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Focus and outlook on the EU Programmes

As we have done in previous years, we take the opportunity during summer to give a broad overview on the state of play in our fields of activity. After concentrating on the core of the 7th Research Framework Programme (FP7) last year, we have chosen this time to focus solely on some of the novel parts of FP7, as well as on the programmes in the field of innovation and education. As the Competitiveness and Innovation Programme, the Lifelong Learning Programme (newly LLP) and the Youth in Action Programme all started concomitantly with FP7 at the beginning of this year, we will present them in detail and list the activities that have taken place within their frame since 1 January 2007. The less known Research Fund for Coal and Steel (RFCS) and the proposal for the new Erasmus Mundus Programme are also presented.

This overview will be completed by an outlook on proposals linked to FP7 that are currently undergoing the legislative procedures for adoption like the Joint Technology Initiatives (JTI), the initiatives under Art. 169 and the European Institute of Technology (EIT). These three items are also amongst the main priorities of the Portuguese, who took over the Presidency of the EU from the Germans on 1 July 2007. As can be gathered from the provisional agenda of the Competitiveness Council (Council of Ministers) meetings, Portugal's goal is to have the first four JTI (ARTEMIS, IMI; ENIAC and Clean Sky) adopted before the end of the year. This is no easy task, as the four proposals are quite different. In addition, a political agreement on the first Art. 169-initiative Ambient Assisted Living (AAL) is also planned.

Other priorities for the Portuguese Presidency, albeit more political, include the modernisation of universities (following up on the impetus of the Green Paper on the ERA, see Synopsis 2007/2), the dissemination of scientific information (planned Council resolution based on the Commission's Communication of 14 February 2007, see Synopsis 2007/1) and nanosciences and nanotechnology, for which a mid-term review of the Commission's Action Plan is expected in the next months.

The European Institute of Technology (EIT) is currently debated by the European Parliament, whose plenary vote on the proposal is expected at the end of September. This would allow the Portuguese to finalise the adoption before the end of the year, also considering that the main discrepancies between the Parliament and the Council's positions are currently being ironed out in trialogue meetings with the European Commission.

Meanwhile, some of the implementation details of FP7 have been defined and the European Research Council (ERC) has succeeded in dealing with the overwhelming number of applications to the first call for Starting Grants. The ERC is currently getting ready for the second stage of the application while preparing the second call, this time for the Advanced Grants, to be launched at the end of the year.

◆ Research

FP7: implementation and management details

When the 7th Research Framework Programme (FP7) started on 1 January 2007, a number of implementation and management details had not yet been worked out by the European Commission's services. Most of the uncertainties have now been solved and project negotiations should be able to proceed normally. Nevertheless, there are a few novelties concerning the legal and financial aspects of FP7 that might cause some trouble now, or even worse, after the end of the first FP7 projects. Here are some of the recent developments and major novelties:

- Model Grant Agreements (MGA): This is the new name for the "model contracts" of FP6. The Model Grant Agreements were adopted by the Commission on 10 April 2007. In FP7, there will be three different types of core grant agreements (including Annex II); beside the standard

version applying in most cases, there will be specific grant agreements for Marie Curie (as in FP6) and for the European Research Council (ERC). In the general agreement, there is a series of Annexes III for specific funding schemes (ERA-NET+, Infrastructures, SME Actions), as well as two new annexes VII (Form D or E) concerning the new auditing rules (see below).

- **Financing modes:** As already widely announced, the FP6 Cost Models have disappeared in FP7, with only the reimbursement of full eligible costs remaining (to 75% or 50% for research activities, depending on the type of institution). This means that permanent staff should be charged to the project, in order to fully recoup the “additional” costs of the project. Permanent staff (including professors, technicians etc.) will however have to use time recording to be able to charge their work to the project. This might represent an additional burden on the system of many universities which do not have such a system in place yet.
- **Indirect costs:** Here, the real eligible cost system also applies; flat rates of 60% or 20% (depending on institution type) are foreseen for institutions unable to precisely identify their indirect costs. Coordination and Support Actions (CSA) newly have an overhead ceiling of 7%. Another possibility is to use a simplified method to calculate the indirect costs per project at the level of the whole institution. This method should have already been in place at the institution for a certain time (no design of new methods “specific for FP7” allowed!) and will not be checked ex-ante by the Commission services (but maybe ex-post by the Commission’s auditors – so beware!).
- **Auditing rules:** A major change from FP6 to FP7 concerns the rules for the “Certificates on the Financial Statements” (CFS; a new term for the audit certificates of FP6). Indeed, the auditors were previously asked to give an “assurance opinion”; in FP7, the audits will newly be based on “factual findings” according to a list issued by the Commission (Annex VII, Form D). Note that no CFS will be required for total EC contributions below €375’000, even at the end of the project.
Another novelty is the possibility, under certain conditions, to use methodologies for average personnel costs and indirect costs (Annex VII, Form E). The “Certificates on the Methodology (CoM)” (a verification of the existing system by a competent auditor) will be checked ex-ante by the Commission and therefore give more certainty than a “simplified method” (see above).
- **Financial liability:** The financial collective responsibility of FP6 is replaced by a Guarantee Fund. To nourish the fund, 5% of the EC contribution will be retained for all projects, and the interest generated by this amount will cover defaulting participants. In most cases, the 5% will be paid back to the participants at the end of the project (up to 1% might be deducted from non-public participants).
- **ICPC lump sums:** On 4 June, the lump sums for International Cooperation Partner Countries (ICPC) were adopted by the Commission. Institutions in ICPC countries can choose between reimbursement of costs and a lump sum based on the economy of the ICPC, the funding scheme and the participant type. The lump sum, which is deemed to cover all direct and indirect costs, is calculated on the basis of efforts in persons/year, which means that the involved personnel will have to record the time spent working on the project.
- **Ethics review:** The major change from FP6 is that the Ethics Review will be carried out on the submitted proposal and no additional information will be requested from the consortium. Therefore, the ethical aspects of the project should already be fully addressed in the proposal. Drafts of “information sheets” and “consent forms” should be included in the proposal, but no copies of the national legislations are required.
- **Verification rules:** In an effort to ensure more consistency in its internal administrative procedures, the Commission adopted internal rules for the diverse verifications (existence, legal status, operational and financial capacity) of FP7 participants. According to the Commission, this should provide more transparency and equality in treatment and ultimately reduce the “time to contract”.

