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IMPACT ASSESSMENT

Accompanying the

COMMUNICATION FROM THE COMMISSION

'Horizon 2020 - The Framework Programme for Research and Innovation'

**PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND THE
COUNCIL**

**laying down the rules for the participation and dissemination in Horizon 2020 – the
Framework Programme for Research and Innovation (2014-2020)**

PROPOSAL FOR A COUNCIL REGULATION

**on the Research and Training Programme of the European Atomic Energy Community
(2014-2018) complementing the Horizon 2020 – The Framework Programme for
Research and Innovation**

ANNEXES

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ANNEXES

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**Survey on administrative costs
for participants in the 7th EU
Framework Programme for
Research and Technological
Development (FP7)**

Final Report

8/07/2011

EXECUTIVE SUMMARY

1. For providing quantitative evidence on administrative costs of participation, an online survey among FP7 beneficiaries has been initiated. The results of this survey feed into the ex-ante impact assessment of the rules for participation of the Horizon 2020 Framework Programme for Research and Innovation. Detailed figures on the administrative costs for participation in FP7 were gathered for providing a baseline scenario for the future programme as a starting point for analysing potential simplification scenarios for reducing administrative efforts in Horizon 2020.
2. An invitation to participate in the survey was sent to contact persons (more than 70 000) in all FP7 grants. The questionnaire was completed by 3898 respondents (5.5% response rate). The distribution of the respondents by type of beneficiary, organisation type, country and funding scheme was in good coherence with the overall distribution of FP7 participations by these categories, confirming the representativeness of the sample.
3. The survey asked for estimates of the actual work effort (person days) for completing administrative tasks along the project life cycle, in four phases from proposal preparation and submission via grant negotiation and signature, grant management and reporting until ex-post audit. Each of the four phases was broken down into a number of detailed tasks.
4. To verify the results and preliminary conclusions with stakeholders, as well as the outcome of a parallel study by Deloitte using a qualitative case studies approach, workshops with two groups of experts, the Legal and Financial National Contact Points (NCPs) (4 April 2011) and experts representing key European stakeholders in EU funded research (28 April 2011) were organised. Both groups confirmed that the figures collected from the survey appear reasonable and form a good basis for the ex-ante impact assessment for the rules for participation of Horizon 2020.
5. It can therefore be concluded that the online survey has allowed gathering valuable and reliable information from the 3898 respondents. The analysis of the results and tables provide:
 - A collection of evidence to quantify the administrative efforts of the beneficiaries – throughout the life cycle of EU funded projects.
 - A tool to test different options (building blocks) or to build scenarios for future EU research and innovation funding , e.g. funding modalities and control framework, set-up of calls, project duration, size of projects, frequency of reporting, etc.
 - A tool that may also be used to improve the management of FP7 activities (e.g. work programmes definition, business processes, IT tools).
6. Using the median values of the data gathered, some typical model projects were constructed. For a typical small-scale 3-year collaborative project involving 9 partners and receiving € 3.000.000 EU contribution, the coordinator would typically have to employ 1/3 full-time equivalent over the duration of the project for fulfilling the administrative tasks and the 8 partners together 4/5 full-time equivalent, **i.e. the administrative work in the project in total would require slightly more than 1 full-time equivalent**. In larger projects, the absolute effort of the coordinator increases (up to ½ full-time equivalent).
7. Using the standard cost model, the data on person-days were translated into financial figures. For the typical collaborative project mentioned under point 6, the financial effort related to administrative participation costs is in the range of € 277.000, without ex-post

audit or € 284.000 when ex-post auditing is taken into account.

