

| Basic information | |
|---|---------------------|
| <p>2006/0014(CNS)</p> <p>CNS - Consultation procedure Regulation</p> | Procedure completed |
| <p>Research RTD, 7th Euratom Framework Programme 2007-2011: participation of undertakings, research centres and universities, dissemination of research results</p> <p>Repealed by 2011/0400(NLE)</p> <p>Subject</p> <p>3.50.02.02 Euratom framework programme, research and training programmes 3.60.04 Nuclear energy, industry and safety</p> | |

| Key players | | | | |
|-------------------------------|--|-----------------|-----------------------------------|------------------|
| European Parliament | Committee responsible | | Rapporteur | Appointed |
| | ITRE Industry, Research and Energy | | LAPERROUZE Anne (ALDE) | 21/02/2006 |
| | Committee for opinion | | Rapporteur for opinion | Appointed |
| | BUDG Budgets | | XENOGIANNAKOPOULOU Marilisa (PSE) | 20/09/2004 |
| Council of the European Union | Council configuration | Meetings | Date | |
| | Agriculture and Fisheries | 2774 | 2006-12-19 | |
| European Commission | Commission DG | | Commissioner | |
| | Research and Innovation | | POTOČNIK Janez | |

| Key events | | | |
|------------|---|--|---------|
| Date | Event | Reference | Summary |
| 07/02/2006 | Legislative proposal published | COM(2006)0042  | Summary |
| 16/03/2006 | Committee referral announced in Parliament | | |
| 12/09/2006 | Vote in committee | | Summary |
| 22/09/2006 | Committee report tabled for plenary, 1st reading/single reading | A6-0305/2006 | |

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|------------|---|---|-------------------------|
| 29/11/2006 | Debate in Parliament |  | |
| 30/11/2006 | Decision by Parliament | T6-0517/2006 | Summary |
| 30/11/2006 | Results of vote in Parliament |  | |
| 19/12/2006 | Act adopted by Council after consultation of Parliament | | |
| 19/12/2006 | End of procedure in Parliament | | |
| 30/12/2006 | Final act published in Official Journal | | |

| Technical information | |
|----------------------------|--|
| Procedure reference | 2006/0014(CNS) |
| Procedure type | CNS - Consultation procedure |
| Procedure subtype | Legislation |
| Legislative instrument | Regulation |
| Amendments and repeals | Repealed by 2011/0400(NLE) |
| Legal basis | Euratom Treaty A 010 Euratom Treaty A 007 |
| Stage reached in procedure | Procedure completed |
| Committee dossier | ITRE/6/34075 |

| Documentation gateway | | | | |
|---|--|------------------------------|-------------------------|-------------------------|
| European Parliament | | | | |
| Document type | Committee | Reference | Date | Summary |
| Amendments tabled in committee | | PE374.238 | 30/05/2006 | |
| Amendments tabled in committee | | PE374.448 | 15/06/2006 | |
| Committee opinion | BUDG | PE374.185 | 23/06/2006 | |
| Committee draft report | | PE372.058 | 17/07/2006 | |
| Committee report tabled for plenary, 1st reading/single reading | | A6-0305/2006 | 22/09/2006 | |
| Text adopted by Parliament, 1st reading/single reading | | T6-0517/2006 | 30/11/2006 | Summary |
| European Commission | | | | |
| Document type | Reference | Date | Summary | |
| Legislative proposal | COM(2006)0042  | 07/02/2006 | Summary | |
| Commission response to text adopted in plenary | SP(2007)0054 | 11/01/2007 | | |
| Other institutions and bodies | | | | |
| Institution/body | Document type | Reference | Date | Summary |

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|------|--|---|------------|---------|
| CofA | Court of Auditors: opinion, report | RCC0001/2006 OJ C 203 01.08.2006, p. 0001-0049 | 05/04/2006 | Summary |
| EESC | Economic and Social Committee: opinion, report | CES0957/2006 | 05/07/2006 | |

| Additional information | | |
|------------------------|----------|------|
| Source | Document | Date |
| National parliaments | IPEX | |
| European Commission | EUR-Lex | |

| Final act | |
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| Regulation 2006/1908 OJ L 400 30.12.2006, p. 0001 | Summary |

Research RTD, 7th Euratom Framework Programme 2007-2011: participation of undertakings, research centres and universities, dissemination of research results

2006/0014(CNS) - 19/12/2006 - Final act

PURPOSE: to lay down the rules for the participation of undertakings under the Seventh Framework Programme of the European Atomic Energy Community.

