

SwissCore Synopsis

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Europe fights the financial crisis

Bending under financial pressure, Europe is currently focusing on fire-fighting and reviewing exercises. The main headline of the month was certainly the coordination action done by the European finance ministers in order to decide on a rescue package for the common currency as consequence of the Greek crisis. Simultaneously the research ministers discussed how to cover the underestimated costs of the International Thermonuclear Experimental Reactor (ITER). Currently no solution has been found to finance the missing €1.4 billion. The European Commission (EC) proposes two alternatives, namely to secure more money from the EU Member States or to raise the commitment and payment ceilings agreed in the EU budget 2007-2013. Some rumours mention that a discussed option could be to allocate FP7 funding for ITER. Further discussions are planned in June.

The research ministers endorsed, among others, also conclusions on the governance of the European Research Area and the role of the CREST (Scientific and Technical Research Committee) which has been renamed as ERAC (European Research Area Committee), and will see its advising role reinforced. Notwithstanding the diverging opinions at the last meeting of the High-Level Group for Joint Programming (GPC) beginning of May, the research ministers agreed on six new topics proposed for new Joint Programming Initiatives (JPI) while the framework conditions under which the JPI should run are still under discussion (see p.5).

At the same time, the EC specified its Europe 2020 strategy by presenting a Communication on one of the seven flagship initiatives: the Digital Agenda (see p.6). Oriented towards future improvement of access to all European funding, the EC tabled proposals for the review of the financial regulations of the European Union. Some of the proposals are targeted on industry and SMEs through new potential partnerships with the European Investment Bank group. In parallel, initiatives were discussed by the research ministers in order to support venture capital (see p.7).

It is to hope that despite its current national situation, Belgium, which will take over the EU Council Presidency in July, will play an important role in the support of these ongoing actions during the second half of 2010.

A forecast into 2030, challenges the EU faces

At the beginning of May, the final report of the reflection group on the future of Europe was presented to the permanent President of the European Council, Herman Van Rompuy.

Established in November 2007, the group was charged to identify major challenges that the EU will be facing up to 2030. Twelve eminent personalities with diverse priorities and interests, selected on the basis of their merit, contributed to these reflexions. Among them were Felipe Gonzalez Marquez, former Spanish Prime Minister; Lech Walesa, former President of Poland; Vaira Vike-Freiberga, Latvia's former President, who also provided input to the ERC mid-term review.

Handed over one day before the European finance ministers had to decide about a rescue package for the EURO, the report hardly created an echo in the media. The final report does not contain any major revelations. Consensus and many compromises resulting from the lengthy debates and discussions prevented this.

The principal recommendations reflecting the research, innovation and education area are among others to engage the public and private sector for larger funding, to simplify EU funding programmes, to empower the European Institute for Innovation and Technology (EIT) to set up innovative joint programmes across Europe, to create or label a series of European Research Centres within the EIT, to develop EU centres for pre-competitive applied research as well as to encourage the administrative and financial autonomy of universities as a way of increasing private funding for higher education.

In June 2010, the recommendations of this report will be presented to the European Council and should serve as a starting point for strategic debates, based on sound scenario-planning and true forward-thinking.

The report "Project Europe 2030 – Challenges and Opportunity" can be downloaded under:
http://www.consilium.europa.eu/uedocs/cmsUpload/Reflection_EN_web.pdf

Focus: Roadmap towards FP8

The first discussions concerning the next generation of the EU Research Framework Programme have definitely started. The proposal of the European Commission (EC) for the next EU multiannual financial framework 2014-2020 will be the base for establishing the budgetary background of the next Framework Programme. Simultaneously the EC will prepare an orientation paper on the future of research funding and start a broad consultation before tabling its proposal for the eighth Framework Programme (FP8). As FP8 will enter into force on 1 January 2014, the EC is likely to put forward its proposal in late 2011 or early 2012, in order to leave enough time for adoption through the co-decision procedure by the Council and Parliament (named under the Treaty of Lisbon "ordinary legislative procedure").

