



Bundesministerium  
für Bildung  
und Forschung



Freiheit  
Einheit  
Demokratie

**Guideline Paper**  
**of the Federal Government for the**  
**8th EU Research Framework Programme**  
***Status: 26 March 2010***

<b>PRELIMINARY REMARK</b>	<b>3</b>
<b>POLITICAL CORE DEMANDS</b>	<b>4</b>
<b>I. SUMMARY</b>	<b>6</b>
<b>II. FUNDAMENTAL CONSIDERATIONS</b>	<b>8</b>
<b>1. Shaping the European Research Area</b>	<b>8</b>
<b>2. Strengthening Excellence</b>	<b>9</b>
<b>3. Facilitating Innovations and Developing Lead Markets</b>	<b>10</b>
<b>4. Ensuring Continuity</b>	<b>12</b>
<b>5. Increasing the Efficiency of the Framework Programme</b>	<b>12</b>
<b>III. PROVEN FUNDING TOOLS FOR NEW USES</b>	<b>14</b>
<b>IV. SIMPLIFICATION OF PROCEDURES</b>	<b>15</b>
<b>V. STRUCTURE AND CONTENT OF FP8</b>	<b>17</b>

## PRELIMINARY REMARK

With education, research and innovation, Europe is developing future-oriented answers to a world which is changing increasingly rapidly. Global challenges, such as climate, energy and health issues and the strengthening of Europe's competitiveness are our priorities.

By implementing the European Research Area we can develop a resource-conserving, sustainable and knowledge-based economy which will secure prosperity and social participation for all citizens in the European Union. Important activities were already launched in the 6th and 7th EU Research Framework Programmes (FP) to structure the European Research Area. These activities include in particular the ERA-Nets, the reorientation of infrastructure funding and mobility measures, the integration of frontier research into the Research Framework Programme through the European Research Council (ERC) and a further opening to third countries.

The Green Paper on the European Research Area and the Ljubljana process which is based on this green paper, the establishment of the European Institute for Innovation and Technology (EIT), the ex-post evaluation of FP6, the analysis of the implementation of the ERA-Nets and the Commission communications on innovation have provided further important impetus which will have to be given an adequate role in future developments.

The Lisbon Treaty provides for the pooling of all EU actions within a framework programme and its implementation through specific programmes. Setting up FP8 must therefore take into account that the provision of European research and innovation funding has become part and parcel of the European Research Area and is being taken advantage of by a growing number of researchers, in particular within the framework of innovative research collaborations. Due to the dimension of challenges facing Europe, it is imperative that research and innovation measures (R&I) in the Member States, which are limited not least because of their national or regional mission, are bolstered by adequate and complementary R&I measures at the level of the European Union. Europe will only be able to bring its full potential to bear in a coordinated interplay of national and EU research funding. At the same time, the structure and content of the Research Framework Programme will have to reflect the orientation of the knowledge triangle synergistically and complementarily. FP8 will thus make an important contribution to implementing the EU 2020 Strategy.

The European Union is about to start negotiations on a new multi-annual financial framework. The Member States are therefore called upon to position themselves regarding the most important issues of future priorities in the EU budget and the different community policies.

In all policy areas, the economic and financial crisis and the resulting long-time constraints related to consolidating public budgets in the entire Union means that we will have to deal with the future challenges of the European Union on the basis of a restricted financial framework which, from a German perspective, cannot go beyond the current financial framework of the Community.

All policies must therefore be checked for their consistency and coherence. This also applies to research and innovation policy.

Within this overarching framework, the Federal Government sees its priorities in re-orienting the 8th Research Framework Programme.

## POLITICAL CORE DEMANDS

The core demands are based on comprehensive consultations with science and industry and the *Länder*. Deliberately, we have not limited ourselves to the national perspective. We are convinced that our proposals will benefit for European Union as a whole as they are based on an analysis of previous FPs. We want to strike a balance between the new measures that are necessary on the one hand and continuity on the other. There is no sense in questioning proven procedures such as European collaborative research. It has become an established instrument for millions of researchers in Europe and the world over which is exceedingly in demand and successful. Also, a lot of experiential knowledge is needed for a successful and lasting participation of science and industry in cross-border research.

- We support continuation of the Specific Programme "Cooperation".

