

## Working document of the Commission services

### ANNEXE TO THE

#### **Communication from the Commission responding to the observations and recommendations of the high-level Panel of independent experts concerning the New Instruments of the 6<sup>th</sup> Framework Programme**

#### **The Commission's observations in response to the report of the panel of independent experts for the evaluation of the effectiveness of the New Instruments of the 6<sup>th</sup> Framework Programme**

#### **INTRODUCTION**

This paper sets out the observations of the Commission's departments on the report of the panel of high-level experts for the evaluation of the effectiveness of the instruments, in particular the "New Instruments" (Integrated Projects and Networks of Excellence) of the 6<sup>th</sup> Framework Programme.

It recalls the context in which the panel was set up, its objectives, the methods adopted, and the general and specific conclusions which the panel has formulated in its report.

It also provides details of the measures envisaged by the Commission to respond to the panel's recommendations as well as measures already adopted and implemented as recommended.

#### **CONTEXT**

When the Decision of the European Parliament and of the Council concerning the 6<sup>th</sup> Framework Programme for research and technological development was adopted on 27 June 2002, it was considered appropriate to carry out a mid-term evaluation of the effectiveness of the Framework Programme and in particular of the New Instruments used for its implementation.

Under Annex III to this Decision, "Instruments and rules for financial participation by the Community", "*In 2004 an evaluation will be undertaken by independent experts of the effectiveness of each of these three types of instruments*". The "types" of instrument referred to are in particular networks of excellence and integrated projects, essentially the two new mechanisms introduced under the 6<sup>th</sup> Framework Programme alongside the "traditional" instruments, i.e. specific targeted research projects (similar to the shared-cost actions of the 5<sup>th</sup> Framework Programme).

The Council Decision of 30 September 2002 adopting a specific programme on "Integrating and strengthening the European Research Area" is more explicit in its fourth recital: "*The new instruments (integrated projects and networks of excellence) are recognised as being an*

*important overall priority means to attain the objectives of critical mass, management simplification European added value contributed by Community research in relation to what is already undertaken at national level and integration of research capacities. A smooth transition from the modalities used in the Fifth Framework Programme to those used in the Sixth Framework Programme will be ensured. The new instruments will be used from the start of the Sixth Framework Programme in each theme and, where appropriate, as a priority means, while maintaining the use of specific targeted research projects and coordination actions. They should enable personnel and administrative expenses to be reduced to a maximum of 6.0% of the overall amount deemed necessary for the implementation of the programme. In 2004 an evaluation will be undertaken by independent experts of the efficiency of each of these instruments in the execution of the framework programme".*

A panel of **nine independent experts** was set up, chosen on the basis of their representativeness of the various groupings in the scientific community (public and private research institutes, universities, major industry, small and medium-sized enterprises, basic research, applied research), their experience and their familiarity with the mechanisms of Community research policy. The panel was chaired by Mr Ramon Marimon, former Spanish Secretary of State for Research.

#### **CONSTRAINTS ON THE PANEL'S WORK**

It was necessary, indeed indispensable, to carry out an evaluation of the effectiveness of the new instruments of the 6<sup>th</sup> Framework Programme in the light of its objectives and, in particular, of the contribution to achieving the European Research Area as two entirely new instruments, i.e. Integrated Projects and networks of excellence, were introduced as priority means of intervention in "priority thematic areas".

Although the evaluation was appropriate in that it provided for a possible reorientation of choices before the end of the Sixth Framework Programme, it was, in certain respects, premature:

- While 2004 formally marks the "mid term" of the full length of the Framework Programme (2002-2006), in actual fact it coincides much more with the beginning of its implementation. The first calls for proposals were issued on 17 December 2002, the first proposals were received in March 2003, and the evaluations are usually completed before summer for negotiation in autumn 2003. Accordingly, the panel carried out its work during the year in which most Integrated Projects and Networks of Excellence were launched;
- The period reviewed is therefore, by force of circumstances, only to a relatively limited extent representative of the full term of a Framework Programme;
- As this was the first implementation of the new instruments, the Commission's departments and the participants have had to familiarise themselves with the New Instruments and the need for clarification which has arisen will inevitably decrease over time as the Framework Programme is implemented;
- Moreover, the panel has obviously not been able to take account of the "corrective measures" adopted by the Commission after the entry into force of the Framework Programme;

- Circumstances meant that the panel has had at its disposal only the results of the first calls for proposals launched under the 6<sup>th</sup> Framework Programme;
- Finally, the "corrective measures" introduced in the remaining period of the 6<sup>th</sup> Framework Programme will relate only to calls for proposals still to be issued. In some priority thematic areas, there will only be a very small number of such calls.