LEGISLATIVE ACT: Council Regulation (Euratom) No 1908/2006 laying down the rules for the participation of undertakings, research centres and universities in action under the Seventh Framework Programme of the European Atomic Energy Community and for the dissemination of research results (2007 to 2011).

CONTENT: this Regulation lays down the rules for the participation of undertakings, research centres and universities and other legal entities in actions undertaken by one or more participants by means of funding schemes identified in part (a) of Annex II to Decision No 2006/970/Euratom establishing the Seventh Framework Programme ("indirect actions").

It also lays down rules concerning the Community financial contribution to participants in indirect actions under the Seventh Framework Programme. As regards the results of research carried out under the Seventh Framework Programme, the Regulation lays down rules for the disclosure of foreground by any appropriate means other than that resulting from the formalities for protecting it, and including the publication of foreground in any medium, ("dissemination"). In addition, it lays down rules for the direct or indirect utilisation of foreground in further research activities other than those covered by the indirect action concerned, or for developing, creating and marketing a product or process, or for creating and providing a service ("use").

In respect of both foreground and background, the Regulation lays down rules concerning licences and user rights thereto ("access rights").

The Regulation contains four chapters:

- **introductory provisions** (subject matter, definitions and confidentiality);
- **participation** (minimum conditions to participate, procedural aspects, including minimum numbers of participants, their place of establishment, proposal submission and evaluation, implementation and grant agreements, monitoring of projects and programmes, Community financial contribution: eligibility for funding and forms of grants, reimbursement rates, payment, distribution, recovery and guarantees);
- **the rules for dissemination and use and access rights** (ownership, protection, publication, dissemination and use, and access rights to background and foreground) and
- the specific **rules for participation in activities under the thematic area** "fusion energy research".

The **minimum number of participants** and conditions of place of establishment of the participants is established according to the type of action. Legal entities established in associated countries may participate on the same basis as those established in Member States. The rules identify the procedures for issuing calls for proposals and the exceptions to calls for proposals, for submission, evaluation, selection and award of procedures. In addition, they establish the procedures for the appointment of external experts. Further detailed internal rules governing the procedures for submission, evaluation, selection and award of proposals are to be established by the Commission and include provisions relating to the appointment of independent experts. The evaluation process developed over previous framework programmes and reflected in these internal rules will continue without substantial changes.

In order to ensure consistent assessment of the financial viability of the participants and related financial procedures, the Commission will adopt and publish internal rules for their application.

A **model grant agreement** will be established by the Commission that will establish the rights and obligations of participants vis-à-vis the Community and each other. The autonomy of the consortium, in particular with respect to changes in its composition that were established in FP6 will be continued. All participants must accede to the grant agreement.

Participants will be required to conclude consortium agreements, except where exempted by the call for proposals, as they were in FP6. However, many of the new provisions relating to intellectual property should make these easier to establish and to adapt as necessary.

The Commission will monitor all indirect actions financed by the Community as well as the Seventh Framework Programme and its Specific Programmes. The participants that are eligible for Community funding are identified in the subsection on Community financial contribution that also covers forms of grants, reimbursement rates, payment, distribution, recovery and guarantees.

Three forms of grants are proposed for the **Community financial contribution**: reimbursement of eligible costs, lump sums, and flat-rate financing (the latter can be based on scale of unit costs but also includes flat rates for indirect costs). These may be used to cover the entire Community financial contribution for a funding scheme or in combination. For most funding schemes, reimbursement of eligible costs will be the preferred method, particularly at the beginning of FP7. The use of lump sum and flat rate financing will be introduced gradually. Participants can charge all their direct and indirect costs and have the option of a flat rate for indirect costs.