However, we also need changes and further developments.

- The 8th Research Framework Programme must play an important role in implementing the guideline on the "Innovation Union" of the EU-2020 Strategy. The 8th Research Framework Programme must provide the preconditions and interfaces with other tasks of innovation policy (innovation-oriented regulation, standardization, innovation funding). The European technology platforms, for example, should be developed to become technology and innovation platforms so that coherent innovation strategies can be worked out in individual fields.
- Research and development must make major contributions to solving the big challenges of our time (climate, energy, mobility, digital society, health). The 8th Research Framework Programme should therefore accomplish the transition towards mission-orientation of European research. This means that it should formulate aims for research and development in the coming decade and orient its Specific Programmes to realizing these aims. The pathways to realizing European aims in research and development, however, must be open for all types of technologies and solutions. The aim is to develop lead markets in these fields.
- A Specific Programme "Innovation" and integration of the European Institute for Technology and Innovation into the 8th Research Framework Programme must improve the conditions for knowledge and technology transfer and the diffusion of new technologies and thus create the preconditions for translating more research results into lasting market success.
- Strengthening the competitiveness of Europe's industries with a Specific Programme "Key Technologies".
- Long-term strengthening of the European Research Council as a byword for science-based funding of global cutting-edge research.
- A considerable simplification of procedures thus making access and implementation easier in particular for scientists at universities and other research institutions, and for

small and medium-sized enterprises. The procedures will have to be characterized to a much greater extent by the principle of mutual trust and the acceptance of nationally tested and recognized procedures.

## I. SUMMARY

1. FP8 will have to take into account the Lisbon Treaty and will have to make a major contribution to implementing the five Ljubljana initiatives as a central instrument to develop the ERA.
2. FP8 should support the further development of the knowledge triangle by integrating the European Institute for Innovation and Technology (EIT) and the innovation measures relevant for R&D under the Competitiveness and Innovation Programme (CIP) into FP8 and on the basis of the resulting synergies with collaborative research, infrastructure measures, SME measures, funding of regions of knowledge, the Marie Curie measures and the ERC. The involvement of small and medium-sized enterprises (SMEs) as important drivers of innovation should be increased. General support measures and counselling programmes of CIP must be strengthened.
3. FP8 must aim more strongly at facilitating and promoting innovations. It should therefore better interlink research and innovation activities in thematically defined fields as well as in cross-cutting, horizontal innovation activities. In the sense of a European High-Tech Strategy, these activities should therefore be integrated into the entire range of instruments of FP8. This also includes infrastructure development, standardization, education programmes and measures to support the most important lead markets.
4. Large-scale continuity of content, instruments and processes increases the attractiveness of the Framework Programme. This is why the central areas of FP7, such as collaborative research, frontier research (ERC), SME measures, transnational and intersectoral mobility, research infrastructures and international cooperation, should be continued. Collaborative research must continue to be the core element of the Research Framework Programme.
5. Scientific and technological excellence must be the decisive criterion for choosing projects in all areas of the Framework Programme may not be weakened under any circumstances in favour of cohesion objectives.
6. FP8 and its instruments must be evaluated on the basis of an evidence-based and efficient monitoring. Knowledge established within the framework of ex-post evaluations of previous Framework Programmes must be used even more for the further development of current and the definition and implementation of future Framework Programmes.
7. The user-friendliness of FP8 should be increased by a considerable simplification and acceleration of procedures while at the same time maintaining their transparency and fairness. The central aim must be the possibility of applying accepted, proven national accounting modalities. While established instruments, such as collaborative projects and ERA-Net/ERA-Net Plus must be continued, funding measures which increase funding opportunities for unconventional and risky R&D projects should be given more room under FP8.

- 8.** FP8 should contain separate Specific Programmes for each of the following areas:
- Development of the European Research Area (measures to implement ERA initiatives, research infrastructures, science in society, international cooperation)
  - Orientation to the major social challenges, such as climate, energy, health, aging society or environment (large collaborative projects, strategic industrial research projects, joint programming initiatives)
  - Key technologies in high technology areas which are relevant for Europe (small and medium-sized collaborative projects and private public partnerships)
  - Frontier research (at the European Research Council)
  - Innovation (including EIT, research-driven activities of CIP, SME measures, regions of knowledge)
  - Marie Curie measures
- 9.** FP8 should continue to be open to international cooperation. Special measures of international cooperation must be included even more strongly into the thematic priorities of FP8. Close coordination between the Strategic Forum for International Cooperation (SFIC) and the FP Programme Committees regarding their thematic and social priorities can make an important contribution to greater coherence within the Framework Programme.

