National Assembly for Wales
European and External Affairs Committee

Welsh participation in EU research, innovation and lifelong learning programmes

February 2011

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Chair's Foreword

This is the fifth report of inquiry by the European and External Affairs Committee in the third Assembly. We publish as the debate on the future EU Budget begins in earnest, and in advance of the European Commission bringing forward proposals for EU funding programmes after 2013.

Given the uncertainty about how much European funding will be available to Wales in the future, there is no better time to review Welsh involvement in programmes outside Structural Funds and the Rural Development Plan, and to attempt to benchmark Welsh performance against that of other parts of the UK and other comparable European regions.

This inquiry found that there is definitely scope for Wales to "up its game", in particular in accessing funding from the Framework Programme for Research and Technological Development (FP7) to boost Welsh research capacity. A more strategic approach to encourage participation in all of these EU programmes will help to achieve both the Welsh Government's strategic objectives and the shared European goal of significantly increasing R&D spend across the EU, as set out in the Europe 2020 strategy. We have made recommendations along these lines, recognising that more work is needed to identify appropriate good practice models that could work for Wales.

We are grateful to all those who contributed to our inquiry by providing written and oral evidence, and not least to Dr Liz Mills, our expert adviser, whose expertise helped Members enormously, both with the technical aspects of the inquiry and in identifying some major pinch points for Welsh stakeholders in seeking to access EU funds.

As we look forward to elections to the Fourth Assembly in May, we hope that our findings will inform the future approach to participation in European programmes for research, innovation and lifelong learning.

Rt. Hon. Rhodri Morgan AM
Committee Chair

Executive Summary

The inquiry focused on Welsh participation in the three largest EU funding programmes outside Structural Funds and the Common Agricultural Policy, namely the Seventh Framework Programme for Research and Technological Development (FP7), the Lifelong Learning Programmes (LLP) and the Competitiveness and Innovation Framework Programme (the CIP), which have a combined total value of over 60 billion euros across the EU for 2007-2013. The inquiry gave most attention to FP7, which has the largest budget and clear links to the policy agenda to boost research and development in Wales.

Welsh performance in FP7 so far is comparable with that for the previous programme, FP6. For the universities, in particular, involvement in FP7 brings multiple benefits. However there are barriers to participation and there is significant scope for improvement in some areas (Recommendations 5 & 6). Overall the level of participation in the Lifelong Learning Programmes was positive, although, again, a significant barrier to future participation was identified and there was scope to boost participation by the less traditional Welsh universities (Recommendations 1 & 2). Information on participation in the CIP was more difficult to obtain. However, there was evidence both of Welsh success in parts of the programme and a need to promote more involvement, especially of businesses and local authorities, in areas of key strategic interest to Wales, such as sustainable energy and eco-innovation (Recommendation 3).

The process of gathering evidence on Welsh participation exposed problems with access to data, especially in seeking to benchmark Welsh performance against other devolved nations and regions in Europe. The European Commission is taking steps to address some of these issues, and the Committee has also recommended that the Welsh Government ensures better provision of data on regional performance (Recommendation 4).

There is a strong need for a top-level strategic overview of how Wales is accessing and implementing all EU funding programmes, and how the various programmes can dovetail to achieve Welsh policy objectives, especially in the priority sectors identified in the Economic Renewal Strategy. The Committee recommends that the Welsh Government reviews its current strategy for engagement in Europe, in consultation with key Welsh stakeholders (Recommendation 7). The importance of contributing to consultations on the future programmes was also highlighted.

Availability of Structural Funds resources emerged as both a reason for relatively low participation in the other EU funding programmes, particularly for local authorities, and as an opportunity to build experience in trans-national cooperation which can provide a "way in" to collaboration on FP7 and CIP funded projects. Greater complementarity between all the EU funding programmes should be encouraged (Recommendations 8 & 9).

At present there is no systematic mapping of EU funding opportunities across the board in Wales, and some contributors also pointed to a need for information on existing participation in the various programmes, and on support services for potential applicants to be more widely available. The inquiry noted that collaboration between business (both larger companies and small and medium-sized enterprises) and the university and local government sectors was relatively weakly developed in Wales. Although collaboration between academia and business appears to be a wider UK and EU issue, some specific barriers were identified within Wales. The Committee explored the efficacy of the existing approach to brokering and "matchmaking" project partners, and ideas to encourage collaboration, including something akin to a "special-purpose vehicle" to provide stimulus to key strategic projects (Recommendation 10).

The Committee explored the internal support mechanisms which some organisations (especially in the higher education sector) have set up to encourage bids to these programmes, as well as roles played by: the National Contact Points for the various programmes; Enterprise Europe Wales; the Welsh Government; the Welsh Local Government Association; the Welsh European Funding Office (WEFO) and the Spatial European Teams (SETs); the Europe Direct information service; and Welsh representation in Brussels. The Committee recommends that the Welsh Government takes stock of the various support mechanisms available to participants across Wales and explores ways to bring them together, as appropriate, through the development of a "one-stop-shop" for all the programmes. The inquiry was not able to identify one specific best practice model, but found scope for the Welsh Government to explore the mechanisms in place in European regions that outperform Wales (Recommendations 7, 9, 10, 11, 12, 13 & 14).

List of Recommendations

Recommendation 1. The Welsh Government to monitor Welsh uptake of the LLP programmes for 2010-11 and discuss with the National Contact Points whether: a) there is a need to make representations to the European Commission on the accessibility of the online application process; and b) there is a role for the Welsh Government to support the promotion of the programmes by the newer universities in Wales. (Page 23)

Recommendation 2. The Welsh Government to report to the Assembly on its assessment of the likely implications of the removal of the tuition fee waiver on Welsh participation in LLP programmes and any planned measures to address this. (Page 23)

Recommendation 3. The Welsh Government to report to the Assembly on: how it has participated in the European Commission consultation on the future of the CIP programme; the relevance of the ICT-PSP strand of CIP now that resources for that area appear to be increasing; greater clarity on the CIP financial instruments available to Wales and the extent to which they are being, and could be further deployed. (Page 24)

Recommendation 4. The Welsh Government to seek assurances from the UK Government that:

a) information will be collected and provided to devolved administrations on the regional breakdown of Research Council funding;

b) future evaluations of the impact of EU Framework Programmes in the UK will include an analysis of the regional breakdown of participation.

The Welsh Government to also raise these issues with other devolved administrations in the UK. (Page 25)

Recommendation 5. The Welsh Government to report to the Assembly on how, in lobbying on the future of FP8, it has raised the concerns and priorities of Welsh stakeholders at Member State and European level, including on simplifying financial rules and costing methodologies where possible, and reviewing the timing of bid deadlines. (Page 28)

Recommendation 6. The Welsh Government to explore the benefits of encouraging Welsh funding bodies to invest more in the FP7 ERA-Nets initiative. (Page 28)

Recommendation 7. The Welsh Government to review *Wales and the European Union – a Strategy for the Welsh Assembly Government* (2009) with a view to developing a new, much broader, strategy for "Wales in Europe", informed by European best practice and developed in open consultation with key Welsh stakeholders including local government and the business and third sectors. The strategy to set out how the Welsh Government intends to engage with all EU funding programmes to deliver against its One Wales objectives, the Economic Renewal Programme and future strategic priorities (both directly, and in partnership with other Welsh bodies). The review of the strategy to incorporate: reviewing the management and publicising of all EU funding programmes and efficacy of current support services across Wales, including the role of Enterprise Europe Wales and National Contact Points to publicise opportunities and support bids. This review to take account of good practice arrangements in other regions of the UK and European Union so as to identify possible models (see also later recommendation 13);

- commissioning a systematic mapping of all EU funding opportunities against One Wales policy objectives in order to prevent any missed opportunities;
- ensuring explicit reference to all available EU funding programmes and instruments in strategy documents as part of the "policy tool kit" for implementation and to raise awareness of opportunities for complementarity between the funding programmes;
- Including a mechanism to monitor implementation of the strategy and evaluate its success and provide regular reporting. (Page 31)

Recommendation 8. The Welsh Government to ensure greater emphasis is given to, and use made of, the trans-national funding element in mainstream Structural Funds programmes to pump-prime research and development proposals to programmes like FP7. (Page 31)

Recommendation 9. The Welsh Government to review its Territorial Cooperation Strategy and explore the scope for partnerships on funded projects, especially with those cities and regions for which there are existing working arrangements, including through Memoranda of Understanding and Twinning. (Page 31)

Recommendation 10. The Welsh Government to undertake further work to establish the extent of collaboration in Wales between universities and industry and how this can be further encouraged, in particular in developing strong working relationships with larger companies showing a commitment to Wales; and to explore the merits of developing something akin to a

"special purpose vehicle" to provide stimulus to key strategic projects in Wales that could potentially benefit from Framework Programme funding. (Page 37)

Recommendation 11. The Welsh Government to draw the attention of the Creative Industries Board to the need for better signposting of information, advice and support on European funding opportunities for the creative industries in Wales to develop trans-national partnerships. (Page 38)

Recommendation 12. The Welsh Government to explore with the higher and further education sectors what further action may be taken to encourage staff to take on the role of Framework Programme evaluators and become involved in EU-level committees and networks, and to disseminate the benefits of that experience within and between Welsh institutions; and to report to the Assembly on that work. (Page 39)

Recommendation 13. The Welsh Government to consider how existing resources can be brought together and strengthened through the development of an all-Wales "one-stop-shop" for all EU funding programmes, both for existing project participants, and to support brokerage and partnering for the next generation of projects. The service to bring together:

- data on all existing project participations;
- partners involved (both beneficiaries and brokers);
- case studies and information;
- policy and practical expertise and signposting to NCP and other support services for eligible organisations across all Welsh sectors.
- The Welsh Government to consider developing an interactive web-based facility as part of this support, to publicise and communicate successful projects and future opportunities. (Page 43)

Recommendation 14. The Welsh Government to review the use of the Welsh European Collaboration Fund (WECF) and determine whether it is adequately resourced and if more should be done to publicise it and make it more widely available across all sectors of the Welsh economy, beyond HE organisations and businesses. The Welsh Government to consider the role of the WECF in the context of its current review of the Targeted Match Fund for the 2007-2013 Structural Funds Programme. (Page 43)

1. BACKGROUND

Rationale for the inquiry

1. The inquiry was conducted in the context of the EU Budget Review published on 19 October 2010, launching a debate about the future priorities and focus of the EU Budget after 2013. The budget is expected to be based around the priorities of the Europe 2020 Strategy and its seven flagship initiatives.