With regard to **funding limits**, the Regulation states that for research and technological development activities, the Community financial contribution may reach a maximum of 50 % of the total eligible costs. However, in the case of non-profit public bodies, secondary and higher education establishments, research organisations and SMEs, it may reach a maximum of 75 % of the total eligible costs. For demonstration activities, the Community financial contribution may reach a maximum of 50 % of the total eligible costs. For activities supported by coordination and support actions, and actions for the training and career development of researchers, the Community financial contribution may reach a maximum of 100 % of the total eligible costs.

For **Networks of Excellence**, there is a special lump sum. The Regulation states that where the Community financial contribution to Networks of Excellence takes the form of a lump sum, it shall be calculated according to the number of researchers to be integrated in the Network of Excellence and the duration of the action. The unit value for lump sums paid shall be EUR 23 500 per year and per researcher.

ENTRY INTO FORCE: 02/01/2007.

Research RTD, 7th Euratom Framework Programme 2007-2011: participation of undertakings, research centres and universities, dissemination of research results

2006/0014(CNS) - 30/11/2006 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution drafted by Anne **LAPERROUZE** (ADLE, FR) and made certain amendments to the proposal on the rules for the participation of undertakings, research centres and universities in actions under the 7th Framework Programme of the Atomic Energy Community and for the dissemination of research results (2007-2011).

Like the **BUSQUIN** report (please see **COD/2005/0277**) - which concerns the rules for participation in non-nuclear research activities, the amendments in this report essentially involve the following: the establishment of clear evaluation criteria; the establishment of simplified and transparent procedures for participants; the clarification of certain concepts and definitions; the certification on the financial statements; access rights for "European" affiliates; and the coverage and calculation of indirect costs, in particular on the flat rate introduced for non-profit public bodies, universities, research organisations and SMEs. This flat-rate is now fixed at 60% during the first three years (2007-2009) and thereafter the Commission shall establish a new flat-rate reflecting an approximation of the real indirect costs of participants, but not lower than 40%. Parliament also insisted on the Participants' Guarantee Fund, which will be established by the Commission and will serve as a basis for an exoneration of verification of participants (except the project coordinators). No additional guarantee or security may be requested from participants or imposed on them.

A new clause states that a joint undertaking shall be set up for the purpose of managing and administering the European contribution to the ITER international agreement that will ratify the setting up of the ITER organisation, together with additional activities concerning the construction of ITER, which is provided for in the specific programme implementing the Seventh Framework Programme of the European Atomic Energy Community for nuclear research and training activities (2007-2011). All other activities under the thematic area 'fusion energy' provided for under this specific programme will be implemented and managed separately from the joint undertaking, thereby making it possible to maintain the integrated approach and the close involvement of the fusion associations.

Research RTD, 7th Euratom Framework Programme 2007-2011: participation of undertakings, research centres and universities, dissemination of research results

2006/0014(CNS) - 07/02/2006 - Legislative proposal

PURPOSE : to lay down the rules for the participation of undertakings, research centres and universities in actions under the Seventh Framework Programme of the European Atomic Energy Community and for the dissemination of research results (2007-2011).

PROPOSED ACT : Council Regulation.

CONTENT : this proposal deals with establishing the rules of participation in the Seventh Framework Programme, and defines the rights and obligations of legal entities wishing to take part in the framework programme and establishes the principles for the use and dissemination of their work resulting from that participation.

The proposal contains four chapters:

- **introductory provisions** (subject matter, definitions and confidentiality);
- **participation** (minimum conditions to participate, procedural aspects, including minimum numbers of participants, their place of establishment, proposal submission and evaluation, implementation and grant agreements, monitoring of projects and programmes, Community financial contribution: eligibility for funding and forms of grants, reimbursement rates, payment, distribution, recovery and guarantees);
- **the rules for dissemination and use and access rights** (ownership, protection, publication, dissemination and use, and access rights to background and foreground) and
- **the specific rules for participation in activities under the thematic area "fusion energy research"**.

