

FP7 and beyond: making the most of EU funding

The European Union's Seventh Framework Programme for Research and Technological Development (FP7) is approaching its seventh and final funding year – 2013 – during which the European Commission will allocate approximately €760 million to consortia with innovative projects for the advancement of public health.

In a drive to get more small and medium-sized enterprises (SMEs) on board, the London branch of the Commission's Enterprise Europe Network (EEN) hosted a seminar on 5 October 2011 entitled "FP7 Grants and Private Capital for the Healthcare Sector". Funding experts, an EEN London representative, a policy officer from the Commission's Health Directorate in DG Research & Innovation, and SMEs shared tips and answered questions about navigating the complex funding process. Despite the title, most of the discussion centred on FP7 issues.

Having just closed the FP7 2012 call for proposals on 4 October, the Commission's Antoine Mialhe offered a fresh perspective on what companies can expect when the FP7 2013 call is announced next July.

He acknowledged that many companies believe there is little tangible commercial benefit at the end of FP7 projects. However, he highlighted a 2011 impact assessment survey, which revealed that 40% of SMEs participating had new or improved products at the end of their project. Belgium's TiGenix NV, for example, was part of a 10-partner consortium in which it received funding to support the development of its lead product, ChondroCelect, for cartilage regeneration of the knee. It was the first advanced therapy medicinal product to be approved in the EU.

But some companies benefit from the framework programme in other ways. Harry Hatzakis, CEO of Bionics3D, said he used the programme as a mechanism to explore the market. Through the process, he discovered that the market was not ready for his high-tech medical imaging product. "Ideas are overrated. You need to convert them to a strong financial proposition," he noted.

Mr Mialhe also attempted to dispel the common belief that FP7 is primarily for academics. He pointed out that for 2012 and 2013, €150 million, or about 20% of EU health funding, was expected to go to SMEs. For the FP7 2013 call, the EU contribution to SMEs for some topics may be more than half of the total budget. "The Commission wants SMEs at the core of the proposal, not just a percentage of the budget," emphasised the policy officer. He told *MedNous* after the meeting that the Commission had only just begun circulating proposed topics for the FP7 2013 call.

Companies complain of bureaucratic obstacles, and the Commission has sought to address this by introducing a two-stage call process. The goal is to have lower costs and

higher success rates, and Mr Mialhe said that since the two-stage process was introduced in 2010, success rates had increased from 20% to 40%. For the first stage, consortia need to submit a six-page proposal; Mr Mialhe insisted that writing the initial proposal "isn't that complex". It is not necessary, he added, to hire a private consultant to write an applicant's proposals, especially with the EEN available to assist companies. He conceded that the two-stage process was longer, but said this change had been the "main improvement" to the programme and a major benefit for industry participants.

As for inferences that the whole process is political, Mr Mialhe could not stress enough that "there are no hidden criteria". He said that a consortium's success did not depend on the number of partners and urged companies to keep consortia to a manageable size (i.e. 3-5 partners). He also strongly discouraged companies from planning a project locally and then adding partners from other countries simply to meet the participation rules that require consortia to comprise at least three partners from three different EU countries (or other partners such as Switzerland and Israel). He pointed out that several projects were funded for most topics, "so you can be 2nd and 3rd best".

Despite Mr Mialhe's suggestions that the FP7 process was straightforward, Chris Farmakis, a senior fund manager at Greater London Enterprise, which runs EEN London, said that companies

found EU funding very challenging. He said that intellectual property was the main obstacle because "companies are only going to conduct research and development if they're going to get something out of it". He noted that the more successful applicants involved companies that were already in commercial contact before the first stage of the application process began.

What happens after FP7? The Commission will roll out a simplified research and innovation programme called Horizon 2020, which combines funding under FP7, the Competitiveness and Innovation Framework Programme (CIP) and the European Institute of Innovation and Technology (EIT). Mr Mialhe told *MedNous* that the post-2013 approach would provide a one-stop shop for EU funding and that the budget would be increased. One of the main objectives is to provide tangible benefits by having topics that are "closer to the market", he added.

The Commission is expected to present the proposed framework to the Council of the European Union and the European Parliament by the end of 2011.

Tips for FP7 2013 success

DO choose smaller, manageable consortia (3-5 partners).

DO use your EEN national contact point for assistance.

DO define your goals clearly.

DON'T add partners for "cosmetic" reasons, i.e. to meet participation rules (3 partners/3 countries).

DON'T use private consultancies to write your proposals.

This article was written by Karen Finn, contributing editor to *MedNous*.