2. The two largest budget lines within the current EU Financial Perspectives are the Common Agriculture Policy (CAP) and EU Cohesion Policy, from which Wales has traditionally benefitted substantially and which Assembly Committees have scrutinised in detail. However, there has been no analysis of Welsh participation in the other EU programmes and initiatives available for the funding period 2007-2013.

3. The inquiry focused on the three largest programmes outside Structural Funds and CAP, which are also directly relevant to the Europe 2020 Strategy and the research and skills agenda and have a combined overall budget of over €60bn. The programmes are the Framework Research Programme for Research and Technological Development (**FP7**); the Lifelong Learning Programmes (**LLP**); and the Competitiveness and Innovation Programme (**the CIP**). A range of support is available to potential participants, including a network of "National Contact Points" (NCPs) in Wales and the UK.

4. These programmes differ significantly from Structural Funds and the Rural Development Plan in that they operate EU-wide, virtually all require transnational partnerships or co-operation, and they are not geographically targeted at specific regions or areas. For FP7 and the vast majority of actions under the CIP, applicants bid in competition with the rest of the EU. For the LLP, 85% of funds are managed through national agencies at Member State level, which means the competition for funds is within the UK.

5. Uncertainty about the size of the EU Budget post-2013 and how funding instruments will be structured and allocated means it is imperative that Wales is geared up to maximise access to all available funding streams in creative and complementary ways. For some years the European Commission has been stressing the importance of "increasing synergies" between the various EU funding programmes (in particular FP7, CIP and the various instruments under Cohesion Policy). The importance of this "complementarity" for delivering the Europe 2020 strategic priorities is set

out in the working document accompanying its Communication on "Regional Policy contributing to smart growth in Europe 2020",[1] and the Commission has also published a practical guide to funding opportunities for research and innovation.[2]

6. The Committee's report is timely as the European Commission is currently undertaking consultations on the future of the programmes, ahead of proposals for the next round of programmes which are expected to be published in the second half of 2011.

Terms of Reference

The terms of reference were:

- to understand the extent and type of involvement of organisations from Wales in the following EU Programmes: the Seventh Framework Research Programme (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.

7. The main questions the Committee sought to address were:

- the extent of Welsh participation in the three programmes for 2007-2013 and how it compared with previous programming periods (e.g. FP6/FP5);
- the breadth and type of involvement, i.e. organisations involved; geographical spread; any sectoral concentrations;

[1] European Commission Staff Working Document SEC(2010) 1183
[2] http://cordis.europa.eu/eu-funding-guide/home_en.html

- how participation by organisations from Wales compared with other parts of the UK, and in terms of UK/EU averages;
- any particular success stories within Wales or special niche areas of Welsh expertise;
- perceived benefits of involvement, including any long-term or legacy effects;
- particular challenges or barriers to participation and any pinch points in the process e.g. in funding or recovery of university overheads, or "matchmaking" with other Member States' institutions or companies;
- the extent to which participation in Structural Funds has facilitated participation in other EU programmes;
- the value of any support provided to successful applicants or to their partners in developing project proposals;
- the relevance of the Welsh policy context to the initiatives supported, including Welsh Government strategies such as the "Economic Renewal Programme for Wales" and "For Our Future";

Specific policy recommendations to be made in terms of future programmes post 2013.

Appointment of an expert adviser

8. Given the broad focus of the inquiry, the technical nature of the topic and the limited time available to report before dissolution, Members decided to seek additional expert advice. Full details of the appointment process were published in paper EUR(3)-16-10-p8 on the Committee's website. Members agreed to appoint Dr Liz Mills, who has provided substantial expertise and input to the inquiry, including assisting in formulating the Committee's report. The Committee is extremely grateful to Dr Mills for her invaluable contribution to its work.

Evidence gathering

9. The Committee issued a call for evidence to a wide range of stakeholders across Europe and received twelve initial responses. Evidence came predominantly from the higher education sector, demonstrating a high awareness of the opportunities presented by FP7 and any successor programmes, and from National Contact Points. The Welsh Government provided no evidence on Welsh participants in the Competitiveness and Innovation Programme (CIP), although the principal Welsh support mechanism for businesses to access EU innovation funds – Enterprise Europe

Wales - is co-financed by the CIP and Welsh Government match funding. Other individual Welsh beneficiaries of the CIP were identified from the UK Department for Business, Innovation and Skills. Aside from the Welsh Government and UK Government, limited evidence was received from public sector bodies. The Committee was disappointed with the initial response to consultation from local government and the business sector in Wales.

10. Nine oral evidence sessions were held and a substantial amount of background research was conducted in the course of the inquiry.

11. Contributors identified many benefits to participation in the programmes, both for individuals in terms of improving mobility and future employability,[3] and for organisations to boost their international reputation and collaboration with European partners.[4] Numerous examples of innovative projects and best practice were identified across all three programmes - these are detailed in the accompanying evidence.

[3] Written evidence EUR(3)-13-10: Paper 2
[4] Consultation response EFP-005

2. THE PROGRAMMES

12. In total the three programmes under consideration account for around 60 billion euros of the EU Budget for 2007-2013. The lion's share of this funding is to FP7 (around €50.5bn for 2007-2013 to support research and development),[5] with around €7bn available for the LLP and €3.6bn for the CIP, which has a particular focus on small and medium-sized enterprises (SMEs).

The Seventh Framework Programme for Research and Technological Development (FP7)

13. Of the three programmes examined, FP7 has the largest budget outside Structural Funds and CAP, to support the creation of a European Research Area (ERA) through investments in research and innovation, and was the major focus of the inquiry.

14. The emphasis in FP7[6] 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. The programme is organised into four broad areas of support, or "strands":

- **Co-operation**: the core of the FP7 programme, aimed at fostering collaborative research in ten key thematic areas;
- **Ideas**: a flagship component of FP7 to support bottom-up "frontier research". **The European Research Council (ERC**) was established to implement this programme, which complements funding from national research agencies;
- **People**: relates to human resources in research, implemented through actions such as training researchers, including the "Marie Curie" actions;
- **Capacities**: operates in seven broad areas,[7] aiming to strengthen research capacity.

15. In the UK the Technology Strategy Board (TSB) supports FP7 project development (for example via an internet platform called Connect[8] and by

[5] This excludes the €2.7bn budget for EURATOM, nuclear research and training activities.
[6] http://ec.europa.eu/research/fp7/index_en.cfm
[7] Research infrastructures; Research for the benefit of SMEs; Regions of knowledge and support for regional research-driven clusters; Research potential of Convergence Regions; Science in society; Support to the coherent development of research policies and International cooperation.

coordinating Eurostars projects). The Welsh arm of the European Enterprise Network - Enterprise Europe Wales - publicises opportunities for Welsh companies to participate in FP7. The UK Research Office (UKRO) based in Brussels also has both a national support role for the higher education sector to access FP7 (principally as National Contact Point for Marie-Curie and the European Research Council), and provides more hands-on support to subscribing members, which include six Welsh universities.[9]

The Lifelong Learning Programmes (LLP)

16. The LLP is the EU framework programme supporting education and learning across the EU at all ages and stages of learning. There is a particular emphasis on mobility of learners and teachers/academics (including work-based training as well as exchanges between educational establishments) and supporting development of education and training policy and systems. The LLP[10] is comprised of four thematic sub-programmes and a fifth cross-cutting or "Transversal" programme, which complements the four thematic programmes:

- **Comenius** for schools
- **Erasmus** for higher education
- **Leonardo da Vinci** for vocational education training
- **Grundtvig** for adult education
- **Transversal**: focused on ICT, policy co-ordination/dissemination and language learning

17. Unlike FP7 and CIP, where there is competitive bidding across Europe, the LLP programmes have national allocations, and the Welsh Government Department for Children, Education, Lifelong Learning and Skills liaises with the national agencies for these programmes and co-finances activities.

18. The British Council is the UK's National Agency for a number of decentralised actions in **Comenius** (mobility for schools and FE institutions) and **Erasmus** (the EU's flagship programme for international student mobility).[11] It promotes awareness and understanding of the programmes,

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[8] Written evidence EUR(3)-15-10: Paper 1

[9] Aberystwyth University, Bangor University, Cardiff University, University of Glamorgan, Swansea University and University of Wales Newport.

[10] http://ec.europa.eu/education/lifelong-learning-programme/doc78_en.htm

[11] The British Council also manages decentralised elements under the EU Youth in Action Programme, which is technically not part of the LLP, and therefore, outside the scope of this inquiry – although the British Council provided information on its support in this areas in their evidence to the Committee]

runs training programmes, and administers applications and reports to the European Commission and UK Government on implementation.

19. Ecorys is the UK National Agency for the **Leonardo da Vinci, Grundtvig and Transversal** Programmes. It manages the decentralised elements of these programmes and promotes, administers and distributes funds to UK organisations.

20. Both Ecorys and the British Council actively promote the various parts of the LLP in Wales. Ecorys runs a Welsh Advisory Group and its promotional work includes providing politicians with information mapping funded projects, case studies and programme information by Welsh constituency area.

