

**23.03.18****Decision**  
of the Bundesrat

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**Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions:  
Horizon 2020 Interim Evaluation - Maximising the Impact of EU Research and Innovation  
COM(2018) 2 final**

The Bundesrat adopted the following Opinion in its 966th session on 23rd March 2018 pursuant to §§ 3 and 5 of the Act on Cooperation between the Federal Government and the Federal States on Matters Pertaining to the European Union (EUZBLG):

1. The Bundesrat takes note of the Communication from the Commission and refers to its Opinion adopted within the framework of the "Commission Consultation on Interim Evaluation of the Horizon 2020 Framework Programme for Research and Innovation" of 16th December 2016 (BR Official Document 749/16 (Decision)).
2. The Bundesrat acknowledges the successes of European policy to support research and innovation over recent decades. The current EU Horizon 2020 Framework Programme for Research and Innovation has made significant contributions to tackling the major challenges facing society and boosting European competitiveness, and has generated genuine added-value through cross-border research cooperation in Europe that could not have been attained through coordinated national funding alone. The structure chosen for Horizon 2020 with three focus areas for funding has in the Bundesrat's view proved its worth and should also be maintained in the successor programme.
3. The Bundesrat underlines the need for adequate financial provision for the next EU Framework Programme for Research and Innovation to ensure that an appropriate number of projects and topics with European added-value can be

funded with acceptable approval rates, thus continuing to secure successes for European research and innovation funding policy in future too. In this context, the Bundesrat takes note of the recommendations in the "Report of the Independent High-Level Group on Maximising the Impact of EU Research & Innovation Programmes" (Lamy Report) of 3rd July 2017, published by the Commission. The Bundesrat considers that it is crucial to strike a good balance in Horizon 2020 and the forthcoming Framework Programme for Research and Innovation between funding excellent basic research and innovation funding. In addition, distribution of funding should strike a good balance between funding for basic research and business-related innovations.

4. Europa needs excellent research at universities, other higher education institutions and research institutions outside the ambit of the university system. With reference to innovations, it is vital that the knowledge created in research institutions leads to value creation as rapidly as possible. To that end, technology and knowledge transfer between universities and other research institutions or companies must be further improved.
5. Transfer initiatives and transfer centres in higher education and research institutions, as well as the establishment of sectoral and application-oriented transfer centres, must be further reinforced to ensure that research results can be transposed into innovation and enable direct transfer of technology and knowledge.
6. The Bundesrat again underscores the great importance of scientific excellence as a foundational principle of European research funding. The Bundesrat expects European research and innovation funding in the 9th Framework Programme to be devised on the basis of a broad understanding of the term "research". Sustainable European research funding cannot be attained by focussing on market-ready products alone but should instead also concentrate on excellent basic research in all realms of scientific enquiry. In addition, the Bundesrat continues to advocate the principle of achieving European added-value by initiating and funding projects involving several countries. The added-value of European research and innovation funding has an impact not only on the world of business, but also on society as a whole, as well as on culture, health and the environment. For this reason, the idea of impact should be accordingly be couched in broader terms and should encompass perspectives, potentials and social achievements as well as products.
7. European Research Council (ERC) grants have an increasingly solid reputation as a form of distinction and as reliable indicators of top-class research. Hosting

ERC grant-holders is also beneficial for host institutions, enhancing their reputation in the national and global knowledge society. The Bundesrat therefore calls for the ERC to be strengthened and for teaching to be categorized as eligible for funding within the ERC grant framework in future, provided that such teaching involves conveying information about research activities and results.

Funds allocated to the existing budget lines "Starting Grant", "Consolidator Grant", "Advanced Grant" and "Proof of Concept" should be increased in any future Framework Programme. In order to ensure continued maintenance of the re-introduced budget line "Synergy Grants" or new team-oriented promotional measures, an additional increase in funding is required to counteract further over-subscription.

