

FP7 Monetary (re-)distribution effects

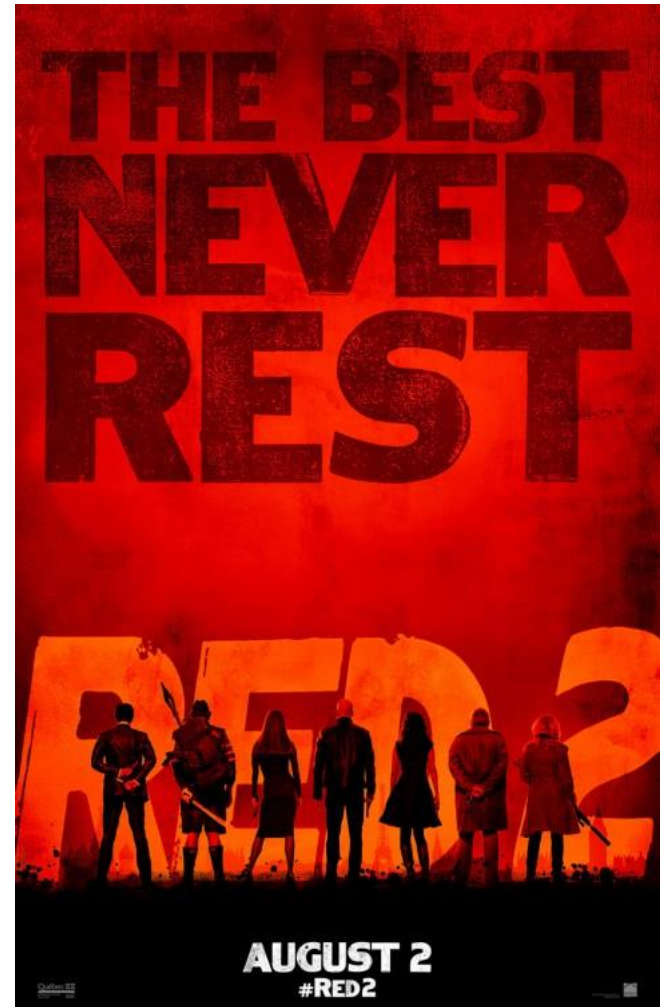
- A first look into a complex issue

Estonian FP7 Review Conference
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Intro

- Personal Background
 - Over 20 years at the European Commission in DG RTD
 - Responsible for Social Sciences and Humanities Programme and Programme Evaluation
 - Retired since end of last year
- Views expressed here are only engaging myself



FP7 - Characteristics

- Project funding only
- True common pot – no national quota
- Competitive process with annual calls and peer review proposal evaluation
- Main focus on collaborative projects with partners from several countries
- Open to academia and industry alike
- Open to the world, not restricted to Europe

FP7 – Impacts?

- Strengthen the European Science Base
- Fostering excellence
- Human Resource Development
- Increased connectivity of European researchers
- New products, new firms
- Improved competitiveness of European Industry
- Solutions to societal problems
- Support to European policy shaping
- ...
- ...
- Direct money flows between Member States
- ...

