

Towards FP8

1. Evaluation of the Seventh Framework Programme on R&D

1.1 Framework Programmes: more budget for enterprises and competitiveness

FP7 is targeted to both the academic community and enterprises (bigger enterprises and SMEs), but the budget and activities for enterprises are under pressure in favour of academic projects.

For the second part of FP7 and the new FP8 more budgets and activities should be aimed at enterprises (both bigger enterprises and SMEs), with a clear strategic aim to contribute to the innovation strategy by stimulating the competitiveness of Europe.

1.2 Internal reallocation of budget to finance more SME specific projects

Within the Seventh Framework programme on R&D 2007-2013 (FP7) 6,4 billion euro is allocated for participation of SMEs.

Roughly 80% of this budget (5 billion euro) is for “thematic SME budget” (top down, , high-tech based, long-term and larger projects). The target is that 15% of the budget for thematic programmes or 5 billion euro is used for the participation of SMEs, at present 12,5% is allocated to SMEs.

Roughly 20% of the “total SME budget” (1,4 billion euro) is reserved for the **SME specific programmes** “Research for SMEs” and “Research for SME associations”(bottom up, medium-tech based, shorter-term, smaller projects). The budget is only sufficient for 12% of all applications (whereas 40% of the applications are above the quality threshold).

The solution would be to reallocate SME budget, based on a mid-term evaluation of FP7, from “thematic programmes” to “SME specific programmes”. Another possibility would be to finance SME specific projects, which could not be awarded, under the “thematic programmes”.

2. FP8: increasing the share of industry and SMEs

- More budget to enterprises and competitiveness (raise allocated budget from 27% at present to at least 40%).
- Continuation of 15% budget for SMEs. Not dedicated only to “thematic programmes”, but to the overall FP8 budget.
- This 15% budget should be dedicated with a better demand driven balance between “thematic programmes” and “SME specific programmes” (not 80%-20% , but for example 50%-50%).

3. Why are SME-specific programmes at EU level necessary in FP8?

- There is a proven demand from SMEs.
- Without higher SME spending on R&D both the EU target of 3% GNP will never be reached.
- 2/3 of the proposed projects above threshold, which are not financed at EU level (because of budget shortages), are not financed later on at national or regional level. This is a waste of project and innovation possibilities for Europe in general.
- SMEs often do not want to cooperate with other SMEs at the national level, as they are regarded as competitors, especially in smaller member states. SMEs in other member states are regarded less as competitors, so there is less reluctance to cooperate.