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From: Presidency
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Subject: Draft Council conclusions "From the Interim Evaluation of Horizon 2020
towards the ninth Framework Programme"
- Presidency text

Delegations will find attached a Presidency text on the draft Council conclusions "From the Interim Evaluation of Horizon 2020 towards the ninth Framework Programme" with a view to the Research Working Party on 6 November 2017.

Changes to the previous text (doc. 12916/17) are indicated in **bold underlined** for additions and in ~~strikethrough~~ for deletions.

DRAFT COUNCIL CONCLUSIONS

From the Interim Evaluation of Horizon 2020 towards the ninth Framework Programme

THE COUNCIL OF THE EUROPEAN UNION

RECALLING:

- its Conclusions of 29 May 2015 on European Research Area Roadmap 2015-2020¹ in which it invited ERAC, in close cooperation and where relevant with appropriate input from relevant bodies, ~~in particular GPC, and the Strategic configuration of the Programme Committee of Horizon 2020,~~ to assess the coherence of joint initiatives, especially those funded by the European Union, with an emphasis on their ~~European~~ **EU** added value, **feasibility, critical mass, complementarity and impact**;
- its Conclusions of 27 May 2016 on FP7 and the Future Outlook: Research and innovation investments for growth, jobs and solutions to societal challenges² in which the Council, in particular in the context of the interim evaluation of Horizon 2020, invited the Commission 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;
- its Conclusions of 27 June 2016³ on the Special Report No. 4/2016 by the European Court of Auditors in which the Council called on the Commission and the European Institute of Innovation and Technology (EIT) to report to the Council on actions taken by mid-2017;

1 9351/15
2 9527/16
3 10628/16

- **the Conclusions of the European Council of 19 October 2017⁴ in which it emphasises the contribution of R&D to digitalisation and entrepreneurship;**
- [its Conclusions of 15 November 2017⁵ on Strategic Elements of Cohesion Policy post-2020 in which the Council emphasises the importance of synergies and complementarity between EU funding programmes;]
- the ERAC Opinion⁶ of 7 July 2017 on the Interim Evaluation of Horizon 2020 and preparations for the next Framework Programme (FP) in which ERAC recognises FPs as generating an outstanding EU added value, notably by teaming up and by driving collaborations of **research and innovation (R&I)** ecosystems through all Europe, but also stresses the need for more active openness and simplification, as well as that FPs should **contribute** feed to other EU sectoral policies and **promote** deliver better and continued dialogue with the European citizens;
- the Commission's communication "Partnering in research and innovation"⁷ of 21 September 2011 taking stock of the state of play of various partnership concepts and a wide range of instruments and identifying steps to further develop the partnering approach also in order to reduce unnecessary multiplication of initiatives and fragmentation of ~~research and innovation~~ **R&I funding landscape**, which the Council took note of in its Conclusions of 6 December 2011 on partnerships in research and innovation⁸;
- the European Parliament resolution of 13 June 2017 on the assessment of Horizon 2020 implementation in view of its interim evaluation and the Framework Programme 9 proposal⁹ in which the EP calls for **significant increase** ~~doubling~~ of the FP budget **to 120 billion euros**.
[Tallinn Call for Action 2017 "Seize the opportunity now: research and innovation matter for the future of Europe"¹⁰ which stresses the importance of ensuring investments in research and innovation, increasing the impact of R&I investments and building trust between research and society, and within the R&I system;]

⁴ **EUCO 14/17**

⁵ [The document number to be added]

⁶ ERAC 1207/17

⁷ 14555/11

⁸ 18349/11

⁹ P8_TA-PROV(2017)0253

¹⁰ [web link to be added]

1. CONSIDERING that the revised Multi-annual Financial Framework should continue to **stimulate growth and create jobs** through highly effective programmes with high ~~European~~ **EU** added value such as Horizon 2020 **(H2020)**¹¹.
2. NOTING that even though the gross domestic expenditure on research and ~~innovation~~ **development (GERD)R&I** as a percentage of GDP has grown marginally over recent years, ~~reaching~~ **it has stagnated at 2.03 % in 2015, and** the **EU remains at a considerable distance from its headline target of investing 3% of GDP per year in R&D** as set in the Europe 2020 Strategy for Jobs and Growth¹².
3. **ACKNOWLEDGING the Tallinn Call for Action 2017 “Seize the opportunity now: research and innovation matter for the future of Europe”¹³ which stresses the importance of ensuring investments in research and innovation, increasing the impact of R&I investments and building trust between research and society, and within the R&I system.**

Increasing the impact of European R&I

4. HIGHLIGHTS that R&I is essential for ensuring long-term **sustainable** economic growth, industrial competitiveness, **societal inclusion** and ~~prosperity and~~ addressing the major **societal** challenges, e.g. as defined in the United Nations Sustainable Development Goals as well as the ~~ambitious targets~~ **goals** set **out** in the Europe 2020 Strategy and in the Rome Declaration¹⁴.