8. The Marie-Skłodowska-Curie measures are of particular importance to the Bundesrat. With a view to enhancing mobility and training the next generation of scientists, this successful programme should be continued and higher levels of funding allocated to it.
9. Furthermore, "Future Emerging Technologies" (FET) and research infrastructures should remain as independent topics in the Scientific Excellence Focus Area. They lay the foundations for research and innovation and make a significant contribution to realising the European Research Area.
10. The Bundesrat emphasises the need for a broad concept of innovation that encompasses technical, non-technical, and social innovations. The Bundesrat welcomes the Commission's plans for a European Innovation Council (EIC); instruments such as "FET Open", "Fast Track to Innovation" (FTI) and the SME Instrument should be coordinated under the aegis of the EIC.
11. The Bundesrat considers that the recommendations of the independent High-Level Group of Innovators concerning the EIC make an essential contribution to the design and configuration of the forthcoming Framework Programme for Research and Innovation. The Bundesrat shares the High-Level Group's view that EU support for innovations should be optimised. In particular, sufficient funds for innovation should be made available in the forthcoming Framework Programme. In addition, the range of funding formats should be simplified and implementation accelerated, while at the same time ensuring these measures are made more effective in terms of their impact on market-ready innovations.

12. The Bundesrat calls on the Commission to ensure during the pilot phase of the EIC, which is scheduled to run until 2020, that universities and research institutions too, as well as companies, will have access the EIC. An appropriate balance between the EIC and the other funding areas in the future Framework Programme for Research and Innovation must be ensured. As initial experience from the pilot project will only be available once most decisions on the configuration of the new Framework Programme have been taken, the EIC should be launched with a relatively high degree of flexibility.
13. The Bundesrat emphasises the need for a level playing field for access of the humanities, social sciences and economics to European research funding, also within the Innovation Focus Area. That is the only way to attain successful innovation processes. The Bundesrat calls on the Commission to consider the option of introducing a fast track to societal innovation for product-oriented research with a high "technology readiness level" (TRL) too or including a "society readiness level" as an indicator in the next Framework Programme for Research and Innovation.
14. Key technologies are of particular importance for Europe and must be taken into account adequately in the 9th Framework Programme. In this context, funding should be made available to key technologies both in basic research and in research with high application potential across all TRL.
15. The Bundesrat emphasises the importance of small- and medium-sized enterprises (SME) in European innovation processes too. Against the backdrop of increasingly pronounced international competition, SMEs in particular must become more innovative. This needs to be taken into account in the forthcoming Framework Programme for Research and Innovation. The Bundesrat shares the Commission's positive appraisal of the SME Instrument in supporting innovation and considers that it is crucial to accord greater importance to this instrument in the 9th Framework Programme too. For that reason, it is important to ensure that the objective of at least 20 per cent goal SME funding is again included in the future Programme for Research and Innovation.
16. In order to ensure that fundamental innovations can be developed to market-readiness, the Bundesrat considers that in the future Framework Programme for Research and Innovation funding should also be provided for SMEs for innovations with a European dimension. To that end the SME Instrument should be optimised. In this context, care must also be taken to ensure that the probability of success for funding is improved through appropriate measures.

17. The Bundesrat underlines the importance of European collaborative research and in this context in particular research in small research alliances with 5 to 15 partners. The Bundesrat takes the view that collaborative research needs to be embedded within the entire innovation chain, while also strengthening basic research throughout this chain. It therefore calls on the Commission to set aside a significant budget for collaborative research within the 9th Framework Programme.
18. Research projects and research alliance projects with research institutions are important to make the added-value of European cooperation tangible for SMEs and research institutions oriented towards small and medium-sized businesses. To that end, sufficient funding must be available in the next funding period from 2021. In addition, the Bundesrat advocates re-introduction of an SME-specific research programme (comparable to Research4SME in the 7th Framework Research Programme and preceding programmes) to provide particular support to cooperation between SMES and research institutions.
19. The Bundesrat notes the Commission's intention to reinforce the efficiency of European research and innovation funding and improve public awareness by developing concrete innovation goals of strategic relevance ("missions"). The Bundesrat draws attention to the fact that sufficient experience has not yet been acquired in applying this procedure to research funding and that for instance the relationship to the FET Flagship Initiatives is still entirely unclear. The Bundesrat therefore takes the view that it is advisable in the first instance to deploy and evaluate such "missions" cautiously and only for a small portion of the available budget. The Bundesrat calls on the Federal Government to involve the federal states actively in defining and selecting the "missions" at an early stage.
20. The Bundesrat advocates continued pursuit of the simplification approach that has already been initiated. A clear design should be developed for the European research and innovation funding landscape and the process of simplification should be moved ahead as a function of the various forms of funding.

