

## ROMANIA Non-paper

### General issues on the development of the future Framework Program

#### 1. Executive Summary

Romania supports the “Common Position Paper of the EU-12 Member States for the next Framework Programme” submitted to the European Commission at the beginning of February 2011. The present paper contains our views on few additional issues related to the development of the next Framework Program (FP). Depending on the context, in order to highlight several aspects that are of particular interest for Romania, we might refer to some of the points raised in the common position paper of EU-12 MS.

We fully support the proposal of the FP7 Interim Evaluation Report stating that “it is important to design additional tools to improve participation of EU12 in FP projects, at the same time avoiding quotas or other direct forms of positive discrimination” (pag 47). The regional dimension of the Framework Programme should be enhanced with the objective to reinforce the potential and the research capacities, especially those of the convergence regions. The present disparities regarding the R&D community funding between EU regions should be alleviated.

This paper has been drafted by the National Authority of Scientific Research based on the inputs provided by the Romanian delegates in the FP7 Programme Committees, the preliminary opinions of the Consultative RDI Committee, and the National Council for Higher Education and Scientific Research, the comments of the Romanian S&T Liaison Office in Brussels and Permanent Mission of Romania to the EU and on the results of an open questionnaire addressed to the scientific community.

#### Key messages:

- Excellence as a cornerstone criterion in the future FP complemented by other principles like inclusiveness, cost-efficiency, relevance of research and contribution to growth and jobs
- Better coordinated and stronger EU-wide research and innovation policies with greater impact in the European economy and higher leverage effects of public and private R&D investments
- Spreading excellence across Europe for a homogeneous and balanced development of the European Research Area, thus reducing the actual gaps in terms of research capacity between Member States
- Better valorisation of the human and physical assets of the entire Europe for an efficient exploitation of all available resources in ERA and use of competitive advantages that exists in all European regions
- Key role of innovation in attaining European competitiveness and thus responding to grand challenges
- Encouraging enhanced participation of SMEs as a key driver of innovation
- A multinational back-up instrument for the next FP, on the JPI model, for high-scored projects with high European added value, not retained for funding in the future FP calls due to lack of financial resources

## 2. Basic principles

The 7<sup>th</sup> Framework Programme is the main instrument for the implementation of the community policy in research. While continuing the funding of classical schemes like, for example, collaborative research projects, Marie Curie Actions and CSAs, FP7 supported also the development of a series of new instruments - the art-185 programmes, the Joint Technology Initiatives, RSFF – and contributed to the establishing of the European Research Council and the European Institute of Innovation and Technology. The enlarged scope and the enriched variety of tools were facilitated by the large increase in the FP7 budget compared its predecessor FP6 (2002-2006).

According to the Programme Interim Evaluation Report, FP7 is “clearly making a significant contribution to European science and the development of the European Research Area” (pg 7). FP7 builds on previous achievements and should in turn pave the way for the next FP.

Nevertheless, the performance of the new member states in FP7 is poorer than that of EU-15. Two problems were identified in the Evaluation Report: the share of EU-12 participants in all projects is low, and the financing of EU-12 participants in successful projects is lower than for EU-15 participants (pg 46). The Expert Group warns against aggravating an imbalance which will inhibit future knowledge creation (pg 47), and will deepen the socio-economic gaps existent between the EU regions (problems already made worse by the on-going financial crisis).

The enlargement to 27 member states gave EU a significant increase in its critical mass, in size, and in human potential turning EU into a key player of the global scene. In the same time the EU-27 research landscape became very irregular compared to the homogeneity of EU-15. In our opinion the European research policy and its instruments were slow to react to the challenges posed by the EU enlargement. The sole focusing on excellence-based funding leaves unanswered questions related to promoting efficient use of resources, maximizing potential, combating increasing disparities, avoiding exclusion. Common action at EU level is more than ever necessary in our opinion for addressing these issues.

After all, the Framework Programme is a policy instrument that has to address the European needs of all MS and provide the environment for a real functioning of the ERA.

Since 2005-2006, when the elaboration of FP7 took place, new policy orientations occurred on the European stage. Starting with the Ljubljana Informal Competitiveness Council of July 2007, the European research policy focused on the consolidation of the European Research Area based on 5 pillars: joint programming, European research infrastructures, knowledge sharing, the partnership for researchers, and international cooperation. The objectives of the European research policy encompass now a far larger area of issues.

ERA should provide an opportunity for increasing excellence and competitiveness by making best use of all the available resources in Europe while avoiding internal polarization and unhealthy competition. ERA should become a space of equal opportunities, a space where capacities, human resources and know-how are, as much as possible, homogeneously distributed. A competitive and harmonious ERA can be built only by means of strong and integratory EU-wide research and innovation policies.

If we also consider the EU2020 Strategy and its Innovation Union Flagship Initiative, which calls for an integrated approach between all policies relevant for innovation, especially the research and education policies, it is clear that “one measure fits all” is no more a solution.

While keeping high standards and setting ambitious agendas, the European research policy should address the entire spectrum of existing research and innovation systems taking

into account the different starting points of the Member States. The Framework Programme is the key driving instrument for transforming ERA into an attractive and more homogeneously developed space.