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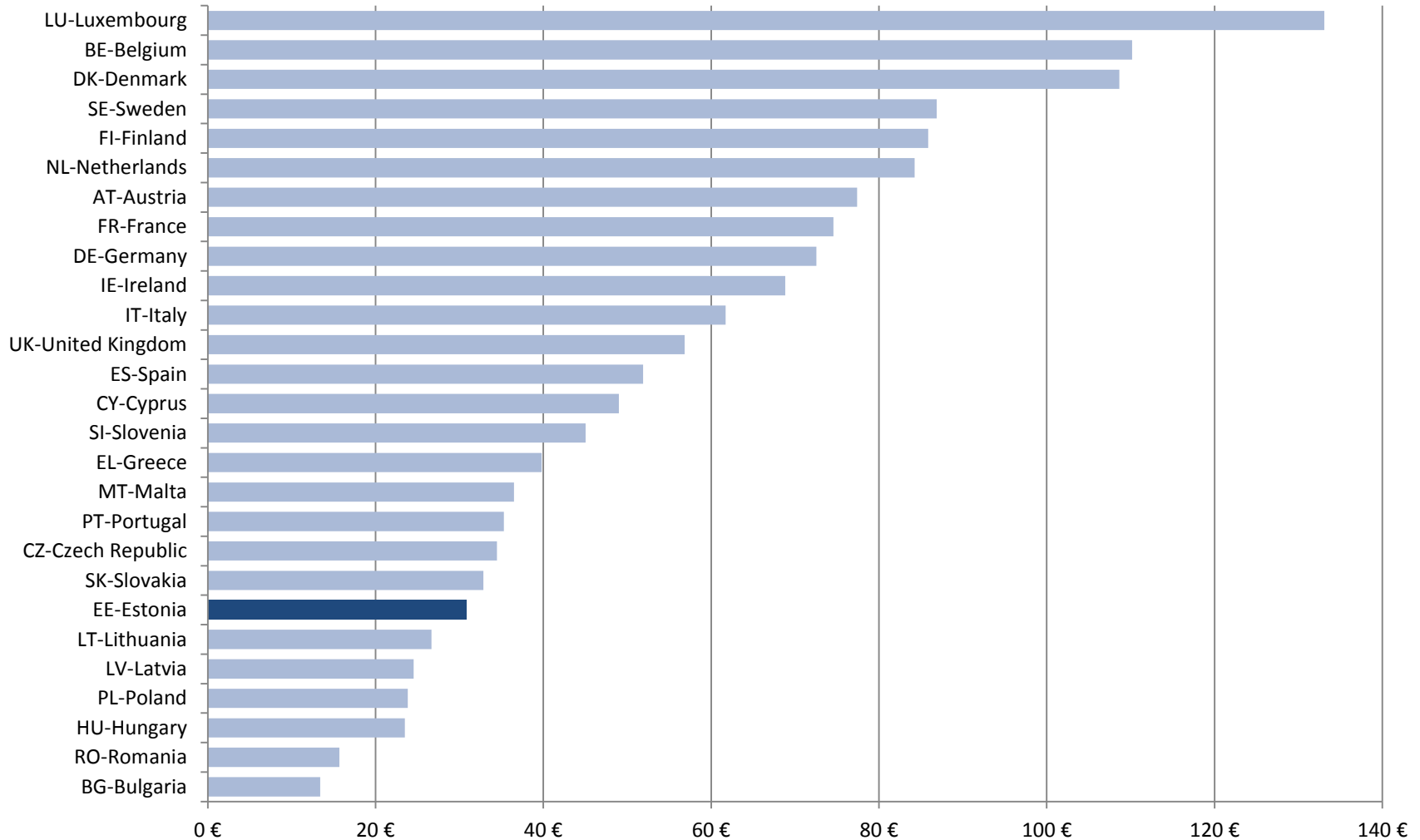
FP7 money flows – Some simple calculations ...

- Covering the period from 2007 to 2013 (6 years out of 7)
- Including all expenditure covered by the CORDA database
- Thus excluding notably JTIs, Euratom, ...
- Analysis carried out for EU27 only (no CH, NO, ICE, ISR, no Third Countries)
- Thus allowing for a simpler presentation (“zero-sum-game”)
- Real payments for FP7 still to come for the next 5 years
- Assumption that Member States will in the future contribute the same % to the EU Budget as in 2013

FP7 money flows - Who pays?

- FP7 is financed through the general EU Budget
- Contributions from Member States based on GDP ...
- ... And “adjusted” as a result of a political bargaining process (notably the “UK Rebate”)
- EU Budget 2013 is used as proxy for the entire financing of FP7
- Funding per capita varies roughly by the factor 10 between LU and BG ...

