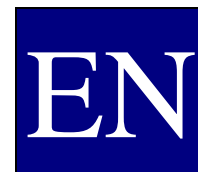




**COUNCIL OF  
THE EUROPEAN UNION**



## **Conclusions on simplified and more efficient Programmes supporting European Research and Innovation**

*3016th COMPETITIVENESS Council meeting  
Brussels, 26 May 2010*

The Council adopted the following conclusions:

THE COUNCIL OF THE EUROPEAN UNION,

"RECALLING

- The Report of the expert panel on the Evaluation of the effectiveness of the New Instruments of Sixth Framework Programme of June 2004<sup>1</sup> stressing that the portfolio of instruments for collaborative research should be designed and developed to enhance coordination and collaboration with other forms of public and private funding across the European Union.
- The Report "Delivering results with sustained impact. Evaluation of the effectiveness of Information Society Research in the Sixth Framework Programme 2002-2006" of May 2008 which "strongly recommends developing a more trust based approach towards participants at all stages" as well as increasing efforts to simplify and introduce flexibility in the three key phases of the project lifecycle: the application, the evaluation of proposals and the management of funded projects.<sup>2</sup>

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<sup>1</sup> Commission Communication of 27 August 2004 responding to the observations and recommendations of the high-level Panel of independent experts concerning the new instruments of the 6th Framework Programme (doc. 12053/04).

<sup>2</sup> Commission communication of 4 September 2009 on Ex-post evaluation of the "Information Society Technologies (IST)" Thematic Priority in the Sixth Framework Programme for Research, Technological Development and Demonstration (RTD), doc. 12718/08.

# **P R E S S**

- The Report of the Expert Group on the Evaluation of the Sixth Framework Programme for Research and Technological Development 2002-2006 of February 2009<sup>3</sup> which states that "administration of the FP needs radical overhaul" and that radical simplification must be given the highest political priority if the Framework Programmes are to realise their true potential, while the Council and the European Parliament must recognise that there is a collective responsibility towards the issue.
  - Council Conclusions of 3 December 2009 on Guidance on future priorities for European research and research-based innovation in post 2010 Lisbon strategy, which, inter alia, underlined the need to make further progress on simplification and more efficient management in order for the EU Framework Programmes to fully contribute to the implementation of a post-2010 EU strategy, and which invited the Commission, together with Member States where relevant, to pursue vigorously further reduction of the administrative burden, continuing to implement the recommendations of the Evaluation of the Sixth Framework Programme<sup>4</sup>.
  - The Review of the European Research Council's Structures and Mechanisms "Towards a world class Frontier Research Organisation" of July 2009, urging the Commission to take every possible measure, legal, financial, procedural and administrative to adapt its rules and procedures to the nature of the European research council's mission.<sup>5</sup>
  - Council conclusions of 2 March 2010 on the Review of the European Research Council's Structures and Mechanisms which stressed the need to ensure that the ERC counts with the optimum legal structure, decision making process, adequate management, expert input and administrative procedures to continue carrying out its mission with the highest standards of excellence, efficacy and efficiency; and which called on the Commission, in the overall context of simplification, to make the ERC a pilot case for implementing pragmatic and effective solutions to be extended to the rest of the Framework Programme where applicable;<sup>6</sup>
1. RECOGNISES that there is an urgent need for an in-depth re-thinking of the way the European Research, Technological Development and Innovation (RTD&I) programmes are designed and implemented with a view to making them simple, efficient and interoperable to better fulfil their respective objectives in the framework of the new Europe 2020 Strategy, and to respond to the demands of the researchers, research organisations and enterprises as well as the society at large.
  2. STRESSES that a serious effort should be made to reduce the complexity of the current landscape of EU programmes and associated instruments and to improve their design in order to allow for fully exploiting potential synergies of their combined action.
  3. ACKNOWLEDGES that the new approach requires actions all along the whole cycle of the programme design and implementation, as well as to critically review the current set of programmes and instruments and the coherence of their rules, in order to strengthen their contribution to the ERA vision and-the Europe 2020 strategy.

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<sup>3</sup> Commission communication of 29 April 2009 on the Response to the Reports of the Expert Groups on the Ex Post Evaluation of the Sixth Framework Programmes (doc. 9372/09).

<sup>4</sup> Doc. 17189/09.