In our opinion the following **basic principles** should support the construction of the next FP:

- Spread excellence across Europe for a homogeneous and balanced development of the European Research Area, thus reducing the actual gaps in terms of research capacity between Member States
- Use the full potential of the Member States for increasing research- and innovation-based competitiveness in all EU regions
- Support integration and enhance cooperation with the countries/regions with less intensive R&D systems
- Establish a clear „division of labour“ between what is done at EU level and what is undertaken at national or regional programmes for building-up ERA and avoid duplication of efforts
- Enhance participation of SMEs in the future FP as a key driver of innovation
- Use European foresight exercises to underpin long-term strategic decisions
- Increase cost efficiency
- Promote a trust-based approach
- Ensure a uniform geographical distribution of the evaluators and experts in relevant committees

We would like to add a few **general comments**:

- Some highly rated projects cannot be financed by the Framework Programme due to budgetary constraints, in spite of their high European added value. This generates understandable frustration and sometimes discourages the participants to apply again. The organisation of low-budget competitions must be avoided in the future. Other solution could be the creation of a multinational back-up instrument, possibly in the frame of a joint programming initiative, that could offer support to the high-scored projects which next FP could not finance.

- The Commission political role in overseeing the convergence to the targets assumed by each country in the context of the „3% of GDP“ objective must be strengthened.

- The synergies with the structural funds must be addressed in the general framework of coordination between the future FP and the national efforts in the context of EU2020 and ERA. Two issues are important: avoid unnecessary overlappings and act coherently. Sinergy and smooth implementation is best ensured when the management of structural funds allocated to R&D and R&D-based innovation is done within the same public institution responsible for elaboration and implementation of the research and innovation policies. At the same time, the coordination between different European policies should be enhanced in such a way that all Commission services have a common approach when it comes to research and innovation. In order to fully exploit the synergies between Framework Programmes and Structural Funds more attention should be paid to the simplicity and coherence of rules in both sources of EU financial support.

### 3. Structure of the future FP

Our general view on the types of programmes supported by future FP is the following:

➤ **COOPERATION:** The Cooperation Programme should be maintained at least to the existing funding rate of the total FP budget, with the same rate of funding oriented for open calls. Regardless the structure and instruments used, the most important aspect of the FP remains the thematic content. The “20/20/20” indicator (saving 20% primary energy, reducing by 20% greenhouse gas emissions and increasing share of renewable energies) must be accomplished by 2020 and it represents one of the most ambitious objectives of Europe 2020 Strategy. As a consequence, Transport, Energy, and Environment should be very important domains of the future FP, regardless its final structure. Romania supports the continuation of the following thematic priorities **ICT, NMP, Transport and Aeronautics, Energy, Agriculture, Environment, and Health**. Within Cooperation a specific type of theme (e.g. a horizontal one) should be dedicated to “Regional projects with European impact” in order to better exploit local (regional) natural assets that exist in particular areas, and make better use of the experience existent in other countries.

➤ **IDEAS:** Romania supports the continuation of Ideas Programme and the financing of frontier research in the future FP. Nevertheless, RO is concerned about the very low rate of absorption in the NMS. In the last years the NMS made important investments in the research infrastructure, especially using structural funds. Mentoring activities and Twinning mechanisms with the regions less successful in winning funds from Ideas Programme are necessary in order to capitalize on these investments. Ideas should also support frontier-research projects in the newly created ESFRI infrastructures.

➤ **PEOPLE:** the Community Human Resources Programme has demonstrated its usefulness and effectiveness and we strongly support the continuation of efforts to professionalize the careers of early stage researchers. It should be continued with an important budget, but it needs to be simplified. The “bottom up approach” is a key feature of Marie Curie Actions (MCA) that should be maintained. The visibility of MCA among enterprises should be increased and the involvement of industry should be reflected even in the early stages of researchers’ careers, (e.g. via Industrial PhDs). The international dimension in MCA is very welcome, however, greater attention should be paid to PhD students and young researchers, not only from the third countries, but also from EU itself and EU-12 particularly. The measures for developing, promoting and inserting human capital for research in all Community regions are very important.

➤ **CAPACITIES** should be continued and developed with an increased budget in the future FP. „Research Potential” budget must be increased in order to support a faster spreading of excellence. The overall success rate of competitions organized between 2009-2010 was very low, less than 5%. As for „Regions of Knowledge”, we propose the introduction of a component dedicated to cluster development, on one hand, and the encouragement of attracting “actors” from NMS in existing functional clusters (trans-national clusters), on the other hand. The “Research for SMEs” should be enlarged with an innovation dimension, get a larger budget, and benefit of a specially tailored RSFF scheme. Special attention should be paid to support the cooperation, ensure open competitive access and promote the attractiveness of the **European Research Infrastructures Consortia**. The Regional Partner Facilities will play a key role in

research and innovation in NMS and existing instruments (e.g RegPot and RoK) must be improved in order to catalyze their activities for better use and coordination. Allocation of appropriate budgets must be based on an investment model seeing the Regional Partner Facilities as a key driver to a more balanced development of the European Research Area, and to the “circulation of knowledge” throughout Europe, thus converting “brain drain” to “brain gain”.