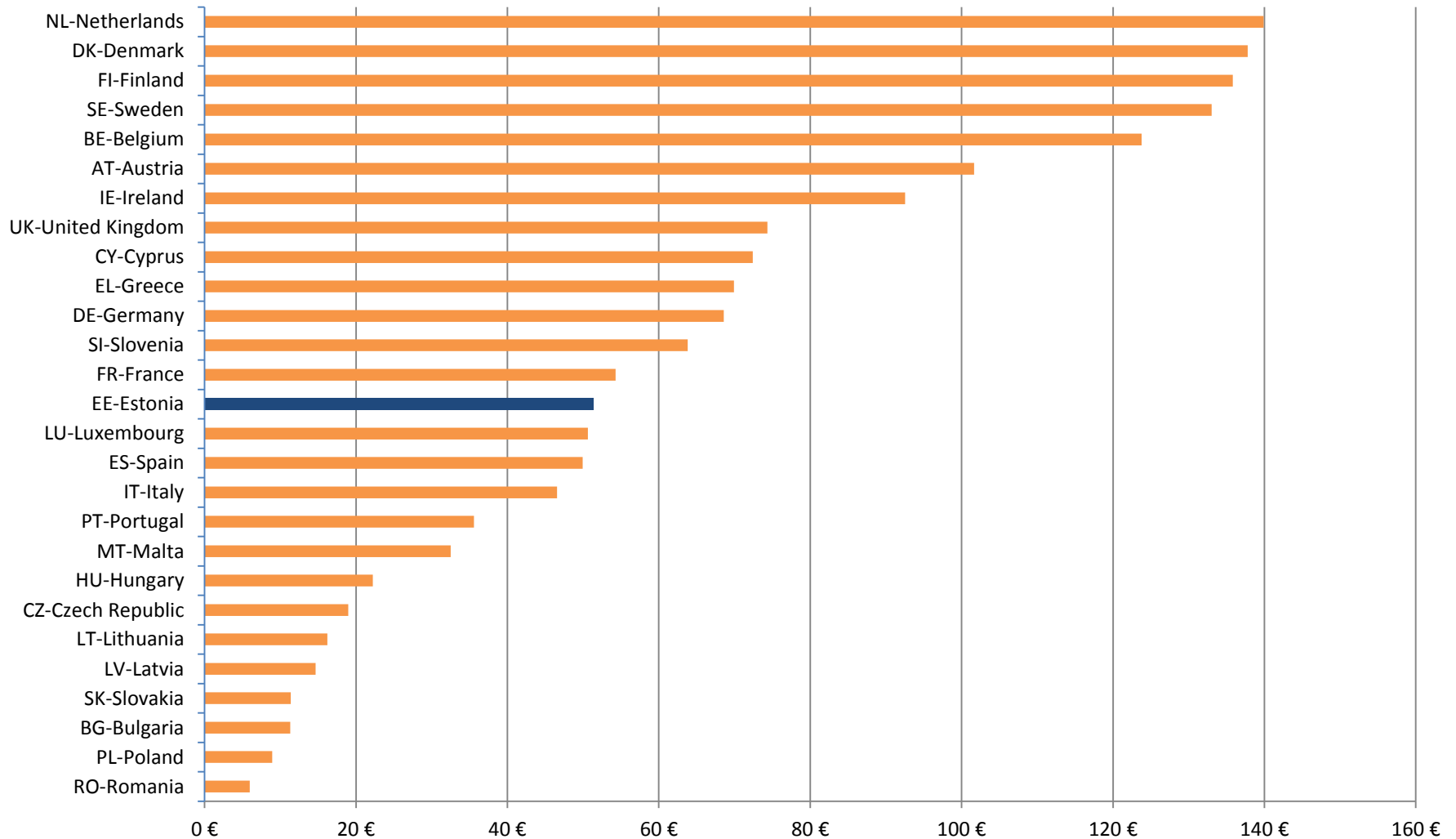
Spending on FP7 (“money out”)per capita (Estimation for 2007 - 13 based on 2013 budget)



FP7 money flows - Who gets funding?

- FP7 funding is based on scientific peer review
- Key selection are “Excellence” and “Relevance”
- CORDA data allow for breakdown by every project participant
- Financial contribution per capita varies roughly by the factor 15 between NL and RO ...