The future funding system must contain funding instruments with the most targeted impact possible. In early innovation phases, for example, grants are in many respects more suitable than other funding instruments.

Research and innovation grants must not be replaced by financing in the form of loans. The Bundesrat is also opposed to the idea of research funding by means of lump sum payments.

21. In its Opinion of 16th December 2016 on Interim Evaluation of Horizon 2020 (BR Official Document 749/16 (Decision)), the Bundesrat underscored that participation of scientists from EU-13 Member States is crucially important to the future Framework Programme. The Bundesrat again underscores the importance of modifying existing participation methods, devising new participation formats and initiatives, as well as providing appropriate funding for these in order to enhance societal and political acceptance of European funding support.
22. The Bundesrat in principle welcomes the Commission's reflections on creating synergies between the Framework Programme for Research and Innovation and other European funding programmes.
23. In systematically developing synergies, the principal objective of each fund should be taken into account. This is the only way to avoid excessive introduction of objectives or conflicts with the specific goals of particular funds. Competition between all regions of Europe should be prioritised rather than one-sided preferential treatment of regions with lower performance. While competition-oriented procedures do call for increased coordination effort and produce less interoperability, they are however well-suited to generate innovations and contribute to fostering excellence.
24. The Bundesrat draws attention to the need for improved coordination within the Commission and also with the Member States in order to realise synergies. Furthermore, the Bundesrat considers that harmonising the various funding conditions and simplifying the legal procedures in the programmes in question is essential. The Bundesrat calls on the Federal Government to take steps to ensure that the Commission supports the Member States in generating synergies in practice and submits specific proposals to that end.
25. Successful research and innovation can be more readily achieved in Europe if the diverse forms of know-how that exist in each European region are shared with other regions, to the extent that this is possible (Open Innovation). In this context, additional funding options for interregional innovation cooperation should be created in the forthcoming EU funding period, over and above the current frame of Interreg regions. This would also contribute to strengthening Europe's international competitiveness.
26. The Bundesrat in principle supports the Commission's plan to reinforce cooperation between European higher education institutions in the fields of education, research and innovation and to foster creation of networks of

European universities, as is currently under discussion. The Bundesrat notes that the impetus for this must come from the higher education institutions. The EU can make a substantial contribution by funding this form of bottom-up cooperation. The Bundesrat is however opposed to interventions in university curricula in this connection, as there is no competence for such interventions at the EU level.

27. The Bundesrat considers informing citizens about scientific achievements and the added value of European research and innovations funding to be one of the future challenges for societal acceptance of science and research. The Bundesrat therefore welcomes the increased emphasis in the Framework Programme for Research and Innovation on involvement of civil-society stakeholders and new forms of citizen-participation in communicating about science. The Bundesrat is however opposed to citizen participation in setting research agendas (an approach referred to as co-design), as this would encroach upon the principle of academic freedom that is guaranteed in the German constitution.
28. The Bundesrat advocates consistent ongoing pursuit of the goal of ensuring that women are well-represented in leadership positions and decision-making bodies, as well as integration of the gender dimension into research programmes and research content.
29. The Bundesrat reaffirms its view that the civil orientation of the European Framework Programmes for Research and Innovation should be maintained. Defence-oriented research should not be integrated into future Framework Research Programmes. A significant proportion of the budget within the compass of EU defence policy is also earmarked for defence research. There are currently controversial debates in Brussels pertaining to the positioning of such research in the EU context. The Bundesrat is of the opinion that given the particular requirements and goals of defence-oriented research, it must be strictly separated from the 9th Framework Research Programme and that funds should not be allocated to such budget lines at the expense of the 9th Framework Research Programme.
30. The Bundesrat reserves the right to present a further Opinion or Opinions subsequently on further developments pertaining to a successor programme to Horizon 2020
31. The Bundesrat shall transmit this Opinion directly to the Commission.