

**Simplifying the implementation of the Research
Framework Programs**

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Hearing Welcome Speech

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Good afternoon

Ladies and Gentlemen,

Could I begin by extending my warm thanks to all of the speakers whom, in most cases, have travelled across Europe to be here.

I am also very grateful to the different MEPs who have kindly accepted to chair the 3 panels that we have today.

My thanks also extend to Director-general Robert-Jan Smits and MEP Ingeborg Grässle who have agreed to speak at the end of today's session.

It is also with great satisfaction that I welcome so many people in the audience today, in particular a group of Portuguese compatriots amongst you.

PURPOSE

As Thomas Mann once said: "Order and simplification are the first steps towards the mastery of a subject".

The purpose of today's hearing is to consolidate the previous work that has already been done and to begin the process of drawing firm conclusions. This is the result of a wide ranging public consultation programme including Universities, Research Centres, Enterprises and, in general, a whole range of stakeholders, experts and politicians.

One of **the most immediate conclusions** that can be drawn is that the research community urgently calls for harmonization of the rules and procedures and a general simplification of the financial accountability requirements.

Recently, 13, 000 researchers put their name to a petition urgently requiring more simplification and trust in EU research funding. This is a generalized feeling amongst researchers, academics and industry members.

In other words there is a real demand for improvement in the streamlining of research funding and administration. Our work here has genuine relevance and urgency as a result. Our report is particularly timely, given that we are now just about to begin the interim evaluation of the FP7 and to start on the preparation for the FP8. Hopefully, our report will provide a firm foundation upon which we can subsequently build.

MAIN POINTS

In so far, **as my own draft report** is concerned, there are **four main aspects** that I should like to bring out:

Firstly, the question of administrative and financial simplification;

Secondly, the need for improvement of quality, accessibility and transparency;

Thirdly, I should like to suggest some of the benefits of enhanced synergy between programmes and instruments;

And finally, I would like to say a few words about the future FP8.

1) So, firstly with regard to the pragmatic shift towards administrative and financial simplification.

There are 2 aspects:

- a) General principles
- b) concrete recommendations

a) In so far as the **general principles** are concerned, three points:

- simplification is in the interest of all stakeholders
- it is necessary to provide stability and legal certainty
- there is also a need for trust-based and risk-tolerant approaches without sacrificing procedural rigour.

As for the **concrete recommendations**, the main goal is to attain greater clarity, precision and simplicity:

With regard to this greater clarity, this supposes, **firstly**, clear definition of what needs to be changed, how it needs to be changed, and at what speed.

Secondly, greater clarity can be achieved by further simplification in the rules governing funding and costing methodologies. For example, funding rates and costs calculation methods should be identical across the different instruments.

Furthermore, the beneficiaries should be allowed to apply their usual management and accounting principles.

Finally, clarity in the definition of such things as eligible costs and taxes is of utmost importance. It is just as important to promote consistency in the application of rules across all the commission departments and audits.

2) Turning now to my second main point, improvements in quality accessibility and transparency, there are three topics:

a) **"One"** I am in favour of a science-based approach. Such an approach promotes excellence whilst simplifying financial controls. This being said the result-based approach has certain advantages. Before pursuing a "result-based approach" pilot tests should be carried out for research and demonstration projects in specifically challenging areas.

b) **"Two"**: Minimizing time to grant is of course to be encouraged. However, it is important that Member States retain their power of scrutiny. In addition, I support the two-stage application procedure provided that evaluation is undertaken thoroughly in the initial stage.

c) **"Three"**: I recommend the full integration of grants, evaluations and proposals into a unique IT platform. This should be sound, flexible and easy to use. The same platform should be used across all commission services and agencies.

3) With regard to the third main point, improved synergy of programmes and instruments, we need to reduce the complexity of programmes and instruments. This entails introducing uniform interpretation and application of rules and procedures. It also supposes harmonization across all the EU bodies involved. This will contribute to greatly enhancing synergy.

4) Finally, the **fourth main point concerns the future of the FP8 programme**. There are 3 basic aspects:

- a) **"One"** I consider administrative simplification to be a central priority in the future FP8. The number of instruments should be reduced and greater coordination between them should be achieved.
- b) **"Two"** The FP should take into consideration the whole chain of innovation from frontier research, technological development, demonstration, valorization of results and rapid integration of research results into markets. This should strike a balance between top-down impact-driven and bottom-up, science driven research.
- c) **"Three"** I also believe that further internationalization is desirable and this should include developing countries.

As for my expectations for today, I hope we will be able to pursue a frank and fruitful exchange of views, which will contribute to the form of the final draft.

However, I believe there are 2 or 3 bones of contention such as:

- **Firstly**, result-based research: some stakeholders are radically in favour of one or another idea: some defend only market-oriented or result based research and others defend fully bottom up or "independent" research. I prefer something between the two - a balanced approach - one that encourages a science based funding system with a high degree of trust and a risk-tolerant approach;
- **Secondly**, differentiation between entities and activity types: all the stakeholders agreed with the idea of distinguishing between universities, industry and SME's as this was laid out in the draft report. However, there

are some stakeholders who wish to go further and propose a uniform rate for all activities (management, research, demonstration, dissemination). Applying a uniform rate will lead to lowering the rate to the lowest common denominator, (affecting, for example dissemination). I support a reduction of the number of applicable rates instead of a single uniform rate;

- **Thirdly**, some stakeholders defend the real-cost approach instead of a flat rate. Again, I am of the view that a balanced approach should be found. Although both solutions have advantages and are well tailored to specific situations, individual institutions should be able to make their own choices in the matter.

Anyway, that might be enough from me for the moment. By way of conclusion, perhaps I could offer another quotation, this time from Charles Mingus "Making the simple complicated is commonplace; making the complicated simple, that is creativity. This being said, perhaps the best thing to do now is to get on with the different panels and their points of view.

The first panel is chaired by Paul Rubig, and so over to you, Mr. Rubig

1 227 words 12 minutes