¹¹ General Affairs Council, 7 March 2017 (7024/17).

¹² EUCO 13/10

¹³ https://www.hm.ee/sites/default/files/tallinn_call_for_action_2017.pdf

¹⁴ Declaration of 25 March 2017 of the leaders of 27 Member States and of the **European Council**, the European Parliament and the European Commission.

5. ACKNOWLEDGES that **complying with these ambitious priorities requires well-funded and highly performing national R&I systems**, and therefore, CALLS on the Member States **together with the private sector** to strive for increasing their investments in R&I to jointly reach the 3% goal and to take further measures to increase the quality and impact of these investments, **including relevant national reforms**. Taking into account the recommendation of the High Level Group on maximising impact of EU Research and Innovation¹⁵ (hereinafter the High Level Group), EMPHASISES the necessity to prioritise ~~research and innovation~~ **R&I** across all EU policies and programmes, including the significant **funds for the next EU R&D&I Framework Programme (FP)**~~increase of investments in the ninth FP.~~
6. UNDERLINES that R&I has an important role in carrying common European values¹⁶, which lay the foundation of cooperation, free movement of people and ideas, and gender equality. Therefore, REITERATES the ~~relevance~~ **importance of achieving** the **European Research Area (ERA)** and the need to continue joint efforts to ~~develop~~ **strengthen** it. ~~ACKNOWLEDGES~~ **STRESSES** that the FP is the main instrument at EU level to ~~fund~~ **foster** trans-national and ~~intertrans~~ **inter**disciplinary R&I cooperation and, **thus**, to support the objectives and implementation of ERA.
7. **ACKNOWLEDGING that the economic impacts of public R&I funding are large and significant**, STRESSES the importance of assessing the **long-term impact of R&I** in all its dimensions in respect to other policy goals and wider societal issues, broadening the definition of impact to take into account the diversity of contributions of ~~research~~ **R&I** to knowledge and society. **ASKS the Commission to report about the agenda for developing common evaluation methods proposed in** ~~RECALLS in this respect~~ its Conclusions of 27 May 2016.

¹⁵ **„LAB – FAB – APP Investing in the European future we want“**
https://ec.europa.eu/research/evaluations/pdf/archive/other_reports_studies_and_documents/hlg_2017_report.pdf#view=fit&pagemode=none

¹⁶ as set out in Article 2 of the Treaty on European Union.

8. **ENCOURAGES greater linking of R&I with other sectoral policies at EU, national and regional level, and STRESSES the importance of creating more R&I friendly framework conditions and regulatory environment.** RECOGNISES the **importance** ~~shift towards~~ **of** a challenge driven approach in R&I in the EU, and ~~yet AGREES~~ **NOTES with concern** that further integration with EU policies and **coherence with other EU funding programmes is impeded** by different non-complementary intervention logics and the complexity of the various funding and other regulations such as state aid rules. **ASKS the Commission to review EU R&D&I state aid rules to take into account the global competitiveness of EU.** ~~ENCOURAGES even greater linking of R&I with other EU, national and regional policies, as well as creating more R&I friendly framework conditions and regulatory environment, taking into account the Innovation Principle.~~

Key principles in preparing the ninth Framework Programme

9. WELCOMES the Commission's Staff Working Documents¹⁷ on the ~~Horizon 2020 (H2020)~~ interim evaluation as well as the report of the High Level Group that provide a good basis for discussions on the next ~~Framework Programme (FP)~~ and HIGHLIGHTS that **R&I collaboration** ~~operation~~ **at the EU level has been a very successful example of European cooperation and integration**¹⁸.

¹⁷ 9791/17 +ADD 1-3, 12983/17, 12987/17, 12988/17, 12990/17, 13448/17 and 13449/17.

