

## **EARTO CONTRIBUTION TO THE TRIALOGUE NEGOTIATIONS**

### **Proposal for a Regulation of the European Parliament and the Council Establishing Horizon 2020 - The Framework Programme for Research and Innovation (2014-2020)**

EARTO takes the opportunity of the Triilogue negotiations between Commission, Council and Parliament to comment upon key issues where the views of the three institutions differ as well as upon matters that in our view have so far not been adequately addressed. We limit ourselves to a small number of items that we consider of particular importance.

The present paper relates to the Horizon 2020 Establishing Regulation.

A separate paper deals with the Rules for Participation.

EARTO has produced several positions during the past several months relating to different aspects of the Horizon 2020 proposals:

EARTO Press Statement on Horizon 2020 – December 2011 - [link](#)

Comments on the European Commission's Horizon 2020 Proposals – February 2012 - [link](#)

EARTO Position on the Proposed Funding Model for Horizon 2020 – May 2012 - [link](#)

EARTO Position on the EP Rapporteurs' Recommendations on Horizon 2020 – June 2012 - [link](#)

EARTO Comments on the Horizon 2020 Specific Programme – November 2012 - [link](#)

EC Proposal	ITRE Amendments	Council PGA	EARTO comments
	<p><b>AMD 20</b>  <i>(21a) In order to ensure a transparent and efficient implementation process, multiannual indicative roadmaps should be set at the beginning of the programming for each specific objective and cross-cutting theme and a short and transparent drafting process of the annual work programmes should be strived at. The Commission, when preparing and drawing-up the roadmaps and work programmes should involve and inform the European Parliament and the Council in a timely and appropriate manner. External advice should be sought on a continuous basis during Horizon 2020, also making use of relevant structures such as sectoral advisory boards, the newly established Steering Boards, European Technology Platforms, Joint Programming Initiatives and the European Innovation Partnerships.</i></p>		<p>Parliament is right to propose “Steering Boards”, for Horizon 2020 needs a governance structure above and beyond the usual Framework Programme thematic advisory groups and Programme Committees.</p> <p>EARTO continues to advocate an “Innovation Council” for each societal grand challenge of Pillar III and for industrial leadership in Pillar II. Each would comprise a limited number of high-level individuals representative of – but acting independently – the principal concerned innovation communities (politics, enterprise, research, users, etc.).</p> <p>See also → <a href="#">link</a> (page 4)</p> <p>These Councils (or Boards, if one so prefers) are needed to give impartial expert strategic advice on present and future planned actions as well as to draw attention to neglected subjects and duplicated effort. They must help ensure that the plethora of existing Framework Programme structures – JPis, contractual PPPs, ETPs, EIPs, KICs, etc. – do not compete, or redundantly overlap, but operate in complementarity to H2020 objectives.</p>

<p>Part III <i>Priority 'Societal challenges'</i></p>	<p><b>AMD 116</b> Part III <i>Priority 'Societal challenges'</i> <i>In order to take the challenge-based approach, a coordinated strategic planning of research and innovation activities is needed. Coordination can address fragmentation and improve the use of technological and infrastructural resources by the entire research community related to each challenge.</i> <i>Strategic actions and scientific steering can ensure expert input on policy from the outset, advance innovation and competitiveness by understanding the complexity of the innovation cycle, and encourage participation from more researchers across borders.</i> <i>Based on need and demand strategic research and innovation coordination on each challenge can be established through Strategic Scientific panels of independent high-level experts from academia, industry, end-users and civil society, selected through an open and transparent process, which will contribute to defining research and innovation programmes based on the best leadership and will provide the impetus and instruments needed to promote interaction and synergies on a larger scale. The role of these panels would be to provide on-going strategic advice on the actions being undertaken and planned in under Horizon 2020 and the related Union policy areas.</i></p>	<p>Part III <i>Priority 'Societal challenges'</i></p>	<p>See previous comment on AMD 20.</p> <p>There appears to be inconsistent terminology in Parliament's proposed amendments, which variously refer to "Steering Boards" (AMD 20), "Strategic Scientific Panels" (AMD 116) or "Scientific Steering Panels" (AMD 138).</p> <p>The qualification "Scientific" is, in our view, inappropriate. Horizon 2020 is an <u>innovation</u> programme, and this must be reflected in the purpose and composition of these bodies. Parliament is correct to refer to their composition in terms of <b>independent high-level experts from academia, industry, end-users and civil society</b>. Their focus must be the innovation objectives of H2020, which include – but are much more than – the science which H2020 will fund.</p>
---	---	---	--