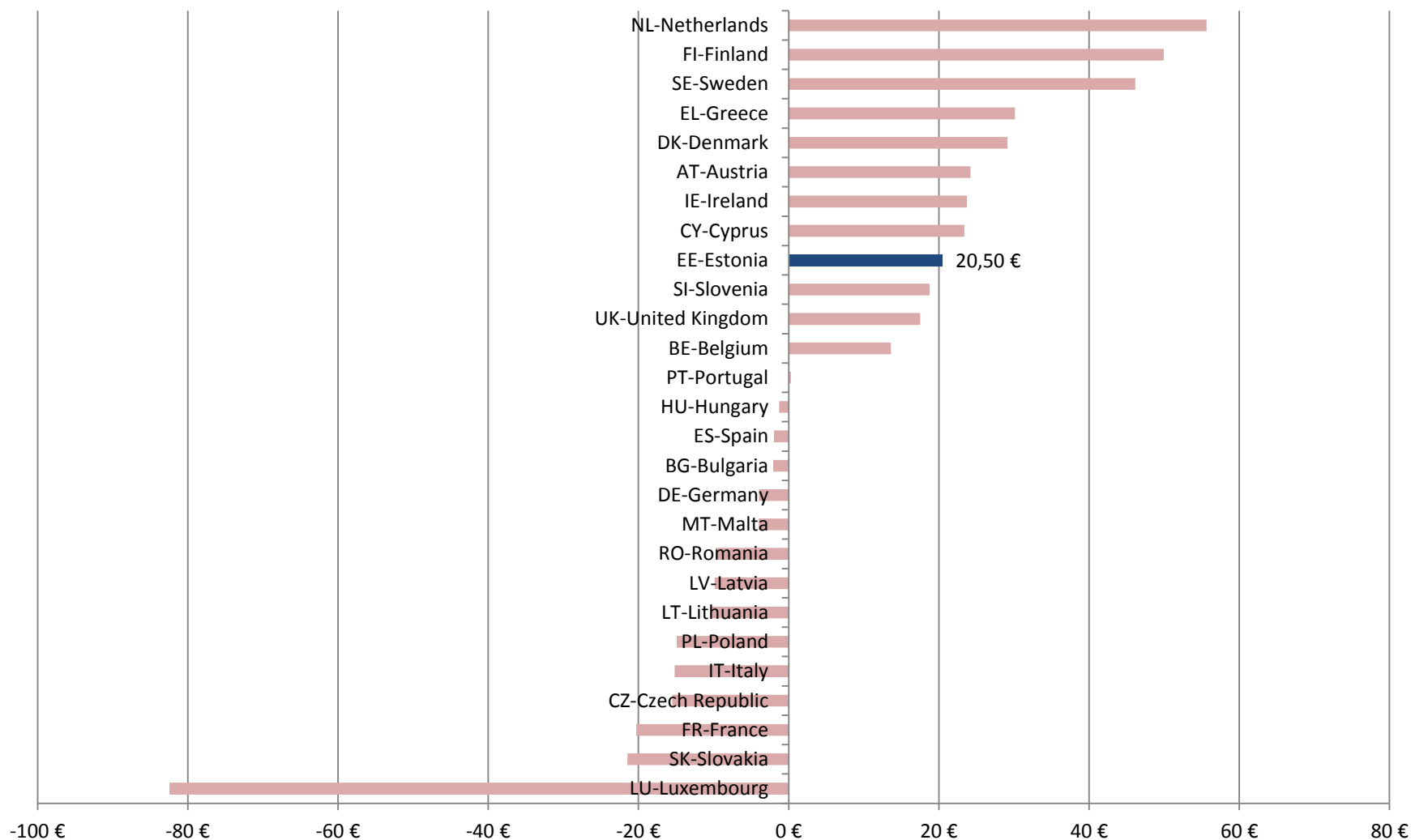
Income from FP7 ("money in") per capita (for 2007 - 2013)



FP7 money flows - Net results per capita

- No “juste retour”
- Differences are normal and due to the use of two completely different distribution systems:
 - GDP / Political bargaining for the financing of FP7
 - Scientific peer review for the funding of projects
- Net results show huge variations from +75 € (NL) to – 80 € (LUX)

Estimated net distributional effects of FP7 per capita („money in - money out“ for 2007 – 2013)