## RESPONSE FROM THE COMMISSION

This chapter consists of two sections:

- A section concerning the **general recommendation** in the panel's conclusions;
- A **detailed** section containing the Commission's response to the various recommendations of a more technical nature arising from the third part of the general recommendation, formulated by the panel in the last chapter of its report;
- Whatever the Commission's wishes to implement the panel's recommendations where it deems this appropriate, it can in the implementation of the **6th Framework Programme**, of course, only make changes that are consistent with the **existing legal framework** (Decisions of the Council and the European Parliament adopting the Framework Programme and Rules for Participation, Council Decision adopting specific programmes). Measures requiring a change of this legal framework can be applied only with the adoption of the 7<sup>th</sup> Framework Programme.

### 1. THE GENERAL RECOMMENDATION

As set out in the Executive Summary at the front of the report the panel's three main messages are as follows:

**Validity of the objectives and suitability of the new instruments to achieve them, need for continuity, need to improve implementing procedures**

*“The New Instruments introduced in FP 6 are a powerful means to foster transnational collaborative research in the European Research Area.”*

*“The New Instruments should be maintained in FP 7”*

*“There are however many design and implementation aspects that need to be improved, possibly already during FP 6”.*

*(Recommendation 1)*

Overall, the participants questioned by the panel stressed the relevance of the objectives of the New Instruments, in particular with regard to achieving the European Research Area.

They also concur on the fact that these New Instruments are well designed to fit with these objectives and that they can effectively **contribute to their realisation**.

Moreover, it is clear from the replies to the questionnaire and from consultation with participants that the **scientific community** has a definite need for **continuity**. It is **not in**

**favour** of a complete **overhaul** of the instruments available, the rules applicable, or even the vocabulary used, at regular four-year intervals as may well have been too often the case in the past.

Finally, the results of the first calls for proposals highlight the need to make a number of **improvements in implementation**.

These unanimous views have **three consequences**:

- For the remaining period of implementation of the **6<sup>th</sup> Framework Programme**, it will be necessary to continue to make full use of the possibilities offered by the new instruments and also of the "traditional" instruments, primarily the specific targeted research projects;
- In the **7<sup>th</sup> Framework Programme**, the Commission intends to implement the priority axis "creating European centres of excellence through cooperation among laboratories" primarily through networks of excellence, integrated projects and specific targeted research projects, thus ensuring the desired continuity;
- In terms of implementation in the remaining period of the **6<sup>th</sup> Framework Programme**, the Commission will make all the improvements that appear necessary and that are consistent with the existing legal framework. Those that are not will, where necessary, be introduced with the **7<sup>th</sup> Framework Programme**.

## 2. DETAILED RECOMMENDATIONS AND THE RESPONSE OF THE COMMISSION SERVICES

### Classification of the Instruments according to their objectives and specific characteristics

*“The European Commission should clearly classify instruments according to the goals to which they are expected to contribute, establish clear guidelines and criteria for their use and communicate them to the participants to help them prepare their proposals”.*

*(Recommendation 2)*

#### Analysis

The Commission recognises that a clear differentiation of the New Instruments according to their specific objectives has not always been made and implemented as clearly as desirable.

This lack of adequate distinction between the new instruments and between them and traditional instruments, has led to uncertainty with regard to the context, the conditions and the exact objectives with regard to which each of them ought to be used, and this uncertainty has been further exacerbated by the fact that the opening-up of various thematic areas to several instruments could give the impression that these were to a large extent interchangeable.

