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**REPORT FROM THE COMMISSION TO THE COUNCIL AND THE EUROPEAN  
PARLIAMENT**

**on the European Research Council's operations and realisation of the objectives set out  
in the Specific Programme "Ideas" in 2009**

(Text with EEA relevance)

## 1. INTRODUCTION AND LEGAL BASE

The European Research Council (ERC), created by a Commission Decision<sup>1</sup> in 2007, implements the Specific Programme (SP) "Ideas" under the Seventh Framework Programme (FP7).

The ERC consists of an independent Scientific Council (ScC) supported by a dedicated implementation structure (DIS). In 2007 the ERC Executive Agency (ERCEA) was created<sup>2</sup> under the general regime of executive agencies<sup>3</sup> with a view to taking over the role of DIS from the Commission. Responsibility for implementing the "Ideas" programme and supporting the ScC was delegated to the ERCEA through a Delegation Act<sup>4</sup> and autonomy was granted to the ERCEA in July 2009. Another major milestone during 2009 was the "Review of Structures and Mechanisms" of the ERC, an independent assessment of certain key aspects of the ERC, taking account of experience gained since it was created.

In conformity with Article 4.4 and Annex I of the Council Decision on the SP "Ideas", this Annual Report of the Commission, drawn up in co-operation with the ERC's ScC, presents the Commission's assessment of the ERC's operations and the achievement of its objectives in 2009. The contribution of the ERCEA is acknowledged.

## 2. STRATEGY MATTERS

The ScC is responsible for setting the ERC's scientific strategy, and establishes the annual "Ideas" Work Programme (WP).

### 2.1. Funding schemes

The Scientific Council has aimed to define a clear and stable vision for the research activities of the ERC via two grant schemes across all fields of research:

- **The ERC Starting Independent Researcher Grants ("ERC Starting Grants" (StG)):** designed to assist researchers who have recently obtained their Ph.D. to establish their independence
- **The ERC Advanced Investigator Grants ("ERC Advanced Grants" (AdG)):** for the very best research carried out by senior researchers working in Europe.

### 2.2. 2010 Work Programme for the Specific Programme "Ideas"

The 2010 WP for the SP "Ideas"<sup>5</sup> was established by the ScC on 2/04/09 and subsequently adopted by the Commission on 29/07/09.

No fundamental change in strategy was introduced via the 2010 WP, although the grant schemes were refined on the basis of experience gained. To further ensure a more appropriate

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<sup>1</sup> 2007/134/EC (OJ L 57, 24.02.2007, p.14)

<sup>2</sup> 2008/37/EC (OJ L9, 12.01.2008, p.15)

<sup>3</sup> Council Reg (EC) 58/2003 (OJ L 11, 16.1.2003, p. 1)

<sup>4</sup> C(2008) 5694 (unpublished)

<sup>5</sup> C(2009)5928 of 29.07.09, not published

assessment of both sub-groups that compete for the ERC StG (i.e. principal investigators in the early stage of transition to research independence and researchers in the consolidation phase of their research activity or team), the ScC extended the eligibility window for applicants to 2-10 years following Ph.D. This was possible also as a result of the considerably strengthened budget for 2010.

Within this window of eligibility, applicant Principal Investigators are sub-divided during evaluation into two main streams, with applicants being awarded their Ph.D. at least 2 and no more than 6 years (broadly described as "starters") or over 6 but no more than 10 years (broadly described as "consolidators") prior to the call publication. To assure comparable success rate between "starters" and "consolidators" the indicative budget of each panel was divided in proportion to the budgetary demand of the proposals submitted by the two categories of applicants.

Other adjustments included further simplification in rules on re-submission and multiple applications and the introduction of measures to increase the attractiveness of the EU and the associated countries to researchers residing in third countries as well as to further encourage the participation of women scientists. Additional funding is to be made available to researchers from third countries to encourage and help them establish themselves in Europe and greater consideration will be given to previous career breaks and unconventional career paths which would be expected to encourage higher participation from women scientists.

