

# Italian Position Paper on the Common Strategic Framework (CSF) for European Research and Innovation funding



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## *Executive Summary*

Within the definition process of a **Common Strategic Framework for EU Research and Innovation funding** (CSF) Italy is also willing to offer its contribution to the EU debate for this new mechanism and structure, helping to set-up priorities and instruments and enabling the Union to cope with **Major Societal Challenges (MSC)**. The initial Italian considerations could be summarized as follows:

### *Two fundamental transitions*

Italy agrees with the suggestions presently proposed at EU level, to push ahead with two fundamental transitions:

- 1) The **integration** of the currently separate **EU funding instruments** [Framework Programme of the EU research (FP), Competitiveness and Innovation Framework Programme (CIP), European Institute of Innovation and Technology (EIT)] into a single strategic Programme, the Common Strategic Framework for Research and Innovation (CSF-R&I);
- 2) Italy foresees also a transition **from a 'linear' to a 'systemic' approach** in the use of EU Research and Innovation funds.

Italy fully supports the concept of a Joint Programming of EU Research as a focused approach to meet the needs of both society and the scientific community, through a common strategy for research and innovation on shared priorities. In this perspective, the **European Strategy on High Level Research Infrastructures** and the **Joint Programming Initiatives (JPI)** are successful examples of this approach.

The future Common Strategic Framework (CSF) must evolve towards a research **approach focused on objectives** and expected results, in order to facilitate the process of innovation from "Ideas" to "Market". In the present phase of rewriting the rules for EU research, Italy underlines that such **rules must be adapted to the objectives and NOT vice-versa**.

Accordingly, the CSF architecture Italy is envisaging could be summarized by the **intersection of priorities** coming from Major Societal Challenges with **some key research 'Programmes'** such as:

- Developing ideas and talents;
- Cooperation for knowledge and innovation;
- Good Ideas to market;
- Enabling high level research infrastructures.

### *Ensuring EU quality of life and the worldwide leadership in knowledge*

Italy considers the role played by research and innovation in pursuing the **EU2020 objectives** of a smart, sustainable and inclusive growth, as a fundamental tool for ensuring **EU leadership in the knowledge** global arena.

Italy strongly supports actions and instruments potentially focused on this purpose, for facilitating the consistency between EU and National research funds, in the spirit of the **European Research Area (ERA)**, as conceived in 1993. An improved strategy of **collaboration among EU institutions, National Governments and also Regional Authorities** will indeed provide a common base to achieve those objectives, moving towards a new vision of research and innovation as another '*single currency*' of the EU, much like the Euro was for the financial markets.

### *Transforming challenges into opportunities*

Italy considers the future Common Strategic Framework (CSF) as pivotal in achieving the EU2020 objectives, focusing on the **quality of human resources** engaged in research and innovation. Among the purposes of the CSF, **recruitment of younger talents** must be a priority, together with the **mobility of researchers** within common rules and an effective improvement of **gender balance in science**.

Italy is convinced that a **multiple and interdisciplinary approach**, integrating science, technology and innovation with social sciences and humanities, is the right path to follow for the future of European research.

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### *The future role of Blue Sky Research*

Even though Italy recognizes the importance of focused research and innovation to cope with MSC, the role of **Blue sky research as an essential engine** for achieving this goal must be acknowledged and guaranteed, in order to **ensure a long-term EU leadership in science** enhancing the excellence of the EU and of individual Member States in research and innovation.

Maintaining and strengthening the activities of the **European Research Council** must be considered fundamental, as well as renewing support to the **High Level Research Infrastructures**, considered as important platforms for cooperation among universities, enterprises and research institutions, as well as an essential tool for **attracting the world's finest researchers**.

Italy also recognizes the invaluable role of the **Marie Curie Actions (MCAs)** in rewarding excellence and supporting **the mobility of researchers**, and is confident that such actions will remain a fundamental tool.

To optimize the impact of CSF on society, a new approach for communicating Blue sky research will be fundamental. This could be done not just through appropriate mechanisms of **dissemination of results** (museums, libraries, events, media) but also by highlighting the links between Blue sky research and focused research and innovation. This will help improve the overall **scientific culture of Europe**.

### *Market and Research and Technology Clusters*

To facilitate the **transition from ideas to market**, the European system of **enterprise will play a key role**. The future prosperity and social cohesion of Europe depends on the creation of new qualified jobs, as well as on promoting the establishment of advanced innovative SMEs.

Italy welcomes the inclusion in the future CSF of actions and instruments to support this objective, underlining the need for **simplified procedures for SMEs** to access EU funds and shortening time to contract.

Italy firmly believes that the new, systemic approach will be successful only provided that a **cascade effect at regional and interregional level** follows. To promote this cascade effect, the CSF should include specific measures to improve the **internationalization of national districts and clusters** (e.g. Intensive Knowledge Technology Clusters, Excellence Clusters).

Italy also supports **a revision of the definition of SMEs** according to the objectives of EU2020, which will take into account not just the criteria expressed in the 361/2003/CE Recommendation but also possible new criteria based on research intensity, innovation capacity and international competitiveness.