#### "Corrective" measures envisaged by the Commission

The Commission intends to disseminate widely a **summary table** that restates, for each of the instruments offered under the thematic priorities of the 6<sup>th</sup> Framework Programme:

- the specific objective pursued by the instrument;
- its expected scope;
- the activities covered by the Community contribution;
- the Community financing mechanism;
- where necessary, other features pertaining to the instrument in question, such as the specific contexts in which the instrument is likely to be used effectively (e.g. networks of excellence: area in which the fragmentation of existing capacities represents a barrier to the competitiveness of European research).

Finally, the **work programmes** and **calls for proposals** will for the instrument(s) envisaged systematically indicate the specific objectives and features expected, giving particular attention to ensuring that the descriptions are harmonised among the various thematic priorities while taking account of the specific characteristics of the areas covered.

#### Timetable

6<sup>th</sup> Framework Programme: before October 2004

### **Call for greater flexibility in defining specific objectives and instruments used**

*“The European Commission should specify the portfolio of instruments available and the strategic objectives. Participants on the other hand should define the specific research objectives they will pursue and why this can best be met by the instrument they have chosen”.*

*(Recommendation 3)*

#### Analysis

As expressed by the panel, this recommendation is tantamount to calling into question the very principle of the work programmes on which the Union's research programmes are based. The fact is that these work programmes are developed in collaboration with the Advisory Boards of the programmes and are subject to the approval of the Programme Committees.

Giving complete **freedom** to participants to define the specific **objectives** could reduce the effectiveness of support provided under the Framework Programme by spreading resources over too many themes, apart from the probable increase in the number of proposals submitted that would result.

Likewise, leaving participants entirely **free** in their choice of **instrument** to attain their objectives would make **arbitration** between the many proposals very difficult.

#### Corrective measures envisaged by the Commission

The future **work programmes** and **calls** for proposals will specify the instrument category or categories and/or the particular type(s) of **instrument** that can be used for a particular theme.

**Participants** will also be invited to **justify** in their proposal the **suitability of the instrument** they intend to use for the specific objectives they seek to pursue.

#### Timetable

6<sup>th</sup> Framework Programme: before October 2004

### **The "size" of the instruments and their "critical mass"**

*“Critical mass” depends on the topic, the thematic area, the participants and the potential impact and added value. The concept of “one size fits all” should not be applied across the thematic areas and instruments. Participants should justify in their proposal the way they have built their consortium to reach the adequate critical mass”.*

*(Recommendation 4)*

#### Analysis

*A first point:* "size" and "critical mass" have frequently given rise to confusion. It should be emphasised that "**critical mass**" relates above all to the "**scope**" of the action much more than its "size" in terms of the number of partners or the volume of resources involved.

*In terms of number of partners,* it is true that "New Instruments" have very often been construed as "large instruments" and that the partnerships proposed in response to the first calls have often been very large, sometimes even artificially "inflated" with all the difficulties and inefficiencies this entails, in particular in terms of management of actions.

The Commission stresses the need to separate the concepts of "size" (number of partners and volume of resources applied) and "instrument": a larger size in terms of volume of resources or partnership is only a consequence of the nature of the project and does not suffice to define the instrument.

Proposals should combine the expertise, qualifications, activities, resources and consequently the partners necessary to ensure the successful attainment of the objectives pursued. While in some cases it is important to bring together a large number of actors to achieve the project's objectives, this must not be detrimental to the objectives of the instrument as such. In other words, it is important that proposals **are confined** to bringing together only the resources **necessary** as the inclusion of superfluous resources only detracts from the efficiency and increases management difficulties.

#### "Corrective" measures already taken and envisaged by the Commission

The Commission has **already taken** the following clarifying measures, in particular with regard to networks of excellence:

- A "read this first" notice has been included in the guide for proposers responding to the second call for proposals, drawing attention to the features and requirements of networks and in particular to the fact that only a relatively limited partnership can achieve durable integration;
- The Commission has provided "good examples" of networks of excellence and integrated projects, comprising cases in which partnerships are limited.

Efforts to provide clarifications will continue:

- By providing **new examples** of integrated projects and networks of excellence complying with the concepts;
- By **specifying** the concept of **durable integration**: while it requires a major effort on the part of each of the participants in terms of integration of its researchers, it can be pursued only within the framework of "manageable partnerships" in terms of the number of institutions involved;
- By indicating that in terms of "**critical mass**" participants should show how the partnership set up should enable them to attain the objectives they have set themselves but also the fact that all the partners involved play an indispensable role in the partnership in achieving these objectives (this latter point is included in order to prevent the establishment of artificially inflated partnerships);
- Finally, work programmes and calls for proposals will include **information** concerning the expected mass of resources and, accordingly, the size of possible partnerships.