Preparatory working groups

Under the lead of DG Research, a Framework Programme steering group is being set up to facilitate the consultations and discussions among the Directorate-Generals (DGs) involved in research funding (Research, Information Society and Media, Mobility and Transport, Education and Culture, Enterprise and Industry, Energy) and other policy DGs (Budget, etc.). The aim of this group will be to integrate the priorities of the Europe 2020 strategy within the last years of FP7 and coordinate the exchanges on FP8 within the EC. At the level of DG Research, a FP8 preparation committee will be created, administratively supported by the Unit A1, dealing with the interinstitutional relations and coordination of the Framework Programme, and chaired by Wolfgang Bartscher, Deputy Director-General. The role of this committee will be to steer and coordinate the FP8 preparation process, from the drafting of the 2011 policy document (orientation paper), proposals for the FP8 Decisions to Specific Programme Decisions and Rules for Participation. Different specific groups will be mandated by the FP8 preparation committee to work on issues such as the architecture of the Framework Programme, its instruments, the follow-up of the EC Communication on simplification (see Synopsis 2010/4) and the impact assessment. The specific groups will be asked to report regularly until end 2011.

The challenge will be to integrate and merge these outcomes with the results of other groups, such as the group of Commissioners on Innovation (see Synopsis 2010/4), the expert group on FP7 interim evaluation, the task forces set up for the Research and Innovation Plan and for the Research and Innovation Partnerships, as well as the one responsible for the research budget. On top of that, a limited and targeted stakeholder consultation can be expected in autumn 2010, while a broader consultation process will be organised after the publication of the orientation paper.

By July 2011, the EC might already be able to table its first proposal for the next multiannual financial framework and publish the 2011 policy document which will give an indication on the orientation of the future EU research funding.

All these preparatory actions are not yet revealing the content and structure of FP8 but this coordination will hopefully avoid that the next Framework Programme could fall under another "Christmas tree approach", a compromise solution well-known in Brussels. The ultimate goal, however, should remain to reach a European added value for research funding.

Robert-Jan Smits as new Director-General at DG Research

On 3 June, the European Commission revealed the name of the new Director-General of DG Research. Robert-Jan Smits, currently Deputy Director-General at DG JRC, will take over from José Manuel Silva Rodriguez as of 1 July 2010. The charismatic personality of Robert-Jan Smits and his outstanding knowledge of the European Research Framework Programme and its challenges will certainly bring promising insights to the development of EU research funding in the coming years. Silva Rodriguez will remain as Advisor in DG Research.

In parallel, Françoise Le Bail currently Deputy Director-General at DG Enterprise will join DG Justice as new Director-General. The name of the person who will succeed her was not communicated yet.

More details can be found under:

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/660&type=HTML>

EU financial rules under revision to simplify access to EU funding

In the frame of the triennial review of the EU's financial regulation, the European Commission (EC) proposes to simplify access to all EU funding covering the whole EU administrative rules and not only those of the EU research, innovation and education policy and areas. The proposed changes focus on three areas:

- Simplifying procedures to shift the focus from paperwork to performance
- Improving the effectiveness and efficiency of control
- Introducing innovative financial mechanisms

Within the first area, some proposals affect research, innovation and education:

- The obligation to open separate bank accounts bearing interests and pay back interests on pre-financing payments to the EU could be abandoned.
- The beneficiaries might get more scope to use their grants to involve other project partners with specialised expertise such as subcontractors.
- The emphasis of the grant system from reimbursing cost claims could be shifted to paying for the delivery of results, through use of more lump sums, scales of unit costs and flat rates. This practice might be restricted to specific tasks only. The beneficiary would then need to demonstrate that the money was spent effectively and efficiently and does not need to report individual cost items. For salaries, average costs might be reimbursed as applied by the beneficiary. Separate rules for prizes could also be introduced.

In order to improve the controlling system of the EU and to balance out the costs and benefits of it, the EC advised, in a separate Communication, to introduce a different Tolerable Risk of Error (TRE) which might differ from the 2% threshold currently used in all EU audits and be set differently from one policy area to another (eg. agriculture vs. research). However, a decision on TRE would not result in a given rate of error being tolerated at beneficiary level as all errors detected would need to be corrected. As concrete proposal, a detailed tolerable risk analysis for the research, energy and transport policy area is presented. Based on this, the EC envisaged a TRE level of 2-5% for all research Framework Programmes. This proposal is the follow-up on the Communication on simplification of FP7 where the same issues have been tackled (see Synopsis 2010/4). Indeed, the risk of error might be reduced if the administrative complexity is simplified.