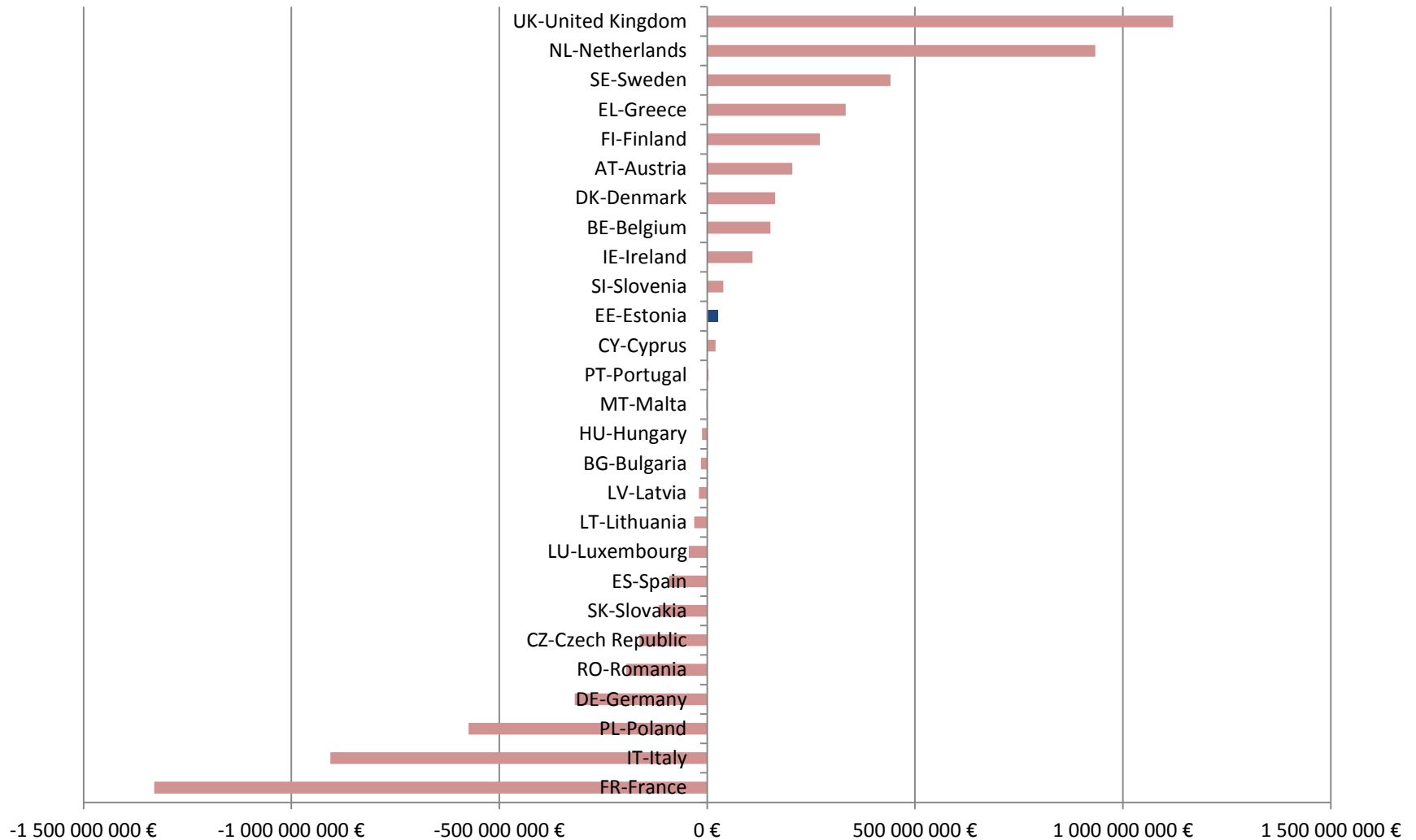


FP7 money flows -

Net results in absolute figures

- Size of a country matters
- For most Member States “gains” or “losses” are not really significant
- Top 5 “Winners”: UK, NL, SE, GR, FI
- Top 5 “Losers”: FR, IT, PL, DE, RO
- Ranking not in line with traditional perceptions
- Absolute differences in some cases really substantial (up to over one billion €)