### Timetable

6<sup>th</sup> Framework Programme: before October 2004

## Concepts of excellence and durable integration in Networks of Excellence

*“Networks of Excellence should be designed as an instrument to cover different forms of collaboration and different sizes of partnership”.*

*(Recommendation 5)*

### Analysis

While perfectly aware of the need for clarification and further specification of the concept of Networks of Excellence, the Commission considers that the objective of providing a "**durable structure**" for European research activities in areas where fragmentation is an obstacle to competitiveness should be **maintained**, in particular in view of its potential contribution to achieving the European Research Area.

A Network of Excellence is intended to integrate functionally a significant part of its participants' capacities for a period exceeding that in which Community funding is provided.

Moreover, while the requirement of durable integration necessitates the mobilisation of a significant number of researchers, it does limit the size of possible partnerships and, in general, the direct participation of industry and of small and medium-sized enterprises.

However, this in no way means that these categories of participants have no interest in the Network of Excellence instrument. Although they are often reticent to participate directly, they often also wish to be associated with the way it functions, for instance through their presence in steering committees or other scientific committees authorised to provide advice and guidelines on the conduct of networks.

The Commission draws attention to the fact that it can support **less advanced** forms of cooperation and coordination than the durable integration provided for in Networks of Excellence, through "**coordination actions**" and "**specific support actions**".

### Corrective measures adopted by the Commission

A number of "**corrective measures**" have **already** been **taken** as basic principles underlying Networks of Excellence:

- The concept of "**durable integration**", and in particular the **specific and operational indicators** which make it possible to measure their development and attainment, has been set out in a working document made available on the Web to potential participants and used by all of the Commission's departments involved;
- The "read this first" notice in the amended version of the "guide for proposers" draws attention to the need to establish a **partnership** that is relatively limited so as to meet the durable integration requirement;
- The need for an **institutional commitment** at **strategic** level is also highlighted in the same context;
- The **activities** covered by the joint programme of activities are outlined in a **clear description** and accompanied by **specific examples** in the main body of the amended text of the "guide for proposers".

These efforts will **continue** along the same lines in both the 6<sup>th</sup> and the 7<sup>th</sup> Framework Programmes, in particular so as to further emphasise the need for the strategic commitment of the institutions involved and improve the definition of "joint programme of activities".

- The "**conversion table**" (Annex III to the model contract for Networks of Excellence) will be revised in order to stress the necessarily limited character of partnerships as a crucial condition for the success of "durable integration";
- The fact that each of the institutions involved should make a genuine effort towards integration (translated in terms of the "number of researchers" integrated) and not merely "formal" integration of a few of their researchers, and commit itself at the highest institutional level should, moreover, be clearly reflected in the model **contract**.

### Timetable

6<sup>th</sup> Framework Programme: before October 2004

7<sup>th</sup> Framework Programme

## Differentiation between integrated projects and specific targeted research projects

*“The concept that Integrated Projects are primarily concerned with delivering new knowledge and competitive advantage to European industry needs to be emphasised. As Integrated Projects and STREPs<sup>1</sup> have many common characteristics, the difference between these instruments should be clarified”.*

*(Recommendation 6)*

### Analysis

The Commission is aware of the confusion existing between the two instruments designed to advance knowledge, Integrated Projects and STREPs, the former often being considered as a “larger” version of the latter.

While the two instruments do appear to have certain points in common, such as the fact that research should be finalised in both cases, they are nevertheless profoundly different:

- **STREPs** are based on a **project** approach, focused on solving a single problem, whereas **Integrated Projects** are based on a “**programmatic**” approach of “multi-problem” scope;
- **STREPs** cover a **single component** whereas **Integrated Projects** comprise **several components** integrating various activities (research, demonstration, training);
- **STREPs**, generally of shorter duration, entail a **fixed** partnership and work programme in principle right from the start of the action whereas **Integrated Projects** may in the course of their implementation extend their partnership and adapt their current work programme of implementation in a more **flexible** manner, taking account, in particular, of their usually longer duration and the necessary **adaptation** to market trends;
- Finally, while **STREPs** are generally **monodisciplinary**, **Integrated Projects** are often **multidisciplinary** because in general they deal with more complex problems.