### *Possible synergies of future Common Strategic Frameworks*

Italy, in accordance with the Commission, believes that **increasing resource efficiency will be a key tool** for securing growth and jobs in Europe. The development of a Common Strategic Framework for Research and Innovation must take into account improved synergies with other EU financial policy tools, and in particular with the Common Strategic Framework for Cohesion.

Italy believes in the importance of improving coherence and synergy between research activities promoted within these two policies, with the aim of improving the channelling of funds in view of achieving EU2020 objectives.

### *Monitoring and evaluation*

Regarding the evaluation of project proposals within the CSF, the experience of the current 7<sup>th</sup> Framework Programme highlighted the **need for more than just three criteria** for the evaluation, in order to better prioritize them, bearing in mind that scientific and technological excellence must be considered the fundamental criteria.

On the central subject of evaluation panels, Italy strongly recommends the importance of **respecting the criterion of balancing the composition of evaluators** in terms of gender, geographical and sectorial/intersectorial distribution, always bearing in mind the **proportional financial contribution** of MSs to the EU budget.

With the aim of facilitating the growth of a common and shared culture of evaluation in Europe, Italy is in favour of a process of **sharing databases of evaluators** for mutual exchange, as well as of a real spread

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of **peer review methodology** across Europe, which would have beneficial results on National and Regional evaluation systems.

With this aim, Italy proposes the establishment of a possible **co-ordination mechanism among National Evaluation Agencies** for research and innovation.

### *Competition through an open approach*

In terms of International Co-operation, Italy is recommending that the CSF should be kept **open to researchers from Third Countries**, especially in strategic actions coping with global challenges, with the aim of maintaining the attractiveness of the EU research system and guaranteeing its worldwide excellence.

The present rule in many EU Member States is that applicants are permanently hired by national research institutions, with the result that funds tend to go to national researchers. An effort at both National and EU level must be made towards fulfilling the **“Money Follows Researcher”** principle, implemented by the Heads of European Research Councils, moving in the direction of guaranteeing the portability of grants across EU countries.

Italy strongly believes that introducing these mechanisms will contribute to optimizing the use of European and National resources and will make European researchers perceive themselves as members of a **single and competitive scientific community**, within the spirit of the European Research Area.

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## 1. A new strategic approach: objective driven research

Italy believes that the redesigning process of EU research and innovation policy at the end of FP7 should place the **Major Societal Challenges (MSC)** of the Third Millennium at the core of the future Common Strategic Framework (CSF) for research and innovation, in order to meet the expectations of European citizens/taxpayers by introducing highly innovative measures and instruments aimed at:

- **creating qualified job opportunities** for the younger generations by accelerating the transition towards a knowledge-based economic system which is able to ensure smart, sustainable and inclusive development, thereby boosting competitiveness, jobs and quality of life in the process;
- **increasing European attractiveness for talents and investments** by strengthening its capacity to produce excellence in cutting-edge research infrastructures, investing in young talents and promoting awareness of the social and economic value of research, science and culture in contemporary society;
- **accelerating the transformation of research and knowledge products** into industrial products and innovative services by stimulating pro-active behaviours, setting up favourable environments, emphasizing positive and success cases and removing obstacles that delay the process of making results accessible to the market and to potential users;
- **creating new opportunities for the market** aimed at the implementation of a “Social Economy” as a driving force for economic development, addressing the production of goods and services and responding to the needs of European citizens.

The above key goals can only be achieved by bringing together actors, strategies, actions and tools and by focusing attention on the **end users/industry/research/innovation cycle**. Setting up a virtuous cycle covering all phases from scientific results (research) to market uptake (industry) and society demand (end users), funded through a **single project approach**, will ensure that developed products are included in an operational chain of end users, thereby rapidly reaching the market. Within this framework, **National and European technological platforms** can provide a useful strategic contribution.

Italy believes that the “cultural revolution” behind the new CSF for European Research and Innovation funding is the correct approach to follow, i.e. bringing together under a single conceptual and operational framework research, innovation (including non-technological innovation) and activities promoted by the European Institute of Technology, previously managed through separate tools (FP, CIP and EIT).

Italy believes that the present EU regime of state aid for R&D&I, shows a tendency to penalize larger projects. In order to improve the efficiency of research and innovation policies towards the Major Societal Challenges, a deep revision of the related rules is required. While much has been done to simplify procedures and reduce burdens for SMEs investing in R&D&I, large-scale enterprises and projects are still subject to a very “detailed assessment” which makes the notification process quite burdensome. Analysis of data concerning individual notification procedures registered under the current system confirm the above.

The new strategic approach to EU research based on specific objectives relies heavily on results, supported by an “**ex ante**” **agreed set of measurable targets** and progress indicators. Greater emphasis on the goals of research, its **multi- and inter-disciplinary characteristics**, and the analysis of all the actors contributing to research, is needed. In order for this new strategic approach to be truly effective and efficient within the general architecture, rules, procedures and management must be thoroughly revised in line with the principles of **simplification, flexibility and consistency** of administrative procedures.

