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NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee
Subject:	<i>Preparation of the Competitiveness Council on 26-27 May 2016</i> Draft Council conclusions on FP7 and the Future Outlook: Research and innovation investments for growth, jobs and solutions to societal challenges - Adoption

1. The Decision that established the 7th RTD Framework Programme (FP7) stipulated that the Commission shall carry out an external evaluation by independent experts of the FP's rationale, implementation and achievements, two years following the completion of the FP, i.e. by the end of 2015.
2. The report by the High Level Expert Group for the FP7 ex-post evaluation was released in November 2015. The Commission provided its response to the report findings in a Communication adopted on 19 January 2016.
3. Following the discussion on 27 January 2016 at the informal meeting of Ministers responsible for research in Amsterdam, the Presidency proposed draft Council Conclusions on the "FP7 and the Future Outlook", which have been examined by the Research Working Party at its meetings on 14 March, 11 April and 25 April 2016.

4. The Research Working Party has reached a broad consensus on the text in the Annex to this document. However, there are two reservations remaining as indicated in the footnote 11 to the attached text. Moreover, the Commission has a comment on paragraph 4 d).
5. The Permanent Representatives Committee is therefore called upon to address the remaining open issues as set out in the footnote 11 to the attached text in view of submitting the draft conclusions for adoption by the Council (Competitiveness) of 26-27 May 2016.

Changes to doc. 8036/16 are indicated in **bold underlined** for additions and ~~striketrough~~ for deletions.

DRAFT COUNCIL CONCLUSIONS**FP7 and the Future Outlook:****Research and innovation investments for growth, jobs and solutions to societal challenges**

THE COUNCIL OF THE EUROPEAN UNION

RECALLING:

- its Conclusions¹ of 9 March 2011 on the "Interim evaluation of the 7th Framework Programme for Research (FP7), including the risk-sharing finance facility";
- its Conclusions of 26 May 2014² on the "Implementation of the Roadmap for the European Strategy Forum on Research Infrastructure (ESFRI)" which welcomed the plans of ESFRI to update its roadmap in 2015/2016 and called on ESFRI to continue the prioritisation of all the research infrastructure projects of the ESFRI roadmap;
- the Conclusions of the **European Council** of 26-27 June 2014³ which outline a "Strategic agenda for the Union in times of change" with priorities set for the next five years in support of a Union of jobs, growth and competitiveness, including the need to invest and prepare our economies for the future by addressing overdue investment needs in R&I;
- its Conclusions of 14 October 2014 on "Measures in support of investment in Europe"⁴, which stress that the composition of public expenditure should be better orientated towards growth, notably in supporting investment, and that the quality of public expenditure in areas such as R&I is critical for the investment climate, and agree with the need to focus on key sectors with EU-added value to boost the competitiveness and the growth potential of the Union, among which and notably R&I;

¹ Doc. 7585/11.

² Doc. 10257/14.

³ Doc. EUCO 79/14.

⁴ Doc. 14334/14.

- its Conclusions of 5 December 2014⁵ on "Research and Innovation as sources of renewed growth", referring to the need to raise the quantity and quality of public R&I investments in Europe.
- 1. WELCOMES the Report by the High Level Expert Group⁶ (HLEG) as well as the Commission Communication⁷ and Staff Working Document on the Ex Post Evaluation⁸ of the Seventh Framework Programme (FP7) and NOTES that many of the recommendations of the HLEG are being addressed in Horizon 2020; and LOOKS FORWARD to the Commission's reporting on the progress of the implementation of the recommendations and suggestions of the HLEG in the Horizon 2020 Interim Evaluation in 2017.
- 2. RECOGNISES the importance of striving for a European Research Area (ERA) and UNDERLINES the need to continue the joint efforts to further develop the ERA and the importance of the current and future EU R&D&I Framework Programmes as instruments for its further development.
- 3. RECOGNISES the major contribution of R&I to competitiveness, sustainable economic growth and jobs, and the well-being of citizens; in that respect NOTES that FP7 has proved to be effective in boosting excellent science, strengthening Europe's industrial competitiveness, contributing to jobs and growth and addressing societal challenges.

⁵ Doc. 16425/14.

⁶ "Commitment and Coherence - essential ingredients for success in science and innovation", November 2015.

⁷ Doc. 5475/16 + ADD 1-5.

