

The EU Framework Programme
The GLA Group response
to the Department for Business, Innovation & Skills'
call for evidence

The GLA Group (GLA, MPA/MPS, TfL, LFEPA, LDA¹) welcomes the opportunity to comment on the design of the 8th Framework Programme (FP). The GLA Group and in particular the MPS and TfL have participated in projects funded by the current and previous Framework Programmes that have positively contributed to the goals of these organisations, in addition to meeting FP aims. Projects that have been particularly important to London are those which have enabled demonstration and testing of new solutions and technologies on a scale which is only possible in a large urban area.

FP8 objectives

1. The GLA Group believes that one of the main objectives of the FP8 should be to support Europe-wide programmes to mitigate climate change, in line with Europe's long-term carbon-reduction goals. There should be a particular emphasis on projects which could not otherwise happen without European funding and/or coordination (i.e. pooling multiple European cities' resources to bring new low-carbon technologies to market at cost-competitive prices, promoting large-scale investment in low-carbon technologies with significant upfront capital costs).
2. A related objective should be to support carbon-reduction programmes which serve to maximise the potential economic benefits flowing from an ambitious climate change agenda. This will help to guarantee that Europe maintains its competitive advantage in the global transition to a low-carbon economy.
3. The GLA Group would like to see FP8 focusing on more efficient and cost-effective delivery of replacement infrastructure. There is a lot of ageing infrastructure in London, for example in the public transport network and the energy generation and distribution networks, that needs replacing or requires extra capacity, to the extent that local and national sources of finance are likely to be insufficient. Research is needed into innovative ways of replacing urban infrastructure to reduce costs, including through pilot projects to demonstrate and refine new methods and technologies
4. Finally, it is important to focus part of FP8 on developing security models that can respond to European challenges such as counter-terrorism, border control and protection of infrastructure.

¹ The GLA Group is: Greater London Authority (GLA), Metropolitan Police Authority (MPA)/Metropolitan Police Service (MPS), Transport for London (TfL), London Fire & Emergency Planning Authority (LFEPA), London Development Agency (LDA).

Potential UK benefits from the FP8

The UK is well placed to realise the huge opportunities of the transition to a low-carbon economy. London, as one of the world's leading low-carbon capitals, will play a central role in this transition due to its global strengths in areas such as financing, research and development and business services. Any FP8 programmes which take advantage of these strengths would be sure to increase the number of jobs and the gross value-added in the low-carbon sector on a national level.

Structure of FP8 and budget breakdown

1. We support a further increase of the cooperation programme budget for FP8. The cooperation programme supports activities that are essential to address social, economic, public health, environmental and industrial challenges of the EU.
2. With 70% of the EU population living in urban areas, and urban areas being responsible for a similar percentage of the EU's carbon emissions, EU funding should be directed at developing policies, technologies and supporting infrastructure that helps cities make an effective transition to a low carbon economy by reducing their consumption of energy and use of natural resources. Priority areas should include: low and zero carbon energy generation capacity and distribution networks, large-scale retrofitting activity to make the EU's existing building stock more energy efficient and better adapted for climate change; low carbon transport - including Intelligent Transport Systems, new propulsion technologies such as electromobility and hydrogen fuel cells, strategies for increasing modal shift and reducing carbon and noise footprints of aviation. In addition, support should be provided for innovation in delivering climate change adaptation, including urban greening and sustainable flood management, to protect cities and their critical infrastructure, improving air quality and improving waste management, particularly in the areas of processing and reprocessing of waste materials and development of waste to energy technologies.
3. FP8 could also include a number awards in the form of prizes, e.g. a competition to develop technological answers to specific carbon problems².

Administration of FP8

1. The current system of the management of grants obliges beneficiaries to meet detailed eligibility criteria, perform various checks throughout the duration of a project, meet deadlines of internal audit in addition to the Commission's checks, and spend a lot of time and resources to form a transnational partnership and develop a bid. Streamlining these processes, and improving the communication of the opportunities presented by the Framework Programme, could result in the generation of higher quality bids from a wider range of organisations.
2. We support the Council report conclusion (Report 13959/10) that simplification of the research and innovation programmes is a crucial and urgent necessity. The bid rules should be simplified and better publicised and not suddenly change from one call to the other, e.g. so that opportunity costs

² For example see the NESTA Big Green Challenge - http://www.nesta.org.uk/areas_of_work/public_services_lab/big_green_challenge

- are no longer counted towards an organisation's contribution when that had been acceptable for previous bids. Opportunity costs such as staff time should be considered an acceptable contribution in the current financial climate as EU funding may make the difference between continuing and augmenting an existing function in order to achieve EU objectives rather than stopping it.
3. It is, however, important that simplifying the application process does not make the reviewing and assessing of applications simplistic. It is worth considering the value of applying a sliding scale of rules to applications, so that those below a certain value require less detail at application stage than higher value bids.
 4. It would be helpful if the administrative process (publication, validation, negotiation, project selection, time to grant) was accelerated, and if the Commission continued its efforts to shorten time-to-grant.
 5. However, more time is needed to allow potential candidates to form transnational partnerships and develop their bids. Short turn-around times lead to problems for applicants, in particular administrations, who often have strict agreement procedures involving political approval. Taking into account that it may take up to one year to prepare an application properly including partnership, budget and workplan, longer periods between the opening and closing of calls would be welcomed.
 6. In FP8, the Commission could envisage a new management system to cover costs based on the expected outputs of a project, i.e. the concrete objectives which are achieved rather than purely cost. This change to an output-based FP8 should be accompanied by a mechanism that can control the delivery of outputs at the agreed quality level. For intangible outputs and to allow for flexibility and changes over the duration of the project a solution could be to establish performance/quality indicators. These indicators could be agreed between beneficiaries and the Commission during the grant-negotiation phase and used for monitoring delivery and signing off payments.
 7. It would be helpful if Consortium Agreements were standardised, in the same way as the Grant Agreements are, to reduce the effort in developing and re-working agreement clauses.
 8. A better solution for dealing with currency conversion for beneficiaries outside the Euro zone needs to be found, as the amounts paid at the end of the project often differ from the amount needed due to fluctuating exchange rates.
 9. The Commission could consider accepting the existing national/regional audit procedures that administrations have in place rather than adding extra burdens and putting an end to the duplication of the task.
 10. It is important to continue improvements to raising awareness of FP opportunities among SMEs and businesses generally. Member State bodies at national/regional/local level are generally best-placed to do this, though may require some support.