<sup>5</sup> Commission communication of 22 October 2009 entitled "The European Research Council - Meeting the challenge of world class excellence" (15052/09).

<sup>6</sup> Doc. 6666/10.

4. RECOGNISES that progress towards a simplified scenario of the EU support to RTD&I is a process that needs to be carefully deployed to assure a smooth transition from the existing running programmes, where stability plays an important role, and the future programmes, where a new approach should be fully implemented.
5. WELCOMES the Communication of the Commission on “Simplifying the implementation of the Research Framework Programmes” of 27 April 2010<sup>7</sup>, notably its contribution to the diagnosis of the current level of impact of simplification measures implemented in FP7, and the significant scope for improvement, as well as to the identification of options for potential simplification both in the short and the longer term of Research Framework Programmes; at the same time RECOGNISES that simplification of rules and procedures is only a part, although significant, of the broader range of actions needed to make a more efficient use of the public funds in supporting RTD&I actions in Europe.
6. CONSIDERS that with the aim of increasing the efficiency of European support to RTD&I activities and thus their impact on competitiveness, sustainability and social welfare, as well as to attract the best talent from Europe and abroad, from academia and businesses, it is necessary:
  - To streamline and speed-up the application, evaluation, negotiation and reporting procedures for the implementation of excellent RTD&I activities
  - To increase the accessibility to and transparency of the programmes in support of RTD&I;
  - To facilitate the interoperability of the instruments in different programmes (e.g. FP, Competitiveness and Innovation Framework Programme, Structural Funds) with a view to exploiting further the synergies resulting from their combined use.
7. CONSIDERS that, with a view to help achieving these objectives, the design and implementation of the EU support to RTD&I must be guided by the following principles:
  - **Simplicity:** EU programmes supporting RTD&I should, whilst taking into account the different needs of different participants, be governed by a reduced number of rules and instruments, which are clearly defined, transparent and easily accessible, reducing the need for interpretation and for the introduction of exceptions;
  - **Consistency:** Whilst acknowledging the need for different instruments to address specific research and innovation activities, there must be a serious attempt to achieve a harmonisation of these instruments, e.g., same rules should apply to address the same aspects of the RTD&I funding cycle in different instruments and programmes and be coherently applied in all cases as much as possible;
  - **Stability and legal certainty:** A uniform interpretation and implementation of the rules should be ensured throughout the whole Framework Programme, whatever the entities in charge of their application. This principle will guide particularly the careful introduction of improvements for currently running programmes;
  - **Trust-based approach:** It is assumed that beneficiaries of the EU support carry out the funded activity in good faith and with the best possible effort to achieve the expected results, and will not be subject to EU monitoring and control beyond the minimum necessary to safeguard public funds; in this respect, a tolerable level of error and risks should be combined with accountability and sound financial management;

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<sup>7</sup> Doc. 9348/10.

- **Results-oriented** funding: it should be explored as to whether and to what extent RTD&I activities could be funded focussing on output, while preserving excellence, and taking into account the risky nature of research;
- **General acceptance of usual accounting practice** of the participants, avoiding the need for duplicating accounting systems;
- **Interoperability**: suitable design of instruments from different programmes in support to RTD&I to ensure their mutual complementarity and synergistic combination;
- **Flexibility**: beneficiaries should be allowed to choose between different forms of grants in the Framework Programmes. This corresponds to the need to have more compatibility with the usual accounting practices of the participants.

8. CONSIDERS that the simplification issue should be examined on the basis of the objectives and principles above, the options put forward by the Commission , and without prejudging an in-depth examination of further simplification proposals put forward by the Commission as well as the forthcoming relevant Commission proposals,

AGREES, therefore, on the following general orientations, without prejudging further work on specific measures:

### **I. Reducing complexity**

- ACKNOWLEDGES the Commission’s diagnosis that a reduction of the complexity of EU research funding landscape should be a source of simplification and INVITES the Commission to examine critically, with a view to future Programmes, the utility of the existing individual instruments within each programme in order to keep only those that have clear and distinct roles in supporting RTD&I actions; new instruments should be created only after due justification of their added value;
- WELCOMES the Commissions’ proposal of limiting the number of rules, while stressing that the FPs should still meet the needs of all beneficiaries;
- WELCOMES the Commissions’ proposals related to the optimisation of the structure and timing of calls for proposals and UNDERLINES that those calls which address research priorities should be problem-solving oriented, giving more room for bottom-up, trans-disciplinary approaches, also making easier the involvement of industry and SMEs. In this regard, WELCOMES the Commission's suggestion to consider the two-stage procedures for calls for proposals when appropriate, but this should not be at the expense of longer ‘time to contract/grant’ periods.