### **2.3. Peer review methodology**

The ERC employs a structure of high-level peer review panels chosen by the ScC and include scientists, engineers and scholars from both within the EU and beyond. These panels cover all research disciplines and are organised for both AdG and StG in a framework of three main research domains: Physical Sciences and Engineering (PE), Life Sciences (LS), and Social Sciences and Humanities (SH).

## **3. PROGRAMME IMPLEMENTATION**

Commitments of more than € 794,861,770 and payments of more than € 221,422,331,50 were fully executed, representing 100% of the operational appropriations of the "Ideas" SP for 2009.

### **3.1. Grants**

Since the 2008 WP, ERC calls involve a one-stage application process, where applicants are required to submit their full proposal, and a two-step evaluation<sup>6</sup>.

Grants are offered to the best proposals depending on the budget available. The offer is made on the basis of the proposal itself and the funding recommended by the peer review evaluation.

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<sup>6</sup> See also 3.3

### 3.1.1. *ERC Starting Grants*

The 2009 ERC StG call was published in July 2008 with deadlines in Autumn 2008 and an indicative budget of € 295.8 million. In total 2,503 proposals were received, distributed by domain as follows: 1,112 in PE, 927 in LS and 464 in SH. With the total budget increased to € 325 million thanks to FP7 Associated Countries' contributions it became possible to fund 242 proposals<sup>7</sup>.

The 2010 ERC StG call was published in July 2009 with deadlines between October and December 2009 and an indicative budget of € 528 million. In total 2,873 proposals were received distributed by domain as follows: 1,205 proposals in Physical Sciences and Engineering, 1,029 in Life Sciences and 639 in Social Sciences and Humanities<sup>8</sup>.

### 3.1.2. *ERC Advanced Grants*

A total of 282 applications submitted for the 2008 ERC AdG call were funded from a final budget of € 553 million including FP7 Associated Countries' contributions<sup>9</sup>.

The 2009 ERC AdG call was published in November 2008 with deadlines in Spring 2009 and an indicative budget of € 489.5 million. As demand was expected to be high, the ScC had decided that the first two ERC AdG calls (2008 and 2009) would be linked. For this reason, the 2008 "Ideas" WP stated that no applicant may be associated with more than one proposal to either of the two calls. The 2009 call still attracted 1,583 applications of which, 236 were initially selected for funding. Further proposals may be funded depending on the availability of FP7 Associated Countries' contributions.

The 2010 ERC AdG call was published in October 2009 with deadlines between February and April 2010 and an indicative budget of € 590 million. Reporting on this call will be available in the Commission's 2010 Annual Report.

## 3.2. **Programme Committee**

The Programme Committee<sup>10</sup> of the SP "Ideas" serves, in addition to its formal duties, as an important communication network between the Member States and FP7 Associated Countries, the ScC, the ERC Secretary General (Sec Gen) and the Commission. In 2009 meetings of this committee were held on 23/04 and 30/09.

## 3.3. **Ethical review**

An external Ethics Panel screened 133 of the projects selected for funding under the 2009 ERC StG call and carried out a full ethical review of 42 of these. All but one project were cleared by the review<sup>11</sup>.

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<sup>7</sup> Additional top researchers selected in the ERC's second StG competition (ERC ScC News release, 29/10/09)

<sup>8</sup> Third ERC StG call attracted 2873 proposals in total, ERC Update, 18/12/09 ([http://erc.europa.eu/pdf/NewsRelease\\_StG3\\_submissions.pdf](http://erc.europa.eu/pdf/NewsRelease_StG3_submissions.pdf))

<sup>9</sup> Reporting on this call was included in the Commission's 2008 Annual Report [COM(2009)488final]

<sup>10</sup> Article 8 of Council Dec 2006/972/EC

<sup>11</sup> The one project that was not immediately cleared by the first review was subjected to a further review which was still ongoing by the end of the year

For the 2009 ERC AdG call, 146 proposals were flagged for ethical screening, which identified 49 proposals for a full ethical review and 78 proposals for which only approvals from national authorities were requested. The full ethical review was organised by the ERCEA with the exception of 19 proposals that required invasive methods in human subjects – mainly children – and non-human primates and were therefore submitted to the Commission in view of their sensitive nature.

