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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 2010**

1. INTRODUCTION AND LEGAL BASE

The European Research Council (ERC), established by Commission Decision 2007/134/EC¹, has as its essential task the implementation of the Specific Programme "Ideas", with an overall budget of €7.51 billion.

The ERC consists of an independent Scientific Council supported by a dedicated implementation structure, which took the form of the ERC Executive Agency (ERCEA)² created under the general regime of executive agencies. Responsibility for implementing the "Ideas" programme and supporting the Scientific Council was delegated to the Agency by the Commission in 2008 and autonomy was granted to the Agency in July 2009.

In conformity with Article 4.4 and Annex I of the Council Decision on the Specific Programme "Ideas", this Annual Report of the Commission, drawn up in co-operation with the ERC Scientific Council and the ERC Executive Agency, presents the Commission's assessment of the ERC's operations and the achievement of its objectives in 2010. This report is complemented by a report from the Scientific Council on the scientific implementation and achievements of the programme during the year 2010.

2. STRATEGY MATTERS

The Scientific Council is responsible for setting the ERC's scientific strategy, including establishing the ERC's most important strategy document, the annual "Ideas" Work Programme.

2.1. Funding schemes

In the "Ideas" Work Programme the Scientific Council has aimed to define a clear and stable vision for the research activities of the ERC. It should be recalled that the Scientific Council's strategy in this regards involves two grant schemes across all fields of research:

- The ERC Starting Independent Researcher Grants (ERC Starting Grants): designed to assist researchers who have recently obtained their Ph.D. to establish their independence
- The ERC Advanced Investigator Grants (ERC Advanced Grants): 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 Work Programme for the Specific Programme "Ideas" (2010 Work Programme)³ was established by the Scientific Council on 2 April 2009 and subsequently adopted by the Commission on 29 July 2009.

¹ OJ L 57, 24.02.2007, p.14.

² 2008/37/EC: Commission Decision of 14 December 2007 setting up the European Research Council Executive Agency for the management of the specific Community programme Ideas in the field of frontier research in application of Council Regulation (EC) No 58/2003 (OJ L9, 12.01.2008, p.15).

³ C(2009)5928 of 29.07.09, not published.

No fundamental change in strategy was introduced via the 2010 Work Programme, but only a refinement of grant schemes on the basis of experience gained. To further ensure a more appropriate assessment of both sub-groups that compete for the ERC Starting Grant (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 Scientific Council extended the eligibility window for applicants to 2-10 years following their being awarded a 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 whose members are selected by the Scientific Council and include scientists, engineers and scholars from both within the EU and beyond. These panels cover all research disciplines and are organised in a framework of three main research domains: Physical Sciences and Engineering, Life Sciences, and Social Sciences and Humanities. Consistent with previous calls, the number of panels was 25 for both schemes.

3. PROGRAMME IMPLEMENTATION

In the implementation of the programme, commitments of more than €1.1 billion and payments of €528 million were fully executed, representing 100% of the operational appropriations of the "Ideas" Specific Programme for 2010. Around 2.58% of the operational budget was spent on administration.

3.1. Grants

Since the 2008 Work Programme, ERC calls involve a one-stage application process, where applicants are required to submit their full proposal, and a two-step evaluation.

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.

3.1.1. ERC Starting Grants

The 2010 ERC Starting Grant call was published in July 2009 with an indicative budget of €28 million. In total 2,873 proposals were received distributed by domain as follows: 1,205 proposals in Physical Sciences and Engineering, 1,230 in Life Sciences and 638 in Social Sciences and Humanities. A total of 436 proposals were funded with a budget of more than €537 million and an average award of around €1.2 million.

The 2011 ERC Starting Grant call was published in July 2010 with an indicative budget of €61 million. A total of 4,080 proposals were submitted in response: 1,690 for Physical Sciences and Engineering, 1,440 for Life Sciences and 950 for Social Sciences and Humanities, representing respectively 42%, 35% and 23%, a split similar to the 2010 Starting Grants call.

3.1.2. ERC Advanced Grants

The 2010 ERC Advanced Grant call was published in October 2009 with an indicative budget of €90 million. A total of 2,009 proposals were received distributed by domain as follows: 902 proposals in Physical Sciences and Engineering (45%), 621 in Life Sciences (31%) and 486 in Social Sciences and Humanities (24%). The evaluation process resulted in a total of 266 proposals retained for funding with a total of more than €588 million awarded and an average award of around €2.2 million.

The 2011 ERC Advanced Grant call was published in November 2010 with deadlines between February and April 2011 and an indicative budget of €661 million.