Besides these points, there are still some implementation details that should be finalised in the coming months. For example, the Unique Registration Facility, currently in a test phase, should help to reduce the administrative burden of participants and, together with some of the measures

mentioned above, could contribute to the overall simplification of the current Research Framework Programme.

The European Parliament has recently decided to examine if the announced simplifications were bearing their fruits: the Industry, Research and Energy Committee (ITRE) has invited the Research Director-General to discuss the FP7 administrative procedures at the ITRE meeting of 13 September.

The model grant agreements, administrative documents and guidelines for FP7 can be found under: http://cordis.europa.eu/fp7/find-doc_en.html

Full speed ahead for the ERC

On 18 December 2006, the creation of the European Research Council (ERC) was made concrete by the co-decision of the European Parliament and the Council of the European Union on the proposal of the 7th Research Framework Programme (FP7). Consequently, the European Commission announced the official establishment of the ERC on 22 February 2007 and a formal launch event was held in Berlin on 27 February (See Synopsis 2007/1). The ERC is part of the Ideas sub-programme in FP7, which has a budget of €7.51 billion over the 7 years of the programme (~15% of the FP7 budget).

The ERC consists of a Scientific Council (ScC) and a Dedicated Implementation Structure (DIS). The ScC defines the scientific strategy and the funding methodologies of the ERC, while the DIS is in charge of the implementation of the strategy and the management of the funding activities. It is foreseen that the DIS will be legally established as an Executive Agency by mid-2008.

The ERC supports investigator-driven frontier research, which means that only individual teams led by independent Principal Investigators are funded. The best scientists in Europe across all fields of science, engineering and scholarship are planned to be selected, with excellence as the only criterion. To achieve this, the ERC has devised two funding schemes, whose current state of implementation is described below:

- The ERC Starting Grants provide support to the independent careers of excellent researchers who are at the stage of establishing or consolidating their research team (see also Synopsis 2007/2). The first call for proposals for the ERC Starting Grants was closed on 25 April 2007 with 9167 submitted applications (see Synopsis 2007/3). This massive response underscores the young researchers' high expectations in the ERC. To ensure an efficient and fair selection process, an additional 600 "Panel Evaluators" were invited to support the 244 members of the 20 ERC Panels in the peer-review evaluation. In July, after completion of the first evaluation stage, 559 researchers were invited to submit the corresponding stage 2 proposals before 17 September 2007, while the rejected projects should have received a feedback in August. The stage 2 Panel meetings and interviews are planned to be held in October-November and 200-250 projects will finally be selected for funding.
- The ERC Advanced Grants offer funding for projects led by advanced investigators at all career stages. Due to the high number of applicants for the Starting Grants, the call for the Advanced Grants will be postponed till at least November 2007, with a planned deadline around February 2008. The staff of the DIS is currently working on the application procedures and guidelines, which should be ready at the end of August. Submission will be organised in one stage only, albeit with a 2-step evaluation. To reduce the expected oversubscription, the ERC is planning to give strong importance to the track record of the principal investigator and is currently devising pre-selection methods. For example, applicants could be pre-screened by using an algorithm based on scientific publications (e.g. 10 publications in top journals over the last 5 years). This algorithm could even be provided beforehand to the researchers, who could then assess by themselves if they would fulfil the selection criteria.

Notwithstanding the early success the ERC is currently enjoying, a few challenges would still need to be addressed:

- Interdisciplinarity: one of the goals set out by the ERC is to overcome the boundaries of the different scientific disciplines. Despite a (albeit small) budget reserve that could be allocated to projects falling into the field of several panels, assessing the excellence of these proposals

remains a difficult task. Focussing on the track record for the Advanced Grants might have the adverse effect of selecting for efficiency rather than for creativity. Not all Nobel Prize winners have an excellent track record...

- Reversing the brain drain: Besides retaining excellent scientists in Europe, the ERC also aims at “repatriating” the best European researchers (mostly from the US), and at recruiting high potential researchers from other countries to Europe. First statistical information on the first stage applicants show however that “repatriation” represents only about 3% and recruitment less than 1%. These percentages will have to be ramped up if Europe wants to increase its attractiveness compared to the U.S., where a high percentage of researchers have been recruited from overseas (Europeans represent about 15% of science and engineering doctorates earned in the US).
- Relations with national funding agencies: The ERC grants are meant to be complementary to other funding activities in Europe and not to replace them. Some national research funding agencies might nevertheless be tempted to shift their priorities away from the activity fields of the ERC, with likely disastrous consequences. The massive application number for the first call is a strong signal for the need for such grants in Europe. Coordination with national agencies and other funding organisations will therefore be crucial in order to ensure that the different European, national and private funding schemes will remain additional.

If the ScC and the DIS keep up the hard work and the dedication they have shown in this first phase, there is no doubt that these challenges will be tackled and we look forward to seeing the ERC’s answer to these issues.