The Competitiveness and Innovation Framework Programme (CIP)

21. The CIP has small and medium-sized enterprises (SMEs) as its main target and aims to encourage a better take-up and use of information and communication technologies, to develop the information society and to promote the increased use of renewable energies and energy efficiency. The CIP is divided into three operational programmes:

- **Entrepreneurship and Innovation Programme (EIP):** Comprised of a number of elements including (i) financial support for an EU-wide network of business-innovation support services, mainly the Enterprise Europe Network (of which Enterprise Europe Wales is a part); (ii) an Eco-Innovation programme providing support to SMEs (in particular) for market replication of eco-innovation products/processes; (iii) funding to set up EU financial loan and guarantee schemes, including venture capital funds. Linked to the EIP are the innovation networking actions "PRO-INNO Europe" (including INNO Nets) and several initiatives related specifically to clusters, such as the European Cluster Alliance and European Cluster Policy Group.
- **Information Communication Technologies Policy Support Programme (ICT-PSP):** This programme aims to stimulate a wider uptake of innovative ICT based services and the exploitation of digital content across Europe by citizens, governments and businesses, in particular SMEs. It does this by supporting pilot actions, involving both public and private organisations, for validating innovative and interoperable ICT based services in a range of areas, including health, ageing and inclusion, digital libraries, improving public services and energy efficiency.

- **Intelligent Energy Europe Programme (IEE):** This programme supports a range of projects/actions that raise awareness and promote intelligent energy use across the EU. Participants include local authorities and energy agencies as well as businesses.

22. National Contact Points support the IEE and ICT-PSP elements of the CIP but there is no specific contact point for the Eco-innovation sub-programme. The UK Department of Energy and Climate Change is responsible for IEE and the Energy programme in FP7 in the UK, and funds an “Energie” helpline to support UK participants.

3. KEY CONCLUSIONS

Welsh Performance in the three programmes

23. The inquiry attempted to benchmark Wales' overall performance in the three programmes against other parts of the UK and European regions. The Committee received reasonably comprehensive evidence of the extent of Welsh participation in the various strands of FP7, and LLP, and some data on how performance compared with that of the other devolved nations and regions. It was more difficult to obtain information on the CIP programme to allow comparison of Welsh performance with other devolved areas of the UK or across the wider EU.[12] There is no single source of information on the programmes and no particular Welsh Government department currently tasked with maintaining an overview.

24. For FP7 the European Commission records all participation information on its central CORDIS database, including regional level data, although there are some issues around reliability of data (see later section on Benchmarking Welsh Performance with other regions) and access to data (this is due to data protection and confidentiality issues). The Commission makes information available to the public on participation in FP7 at Member State level only – its website does not provide information on participation at sub-state (regional) level across the EU. The Commission is able to provide each Member State with a breakdown of regional participation within that Member State. The UK Government has decided to make regional data available within the UK, which has enabled the Committee to get a picture of how Wales performs compared with Scotland, Northern Ireland and the English regions, however it does not routinely publish this information on its own websites for general public access.

25. The European Commission is aware of concerns about access to data and is taking steps to better inform national and regional authorities on the beneficiaries of EU research and innovation funding located in their area.[13] The European Conference of Peripheral and Maritime Regions (CPMR) will also be making the case for transparent and reliable regional data in a High Level Group set up as part of EU preparations for FP8 proposals.[14] Officials in

[12] Written evidence, EUR(3)-16-10: Paper 2
[13] Commission Staff Working Document SEC(2010)1183 – Document accompanying the Commission Communication on Regional Policy contributing to smart growth in Europe 2020 COM(2010)553 published on 6 October 2010.
[14] Week of Innovative Regions Europe (WIRE) conference in Budapest in June 2011, organised under the Hungarian Presidency: http://wire.fecyt.es/publico/Inicio/index.aspx?idioma=en

the Welsh Government and Welsh Higher Education Brussels office are following this work as observers.

Participation in the Framework Programme for Research and Technological Development

26. Of the three programmes under consideration, the inquiry gave most attention to FP7 as having the largest budget and clear links to the policy agenda to boost research and development in Wales. Data on participation of the UK devolved nations in FP6 and FP7 was provided by the UK Government Department for Business Innovation and Skills,[15] as set out in tables 2, 3 and 4 of the technical annex to this report. In comparison with other parts of the UK, overall Welsh performance in FP7 appears somewhat lacklustre. The Welsh share of FP7 funding to the UK so far is 2.1% (€38.6 million out of a UK total of €1.8 billion). Although comparable to FP6, this is still far lower than Wales' UK population share (4.9%), and in stark contrast to Scotland, which draws down 9.5% of the UK's total FP7 funding – a significant increase on FP6 performance and taking it above its UK population share.

27. Like the rest of the UK, Welsh participation is dominated by the universities - the higher education sector receives 90% of FP7 funding allocated to Wales, the highest percentage of all the devolved nations. The vast majority of the 129 FP7 projects in which Wales participates are under the ten thematic priorities of the Co-operation Programme (80), in particular in ICT (19), Health (16) and Environment (14). Areas of lower participation are Energy, Transport, Space and Security.

28. In the other strands of FP7, there have been 17 participations under Marie-Curie Actions ("People" programme), especially used to bring highly qualified overseas researchers into Wales, and five under the Ideas programme, significant for its focus on frontier research. Within the Capacities strand of FP7 the highest participation is in "Research Infrastructures" (research facilities supported by this funding can, in many cases, also be supported by Structural Funds), and "SME actions".

29. There are clear reputational benefits to involvement in FP7, both as partners and coordinators, in terms of international exposure and recognition that can enable Welsh Universities to attract high quality researchers.[16] In particular it can help smaller research teams become involved in bigger, significant projects, enhance research skills and

[15] Consultation response EFP-002
[16] Written evidence EUR(3)-15-10: Paper 2

knowledge, inform teaching and generate new ideas.[17] Currently Cardiff University leads the field in terms of approved FP7 projects but there are some concentrations of expertise in other institutions such as Aberystwyth and Bangor.

30. The newer Welsh universities stressed their efforts to build success in FP7 after relatively modest involvement in previous programmes, with UWIC pointing to its focus on "smart specialisation" in areas of unique expertise and "smart partnering" in areas which are known EU level priorities and are attractive to potential international partners, such as healthy ageing, SME engagement and eco-design. The Chief Scientific Advisor for Wales pointed to the need to foster development in areas where Wales has "genuine centres of excellence".[18] A tendency for FP7 to favour existing teams and networks and those with a track record in accessing funding may militate against involvement of the newer or less established higher education institutions in Wales.[19] More collaboration within the sector and support from the Welsh Government in developing major project bids and providing limited match funding could be helpful.[20]

Participation in the Lifelong Learning Programmes

31. Overall there has been a positive level of Welsh participation in LLP between 2007-2010.For each of the programmes, Wales is on a par with, or performing better than England, and, for a number of the programmes, is outperforming Scotland (Tranversal and Comenius) and Northern Ireland (Erasmus). See data in Table 1 annexed to this report. For the year 2010 however, there were reduced applications for both Comenius[21] and Grundtvig[22] programmes. A change in the online application process was identified as a possible factor, although the National Contact Points were hopeful that this would resolve over time. The drop in Comenius was also caused by UK applications being rejected due to insufficient funds (ie excessive demand in other countries).

32. The amount of funding Wales received for Leonardo, Grundtvig and Transversal and Comenius exceeds what would be expected for its UK population share.[23] It was suggested that gaps in participation in some

[17] Consultation response EFP-005
[18] Paragraph 154, Transcript 23 November 2010
[19] Consultation response EFP-005
[20] Consultation response EFP-005
[21] Paragraph 111, Transcript 5 October 2010
[22] Written evidence EUR(3)-14-10: Paper 2
[23] Written evidence EUR(3)-14-10: Paper 2

Grundtvig measures including Senior Volunteering Projects and Assistantships was due to availability of Structural Funds to support these types of activities.

33. All Welsh universities hold the necessary Erasmus charter and 5% of eligible Welsh students participate. Aberystwyth, Bangor, Cardiff and Swansea have the best participation,[24] and the Committee welcomes efforts by the British Council to encourage greater participation by other, newer Welsh universities. In general across the UK there are more in-coming than outgoing Erasmus students, which UKRO saw as due to cultural reasons and a lack of language skills.[25] The inclusion of international students and staff in Erasmus from 2010-11, removing nationality as a barrier to participation, was expected to increase the overall number of students participating, but not necessarily the number of students originating from Wales.[26] The programme also requires that students spending a full year abroad should not be charged tuition fees by their home institution, and HEFCW has indicated that from 2010/11 it will not fund any increase in the budget for the tuition fee waiver. This effective capping of the budget was considered likely to leave Welsh students at a disadvantage in comparison with other UK students while overseas, forcing them to seriously reconsider a placement abroad or look elsewhere when considering which university to attend, in turn making it difficult for Welsh universities to remain competitive.[27] This is likely to particularly affect those studying for European languages degrees over four years. For universities, the structure of degree programmes in some subject areas also makes it difficult to send Erasmus students abroad for extended periods. [28]

34. Other recent trends in the LLP programmes include an increased focus on apprenticeships in Leonardo, and in general a broadening of access for disadvantaged groups.[29] The European Voluntary Service aspect of Youth in Action, offering short term volunteering opportunities, was noted as particularly successful in improving the employability rates of those not in education training and employment (NEETS).[30]

35. CollegesWales pointed to a failure to make student mobility a priority in all further education institutions – staff may be enthusiastic but there is no

[24] Written evidence EUR(3)-13-10: Paper 2
[25] Paragraph 48, Transcript 9 November 2010
[26] Written evidence, EUR(3)-14-10:Paper 1
[27] Written evidence EUR(3)-14-10: Paper 1; EUR(3)-15-10: Paper 3
[28] Written evidence EUR(3-15-10: Paper 2; Consultation response EFP-008
[29] Written evidence, EUR(3)-14-10: Paper 2
[30] Paragraph 136, Transcript 5 October 2010

sector-wide strategic approach. The Welsh Government has recently funded the one year appointment of a Vocational Educational Training (VET) Coordinator to help maximise the take-up of funds, including for apprenticeship placements. Efforts by the National Contact Points to identify and overcome barriers to participation in LLP were also acknowledged by participant organisations.[31]

Recommendation 1: The Welsh Government to monitor Welsh uptake of the LLP programmes for 2010-11 and discuss with the National Contact Points whether: a) there is a need to make representations to the European Commission on the accessibility of the online application process; and b) there is a role for the Welsh Government to support the promotion of the programmes by the newer universities in Wales.