Introducing a **single entry point** for all project proposals is, undoubtedly, an important step in the right direction. This streamlined procedure would permit assessment of large-scale projects, which include different actions and activities in the research-innovation cycle, through a **single evaluation** and a **single decision** process. Italy does however underline the importance of developing a “new” **single contract** to assess progress “*in itinere*” and consequently allocate resources by “instalments”, on the basis of achieved objectives and deliverables.

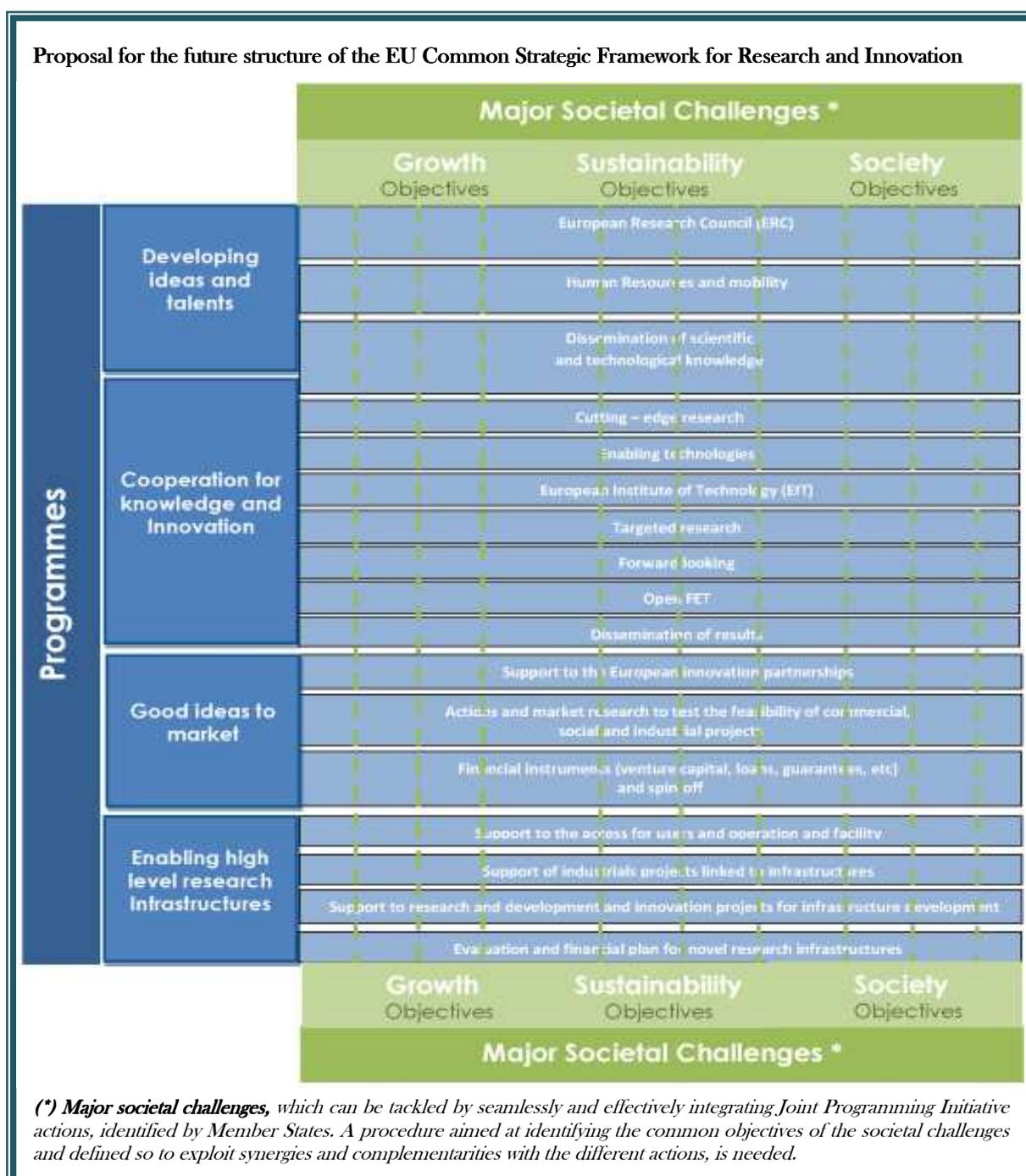
This innovative approach will simplify and reduce the time required for research products to reach the market, in line with the goal of ensuring that all stakeholders – from researchers to market – will **work together as a team right from the early stages of a project**.

In order to **maximize the CSF effectiveness towards social impact**, Italy believes that results should not be confined within the context that generating them, but should become a common resource for all EU sectors (academia, industry, etc.), albeit respecting intellectual property laws. This will require a comprehensive effort to **disseminate and share results** of projects through different channels, including the networks of Science and Technology museums and Science Centres.

## 2. Reviewing the general architecture

Italy suggests that a more effective picture of the CSF general architecture could be synthesized as a **matrix where rows and columns represent respectively MSC and Major Lines of activity (Programmes)**, in order to better identify decision-making responsibilities.

