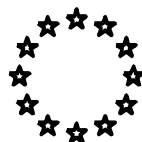


2000

**EXTERNAL MONITORING REPORT
ON THE
SPECIFIC PROGRAMME
FOR
RESEARCH AND TECHNOLOGICAL
DEVELOPMENT**



**IN THE FIELD OF
CONFIRMING THE INTERNATIONAL
ROLE OF COMMUNITY RESEARCH**

MAY 2001

This report is part of the series of the external annual monitoring reports prepared for the EC Framework Programme and the Euratom Framework Programme, and their constituent Specific Programmes.

The Commission has over the years been placing increasing emphasis on the evaluation of Community R&D activities. As part of the process of continuous improvement, a new programme monitoring scheme has been introduced in 1995. The new scheme involves independent external monitoring experts and a timely response by the Programme management to the recommendations produced by the experts. The new scheme thereby provides the basis of a quick response mechanism to programme developments and should give advice on key issues.

This report is the second covering the Fifth Framework Programme; the report also highlights progress in relation to ongoing activities under the Fourth Framework Programme. The report should help reinforce establishment of best practices and identify the scope for further improvements in programme implementation.

The report consists of three parts:

***Part A:** External monitoring report prepared by the following independent external experts:*

***Niels E. BUSCH, Chairman**
Nico HAZEWINDUS, Rapporteur
Minoo FARHANGMEHR
Axel LEHMANN
Jehuda YINON*

***Part B:** Responses of the Programme management to the external monitoring report.*

***Part C:** Information provided to the experts by the Programme management.*

PART A:

Report of the external Monitoring Panel

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EXECUTIVE SUMMARY

INCO, BRIEF BACKGROUND:

The *main strategies* of the “horizontal” Programme on Confirming the International Role of Community Research (INCO) are:

- To contribute to the implementation of the Union’s external policies through joint RTD with partners from third countries (pre-accession countries, CEEC’s and NIS, countries in the Mediterranean area and developing countries).
- To enhance the role of Community research internationally by stimulating S&T collaboration (S&T agreements, bursary systems, COST and EUREKA).

The 4-year budget amounts to 475 MEUR (excluding contributions of third countries).

MAIN OBSERVATIONS AND RECOMMENDATIONS:

- The Panel found that *implementation of INCO-2 in 2000* proceeded as foreseen in the Work Program and in accordance with strategic goals. This was achieved despite great uncertainty caused in the final quarter of the year by news of the *abolition of INCO’s Directorate* in January 2001 and its *replacement by two units* reporting to the Deputy Director General. In the first months of 2001, as a result of the reorganisation, the *staffing of INCO was reduced*. *Approximately a third of all INCO projects were transferred to the Thematic Programmes*.
- *The new organization* may be able to better respond to international policy aspects of R&D. However, it worries the Panel that *INCO’s execution is fragmented, and its specific regional expertise is scattered*. The result is that customers, both inside and outside the Commission, find it more difficult to interact with the program. INCO is a truly horizontal program whose main strength and uniqueness lie in its ability to address regionally focused cooperative science projects in accordance with EU external policies. The Panel is convinced that this ability should be maintained and developed.
- The Panel finds that INCO plays a specific and unique role in the *European Research Area*, that its place and functions in this regard should be further explored and clarified, and that its profile should be focused and more clearly visible. The Panel finds in INCO significant awareness of the programme’s *European Added Value*, but recommends a study to address concrete measures and criteria relevant to INCO activities and projects. *Integration of pre-accession countries* into Community research remains a serious challenge in general. However, within the INCO programme the issue has been dealt with in a very satisfactory manner.
- *The processing of calls* for proposal was carried out professionally. However, the time between closure of a call and contract signature is too long and the process is not sufficiently transparent to the proposers.
- The Panel could not adequately assess *progress of projects already in execution* because of insufficient readily accessible information. Thus it recommends strengthening project life cycle management and integrating information in a management information system.
- The Panel observes that INCO is still a collection of separate initiatives. More attention should be devoted to the operation of *INCO at programme level*. The Panel recommends in particular instituting an Annual Report.
- The *turnover rate of administrative and financial personnel* is high, due to short-term contracts. This shortens INCO’s “institutional memory” and jeopardizes the management of projects and programme.
- The Panel finds that the Commission should prepare itself better for, and commit more resources to, the *Annual Monitoring*. It is an important management tool, which the Commission should appreciate fully.

INTRODUCTION

1.0 INTRODUCTION: THE PANEL'S TASK

The 2000 Monitoring Panel for the Programme on Confirming the International Role of Community Research (INCO) began its work on 12 December 2000. The members, having studied the generally quite positive report of the 1999 monitoring exercise (ref.1) and the Five-Year Assessment Report (ref. 2), expected their task to be interesting but not too difficult: *INCO seemed to be a reasonably stable, well-managed programme.*

During its first meeting, however, the Panel was informed that Directorate General (DG) Research had decided in September 2000 to *dissolve the existing INCO organisation and replace it by an entirely different one.* Early January 2001 this new organisational structure was made public, although many details were still under discussion.

Although the programme ran smoothly throughout the whole year 2000, uncertainties prevailed in last three months. *This complicated the Panel's task considerably,* in particular because the new organisation was being implemented (and responsibilities reassigned) concurrently with the Panel's work.

After some deliberations *the Panel has decided to present a judgement on neither the wisdom nor the necessity of the reorganisation of INCO.* It was asked, however, to *expand its original brief somewhat* by making some observations on the management of INCO in the remaining years of the Fifth Framework Programme. In so doing, the Panel hopes to contribute to the successful completion of this important programme.

A monitoring exercise, by its very nature, is bound to result in criticism more than praise: the things that go well are taken for granted, what is not good is put into the limelight. Already at this place the Panel wants to highlight its overall finding: *in the year 2000 the implementation of the INCO programme has proceeded as foreseen in the Work Programme and in accordance with the strategic goals formulated in the Council Decision.* That this was achieved despite the turbulence in the organisation gives cause for compliments to INCO's management and staff.

The Panel *wishes to thank the many persons who were interviewed* for their candid and co-operative contributions. In several cases these persons had already been relieved from their former responsibilities. This, however, did not seem to have affected their commitment to the INCO programme; the Panel is especially grateful to them.

OVERVIEW OF THE INCO PROGRAMME

The Programme on Confirming the International Role of Community Research (INCO-II), a part of the Fifth Framework Programme (FP5), was established in a Council Decision of 25 January 1999 (ref. 3). This Decision includes a budget figure of 475 Millions of Euro (MEUR) and an “indicative breakdown” over the different activities (later modified slightly by the Commission on 29 December 2000). INCO-II (later in the report simply referred to as INCO) succeeded the INCO-I programme in FP4.

INCO-II is targeted on the following types of activity, shown with corresponding 4-year budget (MEUR):

	Gross:	Net:	Net plus 3 rd countries contribution:
A. Co-operation with third countries:			
A1 States in the pre-accession phase	26	23.5	25
A2 NIS and CEEC's not in that phase	116.4	105	111.7
A3 Mediterranean Partner Countries	55	49.6	52.8
A4 Research for Development	210	189.4	201.5
A5 Emerging economies and countries	5	4.5	4.8
B. Training of researchers	10.6	9.5	10.1
C. Co-ordination	52	46.9	49.9
TOTAL	475	428.4	455.8

(NIS: New Independent States of the former Soviet Union; CEECs: Central and East-European Countries).

The difference between gross (first column) and net (second column) budget covers the Commission's administrative expenditure of 9,8%. Associated third countries add a contribution of 27.4 MEUR (third column). Thus, a total budget of 455.8 EUR for 4 years is available for operational expenditure.

About 118 MEUR of this budget is spent by organisations that have a special status:

- Of the A2 budget, 70 MEUR goes to INTAS, a programme that targets NIS, and is implemented by a separate organisation.
- In C, 48 MEUR is used for financing actions under COST, an intergovernmental body complementary to the Framework Programme.

The Panel decided *not to monitor the implementation of INTAS and COST*. It has limited itself to a brief study of organisation and management of these programmes, in order to derive possible lessons for INCO. Consequently, monitoring is focused on the implementation in the year 2000 of INCO's 4-year budget of 338.4 MEUR for RTD activities and accompanying measures.

In the total picture of the Framework Programme INCO is a “horizontal” programme, substantially smaller than the four “vertical” thematic programmes. The latter, positioned as broad technological clusters, are expected to make an active contribution towards the achievement of the general objectives of the horizontal programmes.

THE PANEL'S PERSPECTIVE

The Panel's main task is *assessing the implementation of INCO in the year 2000*. Whilst this has therefore absorbed most of its attention, some *broader, more strategic issues* came to the fore during the discussions. This section elucidates the panel's thinking that will be reflected in some of its considerations described later in this report.

The INCO Programme's formal name, "Confirming the International Role of Community Research", suggests it to be focused on mobilising Community research resources for large international, or even global research undertakings. Examples that come to mind are global warming or high-energy physics.

These types of activity, however, are not to be found in INCO. Instead, its *strategic objectives* are to:

- Promote S&T co-operation between the EU and third countries.
- Facilitate EU access to knowledge outside the EU.
- Enhance the role of Community research internationally.
- Prepare for the enlargement of the EU, help stabilise the RTD potential of the CEECs and the NIS, develop the Euro-Mediterranean partnership, and contribute to the development of developing countries.
- Gain information from industrialised third countries and emerging economies.

This means, in the Panel's somewhat simplistic view, that *INCO is "a camel with two humps"*:

- One set of activities derive their "raison d'être" from the *existence of an external policy of the EU*, in particular regarding the pre-accession countries, the CEECs and NIS, the Mediterranean area and the developing countries. They are concentrated in the programme lines (see the preceding section): A1, 2, 3 and 4 and absorb the lion's share of the available funding.
- Another set of activities *stimulate international S&T co-operation*. They include the system of international S&T agreements, the exchange of researchers, mainly found in A5, B and C.

Applying this "camel model" to INCO, the Panel finds that:

- In the first "hump", the *Union's external policies should drive the programme – and the programme should make contributions to the success of these policies*. Capacity building and utilisation in third countries through collaborative research is the main goal.
- In the second "hump", the area of stimulating international collaboration, *the focus is on the Union's own excellence in S&T*. The main goal is achieving better access to knowledge and experience elsewhere.

The Panel has also looked at a third issue: how much "camel" is there "between the humps"? In other words: *the INCO programme should be more than a set of separate activities*.

These issues will be addressed in various sections of this report.

THE REORGANISATION

The reorganisation of the INCO activities in DG Research will have a significant influence on the further execution of the programme. It is necessary to describe the main features of this reorganisation in order to put some of the discussions in this report into perspective.

In the “old” *DG Research organisation*, until the end of 2000, INCO was a directorate geared to executing the tasks described in the Council Decision. A Director who reported to the Deputy Director General in DG Research headed it. An Advisor with a small staff supported him. There were five units, each with a Head, focusing respectively on Pre-accession Countries and Eastern Europe (A1, 2); the Mediterranean (A3); Developing Countries (A4); Emerging Economy and Industrialised Countries (A5), and the supporting Administrative and Financial operations.

In the “new” *organisation*, formally in place since January 2001, two units deal with “international relations”, each with a head reporting directly to the Deputy Director General in DG Research. One unit (RTD 05) concentrates on international S&T policy and takes over most of the activities of the former A5 activity, the other (RTD 06) is responsible for international scientific co-operation projects, including the administrative and financial aspects.