Recommendation 2: The Welsh Government to report to the Assembly on its assessment of the likely implications of the removal of the tuition fee waiver on Welsh participation in LLP programmes and any planned measures to address this.

Participation in the Competitiveness and Innovation Programme

36. Evidence from the Welsh Government and Welsh Local Government Association on participation in the CIP was very limited, but some data obtained from the UK National Contact Points and other respondents indicated participation in some parts of the CIP, eg Intelligent Energy Europe (IEE) and Eco-Innovation. This was encouraging but there is scope to ensure Welsh organisations are taking full advantage of all the opportunities. Twenty-nine of the 370 proposals submitted to the 2009 call for IEE were coordinated from the UK. Only seven of these UK proposals were approved,[32] but there were also UK participants in over half of the successful bids (32 out of 59), and this includes some Welsh partners. The Severn Wye Energy Agency (SWEA) is a partner in seven IEE projects, five of which include activities in Wales, including the Biogas Regions project involving the University of Glamorgan which receives Welsh Government match funding. Cardiff and UWIC are also involved in IEE projects or bids. SWEA pointed to the benefits to Wales of importing knowledge and experience of EU partners, and of demonstrating Welsh progress on sustainable energy issues.

37. Until recently the second CIP operational programme, for ICT Policy Support (ICT-PSP), had a relatively small budget and Wales has had limited

[31] Written evidence EUR(3)-15-10: Paper 3; Consultation response EFP-005
[32] Source: Energie Helpline annual report 2009-10

involvement in it, but opportunities for funding a broader range of participants are now increasing.

38. It was not easy to build a picture of how the CIP financial instruments are used in the UK because they are managed by the European Investment Fund (EIF) in cooperation with financial institutions in Member States. BIS data show that while UK financial intermediaries (banks) have up to now made no use of the EIF-backed loan guarantee facility, UK based venture capital funds are the largest beneficiary of the EIF measures. The Committee has not been able to ascertain whether any Welsh enterprises have benefitted.

Recommendation 3: The Welsh Government to report to the Assembly on: how it has participated in the European Commission consultation on the future of the CIP programme; the relevance of the ICT-PSP strand of CIP now that resources for that area appear to be increasing; greater clarity on the CIP financial instruments available to Wales and the extent to which they are being, and could be further deployed.

Benchmarking Welsh Performance in FP7 with other regions

39. The inquiry attempted to benchmark Welsh participation in FP7 against the other devolved regions of the UK and regions in other Members States, and to identify what factors may be holding back Welsh performance.

40. Some information was obtained on participation of other EU regions in the previous Framework Research Programme FP6 (and in some cases FP5). Catalunya, Flanders and Brittany all performed proportionally better than Wales in FP6 (see Table 5 in the technical annex). Although Catalunya's success should be seen in the context of its having a high concentration of Spain's overall R&D expenditure, the Welsh Government could consider where there may be further scope to share best practice with other high-performing European regions.

41. A report on Brittany's performance in FP6[33] identified "l'effet de siège" or the "headquarters effect", in the way in which Breton activities or participations were recorded within France, concluding that around 58% of FP6 activity in Brittany could be being accounted for at the "headquarters" level of the Member State.[34] This "headquarters" effect, whereby research

[33] http://www.bretagne-innovation.tm.fr/upload/url/fichier/5939fichier.pdf

[34] This issue, along with problems in obtaining reliable regional data, has motivated work by the European Conference of Peripheral and Maritime Regions (CPMR).

funding flows to, and is accounted for at, the "headquarters" level, may be a significant factor in measuring the performance of devolved European regions including Wales.

42. Within the UK around 60% of the total FP7 draw-down is to the three English regions of East of England, London and South East, i.e. where the leading research universities of Oxford, Cambridge and the key London University Colleges are located. To identify the extent to which EU funding may follow overall national R&D funding, and the possible implications for Wales, it would be necessary to compare a regional breakdown of Research Council grant funding with regional flows of FP6 funding across the UK. The Committee took evidence from the UK Research Office but it was not possible to obtain a full regional breakdown of grant funding from the seven UK Research Councils. The Committee recommends that this information is available to help regions measure their performance in accessing the various sources of research funding.

Recommendation 4: The Welsh Government to seek assurances from the UK Government that:

> **a) information will be collected and provided to devolved administrations on the regional breakdown of Research Council funding;**
>
> **b) future evaluations of the impact of EU Framework Programmes in the UK will include an analysis of the regional breakdown of participation;**

The Welsh Government to also raise these issues with other devolved administrations in the UK.

Overhead recovery and other financial and administrative barriers

43. FP7 costing arrangements are complex and vary between programmes, but recovery rates for indirect costs (overheads) are lower for FP7 funding than for UK Research Council funding, which could be a potential barrier to participation by Welsh institutions. If the relative levels of Research Council funding across the UK regions follow a similar pattern to that of FP7 and Scottish universities obtain a significant share of Research Council funding, this raises the question of whether they are better able to carry the financial and administrative costs of pursuing Framework Programme funding.

44. The inquiry explored the overhead recovery issue in detail. Several contributors called for simplification of FP7 financial rules, and Bangor University said that whilst academics may be largely unconcerned by the poor financial return in some programmes, Heads of Schools and finance staff need to consider issues such as exchange rate risk and non-recoverable VAT.[35]

45. Overall however, being able to compete with leading institutions and researchers on an international stage outweighed issues of overhead recovery for Welsh universities, and a mixed portfolio of funding sources was important.[36] The Welsh Government recognised there could be scope to explore the pump-priming of bids to overcome the overhead recovery issue.[37]

46. The Chief Scientific Advisor for Wales, Professor Harries, pointed to "imaginative" Scottish initiatives in areas such as physics, and went on to comment that "success breeds success":

> "… as far as Scotland and Wales are concerned, I think that it is partly what you said about creating a bit of reserve out of the research council money, which they can use, but more importantly, it is about their attitude of mind, their mental approach. They are not frightened to go for the EU things, and success breeds success. I feel very strongly that we have a job to do in Wales to turn around some of the attitudes within academia, so that they are better prepared to have a go at this big megalith. If they succeed, the rewards can be very considerable."[38]

47. An interim evaluation report on FP7[39] from an independent Expert Group appointed by the European Commission highlighted administrative burden and low success rates as particular concerns, and recommended considering two-stage applications to address this. Within the Capacities Programme of FP7 there is no Welsh participation in areas that would appear to be of key strategic interest, i.e. the thematic priority of "Research Potential" - which includes support aimed at encouraging research in convergence areas - and "Regions of Knowledge" - which is aimed at developing research-driven clusters across different countries, allowing for mentoring of less advanced regions by those that are more advanced. The

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[35] Written evidence EUR(3)-15-10: Paper 2
[36] Paragraphs 170-171, Transcript 9 November 2010
[37] Paragraph 109-110, Transcript 23 November 2010
[38] Paragraph 128, Transcript 23 November 2010
[39] http://ec.europa.eu/research/evaluations/index_en.cfm (DG Research evaluation web-site); and Interim Evaluation Report of FP7 (the report), Page 48

Welsh Government confirmed that the highly competitive nature of this part of FP7[40] across the EU was the main factor discouraging Welsh institutions:

> "Cardiff University alone has submitted eight proposals to the Regions of Knowledge programme, none of which were successful. Eligibility criteria for participation are very tight and the programme is highly competitive. Indeed, submissions which have scored very highly have subsequently failed to secure funding. Under the Research Potential programme, a lack of commitment by partners was quoted as a major contributory factor to bid failure."[41]

48. Approved projects are also demanding to manage.[42] Welsh universities reporting successful collaboration in the strategic Cooperation Programme projects can be justifiably proud of their achievements. The Deputy Minister for Science, Innovation and Skills said future efforts would be made "to help form the necessary consortia to optimise Welsh chances for success, if there is a willingness to do so within the partner organisations."[43]

49. The Deputy Minister considered that overall there was a "level playing field" for applying for FP7 funding, but that it was also a matter of being smarter in applying best practice and using the right language in preparing bids.[44] Funds to use consultants may already be obtained through the Welsh European Collaboration Fund (WECF), but the Committee considers that more support should be given to academics to prepare and write bids. [45]

50. Institutions may also have concerns about reputational risk of collaboration with a partner, or partner failure.[46] Potential applicants in Wales will be weighing up all these factors against the relative ease of application and support available for seeking funding from other sources, whether from Structural Funds, Research Councils or direct government sources.

51. Looking to future research funding opportunities, academics identified European Research Area networks (ERA-Nets) as an area of increasing interest for UK research councils and other research funding bodies, and Cardiff University raised the question of whether Welsh funding bodies should also be considering investment in these schemes, as well as

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[40] Consultation responses EFP007 and EFP008; written evidence EUR(3)-15-10: Papers 2 and 3
[41] Written Evidence, Letter SF/LG/0060/10
[42] Written evidence EUR(3)-15-10: Paper 3
[43] Written evidence, Letter SF/LG/0060/10
[44] Paragraphs 106-108, Transcript 23 November 2010
[45] Consultation response EFP-005
[46] Written evidence EUR(3)-15-10: Paper 2

highlighting the need to closely monitor the development of Joint Programming Initiatives (JPIs), in particular those planned in the areas of cities and transport; climate change; water and health. There are also opportunities for practical demonstration projects under the Cooperation strand of FP7, for example a current call under the Transport theme for Civitas Plus II demonstration projects on the theme of sustainable urban transport, with a budget of 18m euros to support two city-led networks of "leading and learning" local authorities across Europe to test various transport solutions.

Recommendation 5: The Welsh Government to report to the Assembly on how, in lobbying on the future of FP8, it has raised the concerns and priorities of Welsh stakeholders at Member State and European level, including on simplifying financial rules and costing methodologies where possible, and reviewing the timing of bid deadlines.

Recommendation 6: The Welsh Government to explore the benefits of encouraging Welsh funding bodies to invest more in the FP7 ERA-Nets initiative.