As they have a broader scope, Integrated Projects in most cases require the establishment of a wider partnership and mobilisation of a larger volume of resources than STREPs. The fact that “size” usually larger is, however, only the consequence of their definition and in no case constitutes a criterion for differentiating between the two instruments.

### Corrective measures contemplated by the Commission

The Commission will distribute a **summary table** listing the characteristic features of each of the instruments (see above at “Recommendation 2”).

The Commission will, furthermore, endeavour to provide participants with **specific illustrations** of this principle and define exact criteria for differentiating between the two instruments.

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<sup>1</sup> STREPs : Specific Targeted Research Projects

Timetable

6<sup>th</sup> Framework Programme: before October 2004.

7<sup>th</sup> Framework Programme.

## **The share of financial resources allocated to STREPs**

*“A greater role must be played by Instruments such as STREPs and small consortium IPs. This must be reflected in a substantial increase in the total share of the budget finally allocated to STREPs in future calls of FP 6 and in the future under FP7”.*

*(Recommendation 7)*

### Analysis

It is correct that the largest part of financial resources earmarked for priority thematic areas of the 6th Framework Programme has been allocated to the New Instruments in the first calls for proposals. This is, moreover, in conformity with the decision adopting the Framework Programme, which made them "priority means" for implementing thematic priorities.

Naturally, certain types of participants, such as small and medium-sized enterprises, young teams and actors from the new Member States, will be more inclined to use STREPs, and there has in fact been considerable oversubscription in this regard.

The marked preference for STREPs among these actors results mainly from their reticence to assume the burden of management involved in participating in projects larger than the average ones supported under previous Framework Programmes. Moreover, partnerships in the new instruments often include “big” actors (research institutes, companies) in the face of which small actors fear being marginalised in negotiations.

However, the Commission is convinced that once the question of “size” has been cleared up, integrated projects may prove to be as attractive an instrument as STREPs for the above types of actors. Moreover, the Commission emphasises that Integrated Projects are just as likely to allow “risky” activities as STREPs.

### Corrective measures envisaged by the Commission

The Commission recalls the importance of the objective set in the Framework Programme in terms of the contribution to achieving the European Research Area and the powerful impact which the New Instruments are expected to have in this context through their structuring effect.

The Commission considers that the proportion of resources allocated to the New Instruments and to “traditional” instruments respectively has on the whole been consistent with the need for balance between the objective of structuring and integrating the European Research Area and the need to provide continued support for “simpler” research projects.

The Commission takes the view, nonetheless, that the proportion of financial resources allocated to STREPS could be increased in certain priority thematic areas.

Finally, the Commission is committed to ensuring a satisfactory balance between the New Instruments and the traditional instruments, in line with the commitment made in the Communication of 16 June last<sup>23</sup>: that *“The opportunity to take part in projects of limited size in small partnerships with excellent laboratories in other countries will enable young teams*

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<sup>2</sup> COM(2004)353

<sup>3</sup> ERA : European Research Area

*and less powerful institutions to benefit from transnational cooperation, whilst acquiring the experience necessary to become involved in complex projects.*

Timetable

6<sup>th</sup> Framework Programme: before October 2004.

### **Open access for all participants**

*“Emerging groups should be attracted rather than discouraged from participation. The best research groups and the most innovative firms should be attracted since they must play a leading role in structuring ERA<sup>3</sup>”*

*(Recommendation 8)*

#### Analysis

Of course, the Commission wishes to attract “emerging groups”, the most innovative companies and the "best" groups within the actions promoted by the Framework Programme.

The **quality of the consortium** forms part of the **evaluation** criteria used to select proposals in terms of quality of research activities pursued by the participants. In the case of Networks of Excellence, the presence of a sufficient core of “top players” is likewise taken into account.

As regards Integrated Projects, the clarification made above regarding their “size” should make them more “user-friendly” for this group of actors.