The scientific management of the 838 INCO projects has been distributed as follows:

- 361 projects were transferred to other directorates in DG Research.
- 477 projects remained in RTD 05 (13) and RTD 06 (464).

As a consequence of this reorganisation *the staff was reduced from 111 to 71 persons*. This does not necessarily mean that fewer people will be assigned to INCO since all transferred projects have been assigned to scientific officers in the directorates concerned.

The new organisational mode has, according to the Commission, certain *advantages*:

- INCO *reports higher up* in the DG Research organisation and will therefore wield more influence.
- It can better respond to the increasingly important *international aspects* of R&D.

On the other hand, there are obviously also some potential *disadvantages*:

- INCO’s *execution is fragmented* and its specific *regional expertise is scattered*.
- Customers, both inside and outside the Commission, may find it *more difficult to interact* with the (distributed) programme.
- The programme tends *to become invisible*.

The Panel will revert to these important issues in more detail later in this report.

PROGRAMME EXECUTION - KEY ASPECTS

1.0 INTRODUCTION

In this chapter some *key aspects* of the implementation of INCO in 2000 are discussed: the participation of pre-accession countries on their way to full integration into the Union (3.1), the programme's European Added Value (3.2), and its role in the European Research Area (3.3). It contains also a discussion of the follow-up by the Commission on recommendations of earlier Panels (3.4).

The *details of the implementation of INCO in 2000* are discussed in the next two chapters: chapter 3 looks at the level of the different activities; chapter 4 contains a view at the level of the programme.

The consequences of the *reorganisation and some aspects of the future* are dealt with in chapter 5.

INTEGRATION OF PRE-ACCESSION COUNTRIES

The general issue of integration of pre-accession countries into the European science and technology system remains a serious challenge to the Framework Programme. It is given a high priority in INCO: the program line A1 (total budget 25 MEUR) is specifically intended for "States in the Pre-Accession Phase". The main body of this budget has now been committed in an initiative to stimulate *Centers of Excellence* in these countries to better put their capabilities at the service of the economic and social needs of their region, in conformity with the interests of the Union as a whole. Following a call in 1999, in total 34 contracts were granted in 2000, each pre-accession country having at least one center (except Malta). In addition a relatively small budget was spent on supporting conference visits of individuals (11 cases in 2000).

It is the Panel's view that INCO has dealt with the integration of pre-accession countries according to plan and in an entirely satisfactory manner.

The needs of the countries in the pre-accession phase for measures that assist them in their integration into the European science and technology community will change rapidly over the coming years. In all likelihood, the needs will not diminish but the strategies and modalities must change.

The Panel emphasizes that INCO must prepare itself for such changes in order to meet future challenges.

EUROPEAN ADDED VALUE

Last year's monitoring panel considered *INCO's contribution to EAV* in some detail. It concluded that it is of vital importance that INCO demonstrates EAV, and suggested that a short study of INCO's possibilities of establishing a strategy to this end would be valuable. Most of the EAV-merits that our predecessors mentioned were of a general nature such as the value of European diversity, and the scale, credibility and policy value of a joint European approach. To our knowledge such a study has not been implemented.

No doubt there has been improvements in the understanding of European Added Value. *However, assessing EAV at project level remains difficult.* In “Guide for Proposers” references can be found to European dimension, critical mass in human and financial terms, complementarities of expertise and resources, EU policies, and EU standardization and regulations. To this the Panel could add risk sharing. These general guidelines, however well intended, are not sufficient. They should be elaborated at program, activity and project level in a pragmatic fashion with suitable indicators at each level.

It is not sufficient for INCO to demonstrate that the program is in accordance with the objectives, even if the objectives are set by European policy. The program must demonstrate that these policy-inspired objectives cannot as effectively be pursued by other organizations. *The Panel does not doubt that this can be done, but it sees no stringent effort by management to incorporate clearly formulated demands on EAV in the implementation of the program.*

So despite improvements, this panel joins the previous panel in their recommendation to launch an INCO study on EAV. We emphasize that for such a study to be useful for INCO, it should address the concrete measures and criteria relevant to INCO activities and projects.

CONTRIBUTION TO THE EUROPEAN RESEARCH AREA

Optimal utilization and coordination of European research potential is obviously of central importance to European cooperation with the world around us. Not only will a well-functioning European Research Area *ensure greater impact of programs like INCO.* Conversely, *programs like INCO will be tools* – INCO one amongst many - that could sharpen the motivation for the pursuit of ERA and strengthen the concept in practical use.

However, both ways would require that *INCO is well focused and clearly visible.* Dispersion of INCO’s activities would be counterproductive in this respect. Irrespective of the organization chosen, INCO must preserve and continue to develop a scientifically competent management capable of coping with one-stop-shopping, i.e., capable of dealing with all aspects of program and project engineering, coordination and management.

The Panel finds that INCO plays a *specific and unique role* in the European Research Area. Firstly, it helps European research to *operate internationally* through its focus on international relations. Secondly, it focuses European research on *issues that contribute to the Union’s external policy objectives.* Evidently, a future strong ERA would be an important asset in furthering INCO’s strategic objectives.

The Panel finds that INCO holds great potential with respect to ERA, that its place and functions in this regard should be further explored and clarified, and that its profile should be focused and more clearly visible.

FOLLOW-UP OF PREVIOUS MONITORING RECOMMENDATIONS

Monitoring is an important element in the improvement of management processes, provided that the outcomes are consciously followed up. The Panel therefore analysed what has been done with the *earlier recommendations* to improve the INCO program, made in the INCO Monitoring 1999 Report (ref. 1).

The Commission provided a table: “Follow-up of 1999 Monitoring Recommendations” (ref. 4). Based on this table the following observations are made:

- A number of recommendations were *addressed at the programme management*, e.g. to better deal with strategic management issues. It is the Panel’s impression that little *action has been taken* to follow up on these recommendations. This is undoubtedly in part due to the disruption of the programme management in 2000, but – as the Panel indicates in chapter 4 – may also reflect some weakness of INCO to deal with issues at that level.
- The recommendations regarding the *initiation of projects have been followed up or referred to “DG level”*. In the former case improvements are seen, in the latter case it is not clear what was done.
- The 1999 Panel was concerned about the formality of the information exchange in the *Programme Committee*. The very formality of the Programme Management’s answer does not promise improvement. Indeed, also the present Panel is critical about the Commission’s way of interacting with the PC, as is discussed in section 5.3.
- Recommendations regarding *proposals and their evaluation* have been *either taken up or referred to the DG level*. The issue of the *choice of evaluators* has received attention. Nevertheless, the present Panel will make some additional remarks (sect. 4.9.).
- It appears that “the use of a *service provider* under contract to support the Commission in the collection, compilation, and the encoding into the database of proposals prior to the evaluation process”, *has worked out much better this year*.
- The *improvement of management systems*, in particular regarding the process of calls, *has been satisfactory*. The *weaknesses in project life cycle management* have not been remedied properly, as the present Panel makes clear in section 5.2. The same holds for the recommendation to better *monitor its achievements* at programme and project level (see also sections 4.10. and 5.1.).
- The recommended *small study of the European Added Value* is not available.
- The recommendations regarding *the monitoring exercise* have not been taken up *as far as the Commission is concerned*; in particular the time available for the Panel to absorb, digest and analyse the information is insufficient.

In conclusion, the recommendations of the 1999 Panel have been noted and partly adopted. Improvements have been made. However, the present Panel thinks that more could have been achieved had sufficient management attention been devoted to the implementation of the necessary changes.

PROGRAMME EXECUTION - ACTIVITY LEVEL

1.0 INTRODUCTION

In this chapter *the implementation of the INCO programme in 2000* is reviewed: completion of calls dating from 1999 and launching of new calls in 2000 according to the *Work Programme 2000* (ref. 5). The Panel reports its findings in the lines A1 through A5, B and C, including the related administrative and financial operations in sections 4.1 through 4.8.

The Panel also considered aspects of the process between launching a call and signing contracts (sect. 4.9), and the management of ongoing projects in FP4 and FP5 (sect. 4.10).

A1: STATES IN THE PRE-ACCESSION PHASE

In the first two years of its existence 54 proposals were selected for funding in the activity line A1, corresponding to virtually 100% of its total four-year budget. By the end of the year 2000 the number of signed contracts was 34.

The main objective of A1 was to *support excellent Research Centres in pre-accession countries*, “so that they can be prepared to better put their capabilities at the service of the economic and social needs of their region”. In response to the 1999 call for these Centres of Excellence (CoE) 185 proposals were received. The evaluation process was finalised in the year 2000 and resulted in the ranking of 37 proposals. Subsequently 34 proposals were selected (representing 18% success rate), with a total EU contribution of 24 MEUR.

Calls for conference support received 67 proposals of which 11 were selected for funding, while calls for “awareness and training” received 26 proposals of which 9 were recommended for funding.

The Panel is satisfied with the end result of the calls, which effectively closes the chapter of INCO’s long involvement with the pre-accession countries.

The original objective was to support 20 CoE in these countries. After considering the received proposals, INCO eventually selected a significantly larger number in order to cover all pre-accession countries. The Programme Committee, in which some members were perturbed by what they saw as a mid-stream change of selection criteria, agreed after a difficult debate.

The Panel accepts the rationale behind this change, but finds that it was not very well communicated. This is in line with other observations about the communication between Commission and PC (section 5.3.).

As to the monitoring of the CoE initiative in the years to come, the panel was informed that INCO plans a regular twice-yearly reporting. It also intends to organise, at least once a year, a meeting in Brussels for all CoE aimed at stimulating contacts with the thematic programmes of FP5.

The Panel supports this monitoring plan and recommends executing it fully.

A2: NIS AND CEECS

This area of INCO 2 is directed at the Central and Eastern European countries (CEECs) which are not candidates for accession, as well as the New Independent States (NIS) and Mongolia. The general objective is to support these countries’ “efforts to develop a pluralistic scientific and technological system” and also “to preserve and develop their research excellence in order to help them solve some of the major economic and societal problems.” Some specific problems are posed by the region’s political volatility and the related changes in the EU’s external policy. For instance, the improving situation on the Balkan will be reflected in a previously not foreseen call for proposals in 2001.

The 1999 call for shared cost actions, thematic networks and concerted actions – Copernicus II - resulted in 206 proposals that were processed further in 2000. Finally 72 were ranked and 67 selected, 47 contracts were signed and 14 are still under negotiation, i.e. a success rate of about 30%.

Calls for conference support resulted in 34 proposals of which 7 were recommended for funding. The corresponding numbers for calls for “awareness and training” were 13 proposals and 6 recommended for funding, bringing the total budget commitment close to 50% of the 4-year budget.

The Panel is satisfied with the implementation of the A2 activity line.

INTAS

INTAS is a special type of activity in a variety of ways. It is legally an organization that functions under Belgian law and - in principle - independently of the Commission. Nevertheless, the Commission funds the activities (FP5: 70 MEUR) and appoints the Head of Secretariat who is on the Commission staff. This arrangement allows INTAS to arrange its affairs a flexible way that is necessary in order to deal successfully with the Newly Independent States (NIS) after the dissolution of the USSR.

INTAS' long-term objective is to promote, through international cooperation, scientific research in the NIS in order to contribute to social and economic progress and consolidation of democracy in these countries. In 2000 INTAS received 879 project proposals that were eligible for funding. The program recommended 189 projects for funding (with a total financing of 16,3 MEUR) 32 fellowships, 56 conference grants and 3 infrastructure actions (an additional 1,1 MEUR). The program has achieved recognized success based on bottom-up calls with open, joint and thematic calls.

