

European and External Affairs Committee

Scoping paper

European and External Affairs Committee

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Scoping Paper: Inquiry into Welsh participation in EU research, innovation and lifelong learning programmes

Summary

This paper scopes out the potential for an inquiry into Welsh participation in EU research, innovation and lifelong learning programmes for the period 2007-2013. It sets out a possible approach to this inquiry, with details on the proposed timeframe, scope of the areas that could be covered, a rationale for undertaking the inquiry, background information on the policy context in Wales, potential terms of reference, and identifies a number of witnesses that could be called to give evidence to the inquiry.

Contents	Pages
1. Introduction	2
2. Proposed timeframe	2
3. Scope of the inquiry	2
4. Rationale for the inquiry	3-4
5. Policy context in Wales	4-5
6. Committee's EU Cohesion Policy second report	5-6
7. Terms of reference	6-7
8. Potential witnesses	7-8
Annex Background information on EU programmes	9-11

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1. Introduction

At its meeting on 20 April 2010 the Committee discussed its forward work programme for 2010. Included amongst the list of potential priority areas was a review of participation of Welsh organisations in European funding programmes excluding the Structural Funds Programmes (and Rural Development Programmes).

This scoping paper sets out a possible approach to this inquiry, with details on the proposed timeframe, scope of the areas that could be covered, a rationale for undertaking the inquiry, background information on the policy context in Wales, relevant work carried by the Assembly in this area previously, potential terms of reference, and identifies a number of witnesses that could be called to give evidence to the inquiry.

2. Proposed timeframe

It is proposed that the inquiry commence on 5 October, with up to five evidence sessions to be held during the autumn term and possibly early 2011. The aim would be to agree the final report by the middle of February, to enable the Welsh Government to respond before the end of the third Assembly, and to provide a legacy for the fourth Assembly.

3. Scope of the inquiry

There is a plethora of EU programmes available for the period 2007-2013, across a wide range of policy areas that Welsh organisations may be eligible to apply for.

Given there is only a limited time available to carry out the inquiry, it would not be feasible to cover all of the potential programmes that Welsh organisations could participate in.

Therefore, it is proposed that the inquiry should focus on the three largest EU funding programmes outside of EU Structural Funds/Common Agricultural Policy (CAP), namely, the Framework Research Programme for R&D Seven (FP7); the Lifelong Learning Programmes; and the Competitiveness and Innovation Framework Programme (CIP). In total these three "clusters" of programmes (as there are sub-programmes within each of them) have a combined overall budget of approximately €60bn EU-wide for 2007-2013.

This choice is consistent and coherent with the Committee's strategic focus on the Europe 2020 Strategy, where high priority is given to research, innovation, education and skills in the successor to the Lisbon Strategy. This fits with the review of the flagship initiatives (in particular the Innovation Union and Youth on the Move) that the Committee will be undertaking during the autumn term, as the three programmes covered (in addition to EU Cohesion Policy and CAP) will be the primary funding sources available at the EU level to deliver on the commitments set out in the Europe 2020 strategy.

4. Rationale for the inquiry

With the EU Budget Review due to be published in the early autumn, the European Commission will launch a debate about the future priorities and focus of the EU Budget for the period after 2013, and Commission President Barroso has made clear his intention to base this around the priorities of the Europe 2020 Strategy, and the flagship initiatives identified within this.

Within the current EU Financial Perspectives the two largest budget lines are the Common Agriculture Policy and EU Cohesion Policy, and Wales has traditionally benefitted substantially in terms of funding from both of these areas. Under the Common Agriculture Policy Wales receives in the region of €300m per annum, whilst under the EU Cohesion Policy Wales has potentially up to €2.2bn of European funding available to support economic regeneration, investments in skills, employment and competitiveness across Wales. In addition to this Wales is eligible under a number of Territorial Co-operation Programmes financed by the European Regional Development Fund which promote transnational, cross-border and inter-regional co-operation across the EU.

The Enterprise and Learning Committee recently carried out an inquiry into the implementation of the 2007-2013 Structural Funds Programmes in Wales, whilst the Rural Development Sub-Committee has reviewed the Rural Development Programmes. The Enterprise and Learning Committee also addressed participation by Welsh universities in EU Structural Funds as part of their inquiry into the contribution of higher education to the Welsh economy. The European and External Affairs Committee also made a number of recommendations about Structural Funds during the second phase of its inquiry into the future of EU Cohesion Policy (see section 6 below).

However, there has not yet been an analysis by the Assembly's Committees of participation by Welsh organisations in the other EU programmes and initiatives available for 2007-2013.