¹⁸ 6952/17+ ADD 1-2: "White paper on the future of Europe, Reflections and scenarios for the EU27 by 2025".

EU added value

10. RECOGNISES that H2020 is a very attractive programme, whose projects are producing high quality scientific, ~~and technological~~ **and innovative** outputs and which has a compelling and outstanding ~~European~~ **EU added value** in terms of producing R&I as a public good with a ~~strong European dimension and in terms of scale, speed and scope~~. ACKNOWLEDGES that the integration of R&I into a single programme ~~has increased impact, furthermore~~ ACKNOWLEDGES that the ~~with a~~ three pillar structure **has increased its impact** of the programme ~~has contributed to increased clarity of the programme~~, however more **effective** linkages between the pillars **and better transfer of outputs into long-term innovative products and services** should be achieved in the next FP.
11. UNDERLINES that **cooperation, excellence, impact and openness** are the ~~founding blocks~~ **fundamental principles** of the FP **to deliver on its overall, strategic objectives**; STRESSES that ~~European~~ **EU added value** must be the major driver for the design and implementation of the next FP. CALLS on the Commission to **cooperate closely with the Member States in the early conception and to** involve Member States, stakeholders and citizens in the co-design and implementation of the next FP. **STRESSES that the role of Member States in the priority-setting process should be reinforced to ensure that national policies and Union policy are mutually consistent and that the governance and implementation of the FP should ensure a multi-level approach.**

R&I at the service of economy and society

12. TAKES NOTE of the High Level Group recommendation on **a mission-oriented, impact-focused approach** and CALLS on the Commission together with Member States to explore developing a strategic, interdisciplinary mission-oriented approach for addressing ~~global~~ **commonly agreed** challenges **and supporting industrial competitiveness**, while fully taking advantage of digital technologies, ~~and supporting industrial competitiveness~~ **social sciences and humanities, and** which would be implemented by a portfolio of complementary instruments, including partnerships.
13. RECOGNISES the need for a greater outreach to ~~citizens~~ **the general public** and to better engage the **stakeholders, users and citizens** ~~public and policy makers~~ in the definition of R&I agendas. HIGHLIGHTS the importance of ~~effectively disseminating and exploiting~~ **effectively** R&I results on project and programme level and ENCOURAGES the Commission and the Member States to jointly develop a common action plan **to enhance communication and interaction with society and stakeholders**, and foster the dissemination and exploitation of results in Europe, **while respecting intellectual property rights**.
14. RECOGNISES that European competitiveness hinges on the availability of well-educated and skilled people, **including researchers**, to tackle the challenges of tomorrow, their ~~appropriate and comprehensive~~ **and continued** training, as well as the effective **circulation of new ideas and knowledge** between research, industry and education; RECOMMENDS establishing stronger links between ERA and European Higher Education Area **and UNDERLINES the need to support attractive working conditions and cultural change, including- gender mainstreaming, in higher education institutions and research organisations all over Europe to improve scientific excellence and attract talents**.
15. ACKNOWLEDGES that societies are becoming increasingly ~~information-~~ **data** driven and **free movement of data and knowledge** can be treated as the fifth freedom of the EU. HIGHLIGHTS that Open Science, e.g. mandating **open access** to publications and ~~-,~~ **where appropriate, research** data, has a crucial role in boosting impact and transparency of R&I, and bringing science and society closer together. **STRESSES the need for the Member States and the Commission to cooperate closely on Open Science, including the implementation of the FAIR principles taking into account the principle ‘as open as possible, as closed as necessary’.**

Rationalisation of the R&I funding landscape

16. {RECOGNIZES that partnerships are an important element of EU R&I policy, but STRESSES that the European R&I **funding** landscape has become too complex, also due to **the** increasing number of R&I partnership instruments and initiatives in the FP reflecting an instrument-driven approach. CALLS on the Commission and the Member States to jointly **consider ways to streamline and rationalise the EU R&I funding partnership landscape**, e.g. by merging similar instruments¹⁹, **setting out a clear intervention logic for each instrument, defining comparable key performance indicators, ensuring closer links between partnership initiatives and EU and national policies, limiting cofunding to areas in line with agreed FP priorities, establishing initiatives based on Article 185 and 187 of the TFEU only if objectives cannot be achieved with other instruments, and removing entrance barriers for newcomers, smaller R&I players and SMEs and giving preference to instruments with simpler implementation modalities.** **CALLS on the Commission and the Member States to reflect on the adequate share of partnership initiatives in the FP budget, and STRESSES that this should not exceed 25% if the FP budget.**