In view of the fast changing relations between the pre-accession states, the NIS and the European Union, the parts of the INCO Program that are directed towards the East European countries must be aware of the need for adjustments of strategies and modalities.

In this context the Panel observes that INTAS' non-bureaucratic administration is undoubtedly one of the reasons for its success. The INCO program could possibly learn from this success. The possibility of combining the Copernicus Program with INTAS could be considered, which would require INTAS to confront new strategic aspects.

A3: MEDITERRANEAN PARTNER COUNTRIES

Co-operation between the EU and the Mediterranean countries rests on the decision of the Council at its meeting on 25 January 1999 and integrates within the framework of the Barcelona Process that should lead to a free trade area in 2010. The MEDA Programme, the second largest EU foreign assistance programme, provides regional assistance.

In 2000 an agreement with the MEDA program was reached on the synergy between research and MEDA actions. Target countries are: Algeria, Egypt, Jordan, Lebanon, Morocco, Palestinian Authority, Syria, Tunisia, and Turkey. Priority subjects are the management of regional water, resources preserving and using cultural heritage, promotion of health in the community and regional environmental sustainability.

The INCO-MED program is relatively small (53 MEUR in 4 years) in comparison to the MEDA programme. Its first two main calls were evaluated in 1999.

In 2000 A3 selected:

- 12 shared cost actions, concerted actions and thematic networks; total EU contribution: 7 MEUR.
- 8 accompanying measures; total EU contribution: 0.3 MEUR.

The INCO-MED program covers at present:

- The management of 49 current contracts, including 20 INCO DC projects from FP4.
- The monitoring of 9 current supporting measures (7 under evaluation).

Although Cyprus, Malta and Israel are part of the geographical region, they are in the pre-accession phase or associated and have full access to FP5. The participation of Israel in INCO-MED is a reason for concern. With its strong S&T base the country would be expected to play an important role in the programme. The actual participation is small, however. This is caused by two factors: the limited interests in co-operation from the side of several target countries, and the rather low levels of funding that make other parts of the FP more attractive to Israeli institutes.

The Panel is satisfied with the approach to strengthen relations with the MEDA programme: it is very much in line with its understanding of the priorities of INCO and opens new ways of utilising the results of INCO-MED research.

The Panel is concerned by the notion that countries that have full access to the FP would have less interest in participating in INCO-MED. Ways have to be found to keep regional collaboration programmes interesting to all countries involved. The relation with MEDA might be further exploited to this end.

A4: RESEARCH FOR DEVELOPMENT

The objective of the INCO-DEV program (by far the largest RTD effort in INCO with its 201 MEUR budget) is *to undertake research to deal with the challenges posed to the developing countries*. This is done by mobilising the expertise of the European scientific community jointly with developing country research teams. The goal is solving problems of regional interest, such as the use of natural resources, improvement of health systems, agricultural production and water management. The INCO-DEV program is designed to strengthen on-going research; reduce isolation of developing country scientists; enable them to work at an international level; while based in their own institutions and provide training opportunities.

It operates in a complementary fashion to the development aid under the *Lome and Cotonou Conventions* (concluded between European Member States and African, Caribbean and Pacific Countries - the European Development Fund is the principal financial instrument) and the Asia-Latin America funds in support of development co-operation with these two continents. These aid instruments support some efforts to create and strengthen local research infrastructures and INCO-DEV is often used to establish links with European Research institutions.

The programme is on the one hand structured *geographically* into a number of priority regions to take account of the specific needs in Africa, Asia and Latin America. On the other hand it is structured in *three (interrelated) levels*: policy research, systems research and research on specific S&T problems. This integrated approach is potentially a great strength.

The *Commission decides upon the programme priorities of INCO-DEV*, after a dialogue with local scientists and political authorities and the Programme Committee. Priorities for the year 2000 call

focused research on the conditions for sustainable development at all three levels. New initiatives, such as a global programme against poverty-related diseases, are important factors that may influence the future direction of the INCO-DEV program.

A conscious effort is being made to reinforce and encourage *local scientific project managers*. Although not yet very successful this is a very worthwhile action, helping to focus research on the local needs instead of European research priorities. *The European partners mostly carry out financial project management*, although this is not mandatory. Sometimes huge problems exist for these co-ordinators to collect the financial inputs, such as spending justification, etc. This is sometimes caused by different methods of financial management in developing countries, and sometimes by substantial fluctuations in exchange rates.

The Panel would have liked to understand whether the increasing “weight” of participants in developing countries is also reflected in the repartition of funding between them and their EU counterparts. However, in the Commission’s view such information, without additional contextual reasoning (e.g. on non-financial contributions and the critical value of new knowledge for sustainable development), may be easily cited out of context. It was not made available to the Panel.

In 2000 A4 selected:

- 41 shared cost actions, concerted actions and thematic networks (from 1999 calls). Total EU contribution: 28 MEUR.
- 20 accompanying measures. Total EU contribution: 1 MEUR.

The number of received *non-eligible proposals* is rather high (13% of received proposals). This should be reduced by simplifying the Information Package and by further encouraging the use of pre-proposal checking.

The *indicators of success* in the INCO-DEV program look very satisfactory; the analysis of a sample of 52 FP4 projects made available by the Head of Unit showed a large number of useful results. A further analysis of the balance of the effects on the S&T situation in the developing countries vis-à-vis the situation in Europe needs to be made. For example, a report on the number and type of patents and publications from developing countries in Africa would be of interest.

The Panel is impressed by the quality of the INCO-DEV programme, and in particular by its three-tier structure. The programme is being implemented correctly. Efforts to put more responsibility with the developing countries must be strengthened further.

Pre-proposal checking has been very effective in improving the quality of the proposals. The Panel recommends applying this method more widely in all sectors of INCO.

The Work Programmes provide quite detailed descriptions of subject matter related to geographical region. Though the Panel understands that this is done to reduce potential over subscription, it does not like this approach and suggests looking for other ways to tackle this problem.

The Panel regrets that there is little opportunity for participants to re-use their earlier experiences with the programme: each call has a different focus, and earlier unsuccessful proposers have no second chance in a next call.

The Panel understands that S&T does not raise much enthusiasm in DG Development, which has the political responsibility for development activities. It urges INCO-DEV nevertheless to

strengthen its relations with the policy sector and contribute to the refocusing of the EU's development policy that is presently underway.

S&T management systems in institutes in developing countries are often less comprehensive than those of their counterparts in Europe. The Panel recommends a study of the possibility to ease the Commission's administrative procedures in order to reduce the workload of the contract partner responsible for financial management.

A5: EMERGING ECONOMY AND INDUSTRIALISED COUNTRIES

The main activity related to Emerging Economy and Industrialised Countries is in sphere of bilateral *S&T agreements* with selected third countries (those with the pre-accession countries, by now completed, were treated separately). This work includes not only preparation and conclusion of new agreements, but also better utilisation of existing ones.

There is a small (3 MEUR for 4 years), continuously open call for *accompanying measures*, mostly geared to specific studies that underpin future activities. In 2000, 24 proposals were received, asking for a total of 3.4 MEUR; 6 were ranked for a total of 0.7 MEUR and are still under negotiation.

Work in 2000 included servicing and follow-up of international agreements already in place, such as the one with the USA and those on Euratom; bringing into effect of a co-operation agreement with China, ratified in December 1999; continuing and initiating regional approaches; opening formal negotiations with Brazil; and continuing discussions with India for which a negotiating mandate was requested from Council.

The S&T agreements, as a political instrument, have little in common with the rest of INCO. They should be firmly tied to the strategic goals of FP5. Some *questions* must be asked, e.g. regarding usefulness, choice of potential partners and cost-effectiveness. As yet there has been no assessment of the agreements: the Commission thinks that a longer period of operation (10 years has been mentioned) is needed before a proper evaluation can be made. This seems a very far horizon indeed.

The Panel finds that the A5 activities are proceeding according to plan.

The Panel has been informed that an assessment of the impact of the S&T agreements is ongoing and therefore refrains from making a recommendation in that direction.

B: TRAINING OF RESEARCHERS

In this line young doctoral-level researchers from third countries are enabled to work in Europe on FP projects. In 2000, out of 171 proposals 17 received a contract (total 0.4 MEUR).

The Panel regrets that this opportunity is only available if it is expressly included in the contract for a FP5 project, i.e. a fellowship must already be requested at the time when the project contract is concluded. In practice, the need will often become clear in the course of the project. The Panel suggests that a bursary system could be used effectively as a separate means towards engagement of more scientists from developing countries in European research.

Another scheme is the awarding of fellowships for Japan for EU researchers. This scheme has been highly successful in past years. In 2000, however, the interest for this possibility decreased substantially: compared to the previous year the number of applicants halved, as did the number of contracts.

The 2000 operation went smoothly. In 2001 the Commission plans to step up its promotional activities.

Still, the Panel suggests reviewing the need for, and the results of this activity. Depending on the outcome the activity could be broadened (e.g. to include China) or terminated.

C: COORDINATION

This range of activities includes the Commission's *internal co-ordination*, for instance between INCO and the *thematic programmes*, and INCO and the external technical assistance programmes such as *PHARE, TACIS and MEDA*.

Also included in this section are the relations between the Framework Programme and the COST and EUREKA. The Panel wishes to make some specific observations here, although a full discussion of these programmes and their relation with FP5 would clearly exceed the scope of its monitoring task.

COST

COST was established in 1971. Its bottom-up approach supplies FP5 with a vitalizing input. The objectives of COST are to provide a flexible framework for European cooperation in basic and applied research without any formal demands on research areas to be covered. Through coordination, COST encourages international research catering to clearly focused needs, and promotes cooperation between scientific institutions and industry.

There are about 200 networks simultaneously active with a life span of typically four to five years. INCO spends annually some 13 MEUR, of which 11 MEUR on S&T activities and 2 MEUR on the COST Secretariat. The Commission checks new activities for overlaps and synergies, and Commission representatives are on the Technical Committees that evaluate proposals. The system works smoothly, although it happens that a country's representatives hold different and sometimes conflicting views in Council, EUREKA, COST and INCO.

The Panel did not examine in detail the implementation of COST. It is governed and managed by a relatively complex system that reflects COST's long history. The number of scientists involved in COST is comparable to that of the entire framework programme, and the financial volume of the projects supported by the COST actions is estimated at well over 1 BEUR (1 Billion Euro).

The number of activities, their width and the magnitude of the underlying projects impress the Panel. The Panel realizes that the growth in number of activities - a growth, which is likely to intensify with the enlargement of the European Union - presents a problem for the COST administration and causes a need for more staff.

The Panel sees COST as an effective mechanism for continued integration of European science and as particularly important for the integration of the pre - accession states into the European scientific community.

The Panel observes a need for a more conscious coordination between COST activities and the Framework Program.

The Panel finds that COST's management structure as well as its technical management - the former being the responsibility of Council, the latter the responsibility of the Commission - must be carefully considered with the aim of securing a stronger Commission engagement in COST. Both need integration, streamlining and lighter procedures.

The Panel emphasizes that it supports the idea of the COST administration being separate from the Commission Services thus allowing a higher degree of flexibility. The Panel suggests that a study be undertaken of the way in which the future structure of COST could develop. A flexible response to emerging challenges should be possible, and at the same time legitimate political, financial and legal control ought to be maintained. Such a study could be useful for other parts of the INCO Program.