### **3.4. Redress**

The "Ideas" configuration of the redress committee<sup>12</sup> considered 85 requests for redress in connection with proposals submitted under the 2009 ERC StG call and 74 requests relating to the 2009 ERC AdG call, representing approximately 3.5% and 4.5% of the proposals submitted for each call.

The redress committee concluded that 10 requests related to the 2009 ERC StG call merited an evaluation or a re-evaluation. In one such case, related to a selected project, the previous decision regarding the amount of funding was changed. The decisions regarding requests for redress in the case of the 2009 ERC AdG had not been finalised by the end of the year.

### **3.5. Communication**

The ERC participated in a number of events of interest to the scientific community and produced and distributed promotional material.

#### *3.5.1. Meetings*

A conference dedicated exclusively to the ERC took place in Istanbul on 13/03/09 and coincided with the plenary session of the ScC held there<sup>13</sup>. The conference was addressed by representatives of the ERC, the Turkish government and the local research community as well as ERC grant holders and stakeholders.

The ERC had a significant and visible role in the Research Connection conference (7-8/05/09) organised by the Commission in Prague during the Czech Presidency of the EU.

The ERC was also a participant in the 58<sup>th</sup> Meeting of Nobel Laureates at Lindau (28/06-3/07), the Source Event, a science career fair in London (25/09) and the first European Researcher Career Fair held in Berlin (4/12).

The ERCEA inauguration event, *ERC – The future starts today*, was held in September 2009 on the occasion of its autonomy and installation in new premises.

A number of information days for stakeholders were held, often organised through the National Contact Point network. Venues were throughout the EU and FP7 Associated Countries and included cities in Denmark, Hungary, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Serbia, Sweden, the UK and Norway.

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<sup>12</sup> OJ L 391 and OJ L 400 of 30.12.2006 (EC and Euratom rules respectively) and corrigendum in Euratom OJ L 54 of 22. 02.2007, p. 4

<sup>13</sup> See also 4.1

The ERC also sought to increase its visibility in the USA by participating in the European Career Fair (Boston), the American Association for the Advancement of Science (AAAS) Annual Meeting (Chicago) and the International Career Fair (San Francisco).

### *3.5.2. Publications*

The second ERC Annual Report, prepared under the ScC's authority and outlining the ERC's activities and achievements, was published. Prominence was given to the perspectives and expectations of the funded projects' Principal Investigators.

Paper publications also included fliers, fact sheets, brochures and posters which still receive wide distribution as a way of introducing the ERC and its work. A video outlining the ERC's strategy, mission and funding through ERC StG was produced and is expected to receive wide circulation. Up-to-date information is also made available through the ERC website<sup>14</sup> and CORDIS<sup>15</sup>, the European portal on research and development.

## **3.6. Monitoring, Assessment and Evaluation of the Specific Programme "Ideas"**

A strategy and framework for the monitoring, assessment and evaluation of the ERC previously developed continued to be applied in 2009.

Two proposals for Co-ordination and Support Actions (CSAs) were selected in 2008: one analysing the programme's impact on researchers, research organisations, funding institutions and policy structures, the other on career development, host institutions, research structures and research output.

Following an analysis of these results, a second round of CSA calls was published in 2009, focusing on the "gaps" in topics and areas of interest where no proposals were selected for funding in the previous call. The first results are expected by the end of 2010.

Another CSA, the call for which was launched in 2008, provides support to the ScC Chair and Vice-Chairs at their places of work.

## **4. STRUCTURES AND MECHANISMS OF THE EUROPEAN RESEARCH COUNCIL**

### **4.1. The Scientific Council**

During 2009, the ScC met five times in plenary in different venues in Member States and FP7 Associated Countries as a way of promoting the ERC and the SP "Ideas" in these countries as well as a way of drawing attention to the local scientific and research community. In 2009 the Scientific Council met twice in Brussels (27-29/04 and 12-14/10) and once in Istanbul (10-12/03), Warsaw (29/06-1/07) and Rehovot, Israel (14-16/12).