Moreover, innovative financial mechanisms should be introduced to help Member States to pool their resources in EU multi-donor trust funds for a maximum leverage effect of EU aid, in order to face a crisis situation (eg. natural disasters). This proposal might also result from the difficult situations Europe encountered these last years, from the global economic crisis to the current situation in Greece.

Another recommendation proposes to allow Public-Private Partnerships (PPP) to operate under national legislation where the private partners are based but still adopting the basic EU financial requirement regarding accounting, audit and transparency.

Finally, the access to funding from the European Investment Bank (EIB) might be eased through a facilitated collaboration between EU and EIB.

Janusz Lewandowski, European Commissioner for budget and financial programming, said that "in the longer term, I want EU fund to shift from merely reimbursing bills to rewarding performance". In that context, the proposal to fund more result-based/output-oriented science (see Synopsis 2010/4) might find a good echo for FP8.

These financial regulation's changes proposed by the EC (half of the provisions of the regulation – 100 out of 187 – are being revised) as well as the new envisaged risk of errors acceptable per area, still need to be adopted by the European Parliament and the Council. In order to be ready for the next EU multiannual financial perspective for the years 2014-2020, the European Commission expects the legislative process to be completed in 2011.

The proposal on the revision of the Financial Regulation (180 pages) and the working document of more than 450 pages (!) are accessible under:

http://ec.europa.eu/budget/documents/financial_regulation_en.htm?go=t2_2#table-2_2

The FAQ prepared by the EC are really informative:

<http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/10/222>

The EC Communication on tolerable risk of error can be found under:

http://ec.europa.eu/budget/library/documents/sound_fin_management/management_systems/com_2010_0261_risk_error_balance_en.pdf

The Competitiveness Council reforms the European Research Area (ERA)

On 25 and 26 May, European research ministers met in Brussels to discuss several issues related to research, industry, internal market and digital agenda. The major discussions in the field of research regarded the European Research Area (ERA) and its social dimension, the new themes for future Joint Programming Initiatives, the setting of national targets for R&D investment, as well as the Commission's proposal on the Framework Programme's simplification.

Following a proposal of the Spanish Presidency, the ERA has been reformed according to the new legal frame of the Lisbon Treaty and towards enhanced governance. A new organizational structure has been put in place. First of all, the Scientific and Technical Research Committee (CREST) has been renamed to the European Research Area Committee (ERAC). The ERAC will be the strategic policy advisory body on research and innovation issues for the European Commission (EC), the Council and the Member States (MS). It received a clear mandate reflecting the shared competence between the MS and the EU as well as the joint commitment to bring forward the agenda to fully realize the ERA. The Committee will be chaired by the EC and supported by a Steering Board that has a strategic role and is composed of national representatives. Finally the ERA will include a "social dimension": science will have, from now on, an even more important role in tackling social challenges like poverty and social exclusion.

Six new themes for Joint Programming

The Competitiveness Council has approved a set of six new themes for future Joint Programming Initiatives that have been proposed by the High Level Group for Joint Programming (GPC). The new areas are: Connecting Climate Knowledge for Europe (Clik'EU); Healthy and Productive Seas and Oceans; More Years, Better Lives – the Potential and Challenges of Demographic Change; the Microbial Challenge – an Emerging Threat to Human Health; Urban Europe – Global Challenges, Local Solutions; Water Challenges for a Changing World. These themes are additional to the three confirmed last December (see Synopsis 2009/19), namely Agriculture, Food security and Climate Change; Cultural Heritage and Global Change – a new challenge for Europe; a healthy diet for a healthy life. So far only one Joint Programming Initiative (JPI) was launched: the JPI on neurodegenerative diseases (see Synopsis 2010/4).