EUREKA

INCO does not fund EUREKA activities, but it assigns one person to the EUREKA Secretariat. The EUREKA programme is totally funded by the participants and by national means, the Commission being one among 30 members of the programme. Over the years the Commission actively participated in 51 EUREKA projects and took accompanying measures, although currently it seems to be less active. The possibility of achieving better cooperation and more synergy between the Framework Programme and EUREKA has been discussed by the two organisations on several occasions.

The question of whether links between FP5 and EUREKA should be strengthened and how to do this is clearly political and outside the scope of this monitoring.

ADMINISTRATION AND FINANCIAL SERVICES

In the year 2000 the staff for INCO numbered 111. About 70% of these were statutory staff, the rest non-statutory. The turnover rate is significant among non-statutory staff: it is 30%, caused to a large extent by the rule that this personnel can hold a job for a maximum of three years. In the statutory staff the turnover rate is around 10%. In the latter case the stability is relatively high among the scientific officers, but the administrative and financial unit suffered from a high turnover of personnel.

The Panel believes that INCO staff should stay in their job for an average of four years or more (i.e., commensurate with the duration of a Framework Programme) to ensure the necessary stability of the operations. DG Research management should take the necessary measures to achieve this.

In 1999 and 2000 about 39 % of the total INCO-II budget for 4 years was committed. Another 18 % of the total budget has been "earmarked" for evaluated proposals, but not yet formally committed.

The Panel observes that the budget of INCO is being spent in a regular manner: slightly more than 50 % half way the programme.

PROCESSING OF PROPOSALS

The process starting with the announcement of a call, up to the signature of a contract, should be reviewed and improved continuously. The Panel wishes to address four issues:

1. The information to applicants should be user-friendlier

The Information Package used in the 2000 calls for INCO-MED and INCO-DEV contained nine (!) different documents. For a new proposer – the Panel conducted a “near-real-life” test at the suggestion of some active proposers - there are still some difficulties to understand the rationale of this pile of information. It is also not easy to see how to submit a proposal, nor which forms to use. Our test person thought it required (too) much time and energy to understand and follow instructions. She felt somehow lost in the information jungle and thought that it was very time consuming to get a grasp of it.

The Panel therefore concludes that the Information Package continues not to be user friendly, despite the Commission’s attempts to improve it. A pre-test by a number of potential users could be very useful. Further action is urgently needed.

Electronic submission could be helpful, provided that new approaches are chosen. PRO TOOL is good for professionals, not for incidental applicants. However, electronic submission should never be the only mean for submission.

When launching new Calls for Proposals, changes from the previous Calls should be clearly identified in the new Calls.

2. New applicants have a disadvantage

It is difficult to make good proposals, certainly also from an administrative point of view. INCO “clients” are generally “old clients”, who know the Programme, the networks and the persons. In general, they are very receptive to the calls and understand them well, while new “clients” with less experience have sometimes difficulties in answering to the calls in a satisfactory way. The “need for greater clarity in the proposal information to assist inexperienced applicants” (1999 External Monitoring Report, p.4) continues to exist.

There seems to be a clear distinction between:

- Scientists that do not submit proposals;
- Those that submit and find their proposals rejected;
- Those that submit and see their proposals accepted.

It appears that no attempts were made to understand the reasons behind each of these situations.

It would be interesting to calculate the success rate of first-time applicants compared to recurrent applicants. This analysis would show whether or not understanding of Call for proposals and the application process is adequate.

The Panel recommends commissioning a small study to clarify this issue.

3. Expert database difficult to use for selection of evaluators

The Commission's system of evaluating project proposals is generally recognised as fair and reasonably transparent. This is also true for INCO, where a more complicated two-tier evaluation (first on scientific merit, then on regional relevance) is in use for INCO-MED and INCO-DEV. Since the evaluation is critically dependent on the quality of the evaluators, the Panel wishes to re-emphasise the findings of its predecessors.

It remains difficult to choose the right evaluators from the database that contains some 20,000 names. There is first an issue of quality of persons in the database: the submission of an application by an interested individual does not necessarily mean that the person is qualified to be an evaluator. The second issue is that of recorded qualifications: an understanding of other factors than S&T is needed for INCO evaluations, but these are not included in the database. Thirdly there is an issue of team formation: teams of evaluators must consist of a mix of "old hands" and newcomers to be assertive as well as efficient.

The Panel's impression is that the evaluation procedure in 2000 was better than in 1999. Nevertheless it recommends that also for the calls of 2001 a special effort be devoted to the staffing of evaluating teams.

4. Total process duration too long

The process of handling proposals, up to contract signature, seems well managed. Still, the average duration is long. Project proposers should not expect to have a signed contract earlier than 7 to 10 months after closure of the call, but it may take significantly longer. The particular character of these geographically widely dispersed projects may explain this long duration partly. Also, specific events in 2000 (e.g. the reorganization) may have had a negative influence.

Nevertheless, it caused many complaints. This was in particular true for the case of bursaries (usually for not more than six months duration), where applicants had to wait up to 18 months for their contracts. But also the proposers of regular projects were led to expect (based on data in the Work Programme) a contract signature after around six months, whereas the reality proved to be quite different.

The Panel judges this duration unacceptably long and urges the Commission to shorten it considerably. At the same time it might reduce the "expectation gap" by providing more

realistic estimates in the Work Programme and, wherever possible, more transparency in general.

The Panel is encouraged to learn that simplifications of the procedures for selection and contract signature are under way.

RESULTS OF ONGOING PROJECTS

The Commission is responsible for *the execution of a large number of ongoing projects* that have been initiated in previous years. The Panel should also have reviewed this work, which is much less visible than the launch of new calls.

The Core Indicators (ref. 6) show that per ultimo 2000 the following number of projects is under execution:

- FP 5: 74 shared cost actions, 5 concerted actions, 82 accompanying measures and 26 others.
- FP 4: 604 shared cost actions, 96 concerted actions and 147 others.
- FP 3: 17 shared-cost actions.

However, the Panel has not received information regarding these ongoing projects. With one exception, the Heads of Unit did not provide it (apart from some project histories that were requested), nor is it available in a central database. Some ad-hoc publications for certain target audiences contain case descriptions of interesting projects, but the Panel does not know the number of projects finished in 2000, nor has it received information on the evaluation of their results and measure of success.

The Panel would have liked to see more, properly integrated management information about the ongoing projects in INCO. It urges the Commission to devote much more attention to overseeing and measuring its life cycle management of ongoing projects.

IMPLEMENTATION AT PROGRAMME LEVEL

1.0 INTRODUCTION

In the preceding chapter the individual lines of activity in INCO were reviewed. The Panel also looked at *the execution of the programme as a whole, i.e. at INCO Programme level*. Responsible here are INCO's Director (old organisation) and the Deputy Director General (new organisation).

At programme level, the commonalities in the different action lines are exploited, and interactions with colleagues (Group of Directors – GoD), member states (Programme Committee – PC) and users (National Contact Points – NCPs) take place.

OVERALL MANAGEMENT ISSUES

The first feature of INCO that becomes most obvious at programme level is that it is still a collection of quite different lines of activity. This is certainly in part a remnant from the past: only in FP5 were these different programmes that existed in FP4 (INCO I) brought together under one heading (INCO II).

The “*unification*” of these programmes in INCO was in particular effected in two ways:

- A single interface with potential participants was created. Calls for proposals were organised at INCO level and a common information package was used.
- Internally, a set of common administrative and legal procedures was developed, using a common information system and database that is focused on the handling of calls.

The Panel considers these important achievements in 2000.

However, more could have been done. *Three issues at Programme level have not been addressed properly:*

- The Panel misses in particular an *INCO Annual Report*, in which Management documents progress and achievements. In such an Annual Report one would expect to find an overall description of the programme, the objectives for the year, and a discussion of the work in relation to the objectives. Also a condensed financial overview, a review of staffing and an outlook for next year would be presented. An Annual Report would contribute considerably to the visibility of the Programme inside and outside the Commission. It could improve the communication of the programme management with the stakeholders. It would also provide the Annual Monitoring exercise with a rational foundation.
- In none of the different activity lines a *formal consultation process* with stakeholders seems to exist, aside from the Programme Committee whose role is executive and not advisory, and whose members are appointed by governments. Through this consultation process INCO’s management should be advised in defining strategies and setting priorities. Although the absence of such a process needs not signal a lack of quality of the programme, it does mean a lack of transparency. A public programme like INCO must be able to legitimate the (content) choices made; the present process of consultation with a number of anonymous persons and organisations is clearly inadequate.
- The Council Decision stipulates, “In the implementation of this programme, the *concerns of industry* and in particular of small and medium-sized enterprises will be taken into account”. The Panel has not found any evidence that this requirement was actively pursued, neither regarding European industry nor in relation with e.g. local industry in developing countries. At most, it played a secondary role in the selection criteria for projects in line A1.

The Panel recommends that INCO’s programme management considers these three issues (Annual Report, formal consultation processes, and the interests of industry). It recommends to address them urgently, in order to still have an effect on the remaining years of INCO.

FURTHER IMPLEMENTATION ISSUES

The actual implementation of INCO leads the Panel to a number of further observations:

- It appears that there is no established way of learning from past experiences: there exists little in terms of an “*institutional memory*”. Those responsible of each programme (Heads of Unit) appear to have a considerable experience with the programme and exhibit an impressive grasp of its benefits. Scientific Officers are generally very experienced, too, and tend to stay long in

their function. However, if they leave the programme – either through staff rotation or as a consequence of reorganisation – most experience leaves INCO with them.

- The lack of a management information system for ongoing projects was already signalled in section 4.10. An underlying problem might be the absence of *a more standardised evaluation system*, both during the implementation of the project and at its conclusion. Although there are certainly evaluations made on individual projects, it became clear from the interviews that there is not yet a sufficiently standardised, well - established practice of evaluation during, and at the end of the project implementation.

The Panel recommends taking these observations into account when initiating improvement actions described elsewhere in this report, for instance those regarding staff rotation, management information system and Annual Report.

PROGRAMME COMMITTEE

The Programme Committee (PC) is an intrinsic part of INCO and has therefore been reviewed by the Panel. To this end several PC members were approached, either orally or in writing, to give their opinion.

The PC has a delicate role. Its members should not wish to manage the Commission's affairs, nor should the Commission attempt to use the PC to rubberstamp its plans. They also represent both the interests of their country and those of INCO.

Although PC members submitted different opinions, it is the Panel's impression that the Commission and the PC have not struck the right balance in the past year. The Commission approached the PC in a very formal manner and did not engage in serious discussions about the programme's strategy and future, concentrating instead more on shortlists and individual projects.

The Panel recommends that the Commission take the initiative to improve its dialogue with the PC. Together they should establish a common perspective of the tasks of the PC. The reorganisation provides a natural point to begin exploiting better the PC's expertise and commitment.

NATIONAL CONTACT POINTS

The National Contact Points (NCPs) play a critical role in INCO since they are the liaison between INCO and the potential proposers. A number of NCP members were contacted. They gave some *very practical suggestions for improvement*:

- The NCP's should be informed earlier about new announcements. Most information could be placed on the extranet or emailed as soon as it goes to the PC. This holds also for rejected proposals. Note that the user-friendliness of the CIRCA system is not undisputed!
- The different procedures in different parts of INCO make life difficult for the NCP's.
- The information sent to the potential proposers is too complex and is poorly understood by many. This is especially important for INCO with its geographically widely dispersed customer base.
- Potential proposers often insufficiently understand (or read) the specific requirements (e.g. regarding the different countries in a consortium). Difficult proposal making deters newcomers; more experienced scientists know how to cope.

