

# European and External Affairs Committee

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## Written Submission from UK Research Office

### Purpose

1. This paper is presented as background to UKRO's forthcoming evidence to the Committee on Welsh participation in EU research, innovation and lifelong learning programmes. As requested, this covers UKRO's role in supporting UK research institutions, an overview of FP7 and Welsh participation in it, and the state of play regarding the development of the next Framework Programme.

### Background

#### Introduction to UKRO

2. The UK Research Office (UKRO) is the European office of the UK Research Councils. UKRO's mission is to promote effective UK engagement in EU research, innovation and higher education activities by:

Enabling sponsors and subscribers to make informed decisions about participation in EU programmes and to realise the opportunities available to them;

Supporting UK input into European research policy development and implementation through informing and interfacing with the appropriate bodies; and

Developing and maintaining a suite of quality services that meet the evolving needs of sponsors and subscribers.

3. The broad remit of the Office is EU programmes and policies related to the 'knowledge triangle': research, innovation and higher education. This includes the Framework Programme (FP), the European Research Area (ERA), the Lisbon Strategy, Europe 2020 and the Innovation Union flagship, the Lifelong Learning Programme, the Competitiveness and Innovation Programme (CIP), and the European Institute of Innovation and Technology (EIT). A majority of the Office's work focuses on the Framework Programme, although interest in other programmes is growing. UKRO does not provide practical support related to Structural Funding, as this is provided at regional level.

4. The Office was established in Brussels in 1984 and is jointly sponsored by all seven UK Research Councils. It operates on a stakeholder basis, receiving subscriptions from universities and other research organisations in the UK, as well from some non-UK organisations. Six Welsh universities subscribe to UKRO; these are: Aberystwyth University, Bangor University, Cardiff University, Swansea University, University of Glamorgan, and University of Wales, Newport.

#### UKRO's Support to Research Institutions

5. UKRO provides a package of services to subscribing institutions that comprises:

Web- and email-based Information Services, tailored to the needs of users, on EU funding opportunities, as well as news on EU research, innovation and higher education policy;

A website, providing comprehensive information and guidance;

An enquiry service, staffed by a team of expert European Advisors, providing guidance, information and advice;

An annual visit from an UKRO European Advisor, providing expert training, information and/or 'surgery' sessions tailored to the requirements of the institution; and

Meeting room and drop-in facilities in Brussels.

6. Each subscribing institution has a named European Advisor, thus ensuring continuation of service and a close working relationship between UKRO and the institution. European Advisors work on a regional basis, wherever feasible, hence all six Welsh subscribers have the same contact at UKRO.

7. In addition to the above services for subscribers only, UKRO runs specialist training courses, focus groups and information events; these cover topics such as financial management of Framework Programme projects, proposal writing, and developing institutional European strategies. There is also an annual UKRO conference for European research officers.

8. UKRO is UK National Contact Point (NCP) for the Marie Curie Actions and the European Research Council (ERC) within FP7, contracted by the Department of Business, Innovation and Skills (BIS). Each NCP provides a dedicated helpdesk, website and specialised information and training events, free of charge to any interested party. The Office also produces "European RTD Insight", a free of charge monthly publication produced on behalf of the British Council.

9. Further information on UKRO can be found on the website at: [www.ukro.ac.uk](http://www.ukro.ac.uk).

## Framework Programme 7 – Overview and UK/Welsh Participation

10. The Seventh EU Framework Programme for Research and Technological Development (FP7) started on 1 January 2007 and will hold annual calls for proposals until 2013. With a total budget of over 450 billion, FP7 is structured into four main specific programmes:

Co-operation – transnational research collaborations based around ten themes;

Ideas – the ERC, which funds ‘frontier’ research by leading investigators and their teams;

People – the Marie Curie schemes, for research training and mobility, both geographical and inter-sectoral; and

Capacities – programmes to enhance research and innovation capacity, covering, for example, research infrastructures, science in society, and research for the benefit of SMEs.

There is also funding for the European Commission’s Joint Research Centre (JRC) and for nuclear research and training activities (Euratom).

11. Any legal entity in or outside of Europe is eligible to participate in FP7 projects. FP7 funding is mostly available to research actors in European Member States, Associated Countries and International Co-operation Partner Countries (ICPC). FP7 operates on a ‘shared-cost’ basis and reimbursement rates vary according to activity and organisational type. As an example, for research activity a university or SME will commonly receive 75% of its direct costs, whereas a large company will receive 50%. The distribution of the budget across the seven years is organised in such a way that the annual amount available increases sharply in the last years of the programme; thus a considerable proportion of FP7 funding remains available for the current and future calls.

12. An independent interim evaluation of FP7 has been carried out in 2010, and the Report of this is due for publication in early November. This is expected to make recommendations for improvements that can be made in the remaining years of FP7, as well as to raise issues that should be taken into account in the planning of future programmes.

13. The FP7 participation data provided to us by BIS (as of 15 October 2009) shows continuing strong UK performance in FP7. To date, the UK has received 14.6% of the FP7 funding, which is the second largest share, after Germany. Of the €1,348.3 million received so far by the UK in FP7, €26.3 million has been awarded to Welsh beneficiaries (just under 2%).