Individual national targets for R&D investment

Another topic discussed was the implementation of the target in R&D spending accounting for 3% of the EU's GDP, as stated in the Europe 2020 strategy. The delegations agreed on setting ambitious, though realistic national targets for investment in R&D taking into account the country's circumstances and relative starting points. These individual targets will be proposed and validated at the European Council on 17 June. Also a mid-term review concerning the progress made by the implementation of the strategy will be conducted in 2015.

Simplified and more efficient Programmes

The research ministers endorsed the EC proposal on the simplification of the Framework Programme (see Synopsis 2010/4) in order to reduce complexity and the need for audit intensity, to improve quality, accessibility, transparency and procedures, as well as to coordinate the interoperability of programmes and instruments. They invited the EC to take further steps in this direction (see article above).

The Council conclusions can be found under:

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/intm/114631.pdf

Faroe Islands: 13th FP7 associated country

On 3 June, the European Union signed a Science & Technology Cooperation Agreement with the Faroe Islands, which will associate them to FP7 and further promote their involvement in the European Research Area.

Despite the small size of their research community, researchers from the Faroe Islands have successfully participated in research activities under previous European Framework Programmes for Research. Faroese researchers have expertise in research areas related to the Faroese geographical situation, namely marine resources conservation and the environment.

The agreement is provisionally applicable retroactively from 1 January 2010, pending its later conclusion. It brings the total number of countries associated to FP7 to 13.

The press release can be consulted under:

<http://ec.europa.eu/research/index.cfm?pg=newsalert&lq=en&year=2010&na=na-040610>

Publications

Public consultation on a new energy strategy for 2011-2020

The European Commission (EC) has opened a consultation for a new energy strategy for the years 2011-2020, which will replace the first EU “Action Plan for Energy Efficiency”. The consultation is open from 7 May to 2 July 2010. The EC prepared a background document proposing several issues for further action without excluding a priori any policy area or instruments. The key components are the exploitation of the full potential of energy savings, the promotion of low-carbon innovation, a fully functioning internal energy market, secure and sustainable energy networks and greater cooperation and solidarity within the EU.

The EC will develop – under the inputs of stakeholders, the Council and the European Parliament – an Energy Action Plan that is expected to be adopted by the European Council in March 2011.

More information on the consultation can be found under:

http://ec.europa.eu/energy/strategies/consultations/2010_07_02_energy_strategy_en.htm

Practical guidelines to set up a European Research Infrastructure Consortium (ERIC)

The European Commission (EC) published a document titled: “Legal framework for a European Research Infrastructure Consortium – ERIC”. ERIC is a legal entity and a tool, which is appropriate only for high-profile research infrastructures with a European dimension. The legal framework for ERIC has been designed to facilitate the establishment and operation of research infrastructures of European interest involving several European countries.

The Commission’s document provides practical guidelines for handling this legal frame and setting up an ERIC. The first section of the document regards the submitting of an application for an ERIC. The second section comments the article of the ERIC Regulation. The final three annexes provide: a model request, the rules for Value Added Tax (VAT) and excise duty exemption, and a compliance checklist.

The ERIC guidelines can be found under:

http://ec.europa.eu/research/infrastructures/pdf/eric_en.pdf

Innovation

Focus: the Digital Agenda for Europe wants to create a digital single market

On 19 May, the European Commission (EC) presented the Action Plan of the Digital Agenda for Europe, one of the seven flagship initiatives of the Europe 2020 strategy (see Synopsis 2010/2). The Digital Agenda aims at maximizing the European ICT potential, to boost prosperity and well-being of citizens.

Commission and Parliament stress the need of a digital single market

On 5 May, the European Parliament released a report on “a New Digital Agenda for Europe: 2015.eu”. This document focuses on the single citizen and demands high-speed access and digital skills for all. ICT training and e-learning should become an integral part of the lifelong learning activities towards the reduction of digital illiteracy. The report also recognizes the urgent need of a fully developed competitive digital single market.

