Simplifying the implementation of the research framework programmes

2010/2079(INI) - 30/09/2010

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 generaliseduse 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 andtranslated 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.