8. Figures confirm the assumption that in multi-partner projects the major burden lies with the coordinator. In a typical small-scale collaborative project, the coordinator has to spend 3 times the administrative effort of each individual partners. When it comes to a typical large-scale collaborative project, the coordinator's administrative effort is 4 times the one of each partner.
9. There is no marked dependence of the figures on most of the factors analysed (e.g. type of organisation, country, level of experience with EU funding). This tends to indicate that the administrative tasks are generic and linked to the EU rules and processes rather than to any local circumstances. A learning effect seems however to exist for coordinators and mono-beneficiaries who participate in more than one FP7 project. This would argue in favour of some continuity and stability in the rules and their implementation.
10. The management of the ongoing grant is the phase requiring the highest administrative effort. For coordinators, about 64% of the overall effort are linked to this phase (proposal preparation and submission: 18%, grant negotiation 13%, ex-post audit 5%). The largest potential for administrative burden reduction is therefore within the grant management phase.
11. In addition, internal management practices such as project officers' negotiation and management practices offer significant possibilities for simplification and reduction of the administrative workload of the beneficiaries.
12. As the success rate in the research programme is relatively low (about one in five proposals only is selected for funding) the costs for proposal preparation and submission are of particular importance. The data of the survey gathered on this part of the process lead to the conclusion that the administrative costs of an applicant for the preparation and submission of a proposal is in the order of € 8.000 on average (per partner in a proposal).
13. Two-stage calls are discussed as a mean to reduce the costs for proposal preparation and submission, in particular for applicants failing after the first stage. The data gathered in the survey from participants in two-stage calls indicate that on average 40% of the time for both stages is spent in the first stage, i.e. applicants failing in the first stage save on average 60% of costs for proposal preparation. The discussion of this conclusion in the two stakeholder workshops lead to a nuanced picture. Two-stage calls are positively perceived in bottom-up calls with high oversubscription. They seem less appropriate in areas with well-defined topics and in areas where short time-to-grant is crucial.
14. On the question of researchers' time recording, there is a strong request for clear conditions providing legal certainty. The Commission is also called to be flexible towards the different time-allocation systems at the beneficiaries and accept, for as far as possible, their usual management practices.
15. Participants of the survey were also asked to give their opinion on three potential scenarios for future EU funding rules. Clear preferences became apparent in the workshops discussions. In general terms, a scenario providing reimbursement of actual costs but with major simplifications to the eligibility rules gathers the most positive views, if combined with a harmonised application of the rules and improved communication and assistance to participants. The other two scenarios (output-based funding with project-specific lump sums for entire projects and extended use of flat rates, lump sums and scales of units) are perceived as alternatives for specific projects/partners or if proposed as options alongside the actual cost scenario.

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1. Introduction

1.1. Context and objectives

The survey was initiated as one element contributing to the ex-ante impact assessment for the rules for participation of Horizon 2020. The ex-ante impact assessment has to comprise estimates on the administrative costs for participation, taking the current Framework Programme (FP7) situation as the baseline, and analysing potential simplification scenarios for reducing administrative efforts in the future programme.

To address this issue, the Commission has launched two initiatives, an online survey among all FP7 participants and a study by Deloitte. Both exercises aimed at gathering evidence on the administrative costs of participation under FP7 and also to collect views on the potential for reducing administrative efforts in several simplification scenarios for the future programme. While the Deloitte study was more oriented towards a limited number of qualitative case studies, the on-line survey was aimed at gathering quantitative evidence for a number of projects sufficiently high to provide statistical relevance on the administrative costs borne by FP7 applicants and beneficiaries.

The results and preliminary conclusions of the two initiatives were presented and discussed at two workshops, one on 4 April 2011 with the FP7 Legal and Financial National Contact Points (NCPs) and a second one on 28 April 2011 with key stakeholders in European research (see list of participating organisations in Annex 3).

The main objectives of the survey were:

- To identify the administrative effort (working time estimated in person days) of FP7 applicants and beneficiaries for applying for and participating in FP7 funded projects, broken down by the different phases of the project life cycle.
- To define, through using the standard cost methodology approach of the Secretariat General, a "baseline scenario" against which different options for Horizon 2020 will be considered.
- To gather respondents' views on 3 possible scenarios for Horizon 2020:
 - Output-based funding with project-specific lump sums for entire projects
 - Extended use of flat rates, lump sums and scales of unit costs
 - Continuation of reimbursement of actual costs but with a simplification of the cost eligibility criteria.

1.2. General methodology

The survey addressed researchers and administrators participating in FP7 projects. Via an invitation e-mail sent to all FP7 project contacts identified in the CODA database, respondents were asked to provide quantitative information on the working time spent by their organisation for fulfilling the FP7 administrative requirements (mandatory replies) and to add comments and give opinions on potential simplification options for the programme succeeding to FP7 (optional replies).