- Accompanying measures are often seen as less interesting, also because of the Commission's heavy-handed administrative approach. A clear exception was the awareness and training initiatives for candidate countries, NIS and CEESs, which were handled very well.
- The time from call closure to contract signature is unacceptably long. The process is not transparent and is poorly understood by the proposers. It should be shortened and the proposers should be able to learn what the status of their project is.
- There is an impression that the scientific officers and the administrative persons do not always cooperate adequately, leading to unnecessary delays.
- The involved scientific officers were generally open and helpful, although occasionally some more recognition of the NCP's specific needs might not harm.

The Panel proposes that the Commission discuss these points in the next meeting of the NCP and use the outcomes in the context of other improvement actions following the present monitoring exercise.

SPECIAL ISSUES

1.0 INTRODUCTION

In this section the main body of the discussion is devoted to the reorganisation of INCO in DG Research. First, the immediate influence of the reorganisation on the ongoing programme implementation in 2000 is discussed. Second, some concerns about the future execution are formulated.

The remainder of this chapter is devoted to INCO in 2001, to its position in the Sixth Framework Programme and to some notes on the present monitoring exercise.

THE REORGANISATION IN 2000

The main features of the reorganisation have been described already in section 2.3. The Panel made clear that it has decided *not to judge the need for this reorganisation, but concentrate on the effects on the execution of INCO.*

Whatever its potential benefits, the immediate effects of the reorganisation on the implementation of INCO in 2000 were negative. The INCO staff was informed in September 2000 that big changes were impending. As a result most staff must have felt very insecure about the future of the INCO activities, let alone about their personal future. Only early January 2001 was the new structure made public, which did not mean, however, that all staff had been reassigned. This extended in fact well into 2001.

The Panel finds that a reorganisation of this size and nature in the middle of a running programme should be avoided at (nearly) all costs.

The reorganisation has taken a very long time. A reorganisation can be executed in two ways: either in a quick top-down fashion, or as a stringently controlled process, with well-defined targets and timescales and involving the whole organisation.

The Panel thinks that neither was the case here and is unimpressed by the quality of this action.

Nevertheless, the Panel's impression is that the immediate damage to INCO has remained limited.

A last observation is that the reorganisation has been *poorly communicated to the outside world*. A long-standing programme as INCO is surrounded by a large group of stakeholders: persons that have for various reasons a keen interest in the programme. These may be member state representatives in the PC, staff in the NCPs, participants in projects, evaluators and so forth. In fact, a programme should thrive on the existence of such a group of positively motivated people. Overall, these stakeholders were hardly informed about the reasons for, and the nature of the reorganisation. It seems that *the Commission has been looking inward at its own problems and failed to deal with the legitimate concerns in the outside world*.

LONGER - RANGE EFFECTS OF THE REORGANISATION

The possible longer - range effects of the reorganisation on INCO's future were brought to the Panel's attention on several occasions. In particular the following five areas of concern were identified:

- The *unique regional expertise* residing in INCO is being scattered, but it is still much needed in the completion of the programme.
- Several existing and new FP4 and FP5 projects will be *executed in a decentralised way within the thematic programmes that may not have the necessary (regional) expertise*.
- New calls for proposals will have to be *executed in a hybrid fashion*, involving the remaining INCO organisation as well as the thematic programmes. High-level attention is needed to solve these inter- and intra-DG problems.
- "Customers" outside and inside the Commission need "*one door*" when interacting with INCO. The Panel notes that the Commission is taking action on this issue.
- INCO must contribute to the Union's external policies. In the new organisation *the distance between "hard" research activities and overall policy will tend to increase*. Measures have to be taken to avoid this.

The Panel suggests that these, and several other problems require urgent attention of the new management. It is the task of next year's monitoring panel to review the results of the ensuing actions.

WORK PROGRAMME 2001

The Work Programme 2001 (ref.7) shows that the main events will be:

- In A2 a call for proposals on Balkan re-integration, budget 4.3 MEUR.
- In A3 a call for INCO-MED on specific topics, budget 29.5 MEUR.
- In A4 a call for INCO-DEV, mainly on sustainable development and health, with a special focus on poverty-related diseases, budget 68.5 MEUR.

In addition the various (relatively small) continuously open calls are continued.

The call concerning the Balkan reintegration and the one on poverty-related diseases respond to new political developments. The EU policy for the Balkan has been recently adjusted and a G8 initiative has been taken on fighting diseases as a means to decrease poverty in third-world countries. Both calls demonstrate the need for INCO to remain flexible throughout its lifetime. The capability of responding to new policy issues and changing stakeholder needs seems sometimes at odds with the rigid nature of the Framework Programme.

The Panel has no specific remarks: the Commission has adequately prepared and communicated the Work Programme 2001. It likes to note that (in the new organization) managing the quality of the evaluations and the subsequent decision process of these rather substantial calls will require additional top-level attention.

FP6 AND THE INTERNATIONAL ASPECTS OF EUROPEAN RTD

In 2000 the Commission prepared its plans for the Sixth Framework Programme. According to the Communication (ref. 8), “international co-operation will be an important aspect of the activities carried out in this part of the Framework Programme” (international must be understood here as EU – third countries). This broad ambition for the European Research Area could influence virtually all activities in FP6.

The present INCO RTD activities are mentioned: “specific co-operation activities will also be carried out with certain countries or groups of countries, and in particular the Mediterranean third countries, Russia and the States of the CIS, and the developing countries as part of the EU's foreign and development aid policies”. They are part of ERA's measures to integrate research (explanatory memorandum) and will be carried out on the basis of calls for proposals (ref. 8, annex I).

This suggests that the present INCO activities will be continued (although budgetary details are not available) and that probably new tasks will emerge in the broader scope of international RTD relations.

The Panel notes with satisfaction that the “horizontal” INCO programme is on the political agenda for FP6.

MAIN CONCLUSIONS AND RECOMMENDATIONS

1.0 INTRODUCTION

In this chapter *the Panel summarises – and in some cases expands - its major observations and conclusions*. Those directly concerned with INCO's operation in the year 2000 are found in section 7.1. Some longer-range concerns are mentioned in section 7.2.

Finally, the Panel provides in section 7.3 some observations regarding the present monitoring exercise and some suggestions for the future.

IMPLEMENTATION AND EXECUTION

Regarding the implementation and execution of the INCO Programme the Panel's major observations and conclusions are:

1. Overall, the implementation of INCO in the year 2000, as required by the Council Decision and laid out in the Work Programme, has progressed in line with the chosen strategic directions and according to plan. The administrative and financial support and information systems operated effectively in the handling the calls.

The Panel commends the Commission staff upon this achievement in a difficult period.

2. INCO's European Added Value and its importance with respect to the European Research Area are evident but not well documented.

The Panel recommends that INCO's management develop concise, well-reasoned document on these issues.

3. Processing the project proposals takes too long and is not transparent to the proposers.

The Panel urges the Commission to set itself explicit statistical targets in 2001 that are commensurate with the "Estimated date of first contracts" published in the 2001 Work Programme. A regularly updated report on the status of projects that are being processed should be circulated by email to proposers and NCP's.

4. Short-term contracts for personnel in administration shorten the institutional memory and threaten the proper execution of INCO.

The Panel recommends increasing the average duration of staff assignments to INCO to at least four years.

5. The panel could not adequately assess the progress of projects already in execution because insufficient information was available at the required level of synthesis.

The Panel recommends strengthening the systematic project life cycle management of the projects, including integration of relevant core data into a management information system. This should be ready in time for the 2001 Monitoring Panel.

6. *The Programme Committee might operate better.*

The Panel suggests that the Commission, through open discussions in the PC, takes the initiative towards a qualitative improvement of the PC's contribution to INCO.

7. *Despite significant improvements (in particular in a common presentation to the users and in more homogeneous administrative procedures), INCO appears too much a collection of separate initiatives. More could have been done to integrate these separate actions on the level of the Programme.*

The Panel recommends instituting an INCO Annual Report. It insists that a process of formal consultation with stakeholders should be established. It suggests that the concerns of industry should be taken more explicitly into account.

8. *In the last quarter of 2000, INCO - in midterm operation - has been drastically reorganised, an action that went on well into 2001. It involved a decentralisation of activities and a corresponding reduction in staff. The Panel has not assessed the need for this reorganisation, but it did consider its effects on the Programme.*

In the Panel's view this reorganisation was badly timed, weakly executed and poorly communicated. The Panel suggests a review of this - admittedly difficult - process in order to develop better practices for future cases.

BROADER ISSUES

The Panel has also made a few broader, more general observations and adds some recommendations:

1. *INCO is an example of a Programme that assumes ever more tasks, with a decreasing number of staff, with ever more obligatory controls and checks. This gives problems in at least two ways:*

- *First, the "clients" in third countries are often not able to comply with the procedures that are customary in the Commission and de facto accepted in the Union.*
- *Second, the Commission deals with far too many small activities, such as accompanying measures, bursaries, Japan fellowships, etcetera, all executed with the usual tight administrative and legal procedures.*

The Panel heard the complaint of lack of progress due to staff shortages, inside and outside INCO, on many occasions. It seems absolutely necessary for the Commission to focus on larger issues, change its administrative requirements where they really create a burden and terminate its involvement in the present myriad of small projects.

The Panel recommends a study of the possibility to take all or some of the INCO activities out of the Framework Programme's administrative regime and have them operated in INTAS- or COST-like structures.

2. *The Panel is concerned about the future of INCO. This holds in the first place for the completion of the obligations under FP5, that requires a sophisticated matrix management across disciplinary and regional expertise. It also fears a weakening of INCO's task of supporting the EU's external policies, as regional expertise is being distributed or lost altogether. It is not sure that INCO's current visibility is good enough to play the needed role in supporting external policy in FP6.*

The Panel suggests that the Deputy Director General addresses these issues in an in-depth strategic discussion with the INCO Programme Committee.

3. The challenge of mobilising European S&T resources in international activities seems to increase, the initiative on poverty-related diseases in developing countries being a good example. It should be possible for the Union to respond in a convincing, highly flexible fashion that is commensurate with the problem at hand.

The Panel believes that the international challenges are growing. It doubts whether a continuation of INCO activities more or less “as usual” would be adequate. A fundamental discussion with the stakeholders should be entered to develop new visions for the FP6 period.

MONITORING IN THE FUTURE

Looking back at the experiences of the 2000 monitoring exercise, the Panel wants to stress that the Commission should do *a better job of preparation*:

- Panel Members could be given some *condensed reading material* before the first meeting.
- The *initial information* presented must be such that Panel Members who are not familiar with the Framework Programme and the Commission’s way of working are quickly brought to the needed level of knowledge.
- Having at least one of the members on the Panel who was a member of the previous Annual Monitoring Panel *would provide a useful continuity*.
- *A realistic time schedule must be developed* that allows the Panel to absorb the facts and gives it the opportunity for analysis and debate.
- The schedule should also be *implemented timely*. It should be noted that the average Panel Member has other obligations.
- The Panel needs *information presented in a systematic, well-ordered way*; it should not do its own “data mining” in a great number of papers. An Annual Report might have alleviated the Panel’s tasks considerably.
- Commission staff should in general *be better prepared to provide concise, organised and relevant information* when having interviews with the Panel.

