

Council Conclusions on Raising the attractiveness of EU Research and Innovation programmes: the challenge of simplification

THE COUNCIL OF THE EUROPEAN UNION

RECALLING

- Council Conclusions of 3 December 2009 on Guidance on future priorities for European research and research-based innovation in post 2010 Lisbon strategy¹,
- Communication of the Commission on “Simplifying the implementation of the Research Framework Programmes” of 29 April 2010²,
- Council Conclusions of 26 May 2010 on Simplified and more efficient Programmes supporting European Research and Innovation³,
- Communication of the Commission on "More or less controls? Striking the right balance between the administrative costs of control and the risk of error" of 26 May 2010⁴,
- Proposal for a Regulation of the European Parliament and of the Council on the Financial Regulation applicable to the general budget of the European Union (Recast) of 28 May 2010⁵.

LOOKING FORWARD to the European Parliament report on simplifying the implementation of the Research Framework programmes.

¹ Doc. 17189/09.
² Doc. 9348/10.
³ Doc. 10268/10.
⁴ Doc. 10346/10.
⁵ Doc. 10561/10.

1. UNDERLINES THAT

- a) Simplification of the research and innovation programmes is a crucial and urgent necessity to overcome the current complexity of funding which leads to excessive administrative burden and discourages potential beneficiaries in particular those with a limited administrative capacity;
- b) Simplification must be the result of a constructive dialogue between all stakeholders;
- c) The simplification process must be ambitious while pursuing stability, consistency and legal certainty throughout the transition from existing programmes to future programmes;
- d) The simplification process will contribute to the improved implementation of the FP7 and will be a key issue for the forthcoming R&I programmes;
- e) A better balance between sound management of funds, financial control mechanisms and trust in researchers needs to be found quickly while preserving excellence;
- f) There is a need to establish a clearer, rationalized European R&I programme landscape.

2. TAKES POSITIVE NOTE OF THE COMMISSION'S PROPOSALS AND INITIATIVES AND ASKS THE COMMISSION THAT

- a) Usual accounting practice of the beneficiaries will be broadly accepted as soon as possible;
- b) The use of the average personnel cost methodologies of beneficiaries will be accepted without delay, based on revised and more flexible acceptability criteria and when these methodologies are based on costs registered in their statutory accounts;

- c) The obligation to open interest-bearing bank accounts is abolished without delay and all concerned participant to FP are immediately informed; the recovery of induced interest is abolished as soon as possible;
- d) Consideration be given to the Commission's proposal to increasing the tolerable risk of error rate by seeking a balance between the risk rate inherent to research projects and the burden of procedures and controls in order to create the conditions for a more cost-effective control system.

3. INVITES THE COMMISSION TO

- a) Speed up the simplification process and strengthen trust in researchers;
- b) Accelerate the administrative process (publication, validation, negotiation, project selection, time to grant) while guaranteeing the clarity of rules and avoiding further complexity;
- c) Continue its efforts to shorten time-to-grant⁶ and significantly improve the percentage of grants signed in less than eight months in 2011 and in less than six months in 2012 and 2013.
- d) Take following actions already with regard to the FP7:
 - i. Finalize and improve the research participant portal as soon as possible and by 2012 at the latest;
 - ii. Introduce further transparency and traceability throughout the project cycle in particular with respect to providing timely and complete information to the Member States and the beneficiaries for all programmes, instruments and funding schemes, in particular regarding the JTIs and article 185 initiatives;

⁶ I.e. the time period from the close of the call for proposals to the signing of the grant agreement.

- iii. Provide clear guidelines and further reduce paperwork e.g. by reducing the amount of documents and by radically simplifying them (e.g. regarding time-sheets and other time-recording mechanisms);
- iv. Continue efforts for improving access to public delivery of information on participation and call results in a central repository, thereby avoiding duplication of efforts and increasing efficiency of means;
- v. Complete and test IT tools and processes before launching FP8, in order to maintain them stable during FP8 implementation, taking into account the need for user friendliness and uniformity where possible;
- vi. Take further steps in order to ensure uniform interpretation and application of the rules and regulations throughout the whole project cycle by those responsible (Project Officers, Auditors or different Executive Agencies, across DGs and units within the same DG) and reconsider the personal liability of European Commission officers for the correct execution of projects;
- vii. Develop an enhanced FP- Mediation mechanism for disputes with participants at all stages of the process;
- viii. Consider the simplification potential of two-stage application procedures for calls, giving more room for bottom-up, trans-disciplinary approaches, while ensuring that it will not lead to longer time to grant periods;
- ix. Consider extending the use of prizes;
- x. Introduce more flexibility in the composition of consortia and their size;
- xi. Develop synergies with other programmes (e.g. CIP, Structural Funds) and instruments (e.g. JTIs), inter alia, by means of common rules and procedures, whenever possible;
- xii. Perform an international benchmarking exercise and experiment (when legal framework allows) with a new 'science-based' approach to funding of research projects, still to be defined, whereby the scientific and technological objectives, work plan and performance, the notion of risk and all the efforts of researchers must be taken into account, and acknowledging that anticipated scientific results cannot be guaranteed;

- e) Take following actions with regard to the forthcoming R&I Programmes:
 - i. Maintain different funding rates, indirect cost calculation models for different types of beneficiaries (e.g. universities, research organisations, industry and SMEs) and continue to support universities and other research organisations that wish to move towards full-cost accounting;
 - ii. Use lump sums, including standard scale of unit costs, as an option on a voluntary basis. Such grants should be based on the expected efforts and resources to be deployed by each participant, irrespective of the type of participant (including SMEs) or its country of origin and in conformity with the national standards;
 - iii. Perform an ex post evaluation of the actions mentioned in 3. d) xii and hold a full consultation involving all stakeholders in order to determine the best funding approaches establishing clear rules and regulations and defining all funding rates. In this exercise it should be kept in mind that the R&I programmes should foster an acceptable degree of risk taking and excellence;
 - iv. Pursue examining if, inter alia, value added tax (where non-deductible) can be considered as an eligible cost item.

4. INVITES THE MEMBER STATES AND THE COMMISSION TO

- a) Contribute to the simplification of EU rules and procedures through exchange of best practices, as well as to exchange experiences and best practices on rules and procedures at European, national and regional level to foster convergence between them;
- b) Initiate a process to make the European, national and regional rules and procedures simpler and more consistent;
- c) Stimulate the debate at European, national and regional level on the forthcoming R&I programmes.