14. Welsh institutions have 101 participations to date, out of a UK total of 3,679 (2.7%). The UK overall is involved in more successful proposals than any other country, at 43.9% of all grant agreements signed so far.

15. In terms of programmes and themes, Welsh participation is well spread across FP7. Areas where Wales has a considerably higher proportion of the UK participations than the overall 2.7% figure are Food, Agriculture and Fisheries and Biotechnology (5%), Environment (3.3%), Research Infrastructures (4%), SMEs (3.3%) and Science in Society (6.8%). Areas of lower participation are Energy (1.9%), Transport (0.8%), Security (1.9%) and ERC (2.1%). As yet there is no Welsh participation in Regions of Knowledge, Research Potential, Coherent Development of Policies and International Co-operation; however, it must be stressed that these are small programmes with limited UK participation (only 18 participations across all four), and that most international co-operation is mainstreamed throughout the programmes.

16. UK academia continues to do particularly well. It accounts for 60.8% of UK participation, and 9.6% of all FP7 funding. Of the funding going to academia across all countries, the UK accounts for 23.1%. Higher education institutions in Wales accounts for 72% of Welsh participation; the remainder is mainly private commercial organisations, who are participating at roughly the same rate as business nationally (the breakdown for the UK as whole is 55.4% to HEIs, 14.5% to research organisations, 18.4% to industry, and 11.7% to others).

17. In FP6, Wales accounted for 2.6% of the UK participations (229 out of 8,791) and 2% of the funding to the UK (€48.6 out of €2,370 million). Thus it can be seen that Welsh participation in FP7 to date is very similar to FP6.

## The Future of the Framework Programme

18. Development of the next Framework Programme, which is due to start on 1 January 2014, has already begun, with evidence gathering at the level of Member States (several of which have produced or are preparing early position papers) and internal discussions within the European Commission.

19. The Commission is expected to publish an initial reflection paper on the next Framework Programme by early 2011, with a public consultation in spring. Their actual proposal for the next Framework Programme will be published at the end of 2011; this will then be amended and agreed by the European Parliament and European Council through the ordinary legislative procedure (formerly known as ‘co-decision’).

20. On 13 October 2010, BIS launched a UK Call for Evidence on the next EU Framework Programme, with a deadline of 4 January 2011. A UK position paper will be produced in early spring. The Call for Evidence document sets out details of the background to, and UK participation in, the Framework Programme and explores areas in which BIS are seeking input; see <http://www.bis.gov.uk/fp8-call-for-evidence>. The formal responses are complemented by an on-line discussion forum, via the Technology Strategy Board’s Connect platform, where individuals can exchange views as the debate progresses.

21. The current Call builds on the evidence BIS has gathered to date. UKRO worked with BIS to run two events, in May and July 2010,

aimed to initiate discussion on the future of the Framework Programme amongst researchers and research administrators and managers in universities and research institutes. The Call also takes account of BIS's recently-commissioned report on 'The Impact of the EU RTD Framework Programme on the UK'; see <http://www.bis.gov.uk/assets/biscore/science/docs/i/10-1158-impact-eu-rtd-framework>.

22. UKRO keeping its subscribers informed of all 'FP8'-related developments as they happen. UKRO is actively encouraging institutions and individuals to participate in the debate and respond to the Call for Evidence, making it clear which aspects of current programmes they would like to retain, and well as what modifications they would wish to see.

23. It is highly likely that there will be some significant changes to the next Framework Programme in light of recent policy, particularly Europe 2020, the Innovation Union Flagship Initiative under this, and the Lund Declaration. These new policy drivers raise a number of questions regarding the scope and structure of the next FP. For example, Innovation Union opens the possibility that the Framework Programme could be used to implement the Innovation Union, bringing the FP together with other research and innovation programmes, such as CIP and EIT, under a common framework. It is anticipated that the next Framework Programme will to some extent adopt a 'Grand Challenge' approach, as set out in the Lund Declaration. Other debates will include continuity versus novelty, the reform and streamlining of funding instruments, and the use of Structural Funds to support capacity building in research. In parallel to this there is an on-going political debate on the simplification of the implementation of the Framework Programme and the revision of the EU Financial Regulation and its Implementing Rules.

24. The Commission published a Communication on the EU Budget Review in October 2010, ahead of its Proposal on the EU Financial Perspectives, which will be published in 2011 for agreement by 2013. Until agreement has been reached, the budget and duration of the next FP are not known. The Communication stresses that future research and innovation funding must contribute to the achievement of Europe 2020. It also states that Structural Funds should be fully exploited to develop the next generation of research infrastructures, based on regional specialisation.

### **Summary/Recommendations**

25. UKRO supports UK participation in EU programmes and policy debate through a variety of mechanisms, as set out above. The research Framework Programme is a primary focus for the Office, given its size and scope. UK participation in the FP is strong, with FP7 building on the success of FP6. Debate is now beginning on the next FP, and there is a need for all institutions and regions to engage actively in this debate, should they wish to influence the future direction of EU funding. This is particularly the case given that new policy drivers, such as Innovation Union, could lead to significant changes in how research, innovation and higher education are organised at European level.

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