EUROPEAN UNION

**EUROPEAN RESEARCH AREA
AND INNOVATION COMMITTEE**
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**– ERAC –
Secretariat**

**Brussels, 5 October 2015
(OR. en)**

ERAC 1211/15

NOTE

From:	ERAC Secretariat
To:	Delegations
Subject:	Summary conclusions of the 27th meeting of ERAC, held in Luxembourg (LU) on 7-8 July 2015

Delegations will find attached the summary conclusions of the 27th meeting of ERAC, held in Luxembourg (LU) on 7-8 July 2015.

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Chair: Robert-Jan Smits

Vice-Chair: David Wilson

Secretariat: General Secretariat of the Council

Present [1]: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, European Commission, Finland, Former Yugoslav Republic of Macedonia, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Latvia, Lithuania, Luxembourg, Malta, Moldova, Montenegro, Netherlands, Norway, Poland, Portugal, Romania, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom (38)

Absent: Albania, Bosnia and Herzegovina, Faroe Islands (3)

1. **Adoption of the provisional agenda**

   The agenda was adopted. At the request of DE the Chair undertook to revisit in due time the "A New start for Europe; Opening up to an ERA of Innovation" conference which was held in Brussels on 22-23 June 2015 in the presence of Commissioner Moedas in order to discuss EU policies on three interconnected topics, viz. Open Science, Open Innovation and Open to the World.

2. **Approval of the draft summary conclusions of the 26th meeting of ERAC, held in Riga on 16-17 April, 2015**

   The draft summary conclusions of the 26th meeting of ERAC were approved subject to an addition to Item 5.2 as requested by NL.

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[1]   The list of delegations present or absent at the meeting is based on the List of Participants that was circulated during the meeting for completion by delegates.

3.   Standing information point

Prior the meeting, written information had been provided to delegations updating them on the following subjects:

- the Open Access and Innovation Task Force

- the joint 2016 OECD/Commission questionnaire on national R&I policies

- the European Semester 2015, in particular the outcomes with regard to R&I aspects

- the Workshop on regulatory framework conditions for sectoral research and innovation which was held on 22 May 2015 in Brussels.

FR debriefed delegations on the first meeting of the informal Directors-Generals' Research Policy Group on 11-12 May 2015. A wide range of general research policy subjects had been discussed to identify priorities for further meetings. The second meeting will be held in November in Berlin. Several Member States, including CZ, had already expressed an interest in hosting a meeting in 2016.

The Chair reminded delegations that the second extraordinary ERAC meeting held on 16 January 2015 at DG level had decided to launch *a pilot* based on the FR proposal for the Directors-Generals' Research Policy Group, including *two informal DG meetings during a period of one year*, after which delegations would take stock of progress[2]. The Chair therefore reminded delegations that this stock-taking exercise would need to be done at the beginning of 2016 after the meeting in Berlin and prior to any further meetings being called.

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2   Summary conclusions of the second extraordinary meeting of ERAC, held in Brussels on 16 January 2015 (doc. 1202/1/15 REV 1 of 19 February 2015, p. 4).

4. Mandate / Rules of Procedure / Administrative issues

4.1 Election of Steering Board members

Marina Villegas (ES) and Christian Naczinsky (AT) were elected unanimously as new Member State representatives on the Steering Board under Article 4 (2,3) of the Rules of Procedure.

4.2 ERA governance

The Chair introduced this Item by recalling that the Council had asked ERAC to prepare a proposal on the ERA advisory structure by 15 October 2015, in particular on the outstanding issues that had not been resolved in the Council's May 2015 conclusions on the review of the European Research Area advisory structure[3]. ERAC's proposals would serve as input to a further set of conclusions for the December 2015 meeting of the Council.