Statistics on the first evaluation stage can be found under:

http://erc.europa.eu/pdf/erc-starting-grants-first-stage-evaluation-process-concluded_en.pdf

More information can be found on the ERC website: <http://erc.europa.eu/index.cfm>

Joint Technology Initiatives: one size does not fit all

This spring, the European Commission (EC) tabled four proposals for Joint Technology Initiatives (JTI); on 15 May for the Advanced Research and Technology for Embedded Intelligence and Systems (ARTEMIS) and the Innovative Medicines Initiative (IMI) and on 13 June for Clean Sky and the European Nanoelectronics Initiative Advisory Council (ENIAC) (see Synopsis 2007/5 and 2007/4).

JTIs are initiatives under Art. 171 of the EU Treaty and foresee a public-private partnership between the Commission and the industry in a specific sector, through the establishment of a so-called Joint Undertaking (JU); a similar structure is used for the somewhat weathered Galileo project). The role of this structure is to implement the industry’s Strategic Research Agenda (SRA), a 10-year plan to address the R&D shortcomings of the concerned industry. The four proposed projects would establish the seat of the JU executive office in Brussels, with ARTEMIS sharing an executive office with ENIAC. They are currently examined by the Council of the EU, which, according to Art. 171, has to adopt them after consulting the European Parliament.

Despite resting on the same legal basis, the four proposals show some substantial differences:

- Partnership: While two JTI have chosen to involve certain Member States in the JU, IMI and Clean Sky do not foresee such an involvement thus far; this has some impact on the financial flows within the JU. The majority of the JTI are based on a partnership between an industry association and the EC (ARTEMISIA for ARTEMIS, AENEAS for ENIAC and EFPIA for IMI).
- Governance: the models chosen are quite different:
 - ARTEMIS and ENIAC have chosen the same model; a Governing Board as the main steering body, a Public Authorities Board with similar roles than a Programme Committee (approval of work programme, decision on allocation of public money), an Industry and Research Committee that elaborates the scientific content of the work programmes and calls, as well as an Executive Director (with a staff) for the management and implementation of the calls.

- IMI opted for a tri-partite governance, where the IMI Board (EFPIA and EC) takes most decisions, advised by a Scientific Committee and aided in the implementation by an Executive Office.
- Clean Sky has a rather complex governance: the EC and 12 so-called Integrated Technology Demonstrator (ITD) Leaders as well as their 74 associates are part of the JU. Its bodies will be an Executive Board as governing body (EC and ITD Leaders plus one associate per ITD Leader), a Director for the day-to-day management of the JU, the ITD Steering Committees that define the content of the calls for proposals and select the external partners, as well as a purely consultative General Forum of all JU members and external partners.
- **Financing:** As the membership of the different planned JU differs, so does the financing streams.
 - In ARTEMIS (total budget: €2.7 billion) and ENIAC (€3 billion), the EC funding coming from the respective Themes of FP7 would be complemented by direct Member States contributions amounting to about 1.8 times the EC amount and by in-kind contributions of industry (representing a least 50% of the total budget).
 - With a total budget of €2 billion, IMI has chosen a clear separation of funds between on the one hand the EC financing going only to public partners or SMEs, and on the other hand the in-kind participation of industry. EFPIA and the EC will equally finance the JU.
 - A similar arrangement is foreseen for Clean Sky (total budget: €1.6 billion), although 3/4 of the EC funding is planned to go directly to the ITD Leaders and their affiliates.
- **Participation and funding:** The rules for participating in the research activities planned by the different JTI and the funding rates are also not the same:
 - ARTEMIS and ENIAC would both require the participation of at least three institutions from three different “JTI member states” (countries that co-finance the JTI). Institutions from “non-member states” could participate if these have previously established “administrative arrangements” with the JTI. The funding rate for projects would be up to 16.7% (most likely complemented by direct national funding).
 - For IMI, just one public and one private partner would be required; the country in which they are located has no influence on eligibility. The funding rates would only be limited by the State Aid Rules and could therefore be as high as 75%.
 - For Clean Sky, the EC contribution would be allocated according to a set scheme (see above). Only one quarter of the EC contribution (€200 million) would be awarded to external partners based on competitive calls for proposals, with a funding rate of 50%.

The Council is currently examining these four proposals and some key issues have already been tackled, like the participation of entities coming from countries not involved in the JU and the distribution of funding to the different participants. Notwithstanding these discussion points, the adoption of these proposals is foreseen at the Competitiveness Council meeting of 22-23 November, allowing the first JTIs to be established at the beginning of 2008. First calls for proposals are planned to be launched by the JTIs before the end of the year. In addition, the European Commission is due to present an additional JTI proposal on Hydrogen and Fuel Cells before the end of the year.

Once legally established, the JTIs will have to demonstrate that they are able to live up to the expectations and that these public-private partnerships are able to deliver an added value to the 7th Research Framework Programme from which they are all financed.

More information on ARTEMIS can be found under:

<http://www.artemis-office.org/DotNetNuke/Home/tabid/36/Default.aspx>

More information on ENIAC can be found under:

<http://www.eniac.eu/index.php>

More information on IMI can be found under:

<http://www.imi-europe.org/>

More information on Clean Sky can be found under:

<http://www.asd-europe.org/Content/Default.asp>

Report on EDCTP sets high hurdles for new Art. 169 initiatives

Article 169 of the EU Treaty foresees the participation of the European Community in research programmes undertaken by several Member States. In 2003, the EDCTP (European and Developing Countries Clinical Trials Partnership) was established as the first initiative under Art. 169 by 15 European countries and the EC in order to develop new clinical treatments against the “poverty-related diseases” AIDS, malaria and tuberculosis. It also aims at developing a “sustainable and genuine research partnership between European and African countries”. The EDCTP has so far been funded by the EC through a grant of €200 million under FP6. In June 2007, the duration of the grant agreement was extended till 2010, but without extra financing and under certain conditions.