The rise in proposals in both granting schemes shows an unbroken demand for funding of excellent research at European level.

3.2. Programme Committee

The Programme Committee of the Specific Programme "Ideas" serves, in addition to its formal duties, as an important communication network between the Member States and FP7 Associated Countries, the Scientific Council, the ERC Secretary General and the Commission. In 2010 meetings of this committee were held on 23 March and 22 October.

3.3. Ethical review

An external Ethics Panel of 40 experts was involved in the ethical review process.

During 2010, all the proposals were screened from the ethical point of view, out of which only 3 were flagged as dealing with Human Embryonic Stem Cells. However, since these proposals were in the reserve list at the end of 2010, they will be transferred to the Commission for the finalisation of the process only when and if they become part of the main list; consequently there was no involvement in 2010 of the Ideas Programme Committee.

3.4. Redress

In 2010, a total of 225 redress complaints for both calls were introduced, representing 4.6 % of the total number of proposals. Although the percentage of redress cases introduced shows a slight increase compared to 2009 (+0.7%), the number of re-evaluation decreased by 71% (from 14 to 10 re-evaluations) based on the outcome of the ERCEA Redress Committee's

assessment and none of the 2010 redress complaints introduced was successful. One re-evaluation is still pending.

3.5. Communication

During the course of 2010, the ERC continued its efforts to raise awareness of its funding opportunities in the research community and increase the visibility of the ERC and its research projects among the general public and the media.

In particular, the ERC Scientific Council decided to put further emphasis on awareness raising outside Europe in order to attract more top researchers from non-European countries to pursue their research in Europe. To this end, targeted visits and outreach campaigns in the US, China, Japan, India and Brazil were organised. The ERC was present in major international research conferences, career fairs and workshops: the “AAAS” annual meeting in San Diego, the “MIT-European Career Fair” in Boston and the “Annual Meeting of the Society for Neuroscience” in San Diego, the “ESOF” in Torino, the “Research Career Fair” in Paris and the “EMBO” in Barcelona; the “World Expo” in Shanghai and the “Indian Science Congress” in Kerala. ERC delegations also visited universities in the US (Berkeley, Stanford and UC Davis) and in Sao Paulo, Brazil, as well as institutes and organisations in Beijing, Shanghai, and Tokyo.

In line with this outreach priority, targeted brochures were produced and translated into Chinese, Japanese, Russian and Spanish, and promotional ERC banners were designed for the EU Delegation offices in the US, China, Brazil and India. An immediate result of these outreach activities was the increased number of hits on the ERC website from the countries visited.

Press activities were organised in Europe and overseas. Over the year, the ERC caught the interest of the media not only as an organisation, but its funded research and its grantees were also increasingly in the limelight. This was, for example, the case of ERC Starting Grantee Konstantin Novoselov, 2010 Nobel Prize laureate in Physics. The successful completion of ERC Advanced grantee Alberto Broggi’s 10,000 km intercontinental trip with solar powered autonomous cars from Italy to the “World Expo” in Shanghai received much media attention worldwide.

Mindful not to neglect any communication channel, the ERC also produced several videos, including one tracing the historical developments of the ERC and presented at the celebration of the 1000th ERC grantee event and a first portrait of one of its successful grantees.

The ERC continued to foster relations with existing networks of key stakeholders and collaborated closely with relevant departments of the European Commission, as well as with the EU Delegation offices around the world. The National Contact Points (NCPs), based all over Europe and serving as information multipliers to potential applicants, were continuously kept informed of the ERC developments and of its calls.

3.6. Monitoring, Assessment and Evaluation (MAE) of the Specific Programme "Ideas"

In 2010, the Commission, the ERCEA and the Scientific Council took action on the recommendations of the ERC Review of structures and mechanisms⁴.

In a Decision amending the Decision establishing the ERC⁵, the Commission confirmed the arrangements for the local support to the Chair and Vice-Chairs of the Scientific Council at their places of work and introduced an honorarium for attendance at the Scientific Council plenary meetings, in recognition of the personal commitment of the members of the Scientific Council and the time they have to devote to ERC tasks. The same decision introduced the concept of a Standing Identification Committee for the identification of future Scientific Council members.

The Commission also amended the ERC Rules for the submission of proposals and the related evaluation, selection and award procedures⁶, in order to improve the ERC administrative procedures and provide, in particular, for a systematic simplification of the appointment and reimbursement procedures for the independent experts involved in the evaluation process of the "Ideas" Programme. The extensive use of electronic tools and the establishment of single appointment letters thus introduced alleviate the workload of peer reviewers, on whom much of the ERC's success is credited.