The proposed inquiry would enable the Committee to get a sense of the level of participation of organisations from Wales in the programmes covered, benchmarking this where information is available against other parts of the UK and EU. The inquiry would also provide an opportunity for Welsh organisations who have or are participating in the EU funded programmes covered, to share their experiences (positive and negative), and provide feedback on how the various activities they are involved in will bring benefits to Wales, provide a lasting legacy, and contribute to the strategic priorities of the Welsh Government.

Data on participation levels by Member States is collected by the European Commission (and its various agencies), and this information is made available to Member State government departments. For example, the Economic Renewal Programme published by the Welsh Government in July 2010 quotes a participation rate of 2% for Wales in terms of the total UK draw down from FP7. The UK as a whole has achieved the second highest percentage allocation (13.7% of the EU total), with Germany the largest beneficiary¹.

The Economic Renewal Programme says that Wales should maximise its engagement with the "Framework Programme and other appropriate EU programmes".

The inquiry would provide an opportunity to review the extent to which the Welsh government and other public bodies in Wales have facilitated and supported participation by NGOs, businesses and other organisations in these programmes, and whether any policy implications can be drawn for the future, particularly in the context of delivering the policy commitments set out in the Economic Renewal Programme and other relevant policies.

5. Policy context in Wales

Higher Education and science policy has been prominent on the Welsh policy agenda in the past number of years.

In 2006 the Welsh Government carried out a consultation on a potential future science strategy for Wales, and in 2008-2009 WAG commissioned an independent review of Higher Education in Wales, which was chaired by Professor Merfyn Jones, the then Vice Chancellor of Bangor University. The review group's report highlighted a number of weaknesses in the research performance in Wales, and amongst its recommendations were the following²:

A programme to make Wales a destination of choice for postgraduate researchers and greatly increase the postgraduate community

Invest in research which builds on Wales's existing strengths or which addresses the agreed strategic priorities, in particular the science base

The report also underlines the critical importance of Higher Education (HE) to the economic competitiveness of Wales in the future, and calls for HE to be "repositioned" in national priorities in Wales:

On Wales's ability to capitalise on the potential of higher education rests our ability to compete economically, and fulfil our potential as a young devolved country with high ambitions.

Higher education needs explicitly to be repositioned in our national priorities from now on. It has to become central to the task of creating thriving and enquiring communities in a prosperous and culturally alive Wales, and the higher education sector itself must rise to that challenge with imagination and dedication.³

The Welsh Government published "For Our Future: The 21st Century Higher Education Strategy and Plan for Wales"⁴, as its response to the Review of Higher Education reports and recommendations, and to replace the Reaching Higher Strategy published in 2002.

For Our Future identifies a number of actions to be undertaken, working with stakeholders and HEFCW, including:

Increase the impact of university research, through targeting support on areas of strength and national priority, and promoting collaboration.

It says this will be achieved by continuing to develop a network of research centres (a One Wales commitment), focused on a number of national research priorities, namely: (i) Digital

¹ See page 31 of [Economic Renewal Programme for Wales](#)

² Second Phase Report - Paragraph 34, Page 15, available on [HEFCW web-site](#).

³ Second Phase Report - Paragraphs 101 and 102, page 39. Ibid.

⁴ See wales.gov.uk/docs/dcells/publications/091125hedocen.pdf

economy (ICT); (ii) Low carbon economy (including climate change mitigation / adaptation issues); (iii) Health and biosciences; and (iv) Advanced engineering and manufacturing.

The strategy also identifies a number of actions aimed at targeting economic performance, including strengthening exploitation of knowledge and the contribution of higher education to workforce development.

In January 2010 Professor John Harries was appointed as the first Chief Scientific Adviser for Wales, and in April 2010 the Welsh Government announced it plans to create a National Academy for Science in Wales, under the strategic direction of Professor John Harries, which is one of the commitments set out in the One Wales strategy⁵.

As noted above, the Economic Renewal Programme for Wales⁶ refers explicitly to participation in EU programmes, including the framework programme. Two of the chapters are of particular relevance to this inquiry, namely chapter 5 on broadening and deepening the skills base and chapter 6 on encouraging innovation. The strategy also affirms an approach focusing on specific sectors in the Welsh economy, in line with the sectoral priorities referred to above.

6. Committee's EU Cohesion Policy second report

As was noted in section 3 Assembly's Committees have carried out a number of inquiries with relevance to the proposed inquiry.

The European and External Affairs Committee's inquiry into EU Cohesion Policy took evidence from the higher education sector, and made the following recommendations in its second report published in July 2010 concerning the future of the policy:

Recommendation 11. The Welsh Government to set out its plans: to provide the leadership and strategic direction necessary to build the competitiveness and excellence of applied R&D in Welsh universities and transfer it into business and employment; to develop closer working between the higher education and further education sectors and the Economic Development Department of Welsh Government; and to ensure that future EU funding streams to Wales are aligned towards supporting these strategic priorities.