The Vice-Chair (VC) introduced the paper on the ERA governance which had been prepared as a basis for discussions[4]. This paper was structured on the basis of the Council conclusions, which remitted 7 issues to ERAC for further work, i.e. (1) streamlining the advisory structure including the number of ERA-related groups, their mandates and reporting lines; (2) developing standard clauses which should be present in the mandates of all ERA-related groups; (3) a mechanism for definition of new ERA-related groups and conditions for revising the status of the existing ones; (4) a definition of the role and functions of the Co-Chairs based on a partnership of equals; (5) a draft mandate for ERAC; (6) draft rules of procedure for the ERAC Steering Board; and (7) the proposals by SFIC and GPC for their new mandates in the light of the standard clauses.

These issues plus the VC's suggestions for dealing with them are listed on pp. 3-5 of the VC's paper, with Questions seeking approval by ERAC and 7 Annexes for each issue going into greater detail.

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[3]   Doc. 9342/12 of 29 May 2015.
[4]   Document of 29 June 2015 (no reference number), sent to delegations on 29 June 2015 at 18:24.

COM had prepared a preliminary overview of its own ERA expert groups and of the ERA-related groups, many of the former having been set up under Article 12 of Regulation 1291/2013 establishing Horizon 2020[5]. COM's ERA expert groups have their own remit and ought to be distinguished from the ERA advisory groups. A more complete evaluation of overlaps and an assessment of the possible way forward would be put to ERAC in due course.

VC emphasised that any administrative tidying up of the current structure should not take place for its own sake, but for a distinct political purpose, viz. to make the ERA advisory structure more understandable and more relevant for Ministers, who as the decision-makers are looking for expert, relevant and timely advice. The advisory structure had to be such as to respond to this need and leave the legacy of the past behind. The actual *contents* of the groups' advice was their own responsibility and this was not under discussion; reflection was needed on *the best way to bring this advice to Ministers*. In the VC's view, fewer advisory bodies, greater coordination between those remaining, and annual reporting to ERAC on their activities relating to the ERA Priorities and their impact in a collegiate spirit would be desirable for this purpose. VC also stated that not all issues had to be resolved by 15 October 2015 (e.g. shaping advice for Priority 1 or the need for greater internal coordination within MS) and that any new structures decided on could evolve based on learning from experience (e.g. the functioning of the new, enlarged Steering Board).

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[5]   "ERA-related groups and other expert groups" (doc. DG RTD / 290615, not dated), sent to delegations on 3 July 2015 at 8:44.

Delegations made the following general comments**[6]**:

- There was broad agreement that ERA advisory debate, which had now been going on for over 5 years, *should end*, as ERAC should concentrate on carrying out the remit of its mandate from Council rather than continue to debate (internal) governance issues.

- The introductory pages of the VC's paper (1-6) were broadly agreed, notwithstanding isolated comments by several delegations.

- There were 7 advisory groups rather than 6 (as stated in Annex F of the VC's paper), as ERAC itself should be included.

- Whilst the principle of a triennial review of the groups was agreed, the paper's proposal of an interim review in 2016 ahead of a full review in 2018 would require too many reviews. Either a review of the groups could be carried out in 2016, with the next triennial review then following in 2019, or the full review should wait until 2018. A number of delegations thought 2018 was too late, in particular for new reporting lines.

- Although new groups could be set up as the advisory needs for ERA evolved, there was no agreement over the "one in, one out" principle to specify an upper limit of 6 (later reducing to 5); but it was also recognised that having too many groups was difficult for many countries. A potential compromise was to require a two-thirds majority if setting up a new group would take the total above the agreed number.

- Streamlining of the reporting lines was urgently needed: all groups should report solely to ERAC for the ERA Priorities, not for the sake of establishing a hierarchical reporting line in itself, but for the practical purpose of advising Ministers in a timely, coordinated and coherent manner; Ministers were said not to be interested in *isolated advice* on separate ERA Priority issues but were rather looking for *collected political advice* on how these issues could be moved forward.