Impact of Structural Funds on participation

52. Wales has historically received large amounts of Structural Funding (SF) and has developed organisational systems and culture focused around this, with some European Officer posts directly resourced through Structural Funds. Many respondents noted substantial funding from the Convergence programme, for example Swansea University receiving £55m from Convergence as compared to £4.1m from FP7, and Structural Funds have been used to build essential research infrastructure, for example at the University of Glamorgan. A tendency to concentrate on Structural Funds and the Rural Development Plan emerged as a reason for the failure to participate more fully in both FP7[47] and some LLP programmes.[48] This was an issue across the Welsh economy, including for universities, local government[49] and the third sector[50].

53. However, participation in Structural Funds also gives partners experience in project managing EU funding, and there was strong evidence from Welsh universities of the scope to build on the results of Structural

[47] Paragraph 36, 19 October 2010.
[48] Paragraph 156, Transcript 19 October 2010
[49] EUR(3)-01-11: Paper 4
[50] Consultation response EFP-004

Funds projects to carry them forward into Europe-wide collaborations through the Framework Programme and LLP.[51] Structural Funds were also recognised as important for increasing links between the universities and enterprises.[52]

54. Organisations active in ERDF Territorial Cooperation programmes like INTERREG see a connection between transnational experience gained in these programmes and success in FP7 and CIP. Bangor University pointed to its "extremely strong engagement" with the Wales-Ireland programme as an important collaboration, allowing it to build capacity and bring different disciplines together, with collaboration in the Framework Programmes as being the next stage beyond that. [53]

Gearing up Wales for the Future

55. Evidence suggested that to benefit from access to a broader suite of EU funding programmes, Welsh organisations would need: good quality and transparent support mechanisms; working or advisory groups to broker partnerships within Wales and build capacity and expertise in a collaborative way; and for the public, private and third sectors to work more effectively with Welsh institutions based in Brussels.[54]

56. A more concerted effort should be made to develop linkages between Structural Funds programmes and the Framework Research Programme in particular.[55] The Committee welcomes the Welsh Government's intention, in responding to the recommendations of the R&D Review Panel, to support using the current Structural Funds programmes to stimulate future FP7/FP8 and Research Council bids from Wales.[56] It notes that Cardiff University is already working with WEFO to explore using the transnational element of the Convergence programme to facilitate research collaboration with potential European and international partners in FP7 proposals.

57. There is a strong need for a top-level strategic overview of how Wales is accessing and implementing *all* EU funding programmes, and how the various programmes can dovetail to achieve Welsh policy objectives. The Committee welcomes work by the All-Wales Programme Monitoring Committee to consider whether more can be done both during the remainder

[51] Consultation responses EFP-007, EFP-008, EFP-009; Paragraph 126, Transcript 9 November 2010
[52] Consultation response EFP-008; Paragraph 148, Transcript 9 November 2010
[53] Paragraph 134, 9 November 2010
[54] Consultation response EFP-004
[55] Consultation response EFP-005
[56] EUR(3)-16-10: Paper 2

of the 2007-13 funding period and beyond to access other EU funding streams. The Welsh Government's strategy for Territorial Cooperation should be revisited to embrace the opportunities more fully, especially for areas where Wales has formal working arrangements or shares similar cultural heritage.[57]

58. Other EU regions have established region-wide, overarching services for publicising, supporting and monitoring participation in all EU funding programmes.[58] Typically these services are established in the context of a well-developed European or international strategy for the region which explains the relevance of EU policy and programmes and identifies EU instruments available for policy implementation. Such strategies are usually developed in consultation with regional stakeholders and provide a framework within which public bodies and enterprises can develop their own European activities and projects. For example, Scotland's Action Plan on European Engagement,[59] adopted in 2007, focuses on four priority areas (energy and climate change; marine environment; research and creativity; justice and home affairs), and in turn sits within the context of its broader International Relations Framework.[60] The work of the Scottish Government's Brussels Office focuses on these four areas, with a six month performance review and forward look published which shows how it can deliver against the priorities under the next EU Presidency.

59. There is scope to consider how the Welsh Government's strategy "Wales and the European Union" might be developed into a broader strategy for the engagement of "Wales as a whole" in Europe.

Recommendation 7: The Welsh Government to review *Wales and the European Union – a Strategy for the Welsh Assembly Government* (2009) with a view to developing a new, much broader, strategy for "Wales in Europe", informed by European best practice and developed in open consultation with key Welsh stakeholders including local government and the business and third sectors. The strategy to set out how the Welsh Government intends to engage with all EU funding programmes to deliver against its One Wales objectives, the Economic Renewal Programme and future strategic priorities (both directly, and in partnership with other Welsh bodies). The review of the strategy to incorporate:

[57] Consultation response EFP-004
[58] http://cordis.europa.eu/regions/home_en.html
[59] http://www.scotland.gov.uk/Resource/Doc/1071/0093889.pdf
[60] http://www.scotland.gov.uk/Topics/Government/International-Relations),

- **reviewing the management and publicising of all EU funding programmes and efficacy of current support services across Wales, including the role of Enterprise Europe Wales and National Contact Points to publicise opportunities and support bids. This review to take account of good practice arrangements in other regions of the UK and European Union so as to identify possible models (see also later recommendation 13);**
    - **commissioning a systematic mapping of all EU funding opportunities against One Wales policy objectives in order to prevent any missed opportunities;**
    - **ensuring explicit reference to all available EU funding programmes and instruments in strategy documents as part of the "policy tool kit" for implementation and to raise awareness of opportunities for complementarity between the funding programmes;**
    - **Including a mechanism to monitor implementation of the strategy and evaluate its success and provide regular reporting.**

Recommendation 8: The Welsh Government to ensure greater emphasis is given to, and use made of, the trans-national funding element in mainstream Structural Funds programmes to pump-prime research and development proposals to programmes like FP7.

Recommendation 9: The Welsh Government to review its Territorial Cooperation Strategy and explore the scope for partnerships on funded projects, especially with those cities and regions for which there are existing working arrangements, including through Memoranda of Understanding and Twinning.

Understanding the Policy Context

60. The Committee sought views on the relevance of the three programmes to achieving the Welsh Government's strategic objectives, as set out in the "Economic Renewal Programme for Wales", the higher education strategy "For Our Future", and the over-arching One Wales commitments. The Welsh Government acknowledged its role in helping to move towards a more R&D intensive and knowledge-based economy by maximising Wales's share of external research funding from various programmes including FP7.

61. There was evidence of Welsh institutions recognising niche areas of expertise that could benefit from the EU funding programmes. UWIC's approach of "smart specialisation" is one example. Community Regeneration Excellence Wales recognised links to the low-carbon agenda, UWIC highlighted the significance of the agro-food sector, and Wales Arts International recognised the potential role of EU funding in developing the creative industries as a priority sector within the Government's Economic Renewal strategy.[61]

62. Those actively engaged in the EU programmes recognised that knowledge and understanding of European policy priorities is vital, including the impact of the Europe 2020 strategic priorities and targets on future funding. UWIC's response noted that:

> "The impacts of EU2020 are likely to be extensive, across a range of programme areas, when it is recognised that four Director Generals of the Commission have countersigned the Innovation Union document."[62]

63. Professor Wayne Powell, Director of the Institute for Biological, Environmental and Rural Sciences said:

> "..you need to be aware of the strategic drivers in Wales and Europe. If you look at Europe 2020, you will see that there is considerable overlap. For example, themes within Europe 2020—such as a resource-efficient Europe, and decoupling economic growth from depletion of resources—resonate with our activities in Wales. For the future, it is important….that we position ourselves to capture those opportunities. …one has to give the European Union a higher priority and focus. We must ensure that we have people who are tuned in with collaborators in the European Union. The other important part is that one also has to understand the policy dimension."[63]

Improving the Participation of Local Authorities

64. Local authorities appear to have had minimal involvement in the three programmes. Conwy County Borough Council said this was because "the themes of the programmes are not the main focus of (the) local authority" and that it would be more likely to pursue Structural Funds. This latter point was confirmed by later evidence from the WLGA. However, many themes and

[61] Consultation response EFP-003
[62] Consultation response EFP-008
[63] Paragraph 196, Transcript 9 November 2010

measures of the programmes are relevant to local government functions such as economic development, transport, energy, schools and health and there may be a need to raise further awareness amongst Welsh local authorities of the opportunities outside Structural Funds and CAP, in particular in programme strands specifically targeted at local authorities, such as Regions of Knowledge and Intelligent Energy Europe.

65. Looking forward to the Fourth Assembly there is an opportunity to develop more integrated arrangements to ensure complementary use of the various EU (and domestic) budgets in support of Wales' strategic policy objectives.

66. It is critical that the Welsh Government engages in consultation on the development of future programmes, in particular FP8[64] [65], and the Committee welcomes the Government's commitment on this.

Improving collaboration with business partners

67. Collaboration between industry and academia appears relatively weakly developed in Wales[66] and the "triple helix" model so strongly advocated at European level and promoted in the CIP and parts of FP7 - for collaborations between universities, enterprises and government (often local government) - is even rarer. Evidence from the higher education sector[67] recognised that engagement with SMEs was increasingly required and likely to continue in future programmes.

68. Low participation of businesses in the Framework Programme for Research appears to be a UK-wide and EU-wide issue. A report commissioned by the UK Department for Business, Innovation and Skills on the impact of FP on research and development in the UK[68] found that a majority of participants in FP believed it improved university-business collaboration both within the UK and beyond. The report showed that although UK business was as extensively involved in FP6 as its counterparts elsewhere in Europe, UK firms accounted for a lower share of total national FP income compared with other leading EU Member States. It also found evidence of strong involvement by leading UK players in certain economic sectors (e.g. aerospace, chemicals, utilities) but very few leading businesses involved in

[64] Consultation response EFP-008
[65] EUR(3)-15-10: Paper 1, 9 November 2010
[66] Paragraph 100-103, Transcript 23 November 2010
[67] Consultation responses EFP-008; EFP-009; EUR(3)-14-10: Paper 1
[68] The impact of the EU RTD Framework Programme on the UK, Technopolis group, May 2010

other sectors such as food, general industrials, software and telecommunications. Tentative explanations for non-involvement were:

> "the relatively high cost and bureaucratic rigidities of the FP, as compared with the cost-to-income ratio of national funds; and the slow metabolic rate of the FP, as compared with national schemes, which is frustrating on the one hand, but can also render the scheme inappropriate on the other, when interests are time-limited. This appears to be particularly challenging for businesses and for policymakers."

