


Procedure file

Basic information		
INI - Own-initiative procedure	2010/2079(INI)	Procedure completed
Simplifying the implementation of the research framework programmes		
Subject 3.50.02 Framework programme and research programmes		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	ITRE Industry, Research and Energy		19/05/2010
		PPE CARVALHO Maria da Graça	
		Shadow rapporteur	
		S&D RIERA MADURELL Teresa	
		ALDE CHATZIMARKAKIS Jorgo	
		Verts/ALE LAMBERTS Philippe	
		ECR FORD Vicky	
	Committee for opinion	Rapporteur for opinion	Appointed
	CONT Budgetary Control		01/06/2010
		PPE PATRICIELLO Aldo	
	REGI Regional Development		03/06/2010
		PPE CADEC Alain	
European Commission	Commission DG Research and Innovation	Commissioner GEOGHEGAN-QUINN Máire	

Key events			
29/04/2010	Non-legislative basic document published	COM(2010)0187	Summary
17/06/2010	Committee referral announced in Parliament		
30/09/2010	Vote in committee		Summary
06/10/2010	Committee report tabled for plenary	A7-0274/2010	
10/11/2010	Debate in Parliament		
11/11/2010	Results of vote in Parliament		



11/11/2010	Decision by Parliament	T7-0401/2010	Summary
11/11/2010	End of procedure in Parliament		

Technical information

Procedure reference	2010/2079(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Implementation
Legal basis	Rules of Procedure EP 142-p2
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/7/02970

Documentation gateway

Non-legislative basic document		COM(2010)0187	29/04/2010	EC	Summary
Committee draft report		PE443.114	23/06/2010	EP	
Committee opinion	CONT	PE442.906	13/07/2010	EP	
Amendments tabled in committee		PE445.806	16/07/2010	EP	
Committee opinion	REGI	PE443.141	16/09/2010	EP	
Committee report tabled for plenary, single reading		A7-0274/2010	06/10/2010	EP	
Text adopted by Parliament, single reading		T7-0401/2010	11/11/2010	EP	Summary
Commission response to text adopted in plenary		SP(2011)1475/2	04/04/2011	EC	

Simplifying the implementation of the research framework programmes

PURPOSE: to present measures and options for simplifying EU research funding, for assuring that EU research funding promotes the highest quality research.

CONTENT : in order to deliver on the [Europe 2020 strategy](#) objectives, regional, national and European public funding initiatives in research and innovation should be as effective as possible, in order to promote the highest quality research. For maximum impact such initiatives at European level should therefore be highly attractive and accessible to the best researchers worldwide, to Europe's industry and entrepreneurs, to universities and other research and innovation actors. This Communication assesses where we stand on this as concerns Europe's current major public funding initiative for research and technological development, the Seventh Framework Programme (FP7). This Communication also provides possible directions for more radical simplification. Directions which could subsequently be translated into concrete actions, either under the current framework or in the form of new legislative proposals.

Simplification is also a major goal of the upcoming Commission proposal on the triennial review of the Financial Regulation. Since the Financial Regulation provides the general framework for the implementation of the EU budget, including research expenditure, its successful review will allow further progress in simplification in the research area.

A lot has been and is being done in terms of simplification following discussions in Council and Parliament, the [independent review of the ERC's structures and mechanisms](#) and the recent public consultation of stakeholders.

These concrete measures have already led to a reduction of time-to-grant and of the administrative effort for managing projects. However, the feedback received in stakeholder consultations shows that access to the programmes and preparation of proposals are still too difficult, in particular for newcomers, that the administrative burden for project administration and accounting is perceived as too high and that time-to-grant and time-to-pay are still too long. Moreover, the error rates detected in ex-posts audits, in particular for personnel and indirect costs, are still above the materiality threshold defined by the Court of Auditors. This fact is also calling for further simplification of rules.

The possibilities for further simplification as presented below are structured in three main strands: a first strand with the improvements and simplifications that the Commission will implement under the current legal and regulatory framework (short term), a second strand with

changes to the rules but still under the current cost-based model, and a third strand suggesting more far-reaching changes towards a result-based funding using lump sums.

