Simplifying the implementation of the research framework programmes

2010/2079(INI) - 29/04/2010 - Non-legislative basic document

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 mechanismsand 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;

Strand 2: 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.