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[6] Delegations were asked to send detailed comments in writing to the Vice-Chair. These have therefore not been recorded in the draft summary conclusions.

- ESFRI should not be included, as this was said to be an essentially Member State driven body with a distinct mandate, although the ESFRI chair should join the revamped SB that will be set up in due time (FR); VC reacted by stating that ESFRI was part and parcel of the May Council conclusions and therefore needed to be looked at as well in the context of the present review[7]. The Vice-Chair suggested that, if ERAC was to meet at least annually at DG level, that configuration could have a particular responsability for ensuring that the relationship between ERAC and ESFRI was working well.

- The mandate of the Working Group on Knowledge Transfer needed to be revised substantially and focussed on the Open Science agenda; this was said to be urgent, given rapid developments in the Open Science debate, although knowledge transfer should be kept as an element in the mandate of a new group.

- It should be made very clear that the future Steering Board was not a decision-making body beyond its current organisational decision-making powers in preparing ERAC plenary meetings; ERAC itself would remain the decision-making body for the files that were within its remit.

- The issue of resources was crucial, both at Council and Commission administrative level, as well as with Member States; overlaps needed to be avoided, including on a political level (Research Working Party and advisory and expert bodies.

- The issue of how to incorporate the monitoring of Roadmap progress needed to be looked at in greater detail.

- It was thought there could be an annual ERAC meeting at DG level to take an overview of groups.

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[7] The Council conclusions on the review of the European Research Area advisory structure (page 3, footnote 7) state that "ESFRI has an additional strategic role beyond that relating to the ERA and the ERA Roadmap, which is not subject of these conclusions". This suggests that ESFRI is in fact subject to the review that the Council has asked ERAC to undertake, although its "additional strategic role" is not.

- On ERAC's mandate and following up on Paragraph 6 of the May Council conclusions, the Committee decided to abolish the post of Vice-Chair and unanimously agreed to appoint David Wilson as Co-Chair of the Committee. In reply to questions by delegations as to how co-chairmanship would work in practice, the Chair stated that this would be settled pragmatically between the co-chairs on a case-by-case basis and taking into account the Council conclusions[8], a view that was fully supported by David Wilson.

The Council Secretariat (represented at Director's level) commented on the resources, reminding delegations that it was not realistic to expect the Council to provide financial support in terms of reimbursement of travel expenses, language interpretation and meeting rooms at the Council building to any groups in addition to those it financed already (i.e. ERAC, GPC and SFIC), given present financial and staffing cutbacks.

Associated Countries asked for references to ensure they can actively participate in the ERAC and ERA groups.

The Chair concluded as follows on the organisational follow-up to the discussion:

- Written comments, including all general and detailed comments made at the meeting, should be sent to the Vice-chair **by 10 July at the latest**.

- A revised version of the VC's ERA Governance paper will be circulated **by the end of July**.

- Final comments *on the revised paper* should be provided to the Vice-Chair **by 3 September at the latest**.

- The Steering Board will meet on **8 September** to discuss the paper.

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8 Paragraph 12, fourth tiret: "[the Council asks ERAC to consider the following outstanding isues:] a definition of the role and functions of the Co-Chairs based on a partnership of equals".

- As there was no ERAC meeting prior to 15 October, when the Committee's proposal should be ready for discussion by the Council preparatory body, **the final version of the ERA Governance paper will be put to the Committee for approval by written procedure**.

On the contents, the Chair stated that ERAC needed to reflect on Article 10 (Members and Observers) of its draft new mandate, as the increasing number of third countries associated to Horizon 2020 might pose a seating capacity problem in the future.

5. Presentation of R&I policy in Luxembourg and discussion

The Presidency presented Luxembourg's research and innovation landscape and policy[9].