Strand 1: Streamlining proposal and grant management under the existing rules. Under the first strand, practical improvements to processes and tools are presented that the Commission has already started implementing. These improvements will lead to a further reduction of time-to-grant and time-to-pay. The Commission discusses improving user support, guidance, transparency, IT tools and processes. It also discusses improving uniform application of rules, optimising the structure and timing of calls for proposals, adapting sizes of consortia, allowing, where appropriate, for smaller consortia. The simpler management of smaller consortia bears a potential for reducing average time-to-grant and time-to-pay;

Strand2: Adapting the rules under the current cost-based system The second strand covers changes to the existing rules allowing a broader acceptance of usual accounting practices (including average personnel costs), the reduction of the variety of special conditions, a provision for owner-managers of SMEs and a change to the grant selection process. These options, in addition to accelerating the processes, would contribute to a reduction of the error rate in the cost based approach. The paper discusses broader acceptance of usual accounting practices, and clarification of the concept of eligible actual costs. The Commission considers that any average personnel cost methodologies applied as usual accounting practice by the beneficiary could be accepted, as long as they are

based on actual personnel costs registered in the accounts and any double funding of costs under other cost categories is excluded. This option has a very large simplification potential. The paper goes on to discuss limiting the variety of rules; interest on pre-financing; more lump sum elements in the current costs based approach; and accelerating project selection.

Strand 3: Moving towards result-based instead of cost-based funding Under the third strand, options paving the way to future more profound changes are presented, by introducing a result-based approach that would entail a major shift of the control efforts from the financial to the scientific-technical side. This approach would minimise the administrative burden for accounting and the needs for financial ex-ante and ex-post checking. The paper discusses moving away from cost-based system focused on input towards a system of funding based on prior definition and acceptance of output/results, and suggests options for exploring result-based approaches.

Most options proposed under the second and third strand require changes to the rules and will therefore be addressed in the triennial review of the Financial Regulation and, on that basis, in the forthcoming review of the regulatory framework of research policy. However, depending on consensus obtained in response to this Communication regarding specific measures the Commission may present amendments for FP7, following its interim evaluation. An early amendment of FP7 rules could in particular be envisaged for the rules on average personnel costs. Any such change to the FP7 rules must take into account certain important provisions. This includes the fact that any simplification must outweigh the costs of its implementation. Stability of existing rules is perceived as very important for all the users of the FP and is preferred to the change towards only slightly simpler rules.

The Commission calls on the other EU institutions to contribute to the debate and give feedback on the options outlined in this Communication, in view of the future shaping of EU research funding.

Depending on consensus obtained in response to this Communication regarding specific measures the Commission may present amendments still for FP7, following its interim evaluation.

Simplifying the implementation of the research framework programmes

The Committee on Industry, Research and Energy adopted the own-initiative report drafted by Maria Da Graça CARVALHO (EPP, PT) on simplifying the implementation of the Research Framework Programmes in response to the Commission communication on this subject.

The report supports the Commission's initiative which proposes serious and creative measures in dealing with the bottlenecks faced by the FP participants.

It however draws attention to the fact that, despite the importance of the simplification process, it is only one of the necessary reforms required to improve EU research funding. It highlights the need to stipulate, in the case of each individual simplification measure, whether it enters into force under the current legal framework or whether changes to the rules of the Financial Regulation, Rules for Participation or the specific rules applying to FP programmes are required.

Members emphasise the fact that, alongside the simplifications the Commission has proposed, it should draw up a detailed plan for developing research infrastructure in the new Member States.

A pragmatic shift towards administrative and financial simplification: the report welcomes the increasing efforts towards the administrative and financial simplification of FP rules throughout programme and project life cycles.

Members believe that the management of European research funding should be more trust-based and risk-tolerant towards participants at all stages of the projects, while ensuring accountability, with flexible EU rules to align better, where possible, with existing different national regulations and recognised accounting practices.

In this context, they agree to, and recommend, broader acceptance of usual accounting practices for the eligible costs of participants once they have been clearly defined and agreed upon, especially for average personnel cost methodologies, provided that these procedures are in accordance with national rules and certified by competent authorities.

The report supports a further reduction in combinations of funding rates and methods for defining indirect costs across the different instruments and between activities (management, research, demonstration and dissemination). It acknowledges, however, that the current differentiation between universities/research centres, industry, non-profit organizations and SMEs should be maintained.

The Commission is invited to:

- further clarify the terminology in use on flat rates and lump sums;
- retain the use of actual costs as one method of combining funding rates and defining indirect costs;
- present more precise, consistent and transparent rules of procedure for audits;
- implement the 'single audit approach' and to switch to real-time auditing performed by a single entity.

Members request simplified interpretation and further clarification on the definition of eligible costs (such as taxes and charges in personnel costs, sick leave and maternity leave), as well as on the question whether VAT can be covered under eligible costs.