## II. FUNDAMENTAL CONSIDERATIONS

The following points are particularly important for the development of FP8 from the perspective of the Federal Government:

### 1. Shaping the European Research Area

- 1.1 The Research Framework Programme must be developed into a central instrument to realize the European Research Area. In this context, it must make a major contribution to implementing the five initiatives within the framework of the Ljubljana Process.
- 1.2 The ESFRI process (European Strategy Forum on Research Infrastructures) should be given a greater dynamic under FP8, also in view of the recently adopted legal status for European research infrastructures. Adequate measures will have to be identified which present a clear incentive and provide specific support to Member States to quickly implement the adopted projects and to operate the related infrastructures. The independence of ESFRI initiatives financed by the Member States regarding the planning, construction and operation of infrastructures must be maintained. The coordination of ESFRI processes shaped by the Member States with infrastructure activities of FP8 should be improved. Infrastructures created within the framework of ESFRI should be used in project funding under the Specific Programmes. Existing research infrastructures which contribute to ERA outside the ESFRI process and require European integration should also be supported by project funding under the Specific Programmes by means of a competition.
- 1.3 Joint Programming must continue to be driven by the Member States. Implementation of these initiatives should be pursued primarily with existing instruments in line with the Council Conclusions of December 2008. Financing for these initiatives should come both from national budgets and from the Research Framework Programme.
- 1.4 The Intellectual Property (IP) Charter initiative should become an important basis for collaborative research funded under the Framework Programme. Presentation of one's own IP strategy should become binding both for application and for reporting in collaborative projects. Furthermore, funding should be provided for coordination and support measures for a stronger utilization of the initiative both in Europe and at international level.
- 1.5 The Strategy Forum for International Cooperation (SFIC) is an excellent basis for the development of coherent approaches to internationalization between the Commission and the Member States as well as for the definition of regional and thematic research priorities. The results of international cooperation projects and the analysis of existing funding tools at national and European level should influence the funding of strategic cooperation with third countries. Implementation of the SFIC Roadmap must also be

promoted under FP8, also regarding exchanges with other ERA initiatives and the thematic priorities of the Research Framework Programme in particular.

- 1.6 An efficient labour market allowing researchers mobility supports the excellence factor, internationality and knowledge transfer in research collaborations. Spatial and sectoral mobility, the attractiveness of careers and the portability of social security claims are important prerequisites for mobility of knowledge and the networking of institutions in Europe. The Framework Programme should support these aspects by means of funding tools (Marie Curie, European Institute for Innovation and Technology (EIT), ERC and support services (EURAXESS)).
- 1.7 For an efficient development of the Research and Innovation Area in Europe, further synergies between different measures of the knowledge triangle should be created on the basis of positive examples of the European guideline on funding opportunities for R&I by the EU or the integration of EUREKA through the "Eurostars" programme into the Research Framework Programme.
- 1.8 Harmonizing the implementation of the sometimes very heterogeneous funding measures and instruments at European level while maintaining their specific orientation is a central concern of the Federal Government. The resulting defragmentation will make an important contribution to creating the European Research Area and to de-bureaucratizing measures in the field of research, development and innovation.

## **2. Strengthening Excellence**

- 2.1 Excellence is the basis for strengthening the competitiveness of science and industry in Europe. All Member States will benefit from this due to the priority of the Research Framework Programme in the field of joint collaborative projects and the function of excellent research as European beacons. Scientific and technological excellence must therefore take priority when selecting projects. In particular in projects with industrial relevance (e.g. application-oriented research, SME projects or innovation measures), the relevance of projects for improving European competitiveness should be taken into account accordingly.
- 2.2 Under no circumstances may funding for excellence be mixed with cohesion measures or be weakened in favour of cohesion objectives. Cohesion instruments, such as structural funds, however, should strengthen the development of excellence by means of better compatibility with research and innovation at regional level.
- 2.3 A science-based structure for the funding of basic frontier research was established for the first time with the ERC. This strengthening of internal European competition, under which projects are selected on the basis of excellence alone, has become a new yardstick for the future of European research funding, the development of research in

Europe and the attractiveness of Europe for international scientists. This new yardstick must be properly taken into account in the shaping of FP8.

