

## **Consultation on simplifications in the 7<sup>th</sup> Framework program (FP 7)**

### **Background:**

SwedenBIO is the Swedish national biotechnology organization and represents over 110 biotechnology companies and their partners. Encouraged by EuropaBio, SwedenBIO has been given the opportunity to participate in the consultation regarding proposed simplifications of the FP 7 application process. Input is based on the Commission document COM (2005)119.

The suggested simplifications in the document are characterized by a very technical focus. From an industry perspective, the purpose of this document is to emphasize key factors which should be considered by the Commission in developing the 7<sup>th</sup> Framework Program. If implemented effectively, the result should be an increased effectiveness of the FP 7 as a catalyst for the European biotechnology industry. Currently, many of the technical details are also being monitored by Swedish representatives in the Sounding Board linked to the simplification process.

This document focus comments on improvements in three areas; eligibility criteria, process and application support by member states on national level. If realized, these simplifications and developments have the potential to further increase the effectiveness of European R&D investments in the race for scientific progress.

### **Summary:**

The biotechnology sector has the potential to be a cornerstone in the European economy. The framework programs are key components in building a strong European biotechnology industry and closing the gap to the leaders USA. Today, the framework programs do not reach their full potential since the application process is complicated and very time consuming. Furthermore, many SME<sup>1</sup> companies lack application skills, knowledge and resources to efficiently participate in the calls of the framework program. Here the national contact points and member states have a key responsibility to develop efficient support functions to both promote and help companies to participate in the framework programs.

### **Comments:**

#### **a) Eligibility criteria:**

- **Consider to adapt the current Commission SME definition:** Today the Commission defines an SME as a company with less than 250 FTE:s<sup>2</sup>. To capture the full potential, the definition should be expanded to include biotech companies with up to 500 FTE:s. Today many successful mid-sized

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<sup>1</sup> SME = Small and Medium sized Enterprise

<sup>2</sup> FTE = Full Time Employees

biotechnology companies are not eligible for FP-instruments, although a large part of the expansion potential partly lies among these companies.

- **Relive partnership criteria:** Applications have to be a partnership in order to be eligible for funding. At the same time competing countries, like the US, offer funding instruments open to individual projects or companies<sup>3</sup>. If the framework programs were able to support individual projects or companies, it would harmonize the funding conditions and simplify application process. Companies would have a better chance to advance projects and handle intellectual property rights effectively. This would also facilitate the chance to attract venture capital and building the company.

**b) Process:**

- **Harmonize FP application process to that of other EU-programs:** The current FP application process has been simplified on several occasions. Still it is regarded as very complicated and time consuming. Other EU-programs, like the environmental program LIFE, offer a less complicated, more transparent and straight forward process, without jeopardizing necessary financial controls.
- **Limit the number of funding instruments:** The consultation document recognizes correctly that a more limited number of instruments compared to today would facilitate the identification and application process for biotechnology companies.

**c) Support structures on the national level:**

- **Establish national contact groups:** While reform of the simplification procedure is necessary, another weak point is the support structure on the national level as intermediates between the SMEs and the EU programs. To improve the functioning of these intermediaries, the European Commission should establish a contact group of national organizations (a similar structure exists in "SME go Life Sciences") together with industry representatives to investigate:
  1. What are recurrent problems in SME access to EU funding in the different countries?
  2. How to adopt best practice by national intermediate organizations?
  3. In which way can industry organizations play a practical role in enhancing participation of SMEs in the FPs?
- **Active promotion and support by National Contact Points:** The Commission should encourage the member states to actively support the National Contact Points in establishing efficient relations with the targeted biotech companies. The National Contact Points in each member state should actively promote application support and information to biotech companies. This should be done in collaboration with industry representatives and the costs for the support should not fall on the individual companies.

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<sup>3</sup> i.e. SBIR-grants

- **Link and harmonize EU and Member State R&D Programs:** Today there is a potential to link and harmonize national R&D funding programs to the European funding system. To capture the full potential, and to promote European integration, the Commission and Member States should work to integrate and co-ordinate functions and infrastructure in R&D programs on EU as well as Member State level.

**Process:**

In addition to EU application experts, the SwedenBIO Working Groups in Science and Clinical Trials have been involved in the creation of this document. Over 15 leading Swedish biotech companies are represented in the working groups on executive level. SwedenBIO represent 110 Swedish Biotech companies and more than 90% of all employees in the industry. It is a private, non-for-profit organization that has the objective to promote the environment and commercial success of its members. SwedenBIO is a member of EuropaBio and affiliate member of BIO, the US industry organization.

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