On 17 May, the EC published the Digital Competitiveness report. This report analyses the recent developments in ICT and provides evidence for the design of the Digital Agenda. It identifies four major areas of action: the ICT sector as one of the key drivers of the European economy; the important socio-economic and geographical divides regarding the European use of internet; the necessity of further improvement of the EU broadband market to keep the pace with the ICT worldwide development; and the lack of a digital single market in Europe.

A Digital Agenda for Europe

The Digital Agenda for Europe follows upon the Digital Competitiveness report and targets seven sectors, where action is needed. It foresees around hundred follow-up measures to tackle the problems and weaknesses of the ICT sector. The seven objectives identified in the Agenda are:

- Creating a single digital market focusing on simplifying copyright clearance, managing cross-border licensing and improving the electronic payment;
- Improving ICT standard-setting and interoperability of products and services;
- Enhancing trust and security, in particular with a coordinated European response to cyber-attacks and reinforced rules on personal data protection;
- Increase Europeans’ access to fast and ultra fast internet;
- Increasing investment in R&D;
- Empowering all Europeans with digital skills and accessible online services;
- Unleashing the potential of ICT to benefit society, e.g. to reduce energy consumption or help aging people.

On 31 May, the Telecoms Council adopted the conclusions on Digital Agenda for Europe. The ministers agreed with all the objectives of the ambitious Action Plan, stressing additionally the necessity of increasing the opportunities for small business, of focusing on the outside world as well as on facilitating the e-commerce.

The Council has recognized the importance of the Digital Agenda for Europe and called upon the EC and the Member States to seek horizontal coordination in order to improve its implementation as effectively as possible. In fact, the EC said clearly that the toughest part will be the quick adoption and implementation of the proposed measures.

The Europe’s Digital Competitiveness Report can be found under:

http://ec.europa.eu/information_society/digital-agenda/documents/edcr.pdf

The Communication on a Digital Agenda for Europe can be found under:

http://ec.europa.eu/information_society/digital-agenda/documents/digital-agenda-communication-en.pdf

The Council’s conclusions on Digital Agenda for Europe can be found under:

http://www.consilium.europa.eu//uedocs/cms_data/docs/pressdata/en/trans/114710.pdf

The European Parliament’s resolution on “a New Digital Agenda for Europe: 2015.eu” can be

found under: <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+REPORT+A7-2010-0066+0+DOC+PDF+V0//EN>

Report on tax obstacles to cross-border venture capital investment

On 30 April, the European Commission (EC) published a report which outlines the double taxation problems that arise when venture capital is invested cross-border, and formulates at the same time possible solutions. The EC states that investors (mainly banks) are often taxed twice if they operate in different EU Member States because of the complex way venture capital funds are treated for tax purposes. The problem arises when the (foreign) fund manager sets up activities in the same Member State as the start-up company. Under the current rules, he is likely to be taxed in this country alongside any profits made by the company, while the investors will

also be taxed in their home country. This creates a double level of taxation for investors, making it “uneconomic” for them to invest outside their country. A second problem related to taxation is the fact that the venture capital fund itself is taxed as a separate entity in some Member States, while others tax the individual investors.

The EC recommends that Member States agree on common rules on how to treat funds and will therefore discuss the report with national tax authorities. According to the experts the best solution would be that tax authorities could confirm that activities of a venture capital fund manager could be classified as activities of an independent agent, as defined in the OECD model to avoid double taxation, and that such activities would not constitute permanent establishment of the venture capital fund or its investors in the country where the manager carries out its management function.

Venture capital is also on the Competitiveness Council’s agenda. On 25-26 May, EU research ministers gathered in Brussels to shape the future EU innovation strategy and agreed that the combined efforts of the European Investment Bank (EIB) and encouragement for private venture capital funds is fundamental to boost innovation in Europe. Member States also want the European Commission to look at whether technology-oriented stock markets, such as the Alternative Investment Market (AIM) in London, could be used to stimulate growth and entrepreneurship in Europe.