The annual monitoring is an important management tool: the Commission should prepare itself better for it and make sure it is fully utilised.

PART B:

**Responses of the Programme Management to the
external Monitoring Report**

Responses of the Programme Management to the recommendations of the Monitoring Panel

The Commission services would like to thank all members of the 2000 Monitoring Panels for their dedicated work and the efforts invested in this complex task. Some of the recommendations included in the monitoring reports address issues of relevance to all Specific programmes. Such issues are discussed from the Framework Programme viewpoint in the responses to the recommendations of the Framework Programme.

The following comments represent the responses of the relevant Directorates General to the recommendations regarding the specific programme *Confirming the international role of community research*.

The response follows essentially the structure of the recommendations in Chapter 7 “Conclusions and Recommendations” of Part A. In addition, it clarifies or comments on a number of observations and comments in chapters 2 through 6 of the panel report.

	Recommendation	Commission Services’ Response	Target date for implementation / progress
I.	<i>Implementation and execution of the INCO Programme in 2000</i>		
1.	<p>Overall, the implementation of INCO in the year 2000, as required by the Council Decision and laid out in the Work Programme, has progressed in line with the chosen strategic directions and according to plan. The administrative and financial support and information systems operated effectively in the handling the calls.</p> <p>The Panel commends the Commission staff upon this achievement in a difficult period.</p>	<ul style="list-style-type: none"> • The Commission notes the recognition of professional handling of the INCO calls in 2000. 	-
2.	<p>INCO’s European Added Value and its importance with respect to the European Research Area are evident but not well documented.</p> <p>The Panel recommends that INCO’s management develop concise, well-reasoned document on these issues.</p>	<ul style="list-style-type: none"> • The sharper definition of European added value should be part of a wider process of further strengthening project cycle management and the links between individual projects and political programme objectives (see below comments on ‘Broader issues’). The panel acknowledges that some improvements have been introduced in 2000, and the Commission concurs that the issue should be pursued further. 	<ul style="list-style-type: none"> • Too late for 2001 calls Issue to be revisited for next Framework Programme (preparation 2001/2002)

	Recommendation	Commission Services' Response	Target date for implementation / progress
3.	<p>Processing the project proposals takes too long and is not transparent to the proposers.</p> <p>The Panel urges the Commission to set itself explicit statistical targets in 2001 that are commensurate with the "Estimated date of first contracts" published in the 2001 Work Programme. A regularly updated report on the status of projects that are being processed should be circulated by email to proposers and NCP's.</p>	<ul style="list-style-type: none"> • The 'expectation gap' arising from longer time-to-contract periods experienced in a percentage of contracts compared to the Roadmap in the Info Pack is indeed being addressed in 2001 through a number of practical and structural measures. These concern <ul style="list-style-type: none"> (a) great efforts to bring forward the selection process of successfully negotiated proposals despite considerable workload of the staff, (b) posting an explanatory information on the Cordis and Europa websites, and (c) efforts at simplification of the procedures. 	<ul style="list-style-type: none"> (a) 70 % of ranked proposals in relation to calls closed in 2000 negotiated by July 2001. Negotiation of the remainder concluded by 09.2001. (b) since 15.07.2001. (c) Consortium partners are systematically invited to provide a mandate for signature of contracts to the co-ordinator to shorten contract signature time and draft contracts to be sent to participants before the formal Commission decision.
4.	<p>Short-term contracts for personnel in administration shorten the institutional memory and threaten the proper execution of INCO.</p> <p>The Panel recommends increasing the average duration of staff assignments to INCO to at least four years.</p>	<ul style="list-style-type: none"> • The turn-over of staff is a result of both the Commission policy of mobility of staff and of employment of short-term contract staff and the recent internal reorganisation of the DG. Training of new staff is on-going to ensure continued competent and timely management of INCO. 	<p>No additional implementation is proposed</p>

	Recommendation	Commission Services' Response	Target date for implementation / progress
5.	<p>The panel could not adequately assess the progress of projects already in execution because insufficient information was available at the required level of synthesis.</p> <p>The Panel recommends strengthening the systematic project life cycle management of the projects, including integration of relevant core data into a management information system. This should be ready in time for the 2001 Monitoring Panel.</p>	<ul style="list-style-type: none"> • The Commission did provide core indicators and other materials relevant to appreciating on-going projects as illustrated by Part C. It concurs that there is room for improvement of the preparation and fuller use of the monitoring exercise as part of normal management. Such steps are being taken to <ul style="list-style-type: none"> (a) streamline information functions facilitating effective reporting on the side of the INCO Programme, and (b) thus create an easier working environment for the panelists of the 2001 exercise. 	<ul style="list-style-type: none"> • A single entry for all official reporting since 10 May 2001. • Adaptation of the informatic system to extract aggregate information more easily (e.g. outputs of all projects as reflected in datasheets): 01.10.2001.
6.	<p>The Programme Committee might operate better.</p> <p>The Panel suggests that the Commission, through open discussions in the PC, takes the initiative towards a qualitative improvement of the PC's contribution to INCO.</p>	<ul style="list-style-type: none"> • The concerns for improved communication and interaction with the Programme Committee are shared by the Commission services. It is recognised that this is a two-way process. The Commission is making efforts to intensify interaction and openings for dialogue together with encouragement of less formal exchange channels to multiply the Programme's ability to draw on the PC's experience and outreach for the benefit of its overall performance and visibility 	<ul style="list-style-type: none"> • With immediate effect: Discussions started on 28.06.2001 helped by the presentation and discussion of the monitoring report
7.	<p>Despite significant improvements (in particular in a common presentation to the users and in more homogeneous administrative procedures), INCO appears too much a collection of separate initiatives. More could have been done to integrate these separate actions on the level of the Programme.</p> <p>The Panel recommends instituting an INCO Annual Report. It insists that a process of formal consultation with stakeholders should be established. It suggests that the concerns of industry should be taken more explicitly into account.</p>	<ul style="list-style-type: none"> • The Commission notes the repeated suggestion by the panel for a specific INCO annual report. INCO contributes to the Annual Report of the entire Directorate General, which is regularly published in compliance with Art. 173 of the Amsterdam Treaty. In the present circumstances of staff and other resources availability, priority is given to fulfilling the obligations for forward planning, stakeholder consultation, co-ordination with other policies and instruments, managing of INCO calls, monitoring and evaluation of progress and greater efforts of visibility of both the research and the policy. • The panel's concern for stakeholder consultation is shared by the Commission (see also below). The preparations of the sixth Framework Programme offer an opportunity to look further into whether, and if so what, changes to current arrangements serve this functional need in the best way. • For industry consideration, please see comment below 	<p>A provisional advance document of key data ("self assessment") relevant also for the Annual Report 2001 will be made available to the 2001 group of experts at the start of their work.</p>

	Recommendation	Commission Services' Response	Target date for implementation / progress
8.	<p>In the last quarter of 2000, INCO - in midterm operation - has been drastically reorganised, an action that went on well into 2001. It involved a decentralisation of activities and a corresponding reduction in staff. The Panel has not assessed the need for this reorganisation, but it did consider its effects on the Programme.</p> <p>In the Panel's view this reorganisation was badly timed, weakly executed and poorly communicated. The Panel suggests a review of this - admittedly difficult - process in order to develop better practices for future cases.</p>	<ul style="list-style-type: none"> • The reorganisation had an impact on the management of INCO. The panel notes that the possible negative impact on the Programme stakeholders has been contained and that the 2000 implementation was ensured to schedule. 	-

II.	<i>Broader Issues</i>	Commission Services' Response	Target date for implementation / progress
1.	<p><u><i>The Panel recommends a study of the possibility to take all or some of the INCO activities out of the Framework Programme's administrative regime and have them operated in INTAS- or COST-like structures.</i></u></p>	<ul style="list-style-type: none"> The reform process of INCO fits in with work on the next Framework Programme as the major instrument of the European Research Area. This transcends the annual monitoring and management adjustments as a normal follow-up to identified strengths and weaknesses. In line with the comments under item 3 below, the preparation of the next Framework Programme with its stronger thematic focus, proposals for streamlined instruments and demand driven approach to S&T co-operation, it appears indeed appropriate to revisit and, where necessary, adapt approaches and implementation mechanisms. It is debatable whether a series of specific studies on selected aspects in different parts of chapters 2 through 6 are the most cost-effective response to these challenges. 	<p>No additional implementation proposed</p>
2.	<p>The Panel is concerned about the future of INCO. This holds in the first place for the completion of the obligations under the fifth Framework Programme, that requires a sophisticated matrix management across disciplinary and regional expertise. It also fears a weakening of INCO's task of supporting the EU's external policies, as regional expertise is being distributed or lost altogether. It is not sure that INCO's current visibility is good enough to play the needed role in supporting external policy in the sixth Framework Programme.</p> <p>The Panel suggests that the Deputy Director General addresses these issues in an in-depth strategic discussion with the INCO Programme Committee.</p>	<ul style="list-style-type: none"> Consistent with point 6 above, the shape and orientation of international S&T co-operation should be subject to broad-based discussions. Natural partners for such discussions comprise the INCO Programme Committee, but also DGs which have an interest in greater use of scientific knowledge to underpin their own policies, to name but the most obvious. International partners outside Europe are also legitimate stakeholders in this process: bi-regional dialogue with Asia (ASEM), Latin America and Caribbean (REALC), Mediterranean (MoCo) and Africa (desirable follow-up to the Cairo Summit in April 2000) provide differentiated scientific and political platforms for stakeholder dialogue with a series of meetings already 	<ul style="list-style-type: none"> On agenda of INCO Programme Committee on the 28.06.2001 The Communication on the international Dimension of ERA confirming the need for a visible international S&T Co-operation component met with broad consensus and support from all other DGs concerned and was published 25.06.01 as COM(2001) 346 final. several bi-regional dialogue meetings are scheduled through 2001 and 2002.