The matrix structure that follows enable a **twofold horizontal and vertical reading**, leaving the option open to select Programmes, objectives and tools for the organization of research activities:



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### 3. Programmes

The four lines of activity (Programmes) proposed by Italy, bring all the activities under the three previous EU funding instruments (FP, CIP, EIT) under a single Programme, in order to facilitate participation also by industry, and could be summarized as follow:

- **Developing ideas and talents:** it focuses on higher education, mobility of researchers, curiosity-driven research and dissemination of scientific culture in European society, and includes the following three activities: *European Research Centre, Human resources and mobility, Promotion of Scientific Culture.*

Italy is convinced that the activity aimed at **promoting and disseminating scientific culture** in European society is a key prerequisite for transforming Europe into a **knowledge-based society** - a society able to recognize the value of research and the importance of promoting a new generation of researchers, able to establish an effective dialogue both at an interdisciplinary level and with society. Italy strongly believes that actions promoting scientific culture as proposed in the first Programme mentioned on the matrix, as well as dissemination activities in the second one, are the key to both curiosity and innovation-driven research.

- **Cooperation for knowledge and innovation:** it focuses on innovation-driven research and includes seven activities: *Cutting-edge research; Enabling technologies; "EIT"; Innovation-driven research projects; Forward looking; Open FET (Future and Emerging Technologies), Dissemination of results.* Italy believes that **this Programme should be the main pillar** of the future CSF and should therefore be allocated a larger portion of the overall budget. With regards to the actions that should be taken, attention should focus on **frontier research and key enabling technologies**, as well as on converging technologies in view of their strategic role in the production processes of high added value goods and services.

Italy underlines the role of **"forward looking"** as an instrument for pinpointing key sectors potentially relevant for R&D&I, with a prevalent impact on local economies. An extensive knowledge of the productive system, together with the ability to foresee future trends, can be an useful instrument during the preparation of the Work Programmes for research and innovation, **facilitating the coordination of the local initiatives** towards the European key sectors.

Since existing knowledge and technology are not enough to provide solutions to EU2020 challenges, Italy recommends that this Programme remains **focused on medium and long-term research**.

- **Good Ideas to market:** it focuses mainly on three activities, i.e.: *Support EIP activities aimed at identifying obstacles and shortcomings that hinder market uptake; Actions and market research aimed at testing the commercial, social and industrial feasibility of projects (proof of concept, social acceptance, IPR, business plan, support to non-technological innovation initiatives, etc.), alongside financial sustainability; Financial tools to stimulate the creation of new technological enterprises and/or industrialisation of already tested results (spin-offs, start-ups, venture capitals, loans, guarantees, innovation vouchers for SMEs, etc.).* Italy believes that successful tools Pilot A or Large Scale Pilots of the ICT PSP Programme, under the CIP, should be kept in mind when developing the CSF Programmes Good Ideas to Market.

Italy underlines the importance of future projects for partially funding the capital required to launch a start-up. With regards to the new EIP initiative, Italy recognises the value and importance of this initiative at a European level, although it expresses some concern regarding the risk of it becoming exclusively a financial tool.

- **Enabling high level research infrastructures:** it is a Programme aimed to structuring the research community, with special focus on improving access of scientific communities and industrial users to infrastructures. The Programme will have to focus on the following four activities; *Supporting access to and functioning of existing infrastructures; Support industrial projects exploiting services offered by infrastructures; Support research/development and innovation projects to improve the competitiveness of infrastructures; Assessment and financial support plan for new infrastructures.*

### 4. Towards a new Governance

The strategic approach outlined by EU2020 and the suggested tools for the achievement of the goals, among which those described by the **Innovation Union Communication**, emphasize the central and

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coupled role of research and innovation, while pointing out at the weak areas where a planned action is required.

It appears necessary for the European Union to develop a strategy for R&D&I, as much as possible coherently shared as to objectives, different stakeholders, and tools. This approach cannot be delayed further as the present financial crisis can cause a lack of competitiveness and a decrease in productivity of Europe, in comparison with the most dynamic world economies.

Italy underlines the importance of developing a coherent strategy over the various levels of Europe, Member States and Regions, which, while maintaining the specific and different competences, enables to reduce fragmentation. Italy believes that the CSF should rely on a **more integrated scheme of governance**, an increased coordination among the different bodies of the EU and an **improved coherence between the European policies and the National and Regional strategies**.

The future CSF should more and more play a leverage role to stimulate participation, consensus and taking of responsibility by all the stakeholders, from Member States, to Regional Governments, to Industry, Universities and Research institutions, and to the Finance actors. In this context, it appears of particular importance the role that Regional Governments can play towards strengthening and integrating research policies at both National and European levels.

### 5. Joint Programming Initiatives (JPIs)

Italy has welcomed the process launched by EC to promote a **joint programming process in European research**, with the goal of moving beyond the limits of European competitiveness in tackling the Major Societal Challenges.