The report on tax obstacles can be found here:

http://ec.europa.eu/taxation_customs/taxation/company_tax/initiatives_small_business/venture_capital/index_en.htm

SME Finance Forum organized by the European Commission

As pointed out in the Europe 2020 strategy, the financial crisis has halved Europe’s growth potential. Many investment plans, talents and ideas risk not being realised because of uncertainty, sluggish demand and lack of funding. The impact on real economic activity is more pronounced in Europe because SMEs rely more on bank loans than their counterparts in some other economies. It is therefore crucial that banks resume their normal role of providing liquidity and supporting investment in the real economy. Likewise, it is also important to further support and develop equity markets for start-ups and small innovative enterprises.

On 6 May, the European Commission organised a high-level conference in Brussels, the “SME Finance Forum”, with SMEs, banks and other financial institutions, on how to address the current challenges. The Forum examined the current market situation and legal framework, as well as new ideas and strategies for improving access to finance for SMEs.

According to the Forum credit guarantee instruments, currently used in some Member States, could be an efficient way of easing SME’s access to financial resources. Best practice in Europe should therefore be singled out so that it could be used in other Member States. The European Investment Bank (EIB) has earmarked €30 billion for SMEs for the 2008-2011 period. The Forum recommends that SMEs should be better informed about those resources in order to benefit rapidly from them.

The Forum also recommends that the European market for hybrid capital, combining features of loans and equity (the so-called “mezzanine market”) should be further developed to provide SMEs more options to access finance. The market for hybrid capital needs to be supported at a European level, with a major involvement by the European Investment Fund (EIF) and existing European financial instruments such as those in the Competitiveness and Innovation Programme (CIP).

The conclusions of the SME Finance Forum can be found here:

http://ec.europa.eu/enterprise/policies/finance/files/conclusions_sme_finance_forum_en.pdf

Publications

New JRC Working Papers on Corporate R&D and innovation published

The IPTS (Institute for Prospective Technological Studies, one of the EU Joint Research Centres) Working Papers on Corporate R&D and Innovation address economic and policy questions related to industrial research and innovation and their contribution to the European competitiveness.

Four new papers on corporate R&D and innovation have been published during the first half of 2010. The first one, “New insights on EU-US comparison of corporate R&D”, focuses on the main differences between the EU and the US in corporate R&D performance. The second one “Drivers and policies for increasing and internationalising R&D activities of EU Multinational Enterprises (MNEs)” aims at investigating, in a quantitative way, the main factors explaining the decision of MNEs to increase their R&D investment effort in the near future. The main drivers explain the favorite international location choice for R&D, as well as the impact of direct and indirect policies to support R&D activities in the EU. The third paper “Financing constraints and R&D investments of large corporations in Europe and the USA” explores the existence and importance of financing constraints for R&D investments in large EU and US manufacturing companies over the period 2000-2007. The fourth paper “The job creation effect of R&D expenditures” is using a database covering 25 manufacturing and service sectors of 15 European countries over the period 1996-2005, investigating the impact of R&D expenditures on job-creating effects.

The four papers published in 2010 can be found on the JRC website:

<http://iri.jrc.ec.europa.eu/papers.htm>

European Information Days on Public-Private Partnerships

The European Commission (EC) is organizing two events on Public-Private Partnerships (PPP) in Brussels. The first information day regarding Future Internet (FI) will be held on 8 July. On this occasion, the objectives of the Information and Communication Technology (ICT) Work Programme 2011-2012 related to FI and the setting up of PPP in this field will be presented in detail. This event will be followed by an information day on PPP's Energy-efficient Buildings, Factories of the Future and Green Cars that will take place on 9 July. The aim of this second event is to inform about the progress made by the research PPPs. The open calls and conditions for participation will be addressed. Both events will provide networking and exchange possibilities.

More information on the two information days can be found under the following links:

FI-PPP: http://ec.europa.eu/information_society/activities/foi/events/fippi10/index_en.htm

PPP's Energy-efficient Buildings, Factories of the Future and Green Cars:

http://ec.europa.eu/research/industrial_technologies/lists/events-fp7-information-day-2010_en.html

◆ Education

The European Parliament identifies key skills in every educational stage

On 18 May, the European Parliament (EP) adopted a resolution on “Key competences for a changing world: implementation of the Education and Training 2010 Work Programme”. The report on which the resolution is based, follows up the Council conclusions of 12 May 2009 on a strategy framework for European cooperation in Education and Training (ET 2020) (see Synopsis 2009/5) and the Communication of the European Commission (EC) of November 2009 on “Key competences for a changing world” (see Synopsis 2009/10).