The grand challenges should be of sufficient scale and scope to capture the public and political imagination, create widespread interest among scientific and business communities and NGOs and inspire younger people. Either broadly defined or more problem solving oriented, their identification could be linked to the process of joint programming. The Joint Programming Initiatives (JPI) as well as art. 185 Programmes are the best suited instruments for addressing together the common great problems of our society.

In this respect, a legal framework for Joint Programming Initiatives should be defined and agreed by all Member States of the EU. This legal framework should identify and set forth the basic conditions, governance structures, operational rules, procedures and financial regulations in a uniform way for joint programming initiatives in progress and future. After that, given the common legal framework, an intergovernmental agreement should be signed by all states concerned in order to provide the necessary support at the national level.

Given the added value and impact of COST, a European initiative serving the scientific community and society at large, to the completion process of ERA through networking, cooperation and coordination, and of its demonstrated contribution to the scientific capacity building we encourage its continuous support in the next Framework Program.

## ➤ **INNOVATION**

The key role of innovation in attaining European competitiveness and thus responding to grand challenges leads to an undeniable link between research and innovation that should be constantly reflected in an embedded way across all structures and instruments of future FP.

The integration of innovation measures into the next Framework Program is indeed an issue of primary importance for the success of the future FP. In our opinion innovation should be promoted by introducing a dedicated evaluation criterion, where applicable, and moreover, eligible activities specific to innovation (beyond experimental development), in line with the revision of the state aid rules. However, the creation of new instruments should be limited and decision should be taken only after proper judgement.

Romania advocated the idea of having an integrated community instrument focused on high-tech products and emerging technologies that should cover the entire innovation chain from technological development - via early production - up to marketing measures. For the next programming period this could be a new pilot programme within the next FP until it is properly tested.

With regard to innovation, a special attention should be paid to set up conditions able to contribute to reinforcing the industrial capacity (especially for SMEs) of the less competitive

member states. The participation of SMEs, as they represent a key driver for innovation, in the European projects should be continuously encouraged by all means including through the successful Eurostars Program which we expect to be further developed, and facilitated by administrative simplification. The high competitiveness of many firms from EU-15 should not limit the access of SMEs from the new member states that usually act as pilot-users of R&D results, and are not strong enough to confidently take the risks involved by the creation of original knowledge.

As economic benefits flow from the exploitation of IPRs (including patents and copyrights), the Union needs a **European knowledge market** for patents and licensing.

The contribution of the next FP to increasing economic growth and creating jobs should be properly measured through defined output indicators.

#### **4. Implementation**

The present **funding schemes** should in principle continue in the next Framework Programme. Innovation should be included into the future FP by means of specific eligible activities ideally embedded within the already existing funding schemes.

The set of funding schemes should be harmonized along the future FP Programmes and instruments, wherever appropriate.

Furthermore, **the types of eligible activities** should be harmonized with the definitions in the relevant state-aid frameworks and regulations in order to facilitate the functioning of the instruments that involve the FPs, national instruments and Structural Funds.

The **instruments** like ERA NET, ERA NET Plus, JTIs, and Art. 185 have demonstrated the usefulness and effectiveness of coordination of national activities (public and private).

We strongly support the development of new JTIs in the future. Such industry-driven initiatives provide targeted research and technological development activities in order to respond to the Strategic Research Agendas set by the economic sector and the development concerns of the European Union industry.

Cooperation in the framework of ERA-NET projects has enhanced international relationships between policy makers, and program managers and should be continued and strengthened.

The previous FP6 experience of introducing new instruments such as Networks of Excellence and Integrated Projects, which were then strongly reshaped or even abandoned in the context of FP7, made clear that the integration and concentration of the existing instruments would be the desirable measure to be taken into consideration in order to simplify the access to the next FP.

With regard to the **categories of participants** we consider that more emphasis has to be put to SMEs and to the knowledge transfer organizations. At least 15% of the budget for thematic areas should be allocated to SMEs.

More flexible and simplified **administrative and financial rules** should be adopted, such as: more flat rate financing, lump sums for personnel cost and simpler reporting procedure and financial control. We strongly encourage more simplified procedures through a better balance between a

control-based and a trust-based system in order to facilitate the participation of all actors, in particular of SME's.

The **selection for funding of projects proposals** could be based also on “interest for potential users”, and commercial potential of the envisaged results. In practice, this means that a project requesting financial support must be “demand driven”: it responds to a well-defined need (industrial or societal) and there is a potential “user” who is looking for those results and who will translate them into valuable new products, processes or services for a global market. A criterion for impact measurement that promotes the accession of partners from the convergence regions into project consortia is very welcome in the context of strengthening ERA in all EU regions.

A geographically balanced participation of **evaluators and other experts**, including women, in the evaluation process and other independent steering, advisory, governing, assessment and evaluation activities should be assured in the future FP.