<p><b>2. Future and Emerging Technologies (FET)</b></p> <p><b>2.1. Specific objective</b> The specific objective is to foster radically new technologies by exploring novel and high-risk ideas building on scientific foundations. By providing flexible support to goal-oriented and interdisciplinary collaborative research on various scales and by adopting innovative research practices, the aim is to identify and seize opportunities of long-term benefit for citizens, the economy and society.</p>	<p><b>AMD 118</b></p> <p><b>2. Future and Emerging <i>Sciences and Technologies</i> (FET) (<i>FEST</i>)</b></p> <p><b>2.1. Specific objective</b> The specific objective is to foster <i>frontier research, including</i> radically new technologies by exploring novel and high risk ideas building on scientific foundations <i>with the potential to open new fields for European science and technology.</i> By providing flexible support to goaloriented and interdisciplinary collaborative research on various scales and by adopting innovative research practices, the aim is to identify and seize opportunities of long-term benefit for citizens, the economy and society. <i>Smart specialisation platforms have a key role to play in this respect, particularly in terms of creation and networking, the exchange of information, twinning schemes and support for research and innovation policies.</i> <i>FEST will promote excellence through collaborative projects focused on frontier research in future and emerging science and technology opportunities. Spanning the full field of collaborative frontier research from basic frontier science to technological frontier developments, and fostering collaboration across borders from the very early stages of research and onwards, FEST will bring Union added value to the</i></p>	<p><b>2. Future and Emerging Technologies (FET)</b></p> <p><b>2.1. Specific objective</b> The specific objective is to foster radically new technologies by exploring novel and high-risk ideas building on scientific foundations <b>and contribute to the European next generation industries.</b> By providing flexible support to goal-oriented and interdisciplinary collaborative research on various scales and by adopting innovative research practices, the aim is to identify and seize opportunities of long-term benefit for citizens, the economy and society.</p> <p><b>The activities within the FET programme should be complementary to the activities within the priorities of the other parts of Horizon 2020 and, where possible, synergies will be sought.</b></p>	<p>We do not see the need – as Parliament seems to suggest - to broaden the scope of the existing FET programme to embrace “science” in addition to technology. FET’s objective is to stimulate radical innovation by targeting the development of breakthrough technologies, which in practice are necessarily science-based. Including “science” - as well as uncertain references to “smart specialisation platforms”, “twinning schemes”, “frontier research”, etc. - risks diverting the FET programme from its essential purpose.</p> <p>We share Council’s view that the activities of the FET programme should be aligned with the priorities of the other parts of H2020 (Pillars II and III).</p> <p>See also → <a href="#">link</a></p>
---	--	--	--

	<i>frontier of modern research and will help to build collaborative critical mass in excellent research across Europe.</i>		
(b) <i>By nurturing emerging themes and communities ('FET Proactive'), FET shall address a number of promising exploratory research themes with the potential to generate a critical mass of inter-related projects that, together, make up a broad and multi-faceted exploration of the themes and build a European pool of knowledge.</i>	b) <i>By nurturing emerging themes and communities (' FET FET Proactive') in close association with societal challenges and industrial technological themes, FET FET shall address a number of promising exploratory research themes with the potential to generate a critical mass of inter-related projects that, together, make up a broad and multi-faceted exploration of the themes and build a European pool of knowledge.</i>	(b) <i>By nurturing emerging themes and communities ('FET Proactive'), FET shall, in close association with the societal challenges and industrial leadership themes, address a number of promising exploratory research themes with the potential to generate a critical mass of inter-related projects that, together, make up a broad and multi-faceted exploration of the themes and build a European pool of knowledge.</i>	
	<b><i>More than half of FET resources will be devoted to bottom-up collaborative frontier research in all fields.</i></b>		Given the limited resources which are likely to be available for H2020 (irrespective of the outcome of MFF negotiations) in relation to its ambitious innovation objectives, we share Council's view of the need for a close link to H2020's objectives under Pillars II and III. It is not advisable to ring-fence a significant part of the FET budget for untargeted bottom-up research.
	<b><i>Evaluation of all FET projects will follow exclusively strict criteria of scientific and technological excellence.</i></b>		Given that FET's objective is to promote breakthrough technologies, potential impact must be a key criterion.