The parliamentary report mirrors eight key competences identified in the recommendations of the EP and the Council of 18 December 2006 on “Key competences for lifelong learning – A European Reference Framework”, namely communication in the mother tongue, communication in a foreign

language, mathematical competence and basic competences in science and technology, digital competence, learning to learn, social and civic competences, sense of initiative and entrepreneurship, and cultural awareness and expression.

The report states first general considerations on the role of education and training to reduce the gender differences in employment, on the issue of language learning to foster mobility, as well as on the growing importance of higher education degrees and ICT skills. The greatest challenges for each educational stage have been analysed as follows:

- During pre-primary education, the acquisition of communication competences in both the mother tongue and in the language of the host country is very important; also the learning of a second language should be introduced at an early stage.
- At the level of primary and secondary education, the focus should lay on the acquisition of social and civic skills and on the promotion of physical and sporting activity in order to foster active citizenship and integration of immigrants.
- In higher education, importance is given to mobility and to strengthening the knowledge triangle (education-research-innovation).
- The quality of Vocational Education and Training (VET) should be improved through exchange of information and good practice between Member States (MS).
- Finally, lifelong learning should especially focus on reducing the illiteracy among adults and provide supporting facilities for students and workers with family responsibilities.

The EP believes that the challenges listed above are common in all MS and that high quality in all sectors of education is fundamental in order to meet them.

The resolution adopted by the EP can be found under:

<http://www.europarl.europa.eu/sides/getDoc.do?type=TA&reference=P7-TA-2010-0164&language=EN&ring=A7-2010-0141>

The Education Council puts the priority on youth employability

On 10 and 11 May, the Council for Education, Youth and Culture met in Brussels. The education ministers agreed to focus on employability to improve the economic situation and social inclusion of young people and in this regard made concrete proposals to the European Commission (EC). The education ministers adopted a resolution on the active inclusion of young people aimed at combating unemployment and poverty among youth. Given the high rate of unemployment and risk of poverty among young people under the age of 25, the ministers established four general objectives that need to be reached: facilitate access for young people to the labour market and enhance security and non-discrimination; facilitate smooth transition into the labour market from education and training or from unemployment; facilitate reconciliation of private, family and working life; and prevent poverty and social exclusion of young people. The guiding principles to be followed by the Member States and the EC, while striving towards these objectives, are guarantee of equal opportunities, involvement of all relevant actors and establishment of a structured dialogue in the field of youth.

The ministers also made some proposals for the EC to turn these objectives into reality. The most concrete ones concern the development of a standardized terminology covering European Skills, Competences and Occupations (ESCO) and the development of the Europass framework into a “personal skills passport”. These measures should be in line with the European Qualification Framework (EQF) and aim at establishing the transparency of qualifications and competences in order to favor geographical and professional mobility.

There was general disappointment for the impossibility of adopting the educational targets set in the Europe 2020 strategy. The EC and the Spanish presidency hoped to reach a unanimous agreement on the educational targets of the Europe 2020 strategy – reduction of the school drop-out under 10% and at least 40% of people with a higher education qualification by 2020 (see Synopsis 2010/4). This has not been possible, because the UK government was still under formation at the time when the Council of Education met. This prevented the UK delegation from agreeing to the targets. Hence all other Member States have agreed upon the figures for education for 2020 and several delegations already presented their national targets. The Education Council agreed on proposing the numerical targets to the European Council; the final decision has been postponed to 17 June.

The resolution of the Council on the active inclusion of young people: combating unemployment and poverty can be found under:

<http://register.consilium.europa.eu/pdf/en/10/st09/st09018.en10.pdf>

The proposal for a "personal skills passport" is integrated in the Council conclusions on competences supporting lifelong learning and the "new skills for new jobs" initiative can be found under: <http://register.consilium.europa.eu/pdf/en/10/st08/st08798.en10.pdf>

The decision of the Council on the numerical targets can be found under:

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/educ/114361.pdf

Publications

Youth in Action programme boosts language skills and job opportunities

The European Commission launched a survey to evaluate the impact of the Youth in Action programme (YiA) and interviewed 4'550 YiA participants from all Member States.