The project life cycle was split in four main phases: 1) Preparation and submission of the proposal, 2) Negotiation of the project and Grant Agreement signature, 3) Grant management and project reporting, and 4) Auditing of the project. The full questionnaire is provided in annex 4.

The survey was anonymous. Some basic information on the type of organisation, country and type of project was nevertheless collected to allow proper analysis of the data.

Respondents were asked to fill in their questionnaire with regard to one specific project. In case they were involved in several FP7 projects they were asked to reply for the one they were most familiar with, or to fill in several forms, one for each project. They were asked to consider the working time actually spent by their organisation for fulfilling the administrative requirements (not the overall delays for the completion of the different phases).

A pre-defined standard range of possible responses was given for all quantitative information on administrative burden (working time to complete one specified task or process). The standard range consisted of:

- "don't know" option for those lacking the respective information
- "not applicable (0 person-day)" for those not concerned with some step(s)
- Drop-down list containing values between 1 and 20 person-days (in steps of one day)
- Possibility to choose "more than 20 person-days" (with the obligation to give the exact figure in a separate field)

A dedicated functional mailbox was set-up to respond to questions and enquiries of contact persons interested in participating in the survey.

The survey lasted for 3 weeks, from 11 February 2011 until 4 March 2011.

For analysing the quantitative responses, the median value of working days has been determined for each question. Median value rather than average has been used as the exercise aimed at identifying, within the pool of responses, the point expressed in number of working days where 50% beneficiaries have completed a task or process.

2. Breakdown of respondents by categories

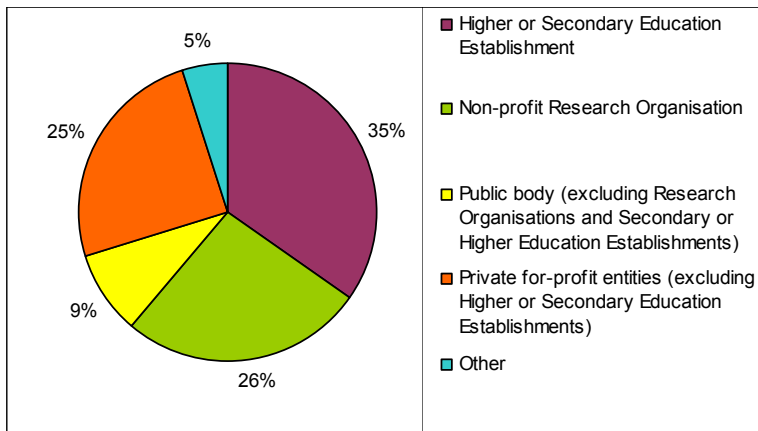
2.1. *Response rate*

A total number of 71 193 invitations were sent by e-mail to contact persons for FP7 beneficiary entities. This number excludes 10.5% of undelivered messages.

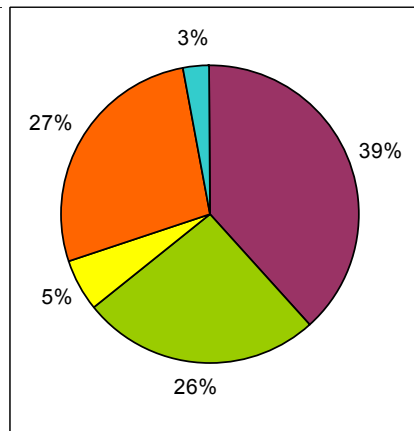
3898 responses have been submitted, equivalent to a response rate of 5.5%.