- 2.4 Against the background of the success of the ERC to date in European excellence promotion, the scope and portfolio of science-based research funding should be considerably expanded. The possibility of funding cross-border projects of excellent institutions or other structured measures by the ERC should be considered in particular. The ERC should remain open to the involvement of frontier research of excellent research departments in industry in order to strengthen and represent Europe in its entirety.
- 2.5 At the same time, it must be ensured that ERC funding in and outside Europe is perceived even more as a mark of distinction for scientific excellence that is important in a European framework. The ERC must be developed to become an outstanding brand of global science and must be communicated accordingly.
- 2.6 An important prerequisite is the development of a reinforced governance structure of the ERC which is based on a stronger integration of innovative science and an adequate administration structure. In this context, securing and enhancing its scientific autonomy and transparency as well as securing a reasonable success rate must be promoted.

### **3. Facilitating Innovations and Developing Lead Markets**

- 3.1 Against the background of the reform treaty of Lisbon, FP8 must promote the further shaping of the European Research and Innovation Area and serve the treaty's aim of increasing the competitiveness of Europe. In order to be able to make a contribution to the new EU 2020 strategy, FP8 must take up the innovation policy aims of the EU and pursue a holistic approach from basic research to implementing R&D results to developing lead markets with the aim of facilitating and promoting innovation much more efficiently.
- 3.2 The overarching aim is a more efficient utilization of research and development results as a contribution to bridging the so-called innovation gap. In the sense of a European High-Tech Strategy, FP8 should interlink education and innovation aspects more strongly in an integrated programme of the knowledge triangle based on the entire range of instruments such as infrastructure development, standardization, education programmes and measures to support the most important key technologies. More funds must be provided for innovation-related, application-oriented measures which strengthen the competitiveness of companies. The integration of the EIT and the R&D relevant innovation measures of CIP into FP8 and the resulting synergies will make an important contribution and, at the same time, contribute to defragmenting ERA.

- 3.3 In this context, it is also essential to concentrate funds clearly on strategic technologies and fields related to social challenges (in particular climate protection/energy, health, nutrition, mobility, communication and security) in which we are facing global challenges.
- 3.4 The timely transfer of research and development results into application is of the utmost importance when it comes to stimulating economic growth and dynamic. Technology transfer and result exploitation must be ensured in particular in thematic funding with relevance to application within the framework of sustainable implementation plans which are updated during project implementation and are also an important basis for evidence-based monitoring.
- 3.5 Funding clusters (in the context of EIT, CIP, regions of knowledge, and also competence centres) will make an important contribution to setting up alliances which better network regional competences in the local triangle of knowledge in order to meet changing regional and global challenges.
- 3.6 The aspect of human resources for the development of an innovation culture catering to the demands of companies in Europe is of decisive importance for achieving lasting prosperity and employment stemming from research results. The aspect of entrepreneurship should be included more strongly in mobility, training and research funding.
- 3.7 Demonstration activities should continue to be involved to a greater extent in the drafting of topics in order to contribute to bridging the gap between pre-competitive R&D activities and the steps required by end users before market introduction (e.g. feasibility studies, scale-up, construction of prototypes).
- 3.8 The European Technology Platform (ETP) could make an important contribution to effective and lasting cooperation between all players in an innovation-oriented field of technology. The resulting strategic research agendas will be a solid basis, also for the relevant bodies, for supporting transnational cooperation of companies, research centres and institutions of higher education in the fields of research and development, initial and continuing training and the dissemination of knowledge. The European Technology Platforms should also draft innovation strategies for the development of lead markets which take into account all relevant factors for successful innovations (knowledge and technology transfer, diffusion, framework conditions, standardization, etc.).
- 3.9 In this sense, policy-oriented research should – within thematic priorities – contribute to creating a scientific and technological basis for decisions in the policy fields related to major social challenges and to providing a consistent, innovation-friendly legal framework for selected lead markets and the relevant policy areas. This includes, for example, the assessment, approval, certification and standardization of new products, processes and services.