On 17 July, the European Commission (EC) published the report of an independent expert review of EDCTP. At the request of Research Commissioner Potocnik, the independent external review panel provided a set of recommendations for a possible continuation of EDCTP under FP7. The panel’s report draws a rather bleak picture of the state of advancement of EDCTP and concludes that after an already difficult start, EDCTP is still hampered by major problems, amongst them:

- Inadequate governance structure;
- Lack of general strategy;
- Insufficient commitment of the involved European countries, especially on the financial level;
- Insufficient implication of the African States affected by the “poverty-related diseases”;
- Missing coordination between the involved Directorates-General at the EC (DG RTD, DG DEV, DG SANCO);

According to the panel, the EC should only extend its financial support to EDCTP if also Member States appropriately fund the programme. Moreover, an extension of EDCTP’s financing under FP7 should not be considered in the absence of outputs and results by end of 2008. One of the panel members even advocates that EDCTP should be shut down without a probationary period. In addition to these recommendations, the report also includes a set of suggestions for future initiatives under Art. 169:

- The EC should clearly define and communicate the prerequisites for Art. 169 initiatives, for example by issuing guidelines.
- The EC should verify that there are already existing programmes at national level in the relevant research fields and that the involved Member States make strong and irreversible financial commitments and give political support to the initiatives.
- Before the EC contribution becomes available, a set of requirements should be fulfilled:
 - Common work plan, objectives, milestones and sound governance structure;
 - Fixed financial contributions from the Member States (e.g. set yearly contributions) and full control of the Art. 169 entity over the allocation of research grants;
 - Transparent evaluation criteria and procedures for the award of research grants;
 - EC funding strictly linked to milestones and deliverables;

The proposal for a second Art. 169 initiative, Ambient Assisted Living (AAL), published by the EC on 14 June (see Synopsis 2007/5), can now be examined in the light of these recommendations:

- Governance: a much simpler organisational structure than EDCTP would be set up (see Annex II of the proposal). The General Assembly would be governing the AAL Joint Programme and its decisions would be implemented by a Board of Directors of three people. National Programme Management Agencies would play a supporting role, while an Advisory Board with stakeholder representatives would provide recommendations for the priorities and topics to be

addressed in the calls. A dedicated implementation structure would be set up to manage the programme.

- Programme implementation (see Annex I of the proposal): Annual work programmes would identify the topics of the calls for proposal and would have to be agreed by the EC. Proposal evaluation and selection would be done centrally, on the basis of common eligibility and evaluation criteria. The final ranking of the proposals would be binding for the participating countries.
- Financing: EC funding is explicitly conditional upon the performance of AAL and the effective payment of the annual commitments by participating countries (see proposal Art. 2). The EC financial contribution would be a fixed percentage not exceeding 50% of public financing of the projects, which also have to be co-financed by the participants. The way the financing of projects would effectively work in the end, and if a real common pot will be created (e.g. one country paying for a project in another country) however remains open.

This new Art. 169 initiative, to which 13 Member States plus Israel, Norway and Switzerland participate, therefore has the potential to demonstrate that this type of project can work and even lead to an added value. The pressure will however be high considering the problems of EDCTP, and the proposal will certainly be scrutinised in detail by the EU institutions during the required co-decision procedure taking place this autumn.

The report of the independent external review panel on EDCTP can be found under:

http://ec.europa.eu/research/health/poverty-diseases/doc/final_ier_report_12july2007_en.pdf

ERA-NET+: a new scheme with high potential

Earlier this year, an expert report presented a rather positive experience of the ERA-NET scheme under FP6 (see Synopsis 2007/1). However, the report also stated that the success of the scheme could only be measurable with the response of the scientific community to joint calls issued by ERA-NET consortia. Less than half of the ERA-NETs have prepared or issued joint calls so far, to which not all participating research funding agencies took part. Therefore, the implementation of joint calls in ERA-NETs would need to be encouraged, for example by providing more incentives.

This is the aim of the new ERA-NET+ scheme in FP7, which gives national or regional funding agencies as well as research programme owners the possibility to implement a single joint call with a financial top-up from the European Commission (EC) without the need for a more durable integration as in Art. 169 initiatives. The requirements for an ERA-NET+ are the following:

- Only one joint call per proposal;
- Participation of at least 5 Member States or Associated Countries in the joint call;
- Minimum financial volume of €5 million for the call;
- Joint evaluation of proposals through international peer review;
- Only trans-national projects to be funded out of the joint call budget (including the EC top-up).

The main deliverable of each ERA-NET+ will be an agreed list of selected trans-national projects and the formal commitment to finance these projects. The topping-up of the EC will be conditional to these deliverables and will cover both the funding of the projects (as a lump sum) and the costs of managing the call (reimbursement of costs); in any case, the total EC contribution will not exceed 1/3 of the total joint call budget. Unlike the classical ERA-NETs, no additional activities (e.g. exchange of good practice, common strategy development) will be funded.

Submission of projects is expected to be done in two stages in order to adjust the success rate per country to the planned national contributions at stage 2. After evaluation, the top 2/3 of the selection list will be funded by combining the EC contribution and national money. The lower 1/3 of the short-listed proposals will be subject to a “balancing process” between the participating national programmes. Projects can move up and down between the lower third and the reserve list to further equilibrate the initially planned national contributions and the success per country.

In addition to its simplicity (1 ERA-NET+ project equals 1 joint call), another advantage of this new funding scheme is that the management of the grant agreements of the trans-national research projects is left to the national agencies. Therefore, trans-national networks of funding agencies can apply their own administrative procedures while profiting from the additional EC money. It will be interesting to follow the developments of the different ERA-NET+ projects and to assess the value of this scheme as an instrument to realise the European Research Area.

