

First Thinking Forward for FP9 - Guiding Principles

Background Paper for EARTO Policy Event on 12 October 2016

7 September 2016

EARTO very much welcomed the debate initiated by Commissioner Moedas last year on a possible European Innovation Council as a part of the much needed discussion on how we can step up Europe's research & innovation policy. We can only applaud his efforts to bring this topic forward at EU level in a difficult European economic and political context. The European Institutions being Council, Commission and Parliament, have the opportunity thanks to the Horizon2020 mid-term evaluation to initiate a constructive debate on EU research & innovation policy and on what should be done during the second half of Horizon2020 to prepare FP9. In this context and thinking forward towards the preparation of FP9, EARTO, having as its motto "Impact Delivered", is happy to offer the following key recommendations. We look forward to a continued constructive dialogue.

Recommendation 1 – Prioritise Impact

Europe needs to focus on interventions that matter and bring clear benefits to European citizens. This has been made even clearer by the result of the Brexit referendum. In order to value Europe and its research & innovation efforts, citizens need to see the impact of EU research on the economy and its contribution to solving their challenges, demonstrating true European added-value. To have stronger impact on jobs and growth, EU R&I programmes must follow the main political lines set by the Juncker Commission by being "big on big (European) things & small on small (European) things". Impact is clearly a "big thing".

Recommendation 2 – Strengthen Excellent European Collaborative Applied Research

The strongest aspect of Horizon2020 is its focus on excellence and collaboration across a variety of R&I actors ranging from RTOs, industry (large & SMEs) and academia (universities & science academies) to public actors (regions & various local actors), across Member States. Excellent European Collaborative Applied Research should continue to be fostered within the EU framework programmes as an indispensable element of our European research and innovation ecosystem in order to have real impact in terms of job creation and economic growth.

Recommendation 3 – Ensure a Balance between the 3 Funding Pillars

Balance across the whole research and innovation chain from fundamental to market-innovation driven research should be provided at EU level. A reasonable balance between the three funding pillars within Horizon2020 should be a key target for the mid-term review. As identified by the EESC¹, making the appropriate balance between those pillars will require looking at their differences in terms of impact, lead times, leverage effects and in particular their specific European added-value.

Recommendation 4 – Target Europe's Innovation Capacity

The impact of EU R&I funding is hinged on improving our innovation efficiency, by which we mean effective transformation of scientific knowledge into new and advanced products and services for successful commercialisation. The research expertise of RTOs, the result of our heavy investments over the past decades, can give Europe a sustainable competitive advantage in the coming decades if we succeed in exploiting it now. Successful innovation has multiple facets and has to be achieved in a complex landscape. There needs to be effective collaboration and cooperation between the actors in the innovation chain to achieve the journey to commercial success. The setting up of the EIC would help to provide the necessary structure and coordination to boost innovation².

Recommendation 5 – Promote Collaborative Participation by Industry

To create impact with EU R&I programmes, participation of key industrial sectors and companies must be further promoted to ensure market introduction by industry. Collaborative involvement of large and smaller companies (outside the SME instrument) should be further promoted. In H2020 projects (as in past FPs), RTOs foster industry participation: with the average industrial involvement in H2020 projects increasing to 31.2% when EARTO members are involved in the project from 25,7% when they are not part of the consortium. This share increases even to 33,2% when considering only the 10 largest European RTOs.

¹ EESC paper on the Mid-term evaluation of Horizon 2020 to be published in the last quarter of 2016 - [link](#)

² EARTO Recommendations for an European Innovation Council Paper - [link](#)

Recommendation 6 – Further Promote European Added-Value

We should further promote European added-value of R&I programmes, which is achieved by promoting collaborative instruments in balance with other instruments. Single participant instruments such as the ERC and the SME Instrument have become larger than ever under Horizon2020. While the European excellence labelling by ERC is well recognised and clearly adds value as great EU benchmark, this is questionable for the SME Instrument. In addition, when relating such mono-participant instruments to the EU collaborative efforts, tools should be put in place to ensure appropriate linkages.

Recommendation 7 – Ensure Grant-Based R&I Funding as Key Element

With the launch of EFSI, we see a renewed interest on financial instruments. As already stated by EARTO³, when looking at research & innovation, lending tools can only work as complements to grants. Loans alone will not answer the need of R&I activities which have to be partly publicly supported. The EU R&I model is based on having grant programmes like Horizon2020 supporting cooperation among various R&I stakeholders. Our model fits Europe today: our challenge is to ensure coherence and complementarity between different policies and their funding mechanisms to ensure maximum impact of policies and instruments.

Recommendation 8 – Taking Stock of Existing Research & Innovation Infrastructures

R&I infrastructures have a clear role in translating research across the entire TRL scale in co-operation with existing and emerging industries and academia. Today, there is no dedicated instrument to support technology infrastructures at EU level. The existing tools are not targeted at providing investments needed to establish or to heavily rejuvenate research and innovation infrastructures or (public/open) platforms. The issue at stake today is not only to map these infrastructures but also to better understand how to efficiently network those infrastructures across Europe to further support innovation, especially by SMEs. EARTO strongly recommends to fill this gap by setting up dedicated tools for technology infrastructures. The limited initiatives currently in place could gain great momentum and impact if further coordinated and scaled up. Ensuring access to those infrastructures at European level provides a win-win situation for all stakeholders, and this needs a stronger support of the European Commission.

Recommendation 9 – Continue Efforts on Simplification

Tackling the very low success rates should be the target of the next simplification efforts, EARTO has provided ideas of countermeasures in its recent paper⁴.

EARTO is a non-profit international association established in Brussels, where it maintains a permanent Secretariat. The Association represents the interests of about 350 Research and Technology Organisations (RTOs) from across the European Union and “FP-associated” countries.

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³ EARTO paper on the Revision of the EU Financial Regulation - [link](#)

⁴ EARTO paper for the H2020 Mid-term Evaluation - [link](#)