69. UKRO supported this, saying that programmes like the European Research Council programme for "blue-sky" frontier research, and the Marie Curie programme, were unattractive to business because they were relatively small scale, slow to get to final contract and highly bureaucratic.[69] UKRO did not identify concerns about loss of intellectual property rights as an issue for businesses to participate in FP7 as they were well protected by programme rules. Enterprise Europe Wales is also explicitly tasked with providing information and advice on intellectual property and patents.

70. EADS Innovation Works is the innovation arm of a global provider of cutting-edge technology with a strong Welsh presence. Evidence from EADS Innovation Works highlighted the potential gains that business can make through participation in EU funding programmes such as FP7. However, it also highlighted potential barriers to entry in terms of the high cost of preparing a proposal - around €15,000 to prepare a successful application - and in addition calculates a cost of around €30,000 to report to the EU during the lifetime of a three year project.

71. The importance of a well-resourced Brussels office focusing on FP7/FP8 was emphasised, to provide the necessary internal expertise in preparing successful projects. This was cited as one of the reasons why EADS secured approximately 50% of funding applied for during 2009, considered a "good year".[70] EADS Innovation Works emphasised that participation in EU funding programmes was a decision made in the company's strategic interest, justifying its investment. It pointed to the difficulties of Welsh SMEs getting involved in working with larger companies on FP7, because of the investment needed and the pressure on small companies to generate revenue.[71] However the Technology Strategy Board also noted that once a company overcame the

[69] Paragraph 87, Transcript 9 November 2010
[70] Paragraph 108, Transcript 18 January 2011
[71] Paragraph 110, Transcript 18 January 2011

hurdles to involvement in FP they then stayed involved, it was a matter of getting them "up the learning curve" in the first place.[72]

72. Zarlink Semiconductor Ltd employs 100 people in Wales and meets most of the criteria of an SME in the UK, although it is a wholly owned subsidiary of a large international enterprise. The company has used ICT programmes in FP to support its successful transition into new markets in high value manufacturing. Zarlink said that organisations in Wales tended to act in isolation, and there was no motivation for Welsh collaboration as the FP rules require a minimum of three partners from three countries and so a big programme was needed in order to have two partners from Wales. Zarlink's evidence noted that:

> "…this does not fit some of the policies that Wales has for looking inwards to collaboration, as in FP you have to look out to Europe and see what you can bring back in expertise, use and then export."[73]

73. The company pressed for Welsh Government support to be maintained from the FP Regional Contact Point based in Enterprise Europe Wales, and said that recent training programmes in application writing had been very useful. A networking support group dedicated to FP7/8 was suggested.

74. EADS Innovation Works underlined their commitment to Wales, and their desire to strengthen the research and innovation activities within Wales:

> "In Wales, the centre of excellence relates to command and control facilities and…cyber security. That is supporting jobs in Wales, in Newport. So, we are unashamedly regional in that respect, in that we support local businesses."[74]

75. The Committee's attention was also drawn to the benefits EADS perceive in working with some of the less traditional universities, in particular in terms of the flexibility and willingness of these universities to adapt their research to the needs of the company - something that can be more difficult in the more historic elite universities such as Oxford and Cambridge:

> "We have found that the greatest payback in Wales does not come from using the blue-chip universities; it comes from using the universities that are maybe second or third, but that are more flexible

[72] Paragraph 122, Transcript 18 January 2011
[73] Consultation response EFP-018
[74] Paragraph 131, Transcript 18 January 2011

and where we can tailor the thesis or the work towards the industrial application of what we want to do. We do work with the golden triangle universities, but sometimes it is not so easy to shape the systems, cryptography, homeland security and so forth."[75]

76. By way of contrast, the Technology Strategy Board, the body which acts as one of the main drivers of innovation at UK-wide level, told the Committee that although it works with the Welsh Government and is aware of Welsh needs and priorities, it has no regional agenda and no role in tackling regional disparities:

> "We do not focus on a regional agenda; we want to support the best projects on a national basis. Therefore, we want to support the best university with the best company, wherever they are based."[76]

77. It is the role of both institutions and individual researchers to develop relationships with potential partners, and the Welsh Government's Chief Scientific Adviser recognised that more could be done by Welsh academia to build research capacity. EADS evidence pointed to the tendency of Welsh universities to "hide their light under a bushel".[77] Cardiff University's European Office Manager noted that although the university worked closely with Welsh counterparts and had an idea what they were doing, there was not a clear picture of who was involved across the whole business sector, whether SMEs or larger companies:

> "if the Assembly Government was in a position to try to make that information more readily available, then there would be greater engagement across the piece and universities would take businesses with them."[78]

78. Cardiff University's Deputy Vice-Chancellor confirmed that successful matchmaking with business partners could be a function of Government as well as academics and European officers in Wales:

> "It can be done in a country the size of Wales in a way that it cannot be done in bigger states."

79. Aberystwyth University proposed the use of a "special purpose vehicle" which would both support academics and business people in preparing bid

[75] Paragraph 139, Transcript 18 January 2011
[76] Paragraph 71, Transcript 18 January 2011
[77] Paragraph 112, Transcript 18 January 2011
[78] Paragraph 57-58, Transcript 19 October 2010

proposals and matchmaking on key strategic projects. The University's Director of Enterprise and Collaborative Projects, said:

> "I come from a commercial background, and I think that a good focus would be to aim to double the amount of funding that Wales gets from European funds from 2 per cent - as I believe it is at present - to 4 per cent. I would look to set up an organisation that is focused on that and does all of the things that you mention. If we are successful in generating more income for Wales through our collaborative research efforts, there will be a snowball effect in generating more research and benefits for businesses.[79]
>
> "I do not think that we need a body like WEFO, which manages funds and is focused on regulatory issues. We are talking about trying to establish a more dynamic organisation, which might be a collaborative venture between the Assembly and universities, with input from business. I am currently working on the High Performance Computing Wales project with a large team, and I am struck by the success that we are enjoying having established a special-purpose vehicle, which is quite a creative way… It is a charitable research company set up by the universities, which reports to Companies House. It is quite an interesting model, which might be worth looking at in this context."[80]

80. Aberystwyth University's Vice-Chancellor supported a bottom-up collective effort by the university sector, coming together through some kind of special-purpose vehicle or joint activity, on top of individual plans to increase research capacity. [81]

Recommendation 10: The Welsh Government to undertake further work to establish the extent of collaboration in Wales between universities and industry and how this can be further encouraged, in particular in developing strong working relationships with larger companies showing a commitment to Wales; and to explore the merits of developing something akin to a "special purpose vehicle" to provide stimulus to key strategic projects in Wales that could potentially benefit from Framework Programme funding.

81. Wales Arts International specifically wanted to see the need for support to develop transnational partnerships brought to the attention of the new

[79] Paragraph 206, Transcript 9 November 2010
[80] Paragraph 201-203, Transcript 9 November 2010
[81] Paragraph 208, Transcript 9 November 2010

Creative Industries Board. This principle could also be applied to other sectors of the Welsh economy where strategic coordination bodies exist. Wales Arts International also said that the challenge to find match funding was an obstacle for smaller creative organisations and more could be done to provide incentives for them to bring in new sources of funding.

Recommendation 11: The Welsh Government to draw the attention of the Creative Industries Board to the need for better signposting of information, advice and support on European funding opportunities for the creative industries in Wales to develop trans-national partnerships.

82. Welsh businesses are already targeted for involvement in Structural Funds programmes and so the risk of overburdening them with requests to participate in EU projects was also raised as a possible barrier.[82] To tackle the challenges faced by SMEs, Aberystwyth University: "would be keen to engage more with the development of clusters and/or through sharing its experience of gaining FP7 funding, subject to a) state aid issues being addressed and b) collaboration and support from the Enterprise Europe Network."[83]

Brokering and "Matchmaking" - Developing Existing Support

83. For FP7 the quality of partners is important rather than the geographical location,[84] although overall geographical spread is a criterion. Within the framework programme there is scope for working with international partners beyond the EU, including for example the US National Institutes of Health.[85] "Matchmaking" to identify quality partners and build transnational partnerships for successful bids is critical. Brokerage is one of the key roles of the National Contact Points and (for SMEs) the Enterprise Europe Network, so it is essential that participants in Wales are aware of all the services on offer.

84. Support to potential participants comes from both official sources and internal arrangements within institutions. Many Welsh organisations have dedicated staff support structures, and membership of UKRO and the Welsh Higher Education Brussels (WHEB) office are also highly valued by the Welsh universities. WHEB participates in the European Regions Research and Innovation Network (ERRIN) along with Brussels representatives of over 90 European Regions. Contributors from outside higher education also

[82] Consultation response EFP-005
[83] Written evidence EUR(3)-15-10: Paper 3
[84] Paragraph 90, 19 October 2010
[85] Paragraph 97, Transcript 19 October 2010.

emphasised the importance of building their own European networks, not least because keeping abreast of EU policy developments was essential for securing EU funds.[86] Several of the universities encourage staff to become involved as programme evaluators and get involved in EU-level committees, recognising the benefits this brings: "UWIC staff are encouraged to act as evaluators… this brings enormous benefits to staff in getting a detailed understanding of the evaluation process, to see other proposals and to establish a closer relationship with EC colleagues".

Recommendation 12: The Welsh Government to explore with the higher and further education sectors what further action may be taken to encourage staff to take on the role of Framework Programme evaluators and become involved in EU-level committees and networks, and to disseminate the benefits of that experience within and between Welsh institutions; and to report to the Assembly on that work.