Recommendation 12. The Welsh Government to set out how it will provide greater strategic direction to the higher education and further education sectors to prioritise developing training and skills in STEM subjects and increased science and technology provision, as part of its wider strategy for improving higher level skills training in Wales.

Recommendation 13. The Welsh Government to develop a closer 'Team Wales' approach to partnership working with the higher education sector, the business sector and local government in Wales as a matter of urgency, to ensure it is maximising all current and future European funding opportunities to develop STEM skills and encourage R&D and innovation in Wales, including FP8.

Recommendation 14. The Welsh Government to set out how it will ensure that the Welsh higher education sector and other strategic partners are engaged in a timely manner in the process of setting the UK Member State 'national headline targets' arising from the Europe 2020 Strategy, once that strategy has been agreed by the European Council.

⁵ Page 25 One Wales A progressive agenda for the government of Wales

⁶ See [Economic Renewal Programme for Wales](#)

7. Terms of reference

- To understand the extent and type of involvement of organisations from Wales in the following EU Programmes: Framework Research Programme Seven (FP7); Lifelong Learning Programmes; and the Competitiveness and Innovation Programmes
- To benchmark the participation of Welsh organisations with other parts of the UK and EU
- To identify exemplar success stories from Wales
- To provide policy recommendations to the Welsh Government for ways in which to facilitate future participation in these programmes
- To highlight any positive or negative aspects of participation in the programmes, and feed this back to the appropriate channels (Welsh Government, UK Government and European Commission), to enable this to be taken into account in preparation of the future programmes for post 2013
- To review the extent to which participation in these programmes is helping to deliver the strategic priorities set out by the Welsh Government

The Committee may wish to focus in particular on the following issues in the inquiry:

- Extent of Welsh participation in the three programmes, including comparisons with previous programming periods (e.g. FP6/FP5).
- Understanding of the breadth and type of involvement in terms of the nature of the organisations, including geographical spread, and any particular sectoral concentration
- Compare participation by organisations from Wales with other parts of the UK and in terms of UK/EU averages
- Highlight success stories within Wales resulting from participation in these programmes, and identify any special niches or areas of Welsh expertise that are evident
- Perceived benefits of involvement in the various programmes to the participants, including any long-term or legacy effects in Wales from the initiatives
- Identify any particular challenges/barriers to participation
- Identify the extent to which participation in Structural Funds has facilitated participation in other EU programmes
- Pinch points in the process e.g. in funding or recovery of university overheads, matchmaking with other Member States' institutions or companies.
- Review value of any support provided to successful applicants from within Wales/UK – or to their partners in developing the project proposals

- Relevance of Welsh policy context to the initiatives supported, including the Economic Renewal Programme for Wales, For Our Future
- Potential policy recommendations in terms of future programmes post 2013

8. Potential witnesses

The Committee may wish to consider taking evidence from a selection of the following types of organisations/individuals:

Wales and UK

- Welsh Government Ministers (Minister for Education; Deputy First Minister?)
- UK Government Officials - International Science and Innovation Unit, BIS
- Welsh Higher Education (in particular Cardiff University; University of Aberystwyth; University of Swansea; University of Glamorgan; University of Bangor; HEFCW/HEW)
- UK Universities Europe Unit (liaise through HEFCW, who part finance this)
- Welsh Further Education Colleges; ColeauCymru/CollegesWales, Schools, and Training bodies
- Alliance of Sector Skills Councils in Wales
- ECTARC (European Centre for Training and Regional Co-operation)
- UK National Contact Points for the various programmes (UK Research Office; ECOTEC: British Council; Welsh Government officials)
- Welsh business interests (FSB, CBI Wales etc.)
- Academia – in Wales, the UK and the wider EU
- Business partners involved in Welsh-led FP7 projects eg. EADS/Airbus/Rolls Royce/Corus

European level:

- Commissioner for Science, Research and Innovation (focusing on Innovation Union flagship, as well as providing information on implementation of FP7 to date, and expectations re. future FP8)
- DG Research (Evaluation Unit – Directorate A, Unit A.3)
- DG Education and Culture (potential Director General – to talk about Youth on the Move – as part of the policy context); possibly follow up with DG EAC officials re. detailed content on implementation of the Lifelong Learning Programmes



- Welsh MEPs?

Annex A

Background information on EU programmes

This annex provides further background information on the three programmes that it is proposed this inquiry should cover.