⁸ Decision 1982/2006/EC of the European Parliament and of the Council of 18 December 2006 concerning the 7th Framework Programme of the European Community for research, technological development and demonstration activities (2007-2013): "Two years following the completion of this Framework Programme, the Commission shall carry out an external evaluation by independent experts of its rationale, implementation and achievements." (OJ L412, 30.12.2006, p.6).

4. ACKNOWLEDGES the key recommendations of the HLEG as a valuable contribution to the design and implementation of future EU R&D&I Framework Programmes, ~~as well as to~~ **and the** further improvement **ment of** the implementation of Horizon 2020; CALLS on the Commission to involve Member States and stakeholders at an early stage in the preparations of the future EU R&D&I Framework Programme; and on that basis PUTS FORWARD the following considerations:
- a) EMPHASIZES that **cooperation, excellence and impact** are the fundamental principles of current and future EU R&D&I Framework Programmes to contribute to sustainable economic growth and jobs and build a world-leading, competitive economy based on knowledge and innovation, fostering open innovation and open science, and ENCOURAGES the Commission, in close collaboration with the Member States, to explore the need for, the feasibility and the potential impact of establishing a European Innovation Council⁹ as a means to foster market-creating innovation and to streamline existing instruments;
 - b) ACKNOWLEDGES that the Commission has already taken important measures in Horizon 2020 to connect **science and society**, as well as to promote open science, and ENCOURAGES the Commission to step up its efforts to bring science closer to the citizens and to involve citizens and civil society more in the strategic agenda-setting of R&I priorities at EU level, including in Horizon 2020 advisory and expert groups;
 - c) SUPPORTS a strong **strategic approach** in order to address the most pressing societal challenges and to contribute to Europe's competitiveness through current and future EU R&D&I Framework Programmes, which should maintain a good balance between curiosity-driven research and mission-oriented R&I.

⁹ As proposed in the Commission's communication (doc. 5475/16).

- d) NOTES the increased number of long-term public-public, public-private and contractual public-private partnerships since the beginning of FP7 and EMPHASIZES that the balance, complementarity and coherence between partnerships and with **collaborative projects**, with participants from at least three different Member States or Associated Countries underlining the EU added value, and delivered through calls for proposals in the Work programmes under the EU R&D&I Framework Programmes, needs to be ensured; **REAFFIRMS the need to assess the coherence of joint initiatives, especially those funded by the EU, and therefore LOOKS FORWARD to ERAC's response to the invitation in its Conclusions of 29 May 2015 on the ERA Roadmap 2015-2020¹⁰**;
- e) RECOGNISES the importance of ensuring the attractiveness and accessibility of the EU R&D&I Framework Programmes to all (potential) participants through openness, transparency and inclusiveness, while INVITING the Commission to monitor the success rate throughout the programmes and ensuring an appropriate balance between small and larger collaborative projects;
- f) INVITES the Commission to analyse, ~~in the context of the interim evaluation of Horizon 2020~~, the increasing concentration of research and innovation networks with a reduced number of participants; UNDERLINES that networks **Europe could benefit from networks being open to other participants (including newcomers) and also being need to remain open to newcomers enabling actors to make their way from network peripheries towards centres of cooperation and INVITES the Commission, in the context of the interim evaluation of Horizon 2020, to analyse whether, and if so, how to promote a sufficient degree of openness of research and innovation networks funded by the EU, respecting the autonomy of research;**

¹⁰ **Doc. 9351/15, p.5.**

- g) RECOGNISES the importance to further address inefficiencies caused by overlaps between the various objectives of the different parts of the current and future EU R&D&I Framework Programmes and SUPPORTS the ambitious **simplification efforts** initiated by the Commission under FP7 and scaled up in Horizon 2020, and ENCOURAGES the Commission to continue exploring the scope for further simplification for participants, such as SMEs, especially to benefit from technological developments;
- h) NOTES that support for innovation in the EU is too slow and too complex to ensure global competitiveness and tackling societal challenges and therefore ENCOURAGES the Commission and the Member States to further speed up the support to processes of bringing innovations to market and society to contribute to economic growth, such as by reducing the time to grant for proposals;
- i) ACKNOWLEDGES that in order to strengthen the evidence base of R&I policy the **effectiveness of investments** in R&I needs to be properly measured, monitored and reported; CALLS on the Commission, in cooperation with the Member States and, when appropriate the OECD, to improve and develop common qualitative and quantitative **evaluation** methods, including macro-economic models and modelling tools, in order to systematically assess the longer-term impact and benefits, at EU, **Member State** and ~~national~~ **regional** level, of EU R&D&I Framework Programmes and other public and private investments in R&I; INVITES the Commission, in cooperation with Member States, to put forward an agenda for developing common evaluation methods, so that they can account more realistically for how research and innovation funding translates into economic growth and societal progress, and to facilitate the systematic assessment of the impacts of public and private funding of R&I, including the leverage effect of public funding;