The ERC Board, set up by the ScC to plan the ScC meetings and liaise with the ERCEA, met five times during the year.

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<sup>14</sup> <http://erc.europa.eu/>

<sup>15</sup> <http://cordis.europa.eu/>

#### 4.1.1. Appointment of new members

In 2008 an "Identification Committee"<sup>16</sup> was set up by the Commission in order to identify new members to fill three vacant posts on the ScC and make recommendations on a method for future replacements of members<sup>17</sup>. The committee presented its proposals to the Commission in January 2009 following consultations with the scientific community<sup>18</sup>.

Based on the proposals of this committee, the Commission nominated Prof. Dr. Sierd A. P. L. Cloetingh (VU Amsterdam), Prof. Carlos M. Duarte (Spanish Council for Scientific Research, CSIC) and Prof. Henrietta L. Moore (University of Cambridge) as new members of the ScC<sup>19</sup>. As to future appointments, the committee proposed that approximately one third of the ScC be renewed once every two years (implying a term that is ordinarily of six years, renewable) and that the Identification Committee be established as a standing committee to identify new members to fill in vacancies as they arise.

#### 4.2. The ERC Secretary General

On 30 June the term of the first ERC Sec Gen, Prof. Ernst-Ludwig Winnacker, ended. Prof. Andreu Mas-Colell, Professor of Economics at Universitat Pompeu Fabra in Barcelona and Chairman of the Barcelona Graduate School of Economics, was appointed to the post with a mandate until December 2011<sup>20</sup>.

The ERC Sec Gen acts under the authority of the ScC, is responsible for effective liaison between the ScC, the Commission and the ERCEA, and monitors the effective implementation, by the ERCEA, of strategy and positions adopted by the ScC.

#### 4.3. The ERC Executive Agency

Administrative autonomy was granted to the ERCEA on 15/07/09. It was officially inaugurated in its new premises in Brussels on 24/09 at the event "*ERC – The future starts today*" which was addressed by Dr Tobias Krantz (Swedish Minister for Higher Education and Research, representing the Presidency of the EU), Janez Potočnik (European Commissioner for Science and Research), Herbert Reul MEP (Chair of the EP's ITRE Committee), Prof. Fotis C. Kafatos (President of the ERC and Chair of its ScC) and Dr Jack Metthey (Director *ad interim* of the ERCEA and Director in the Commission) and attended by invited stakeholders and ERCEA staff.

Since July 2009 the ERCEA has been responsible for all aspects of administrative implementation and programme execution as provided for in the WP.

The operations of the ERCEA are supervised by a Steering Committee, appointed by the Commission and composed of three Commission officials, one ScC member and an

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<sup>16</sup> The members of this committee were Prof. Eero Vuorio (Chancellor of the University of Turku) as Chairman and Prof. Hélène Ahrweiler (Honorary Rector and Chancellor of the Academy of Paris), Prof. Zita Aušrelė Kučinskienė (Dean of the Faculty of Medicine, Vilnius University) and Prof. Arnold Schmidt (Professor at Vienna University of Technology) as members

<sup>17</sup> News Alerts on EU Research: Set up of the ERC Identification Committee. Brussels, 23/09/08 (<http://ec.europa.eu/research/index.cfm?pg=newsalert&lg=en&year=2008&na=na-230908>)

<sup>18</sup> ERC ScC Identification Committee. *Final Report* (19/01/09)

<sup>19</sup> European Commission Press Release. *New ERC ScC members appointed* (27/04/09)

<sup>20</sup> New Sec Gen of the ERC, Press Release, 2/07/09 ([http://erc.europa.eu/pdf/Press\\_release\\_New\\_SecGen\\_02\\_07\\_09.pdf](http://erc.europa.eu/pdf/Press_release_New_SecGen_02_07_09.pdf))



independent scientist; the ERC Sec Gen is an observer. In 2009, the Steering Committee held four meetings and adopted decisions related to the ERCEA's Annual WP and budget, the organisational structure and the date of autonomy. At each of its meetings, the Steering Committee received a detailed progress report from the Director of the ERCEA.