The **minimum number of participants** and conditions of place of establishment of the participants is established according to the type of action. Legal entities established in Associated countries may participate on the same basis as those established in Member States. The Rules identify the procedures for issuing **calls for proposals** and the exceptions to calls for proposals, for submission, evaluation, selection and award of procedures. In addition, they establish the procedures for the appointment of external experts. Further detailed internal rules governing the procedures for submission, evaluation, selection and award of proposals are to be established by the Commission and include provisions relating to the appointment of independent experts. Those rules will include special provisions for two-stage submission procedures (which is to be used to a greater extent where applicable, for example where high over-subscription is expected, for very large projects and in order to limit costs of preparing proposals that may never be funded, etc.) and for two-step evaluation (with single submission).

The **evaluation process** developed over previous framework programmes and reflected in these internal rules will continue without substantial changes. Greater use will be made of remote evaluation where possible. The evaluation criteria are now in the Specific Programmes rather than in the Rules and can be developed further in the work programmes (and calls for proposals).

Although not specified in the Rules, it is proposed that full **electronic submission** will be the rule in FP7. Also the use of pre-filled forms using data from a central source and changes to the content and format of proposals should permit successful proposals to begin earlier.

In order to ensure consistent assessment of the financial viability of the participants and related financial procedures, the Commission will adopt and publish internal rules for their application.

A model grant agreement will be established by the Commission that will establish the rights and obligations of participants vis-à-vis the Community and each other. The autonomy and flexibility of the consortium, in particular with respect to changes in its composition that were established in FP6 will be continued. All participants must accede to the grant agreement.

Participants will be required to conclude consortium agreements, except where exempted by the call for proposals, as they were in FP6. However, many of the new provisions relating to intellectual property should make these easier to establish and to adapt as necessary.

The Commission will monitor all indirect actions financed by the Community as well as the Seventh Framework Programme and its Specific Programmes. The participants that are eligible for Community funding are identified in the subsection on Community financial contribution that also covers forms of grants, reimbursement rates, payment, distribution, recovery and guarantees.

Three **forms of grants** are proposed for the Community financial contribution: reimbursement of eligible costs, lump sums, and flat-rate financing (the latter can be based on scale of unit costs but also includes flat rates for indirect costs). These may be used to cover the entire Community financial contribution for a funding scheme or in combination. For most funding schemes, reimbursement of eligible costs will be the preferred method, particularly at the beginning of FP7. The use of lump sum and flat rate financing will be introduced gradually and if successful will be used more extensively.

The definition of eligible costs has been simplified and the three **cost reporting models** used in previous Framework Programmes are abandoned. This means that participants can charge all their direct and indirect costs and have the option of a flat rate for indirect costs.

The **Community financial contribution** will cover a maximum of 50% of eligible costs minus receipts both for research and for demonstration activities. For SMEs, public bodies, secondary and higher education establishments and non-profit research organisations, there will be a top up of a maximum of 25% for research activities. All other activities, including those relating to coordination and support actions, and actions for the training and career development of researchers, would be reimbursed at up to 100% for all entities. These maxima are applied to all eligible costs of such entities even where part of the reimbursement of costs is based on lump sums or flat rates. The maxima also apply to such entities participating in projects where flat rate financing and, where appropriate, when lump sum financing is used for the whole project.

For Networks of Excellence, a special **lump sum** is proposed. The amount of the lump sum is established by the Rules as a fixed amount per researcher and per year. Periodic payments of portions of the lump sum would be paid according to the attainment of indicators showing progressive implementation of the Joint Programme of Activities (JPA).

Public bodies, non-profit research organisations, and higher and secondary education establishments would be permitted to provide an audit certificate established by a competent public officer. The number of **audit certificates** per grant agreement and participant would be reduced and reports and reporting periods are to be rationalised.

As in FP6, participants in a consortium will have the responsibility to fully carry out the tasks entrusted to them even if one of the participants fails to comply with assigned tasks. However, the principle of financial collective responsibility established in FP6 for most actions is not continued in order to remove barriers of participation. This should also accelerate procedures and be more cost-effective. A mechanism may be introduced to cover the **financial risk** of a participant's failure to reimburse any amount due to the Community. This mechanism would be financed by a small contribution from undertakings and other participants that are not public bodies, secondary and higher education establishments, or whose participation is not guaranteed by their Member State or Associated country. Participants in actions to support training will not contribute to the mechanism. The contribution will be effected by retaining the amounts due. Retained amounts no longer needed to cover the financial risks will be reassigned to research actions under the relevant research framework programme. Bank guarantees will only be requested in the rare case in which pre-financing represents over 80% of the grant, which is the sole case for which the Financial Regulation imposes the provision of a guarantee.