Background information on the new ERA-NET+ scheme can be found under:

ftp://ftp.cordis.europa.eu/pub/coordination/docs/eranet_plus_issue_paper_v24_dec2006.pdf

More information on the coordination of research activities can be found under:

http://cordis.europa.eu/fp7/coordination/home_en.html

The Research Fund for Coal and Steel: past and present

In 1952, the European Coal and Steel Community (ECSC) Treaty became effective. From the very start, research and development activities were part of this Treaty and provided a basis for the funding of some first steel RTD projects in 1955. The ECSC Treaty expired in 2002, but already in 1997 a resolution of the Nice European Council committed the reserves of the fund to a new research programme, named "Research Programme of the Research Fund for Coal and Steel" (RFCS). In 2002 the capital of the fund amounted to about €1.6 billion. On the entry into force of the Treaty of Nice on 1 February 2003, ownership of the ECSC's funds was transferred to the European Community with retroactive effect to 24 July 2002 and a Council Decision (2003/76/EC) defined the measures necessary to implement the resolution of the Nice European Council concerning the RFCS.

The RFCS programme is separate from the Research Framework Programme and covers all aspects of research related to coal and steel, such as production processes, application, environmental protection, or safety at work. Examples of running projects are UCLOS, which aims at reducing the steel industry's carbon dioxide emissions, and in which 47 partners from all over Europe are involved, or COMTES 700, which intends to increase the efficiency of coal fired power plants by 50% and which is conducted by a consortium of important European power producers. In the case of UCLOS, about €10 million from the overall budget of €50 million is provided by the RFCS and another €20 million by FP6. COMTES 700 has a budget of around €15 million, whereof 57% comes from power producers, 3% from equipment suppliers and 40% from the RFCS.

Between 2003 and 2006, the Coal and Steel research programme had an average budget of €57 million per year, generated from the interest of the fund. About one third of the annual budget was spent for coal research and two third for steel research. Since 2003, the research programme has been accompanied by multi-annual technical guidelines and within DG Research a unit was created to manage it.

On 9 July 2007, the European Commission adopted a proposal for a new Council decision on the multi-annual technical guidelines for the coal and steel research programme. According to the proposal, some of the measures conducted so far by the programme such as research grants or the organisation of conferences will be discontinued because they are now covered by FP7. On the other hand, the financial support for pilot and demonstration projects shall be increased from 40% to 50%. There would be no upper budget limit for projects, nor is the number of involved partners restricted. In order to boost the convergence with priorities of FP7, specific calls will be made in the future. The strategic agendas of the relevant European Technology Platforms (particularly the European Steel Technology Platform (ESTEP), the Zero Emission Fossil Fuel Power Plants Platform (ZEP) and the Sustainable Minerals Resource Platform (ETP SMR)) will also be taken into consideration to define those specific calls and to identify the priorities of the long-term research agenda of the RFCS programme. The fund is strictly dedicated to EU Member States, but Third Countries can participate on their own costs.

Further information about the activities of the RFCS can be found here:

<http://cordis.europa.eu/coal-steel-rtd/home.html>

More information on the European Technology Platforms:

<http://cordis.europa.eu/estep/>

<http://www.zero-emissionplatform.eu/website/>

<http://www.etpsmr.org/>

◆ **Innovation**

CIP: a new programme to bridge the gap between research lab and market?

In the context of the Lisbon Goal to accelerate economic growth in Europe and to create new jobs, competitiveness and innovation have become main keywords on the agenda of the European Union. In February 2005, as conclusions from the midterm review of the Lisbon Strategy, the European Commission proposed a set of actions to make Europe a more attractive place to invest and work. Among these, special emphasis is put on stimulating entrepreneurial initiative and particular attention is given to the fact that start-up businesses often lack venture capital.

As a result, the Research Framework Programme is accompanied by another Framework Programme called the Competitiveness and Innovation Programme 2007-2013 (CIP). With the CIP, the European Commission intends to facilitate and accelerate the transformation of research results into saleable products. Focused on the implementation of knowledge, the CIP does explicitly not provide money for research. With its overall budget of €3.6 billion, the CIP is considered by the Commission to be an important part of the Lisbon Strategy. The CIP is bringing together some previous programmes and measures, which were already part of FP6 or of other actions of the European Union.

Like FP7, the CIP has also annual Work Programmes. But unlike FP7, it is DG Enterprise and Industry who is responsible for the coordination of the CIP. Apart from DG Enterprise and Industry, four other Directorates-General are involved in the management of the CIP: DG Energy and Transport, DG Environment, DG Information Society and Media and DG Economic and Financial Affairs. Given the variety of Directorates-General involved in the CIP, coordination is fundamental. Therefore, the Intelligent Energy Europe Agency (IEEA) was recently transformed into the Executive Agency for Competitiveness and Innovation (EACI) which has to align not only the Intelligent Energy Europe programme but the whole CIP.

The principal goals of the CIP can be summarised as follows:

- To increase competitiveness of European enterprises, and in particular of SME's;
- To make Europe more accessible for both the creation and the application of innovation, including eco-innovation;
- To advance the Information Society;
- To foster energy efficiency and new and renewable energy sources.

As already described in former editions (Synopsis 2007/4 and 2007/5), the CIP consists of three main pillars which correspond to the above-mentioned aims. Eco-innovation has to be seen as a horizontal issue which appears in every of the three pillars.