Italy shares the vision about the origin of the present restrictions in European competitiveness, recognized as being ascribed to either insufficient funding of certain research areas or to fragmentation in others, and sometimes to both.

On a national level Italy has implemented an effective consultation process among research stakeholders and provided its contribution to the Major Societal Challenges identification process, as well as to the selection of related research topics.

Italy believes that a **sound joint programming approach should be upheld** also in planning the CSF. With regards to JPIs, either approved or under approval, Italy recommends they should run alongside and across the “Programmes” as illustrated in the 3<sup>rd</sup> chapter, assuring a sort of **“light coordination and monitoring”**. The approach of the JPIs can also represent an useful **pilot-experience towards the sharing of strategies and support measures, as a result of an integrated governance at European, National and Regional level**. Therefore, Italy feels that the CSF should:

- a) recognize a **possible light role played by JPIs** themes towards future Programmes, as in the columns of the matrix mentioned;
- b) **assign an ERA Flag** to JPIs in recognition of their role;
- c) work towards **avoiding overlapping** within JPIs;
- d) ensure that JPIs will open to Member States that are not still part of the process;
- e) establish a **financial adequate contribution to JPIs from EC**, proportionally to the engagement of Member States.

### 6. European Research Council (ERC)

Regarding the activities promoted by the European Research Council (ERC) Italy believes that this important action - in support of curiosity-driven research and based on a single criterion of excellence - should be maintained and adequately financed.

Italy proposes **to increase funds allocated to the ERC**, consistently with the general increase in the CSF overall budget, so as to ensure funding of a larger number of excellence projects. However, Italy also believes that the turnover procedure of Scientific Council members will have to be done according to principles of transparency and guaranteeing an appropriate involvement of the Scientific community.

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## 7. High Level Research Infrastructures

Italy believes that Infrastructures are a top priority for the next CSF on which substantial resources should be concentrated by resorting to **smart financial engineering**, in view of developing the plan for **Research Infrastructures** set out in the European strategy, while ensuring better use and access to the scientific community, promoting the use of infrastructures to tackle Major Societal Challenges and stimulating innovative aspects aimed at markets and enterprises, in view of ensuring real sustainability throughout time. Considering that substantial National financial resources will be devoted to the implementation of the multi-annual development plan for infrastructures, Italy believes it is crucial to concentrate the common effort on a **limited number of infrastructures** which can be rapidly approved and set up.

Italy believes that choices at European level should be based on National strategy documents and policies set out by Member States and that the Commission, jointly with the Council, should organise an independent, international **assessment of an advanced scientific and entrepreneurial level** to set priorities and promote and facilitate the selection process. The assessment should be based on shared criteria linked to the impact of the Infrastructure on science, technology, industrial applications, society and economy.

With regards to funding, Italy welcomes the initiative launched by the Commission recalling the need to set up a financial engineering formula allowing coordination and integration of resources under the CSF, the Structural Funds and EIB capitals. Along the lines of the Preparatory Phase, we believe it is important to introduce projects which include a detailed description of the different steps required to set up a research infrastructure (plan of action), but also subsequent stages including a sustainability plan and a form of business plan that justifies the overall costs of the infrastructure and identifies responsibilities and resources made available by the various stakeholders.

Considering that Member States spend around 10 to 15 billion Euro per year to maintain and improve European infrastructures, Italy proposes that at least **20% of this budget be destined to improving user access and the functioning of the infrastructure**.

Another important issue regards the need to streamline both the management of European funds allocated to a national infrastructure and the governance of the infrastructure itself. With regards to this last point, Italy believes that the recently approved ERIC regulation can provide new opportunities and added value for Europe.

## 8. Training and mobility of researchers - Marie Curie Actions

**Attracting, training and retaining young and talented researchers within Europe is a key prerequisite to achieving the EU2020 targets**, as well as for maintaining EU competitiveness on a global level.

Italy expects the CSF to include appropriate incentive tools to promote: *Higher education; Doctoral degrees and, more specifically, attraction of extra EU PhD students*. The CSF should also include incentives for the mobility of researchers both within the EU and from/to Third Countries, as well as specific incentives to remove the present obstacles to mobility. Progress in this field could be monitored within the framework of the innovation scoreboard.

Italy also believes that the CSF should become a tool for accelerating and **intensifying industry-academia cooperation** in the training of future researchers by encouraging the **adoption of innovative models of doctoral training** - including cross-cutting and complementary skills - and paying special attention to economic and financial skills.

Over the years, the **Marie Curie Actions** have boosted mobility and excellence of researchers. Italy believes that the **Marie Curie Actions should be duly included in the CSF** in view of the fact that, besides being an education instrument, they could also **play an important role for research and innovation**.

Finally, in view of encouraging cross-national cooperation within the CSF, bearing in mind the spirit of the ERA, Italy underlines the importance of promoting a **European Framework for Research Careers** in order to develop a common “language” that will foster integration among national strategies on human resources in the research sector.

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## 9. Objective driven research

Italy, agrees along with the Commission that the new research strategy coupled with a systemic approach, will require to switch from the thematic/sectorial, to the interdisciplinary and focused research, with the exception of the ERC activities and Blue sky research. This with the aim to achieve social objectives, to be considered precisely, assessable, measurable and defined “ex ante”.