6. ERA and Innovation Policy

6.1 The EU ERA Roadmap and the national ERA Roadmaps

Following up on the Council's conclusions on the European Research Area Roadmap 2015-2020[10], which underlined the importance of the implementation of the ERA Roadmap at both national and EU level and invited, amongst others, Member States to implement the ERA Roadmap through appropriate actions in their action plans or strategies, ERAC discussed the issue of national roadmaps and progress indicators. The discussion on issues concerning national ERA Roadmaps took place in 5 break-out sessions, which seemed to work well in engaging all delegations in an open exchange on the challenges.

Delegations reported as follows on the main outcome of discussions:

- The ERA Roadmap being a long-term project requiring high-level political steer, its implementation at national level was hampered by changes in government in some countries.

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[9]   See the PowerPoint presentation that was sent to delegations on 9 July 2015 at 10:36.
[10] Doc. 9351/15 of 29 May 2015.

- The prevalence over Priority 1 over the other ERA Priorities was emphasised. Priority 1 was the obvious main issue for all countries.

- Consideration needed to be given to the question of how to take up Open Innovation, Open Science and Open to the World.

- Indicators could be included in performance contracts with research institutes and agencies.

- Smaller countries expressed concerns over their capacity to fully implement the Roadmap, in particular with regard to research infrastructures.

The Chair concluded as follows:

- Informal break-out sessions were a good way to discuss the issue of national roadmaps.

- All countries (except DE, which has already drawn up a national ERA roadmap) should draw up national action plans and strategies implementing the ERA Roadmap in good time to feed into Commissioner Moedas' proposed ministerial event in mid-2016. Such plans and strategies should take the form of a discrete document or incorporate the ERA roadmap in national plans/strategies provided the ERA actions are covered in sufficient detail.

- The question of how national roadmaps would relate to the ERA Roadmap was crucial.

- Thought should be given to *the form* / *format* national roadmaps should take.

- On a point of procedure, the Chair asked at which level national roadmaps needed approval in MS: Was this a government issue or did they need parliamentary approval?

- The national roadmaps would obviously be living documents that could evolve as needed.

- There needs to be an effective involvement of stakeholders (national – EU level);

- The need for *simple* indicators measuring ERA progress was emphasised.

- RTD Commissioner Moedas has planned a ministerial event before June 2016 to see where MS stood in implementing the ERA Roadmap Priorities. For each of the six Priorities there will need to be an overview of what each Member State is doing, addressing: the baseline, objectives, tools/instruments and timeline for the targets to be achieved. The timing of this event was in line with the Council's call on MS to start implementing the top action priorities of the Roadmap by mid-2016[11].

- The UK offered to stage a further workshop on the preparation of national ERA action plans and strategies in the autumn (September / early October).

The Chair of the Working Group on ERA Monitoring gave a presentation on the monitoring and the indicators for the ERA Roadmap[12], emphasising that one high-level indicator per top implementation priority (so 8 indicators in total) could perhaps not capture the complete progress but was nevertheless needed to give political focus to the process. For the same reason, *output indicators*, which give a better idea of the overall effectiveness of policy initiatives, should be selected rather than input indicators, which were more technical in nature. The WG Chair recalled that the Council, in its conclusions on the European Research Area Roadmap 2015-2020, had invited ERAC to propose by the end of 2015 a set of core indicators and, where relevant, qualitative methods allowing the monitoring of the implementation of the ERA Roadmap.

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[11] Council conclusions on the European Research Area Roadmap 2015-2020, Paragraph 9.
[12] Sent to delegations on 9 July 2015 at 10:01. ─ The WG Chair had also prepared a short paper on core high-level indicators for monitoring progress on the ERA Roadmap which had been circulated to delegations ahead of the meeting (sent on 29 June at 16:15).

The presentation gave rise to a limited number of comments. <u>The ERAC Chair</u> asked delegations to send their comments to the WG Chair, Mr Ward Ziarko, keeping in mind that the WG needed to agree the indicators at its next meeting on **28 September.**

The next steps allowing ERAC to present its proposal for indicators by the end of 2015 will be:

- A stakeholder meeting will be called on **14 September 2015.**

- The Working Group on ERA Monitoring will meet again on **28 September** to agree a final set of indicators as well as wider political messages.