More than two third of the overall budget of the CIP is contributed to the first pillar, the Entrepreneurship and Innovation Programme (EIP). Half of the EIP's budget of about €2.2 billion is planned to be spent for financial instruments which would help enterprises to start up and grow. The EIP is partially building up on already existing initiatives, such as the SME Guarantee Facility, an instrument of the Multiannual Programme for Enterprise and Entrepreneurship and particularly for SMEs (MAP). It provides loan guarantees which reduce the banks' exposure to risk and encourage them to make more debt finance available to SMEs. The SME Guarantee Facility, which started in 2001 and ends in 2007, is mainly managed by the European Investment Fund (EIF). It is foreseen that the CIP will provide its own financial instruments from the third quarter of 2007 on, which will succeed those of the MAP ending the same year:

- The High Growth and Innovative SME Facility (GIF), providing risk capital for innovative SMEs in their early stages (GIF1) and in their expansion phase (GIF2);
- The SME Guarantee Facility (see above);
- The Seed Capital Action and the Partnership Action helping to reinforce the capacity of financial intermediaries to invest in and lend to SMEs.

Apart from the financial instruments other measures in the first pillar cover rather different aspects of innovation, such as support actions to improve innovation policy making, particularly support of eco-innovation, or the new IPR Helpdesk starting in 2008. Finally, it is planned to merge the services previously offered by the Euro Info Centres (EIC) and the Innovation Relay Centres (IRC) into a transnational network of integrated business and innovation support services. The idea is to create a single decentralised contact point for SMEs covering different aspects of innovation and trans-national business activities, such as the transfer of knowledge and technology, the encouragement to participate in FP7, or the beginning of business activities in other countries.

The second pillar of the CIP is the ICT Policy Support Programme (ICT PSP), which has a budget of €730 million over 7 years. The ICT PSP is an important part of i2010, the new strategic framework for ICT adopted by the European Union in 2005, and should contribute to foster the development of the information society. In particular, it should help to develop lead markets for innovative ICT-based solutions and thus create new business opportunities for enterprises. In 2007, three main themes will be in the focus of the ICT PSP:

- Efficient and interoperable eGovernment services
- ICT for accessibility, ageing and social integration
- ICT for sustainable and interoperable health services

The first call for proposal of the ICT PSP launched on 25 May 2007 (OJ C115) has a budget of €54 million and will close on 23 October 2007.

The Intelligent Energy Europe (IEE) programme is the third pillar of the CIP. It is the EU's funding tool to encourage the use of renewable energy sources. Its budget is about €730 million and up to 75% of the cost of projects will be reimbursed. To submit a proposal at least three partners from three different Member States are requested. It is expected that the average number of partners in a project is about six or seven. The IEE started early 2007. The call for proposals 2007 has a budget of €52 million and closes on 28 September 2007.

Information on the three pillars of the CIP, the Work Programmes and the 2007 call for proposals can be found here:

http://ec.europa.eu/cip/index_en.htm

Additionally, each pillar of the CIP has its own website:

http://ec.europa.eu/enterprise/cip/eip_en.htm

http://ec.europa.eu/information_society/activities/ict_psp/index_en.htm

http://ec.europa.eu/energy/intelligent/call_for_proposals/call_library_en.htm

EIT to become the European Institute of Innovation and Technology

On 9 July, the Committee on Industry, Research and Energy of the European Parliament (ITRE) approved the proposal to set up a European Institute of Technology (EIT). The Competitiveness Council (Council of Ministers) had given its positive opinion on the German Presidency proposal at its meeting of 25-26 June. The German compromise foresees the establishment of the EIT in two steps: first, the EIT Governing Board would be set up, and then only two or three Knowledge and Innovation Communities (KIC) would be selected by this body. Furthermore, the Board would have to present to Parliament and Council a long-term strategy for the EIT, in the form of a Strategic Innovation Agenda (SIA), as a prerequisite to a further expansion of the EIT (see Synopsis 2007/3).

The ITRE Committee generally approved the Council's approach, but also made some further amendments to the proposed text, regarding following subjects:

- Name of the EIT: ITRE suggested to rename the EIT by adding the term “innovation”. The new name would therefore be European Institute of Innovation and Technology and is supposed to stress the primary focus of the EIT.
- Strategic Innovation Agenda (SIA): The SIA should highlight long-term strategic areas “in the fields of key potential economic and societal interest which are likely to generate the greatest innovation added value at EU level.” Areas already identified by European Technology Platforms (ETP) and Joint Technology Initiatives (JTI) should also be taken into consideration. By 2011 at the latest, and every seven years thereafter, the SIA should be drafted by the EIT, submitted to the Commission, and finally adopted by the European Parliament and the Council.
- Knowledge and Innovation Communities (KIC): ITRE is in favour of a pilot phase with two or three KICs to test the feasibility of the project. The KICs should be legally autonomous. ITRE proposes that every KIC should consist of at least three partner organisations from at least two participating countries and including at least one higher education institution and one private company.
- Funding: The European Parliament should negotiate with the Council about the funding of the EIT. ITRE requests more precise information about which budget lines the funds would come from. Members of Parliament disagreed with the Commission’s proposal to finance the EIT partly through the Research Framework Programme, the Competitiveness and Innovation Programme or the Lifelong Learning Programme because they fear that funding from those programmes could be used to finance the establishment or the administrative costs of the EIT. On the other hand, they agree with the idea of taking money from Heading 1A (Competitiveness and Growth) of the EU budget. In addition, they identified some other sources for funds, like unspent funds that would otherwise be returned to Member States, or loans and contributions from the European Investment Bank (EIB).
- Participation: Institutions from EU Member States, but also from countries having an agreement with the EU regarding the EIT could participate in the KICs. According to the ITRE Committee, a KIC could even include partner organisations from a Third State, on condition that the Governing Board would approve such a partnership.

