

EARTO promotes the interests of over 300 Research and Technology Organisations in Europe

EUROPEAN ASSOCIATION OF RESEARCH AND TECHNOLOGY ORGANISATIONS

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In this issue:

- Falling R&D Spending in Europe
- FP7: New Countries Join
- FP7: Two New Joint Technology Initiatives
- FP7: Guide to IP Rules in FP7
- FP7: DESCA Model Consortium Agreement
- FP7: Draft Contract Negotiation Guidance Notes
- FP7: Risk-Sharing Finance Facility Launched
- Hidden Innovation
- Researchers' Salaries in Europe
- Open Innovation, Outsourcing Continue to Grow
- EURAB: More Structural Fund Spending on Research and Innovation
- EIT: Slow Progress
- Call for Proposals "European Institutes of Technology"
- Commission to Prepare 'IP Charter'

Stagnating R&D Spending in Europe

The recently published "Key figures 2007 on Science, Technology and Innovation" shows that R&D intensity (R&D expenditure as % of GDP) in Europe has stagnated since the mid-nineties, while major competitors such as Japan, China or South Korea have been able to increase substantially their R&D effort. The R&D investment deficit against the US has remained constant over recent years.

In particular, the low level of business R&D in the EU remains low. Key Figures 2007 shows that differences in the industrial structure of the EU compared to countries such as the US are the main cause for this low level of business R&D, with the EU having a smaller high-tech industrial sector, which usually has much higher levels of R&D spending.

The report shows that EU R&D intensity has stagnated since the mid-nineties. In 2005, only 1.84% of GDP was spent on

R&D in EU-27 and it still remains at a lower level than in the US, Japan or South Korea.

Also new emerging economies such as China are rapidly catching-up. If current trends last, China will have caught up with the EU by 2009 in terms of R&D intensity.

However, high R&D-intensive EU Member States such as Austria, Germany, Finland and Denmark show that it is possible to maintain and increase R&D intensity above 2% and even 3% of GDP.

Even though private sector funds are a notable part of R&D, the public sector still has a major role to play. Public R&D funding in the EU must be sustained in order for private R&D activities to develop further and grow on a solid science base.

The Key Figures 2007 reveal that high R&D intensity can be achieved when high contributions from the private sector go hand in hand with high levels of public funding. For those economies that are catching up, government funding of R&D is critical for creating and developing S&T capabilities.

More ...

New Countries join FP7

Croatia, Macedonia and Serbia are now associated countries, enabling them to participate fully in the EU's Seventh Research Framework Programme. They join Turkey, which signed the same agreement on 1 June.



Other Balkan countries are expected to join soon: Montenegro has requested Framework Programme associated status and Albania and Bosnia &

Herzegovina are also expected to join. In addition, the association agreements with Israel and Switzerland are expected to be signed the coming weeks.

New FP7 Calls published

A second round of Calls for Proposals has been launched in some parts of FP7:

- Health, with €549 million and a deadline of 18th September
- Food etc., with €110 million and a first-stage deadline of 11th September
- ICT, with €477 million and a deadline of 9th October.

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A possibly interesting Call you may overlook is in International Cooperation and targeted at bilateral co-ordination for developing and enhancing science and technology partnerships.

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Two New JTIs

Clean Sky (aerospace emissions reduction) and *ENIAC* (nanoelectronics) are two new Joint Technology Initiatives announced in June.

They join ARTEMIS (embedded systems) and IMI (innovative medicines) launched earlier this year.

Formal adoption of the two new JTIs is expected towards the end of the year.

[More on ENIAC...](#)
[More on Clean Sky...](#)

Guide to Intellectual Property Rules in FP7

The IPR-Helpdesk has published a simplified, five-page guide to Intellectual Property rights in FP7.

[More ...](#)

Draft Guidance Notes on Contract Negotiation

The Commission has now published a 56-page document of draft guidance notes for applicants who are invited for project negotiation for Collaborative Projects, Networks of Excellence, and Coordination and Support Actions.

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Risk-Sharing Financing Facility Launched

The new Risk-Sharing Finance Facility (RSFF), funded by the European Investment Bank (EIB) and the European Commission, is designed to improve access to financing for the promoters of research and innovation projects.

The Commission and the EIB will each put €1 billion into the fund over the period



2007-2013, with the Commission's contribution coming from the Seventh Framework Programme (FP7). Their €2 billion contribution is expected to leverage another €10 billion from the banking sector.

All legal entities, including small and medium-sized enterprises (SMEs), larger companies, research organisations and Joint Technology Initiatives (JTIs), can benefit from the funds.

DG Research's Anna Krzyzanowska presented the RSSF at the EARTO 2007 Annual Conference.

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Further information is available from the EIB.

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Hidden Innovation

The United Kingdom's National Endowment for Science, Technology and the Arts has recently published an interesting report on "Hidden Innovation". It is another and eloquent reminder that innovation and competitiveness are about much more than R&D and high-tech.



The report analyzes six sectors that are commonly seen as having low levels of innovation: oil production, retail banking, construction, legal aid services, education and the rehabilitation of offenders.