According to the survey, 95% of young people participating to a YiA project improve their language skills; 66% believe that their job chances have increased and 60% voted in the 2009 European parliament elections. These results show a very positive impact on the participants and prove that the programme is tracking well its two main objectives: offering young people opportunities to acquire new skills through non-formal learning and encouraging them to participate actively in society.

The YiA supports each year more than 7'000 projects involving more than 130'000 participants with a yearly total budget of €140 million. The funded projects cover a large variety of areas, e.g. youth exchange, training and networking for youth workers.

The summary of the survey's main results can be found under:

http://ec.europa.eu/youth/focus/doc/monitoring_survey/main_results_monitoring_survey.pdf

The full report can be found under:

http://ec.europa.eu/youth/focus/doc/monitoring_survey/report_monitoring_survey.pdf

New organization chart of DG Education and Culture

On 1 June, DG Education and Culture published its new organization chart. The major change is the introduction of a new Directorate entirely dedicated to higher education: Directorate C – lifelong learning: higher education and international affairs with Jordi Curell Gotor as Director. This Directorate comprises four units, previously belonging to Directorate A and B, both related to lifelong learning.

- Unit C1 (formerly B3) is in charge of higher education institutions and Erasmus programme.
- Unit C2 (formerly A2) looks after the European Institute of Innovation and Technology (EIT).
- Unit C3 is new and responsible for the FP7 "People" Specific Programme Marie Curie (see Synopsis 2009/10).
- Unit C4 (formerly A5) is in charge of international cooperation and programmes.

The creation of the new Directorate is an administrative move of the new Director-General, the Polish Jan Trzuszczynski who succeeded Odile Quintin on 1 May. It underlines an enhanced importance attributed to higher education compared to the overall education policy of the European Commission.

See the new organization chart under the following link:

http://ec.europa.eu/dgs/education_culture/organi_en.pdf

SwissCore Experts' Lunch threw a light on how to improve European Competitiveness

The 2009 European Innovation Scoreboard ranks Switzerland at its very top. This has provided the frame for an Experts' Lunch on competitiveness aimed at analyzing the reasons for the Swiss success and the opportunities for Europe.

Mauro Dell'Ambrogio, Swiss State Secretary for Education and Research, held the opening speech on the role of the Swiss government in supporting Research and Development (R&D). This support is mainly focused on creating good conditions for the involvement of the private sector, which is very important for research funding.

Tonnie de Koster, of the Secretariat General of the European Commission, introduced the Europe 2020 strategy and its objective towards a European smart, sustainable and inclusive growth. He underlined the improvements, in particular the setting of national targets.

Jennifer Blake, of the World Economic Forum, explained, why Switzerland scored first in the Global Competitiveness Report 2009-2010. The main strengths of the Swiss system are located in the field of Infrastructure, Health and Primary Education, as well as Technological Readiness.

Final speaker was Klaus Müller, of the F. Hoffmann-La Roche Ltd, who provided an insight of the practice on the key factors for successful innovation. He underlined the importance of the bottom-up approach in research policy confirming the statement of Dell'Ambrogio on the role of the state in R&D.

The competitiveness event was jointly organized by SwissCore and economiesuisse on 11 May at the European Free Trade Association (EFTA) and was attended by 70 participants.

The presentations of the speakers can be downloaded from the event's programme under:

<http://www.swisscore.org/E/events/briefing/Pages/Swissinnovationbriefing.aspx>

The Global Competitiveness Report 2009-2010 can be found under:

<http://www.weforum.org/pdf/GCR09/GCR20092010fullreport.pdf>



From left to right: Mauro Dell'Ambrogio, State Secretariat for Education and Research; Tonnie de Koster, Secretariat General of the European Commission; Jennifer Blake, World Economic Forum; Klaus Müller, F. Hoffmann-La Roche Ltd



Participants at the Experts' Lunch on Competitiveness