The plenary vote in the European Parliament is scheduled to take place at the end of September in Strasbourg, so the EIT proposal could be adopted already at the Competitiveness Council (Council of Ministers) meeting of 22-23 November. If no major drawback hinders the adoption of the proposal in one reading, the goal set by the European Council (Heads of States and Governments) to have the EU institutions take a decision on EIT before the end of 2007 could in fact be reached.

◆ Education

The Lifelong Learning Programme (2007-2013)

The new Education Programme of the European Commission (EC) has now been running for more than 6 months: The “Lifelong Learning Programme for Community Action in the Field of Lifelong Learning” or shortly called LLP (previously LLL) has been established by co-decision of the European Parliament and the Council of the European Union in November 2006. The LLP will be running for 7 years (2007-2013), with a total budget of €6.97 billion.

The general objective of the LLP is to foster cooperation and mobility between education and training systems within the European Union. The LLP supports and supplements actions taken by Member States, while respecting their responsibility for the content of education and training systems as well as their cultural and linguistic diversity.

The LLP is an integrated programme composed of four sectoral sub-programmes that were previously running separately:

- Comenius supports exchange and partnering actions for schools, from pre-school to the end of upper secondary level. It aims at involving at least three million pupils in joint educational activities over the period of the programme.
- Erasmus, the core sub-programme of the LLP, targets higher education mobility. It is set to contribute to the achievement by 2012 of three million individual participants in student mobility under the present programme and its predecessors.
- Leonardo da Vinci addresses vocational education and training by providing trans-national placements in enterprises or training institutions, and by generally supporting the development of vocational training through exchange of good practice. The scheme aims at increasing placements in European enterprises to 80,000 per year by the end of the programme.
- Grundtvig is dealing with adult education and supports individual mobility, learning partnerships as well as exchange of experiences and good practice in this domain. By 2013, the sub-programme targets to support the mobility of 7,000 individuals involved in adult education per year.

Two horizontal sub-programmes are overarching the structure. First, the transversal programme is targeting cross-cutting areas, like policy cooperation and innovation in lifelong learning,

Integrated Programme			
Comenius School education €1 billion (~15% of total budget)	Erasmus Higher education €3 billion (~45% of total budget)	Leonardo da Vinci Vocational education €1.7 billion (~25% of total budget)	Grundtvig Adult education €358 million (~5% of total budget)
Transversal Programme 4 key activities: Policy Development; Language Learning; ICT; Dissemination €369 million (~5% of total budget)			
Jean Monnet Programme 3 key activities: Jean Monnet Action; European Institutions; European Associations €170 million (~2% of total budget)			

promotion of language learning or development of ICT. Second, the Jean Monnet programme supports teaching, research and reflection actions around European integration in certain key institutions and associations active in this field (see also Synopsis Education 2006/3).

On 20 December 2006, the EC has published the call for proposals 2007 with deadlines between end of February and end of April 2007 (see Synopsis 2007/1). The total budget earmarked for this call is estimated at €784 million. Grants and subsidies will be awarded to projects that enhance the trans-national mobility of individuals, promote bilateral and multilateral partnerships, or improve quality in education and training systems through multilateral projects.

The association of Switzerland to the LLP is foreseen from 2009 onwards. In this context, and following the co-decision establishing the LLP of 15 November 2006, Switzerland needs to set up a national agency, since a ministry may not be designated as a national agency. This new structure would be responsible for the general information, the evaluation, the selection and the management of the projects. In June 2007, the State Secretariat for Education and Research (SER) issued a call for proposals with a deadline at the end of September to establish such a national agency for the management of the LLP and the Youth in Action programme, in Switzerland.

The co-decision of European Parliament and of the Council of the European Union establishing the LLP (OJ L327 of 24/11/2006) can be downloaded here:

http://eur-lex.europa.eu/LexUriServ/site/en/oj/2006/l_327/l_32720061124en00450068.pdf

All information concerning the first call in LLP can be found under the following link:

http://eacea.ec.europa.eu/static/en/llp/funding_en.htm

More information about LLP can be found here:

http://ec.europa.eu/education/programmes/llp/index_en.html

Youth in Action (2007-2013)

The Youth in Action programme has been created by the European Union (EU) to cater to the needs of European youth and addresses young people aged from 13 to 30 who are legally resident in one of the EU Member States or countries associated to the programme.

It has a total budget of €885 million and will support projects under five actions:

1. Youth for Europe aims at reinforcing the active civic participation of young people by supporting exchanges, mobility and initiatives for young people.
2. The European Voluntary Service, which has been running for 10 years, is geared towards the development of young people's solidarity, active engagement and mutual understanding.
3. Youth of the World will foster young people's mutual understanding and active engagement by opening up the programme to projects with neighbouring countries of the enlarged Europe.
4. Youth workers and support systems, to help youth organisations to promote the development of exchange, training and information schemes for youth workers and projects to stimulate partnerships with local or regional entities.
5. Support for policy cooperation, for cooperation amongst decision-makers on youth policy and for development of representative structures for young people throughout Europe. This action also supports a structured dialogue between young people and youth policy makers, and cooperation with international organisations.

Since the beginning of the year, many events took place in the framework of the Youth in Action programme:

- During the month of March, the first EU youth summit "Your Europe-Your Future" was organised in Rome to mark the anniversary of the signature of the Treaty of Rome in 1957. More than 200 young Europeans travelled to Rome to debate the future directions of the EU.
- In addition to the call published last year, the EC launched three calls for proposals this year:
 - The first one is part of action 4.4 "Projects encouraging innovation and quality in the youth sector". It aims at supporting projects in the field of non-formal education for young people and workers, especially the integration of young people with less opportunities living in European urban areas. The deadline was on 30 June 2007.
 - The second one concerns action 3.2 "Youth in the World" and encourages projects promoting cooperation with Third Countries. The purpose is to promote the exchange of experience in the field of youth and non-formal education; to develop youth policies, youth work and the voluntary sector as well as to develop sustainable partnerships between youth organisations.
 - At the beginning of June, action 1 "Youth for Europe" was the focus of a new call, with a deadline on 1st September 2007. Under this call, the goal of a series of pilot projects is to support the networking of youth exchange projects with the themes of European citizenship, participation of youth, cultural diversity and inclusion of young people.