Research for objectives requires to formulate exactly, within his specific strategic context: missions, deliverables to be achieved through research, in order to enable an effective ex ante evaluation, monitoring and final assessment.

Pointing out on the achieved deliverables versus the expected ones, rather than having just the compliance to the administrative rules as the major criterion of success, is an important innovation that should be widely applied to simplify the project management, and give to the activities a more sound framework and a wider visibility for society.

## 10. Proposed projects and funding options

In order to encourage the participation of enterprises, especially SMEs, Italy believes in the importance of **reducing the number of project categories and standardising funding procedures**, according to the four proposed courses of action (Programmes). The general framework could be streamlined by adopting the following:

- a) **Cost sharing research contracts** and industry-academia PhD scholarships for traditional projects, including projects on enabling technologies and traditional targeted projects;
- b) **Flat rates, lump sums, pre-competitive procurement and incentives** for targeted market-oriented projects and demonstration projects tailored according to the importance and the nature of the project;
- c) **Partial contribution towards the construction and management of an infrastructure** through an integrated funding scheme that combines and coordinates resources from different Programmes and instruments.
- d) **PhD scholarships** for training activities.

## 11. Funding of different lines of activity

The integration of activities previously spread over three different Programmes under **a single Common Strategic Framework** implies a major financing effort whereby adequate resources are allocated to all lines of activity, consistently with the relevance of challenges.

Italy also believes that the debate on the new CSF for funding research and innovation in Europe runs parallel to the issue of the future EU Multi-Annual Financial Framework, with the aim of **finding the proper forms of coordination** and synergy to further support research and innovation. In this light, we need to ensure coordination and complementation between the two common Strategic Frameworks that will guide, respectively, the EU research and innovation policy and the EU cohesion policy, in order to optimize the overall contribution that the two Frameworks can make towards achieving research and innovation targets.

Regarding the allocation of resources, Italy feels that **the proposed four lines of activity should receive adequate funding** and that resources should be consistently distributed according to the needs and relevance of set goals. In this respect, the *Cooperation for Knowledge and Innovation* Programme can be considered the pillar of the new CSF, also in terms of allocated resources.

## 12. Rethinking rules towards simplification

**Rethinking rules according to goals and not setting goals according to existing rules** is a major innovation that can have a strong impact on the future CSF.

Simplification will allow a more shared interpretation of common rules, also in view of the usual accounting practises of participants. In relation to this aspect Italy believes that - given the risk for potential tax discrimination - **future rules must take into account the different taxation systems of EU Member States** in the CSF in order to avoid inequality.

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As for the simplification of procedures, the Commission should also adopt the necessary measures to regulate and organize the negotiation and evaluation process in a way that contracts can be signed within six, maximum seven months from the publication of the related call. This is an ambitious but viable challenge that would enhance Europe's credibility.

Italy considers appropriate to set up a **single entry point** for all project proposals, in order to standardize and simplify the information flow about the management of a single CSF and the establishment of an interactive tool to ensure shared and transparent monitoring of the progress of the funded projects.

### 13. Evaluation issues

Evaluation is the most sensitive phase of research management because unless it is done properly it can undermine the credibility of the research Programme itself. The entire evaluation process must be organized rigorously, in a timely and expert manner, according to a set of criteria and along a pre-determined, detailed and transparent procedure.

Evaluation criteria must be established in line with the strategic objectives and have to consider the expectations of European citizens in the fields of employment, women's participation, capacity to innovate, the ability to attract and meet their needs, in order to be able to assess and select the projects which best meet these needs consistently with the future CSF strategy.

The experience of FP7 has shown that we need **more than three criteria** to be able to evaluate projects properly and classify them according to merit. **Scientific and technological excellence is the fundamental criterion**, the prerequisite to access funding. We recommend that the evaluation process includes two phases in order to facilitate and simplify participation, especially for SMEs. On the crucial subject of evaluation panels, Italy strongly recommends the **rigorous respect of balances among evaluators, in terms of gender, geographical and sectorial/inter-sectorial distribution, never forgetting the proportional financial contribution** of MS to the EU budget.

Finally, Italy feels that the experience of **involving independent experts as observers** in the evaluation process should continue and that representatives from other institutions could also be involved.

With the aim of facilitating the growth of a common and shared culture of evaluation in Europe, Italy is in favour of a process of **sharing of databases of evaluators** for mutual exchange, but also of an effective diffusion of the peer review methodology across Europe, with beneficial results on National and Regional evaluation systems. In view of this, Italy proposes the establishment of a possible **co-ordination mechanism among National Evaluation Agencies** for research and innovation.

### 14. Small and Medium Enterprises (SMEs)

The future of employment in Europe greatly depends on the ability to set up new highly technological SMEs and on the **capacity of the "traditional" SMEs to absorb and produce innovation**. Italy believes that both the participation of existing SMEs and the establishment of new businesses are crucial.