¹⁹ **Such as co-funding instruments: ERANETs, EJP cofund**

17. **STRESSES that R&I partnerships in the FP should be implemented based on the principles of EU added value, transparency, openness, impact, leverage effect, long-term financial commitment of all the involved parties, flexibility, coherence and complementarity with EU, national and regional initiatives. All partnership initiatives should have an exit strategy.** CALLS on the Commission and the Member States to jointly establish a strategic process for **selecting, implementing, monitoring and phasing out all EU R&I** setting up a roadmap covering the whole lifespan of all large-scale long-term partnership initiatives²⁰, and to designate a body **comprising the Member States, countries associated to H2020 (Associated Countries) and the Commission** for its implementation. CONSIDERS such a process should be guided by the **principles** of coherence, transparency, openness, EU-added value, leverage effect, long-term financial commitment, complementarity with national and regional initiatives, and flexibility. The roadmap should set out an exit strategy from EU funding for all partnership initiatives. STRESSES that the strategic roadmap process and its overseeing body must be taken into account in the future development of FP9 and ERA governance, ~~and~~ INVITES the Member States to **ensure alignment the coordination of relevant national policies and resources** towards agreed priorities of partnerships.
18. In this context, WELCOMES the setting up of the ad hoc ERAC Working Group on R&I partnerships to prepare the strategic process by e.g. **setting out its scope, main milestones and framework, defining proposing** criteria for selecting the R&I partnerships based on the guiding principles, ~~defining proposing possible~~ common **Key Performance Indicators** and conditions for using different instruments and ASKS ERAC to report back to the Council ~~on a regular basis starting~~ no later than May 2018.}

²⁰ For example: Joint Programming Initiatives, Initiatives under Articles 185 and 187 of the TFEU, contractual PPPs, ETPs, EIPs, EIT KICs, ERA-nets, EUREKA clusters, European joint programmes and framework partnership agreements.

19. ¶WELCOMES the response of the Commission and the EIT to the Council Conclusions of 27 June 2016. HIGHLIGHTS the need to **further simplify the procedures related to EIT Knowledge and Innovation Communities (KICs) to be less resource demanding and to avoid duplication with the activities in same thematic areas of the FP.** STRESSES the need for the KICs to ensure openness, **transparency** and inclusiveness and ~~CALLS~~ **REITERATES that KICs must** ~~to~~ develop sound strategies for financial sustainability.¶
20. EMPHASISES the importance of supporting the **whole innovation value chain** and TAKES NOTE of the launch of the pilot of European Innovation Council (EIC), which should provide input for designing the possible future EIC. **HIGHLIGHTS that there is a need for a consolidated portfolio of European innovation funding instruments.** STRESSES that the **possible future** EIC should be one important element of the EU's measures to support closer-to-market innovations and that it should bring added value and help strengthen the innovation ecosystem, including links between **universities,** research organisations and innovators, enhance the uptake of R&I results, support breakthrough innovations and the scaling up of innovative companies and contribute to the streamlining of the innovation support landscape. **EMPHASIZES that the current EU activities for funding innovation like EIT and KICs, as well as InnovFin should be taken into account when designing a possible future EIC.** **CALLS for continuous support to key enabling technologies contributing to industrial competitiveness of the EU.**
21. HIGHLIGHTS the importance of **better-improved synergies and complementarities between the FP and other EU funding instruments.** **CALLS on the Commission to propose the** ~~CONSIDERS therefore that~~ regulations for the **next** FP and the European Structural and Investment Funds, as well as **state aid rules and** any other relevant EU programmes, ~~must be~~ **that are** designed from the very beginning with synergies, coherence, compatibility and complementarity in mind **in order to provide a level playing field for similar projects under different management modes and to consider harmonization towards uniform funding rules for R&I.**