1) Framework Programme Seven for R&D (FP7)⁷

FP7 has a budget of €50bn for 2007-2013, to support the creation of a European Research Area through investments in research and innovation within the EU. The emphasis in FP7 is on excellence and quality in research and development, as well as breaking down barriers to movement of researchers and ideas across the EU, and barriers between research excellence and market penetration.

- **Co-operation:** supports all types of research activities carried out by different research bodies in trans-national cooperation with the aim of gaining or consolidating leadership in key scientific and technology areas. It receives the largest share of the FP7 (around 65%), which is devoted to supporting cooperation between universities, industry, research centres and public authorities throughout the EU and beyond. Support is focused around ten broad “themed areas” including ICT, health, energy, nanosciences etc.

A range of different types of action are supported: (i) Collaborative research; (ii) Co-ordination of national research programmes; (iii) Joint Technology Initiatives; (iv) Technology Platforms

- **Capacity:** to support development of research capacity across the EU. It operates in seven broad areas, which includes research for the benefit of SMEs, regions of knowledge and support for regional research-driven clusters, and developing the research potential of Convergence Regions.
- **People:** the “Marie Curie actions” which are focused on researchers, with an overall objective of making Europe the most attractive place for the best researchers. A range of activities are supported, including actions focused on developing young researchers, support for experienced researchers in terms of life-long training and career development, industry-academic pathways and partnerships, international movement of researchers and research collaboration, and specific actions aimed at removing obstacles to mobility.
- **Ideas:** The objective of this programme is to reinforce excellence, dynamism and creativity in European research and improve the attractiveness of Europe for the best researchers from both European and third countries. It aims to do this by providing a Europe-wide competitive funding structure, in addition to and not replacing national funding, for ‘frontier research’ executed by individual teams. The programme is managed by the newly established European Research Centre.

2) Life Long Learning Programmes⁸

A combined budget of €7bn for 2007-2013 is available to support transnational mobility and co-operation in education and training across the EU, and also includes actions for mobility actions with third countries (i.e. outside the EU’s borders – e.g. Erasmus Mundus). The four main programmes are:

- Comenius: actions for schools

⁷ See http://cordis.europa.eu/home_en.html

⁸ See http://eacea.ec.europa.eu/llp/index_en.php

- Erasmus: actions for higher education
- Leonardo: vocational training
- Grundtvig: adult education

In addition there are two other initiatives supported under the Life Long Learning Programme:

- Transversal actions: cross-cutting actions across the other programmes, including focus on policy development, languages and ICT.
- Jean Monnet: a programme for co-operation in higher education, supporting understanding of European integration

3) Competitiveness and Innovation Framework Programme (CIP)⁹

CIP has a total budget of €3.6bn for 2007-2013 and is divided into three operational programmes, each of which has its specific objectives, aimed at contributing to the competitiveness of enterprises and their innovative capacity.

- **Entrepreneurship and Innovation Programme¹⁰**

Support for innovation and focused on SMEs. A range of different actions including support for a European Enterprise Network (the Welsh Government is part of this), Eco-Innovation Pilot Scheme (funding support for pilot projects and market testing), access to finance (loan/guarantees) for SMEs, transnational innovation networks etc. Funding is secured via a competitive bidding process.

- **ICT Policy Support Programme¹¹**

The (ICT-PSP) aims to stimulate wider uptake of innovative ICT based services and the exploitation of digital content across Europe by citizens, governments and businesses, in particular SMEs. Funding is provided for pilot actions, involving both public and private organisations, to validate in real settings, innovative and interoperable ICT based services in areas such as ICT for health, ageing and inclusion, Digital Libraries, ICT for improved public services, ICT for energy efficiency and smart mobility and Multilingual web and Internet evolution. The programme also supports networking actions for sharing experiences and preparing the deployment of innovative ICT based solutions.

- **Intelligent Energy Europe (IEE)¹²**

This programme provides support for a range of actions focused on delivering the climate change and energy efficiency goals of the EU. Annual calls focusing on particular priorities are launched each year, to which applicants submit their proposals. Projects (with the exception of support for creation of local energy agencies) must involve transnational partners. The IEE programme does not fund technical RTD projects. It acts rather as a

⁹ See <http://ec.europa.eu/cip/>

¹⁰ See http://ec.europa.eu/cip/eip/index_en.htm

¹¹ See http://ec.europa.eu/cip/ict-ppsp/index_en.htm

¹² See http://ec.europa.eu/energy/intelligent/index_en.html and http://ec.europa.eu/cip/iee/index_en.htm



catalyst for socio-economic, market, regulatory, policy and institutional changes (e.g., international transfer of experience, promotion of best practices, education and training, institutional capacity building, information dissemination, creation of new standards and norms etc.).