- j) **HIGHLIGHTS** the need to optimise the collection, analysis, use, re-use and reporting of **robust data** on the EU R&D&I Framework Programmes, including activities under Article 185 and Article 187, and on R&I policy in general, including links to bibliometrics, patent databases, or by using new text and data mining tools, regarding the participation, results and longer-term impacts with a view to better monitor and evaluate the achievements of programme objectives in terms of outputs, results and socio-economic impact, and **ACKNOWLEDGES** that most recent and sufficient high quality data is needed to assess the longer-term impacts of the EU R&D&I Framework Programmes, whilst taking into account the need to minimise the administrative burden for participants;
- k) **INVITES** the Commission and the relevant national and regional authorities to explore novel ways, including smart specialisation strategies, to stimulate R&I and to increase the **leverage effect of public R&D spending** on other public and private funding of R&I, through an appropriate ~~balance between~~ **proportion of** grants and financial instruments, as well as to foster public-private cooperation; **RECOGNISES** the role the European Fund for Strategic Investments (EFSI) could play in this respect in addition to Horizon 2020 InnovFin facilities; **CALLS** on the Commission to step up further the provision of best practices and guidance to R&I stakeholders on how to engage with and benefit from EFSI, by using Horizon 2020's InnovFin Advisory service, the European Investment Advisory Hub (EIAH) and the European Investment Project Portal;¹¹

¹¹ ES/DE: reservation.

- 1) ACKNOWLEDGES the need to better align policy agendas, research and innovation programmes and instruments at EU and Member States level, as well as the need to prioritise R&I vis-à-vis other public expenditure in the context of the fiscal consolidation efforts of the Member States, and ENCOURAGES the Commission to continue fostering **synergies and alignment** between different EU policies, programmes and funding mechanisms, to ensure performance and coherence, to minimise unnecessary legal and regulatory constraints, to maximise EU added value, and to encourage the development of scientific and innovative capacities across Europe, ~~for example through the Seal of Excellence~~. In that respect, RECOGNISES that the Commission and the Member States should aim for better use of other EU funds, such as the European Structural and Investment Funds (ESI Funds), to support R&I (related) projects and cater for downstream exploitation of research results for marketable products, services and social innovations, **for example through the Seal of Excellence**.
5. UNDERLINES the importance of **Research Infrastructures** for a functioning ERA and an innovative and competitive Europe, and WELCOMES the Strategy Report and Roadmap Update 2016 developed by the European Strategy Forum on Research Infrastructures (ESFRI);

- a) ACKNOWLEDGES the efforts made by ESFRI to further prioritise¹² Research Infrastructure projects on the ESFRI Roadmap, WELCOMES the identification of ESFRI Landmarks, RECOGNISES their continued strategic role in driving scientific excellence and innovation in Europe and CALLS on ESFRI to closely monitor the implementation of ESFRI projects, to periodically assess the scientific status of ESFRI Landmarks, and to prepare the next ESFRI Roadmap update in 2018; RECOGNISES that research infrastructures and e-infrastructures are becoming more and more interlinked, STRESSES the need for intensified cooperation between ESFRI and other stakeholders and ENCOURAGES their joint efforts for coordination of the national e-infrastructures investment strategies¹³;
- b) RECOGNISES the support of the Commission to the preparatory phases of the ESFRI projects and the need for continued support for development of ERIC consortia; INVITES the Member States to continue their efforts in developing and updating national roadmaps for Research Infrastructures compatible with the ESFRI roadmapping process and to secure appropriate funding in order to achieve their timely implementation; and ENCOURAGES the Member States to make use of EFSI to facilitate the implementation of these projects; UNDERLINES the importance of ensuring **long-term sustainability** of Research Infrastructures and INVITES the Commission to prepare together with ESFRI and relevant stakeholders a targeted action plan. WELCOMES the Charter for Access to Research Infrastructures as an open science instrument that enables a common understanding and harmonisation of access policies when disseminated widely in ERA and beyond.

¹² Doc. 10257/14.

¹³ Doc. 9360/15.