Openness and accessibility

22. STRESSES the importance of ~~an even~~ **achieving broader pan-European impact and relevance** by ~~aiming to achieve wider geographic coverage of Europe where appropriate~~ **exploiting the whole R&I potential in Europe, including maximising the participation of newcomers**, ~~i.e.g.~~ in research infrastructures, ~~or~~ in calls for funding related to common societal needs **or targeting wider market-uptake; HIGHLIGHTS the good practices of COST activities in this context. INVITES the Commission to develop the evaluation process further by e.g. mainstreaming diversity in evaluation panels, piloting blind evaluations, and to propose measures to promote brain circulation and facilitate openness of R&I networks.**
23. **NOTES that participation level of the EU13 in H2020 remains low and progress in comparison to FP7 is still insufficient and RECOGNISES that the participation gap and the innovation divide must continue to be addressed by various measures and initiatives, including Cohesion Policy instruments, both at national and EU level.** ACKNOWLEDGES that **Spreading Excellence and Widening Participation** measures and cross-cutting approach to this issue have to continue and should be strengthened, **where possible**. ~~RECOGNISES that the participation gap and the innovation divide must continue to be addressed both at national and EU level.~~
24. RECOGNISES the importance of strengthening **international cooperation** in the FP and **REAFFIRMS the importance of reciprocity.** SUPPORTS the Commission in its efforts to encourage the ~~main~~ international partner countries ~~of the EU~~ to ~~implement~~ **set up** a stable dedicated instrument (e.g. matching funds) to enable participation in the FPs. INVITES the Commission and Member States together with the ~~countries associated to H2020~~ **Associated Countries** to explore synergies between FP and **national** R&I ~~national~~ strategies, operating structures, instruments and networks to support strategic coordination of international cooperation **in FP. INVITES the Commission to interact closely with Member States on the modalities for association of third countries to the FP.**

Implementation

25. RECOGNISES that the ~~high oversubscription~~ **low success** rate is diminishing the attractiveness of the programme ~~and is a barrier to accessibility~~. Therefore INVITES the Commission and the Member States jointly to explore ways to **reduce oversubscription and increase accessibility** in preparing the next FP, as well as ~~building on~~ **implementing** specific measures already in Horizon 2020, e.g. by specifying more clearly the expected impact of projects in calls for proposals, **providing comprehensive feedback to applicants**, ~~mainstreaming diversity in evaluation panels~~, and using of two-stage application process, **where appropriate**, while piloting other methods to further modernise **and enhance the quality of** the evaluation process, ~~such as blind evaluation~~.
26. NOTES ~~with concern the~~ **a too sharp** shift towards higher Technology Readiness Levels (**TRL**) in H2020, and therefore STRESSES the importance of collaborative ~~basic~~ research **covering the whole range of TRLs** in tackling societal challenges and developing new technologies. EMPHASISES that the FP has to provide **sufficient funding to frontier research through individual as well as collaborative research projects**. HIGHLIGHTS ~~that~~ **CALLS for** the current balance between collaborative projects and mono-beneficiaries activities ~~should~~ **to** be preserved **or shifted in favour of collaboration**. UNDERLINES that grants should continue to be the main form of funding in the FP and financial instruments and budgetary guarantees should be used to support in particular the scale up and growth of innovative ~~entities~~ **companies and close-to-market activities**.
27. RECOGNIZES that with Horizon 2020, a good **substantial** progress has been made towards **simplification and harmonisation** both at programme level and at project level. INVITES **ENCOURAGES** the Commission to continue the simplification effort **in H2020** and further enhance **it further** ~~the user-friendliness~~ in the design of the next FP and its implementation modalities, **including user-friendliness and broader acceptance of beneficiaries' usual accounting practices**.

28. UNDERLINES the need to establish a comprehensive **monitoring and evaluation framework** with a set of indicators applying across the programme **FP**, to provide a coherent overview of the programme, including more effective and transparent tracking of scientific, economic, ~~and~~ societal **and policy** impact and exploitation of R&I results in the EU during and after the programme. STRESSES that evaluations should fulfil all requirements set in the legal base of the FPs, e.g. the thorough assessment of the extent of use of the additional remuneration to personnel in H2020. CALLS upon the Commission and the Member States to continue efforts to develop a system to measure the impacts of EU R&I programmes **FPS** at national level in a comparable way, using a common core set of indicators.
29. **REITERATES the strategic importance of the Programme Committee and its thematic configurations, STRESSES the importance of involving fully and timely the Member States and the Associated Countries through the Programme Committee in all stages of work programme design, preparation and implementation and URGES the Commission to take this into account in the design of the ninth FP.**
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