Radical shift towards improving quality, accessibility and transparency:

(a) Moving to a 'science-based' approach: Members are concerned about the current Commission's overall trend towards result-based funding (essentially justified by the principles of sound accountability) and are deeply concerned about the possible impact of result-based funding on the quality and nature of research. They favour instead a 'science-based' funding system, with emphasis on scientific/technical criteria and peer review based on excellence, relevance and impact, with simplified and efficient financial control, respecting the right of all sides to be heard.

(b) Optimising time: the report welcomes the overall trend towards shortening the average time-to-grant and time-to-pay but expresses some reservations about the generalised use of larger-scope calls and calls with cut-off dates. It has strong reservations about the effects of abolishing the legal requirement for an opinion by committees of Member State representatives on selection decisions on individual projects, especially those with impact on ethics, security and defence.

The Commission is invited to: (i) shorten time-to-contract to maximum 6 months and to set appropriate deadlines for evaluation and contract negotiation, based on a benchmark system; (ii) extend the average time from the publication of the call for proposals to the deadline for submitting the application.

Members support the general trend towards a 'two-stage' application procedure, particularly in cases where the expected oversubscription is very high, provided that the evaluation is undertaken thoroughly in the first stage (objectives, scientific approach, competences of participants, added value of scientific collaboration and overall budget). They believe that this approach reduces application costs.

(c) Shifting to a 'user-centred' approach in terms of access: the report calls for a substantive improvement in the clarity and accessibility of guidance documents, which should be compiled in a handbook and translated into the EU official languages. It stresses the need for increasing participation by the new Member States in FP projects.

Members support the introduction of more e-administration and IT tools and, in particular, the development of a research participant portal and the introduction of the e-signature. They call on the Commission to establish an integrated and user-friendly online system. They support making all electronic information on programme management available (identification, application, negotiation and report). This online system should be available on day one of the programme and accessible at all stages.

Synergies of programmes and instruments: the report urges that the complexity of EU programmes and associated instruments should be reduced. It stresses that this will lead to full exploitation of synergies resulting from their combined action.

Members recommend a reduced set of rules and common principles for funding to govern EU funding for R&D and call for coherence and harmonisation in the implementation and interpretation of the rules and procedures.

They recommend establishing mechanisms to provide common guidance within the Commission, and launching training for project officers and internal auditors. They urge the creation of an appeal mechanism such as an 'FP mediator' for participants in cases of incoherent and inconsistent interpretation of rules and procedures.

Lessons to be drawn for the future FP8: Members consider that the revision of the Financial Regulation, the Staff Regulations and the implementation of a research-specific TRE have a pivotal role in restructuring the research financing framework and in allowing further progress in simplifying research funding. In parallel, the Commission is invited to assess the effectiveness of each individual instrument, within each programme, towards the achievement of specific policy goals, and calls for a reduction in the diversity of instruments whenever effectiveness or distinctive contribution is not clearly demonstrated, whilst maintaining enough flexibility to accommodate projects' specificities.

Members support a science-based funding system and a well balanced division between top-down, impact-driven and bottom-up, science-driven research as the basis for FP8.

According to Members, the FP8 should encourage collaboration between European researchers by introducing a research voucher scheme with money for research following researchers who move to universities across the Member States, contributing to centres of excellence, independent universities and increased mobility among researchers.

Lastly, the report recommends further internationalisation of FP8 through cooperation with third countries, including developing countries, providing them with simple and specific management rules.

Simplifying the implementation of the research framework programmes

The European Parliament adopted by 533 to 12, with 7 abstentions, a resolution on simplifying the implementation of the Research Framework Programmes in response to the Commission communication on this subject.

The resolution supports the Commission's initiative which proposes serious and creative measures in dealing with the bottlenecks faced by the FP participants.

It however draws attention to the fact that, despite the importance of the simplification process, it is only one of the necessary reforms required to improve EU research funding. It highlights the need to stipulate, in the case of each individual simplification measure, whether it enters into force under the current legal framework or whether changes to the rules of the Financial Regulation, Rules for Participation or the specific rules applying to FP programmes are required.

Parliament emphasises the fact that, alongside the simplifications the Commission has proposed, it should draw up a detailed plan for developing research infrastructure in the new Member States.

A pragmatic shift towards administrative and financial simplification: the resolution welcomes the increasing efforts towards the administrative and financial simplification of FP rules throughout programme and project life cycles. Members believe that the management of European research funding should be more trust-based and risk-tolerant towards participants at all stages of the projects, while ensuring accountability,

with flexible EU rules to align better, where possible, with existing different national regulations and recognised accounting practices.

In this context, they agree to, and recommend, broader acceptance of usual accounting practices for the eligible costs of participants once they have been clearly defined and agreed upon, especially for average personnel cost methodologies, provided that these procedures are in accordance with national rules and certified by competent authorities.