II.	<i>Broader Issues</i>	Commission Services' Response	Target date for implementation / progress
3.	<p>The challenge of mobilising European S&T resources in international activities seems to increase, the initiative on poverty-related diseases in developing countries being a good example. It should be possible for the Union to respond in a convincing, highly flexible fashion that is commensurate with the problem at hand.</p> <p><u><i>The Panel believes that the international challenges are growing. It doubts whether a continuation of INCO activities more or less "as usual" would be adequate. A fundamental discussion with the stakeholders should be entered to develop new visions for the sixth Framework Programme period.</i></u></p>	<ul style="list-style-type: none"> • The panel's suggestion of a pro-active approach is well taken. The multiple expression of continued interest in and support for the INCO Programme from a wide range of stakeholders is an expression of appreciation and visibility of the Programme, which provide further encouragement. Given the discovery by the competent US authorities of S&T co-operation as a major vehicle for international relations - including with developing countries - the pioneering experience of the European Union in this area ought to be a major asset in the future. <p>T The DG RTD, and indeed the Commission as a whole, has made a public commitment towards enhancing international co-operation as set out in the Communication on the International Dimension of the European Research Area (COM (2001) 346 final. It is backed by the openings under priority eighth of the Communication about the forthcoming Framework Programme. By so doing, it marks a desire to ensure a transition from supply-driven research towards a demand-driven model. This ties in well with the concern of the panel for intensified INCO interaction with other relevant EU policies, particularly development, external relations, trade, environment etc. It also addresses fears expressed by the panel about a lack of visibility of international S&T co-operation of the Commission, and in this respect the panel should feel reassured.</p>	<ul style="list-style-type: none"> • See point 2 above

III.	<i>Monitoring in the future</i>	Commission Services' Response	Target date for implementation / progress
	<p>Looking back at the experiences of the 2000 monitoring exercise, the Panel wants to stress that the Commission should do <i>a better job of preparation</i>:</p> <ul style="list-style-type: none"> • Panel Members could be given some <i>condensed reading material</i> before the first meeting. • The <i>initial information</i> presented must be such that Panel Members who are not familiar with the Framework Programme and the Commission's way of working are quickly brought to the needed level of knowledge. • Having at least one of the members on the Panel who was a member of the previous Annual Monitoring Panel <i>would provide a useful continuity</i>. • <i>A realistic time schedule must be developed</i> that allows the Panel to absorb the facts and gives it the opportunity for analysis and debate. • The schedule should also be <i>implemented timely</i>. It should be noted that the average Panel Member has other obligations. • The Panel needs <i>information presented in a systematic, well-ordered way</i>; it should not do its own "data mining" in a great number of papers. An Annual Report might have alleviated the Panel's tasks considerably. • Commission staff should in general <i>be better prepared to provide concise, organised and relevant information</i> when having interviews with the Panel. <p>The annual monitoring is an important management tool: the Commission should prepare itself better for it and make sure it is fully utilised.</p>	<p>The advice of the panel concerning the 2001 exercise is welcomed in general, with the provisos mentioned earlier concerning a specific annual INCO report. The monitoring is being revised in the overall context of the Framework Programme and the result will influence the concrete modalities of the 2001 exercise.</p>	<ul style="list-style-type: none"> • A provisional advance document of key data ("self assessment") relevant also for the Annual Report 2001 will be made available to the 2001 group of experts at the start of their work. • Continuity of monitoring work will be ensured according to the panel's advice. • Planning for the 2001 Monitoring takes on board the recommendations

IV.	<i>Other points raised in chapters 2 through 6</i>	Commission Services' Response	Target date for implementation / progress
1.	<p><i>Section 2.1 Overview of the INCO Programme, page 7:</i> The Panel decided not to monitor the implementation of INTAS and COST. It has limited itself to a brief study of organisation and management of these programmes, in order to derive possible lessons for INCO. Consequently, monitoring is focused on the implementation in the year 2000 of INCO's 4-year budget of 338.4 MEUR for RTD activities and accompanying measures.</p>	<ul style="list-style-type: none"> • COST and INTAS are integral parts of the INCO Programme. The panel decided not to include them in the monitoring. The fact that they were managed outside the Directorate with responsibility for international relations (Directorate E in the 2000 organigramme of interest to this monitoring exercise) does not detract from this reality. The shortfall will, however, be more than compensated through separate more in-depth assessments of the two mechanisms going on in parallel. 	No additional implementation proposed.
2.	<p>Section 3.3 Contribution to the European Research Area, page 11: The Panel finds that INCO holds great potential with respect to ERA, that its place and functions in this regard should be further explored and clarified, and that its profile should be focused and more clearly visible.</p>	<ul style="list-style-type: none"> • INCO has greater visibility than the panel seems to perceive. This is illustrated not only by the thousands of research teams in Europe and its partner countries (and the steadily growing average size of the consortia), which were mobilised in each of the successive Framework Programmes, but also through recognition of its role by Parliament, Council and partners in bi-regional dialogue fora. The comment under II.3 is also relevant here. INCO will provide the principal asset for building the international dimension of the European Research Area and will benefit from ERA's development. The point on additional clarification of the international dimension of ERA is well taken. 	One step: publication of the Communication COM(2001) 346 final, 25.06.2001
3.	<p><i>Section 4.1 A1 States in the pre-accession phase, pages 12f:</i> The Panel is satisfied with the end result of the calls, which effectively closes the chapter of INCO's long involvement with the pre-accession countries.</p> <p>The original objective was to support 20 Centres of Excellence in these countries. After considering the received proposals, INCO eventually selected a significantly larger number in order to cover all pre-accession countries. The Programme Committee, in which some members were perturbed by what they saw as a mid-stream change of selection criteria, agreed after a difficult debate.</p> <p>The Panel accepts the rationale behind this change,</p>	<ul style="list-style-type: none"> • The panel appears to confuse two distinct aspects, communication with the INCO Programme Committee (PC) and selection criteria for centres of excellence. <p>The former was correctly identified as a weakness.</p> <p>The latter were not changed in mid-stream. Throughout the Framework Programme, projects exceeding the quality threshold can be selected. Numerical ranking may be changed when justified, such as when a targeted programme topic is inadequately covered. This is in line with the public Evaluation Manual adopted by the Commission and available on the Cordis website.</p> <p>Thus, the choice between strict numerical ranking vs. exercising</p>	<p>- Ongoing efforts</p> <p>- No additional implementation proposed</p>

IV.	<i>Other points raised in chapters 2 through 6</i>	Commission Services' Response	Target date for implementation / progress
	but finds that it was not very well communicated. This is in line with other observations about the communication between Commission and PC (section 5.3.).	judgement towards meeting programme objectives both within strong proposals exceeding the threshold cannot be construed as rule change in the middle of an exercise.	
4.	<p><i>Section 4.4 A4: Research for Development, page 16:</i> The <i>indicators of success</i> in the INCO-DEV program look very satisfactory; the analysis of a sample of 52 Framework Programme 4 projects made available by the Head of Unit showed a large number of useful results. A further analysis of the balance of the effects on the S&T situation in the developing countries vis-à-vis the situation in Europe needs to be made. For example, a report on the number and type of patents and publications from developing countries in Africa would be of interest.</p> <p>The Panel is impressed by the quality of the INCO-DEV programme, and in particular by its three-tier structure. The programme is being implemented correctly. Efforts to put more responsibility with the developing countries must be strengthened further.</p> <p>Pre-proposal checking has been very effective in improving the quality of the proposals. The Panel recommends applying this method more widely in all sectors of INCO.</p> <p>....</p> <p>The Panel understands that S&T does not raise much enthusiasm in DG Development, which has the political responsibility for development activities. It urges INCO-DEV nevertheless to strengthen its relations with the policy sector and contribute to the refocusing of the EU's development policy that is presently underway.</p>	<ul style="list-style-type: none"> • The apparent remaining scepticism on the productivity and outreach of joint research with African partners may be seen against the backdrop of the sample of INCO-DEV project outputs cited, including partnerships with Africa. It is understandable that wide differences exist between countries as a function of their overall research infrastructure and political stability. • Presentations at several conferences and information meetings are being used, among other, to promote co-ordination by scientists from developing countries. • The good experience with pre-proposal checks is being pursued with continued effort for the INCO calls open in 2001 (except for the Balkans call). The availability of pre-proposal checks are specifically promoted at information meetings and during other direct interaction with interested groups. This is in addition to the usual notification on the Cordis website and inclusion in the 2001 INCO information package. • The panel's advice concerning strengthened interaction with DG DEV is actively pursued and constructive inputs continue to be made at all stages of policy formulation and consultation. 	<p>On-going</p> <p>On-going</p> <p>It has intensified in 2001 in relation to the regular review and follow-up to the COM(2000)212 through the Plan of Action for implementing the Development Co-operation Policy and thematic communications in preparation (e.g. water).</p>

IV.	<i>Other points raised in chapters 2 through 6</i>	Commission Services' Response	Target date for implementation / progress
5.	<p><i>Section 4.6 B: Training of Researchers, page 17:</i> In this line young doctoral-level researchers from third countries are enabled to work in Europe on the Framework Programme projects. In 2000, out of 171 proposals 17 received a contract (total 0.4 MEUR).</p> <p>The Panel regrets that this opportunity is only available if it is expressly included in the contract for a fifth Framework Programme project, i.e. a fellowship must already be requested at the time when the project contract is concluded. In practice, the need will often become clear in the course of the project. The Panel suggests that a bursary system could be used effectively as a separate means towards engagement of more scientists from developing countries in European research.</p>	<ul style="list-style-type: none"> • The modalities of scholarships for young researchers are receiving attention and the current system is being reviewed. It is envisaged to expand and adapt the scheme to new challenges under the next Framework Programme. 	mid 2002
6.	<p>The Panel observes a need for a more conscious co-ordination between COST activities and the Framework Program.</p> <p>The Panel finds that COST's management structure as well as its technical management - the former being the responsibility of Council, the latter the responsibility of the Commission - must be carefully considered with the aim of securing a stronger Commission engagement in COST. Both need integration, streamlining and lighter procedures.</p> <p>The Panel emphasises that it supports the idea of the COST administration being separate from the Commission Services thus allowing a higher degree of flexibility. The Panel suggests that a study be undertaken of the way in which the future structure of COST could develop. A flexible response to emerging challenges should be possible, and at the same time legitimate</p>	<p>COST as a co-ordination and networking mechanism is managed within the Commission services. Three DGs share responsibility as a function both of the nature of activities and DG competence:</p> <ul style="list-style-type: none"> • Directorate AP (Strategy and Policy Co-ordination – responsible for COST and EUREKA mainly) within DG RTD in 2000 (Directorate B European Research Area: Structural Aspects as of 2001), • DG INFSO (COST Telecommunication and Information Science and Technology Actions), and • DG TREN (COST Transport Actions). <p>In the appreciation of the Commission's extent of interaction with EUREKA beyond the secondment of a staff and financial support to the secretariat something may have got lost in the concision. Looking beyond simple financial contributions reveals (a) continuation of project funding for proposals that had succeeded in normal the</p>	

IV.	<i>Other points raised in chapters 2 through 6</i>	Commission Services' Response	Target date for implementation / progress
	political, financial and legal control ought to be maintained. Such a study could be useful for other parts of the INCO Program.	Framework Programme competition; (b) increased collaboration between the Commission and the EUREKA secretariat, (c) active participation in all EUREKA committees; and (d) joint setting up of a special working group to foster further synergy between EUREKA and the Framework Programme.	
7.	<p><i>Section 4.9 Processing of Proposals, page 20 – item 1:</i> <u>The Panel therefore concludes that the Information Package continues not to be user friendly, despite the Commission's attempts to improve it. A pre-test by a number of potential users could be very useful. Further action is urgently needed.</u></p> <p><u>Electronic submission could be helpful, provided that new approaches are chosen. PRO TOOL is good for professionals, not for incidental applicants. However, electronic submission should never be the only mean for submission.</u></p> <p><u>When launching new Calls for Proposals, changes from the previous Calls should be clearly identified in the new Calls.</u></p>	<ul style="list-style-type: none"> • Regarding information for potential participants, at least part of the suggestions have been taken on board in 2001, particularly in the removal of unnecessary repetition of text pertaining to past calls. Furthermore, a number of information meetings have already been or are being supported to bring the attention of interested research teams, particularly in new geographical zones (e.g. Balkans), to the 2001 INCO-DEV and INCO-MED calls. New thematic areas (e.g. urbanisation in INCO-DEV) are being particularly widely publicised, including through meetings. <p>All remaining calls of the different areas of INCO have been regrouped in only two official journal publications, the call texts 2001 for RTD projects and accompanying measures respectively. At the same time, one single INCO infopack has replaced earlier separate packages by subarea.</p>	Done March 2001