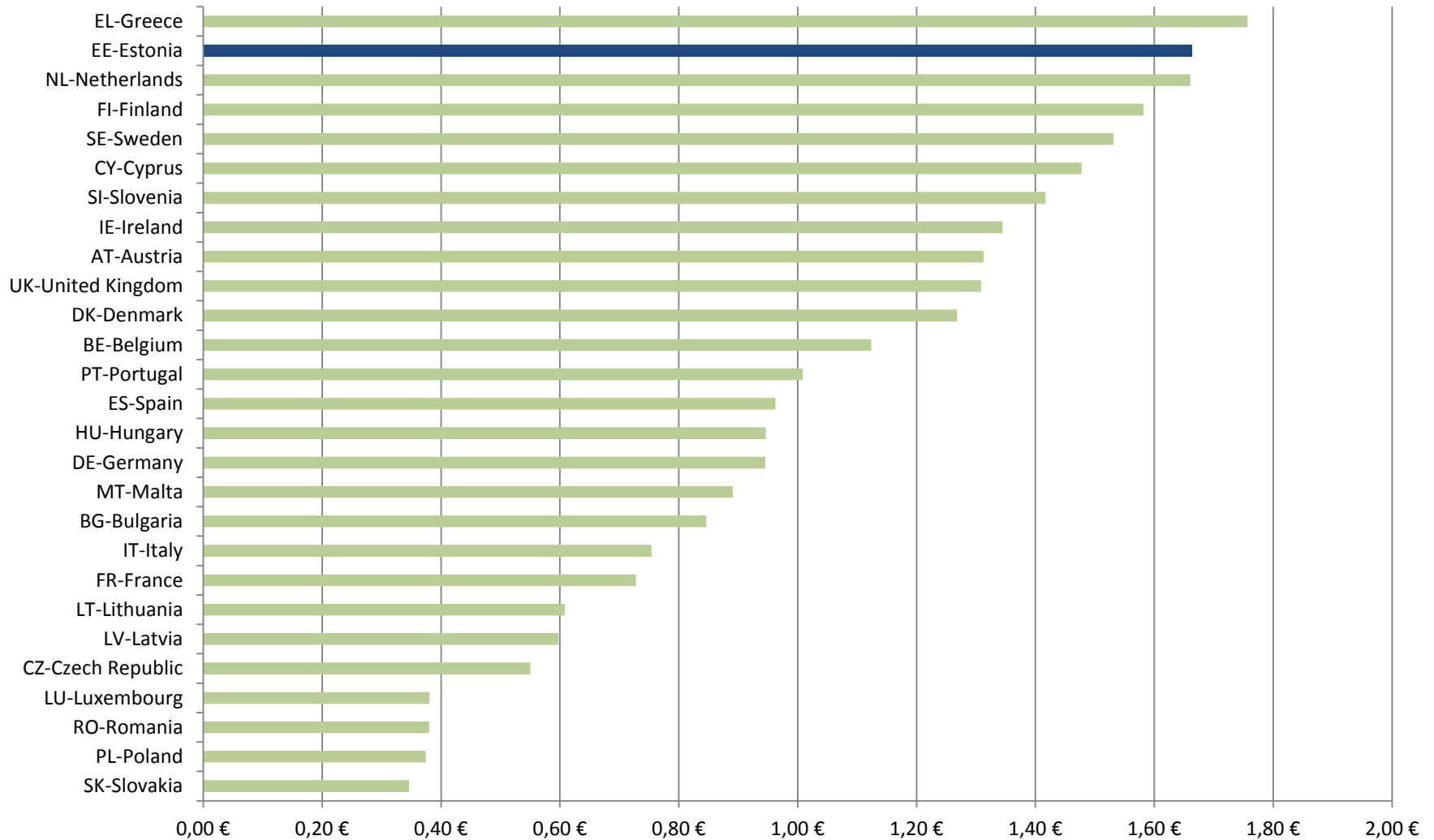
Estimated net distributional effect of FP7 („money in - money out“ for 2007 – 2013)



FP7 money flows – Return on investment

- How much does a Member State get back from FP7 for every € spent on the FP7 budget?
- Results vary roughly by a factor 5
- “Strong returns”: GR, EE, NL, FI, SE all receive > 1.5 €
- “Weak returns”: SK, PL, RO, LU all receive < 0.5 €
- Ranking again not fully in line with traditional perceptions

Estimated income from FP7 for every € spent on FP7 (for 2007 - 2013)



Personal Conclusion #1

This is an issue

- Returns per capita from FP7 vary by a factor of 15 ...
- Absolute “gains”/”losses” of some Member States exceed one Billion € ...
- Do we have a “level playing field” for research in Europe?
- Are we close to a “European Research Area”?

Personal Conclusion #2:

Political perception not in line with the figures

- Some political noise about alleged “EU-12” discrimination ...
- But EU-12 are a very heterogeneous group with “winners” and “losers”.
- Big countries from Central- and Eastern Europe score badly
- Political silence about the poor performance of France and Italy

Personal Conclusion #3:

FP7 mirrors scientific performance

- Despite all strategic focus and political priorities:
FP7 is basically a mirror of the scientific strength of each Member State
- Strengthening the national support for the science base is paying off ...
- Scientific peer review is the best quality indicator ...
- All possible political interferences will create inefficiencies

Personal Conclusion #4:

Better use other instruments to try a “rebalancing”