2.2. Distribution by type of responding organisations

Distribution of respondents

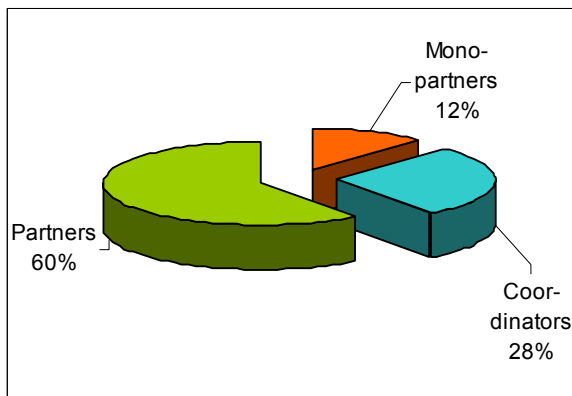


Distribution of FP7 participants



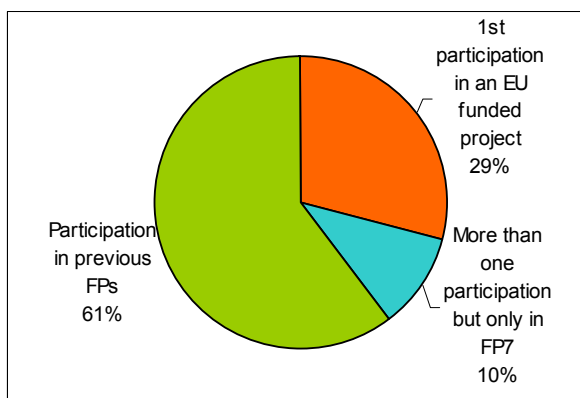
The distribution of respondents by type of organisation is sufficiently well representative for total FP7 participations.

2.3. Distribution by role in the project



In FP7 participations in total, partners account for 80% of participants. The distribution of the survey respondents shows a slightly higher proportion of mono-beneficiaries and coordinators.

2.4. Distribution by experience with EU funded research

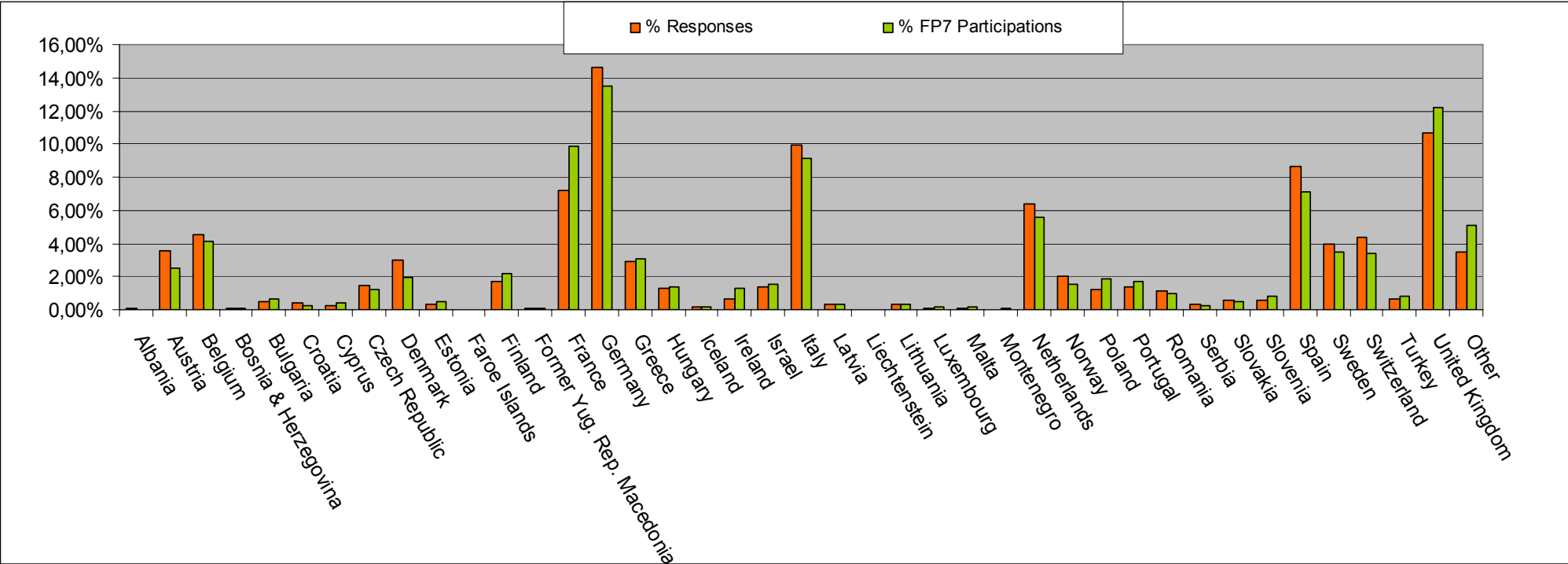


61% of respondents indicate that they participated in previous framework programmes, and 10% replied that they participate in more than one FP7 project.