IV.	<i>Other points raised in chapters 2 through 6</i>	Commission Services' Response	Target date for implementation / progress
8.	<p><i>Section 4.9 Processing of Proposals, page 20 – item 2:</i> <u><i>It is difficult to make good proposals, certainly also from an administrative point of view. INCO “clients” are generally “old clients”, who know the Programme, the networks and the persons. In general, they are very receptive to the calls and understand them well, while new “clients” with less experience have sometimes difficulties in answering to the calls in a satisfactory way. The “need for greater clarity in the proposal information to assist inexperienced applicants” (1999 External Monitoring Report, p.4) continues to exist.</i></u></p> <p>There seems to be a clear distinction between:</p> <ul style="list-style-type: none"> • Scientists that do not submit proposals; • Those that submit and find their proposals rejected; • Those that submit and see their proposals accepted. <p>It appears that no attempts were made to understand the reasons behind each of these situations.</p> <p>It would be interesting to calculate the success rate of first-time applicants compared to recurrent applicants. This analysis would show whether or not understanding of Call for proposals and the application process is adequate.</p> <p>The Panel recommends commissioning a small study to clarify this issue.</p>	<ul style="list-style-type: none"> • The sweeping statement in the sub-title of the item ‘<i>New applicants have a disadvantage</i>’ invites some comment. The small sample size (one person) is not sufficiently convincing to support a general affirmation that new applicants are at a disadvantage. It is to be expected that researchers and teams who have long-standing international collaborative experience in developing and emerging economies have more contacts and standing there and thus find it easier to put together high quality proposals. • However, the INCO Programme makes concrete efforts to keep the programme open and responsive to emerging needs. This is illustrated by the introduction of new themes (e.g. RTD in the global knowledge society in the fifth Framework Programme, urbanisation in 2001) and new geographical areas (Balkans) that draw in new teams with new competencies. Information efforts are continually undertaken at international meetings to reach out to expertise in all subject areas of interest. In the reporting period, a sizeable number of successful proposals e.g. in the INCO-DEV call, were co-ordinated by newcomers to the programme, including in areas in which INCO has been active for years. • In different circumstances, a study to investigate non-applicants might be a useful exercise. However, the INCO programme as a whole continues to be oversubscribed (about 25% success rate as of 2000). In the light of this and the measures mentioned above, also given the panel’s appreciation of the quality of the evaluators (page 20) and the other challenges to the programme (see also the Commission comments under I.7 and II.1), a study to investigate non-applicants does not appear to be a high priority. 	<ul style="list-style-type: none"> • A self-learning module for new INCO proposers has been posted on the web in April 2001.

IV.	<i>Other points raised in chapters 2 through 6</i>	Commission Services' Response	Target date for implementation / progress
9.	<p><i>Section 5.1 Overall management issues, pages 22f.:</i></p> <p>The Council Decision stipulates, "In the implementation of this programme, the <i>concerns of industry</i> and in particular of small and medium-sized enterprises will be taken into account". The Panel has not found any evidence that this requirement was actively pursued, neither regarding European industry nor in relation with e.g. local industry in developing countries. At most, it played a secondary role in the selection criteria for projects in line A1.</p>	<ul style="list-style-type: none"> • This invites a response since the INCO work programmes of A.2 Copernicus, A.3 MED and A.4 DEV in 1999, 2000 and 2001 had several thematic thrusts which either invited analysis involving industrial partners, e.g. on enabling policies for industry participation in sustainable development or implicated direct SME participation (e.g. food processing). Commission services have looked into this question more specifically and found that the Council orientations cited are supported by statistical findings (summarised below). The data suggest a healthy participation rate by SMEs in INCO. 	<ul style="list-style-type: none"> • Thanks to the stimulus of the panel, SME participation was analysed in some detail in May 2001.
10.	<p><i>Section 6.2 Longer-range effects of the reorganisation, page 25:</i></p> <p>The possible longer-range effects of the reorganisation on INCO's future were brought to the Panel's attention on several occasions. In particular the following five areas of concern were identified:</p> <ul style="list-style-type: none"> • The <i>unique regional expertise</i> residing in INCO is being scattered, but it is still much needed in the completion of the programme. • Several existing and new Framework Programme 4 and Framework Programme 5 projects will be <i>executed in a decentralised way within the thematic programmes that may not have the necessary (regional) expertise.</i> • New calls for proposals will have to be <i>executed in a hybrid fashion</i>, involving the remaining INCO organisation as well as the thematic programmes. High-level attention is needed to solve these inter- and intra-DG problems. • "Customers" outside and inside the Commission need "<i>one door</i>" when interacting with INCO. The Panel notes that the Commission is taking action on this issue. 	<ul style="list-style-type: none"> • The Commission is aware of the pros and cons of reorganisations in general and this one in particular. A one-stop entry point for all INCO contractors has been created to ensure that information is centrally available and shared in harmonised fashion. Management pays great attention to countering identified weaknesses and taking advantage of the strengths of the new organisation. <p>Although a substantial number of individual projects have been decentralised to the thematic directorates, the major tasks at Programme level, such as management of calls or reporting remain centralised.</p> <p>A harmonised entry for managing the 2001 call is in place and information exchanges have already been conducted with DGs INFSO and TREN on the call segments handled by them within the INCO structure.</p>	<ul style="list-style-type: none"> • "The Single Entry Point", where all projects' deliverables have to be sent, is operational since May 2001. • Done through June.2001 • Computer tools have been made available in order to facilitate the reporting tasks even under condition of decentralisation.

IV.	<i>Other points raised in chapters 2 through 6</i>	Commission Services' Response	Target date for implementation / progress
	<ul style="list-style-type: none"> • INCO must contribute to the Union's external policies. In the new organisation <i>the distance between "hard" research activities and overall policy will tend to increase.</i> Measures have to be taken to avoid this. <p>The Panel suggests that these, and several other problems, require urgent attention of the new management. It is the task of next year's monitoring panel to review the results of the ensuing actions.</p>	<ul style="list-style-type: none"> • Management is examining ways to counteract this risk. 	

PART C:

**Information provided to the experts
by the Programme management**

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I. Legal and substantive background

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6. 2000 External Monitoring of the Framework Programmes and Specific Programmes; 200-11-15 (00-12-00)
7. 1999 Annual monitoring report on the RTD activities conducted under the EC and Euratom framework programmes (booklet)
8. Proposal for a Decision of the European Parliament and of the Council concerning the multiannual Framework Programme 2002-2006 of the European Community for research, technological development and demonstration activities aimed at contributing towards the creation of the European Research Area (20/02/01)
9. Synergy between the Fifth Framework Programme for research and Technological Development and MEDA – SEC (2000)933 –31 May 2000
10. INCO Work Programme 2001 (paper)
11. Information Package, INCO Call 15 March 2000 (MED and DEV)

II. Working materials

12. Identifying the constituent elements of the European Added value (EAV) of the EU RTD programmes: conceptual analysis based on practical experience. Yellow Window (report).
13. Confirming the international role of Community Research (information brochure)
14. INCO Core Indicators on FP5: year 2000; provisional data, 08-02-2001
15. Confirming the international role of Community Research - Statistical overview 1999-2000; 31-11-2000
16. “Issues and Messages for the Monitoring Panel concerning areas A1 and A2”: Internal working document of unit E1
17. “Some issues for discussion with the 2000 Monitoring Panel. Input from INCO-DEV”: Internal working document of unit E4

18. “Vers un espace Euro-Méditerranéen de la recherche; Calendrier des activités politiques et opérationnelles de l’unité Méditerranée. Towards a Euro-Mediterranean S&T Space (English translation, Calendar)”: Internal working document of Unit E2
19. List of NCP Members 2000
20. List of Programme Committee Members 2000
21. New organisation chart DG Research (01.01.01)
22. Fifth Framework Programme, INCO A1 and A2 (slides)
23. International Co-operation: research for development (slides, call details)
24. Slides COST
25. Slides EUREKA
26. INTAS: A bridge to partnership in research; Improving the future by learning from the past; Distribution of proposals
27. List of Centres of Excellence (A1; paper)
28. “Short summaries of successful projects FP4, FP5” (paper, A3 INCO-MED), Internal working document of Unit E2
29. “Révisions et exécution budgétaire 1999 & 2000 par sous-domaines”: Internal working document of Unit E5
30. “INCO calls closing in 2001” (table)
Internal working document of Unit E5
31. Statistical Overview on International RTD Co-operation in FP4 (1995-1998) (report): Working document of Unit E5
32. “Typical calendar for evaluation, negotiation and selection delays”
Internal working document of Unit E5
33. Organisation Chart DG Research, situation 16-06-2000
34. “Missions de la DG RTD” (Mission statement)
35. Contract ICA1CT2000-70002 (“Machine Intelligence Research and Application Centre for Learning Excellence”; accompanying measures)
36. Project ICA2CT2000-10005 (“Electron beam for processing of flue gases, emitted in metallurgical processes, for volatile organic compounds removal”)
37. Project ICA3CT1999-00009 (“Sustainable water use in Mediterranean horticulture”)
38. Project IC18CT1996-0117 (“Potentials of low-external input and sustainable agriculture (LEISA) to attain productive and sustainable land use in Kenya and Uganda“)

III. Selection of INCO or INCO-related publications

39. *Eureka: Annual Impact Report 2000*, Brussels
40. *RTD Info: Magazine for European Research*, 27/09/00, EC, Brussels
41. “*Project examples: Biological nitrogen fixation: S&T co-operation with developing countries funded by the European Commission*”, EC, DG RTD, 16/09/00, Brussels.
42. “*Projects reports: integrated pest management of cash crops in developing countries: a way towards sustainable agriculture development: a report of the European scientific co-operation for development programme*”, EC, DG RTD, Brussels
43. “*EC Co-operation on Oceans and Seas*”, produced jointly by the RELEX DGs and DGs RTD, Fisheries and Environment, Brussels
44. “*Euro-Mediterranean S&T Co-operation: Projects reports*”, Edition 1998, Vol. 1 & 2, 2000, Brussels

LIST OF PERSONS INTERVIEWED

Directorate E:

J. Gabolde, Director

Unit E0 (Co-ordination)

L. Bellemin, Adviser

Unit E1 (A1: Candidate countries; A2: NIS, Non-associated European countries)

R. Meijer, Head of Unit

Unit E2 (A3: Mediterranean)

J. -L. Blanc, Scientific Officer

B. Brown, Scientific Officer

G. Borsalino, Scientific Officer

Unit E3 (A5: Industrialised countries, emerging economies; B2: Japan fellowships)

N. Newman, Head of Unit

Unit E4 (A4: Developing countries; B1: Incoming fellowships)

J. Sinnaeve, Head of Unit

M. Pletschette, Scientific Officer

Unit E5 (Administrative and financial matters)

T. Arnold, Head of Unit

N. Sabatier

OTHER RTD DIRECTORATES AND DGS:

DG Research - Directorate D:

P. Mathy, Head of Unit

DG Research – Directorate AP: COST, EUREKA, International organisations:

C. de la Torre, Head of Unit

M. Warras

INTAS:

D. Gould, Head of INTAS Secretariat

EuropeAid:

R. Standring

DG DEV:

R.J. Scheer

DG Enlargement:

M. Schieder

INCO STAFF ASSISTING THE PANEL

I. Brach (until 19 January 2001)

M. Flageollet (from 19 January 2001)

N. Sabatier (from 19 January 2001 to 14 March 2001)

C.E. Nauen (from 14 March 2001)