#### *4.3.1. ERCEA Staff*

The rate of recruitment and actual taking up of duties was increased dramatically in 2009 over the previous year. 201 new recruits brought the ERCEA's total staff to 262 representing a fourfold increase from 2008.

As regards the management of the ERCEA, 13 out of the 16 posts are now filled.

Apart from selection and recruitment, during 2009 the ERCEA saw to the consolidation and development of its human resources. In particular, implementing rules related to staff management were adopted by the Steering Committee.

#### *4.3.2. Memorandum of Understanding (MoU)*

A MoU was signed between the Commission and the ERCEA in July 2009 in conformity with Article 4.3 of the Delegation Act. The aim is to establish arrangements for the day-to-day interaction between the parent-DG and the ERCEA in the implementation of the SP "Ideas".

### **4.4. Review of Structures and Mechanisms**

#### *4.4.1. The review process*

Annex I of the Council Decision establishing the SP "Ideas" requires that "an independent review will also be carried out of the ERC's structures and mechanisms, against the criteria of scientific excellence, autonomy, efficiency and transparency and with the full involvement of the ScC<sup>21</sup>.

The review took place between February and July 2009. The ERC ScC was fully involved in the review process and was broadly in agreement with orientations ultimately taken by the Panel.

Written evidence and documentation were presented to the Panel by the Commission, the ScC and European research organisations<sup>22</sup>. Hearings were held with officials of the Commission (from Directorates-General Research and Budget and from the Legal Service) and the ScC (the Chair, the Vice-Chairs and the Sec Gen) and the Chair of the European association of the heads of research-funding and research-performing organisations, EUROHORCS. An on-line questionnaire for applicants, panel members and referees specifically on the peer review

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<sup>21</sup> This panel chaired by Vaira Vike-Freiberga with Lord Sainsbury as Vice-Chair and the following as members: Yves Mény (who was also the panel's rapporteur), Fiorella Kostoris Padoa Schioppa, Lars-Hendrik Röller and Elias Zerhouni, was set up by Com Dec C(2009) 1871

<sup>22</sup> These were: ALLEA (All European Academies), EARTO (European Association of Research and Technology Organisations), ESF (European Science Foundation), EUROHORCS (European Heads of Research Councils), EIRMA (European Industrial Research Management Association), BUSINESSEUROPE (The Confederation of European Business), EUA (European University Association), EASAC (European Academies' Science Advisory Council) and Academia Europaea

evaluation process was prepared, the process being managed and results analysed by the European University Institute.

#### 4.4.2. *The results of the review*

The Panel presented its report in July<sup>23</sup>. It stated that, overall, the ERC had succeeded "beyond all expectations", its creation being a landmark in European research, generally lived up to its stated aim of academic freedom, excellence and merit and produced a "positive spill-over effect" in some European national research systems.

The Panel nevertheless identified some specific problems related to rules and practices applied in the ERC's governance which were not fully adapted to the ERC's mission of funding frontier research, problems which would need to be resolved to secure the ERC's long-term sustainability. The financial rules are "cumbersome", based more on preventing risks of fraud or mismanagement rather than on trust.

The immediate measures recommended by the review include the streamlining and integration of governance structures with the fusion of the positions of ERC Sec Gen and Director of the ERCEA, adapting funding philosophy to frontier research, establishing standing committees on a number of issues, adoption of new and streamlined procedures for reviewers and panellists, improvement of transparency, financial compensation for members of the ScC and facilitation of recruitment of scientists by the ERCEA.

The Panel also called for changing the "quasi-contract" grant into a lump sum "grant-in-aid" giving grant holders the flexibility to adapt the direction of their ongoing research. Lighter procedures for the appointment and management for experts in the peer review process were proposed.

Finally, the Panel endorsed the proposal of the Identification Committee on the appointment of new members to the ScC<sup>24</sup> and, for greater transparency, proposed that minutes of the ScC be published.

