report has equally detected areas for improvement, such as the need to better define and focus objectives or to improve management, both issues which were remedied in the proposed successor programmes.

In the area of Research, the report indicates that the Framework Programmes have delivered or are in the process of delivering the expected outcomes. Framework Programmes are acknowledged as powerful mechanisms for catalysing research that could only be realised through action at the European level. They are also acknowledged for generating European added value, increased industrial competitiveness, network externalities, and strengthening the knowledge infrastructure in Europe. FP7 is clearly making a significant contribution to European science and the development of the European Research Area and has a vast and impressive reach. The report also recognises, as one of the areas for further improvement, the need for further efforts regarding the simplification and implementation of the FP. Steps in that direction have been taken in the design of the new programmes prepared for the next financial framework, notably in the proposals for the Horizon 2020 programme.

By covering each year a limited number of programmes for which relevant evaluations have become available, this report will be able to cover in the medium term a broad range of financial programmes under the different management methods.



The evaluations referred to in this report have also been used in the preparation of the proposals for the new Multi-annual Financial Framework to run from 2014 to 2020. Experience of the functioning of evaluation work also feeds into the design of future evaluations with a view to strengthening the process and improving outcomes. The Commission will work to ensure that there is increased co-ordination, exchange of information and coherence both within the Commission and with Member States on the programming, organisation and use of monitoring and evaluation in the next financial framework.

In producing this report, the Commission also raises the question of the function and timing of this report in relation to the annual discharge of the budget, particularly given the varying timing and length of periods covered by the evaluation work carried out compared with the more specific annual focus of the budget discharge process.

The Commission is examining further how to develop the content of this report, taking account of the criteria set out in Article 318 TFEU, and the interests expressed by Parliament and Council and is ready to adapt it in the light of their reactions to this report.