First-time participants in FP7 account for 29% of the respondents.

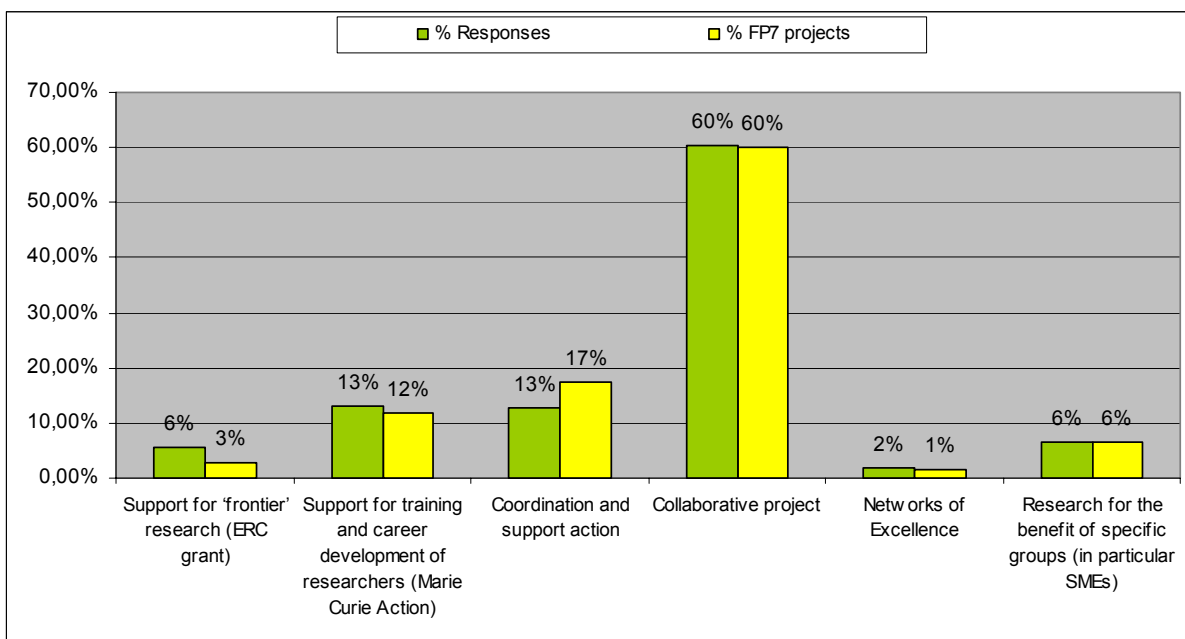
The influence of experience with EU funded research will be discussed later in the report.

2.5. Country of establishment of responding organisations as compared with participation in FP7



The distribution of responses by country is representative for the distribution of overall FP7 participations by country.

2.6. Distribution by type of project



The distribution of responses by project type is representative for the distribution of overall FP7 participations by project type.

Note: Combined projects are included in the collaborative project categories. They account for 4% of responses.

3. Processes and tasks applicable to all beneficiaries (Median values in working days – see Annex 1)

3.1. Preparation and submission of the proposal

3.1.1. Time necessary to study FP7 documentation – Question 1.1 (finding a suitable call and topic, and assessing eligibility to apply)

According to role in the projects, the number of working days is reported as follows:

Coordinators (1106)	Partners (2335)	Mono-beneficiaries (457)
5	4	3

Potential for administrative burden reduction:

This task may be impacted at the level of the work programme definition, e.g.:

- Multiannual work programmes and/or open calls with or without cut-off dates: they allow planning for the applicants and decrease the need for screening the associated documentation.
- Follow-up funding: call information can be targeted to a known audience.

3.1.2. Time necessary for registration and validation of a legal entity via the URF (Participant Portal/Unique Registration Facility) – Question 1.5

According to role in the projects, the number of working days is reported as follows:

Coordinators (1106)	Partners (2335)	Mono-beneficiaries (457)
2	2	2

Potential for administrative burden reduction:

This task affects all beneficiaries in a similar way. The registration efforts in FP7 (more than 25.000 entities validated) represent a significant 'acquis' whose benefit can be harvested in Horizon 2020 if the current definitions and categories are kept.