Having considered the opportunities and potential risks associated with the two types of structure, the review comes to the position that while the executive agency model, in its current standard form, involves a number of constraints, the difficulties and risks associated with moving to a new structure based on Article 187 of the TFEU<sup>25</sup>, including the possibility of political interference with the ERC's scientific independence, would not justify a change of structure - at least until the prospects for developing and refining the ERCEA to meet the ambitions of the ERC are exhausted. The Panel recommends a further independent review in two years.

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<sup>23</sup> Review Panel, *Towards a world class Frontier Research Organisation: Review of the European Research Council's Structures and Mechanisms* (23/07/09)

<sup>24</sup> See 4.1

<sup>25</sup> Former Article 171 of the EC Treaty; "The Union may set up joint undertakings or any other structure necessary for the efficient execution of Union research, technological development and demonstration programmes"

#### 4.4.3. *Reaction of the Scientific Council to the review*

The ScC issued a reaction to the review, commenting on the individual recommendations made<sup>26</sup>. The ScC gave particular attention to proposals to adapt the administrative regime better to meet the ERC's mission and to the need to consider further its legal structure.

#### 4.4.4. *Commission's reaction on the review and follow-up*

A Commission communication was issued in October 2009 in response to the review<sup>27</sup>. It set out the strategy and proposed actions for the next phase of the ERC, building on the recommendations made in the ERC Review Panel's report.

These actions include: recruiting the ERCEA's Director as a distinguished scientist with robust administrative experience, integrating the ERC's communication strategy to achieve a clear vision, seamless coverage, reinforced transparency, reducing the risks of conflict of interest, clarifying the roles of the ERCEA and the ScC and exploring the possibilities of offering honoraria to members of the ScC attending ScC plenary meetings (in recognition of their personal commitment, particularly the Chair and the Vice-Chairs).

The Commission also intends to establish a standing independent Identification Committee for future ScC members to ensure the staged renewal of the ScC.

Medium-term actions proposed in the communication deal mainly with proposals on the financial and administrative procedures. The Commission will be taking the opportunity offered by the upcoming triennial review of the Financial Regulation to see how the framework it establishes can be better adapted to European policies in this sector, and simplified, in line with the recently adopted Communication<sup>28</sup>.

Considering the ERC a "learning organisation", the Commission follows the SP "Ideas", which states: "...*The implementation and management of the activity will be reviewed and evaluated on an ongoing basis to assess its achievements and to adjust and improve procedures on the basis of experience*".

## 5. CONCLUSIONS AND OUTLOOK FOR 2010

The two major developments in the ERC's timeline of 2009 were the granting of autonomy to the ERCEA and the Review of Structure and Mechanisms.

The year 2010 will see further progress related to these developments. The follow-up to the ERC review will entail the appointment of a Director of the ERCEA; amendments to the legislation to incorporate improvements in the ERC's construction and operations, including the management of independent experts in the peer review process, are also foreseen. A standing Identification Committee will also be set up in view of the renewal of some members anticipated for the end of their first term of office in February 2011.

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<sup>26</sup> *The ERC Scientific Council's response to the Report on the Review of the European Research Council's Structures and Mechanisms "Towards a world class Frontier Research Organisation". (25/08/09)*

<sup>27</sup> (COM(2009) 552 final)

<sup>28</sup> COM(2010)187

The ERC grant funding is expected to maintain its current growth path, with the rising annual budget during FP7. The Commission is delighted that the ERC continues to be extremely popular with researchers and that its reputation is enhanced by the track record that has been built. With a strong likelihood that the volume of high-quality proposals will increase, the ERC should be in a stronger position to contribute to Europe's ambitions for world excellence in research, and thereby to the objective of the Europe 2020 strategy<sup>29</sup> of developing an economy based on knowledge and innovation. The objectives, as well as the main strands of the future architecture and mechanisms of EU research funding, will be further developed in the "Innovation Union" flagship initiative, that has been announced in the "Europe 2020" communication and will be presented in the Autumn 2010.

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<sup>29</sup> COM(2010)2020