#### Corrective measures adopted by the Commission

The Commission intends to continue the efforts already made to inform and encourage young teams to play an active part in actions provided under the Framework Programme.

Moreover, it intends to examine partnerships set up in response to calls for proposals issued under the 6<sup>th</sup> Framework Programme in order to make a reliable evaluation of the proportion of emerging groups involved, detect any obstacles to access for them, and take steps to remove these.

## **The specific case of small and medium-sized enterprises**

*“For FP 7 a much more flexible approach to SME participation should be explored. The possibility to foster the market-oriented innovation activities across the priority thematic areas should be considered.”*

*(Recommendation 9)*

### Analysis

The Commission is fully aware of the **importance** of small and medium-sized enterprises in terms of competitiveness and job creation in Europe and of the need for SMEs to have access to the fruits of science and technology.

The **existing measures** adopted for their benefit (such as cooperative and collective research, requirement to devote at least 15% of resources earmarked for thematic priorities to them) play a **significant role** in encouraging them to participate.

At this stage of implementation of the 6<sup>th</sup> Framework Programme, the level of SME participation, while not reaching the 15% required, is nevertheless **encouraging** because for all instruments together it reaches 13% (in terms of financial participation in the actions) on the basis of the results of only the first calls for proposals. However, it is clear that this level is **most favourable** for **STREPs** (17.1%), compared with 12.9% on average for integrated projects. SME participation is distinctly lower in networks of excellence for the reasons indicated above in the section dealing with this instrument.

### Corrective measures envisaged by the Commission

Support for SME participation under the 6<sup>th</sup> Framework Programme should therefore essentially be focused on **Integrated Projects** and **STREPs** which are their preferred instruments, in particular in research and development activities. Networks of excellence are not really an instrument “oriented” towards SMEs, apart perhaps - to a very limited extent - from SMEs with a strong research role, provided that they meet the durable integration requirement.

Action aimed at promoting Integrated Projects or STREPs coordinated by SMEs has already been taken in particular priority thematic areas. The continuation and intensification of such action, combined with other measures such as “economic and technological intelligence activities” which started in 2004, will likewise encourage SME participation in STREPs and Integrated Projects.

Furthermore, the results of the initiative undertaken in the priority theme of nanotechnology (priority 3), consisting of the launch of calls for proposals for Integrated Projects specifically aimed at small and medium-sized enterprises will be analysed in detail in order, where appropriate, to extend application to other priority thematic areas.

In addition, in the perspective of the **7th Framework Programme**, the Commission considers that specific actions to support research in SMEs “*need to be rationalised and regrouped to form a coherent whole with a critical mass. A process will be launched in this respect as part of preparations for the next Framework Programme.*”, as undertaken by the

Commission in its Communication of 16 June 2004 entitled “Science and technology, the key to Europe’s future – Guidelines for future European policy to support research”<sup>4</sup>.

Timetable

6<sup>th</sup> Framework Programme: before December 2004.

7<sup>th</sup> Framework Programme.

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<sup>4</sup> COM(2004)353

## **Collaboration and synergy with other sources of research financing**

*“The portfolio of Instruments for collaborative research should be designed and developed to enhance co-ordination and collaboration with other forms of public and private funding across the European Union”.*

*(Recommendation 10)*

### Analysis

The Commission is fully aware of the potential advantages of improving synergy and complementarity among various sources of financing for research activities, whether private or public, at national or Community level.

However, the Commission emphasises the difficulty of a formula under which a kind of “Community label” would be granted to projects favourably evaluated so that, for instance, they could qualify for alternative sources of funding at national level. However, whatever the apparent difficulties of such a mechanism, the Commission considers that a thorough examination of the possibilities should be undertaken in particular in the context of preparations for the 7<sup>th</sup> Framework Programme.

### Corrective measures contemplated by the Commission

The **Communication** of 16 June last, entitled “Science and technology, the key to Europe’s future – Guidelines for future European Union policy to support research”, **refers** to a number of such problems:

- The **European Investment Bank** has through its “i2i” and “Innovation 2010” action plans already taken an important step towards increased focusing of its funding on innovation and research. Moreover, it should be more frequently involved in financial engineering schemes and, in particular, initiatives implemented on the basis of Articles 169 and 171 of the Treaty.
- The **Structural Funds**, which after the Framework Programme are the main source of funding in the field of research in the broad sense, technology and innovation. The system of interest subsidies as provided for in the 6<sup>th</sup> Framework Programme, which was a first step, should be used more widely and additional formulas should be studied.