- ERAC will be asked to endorse these indicators and messages at its meeting on **13 November.**

- Following this agreement, **fine-tuning** with the technical assistance of the Joint Research Centre and Eurostat might be needed before the end of this year.

7. **Investment Plan for Europe: implementation / consequences of political decisions on R&I projects**

Nicholas Jennett, the European Investment Bank's Director for New Products and Special Transactions, presented the European Fund for Strategic Investments (EFSI)[13]. The EFSI is neither a Fund, nor does it add up to the much publicised EUR 315 billion. The EFSI is merely a guarantee facility totalling EUR 16 bn for leveraging private investment.

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[13]   Sent to delegations on 9 July 2015 at 09:45.

In reply to questions by delegations, Mr Jennett stated that the so-called EFSI "blended multiplier effect" of 15 (i.e. 15 x EUR 16 bn for the Infrastructure and Innovation Window = EUR 240 bn + EUR 5 bn for the SME Window x 15 = 75; 240 + 75 adding up to EUR 315 bn) was said to be not unrealistic, this multiplication having been achieved in a number of innovation projects co-financed by the EIB. More specifically, the total sum of EUR 315 bn is arrived at by adding up (1) the EIB Group leverage of EUR 16 bn for the Infrastructure and Innovation Window + EUR 5 bn for the SME Window, (2) the expected catalytic effect of these funds (EUR 49 bn and EUR 12 bn respectively) and (3) the expected multiplier effect (at an expected rate of 15) at the level of private investments. The guarantee facility enables the EIB to significantly increase lending in higher-risk projects. As far as R&I investments were concerned, EFSI could be said to be a based on the principles established by the Risk-Sharing Finance Facility (RSFF) under FP7, the Horizon 2020 InnovFin facility and the Project Bond initiative, set up by the EIB together with the (previous) Commission.

> R&I projects could profit considerably from EFSI funding provided they were presented as eligible operations. Mr Jennett also explained that *grant financing* should be limited to cases where *loan financing* cannot be expected to achieve results. The EIB will look at investment proposals as they come in: there won't be any calls for proposals, nor would pre-established lists of projects come into the selection procedure, the sole eligibility criteria being bankability and the question of whether the EIB could finance projects under its due diligence criteria.

> AT, BE, DK, FR, MT and PT had submitted showcase R&I projects before the meeting but these were not discussed specifically.

The Chair concludes as follows:

- Previous cooperation between the Commission and the EIB to provide greater financial means to R&I performers had been very successful and this augured well for future ESFI funding as far as R&I projects were concerned.

- The Commission and EIB would organise a workshop in the autumn for all stakeholders to give a better understanding of the eligibility of R&I projects for EFSI funding.

- The question of how EIB information will be channelled to national interested parties was said to be important (regional EIB offices?, intermediate agencies?).

- ERAC delegates had a clear role to play in passing on information on ESFI funding possibilities for R&I to national actors; the National Contact Points should be used for this purpose.

- In general, EFSI aims to trigger a greater level of private investment in R&I; private funds needed to be unlocked for R&I-related investment in the real economy.

8.   Any other business

The Chair announced that an ERAC Workshop would be organised on 12 November to discuss national and Commission's practices for the evaluation of the FP7 impacts and how to promote a common approach to measure Horizon 2020 impacts. An invitation with further details would be sent to delegates following the meeting.

The next ERAC meeting will be on 13 November 2015 in Brussels. The Steering Board will draw up the provisional annotated agenda for this meeting based on the Work Programme 2015-2016[14].

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[14]   The present version of the Work Programme 2015-2016 is in doc. ERAC 1206/1 15 REV 1 of 27 April 2015.