It shows that there is significant innovation in these sectors but that it is often excluded from traditional measurements.

In oil production, for example, the development of new technologies in oil exploration is a better measure of innovation than spending on R&D.

The construction industry patents few new inventions, but efforts to modernise construction methods across the sector in the UK have already saved more than £800 million in central government procurement alone.

The NESTA report concludes that innovation policy needs to be sensitive to existing systems of innovation already at work. By understanding the dynamics of innovation in different sectors, governments will be better able to use regulation, taxation, procurement and education policy to ensure that the right conditions for innovation are in place.

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Researchers' Salaries in Europe

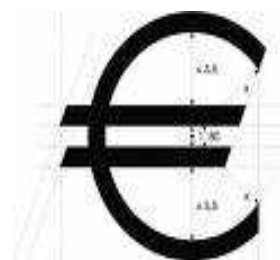
According to the findings of a new study published by DG Research, Austria, Luxembourg and the Netherlands are the countries in Europe offering the highest salaries to their researchers. Salaries in many of the countries of Eastern Europe are less enticing. There, researchers' wages remain well below the EU average.

The 'Study of the remuneration of EU researchers in the public and private commercial sectors' compared the net and gross salaries of researchers at different stages of their careers.

Taking into account the cost of living in each country, the study found that the best off researchers were those living in Austria (earning €60,530 annually), the Netherlands (€56,721) and Luxembourg (€56,268). These salaries are well above the EU average of €40,126, and are comparable with wages that researchers might expect to earn in the US (€62,793) and Japan (€61,991).

Other Member States offering attractive wages include Belgium (€55,998 annually), Germany (€53,358), the United Kingdom (€52,776) and Cyprus (€50,549).

However, the situation looks a lot less prosperous in other Member States, particularly in the countries of Eastern Europe, where salaries fall way below the EU average. In Bulgaria for example, a researcher might hope to earn €9,770 annually, while in Romania the average salary stands at €13,489.



There is also a startling difference in many of the countries between the pay packets of female and male researchers. The biggest contrast is in Estonia, where a male researcher can expect to earn €23,000 compared to a female researcher who can only hope to earn just under half of this (€12,179). Women researchers also fare badly in the Czech Republic and Portugal, earning some 36% less than men.

The study also looked at which countries offer the best overall salary progression throughout a researcher's career. In the UK for example, a researcher can expect an incremental increase in salary of over 235% during her or his career. In contrast, researchers in Denmark would only see an incremental increase of 90%.

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Open Innovation, R&D Outsourcing Continue to Grow

The cost and complexity of the innovation process are encouraging companies from a wide range of sectors to transform the way they carry out research and development (R&D), according to a new survey commissioned by Ireland's Industrial Development Agency (IDA) from the Economist Intelligence Unit.

Rather than retaining R&D as a central function, a growing number of companies



are both outsourcing and off-shoring aspects of the innovation process in what is termed a global innovation network model.

The proportion of companies with at least some of their R&D activity taking place overseas today is 65%, but that figure is predicted to rise to 84% in three years' time. Similarly, 64% of organisations say that they currently outsource part of the innovation process to external organisations, but this proportion is also expected to increase in the next three years, to 75%.

While disaggregating R&D globally has advantages in terms of greater efficiency, speed to market and access to talent, respondents also recognise that there are challenges associated with the global innovation network model. Sixty percent of respondents cite loss of control as being a key concern with a more open approach to R&D. Similarly, 44% point to fears about the theft of intellectual property as being a significant risk to adopting a global innovation network model.

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EURAB Calls for More Structural Fund Spending on Research and Innovation

'We must increase the resources dedicated to research and innovation measures by Structural Fund Programmes; we must raise awareness of the importance of actions in this area; spread experience and best practice of how to deliver eco-

nomic benefits from these measures, and we must ensure that Structural Fund actions are firmly embedded within the wider research and innovation 'ecosystem', reads the latest EURAB report.



The EURAB report makes nine recommendations on how to use the Structural Funds to boost research and innovation. Among the recommendations is a call for incentives to encourage a greater take-up of research and innovation activity through the Structural Funds, such as differential grant rates or awards for regions that demonstrate investment in research and innovation through the Structural Funds.

EURAB also supports a recommendation from the Aho Report that recipients of Structural Funds should be obliged to set aside a significant share of the funds, perhaps around 20%, for investment in research and innovation.

Another recommendation is to consider reducing the amount of national or regional funding that recipients are required to invest in projects supported through the Structural Funds: the level of national or regional funding could drop to 10%, from the current 50% or 25%, suggests EURAB.

EURAB would also like to see incentives within the Structural Funds to encourage the use of new financial instruments available from the European Investment Bank (EIB). Grants could be used, for example, to cover the interest payments on research infrastructure.

The report also suggests making stronger links between the Structural Funds and the Seventh Framework Programme for research and technological development (FP7). This could have pay-offs in both directions, says EURAB: actions supported through the 'Capacities' section of FP7 could influence the development of relevant actions supported by the Structural Funds, while the Structural Fund programmes could, in turn, lay the foundations for future participation in the framework programmes.