In this context, the Commission is examining ways of mobilising loans from the European Investment Bank and, where appropriate, from other financial institutions such as the EBRD or public and private national banks which are showing a growing interest in research and technological development, by setting up a **European guarantee system** for particularly important technological research projects.

In the specific framework of the Structural Funds, initiatives for mobilising available funds are currently being examined as part of “**joint technological initiatives**” and activities for “**research infrastructure**” under the 7<sup>th</sup> Framework Programme.

### Timetable

7<sup>th</sup> Framework Programme.

## **Application of a well-conceived two-step evaluation procedure**

*“To improve the efficiency and reduce the costs for participants, a well-conceived two-step evaluation procedure should be introduced”.*

*(Recommendation 11)*

### Analysis

The Commission recognises that two-step evaluation may reduce the overall costs of participants, provided that the first step is “light”.

Two-step evaluation also makes it possible to ensure **better feedback** to participants because of the smaller number of proposals evaluated in the second phase. It is regrettable that participants sometimes take a negative view of the evaluation process, whereas independent observers welcome the good quality of evaluation operations, because evaluation summary reports (the sole feedback which at this stage is received by the participants) are too terse.

However, the Commission emphasises that two-step evaluation for the first calls for proposals under the 6<sup>th</sup> Framework Programme has led to longer delays in processing the proposals and also to a significant additional workload, virtually doubling the work normally involved in one-step evaluation.

### Corrective measures adopted by the Commission

Improvement of the “**two-step evaluation procedure**”. Mainly intended to reduce the costs of participation, it now includes a first “light” phase requiring the submission of a brief proposal (20 pages maximum) evaluated on the basis of a limited number of criteria (relevance, potential impact, scientific excellence).

The Commission stresses that this method has been **increasingly** used for various priority themes since the entry into force of the 6<sup>th</sup> Framework Programme.

Moreover, the Commission draws attention to the delicate **balance** to be maintained, in the event that a two-step evaluation is adopted, between alleviating the first stage (limitation of volume of the proposal, reduced range of evaluation criteria) and the need for evaluators to nevertheless have sufficient information to be able to deliver a reliable judgment on proposals at the first stage.

However, it should be noted that it lengthens the **period needed** to process proposals (“time-to-contract”) and that other methods may also contribute to reducing participation costs such as more focused targeting of calls for proposals, information days and pre-screenings, for example.

This is why, while two-step evaluation as described above is now an **option open** to all thematic priority fields, it is not obligatory and will be implemented by the various programmes as they see fit.

Similarly, various programmes could have recourse, if considered necessary, to launching calls for expression of interest prior to launching their calls for proposals. The Commission considers that expressions of interest, if applied correctly, i.e. as indications of areas in which the scientific community is prepared to act and the means it intends to use for this purpose (and not as an exercise for “drawing up” the work programme), could make a valuable

contribution to the endeavours of the Commission services to determine the specific objectives to be pursued.

*Timetable*

6<sup>th</sup> Framework Programme: before October 2004.

## Call for simplification of procedures

*“Administrative procedures and financial rules should be significantly simplified and further improved to allow more efficiency and flexibility in implementing participation instruments”.*

*(Recommendation 12)*

### Analysis

The Commission is aware of the difficulties associated with implementing the New Instruments resulting, in particular, from giving participants the greater autonomy and flexibility in managing their actions which they requested under previous Framework Programmes.

These difficulties, arising partly from the new nature of the provisions, should logically **diminish** as users **familiarise themselves** with the New Instruments.

The Commission also draws attention to **efforts towards simplification** introduced in the 6<sup>th</sup> Framework Programme:

- Simplified approach in that contractors can now use their own accounting system and cost categories;
- Existence of a single model contract applicable to all instruments;
- Elimination of the differentiation between principal and associated contractor, so that now contractors have the same rights and obligations;
- Entry into force of the contract once it has been signed by the coordinator alone, reducing the time required compared with previous Framework Programmes;
- Greater flexibility of internal management for contractors in terms of transfer of funds between activities, changes to work programmes, distribution of the Community contribution, etc.