Italy therefore emphasizes the need to include **dedicated actions for technological SMEs** in new Programmes and activities, as well as the **establishment of simplified and faster procedures**.

Italy believes that the action started with CRAFT (*Cooperative Action for Technology*) and continued with Research for SMEs, both purposely developed to enhance the technological potential of traditional SMEs, should be reviewed in the light of EU2020 goals in order to encourage greater participation of businesses by increasing the number of actions to support innovation in SMEs (so far limited to pre-competitive research projects in FP7) with measures that **facilitate the industrial application** of research outcomes to **test the quality of results** in terms of future applications, demonstrative actions and **take-up measures**.

Italy also supports a **revision of SME definition**, according to the objectives of EU2020 and taking into account the criteria expressed in the 361/2003/CE Recommendation as well as possible new criteria **based on research intensity, innovation capacity and international competitiveness**.

### 15. Venture Capitals

Italy believes that support to the phases of starting up, growing and strengthening of innovative SMEs should be expressed by dedicated risk finance instruments, possibly exploiting common approaches at

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European, National and Regional level, in order to sustain the step from research to production that is particularly demanding for the smallest enterprises.

Therefore Italy asks for a reinforcement of the role of **financial institution and intermediaries**, to stimulate the contribution of the better available competencies and knowledge, evaluating the most appropriate solutions in light of the current experience.

In this respect the role played by the European Investment Bank (EIB), as well as the European Investment Fund (EIF) through financial instruments such the Risk-sharing Finance Facility (RSFF), the High-growth Innovative SME Finance Facility (GIF) and the SME Guarantee Facility (SMEG), whenever framed within a unitary scheme, can have a significant impact in supporting SMEs.

The introduction of some prize schemes for those projects that, reverting into enterprises, are able to **attract venture capitals funds**, can offer to the CFS a tool to stimulate this approach.

## 16. New innovation actors

Particularly for projects involving activities connected to the innovation cycle, the introduction of a systematic approach also implies the participation of new actors able to implement the EIP strategies locally (in Regions and between Regions).

With regards to this, Italy proposes to draw up new measures to promote the **participation of Intensive Knowledge Technology Clusters** - including Technological and Scientific Parks etc. - with appropriate legal tools and specific goals.

This will also promote setting up of Public-Private Partnerships (PPP) for innovation as well as for the construction of new research infrastructures of pan-European and international interest. These voluntary aggregations of enterprises and public bodies must also include representatives from the society in order to ensure that the projects and the innovation they will put on the market are likely to gain public acceptance.

Italy believes that networks of SMEs and Technology Clusters (together with the business “angels”, venture capital operators, credit system and innovation poles), **having a full legal status and a clear representative role**, must be granted access to R&D&I calls for proposals as representatives and on behalf of SMEs and Clusters belonging to the network.

## 17. Public Private Partnerships (PPP) and Joint Technology Initiatives (JTI)

PPPs and JTIs are useful instruments to develop coordinated approaches. However, the efforts towards the partnerships should be supported and extended beyond the present concept of JTI to also address participation of smaller scale contributors.

JTIs must evolve coherently with the indications of a **global foresight analysis** covering social, economic, geopolitical and technological aspects. It is important to ensure a major involvement of the SMEs by adapting, for example, the financial regulations to the final objectives of the research project (for example without necessarily requiring the status of a Community Body).

## 18. Gender issues

In the last ten years, Italy has worked for mainstreaming the recommendations of the EU Commission concerning the low representation of women in the field of research and innovation.

In this context, Italy supports the commitment of the European Commission to keep gender issues in science a top priority for the next Programming period of EU research. We strongly believe that all MS will have to make a major effort and develop crosscutting national policies to achieve real equality in the field of science.

In this respect, Italy feels that the **gender issue must be the distinctive feature of the overall structure** of the CSF by promoting, also through bonuses and incentives, gender related access to funding. Italy will put forward specific and appropriate proposals on this at a later stage.

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## 19. The role of Joint Research Centres (JRC)

Joint Research Centres were set up at the beginning of the European Union history with specific tasks such as dealing with nuclear power production. Over the years many FPs were launched and the Joint Research Centres were gradually adapted to emerging goals and objectives, although never radically transformed into interdisciplinary centres of excellence open to European businesses - except for centres dedicated to nuclear issues (energy production, safety, waste disposal) which are still playing more or less the same role as they did to start off with.

Italy thinks that the Commission should take the new Common Strategic Framework as an opportunity to revise the role of those centres, in light of the EU2020 objectives, with the aim of making them more incisive and influential. To this end, we believe that the three non-nuclear Centres should make an effort to **focus their activity on few priorities with a high added value for Europe.**

More specifically, Italy believes that the **JRC facility based in Ispra (IT) should be entrusted with the task of coordinating a network of European centres for the validation of new technologies in the fields of energy and the environment**, also taking into account the needs of SMEs for the coordination of patent and licensing offices.