85. The Welsh arm of the Enterprise Europe Network, **Enterprise Europe Wales (EEW)**, has been co-financed since 2008 by funding from the Enterprise and Innovation Programme within the CIP and match funding from the Welsh Government. EEW is hosted by the Welsh Government, and an official in the Department for Economy and Transport within the EEW also acts as a contact point for FP7.

86. The Committee was disappointed that the Welsh Government did not provide more information about the activities or effectiveness of EEW, which administers the **Welsh European Collaboration Fund (WECF).** This fund provides financial assistance to develop project proposals for submission to the Technology Strategy Board Technology Programme and/or FP7, and to travel overseas to negotiate FP7 contracts or attend related events. The Fund was recognised as a valuable resource by the Welsh higher education sector: several universities had used it for staff travel, proposal writing and consortium building and UWIC described it as instrumental in developing at least 10 bids.[87] It was seen as very helpful in tackling some financial and administrative barriers and supporting consortium-building,[88] but some organisations pointed to its "relatively limited budget"[89] and one respondent noted "there is evidence that far better and broader support mechanisms

[86] Consultation responses EFP003, EFP004
[87] Consultation response EFP-008
[88] Written evidence EUR(3)-15-10: Paper 2
[89] Written evidence EUR(3)-15-10: Paper 3

exist in those regions of England bordering with Wales, and in other Member States, such as Germany."[90]

87. Although universities that responded seem aware of the WECF, there was conflicting evidence on the extent to which Welsh organisations across the board are aware of the various official support agencies and NCPs, and take advantage of their services. Professor Bradley of EADS Innovation Works said:

> "At the last Higher Education Funding Council for Wales innovation meeting, we had a presentation from the Enterprise Europe Network. It was surprising how many of the people around the table were not aware of that. More promotion of the EEN to Welsh small and medium-sized enterprises and universities would help."[91]

88. Several organisations also noted that they had very little idea of "who was doing what" in Wales because there was no organised Wales-wide information source. A centrally coordinated and open system for recording and publicising Welsh involvement in all EU Funding Programmes, and the brokers and partners involved, would be a useful tool for both current and potential participants and policy-makers. It should help increase the transparency of brokerage and management of the various programmes, and who can provide support and advice.

89. It is also worth noting that the NCPs typically cover the whole of the UK and are not tasked with giving special consideration to Wales. In supplementary evidence, UKRO commented that in organising events to publicise and support FP7: "turnout in Wales is not as high as UKRO would like…Geography can play a role in terms of there being a critical mass of interested stakeholders nearby to participate – within Wales there are certainly geographical considerations in deciding where to host stakeholder events."

Role of Brussels representation

90. Welsh representatives on the Committee of the Regions and Welsh MEPs have an important role in supporting Welsh participation in EU programmes. Welsh MEPs do not currently sit on Committees specifically relevant to this inquiry, but Councillor Bob Bright's recent Committee of the Regions' Opinion on the role of Vocational Education and Training is significant.

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[90] Consultation response EFP-004
[91] Consultation response EFP-003

91. The expertise and facilities available in Wales House in Brussels are vital for potential project participants[92] and UKRO said that some of the Welsh institutions most successful in accessing funding had a good Brussels presence.[93]

Possible Models for Engagement

92. Scotland and Wales both have representation in Brussels, but the Committee was keen to explore the Scottish model for engagement in more detail given the differences in performance in FP7.

93. In Scotland, engagement with FP7 is co-ordinated through an "integrated service" combining the activities of Scotland Europa[94] in Brussels with those of Enterprise Europe Scotland, which is a member of the Enterprise Europe Network, and part of Scottish Enterprise's innovation team. This includes developing contacts with the European Commission, other regions, and potential EU and international partners. The Scotland Europe website says the aim of this integrated support service is:

> "...to provide Scottish organisations with advice and assistance on how to access the most appropriate research and development funding support from the European Union."

94. Two financial support instruments had been provided to support development of quality collaborative proposals for FP6 and FP7: the Scottish Proposal Assistance Fund (SPAF) aimed at companies, particularly SMEs, and the Proposal Assistance for Co-ordination of European Research (PACER), to help universities with application costs. Both were reviewed during 2010, and the SPAF has been wound up and brought within the framework of a wider package of assistance provided through European Enterprise Scotland, aimed at stimulating business participation in FP7.

95. In 2007 Scottish Enterprise (on behalf of Scotland Europa) commissioned a report comparing EU funding and policy support structures in a number of EU countries to those provided in Scotland.[95] The report

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[92] Paragraph 177, Transcript 18 January 2010
[93] Paragraph 38, Transcript 9 November 2010.
[94] http://www.scotlandeuropa.com/EU%20Funding/Research%20and%20Development%20Framework%20Programme.aspx
[95] Available from this link: http://www.eprc.strath.ac.uk/eprc/projectLookup.cfm?ID=241; Scotland Europa: EU Funding Programmes 2007-2013: A Comparative Analysis of EU Funding and Policy Support Structures, John Bachtler, Heidi Vironen and Rona Michie, European Policies Research Centre, University of Strathclyde, September 2007.

looked at the three programmes covered in this Committee's inquiry, plus the INTERREG programmes and Trans-European Networks. The comparator regions were Finland, Sweden, Ireland, Emilia Romagna (Italy), and Nordrhein Westphalia (Germany). The report highlighted a number of issues in terms of supporting engagement with the programmes, in particular the need for "sufficient human resources and funding available for applicants in order to improve capabilities for attracting funding..", having an "active and strategic approach at EU-level", using a "wide range of information for a co-ordinated approach" and ensuring a "regional focus on programme activities which are complementary to the national-level structures."

96. The WLGA recommended that the Welsh Government should incorporate its management of all future EU funding programmes in Wales into one Government division in order to streamline and integrate the administration and management.[96] The Committee considered the current arrangements for administering and promoting EU funding programmes. They looked at the role of the Welsh European Funding Office (WEFO)[97] and the Spatial European Teams, noting that WEFO's function is more regulatory[98] and it is funded by Structural Funds to administer and control expenditure, rather than to take on a pro-active brokering role including establishing transnational links.

97. The potential of the European Commission's Europe Direct Information Centres as a resource was considered. The West Wales European Centre (WWEC) based within Carmarthenshire County Council appears the most developed Europe Direct Centre in supporting delivery of EU funding programmes, although it focuses on the Rural Development Plan and Convergence programme. The WLGA considered that the effectiveness of this type of "one-stop-shop" regional support service, bringing policy and funding expertise together in one place, should be considered by the Welsh Government when exploring a model to apply on a pan-Wales basis.

98. The scope of this inquiry did not enable the Committee to explore governance models in other regions in any detail in order to make concrete recommendations about what particular model might work best for Wales. However it considers that the Welsh Government should fully review current arrangements in Wales and Brussels, and the arrangements in other European regions, with a view to developing a more integrated approach to promoting and publicising all EU funding programmes and optimising the links between programmes.

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[96] Paragraph 180, Transcript 18 January 2010
[97] Paragraph 181, Transcript 18 January 2010
[98] Paragraph 201-203, Transcript 9 November 2010

99. In the shorter term, the Welsh Government could look at communication links between officials in Wales House in Brussels and the Welsh Government to see whether these could be better utilised to share information about EU policy development and related funding opportunities, and to support business collaboration and brokerage.

Recommendation 13: The Welsh Government to consider how existing resources can be brought together and strengthened through the development of an all-Wales "one-stop-shop" for all EU funding programmes, both for existing project participants, and to support brokerage and partnering for the next generation of projects. The service to bring together:

- **data on all existing project participations;**
- **partners involved (both beneficiaries and brokers);**
- **case studies and information;**
- **policy and practical expertise and signposting to NCP and other support services for eligible organisations across all Welsh sectors.**
- **The Welsh Government to consider developing an interactive web-based facility as part of this support, to publicise and communicate successful projects and future opportunities.**

Recommendation 14: The Welsh Government to review the use of the Welsh European Collaboration Fund (WECF) and determine whether it is adequately resourced and if more should be done to publicise it and make it more widely available across all sectors of the Welsh economy, beyond HE organisations and businesses. The Welsh Government to consider the role of the WECF in the context of its current review of the Targeted Match Fund for the 2007-2013 Structural Funds Programme.

Annex A - Witnesses

The following witnesses provided oral evidence to the Committee on the dates noted below. Transcripts of all oral evidence sessions can be viewed in full at:
http://www.assemblywales.org/bus-home/bus-committees/bus-committees-other-committees/bus-committees-third-eur-home/bus-committees-third-eur-agendas.htm

5 October 2010	
Rebecca Matthews	Director, British Council Wales
Judith Thomas	Erasmus Programme Communications Manager, British Council Wales
Bill Burson	Comenius Programme Manager, British Council Wales
Sebastian Graca da Silva	Youth in Action Manager, British Council Wales
19 October 2010	
Professor Elizabeth Treasure	Deputy Vice-Chancellor, Cardiff University
Nick Bodycombe	European Office Manager, Research and Commercial Division, Cardiff University
Professor Roger Whitaker	Head of Cardiff School of Computer Science and Informatics, Cardiff University
Madeleine Rose	Head of Grundtvig Programme, Ecorys (Formerly ECOTEC)
Faye Hindle-Lewis	Head of Communications & Transversal Programme, Ecorys
9 November 2010	
Amanda Crowfoot	Director, UK Research Office
Professor David Shepherd	Pro Vice Chancellor for Research and Enterprise, Bangor University
Professor Thierry Guillaume	Bangor University

Dr David Joyner	Director of Business and Partnership Engagement, Bangor University
Sheila Mathison	European Officer, Bangor University
Professor Noel Lloyd	Vice Chancellor, Aberystwyth University
Professor Wayne Powell	Director of the Institute for Biological, Environmental and Rural Sciences, Aberystwyth University
David Craddock	Director of Enterprise and Collaborative Projects, Aberystwyth University
23 November 2010	
Lesley Griffiths AM	Deputy Minister for Science, Innovation and Skills
Professor John Harries	Chief Scientific Advisor for Wales
Dr Alastair Davies	Senior Manager for Science, Research and Development and Knowledge Transfer, Welsh Assembly Government
Susan Edwards	Senior Skills Policy Manager, Department for Children, Education, Lifelong Learning and Skills, Welsh Assembly Government
18 January 2011	
David Golding	Head of Strategy, Technology Strategy Board
Professor Simon Bradley	Head of Engineering, Physics, IT, Security Services & Stimulation, EADS Innovation Works
Neville Davies	European Adviser, Welsh Local Government Association