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Slow Progress – but Progress - on European Institute of Technology

After months of negotiations, ministers attending the EU's Competitiveness Council on 25th June reached agreement on a 'general approach' to a draft regulation to establish a European Institute of Technology (EIT).

The 'general approach' agreed by the Council means that there is broad consensus on the substance of the regulation, but further fine-tuning is still required before a final political agreement can be reached.

The fine-tuning is mostly about funding. Ministers agreed on an initial budget of €308.7 million, to come from the Commission's funding envelope. Where exactly it will come from has still to be decided, and it is also clear that more, in particular private, funding will be necessary.

The hope is to achieve a final agreement on the outstanding issues soon after the summer break.

Call for Proposals for “European Institutes of Technology”

DG Education and Culture (EAC) has published a Call for Proposals for "Pilot Projects for Cooperation between European Institutes of Technology".

Many people have assumed that the purpose of this call is to make some kind of pre-selection of the first "Knowledge and Innovation Communities (KICs)" to be launched by the European Institute of Technology (EIT) when it is finally created.

This is a wrong interpretation. The thematic priorities, and selection of the first KICs of the future EIT will be determined by the Governing Board of the EIT (which is still to be appointed). The real purpose of the Call is as a learning exercise for DG EAC. It has lead responsibility within the Commission for the EIT but no significant practical experience of research or innovation issues.

DG EAC has just €5 million to spend on this call and will fund probably three projects. It seems likely that there will be many applications, including from Networks of Excellence looking for follow-up funding and from Technology Platforms searching for some core funding.

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Commission to Develop 'IP Charter'

This is an initiative from the German EU Council Presidency, the idea being to produce a set of non-binding basic principles and guidelines about IP protection, management and exploitation for use by enterprises, universities and publicly funded research organizations.

A variety of national and supra-national tools already exist to help universities and other research establishments to better manage their knowledge, including the UK Lambert Agreements, the Responsible Partnering Initiative launched by EIRMA with EARTO and others, and European Commission guidelines.

The German Presidency argues there is a need for an EU-wide framework, because a lack of professionalism is causing us to lose our know-how and leading to an ever-growing innovation gap between Europe and its global competitors.

The IP Charter is expected to be ready before the end of the year.

EARTO will be organizing a workshop in September or October to discuss various aspects of IP management in relation to FP projects and which will also include a discussion of the proposed IP Charter

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Fraunhofer and WAITRO Seminar on International RTO Project Opportunities - near Bonn, 6th – 7th September -

Fraunhofer-Gesellschaft and WAITRO, the World Association of Industrial and Technological Research Organizations, are organizing a seminar to create awareness, increase involvement and discover opportunities for RTOs in Europe and in developing countries to work together.

The seminar will feature presentations of funding opportunities for joint projects by the European Commission, EuropeAid, the European Investment Bank and national funding agencies like SIDA, DANIDA and GTZ.

The aim is also to provide a forum for sharing experiences, to demonstrate success with case studies, offer collaboration opportunities and networking with other partners from Europe and from developing countries.

The venue is Birlinghoven castle in Sankt Augustin near Bonn, Germany.

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Organising A Meeting in Brussels? EARTO Has the Perfect Facilities

We have fully equipped modern meeting facilities in central Brussels. Close to the Commission (just around the corner from DG Research) and Parliament, and easily accessible by public transport.

The EARTO Meeting Room

Space for 25 people classroom style and up to 55 people cinema style.

Natural light, air-conditioning, video projector, Panaboard, whiteboard, paper boards, transparency projector, wireless Internet connection, photocopying facilities. Full catering service available.

Available by the day or half-day, at cost price to EARTO members.

A sliding sound-proofed partition permits division of the main meeting room into two separate rooms (1/3 – 2/3).

We also have a second, smaller room suitable for meetings of up to five people. It is available free of charge to EARTO members

For further information, please contact Kadija Taffah at the EARTO Secretariat: +32-2-5028698



Recent and Upcoming Events by and with EARTO

Three EARTO Working Groups or Workshops are planned after the summer break. Dates to be announced:

- Technology Commercialisation
- RTO Performance Indicators
- IP Issues in EU Projects (including the IP Charter)

December 3 rd – 4 th	Effective Collaborative R&D and Technology Transfer a <i>Responsible Partnering</i> initiative	Lisbon
November 15 th – 16 th	EARTO Board	Malvern
October 14 th – 15 th	EARTO-EUROTECH Special Interest Group	Cadarache
October 8 th – 9 th	Portuguese Presidency Conference on the Future of ERA	Lisbon
September 27 th	EARTO-EUROTECH Food Research Group	open
September 26 th	EARTO Steering Committee	Brussels
August 22 nd – 24 th	European Forum Alpbach	Alpbach
June 28 th	Responsible Partnering Planning Meeting	Brussels
June 26 th – 28 th	Hyperion FP7 Advisors' Course	Brussels
June 27 th	EARTO-EUROTECH Defence and Security Working Group	Brussels
June 25 th	EARTO Steering Committee	Brussels