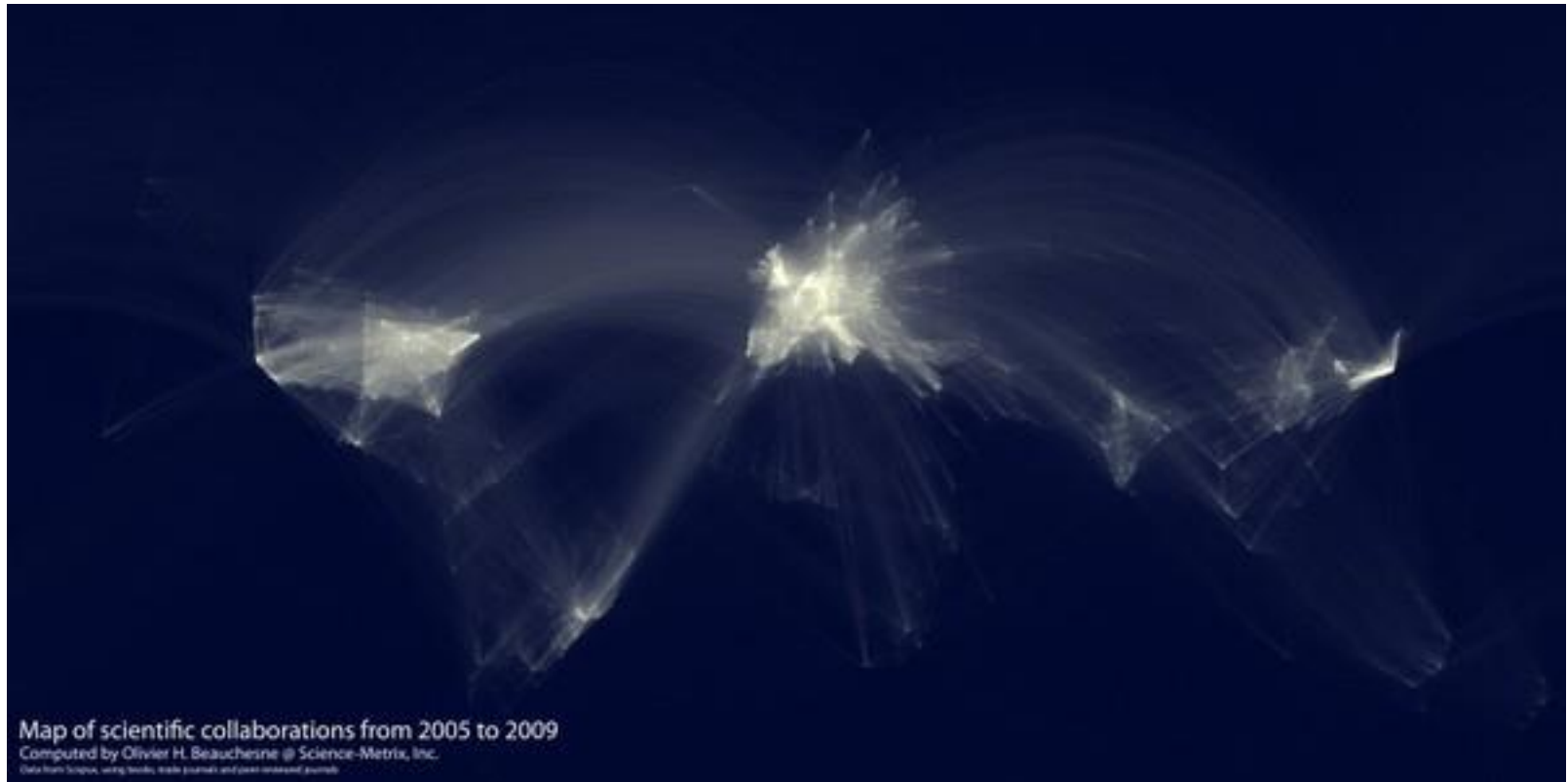
- Are the current “imbalances” politically sustainable?
- If not, don’t blame FP7 and do not call for political correctness
- If there is a need for “rebalancing”, think about direct measures outside the project funding

Personal Conclusion #5:

Estonia is on track

- Estonia is among the net beneficiaries of FP7
- Return on investment is very positive:
Over 1.60 € received for 1 € spent!
- And these calculations do not even take into account the core benefits:
 - International networking
 - Teambuilding
 - Access to knowledge
 - ...

Global scientific collaborations



Thank you

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