Annex B - List of Written Evidence

The following people and organisations provided written evidence to the Committee. All written evidence can be viewed in full at: http://www.assemblywales.org/bus-home/bus-committees/bus-committees-third1/bus-committees-third-eur-home.htm

Name	*Organisation*	*Reference*
Rebecca Matthews	British Council Wales	EUR(3)-13-10 : Paper 2
Professor Elizabeth Treasure Nick Bodycombe	Cardiff University	EUR(3)-14-10 : Paper 1
Madeleine Rose Faye Hindle-Lewis	Ecorys	EUR(3)-14-10 : Paper 2
Amanda Crowfoot	UK Research Office	EUR(3)-15-10 : Paper 1
Sheila Mathison	Bangor University	EUR(3)-15-10 : Paper 2
Professor Noel Lloyd	Aberystwyth University	EUR(3)-15-10 : Paper 3
Lesley Griffiths AM	Welsh Assembly Government	EUR(3)-16-10 : Paper 2; Letter SF/LG/0060/10; Letter SF/LG/0060/10(2)
David Golding	Technology Strategy Board	EUR(3)-01-11 : Paper 2
Professor Simon Bradley	EADS Innovation Works	EUR(3)-01-11 : Paper 3
Neville Davies	Welsh Local Government Association	EUR(3)-01-11 : Paper 4

Annex C - Consultation Responses

The following people and organisations provided written evidence to the Committee as part of its public consultation. All consultation responses can be viewed in full at:

http://www.assemblywales.org/bus-home/bus-committees/bus-committees-other-committees/bus-committees-third-eur-home/eur_inquiries/eur3-inq_wpeu/eur3_efp_responses.htm

Name	Reference
Councillor Bob Bright	EUR(3)-EFP001
Department for Business, Innovation and Skills	EUR(3)-EFP002
Wales Arts International	EUR(3)-EFP003
Community Housing Cymru and the Centre for Regeneration Excellence Wales	EUR(3)-EFP004
University of Wales, Newport	EUR(3)-EFP005
Conwy County Borough Council	EUR(3)-EFP006
University of Glamorgan	EUR(3)-EFP007
University of Wales Institute, Cardiff	EUR(3)-EFP008
Swansea University	EUR(3)-EFP009
Colegau Cymru	EUR(3)-EFP010
Cardiff University	EUR(3)-EFP011
Conference of Peripheral Maritime Regions of Europe (CPMR)	EUR(3)-EFP012
Conference of Peripheral Maritime Regions of Europe (CPMR)	EUR(3)-EFP013
Extracts from Cardiff University PhD Thesis	EUR(3)-EFP014
Welsh Higher Education Brussels	EUR(3)-EFP015

Welsh Higher Education Brussels	EUR(3)-EFP016
British Council	EUR(3)-EFP017
Cardiff University	EUR(3)-EFP018
Cardiff University	EUR(3)-EFP019
Zarlink Semiconductor	EUR(3)-EFP020

Annex D - Technical Annex

Table 1: Welsh Participation in Lifelong Learning Programmes

Programme	Applications funded/approved					
	2007	2008	2009	2010	Total	% of UK
Leonardo						
Wales	10	17	27	22	**76**	6.4%
England	167	227	278	199	**871**	73.4%
Northern Ireland	19	35	28	22	**104**	8.8%
Scotland	30	32	41	33	**136**	11.5%
Total UK	**226**	**311**	**374**	**276**	**1,187**	100.0%
Comenius						
Wales	190	174	215	168	**747**	6.9%
England	2,272	2,137	2,076	1,713	**8,198**	76.0%
Northern Ireland	336	175	232	229	**972**	9.0%
Scotland	199	163	283	222	**867**	8.0%
Total UK	**2,997**	**2,649**	**2,806**	**2,332**	**10,784**	100.0%
Grundtvig						
Wales	23	22	28	12	**85**	7.0%
England	194	232	258	200	**884**	73.0%
Northern Ireland	24	19	29	21	**93**	7.7%
Scotland	28	52	44	25	**149**	12.3%
UK total	**269**	**325**	**359**	**258**	**1,211**	100.0%
Transversal						
Wales	45	23	21	7	**96**	9.8%
England	233	183	210	72	**698**	71.0%
Northern Ireland	36	28	36	14	**114**	11.6%
Scotland	23	29	11	12	**75**	7.6%
Total UK	**337**	**263**	**278**	**105**	**983**	100.0%
Programme	**Outgoing Student Mobility (Numbers)**					
	2006/07	2007/08	2008/09	2009/10	Total	% of UK
Erasmus						
Wales	436	499	552	589	**2,076**	5.2%
England	5,668	8,107	8,647	9,364	**31,786**	79.2%
Northern Ireland	187	291	355	335	**1,168**	2.9%
Scotland	944	1,354	1,273	1,508	**5,079**	12.7%
Total UK	7,235	10,251	10,827	11,796	**40,109**	100.0%

Note: Data for Comenius for England currently unavailable.

Sources: Ecorys[99] and British Council[100] written evidence:

[99] http://www.assemblywales.org/eur_3_-14-10-p2-e_ecorys.pdf
[100] http://www.assemblywales.org/eur_3_-13-10-p2_british_council_wales.pdf

Table 2: FP7 comparison of participation for UK devolved nations

FP7: Participations				
Participations	Total	% share of UK	% share of all	% of UK population
Wales	129	2.65%	0.32%	4.90%
Scotland	472	9.70%	1.16%	8.40%
N Ireland	83	1.71%	0.20%	2.90%
UK	4,867	100.00%	11.95%	100.00%
All countries	*40,729*		*100.00%*	
FP7: EC Financial Contribution Requested (€ millions)				
EC Financial Contribution Requested	Total (€ millions)	% share of UK	% share of all	% of UK population
Wales	38.6	2.10%	0.30%	4.90%
Scotland	174.8	9.53%	1.38%	8.40%
N Ireland	23.2	1.27%	0.18%	2.90%
UK	1,834.3	100.00%	14.44%	100.00%
All countries	*12,701.0*		*100.00%*	

Source: Based on data from e-Corda database up to 22 March 2010, provided by UK Government Department for Business Innovation and Skills

Table 3: FP6 comparison of participation for UK devolved nations

FP6: Number of Participations				
	Total	% share of UK	% share of all	% of UK population
Wales	229	2.60%	0.31%	*4.90%*
Scotland	685	7.79%	0.92%	*8.40%*
N Ireland	161	1.83%	0.22%	*2.90%*
UK	8,791	100.00%	11.82%	100.00%
All countries	*74,400*		*100.00%*	
FP6: EC Financial Contribution Requested				
	Total (€ millions)	% share of UK	% share of all	% of UK population
Wales	48.6	2.05%	0.29%	4.90%
Scotland	189.1	7.98%	1.13%	8.40%
N Ireland	33.5	1.41%	0.20%	2.90%
UK	2,369.6	100.00%	14.22%	100.00%
All countries	16,665.3		100.00%	

Source: Based on data from e-Corda database, provided UK Government Department for Business Innovation and Skills

Table 4: Participation in FP7 by type of organisation

FP7: Participation by organisation type								
	Wales		Scotland		N Ireland		UK	
	No.	%	No.	%	No.	%	No.	%
Higher or Secondary Education	92	71.4%	330	69.9%	56	67.5%	2,930	60.20%
Private Commercial	31	24.0%	71	15.0%	20	24.1%	1,142	23.46%
Research Organisations	1	0.8%	45	9.5%	2	2.4%	532	10.93%
Public Bodies	3	2.3%	13	2.8%	5	6.0%	186	3.82%
Other	2	1.6%	13	2.8%	-	0.0%	77	1.58%
Total	129	100.0%	472	100%	83	100.0%	4,867	100%
FP7: EC Financial Contribution Requested by organisation type (€ millions)								
	Wales		Scotland		N Ireland		UK	
	€mn	%	€mn	%	€mn	%	€mn	%
Higher or Secondary Education	33.70	87.3%	144.45	82.6%	17.54	75.5%	1,230.05	75.4%
Private Commercial	4.50	11.7%	13.23	7.6%	4.72	20.3%	363.25	20.3%
Research Organisations	0.15	0.4%	12.27	7.0%	0.25	1.1%	175.60	1.1%
Public Bodies	0.13	0.4%	2.60	1.5%	0.73	3.2%	51.20	3.1%
Other	0.09	0.2%	2.28	1.3%	-	0.0%	14.23	0.0%
Total	38.50	100.0%	174.82	100.0%	23.25	100.0%	1,834.33	100.0%
Source: Based on data from e-Corda database up to 22 March 2010, provided UK Government Department for Business								

Table 5: FP6 Participations: Comparisons with other European Regions

FP6					
Region	**Number of participations**	**Funding awarded (€m)**	**Population (m)**	**Funding per capita compared with Wales (Wales=100)**	**Funding per capita (€)**
Wales	229	48.6	2,999,319[101]	100	16.20
Flanders[102]	1,342	352.29	6,200,000[103]	350	56.82
Catalunya[104]	1,059	221	7,364,078[105]	185	30.01
Brittany[106]	374	110.2	3,120, 288[107]	218	35.32

[101] http://www.statswales.wales.gov.uk/TableViewer/document.aspx?ReportId=10475
[102] http://www.ewi-vlaanderen.be/en
[103] http://www.flanders.be/
[104] http://www.gencat.cat/diue/doc/doc_74328039_1.pdf
[105] http://www.gencat.cat/catalunya/eng/coneixer-poblacio.htm
[106] http://www.bretagne-innovation.tm.fr/innover/publications/fiche.php?publication_id=549
[107] http://www.insee.fr/fr/insee_regions/bretagne/themes/autres/BEC2010/BEC2010_populatipo.pdf