In June, the European Commission has published a Eurobarometer survey on Youth in which young people of all 27 Member States of the European Union took part. The results of this survey were presented on the eve of the third European Youth Week on 3-10 June 2007 (see Synopsis 2007/5).

All these calls and events and additional tools like surveys, or documents on sharing experience, can be found on the European Youth Portal. This website is a good way to maintain the communication with young people by offering them a place to share experience and find information about the commitment of the EU to youth policies. The European Commission is trying to increase youth interactivity with the European Union using this kind of website.

For further information on Youth in Action:

http://ec.europa.eu/youth/yia/yia_programme_guide_en.pdf

Information on the European Youth Portal:

http://europa.eu/youth/index.cfm?l_id=EN

Erasmus Mundus – proposal for new programme 2009-2013

The Erasmus Mundus programme is a co-operation and mobility programme with third countries in the field of higher education, which aims to enhance quality in European higher education and to promote intercultural understanding. The first period of the programme runs from 2004 to 2008 and has a budget of €230 million, 90% of which would be spent for scholarships. The programme comprises four concrete actions:

- Action 1 - Erasmus Mundus Masters Courses: this scheme constitutes the central component around which the whole programme is built. For this, high-quality masters level programmes would be offered by a consortium of Higher Education Institutions (HEIs) in at least three different European countries. The courses have to foresee a study period in at least two of the three institutions and lead to the award of a recognised double, multiple or joint degree.
- Action 2 - Erasmus Mundus scholarships: this scheme funds highly qualified third-country graduate students and scholars to come to Europe and follow or teach the Masters Courses of Action 1.
- Action 3 - Partnerships: the Master Courses of Action 1 also have the possibility of establishing partnerships with third-country HEIs, in order to encourage outgoing mobility of the involved EU graduate students and scholars.
- Action 4 - Enhancing attractiveness: this scheme supports activities that improve the profile, the visibility and the accessibility of European higher education.

In addition to these original schemes, the European Commission (EC) launched at the beginning of 2007 the "Erasmus Mundus External Cooperation Window" which is implemented complementarily to and in synergy with the Erasmus Mundus Programme (see Synopsis 2007/1). This more recent initiative funds the mobility of students (from undergraduate to post-doctorate level) and academic staff between European HEIs and institutions from targeted third countries. As the first phase of the programme ends in 2008, the EC adopted mid-July 2007 a new proposal for the Erasmus Mundus II from 2009 to 2013, based on Article 149 of the EU Treaty. Build on the conclusions of an external interim evaluation of the current programme, of an ex-ante impact assessment of the proposed new programme and of a broad consultation of the main stakeholders, the new proposal aims to widen the scope of the current Erasmus Mundus programme by including EU external policy objectives. World-class integrated Masters programmes in Europe and scholarships for the best international students and academics would stay as one main pillar of the programme. The principal novelties are the following:

- Under the new Action 1, joint masters and doctoral programmes will include a scholarship scheme (current Action 1 and 2).
- The HEIs from third countries may newly participate in joint masters programmes.
- For the joint master programmes, the EC is willing to give priority to awarding joint degrees, recognised or accredited by the Member States.
- Joint integrated doctoral programmes should be introduced.
- The scholarships for third country students would be newly extended to doctoral level.
- Full scholarships would be attributed to European students too, at the master and doctoral level.
- The External Cooperation Window, widening the scope of the current programme to all other levels of higher education and to other forms of co-operation with third-country HEIs, would be integrated into the new Action 2 (Partnerships).
- Grants for information and dissemination activities would be awarded to National Structures in the EU under the new Action 3 (Measures enhancing the attractiveness).

The impact assessment report says that "these novelties would have the advantage of taking into account lessons learned and feedback received from stakeholders, as well as being more coherent and understandable". However, the report warned that the programme would risk losing focus through the development of a programme that was too large and disparate.

The EC's proposal will be negotiated with the Council of Ministers and the European Parliament starting this fall. An adoption is expected around mid 2008 and the first launch of calls foreseen at the end of 2008. The overall budget for the entire period (2009-2013) for Action 1 and Action 3 (joint masters and doctoral programmes, including scholarships, and attractiveness projects) amounts to about €494 million. The EC will endeavour to devote a global indicative amount of up to €460 million for Action 2 (co-operative partnerships with HEIs in specific third countries, including mobility) for the entire period of the programme (2009-2013), through funds from the budget of different external instruments and of the European Development Fund. The detailed funding plans should be established until 1 July 2008 for the period 2009-2010 and 1 July 2010 for the period 2011-2013. As for Erasmus Mundus, the participation of Switzerland to Erasmus Mundus II should be possible only under restricted conditions.

The EC's proposal for the new Erasmus Mundus programme can be found here:
http://ec.europa.eu/education/programmes/mundus/doc/com395_en.pdf

The report of the EC on the interim evaluation of the current programme (2 July 2007) and the impact assessment report of the proposed new programme (17 July 2007) can be found here:
http://ec.europa.eu/education/programmes/mundus/doc/com375_en.pdf
http://ec.europa.eu/education/programmes/mundus/doc/sec949_en.pdf

All other news on Erasmus Mundus can be found here:
http://ec.europa.eu/education/programmes/mundus/news_en.html