## 20. Management and synergies between European, National, Regional funds

As a general measure, Italy believes in the importance to **reinforce complementarity among the financing instruments** made available at the different levels. Specifically, the EU funding of research and innovation should help improving the quality of scientific and technological knowledge, raising the excellence levels at international standards, while regional funding should ensure the coordination of the local stakeholders, by addressing their efforts towards the same strategic sectors and goals, the efficient clustering of experience and human resources, and should offer tools to translate new knowledge into technological solutions, into product/process innovative paths and market distribution.

In this respect, Italy believes that a better **coordination of Programmes until now financed by Structural Funds and Framework Programme should be improved** with an open approach. Regional Programmes devoted to industrial research and technology transfer, aiming to build up regional clusters, should be supported, also promoting interregional cooperation.

Drafting the Common Strategic Frameworks for the period after 2013 (Common Strategic Framework for Research and Innovation and Common Strategic Framework for Cohesion Policy) offer the opportunity to **substantially improve consistency and synergy among the R&D&I actions** that will be supported under the two policy actions, by focusing resources to the EU2020 strategy objectives.

In order to strengthen synergies between the two Common Strategic Frameworks we need to explore at all levels the most effective and appropriate paths by identifying within the two Strategic Frameworks - as well as among the Regional, National and EU Programming and implementing tools - strategic targets, priority issues and implementing modalities to ensure that the actions supported by the policies for cohesion and for research & innovation are integrated and coordinated. This can also be achieved by harmonising and simplifying the rules guiding the implementation of the various actions.

The development and investment partnership contract as envisaged in the future cohesion policy may be the tool for Member States to select the most effective strategy to enhance the strategic coherence, both at National and Regional level, in the use of resources coming from EU and national funds, with the additional aim of encouraging a more systematic and effective participation of the less advanced Regions in the future EU Programme for research and innovation. This could be achieved through the **promotion of Regional research poles of excellence** and strengthening the connections between academia and enterprises. Initiatives to be developed in order to enhance synergies among the various Programmes should include:

- **Removing obstacles in the financing procedures** and rules that might delay integration and foreseeing devoted meetings, to improve the coordination in the initiatives;
- **Developing a simplified system to use ERDF funds** to finance R&D&I projects that have already received a positive evaluation at a European level but could not be funded due to a lack of resources;
- **Promoting the participation of Regions in European Partnerships** which develop joint Programmes and calls (ERA-net, JPI etc.), in particular when the scientific or technological sectors are particularly important for the local research and innovation system;

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- **Increasingly promoting peer reviewing** of research projects by independent experts in order to disseminate best practices;
  - **Facilitating access to adequate financial engineering tools** which effectively integrate different financing sources and modalities to build European research infrastructures, including EIB loans based on a careful evaluation of experiences carried out so far;
  - **Stimulating a major focusing on research and innovation**, also through evaluation&prize schemes, by setting up a coordinated frame, including also “regional smart specializations”.

## 21. International cooperation

In a globalized World international cooperation is a strategic tool to enhance the quality of European research. Italy believes that **granting access and funds to Third Countries**, as envisaged by previous FPs, must not be discontinued.

For Italy is important that the CSF promotes an egalitarian dialogue and exchange among Europe and third Countries, be they advanced, emerging or developing, in the research and innovation sectors. In those countries this implies **supporting the establishment of scientific partnerships** in all research and innovation fields and with all players (researchers, businesses, civil society, governments, etc.), thereby recognizing that economically non-advanced countries can also possess increasingly significant research capabilities.

## 22. Flexibility of the future CSF

A so ambitious and challenging Programme like will be the European CSF, should include properly designed means to ensure a sufficient flexibility work in progress, to quickly adapt actions to possible changes of the socio-economic context.

The present scheme of mid-term review is certainly effective, however, it is important to anticipate the possibility of reviewing and monitoring phases taking place during the CSF period, and aimed at assessing the status and the evolution of the priorities and their potential changes of resource allocated, according to different criteria.

In this context, the **European foresight could be an efficient tool for testing the overall evolution** of the system for updating the CSF instruments, introducing mechanisms and procedures for improving the efficiency of the CSF to support the competitiveness and excellence of the European research.

## 23. Common Strategic Framework and ERA

Italy is aware that the full implementation of the European Research Area, as established by the Lisbon Treaty, implies the implementation of legal instruments that will both the need to ensure the free movement of researchers and utter transferability of grants, besides the possibility for all European players to participate in employment opportunities and/or funding, regardless of nationalities and borders. Since national legislations display conspicuous differences in this field, achieving such a goal by 2014 would appear to be ambitious.

Nonetheless, Italy is in favour of a gradual approach that follows specific steps and a pre-determined schedule, whereby:

- rules, procedures, definitions, evaluation criteria, contracts and technical and financial reports used at Regional, National and European level will have to be harmonised;
- gradually increasing shares of funds will have to be available to participants, from countries other than the financing country – obviously introduced according to a reciprocity principle.

Italy believes that **this approach could be pursued as a pilot-experience towards the JPI funding process** and that the introduction of such measures will both optimize the use of resources by enhancing quality and quantity of EU researchers, and give them a sense of belonging to the same European scientific community.

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