3.10 Small and medium-sized enterprises (SMEs) are the core of the European innovation system. 15% of the budget should be used for SMEs if possible. The funds should be used primarily for the participation of SMEs in collaborative projects. As important drivers of innovation, SMEs should get easier access to the bigger research and innovation collaborations. Furthermore, there should continue to be SME-specific funding measures. However, they will have to be oriented much more strongly to the demands of SMEs. In future, smaller projects which can be rapidly implemented should also be eligible for funding so that SMEs can better develop their role as drivers of innovation.

#### **4. Ensuring Continuity**

- 4.1 The greatest possible continuity of content, instruments and procedures will increase the attractiveness of the Framework Programme for potential users in companies, higher education institutions and research centres. The central areas of FP7, such as collaborative research, frontier research, SME measures, transnational and intersectoral mobility, research infrastructures, international cooperation, measures to promote regions of knowledge, should therefore be continued in FP8 as elaborate measures closely linked to research and innovation policy objectives and should, if necessary, be developed further against the background of current developments.
- 4.2 Collaborative research must continue to be the core of the Research Framework Programmes.
- 4.3 Adapting the rules for participation and administrative procedures on the basis of ex-post evaluations and user surveys should contribute to increasing user-friendliness and should be an evolutionary rather than a revolutionary process.
- 4.4 The procedure used for the selection of projects (peer review) has proved to be successful in several Framework Programmes and should be retained. The number of international evaluators should be increased in particular in the science areas which deal with the major social challenges in order to guarantee a selection of world-class projects. In particular the number of evaluators from the business community (including knowledge and technology transfer) should be increased.
- 4.5 An adequate involvement of scientists in projects and in evaluation should continue to be an important aim of the Research Framework Programme. As under FP7, the gender dimension in research projects should be taken into account whenever relevant.

#### **5. Increasing the Efficiency of the Framework Programme**

- 5.1 The relevant players in industry, the research community, the public sector, the voluntary sector and in NGOs and incubators will have to be increasingly involved in the

counselling and implementing stages of the European Research Programme at European and national level.

- 5.2 Measures which do not pursue purely thematic objectives but rather address the realization of the European Research Area or the strengthening of research capacities in European regions (e.g. infrastructure or SME measures and international cooperation measures) should be conducted within horizontal programme areas in order to increase the visibility and efficiency of programme implementation.
- 5.3 The evaluation procedure has proven to be efficient and transparent in principle in the past when it comes to selecting projects. It should therefore also be applied to activities to be newly integrated and measures to be newly established. We only see room for improvement when it comes to selecting the evaluators. Here, recommendations by science organizations and economic associations should be taken into account more frequently.
- 5.4 The Research Framework Programme and its instruments should be regularly and promptly evaluated. In the sense of a "learning programme", an independent, evidence-based and efficient monitoring should be established in FP8 which takes into account the overall financial volume of the Framework Programme and can serve as a basis for necessary readjustments, if any, during the programme period and for the preparation of the successor programme. Insight gained through ex-post evaluations of previous Framework Programmes must be used more often for the definition and implementation of subsequent Framework Programmes. Monitoring should take place under the responsibility of CREST (Comité de la recherche scientifique et technique).
- 5.5 New forms of cooperation should be created for FP governance which enable an integration of programme planning by the Commission and the bodies in the Member States. Coherence between the programme committee's work and the activities of the bodies supported by the Member States, such as ESFRI, SCAR, GPC, SFIC and not least CREST must be ensured in particular. The expertise of committee members should be used more frequently for defining topics in future, also to coordinate FP measures with Joint Programming. The role of the programme committees in the shaping of and the decisions on work programmes and the projects which will be funded should be maintained.

### **III. PROVEN FUNDING TOOLS FOR NEW USES**

1. New instruments should only be introduced with good judgement; the number of funding tools available should remain constant. Funding measures which increase the funding opportunities for unconventional and risky R&D projects should be given more room under FP8.