In terms of **presentation of proposals**, efforts towards simplification have focused on introducing a better system for **electronic** submission, implementing much **simplified proposal forms**, and ending of the **requirement for a signature** on proposals.

### Corrective measures adopted by the Commission

**Efforts** have been **made** to make it easier to manage the autonomy granted to participants:

- Provision of a checklist of the various aspects that may be covered by the consortium agreement.
- Setting-up of an “IPR<sup>5</sup> Help Desk” providing participants with professional assistance in dealing with questions associated with intellectual property rights.

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<sup>5</sup> IPR : Intellectual Property Rights

- Setting-up of a “legal Help Desk” to assist the scientific community as well as the Commission’s departments in getting replies to their questions concerning the interpretation of the contract and in connection with financial and accounting management.
- Publication of “frequently asked questions on contracts and costs” on the CORDIS site.

**Other efforts** have been made since the actual launch of the 6<sup>th</sup> Framework Programme:

- Improving “**training**” for evaluators and scientific officers is taking place to harmonise the interpretation of new concepts.
- “**Hearings**” of participants, which in the opinion of all the parties concerned (participants, evaluators, Commission departments) have proved very positive, will be put in place more systematically and in any case for proposals relating to the new instruments.

In connection with the commitment it made in its Communication of 16 June entitled “Science and technology, the key to Europe’s future – Guidelines for future European Union policy to support research”, the Commission has been studying funding mechanisms in order to examine the means, such as lump sum mechanisms, which would further alleviate the obligations of participants while at the same time ensuring the necessary transparency in the use of public moneys. In this context, the Commission also recalls the revision of the Financial Regulation planned for the middle of 2005 which will cover these simplification measures.

The Commission is also trying to find ways of reducing delays in the submission of a proposal following conclusion of the contract (“time-to-contract”) and, in general, to “*improve the regulatory and administrative environment*”, the aim being “*to increase the transparency of the evaluation process, to reduce delays, and to minimise the cost of preparing projects*”, as the Commission notes in the abovementioned Communication.

**Supplementary actions** will also be undertaken to remind participants of the **basic principles** to be complied with when exercising their autonomy, in particular in order to avoid any marginalisation of categories of actors who would be more “vulnerable” in negotiating consortium agreements.

### Timetable

6<sup>th</sup> Framework Programme: before October 2004.

7<sup>th</sup> Framework Programme.

### **Conclusions**

*The Commission welcomes the **good work** accomplished by the panel and the rigour with which it has worked, enabling it to arrive at reliable conclusions, corroborated by the first direct experience of participants in the Framework Programme.*

*The Commission notes that the recommendations and conclusions formulated by the panel **bear out** to an important extent the observations it has been able to make since the entry into force of the Framework Programme and emphasises that many “**corrective measures**” have already been adopted accordingly.*

*The Commission undertakes to **continue** the implementation of these “corrective measures”, to **strengthen** them where necessary and to adopt **additional** measures as and when required.*

*Moreover, the Commission recalls the **commitment** made in its Communication of 16 June 2004 entitled “Science and technology, the key to Europe’s future – Guidelines for future European Union policy to support research”: “The financial and administrative provisions must be revised and simplified in the light of the experience of current practice. Following on from the conclusions of the panel for the evaluation of instruments under the 6<sup>th</sup> Framework Programme, a process will be launched with this purpose in mind, involving programme users and national research structures. The financial rules will be re-examined and proposals will be made in the Council and the European Parliament in the framework of proposals for Commission decisions for the next Framework Programme and the corresponding rules for participation.” These efforts at simplification, in particular as part of the revision of the Financial Regulation planned for the middle of 2005, will be undertaken in close consultation with the parties concerned.*

*The Commission will **follow up** implementation of all these “corrective measures” so as to be able to assess their effectiveness and make adjustments where necessary.*

*However, the Commission recalls that “corrective measures” incompatible with the **existing legal framework** (decisions of the Council and the European Parliament adopting the Framework Programme and rules for participation in these, and the Council decision relating to specific programmes) can be provided for only in the 7<sup>th</sup> Framework Programme.*