The Scientific Council, for its part, has established two dedicated committees, one for peer review and one for conflicts of interest, scientific misconduct and ethical issues. The summary of the plenary meetings is published on the ERC website⁷.

On ERC governance and in close contact with the Scientific Council, the Commission undertook a further reflection on a sustainable and forward-looking solution, in view of the forthcoming "Horizon 2020" - the Framework Programme for Research and Innovation. This reflection was entrusted to an ERC Task Force, set up in December 2010 and which included representatives of the Scientific Council, the ERC Review Panel and the Commission⁸. Its report will be transmitted to the Council and the European Parliament.

The report of the expert group on the Interim Evaluation of the Seventh Framework programme published on 12 November 2010⁹ commends the success of the ERC, "*which has rapidly gained recognition from the research community, as well as policy makers throughout Europe. Despite being a new, and thus untried, instrument, the European Research Council*

⁴ Review Panel Report: *Towards a world class Frontier Research Organisation: Review of the European Research Council's Structures and Mechanisms* (23 July 2009). http://erc.europa.eu/index.cfm?fuseaction=page_display&topicID=158 Response of the Commission: Communication to the Council and Parliament C(2009) 552 final of 22.10.2009 http://ec.europa.eu/research/evaluations/pdf/archive/other_reports_studies_and_documents/commission_communication_on_the_erc_review_-_22_october_2009.pdf

⁵ Decision 2011/12/EU of 12.1.2011, OJ L 9, 13.1.2011, p.5

⁶ Decision 2010/767/EU of 9 December 2010, OJ L 327, 11.12.2010, p.51

⁷ http://erc.europa.eu/index.cfm?fuseaction=page_display&topicID=60

⁸ Press release IP/10/1759

⁸ <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/1759&format=HTML&aged=0&language=EN&guiLanguage=fr>

⁹ http://erc.europa.eu/pdf/ERC_Update_FP7_interim_report.pdf

has manifestly succeeded in attracting and funding world-class research and is playing an important role in anchoring research talent".

4. STRUCTURE OF THE EUROPEAN RESEARCH COUNCIL

4.1. The Scientific Council

In February 2010, Prof. Fotis Kafatos stepped down as Chair of the Scientific Council and ERC President and Prof. Helga Nowotny was elected to succeed him.

The Scientific Council held regular meetings in 2010 across Europe, usually at the invitation of national authorities. Five Scientific Council plenary sessions were organised during the period between 1 January and 31 December 2010: in March in Bucharest (Romania), in April and December in Brussels (Belgium), in June in Santiago de Compostela (Spain) and in October in Luxembourg.

In addition to plenary sessions and to the two standing committees (for peer review and for conflicts of interest, scientific misconduct and ethical issues), members of the Scientific Council meet in Working Groups addressing specific issues. In 2010, various meetings of the ERC Working Groups on "Relations with Industry", "Open Access", "Third Countries participation" and "Gender Balance" were organised by the Executive Agency. The Working Groups carry out analysis and contribute to the ERC scientific strategy through proposals to be adopted by the Scientific Council in plenary in the areas covered by their mandates: examine the ERC's relationship with the industrial/business sector and the impact of ERC-funded research on innovation; develop an ERC position on open access; explore suitable mechanisms to boost the participation of non-European researchers, particularly from Brazil, Russia, India and China (the BRIC countries) in the ERC schemes; ensure that the ERC is at the forefront of best practice regarding the gender balance of grantees.

To further assure its liaison with the European Commission and the Executive Agency, the Chair and vice Chairs of the Scientific Council, the ERC Secretary General and the Director of the Agency meet regularly as the ERC Board. These meetings are also attended by the senior management of the Agency. The Board met in Brussels 9 times in 2010, in particular to prepare or to follow up the meetings of the Scientific Council.

The Scientific Council's plenary meetings and the meetings of its members with ERC stakeholders are prepared with the organisational and administrative support of the Executive Agency. The Agency also provides advice and analysis to facilitate the Scientific Council to fulfil its tasks as described in Annex 1 of the *Ideas* Specific Programme, as well as support to the operational activities of its Working Groups and permanent committees.