Parliament supports a further reduction in combinations of funding rates and methods for defining indirect costs across the different instruments and between activities (management, research, demonstration and dissemination). It acknowledges, however, that the current differentiation between universities/research centres, industry, non-profit organizations and SMEs should be maintained.

The Commission is invited to:

- further clarify the terminology in use on flat rates and lump sums;
- retain the use of actual costs as one method of combining funding rates and defining indirect costs;
- present more precise, consistent and transparent rules of procedure for audits;
- implement the 'single audit approach' and to switch to real-time auditing performed by a single entity.

Members request simplified interpretation and further clarification on the definition of eligible costs (such as taxes and charges in personnel costs, sick leave and maternity leave), as well as on the question whether VAT can be covered under eligible costs.

Radical shift towards improving quality, accessibility and transparency:

(a) Moving to a 'science-based' approach: Members are concerned about the current Commission's overall trend towards result-based funding (essentially justified by the principles of sound accountability) and are deeply concerned about the possible impact of result-based funding on the quality and nature of research. They favour instead a 'science-based' funding system, with emphasis on scientific/technical criteria and peer review based on excellence, relevance and impact, with simplified and efficient financial control, respecting the right of all sides to be heard.

(b) Optimising time: the resolution welcomes the overall trend towards shortening the average time-to-grant and time-to-pay but expresses some reservations about the generalised use of larger-scope calls and calls with cut-off dates. It has strong reservations about the effects of abolishing the legal requirement for an opinion by committees of Member State representatives on selection decisions on individual projects, especially those with impact on ethics, security and defence.

The Commission is invited to: (i) shorten time-to-contract to maximum 6 months and to set appropriate deadlines for evaluation and contract negotiation, based on a benchmark system; (ii) extend the average time from the publication of the call for proposals to the deadline for submitting the application.

Members support the general trend towards a 'two-stage' application procedure, particularly in cases where the expected oversubscription is very high, provided that the evaluation is undertaken thoroughly in the first stage (objectives, scientific approach, competences of participants, added value of scientific collaboration and overall budget). They believe that this approach reduces application costs.

(c) Shifting to a 'user-centred' approach in terms of access: the resolution calls for a substantive improvement in the clarity and accessibility of guidance documents, which should be compiled in a handbook and translated into the EU official languages. It stresses the need for increasing participation by the new Member States in FP projects.

Members support the introduction of more e-administration and IT tools and, in particular, the development of a research participant portal and the introduction of the e-signature. They call on the Commission to establish an integrated and user-friendly online system. They support making all electronic information on programme management available (identification, application, negotiation and report). This online system should be available on day one of the programme and accessible at all stages.

Synergies of programmes and instruments: the resolution urges that the complexity of EU programmes and associated instruments should be reduced. It stresses that this will lead to full exploitation of synergies resulting from their combined action.

Members recommend a reduced set of rules and common principles for funding to govern EU funding for R&D and call for coherence and harmonisation in the implementation and interpretation of the rules and procedures.

They recommend establishing mechanisms to provide common guidance within the Commission, and launching training for project officers and internal auditors. They urge the creation of an appeal mechanism such as an 'FP mediator' for participants in cases of incoherent and inconsistent interpretation of rules and procedures. They take the view that innovation can be best fostered at regional level, thanks to the proximity between universities, public research bodies, large companies, SMEs and regional and local public authorities, for example within clusters.

Lessons to be drawn for the future FP8: Parliament believes that a radical overhaul of the administration of the FP is one of the highest priorities to be tackled in designing the forthcoming FP. Members consider that the revision of the Financial Regulation, the Staff Regulations and the implementation of a research-specific TRE have a pivotal role in restructuring the research financing framework and in allowing further progress in simplifying research funding. In parallel, the Commission is invited to assess the effectiveness of each individual instrument, within each programme, towards the achievement of specific policy goals, and calls for a reduction in the diversity of instruments whenever effectiveness or distinctive contribution is not clearly demonstrated, whilst maintaining enough flexibility to accommodate projects' specificities.

Members support a science-based funding system. They believe that FP8 should focus on frontier research while taking into consideration the whole chain of innovation through frontier research, technological development, demonstration, dissemination, valorisation of results and rapid integration of research results into markets.

According to Members, the FP8 should encourage collaboration between European researchers by introducing a research voucher scheme with money for research following researchers who move to universities across the Member States, contributing to centres of excellence, independent universities and increased mobility among researchers.

Lastly, the resolution recommends further internationalisation of FP8 through cooperation with third countries, including developing countries, providing them with simple and specific management rules.