Provisions with respect to the **dissemination and use and access rights** (ownership, protection, publication, dissemination and use, and access rights to background and foreground) **have been introduced**. The rules specify the definitions of and rules applicable for background, foreground and access rights. In particular, Article 45 of the rules confers on the Commission the right to disseminate foreground where participants fail to do so. The provisions on intellectual property for the area "Fusion Energy Research" are set out in the specific instruments.

Finally, the proposal discusses other measures that are not addressed in the Rules, these being the IPR helpdesk, and improved communication.

Research RTD, 7th Euratom Framework Programme 2007-2011: participation of undertakings, research centres and universities, dissemination of research results

2006/0014(CNS) - 05/04/2006 - Court of Auditors: opinion, report

The European Court of Auditors has issued its opinion on the proposed Regulation concerning the participation of undertakings, research centres and universities in actions under the 7th framework programme.

In the Court's Opinion, the Commission's proposal misses a valuable opportunity to introduce radical change. As the Court points out, the EU's RTD framework programmes form part of the world's largest, in terms of funding and participation. For many public research entities such as universities, the EU's RT&D framework programme is often one of the main sources of third-party funding. In addition, several thousand legal entities participate in each RTD framework programme, using a considerable variety of distinct types of indirect actions – often they are multi-partner actions carried out by a consortium of several participants.

Yet, participants frequently complain that Community grants are excessively cumbersome both in terms of applying for them and later managing them. Preparing proposals and gathering participants for a consortium is a costly and time consuming exercise. The Court's audits have shown that the large variety of actions and the number of individual grants are a considerable transaction cost per euro spent. Participants also complain that the Commission's procedures for awarding grants take too long and that the use of Community funds is insufficiently flexible to take account of the rapid changes in sciences. As a result the most innovative research projects are often not submitted to the European RTD framework programmes.

Whilst it is recognised that a certain degree of complexity is inevitable, the Court, nevertheless, considers the Commission proposal to have missed a valuable opportunity to bring about radical changes to the administrative and financial rules for the 7th framework programme. The Court, therefore, calls on the Commission to consider applying the following principles when adopting the legal base for the 7th framework programme:

- offering more flexibility when using Community grants by the consortia implementing indirect actions. This will allow for a greater "buy-in" by the research community.
- awarding consortia the means to react speedily to external and internal changes during the lifecycle of a project. This implies strengthening the decision making powers of the co-ordinator.
- to counter-balance co-ordinators' increased flexibility the Commission should be given greater scientific and financial accountability. This should be based, not on excessive reporting, but on peer review.

In the Court's view, the "Rules for participation" should reflect the assumption that researchers participating in the European RTD framework programmes can be trusted to put public money to its best use. The risk of failure is an inherent feature of all scientific research activities.

Bearing the above in mind, the Court sets out a number of key proposals to achieve further flexibility and simplification. They are:

- organising a centralised and *ex-ante* verification of legal entities;
- requiring the Commission services to use common databases and to exchange data electronically;
- applying a more flexible governance structure for indirect actions, with the Commission concluding a grant agreement with the co-ordinator acting on behalf of the other participants, or with the Commission awarding, by Commission decision, a grant without signing a private law contract;
- using reviews (or hearings), ideally by peers, as a monitoring tool for indirect actions;
- providing a "single cost" reimbursement system which allows participants to determine the Community financial contribution in a transparent, robust and simple-to-administer way;
- encouraging the use and the dissemination of results of indirect actions and the transfer of ownership.

To conclude, the Court notes that, in many cases, the Commission proposal constitutes an important step towards the simplification and flexibility needed for the effective implementation of the programme. Nevertheless, the Court is of the view that some of the Commission proposals are not justified and risk, unnecessarily, complicating the management of the 7th framework programme.