4.1.1. Appointment of new members

In 2010 an "Identification Committee"¹⁰ was set up by the Commission in order to identify new members for the staged renewal of the Scientific Council. The committee presented its

¹⁰ The members of this committee were Prof. Eero Vuorio (Director of Biocenter, Finland), Prof. Ann Dowling (Head of Department of Engineering, University of Cambridge), Prof. Andreu Mas-Colell (Department of Economics and Business, Pompeu Fabra University), Prof. Gretty Mirdal (Department of Psychology, University of Copenhagen), Prof. Arnold Schmidt (Professor Emeritus at the Photonics

proposals to the Commission in December 2010 and its report was transmitted to Council and Parliament.

Based on these proposals, the Commission nominated as new members of the Scientific Council the following: Prof. Nicholas Canny (National University of Ireland, Galway), Prof. Tomasz Dietl (Polish Academy of Sciences), Prof. Daniel Dolev (Hebrew University of Jerusalem), Prof. Sir Timothy Hunt (London Research Institute), Prof. Mart Saarma (University of Helsinki), Prof. Anna Tramontano (University of Rome La Sapienza) and Prof. Isabelle Vernos (Centre Regulació Genómica, Barcelona).

4.2. The ERC Secretary General

The ERC Secretary-General acts under the authority of the Scientific Council, is responsible for the effective liaison between the Scientific Council, the Commission and the ERC Executive Agency, and monitors the effective implementation, by the ERC Executive Agency, of the strategy and positions adopted by the Scientific Council.

The second ERC Secretary-General, Prof. Andreu Mas-Colell, Professor of Economics at Universitat Pompeu Fabra in Barcelona and Chairman of the Barcelona Graduate School of Economics, appointed to the post on 30 June 2009, stepped down on 1 September 2010. The Commission is in the process of appointing his successor.

4.3. The ERC Executive Agency

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

The operations of the Agency are supervised by a Steering Committee, appointed by the Commission and composed of three Commission officials (the Director-General and the Director of Resources of DG Research and Innovation and the Director responsible for the Consultative Committee on Appointments in DG Human Resources and Security), one Scientific Council member (Prof. Mathias Dewatripont) and an independent scientist (Prof. Catherine Cesarsky); the ERC Secretary-General is an observer. In 2010, the Steering Committee held four meetings and adopted decisions related to the Agency's Annual Work Programme, budget and accounts. At each of its meetings, the Steering Committee received a detailed progress report from the Director of the Agency.

4.3.1. Agency Staff

The 2010 operating budget provided for an establishment plan of 100 temporary agents and a budget for 215 contract staff and 15 Seconded National Experts, adding up to a total of 330 agents.

At the end of December 2010, the Agency employed a total of 316 agents: 94 temporary agents, 218 contract agents and 4 Seconded National Experts. As regards the management of the Agency, all posts are now filled.

Institute of the TU Wien) and Prof. Maciej Zylicz (Head of the Department of Molecular Biology, International Institute of Molecular and Cell Biology in Warsaw).

Statistics of December 2010 show that the Agency employs approximately 35% men and 65% women. As regards gender balance of highly specialised staff (Temporary Agents and Contract Agents Function Group IV), 59% of the posts are occupied by women. At the end of 2010 the ERC Executive Agency employed nationals from 21 Member states.

Apart from selection and recruitment, during 2010 the Agency saw to the consolidation and development of its human resources. Implementing rules related to staff management and in particular staff assessment and career development, were adopted by the Steering Committee.

5. CONCLUSIONS AND OUTLOOK FOR 2011

The ERC funding schemes have captured the interest of the European Research community. The first six calls have yielded more than 20,000 applications.

While in 2009 about 400 journal articles acknowledging the ERC were recorded, their number tripled in 2010. This is a combination of rising number of projects and maturing projects producing more results. For 2009, the articles are from 182 projects and for 2010 from 453 projects i.e. on average two and three articles per project for 2009 and 2010 respectively.

In response to the Commission's call to strengthen the role of the ERC in the innovation chain¹¹, the Scientific Council developed a new granting opportunity which from 2011 will be offered to ERC grant holders to establish the innovation potential of ideas arising from their ERC-funded projects. The scheme aims to cover a funding gap in the earliest stage of an innovation. ERC grant-holders will have the opportunity to establish "proof of concept" of an ERC-funded idea, i.e. make its innovation potential evident to the market, securing thereof prospective commercialisation opportunities.

The Scientific Council is also discussing how to diversify and broaden its programmes, always on the basis of the principles which have made the first two schemes successful: investigator-driven proposals, rigorous peer review based on scientific excellence.

In 2011, the ERC Task Force will deliver its report on the legal and organisational structure of the ERC, in time for the Commission's proposals for the "Horizon 2020" Programme, expected before the end of the year.

¹¹ Communication on the Innovation Union COM(2010) 546 final, 6.10.2010