

The Earl of Selborne GBE FRS DL  
Chair, Science and Technology Select Committee  
Committee Office  
House of Lords  
London  
SW1A 0PW

From the Physical Secretary and Vice-President Professor Alex Halliday FRS

22 January 2016

Our ref: AHBP

Dear Lord Selborne,

Thank you for the opportunity to give evidence to the Committee on 12 January. I am writing to formally submit the Society's report *UK research and the European Union: the role of the EU in funding UK research*<sup>1</sup>, published on 18 December 2015, to the Committee as evidence. I would also like to take this opportunity to further clarify a point that was raised during the evidence session about the role of European Structural and Investment Funds in UK research.

The Society's report, *UK research and the European Union: the role of the EU in funding UK research*, aims to show the role of the EU in funding UK research. The UK receives most of its EU research funding through Research and Innovation Framework Programmes and European Structural and Investment funds. Over the period 2007 – 2013, the UK received €6.9 billion of Framework Programme 7 (FP7) funds. The UK was allocated €1.9 billion of structural funds for research and innovation activities over the same period. See Figure 5 of the report.

Structural funds that support research and innovation should therefore be considered when looking at the role of the EU in funding UK research. However it is important to recognise the different nature of this funding to other sources.

Framework Programme funding is intended to support research, development and innovation and is allocated on a competitive basis through calls for applications from researchers/institutions which are peer reviewed by experts. Conversely, the European Structural and Investment Funds (aka 'structural funds' or ESIF) are not allocated on a competitive criteria based on excellence and are not targeted solely at supporting research and innovation. The ESIFs are the European Union's main investment

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<sup>1</sup> Royal Society (2014) *UK research and the European Union: the role of the EU in funding UK research*

<https://royalsociety.org/topics-policy/projects/uk-research-and-european-union/>



President Sir Venki Ramakrishnan  
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policy tool<sup>2</sup>, intended to support job creation get the European economy growing in a sustainable way. They support a wide range of activities and initiatives, including businesses, investment in infrastructure and skills development. As part of achieving this, a proportion of these funds support research and innovation activities. Research and innovation activities funded by the European Structural and Investment Funds include the construction of research infrastructure, support for technology transfer and research intensive businesses, and skills programmes.

ESIF are allocated and implemented by policy decisions at European, national and regional levels. The UK receives ESIF for research and innovation predominantly through the European Regional Development Fund (one of five different funds that make up the ESIF). To access this fund, national governments of EU Member States will outline their priorities and strategy for using structural funds, based on the requirements of specific regions – producing a National Strategic Reference Framework (NSRF). This is used by the European Commission to allocate the budget among Member States. At a regional level the implementation of these funds is then delegated to a managing authority.<sup>3</sup> Each region of the EU must produce an Operational Programme (OP) to detail how funds will be spent. Both NSRFs and OPs are approved by the European Commission.

As shown in Figure 6 of the report<sup>4</sup>, the UK receives relatively little in terms of structural funds compared with some other EU countries. When the designation of more/less developed regions within the EU (see map provided by the European Commission<sup>5</sup>) is taken into account, it can be seen that there are relatively few regions within the UK that are designated as 'less developed'. While the total amount of structural funds is not necessarily directly correlated with the number or area of less developed regions within a country, this may at least in part explain the differences in the allocation of ESIF between different EU countries.

The Committee was particularly interested in Figure 8 of the Society's report. This provides the Framework Programme funding and ESIF for research and innovation received by the UK in the period 2007-2013, normalised to each country's GDP during this period. This Figure is intended to be viewed alongside Figure 7, which shows Framework Programme funding only, normalised to each country's GDP over this period. Figure 7 shows that the UK performs very well for the size of its economy in accessing Framework Programme funding, which is allocated competitively on the basis of excellence, reflecting the UK's strong research base. Figure 8 is included for completeness, to illustrate that the picture differs when ESIF for research and innovation, allocated strategically on the basis of perceived need for development, is also taken into account. This again likely reflects the UK's highly developed research base.

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<sup>2</sup> European Commission, [http://ec.europa.eu/contracts\\_grants/funds\\_en.htm](http://ec.europa.eu/contracts_grants/funds_en.htm) [accessed 19 January 2016]

<sup>3</sup> European Parliamentary Research Service Briefing 2015, Overview of EU funds for research and innovation ([http://www.europarl.europa.eu/RegData/etudes/BRIE/2015/568327/EPRS\\_BRI\(2015\)568327\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2015/568327/EPRS_BRI(2015)568327_EN.pdf))

<sup>4</sup> The Royal Society (2015) UK research and the European Union : The role of the EU in funding UK research


<sup>5</sup> European Commission (2013). Structural Funds (ERDR and ESF) eligibility 2014-2020 ([http://ec.europa.eu/regional\\_policy/sources/what/future/img/eligibility20142020.pdf](http://ec.europa.eu/regional_policy/sources/what/future/img/eligibility20142020.pdf))

Interestingly, Figure 8 shows that the UK performs better than Germany and France, both countries that receive a greater amount of ESIF for research and innovation than the UK. This is due to the UK's strong performance in accessing Framework Programme funding.

When analysing these funding streams, it is important to recognise that the monetary value of a funding stream is not the sole guide to its value for research. Small amounts of funding in areas where little funding is available, or that offer researchers mobility and encourage collaborations, can have a bigger scientific value than their monetary values might suggest.

Thank you again for the opportunity to give evidence to your Committee and please do not hesitate to contact me if the Society can be of further help.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'A. Halliday', with a long, sweeping underline that extends to the right.

Professor Alex Halliday FRS