2. While the thematic focussing of the FP must continue to be a task of programme developers who must gear funding content to the research policy and social needs in a dialogue with experts and programme users, applicants should be given the greatest possible degree of flexibility in the elaboration of individual projects – taking into account the specific requirements within the framework of research policy objectives. For application purposes, the objectives of the instruments must be transparent and their handling must be as easy as possible.
3. The "collaborative project" instrument, with a consortium consisting of a limited number of companies, higher education institutions and research institutions, has been proven valuable over several Framework Programmes as regards efficiency and effectiveness. It must continue to be the standard tool of the FP.
4. In many cases, excellence networks have not been able to achieve their very ambitious aims of integrating entire research departments into a legally independent new structure and should not be continued in this form. They could be replaced by an instrument which aims at the formation of research and innovation-driven clusters consisting of public and private institutions and aiming at the pooling and joint use of R&D resources, the coordination of research and innovation activities, staff exchanges and knowledge transfer as well as the joint implementation of application-oriented projects (competence centres).
5. The "coordination and support measures" instrument should be used in particular for the conceptual further development of the European Research Area driven by the Member States, such as the implementation of the SFIC Roadmap, the implementation of the IP-Charter, the development of Joint Programming initiatives, the development of expert opinions and analyses within the framework of the Open Method of Coordination (OMC), but also to further develop the European Technology Platforms.
6. ERA-Nets have proved to be successful as coordination instruments in national programmes and have not only led to intensive exchanges of programme designers and administrators regarding relevant procedures and research content in Europe but also to numerous joint calls that facilitated the formation of transnational research collaborations on the basis of national funding programmes. In particular the ERA-Net Plus instrument developed under FP7 has turned the Research Framework Programme into a major contribution to shaping the European Research Area based on increased budgets for joint calls. The ERA-Net and, above all, ERA-Net Plus instruments should be continued under FP8 – also in the implementation of the Joint Programming.
7. Measures under Article 185 (ex 169) and Joint Technology Initiatives under Article 187 (ex 171) are welcomed in principle; in research areas of particular European interest and to meet central European challenges, they are able to provide a critical mass of funds. However, it should be examined whether the currently very complex procedures for creating the necessary regulations or structures can be simplified. The public private

partnerships (PPP) created within the framework of the EU recovery plan have proved to be much less bureaucratic than the technology initiatives created under Article 187 (ex 171). To avoid a host of different legal framework conditions for applicants, these measures should be implemented by applying the rules for participation and the general legal framework of the Framework Programme.

#### **IV. SIMPLIFICATION OF PROCEDURES**

Since user-friendliness is the decisive factor for the acceptance and thus success of Framework Programmes, it is particularly important to further improve it, even though important progress has been made in this regard under FP7. It must be our aim to ensure a maximum of continuity and flexibility combined with a minimum of administrative efforts and to thus enable all institutions – also small and medium-sized enterprises (SMEs) in particular – to participate in the Research Framework Programmes.

To achieve this aim, the Federal Government suggests the following simplifications which ensure the greatest possible continuity of the familiar procedures while optimizing them on the basis of the experience gained in implementing FP7:

1. Regulations, procedures and processes of FP8 should be defined and worded as clearly and unambiguously as possible, so that coherent application can be ensured at all levels, from the European Commission to the project participants to the auditors. A lack in transparency and too much room for interpretation and discretion will lead to legal uncertainty on both sides and thus complicate participation in the Research Framework Programme.
2. The entire set of regulations for FP8 including all legal documents, model contracts, guidelines, etc. based on them must be made available in due time before the start of the Framework Programme, so that a reliable basis for project participation is available already for the first call.
3. Application of the participants' usual national accounting procedures should be one of the basic principles of European research funding. Although recourse to accounting under established procedures is in some cases possible under FP7 (e.g. the depreciation of capital goods or the billing of travel expenses), there is still major uncertainty, in particular in determining personnel costs or the real indirect costs, due to discrepancies between participation rules and the usual national accounting procedures.
4. A central problem of EU research funding is the growing diversification of EU programmes and instruments. The implementation of a growing number of new funding tools and programmes (such as JTIs under Art. 187 (ex 171), initiatives under Article 185 (ex 169), EIT, ERA-Nets, PPP, etc.), some of which have their own funding regulations, call documents and guidelines, leads to growing complexity and fragmentation of EU research funding and makes participation in the Framework Programme difficult. In

future, a coordinated set of rules with simple and clear structures as well as standardized and coordinated procedures must be established.