<p><b>3. Innovation in Small and Medium Sized Enterprises</b></p> <p><b>3.3. Broad lines of the activities</b></p> <p>(a) Mainstreaming SME support</p> <p>SMEs shall be supported across Horizon 2020. For this purpose a dedicated SME instrument shall provide staged and seamless support covering the whole innovation cycle. The SME instrument shall be targeted at all types of innovative SMEs showing a strong ambition to develop, grow and internationalise. It shall be provided for all types of innovation, including service, non-technological and social innovations. The aim is to develop and capitalise on the innovation potential of SMEs by filling the gap in funding for early stage high risk research and innovation, stimulating innovations and increasing private-sector commercialisation of research results.</p>	<p><b>AMD 136</b></p> <p><b>3. Innovation in Small and Medium Sized Enterprises</b></p> <p><b>3.3. Broad lines of the activities</b></p> <p>(a) Mainstreaming <i>Support to SMEs through a dedicated SME support Instrument</i></p> <p><del>SMEs shall be supported across Horizon 2020. For this purpose</del> A dedicated SME instrument shall provide staged and seamless support covering the whole innovation cycle. The SME instrument shall be targeted at all types of innovative <i>on in</i> SMEs showing a strong ambition to develop, grow, and internationalise <i>and innovate, with a particular focus on start-ups, spin-offs and fast growing SMEs. The SMEs will be the main applicant, but will be encouraged to cooperate with research institutes and other companies.</i> It shall be provided for all types of innovation, including service, non-technological and social innovations, <i>given each activity has a clear Union added-value.</i> The aim is to develop and capitalise on the innovation potential of SMEs by filling the gap in funding for early stage high risk research and innovation, stimulating innovations and increasing private-sector commercialisation of research results. <i>The instrument will provide a quality label for successful SMEs in view of their participation in public procurement.</i></p>	<p><b>3. Innovation in Small and Medium Sized Enterprises</b></p> <p><b>3.3. Broad lines of the activities</b></p> <p><i>[no change]</i></p> <p>SMEs shall be supported across Horizon 2020. For this purpose, <b>to participate in Horizon 2020, better conditions for SMEs shall be established. In addition,</b> a dedicated SME instrument shall provide staged and seamless support covering the whole innovation cycle. The SME instrument shall be targeted at all types of innovative SMEs showing a strong ambition to develop, grow and internationalise. It shall be provided for all types of innovation, including service, non-technological and social innovations., <b>given each activity has a clear European added-value.</b> The aim is to develop and capitalise on the innovation potential of SMEs by filling the gap in funding for early stage high risk research and innovation, stimulating innovations and increasing private-sector commercialisation of research results.</p>	
--	--	---	--

<p>All of the specific objectives on societal challenges and on leadership in enabling and industrial technologies will apply the dedicated SME instrument and will allocate an amount for this.</p>	<p><b><i>The instrument will operate under a single management structure, light administrative regime and a single entry point. It shall be implemented in a bottom-up logic with open calls.</i></b></p> <p><b><i>Dedicated innovation support services for the SMEs participating in the SME instrument will be implemented, building on existing structures such as the Enterprise Europe Network and other innovation service providers and mentoring/coaching schemes.</i></b></p> <p>All of the specific objectives on societal challenges and on leadership in enabling and industrial technologies will apply the dedicated SME instrument and will allocate an amount for this. <b><i>This instrument shall create the necessary flexibility to allow for the integration of SMEs at project runtime and for limited shorter-than project timeframes into research projects.</i></b></p> <p><b><i>The SME instrument may also serve as an instrument for pre-commercial procurement or procurement of innovative solutions</i></b></p>	<p>[no change]</p>	<p>We strongly welcome Parliament's proposal for a single management unit so as to ensure consistent rules and their implementation across H2020, and so as to offer a single entry point to potential applicants.</p> <p>Critical, too, is to allocate sufficient resources to the programme in order to have adequate opportunity to test its usefulness.</p>
--	---	--------------------	---

## ANNEX II: Breakdown of the budget

### EUROPEAN PARLIAMENT (ITRE VOTE 28.11.12)

H2020	EC	ITRE
<b>Excellent Science</b>	<b>27,8</b>	<b>32, 60%</b>
ERC	15	16, 3%
FETs	3,5	3,50%
Marie Curie Actions	6,5	8,30%
Research Infrastructures	2,8	3,60%
Widening Participation		0,90%
<b>Industrial Competitiveness</b>	<b>20,2</b>	<b>24,30%</b>
Leading and Industrial Technologies	15,6	15,80%
Risk Finance	4	4,00%
SMEs	0,7	4,50%
<b>Societal Challenges</b>	<b>35,9</b>	<b>37,50%</b>
<b>Science &amp; Society</b>		<b>0,40%</b>
Food, Agriculture and Bio-economy	4,7	4,90%
Health	9,1	9,0%
Energy	6,5	8,40%
Transport	7,7	6,90%
Climate	3,6	4,00%
SSH		1,70%
Security	4,3	2,10%
<b>EIT</b>	<b>3,2</b>	<b>3,30%</b>
<b>JRC (non-nuclear)</b>	<b>2,2</b>	<b>2,40%</b>
<b>TOTAL</b>	<b>87,7</b>	<b>100%</b>

### EARTO Comments

It is difficult to comment in detail on the budget re-allocations proposed by Parliament without knowing what the final MFF allocation for H2020 will be. The most recent Council discussions are not encouraging, and any allocation substantially less than the €87.7bn proposed by the Commission may well require a rethink of the overall structure and priorities of the programme (rather than proportional adjustments to the currently proposed budget). It will be then more important than ever to focus on H2020's core innovation objectives by prioritizing **Industrial Competitiveness** and **Societal Challenges**.