### **II. Reducing the need for audit intensity**

- INVITES the Commission to focus efforts on improvement in the project cycle management, with a view to reducing to a minimum the negotiation phase and the need for ex-post audits, thus also reducing errors linked to the financial reporting;
- INVITES the Commission, with a view to future Framework Programme, to facilitate a debate on a possible move towards more result-oriented funding, taking into account the risky nature of research, by making an in-depth study of possible models (including negotiated project-specific lump sums / pre-defined lump sums per project / high-trust “award” approach), allowing for differences in costs in Member States;
- INVITES the Commission to put forward suggestions with a view to future new coherent audit strategy taking into account the overriding principles described under point 6 of this conclusions.

### **III. Improving quality, accessibility, transparency and procedures**

- INVITES the Commission to continue strengthening the quality of the data base of experts that could act as potential evaluators, ensuring a diversity of background, disciplines and scholarly thinking, permitting the selection of high quality expert, building upon best practice at national and European level;
- ACKNOWLEDGES the Commission's intention to develop the Research Participant Portal and LOOKS FORWARD for the effective deployment by 2012 of all the announced integrated functionalities; INVITES the Commission to assure that this new system will provide for full electronic information on all aspects of the programme management that should be in place at the beginning of each programme, including a stable calendar for periodic calls, using, whenever possible, similar formats for application, negotiation and reporting;
- INVITES the Commission to speed up the procedures (application, evaluation and negotiation) to shorten the time to contract.
- INVITES the Commission to further ensure that Member States and, and when appropriate countries associated to the FP, receive in real-time communication on disaggregated data of the response to the calls, the evaluation results and on conclusions of agreement with sufficient level of detail, whilst respecting the confidentiality of data.
- STRESSES that the procedures concerning the involvement of Member States in the decision of selection of projects could be significantly improved, notably, by transparent and efficient information tools facilitating the formal adoption of opinions by the Programme Committees.
- WELCOMES the Commissions' intention to reach a broader acceptance of usual accounting practices including average personnel methodologies.
- INVITES the Commission to present more precise and transparent rules of procedure for the audits.
- INVITES the Commission to examine whether, inter alia, value added tax (where non-deductible) should be considered as an eligible cost item.

### **IV. Interoperability of programmes and instruments**

- STRESSES that, further to the simplification measures and streamlining of procedures, a major potential for increased efficiency and synergies in supporting RTD&I in Europe lays in the appropriate combination of different EU instruments. In this respect, INVITES the Commission, when designing new programmes and instruments, to pay due attention to:
  - ensure the continuity of already existing instruments, which have proven of value in the research community;
  - facilitating the interactions among projects and activities to be financed, e.g. looking for the complementary use of EU funding (FP, CIP and Structural Funds);
  - applying the same rules to all EU programmes supporting RTD&I activities, if appropriate given their respective objectives, when referring to the same aspects of the financial and technical evaluation, IPR, management, reporting and auditing, thus making easier to exploit the synergies and complementarities among them;

In the context of the orientations given above,

9. **CONSIDERS** of utmost importance that the institutions lead an in-depth discussion on the orientations presented in these conclusions, in particular in view of shaping the future generation of European research and innovation funding.
  10. **INVITES** the Commission to:
    - keep the Council informed on the actions to be taken to address the issues above and in particular on actions to be implemented still in FP7, according to the principles and objectives of these conclusions;
    - take into account these orientations in preparing the future FP8 and other initiatives in support of RTD&I, including Structural Funds, under the new financial period starting in 2014;
    - report regularly to the Council and the European Parliament on the administrative cost of the Framework Programmes, considering the management costs of both the Commission and the participants (as identified in the grant agreements), as well as the cost/benefit ratio of the audits.
  11. **UNDERTAKES** to continue the examination of simplifications measures and also **INVITES** Member States to contribute to simplification, in the realm of their responsibilities, by considering adapting national rules and procedures with a view to facilitating the coordination of national and EU RTD&I funding initiatives."
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