5. The simplification of administrative and financial framework conditions should also be given top priority within the framework of the ERC in order to improve the motivation of all scientist involved (Scientific Council, experts) as well as cooperation with them.
6. The option of applying fixed rates when calculating project costs (currently mostly limited to indirect costs and travel expenses) should be broadened to include the reimbursement of personnel costs in all programme areas. SMEs could benefit from this in particular since they do not have elaborated accounting systems. The possibility of using fixed rates for accounting, however, should never be obligatory or exclude the billing of actual costs. Fixed rates should be based on country-specific cost rates. Marie Curie fixed rates are a proven basis for reimbursements of personnel costs.
7. Value added tax should be recognized as a cost type eligible for funding in future. This has now become possible after amendment of the Financial Regulation (FR) and is applied to other EU programmes.
8. The currently often lengthy process of contract negotiations often results in a significant delay of the originally envisaged project launch. Here, internal measures should be reviewed in the Commission that could lead to a considerable acceleration of the procedure. We are convinced that a detailed distribution of the project budget among project partners and activities in the funding agreement should be avoided since it entails much administrative effort in contract negotiations and project implementation. This will provide for greater flexibility in project implementation. The basic rule should be that projects can start no later than 9 months after the deadline for application in order to prevent the market from overtaking research results, thus making them worthless. SME-specific measures should therefore use strongly simplified application and approval procedures.
9. The Internet-based programmes for application, contract negotiations and reporting should be standardized and further optimized to increase user-friendliness.

## **V. STRUCTURE AND CONTENT OF FP8**

On the one hand, the structure of FP8 must live up to the further development of the European Research Area which has been under way since 2007. On the other hand, it must ensure a maximum of user-friendliness, fairness and transparency. We must succeed in developing a Framework Programme which, on the basis of the Lisbon Treaty, pursues the research and innovation objectives agreed in the Council and, at the same time, lives up to the vested interest of the European research community. In terms of content, FP8 should focus adequately on addressing the major social challenges and on a competitive funding of key technologies. Against this background, FP8 could be structured as follows:

1. In a Specific Programme for the implementation of the European Research Area, initiatives to develop new and strengthen existing research infrastructures, as well as a dialogue between science and society and international cooperation, should be promoted and all analyses, expert opinions or specific, non-thematic initiatives which are necessary for the implementation of current and future ERA initiatives should be supported.
2. The central social challenges should be addressed in a separate Specific Programme. The concept of Joint Programming will make an important contribution – not as an instrument but as a strategic platform for the identification of specific topics and the development of suitable initiatives which are then implemented within the framework of classical multilateral cooperation or existing instruments of the FP, such as collaborative projects, ERA-Net/ERA-Net Plus or measures under Article 185 (ex 169), and can thus be co-financed under the FP. Since the major social challenges can only be solved by a coherent development with other policy fields, policy-oriented research should be anchored in this Specific Programme.
3. Another Specific Programme should address the strengthening of key technologies in high-tech areas which are relevant for Europe's competitiveness – also with a view to the development of European lead markets in particular. Here, small to medium-sized collaborative projects and competence centres, as well as public private partnerships, should be funded. The European Technology Platforms and the resulting strategic research agendas could make an important contribution to focussing topics in this field. Synergies between the two Specific Programmes – social challenges and key technologies – should be used more intensively through closer coordination of these two programme areas.
4. The Research Framework Programme should be visibly developed further along the value added chain. With the ERC, a European excellence programme for supporting basic research has already been established. This should be complemented under FP8 by a Specific Programme "Innovation" with the EIT as beacon for the field of innovation, R&D-relevant innovation measures of the current Competitiveness and Innovation Programme CIP, the specific SME measures cutting across different topics and the areas of regions of knowledge and research potential.
5. Frontier research of the ERC should be continued under a separate programme. To represent and strengthen Europe as a whole, the mobilization of potential host institutions by the ERC should now also address the underrepresented business community in general and business enterprises in particular in a more targeted way. Experience so far has shown that industry's openness towards the ERC must be strengthened.
6. The Marie Curie measures should continue to be funded under a separate programme. In future, a better fit with ERC measures is to be ensured and a much greater focus is to be placed on intersectoral mobility. Furthermore, FP8 should continue to include Specific

Programmes for the operation of the Joint Research Centre and the implementation of the Euratom Programme.