- Keeping and using the URF as currently defined is key to harvest FP7 investment both for the beneficiaries (at least 60% to be expected the same beneficiaries) and the Commission.

3.1.3. Two-stage calls: Distribution of effort between first and second stage

15.5% of coordinators, 18,2% of partners and 24,7% of mono-beneficiaries reported that they applied via a two-stage submission and evaluation process. They were asked to identify the split of overall effort for proposal preparation and submission between first and second stage. The percentage of working time invested in stage 1 is reported follows:

Coordinators (15,5% of 1106)	Partners (18,2% of 2335)	Mono-beneficiaries (24,7% of 457)
30%	40%	50%

Potential for administrative burden reduction:

Figures show that applicants failing in the first stage save a significant amount of time compared to applicants having to prepare full proposals in single-stage calls: 70% for coordinators, 60% for partners and 50% for mono-beneficiaries.

Discussion of this subject in the two stakeholder workshops lead to the conclusion that despite the potential burden reduction for applicants failing in the first stage, a generalisation of the two-stage

approach might not be useful. As two-stage calls increase time-to-grant, they should be used preferably for calls with broad topics and low success rates and /or in areas where time-to-grant is not so crucial. The one-stage approach would stay adequate for narrow topics with relatively high success rates or for areas that are very time-critical.

3.2. Negotiation of the project and Grant Agreement signature

3.2.1. Time necessary to analyse guidance documents – Question 2.1 (Evaluation Summary Report, Negotiation letter, Negotiation Guidance Notes, FP7 Guide to Financial Issues, model Grant Agreement, etc.)

The number of working days spent on this task is reported as follows:

Coordinators (1106)	Partners (2335)	Mono-beneficiaries (457)
5	3	3

Potential for administrative burden reduction:

This task may be impacted at the level of the entire programme and work programme definition, e.g.:

- Simpler funding rules (fewer combinations of funding rates and/or funding schemes, more flat rates and lump sums) will ease the negotiation, both for the beneficiaries and for the Commission.
- More 2-stage calls associated with specific settings for 1st stage evaluation as mentioned above (3.1.3) is likely to decrease effort for negotiation.

3.2.2. Time necessary to complete the negotiation information via the online NEF tool – Question 2.7

The number of working days spent on this task is reported as follows:

Coordinators (1106)	Partners (2335)	Mono-beneficiaries (457)
3	2	2

3.2.3. Time necessary to provide information for the Financial Capacity Check (FCC) – Question 2.8

The number of working days spent on this task is reported as follows:

Coordinators (1106)	Partners (2335)	Mono-beneficiaries (457)
2	2	2

Potential for administrative burden reduction:

This task affects all beneficiaries in a similar way. It may be impacted at the level of the rules for Horizon 2020, e.g.:

- Increasing the EU contribution threshold for undergoing a FCC may exempt more beneficiaries from this administrative requirement.

Extending the coverage of the guarantee fund to all actions under Horizon 2020 would allow applying the exemptions from financial capacity checks to a larger number of participations (JTIs, CIP, EIT).

3.2.4. Time necessary to sign the Grant Agreement/Form A by the authorised representative – Question 2.9

The number of working days spent on this task is reported as follows:

Coordinators (1106)	Partners (2335)	Mono-beneficiaries (457)
1	1	2

Potential for administrative burden reduction:

- Switching from Grant Agreements to Grant Decisions under Horizon 2020 would save at least one working day per beneficiary. The use of electronic signing instead of paper signature would accelerate the signature process.

3.3. Grant management and project reporting

3.3.1. Time necessary per year for the administrative management of the project (i.e. read guidance, instruct staff on requirements and ensure compliance with e.g. time-recording, archiving, sub-contracting procedures, specific horizontal issues) – Question 3.3

The number of working days spent on these tasks per year is reported as follows:

Coordinators (1106)	Partners (2335)	Mono-beneficiaries (457)
20	10	7

3.3.2. Time to prepare and submit a financial statement – Question 3.5 (including the reading of associated guidance and potential requests from the Commission for refinement/correction/completion

The number of working days spent on this task is reported as follows:

Coordinators (1106)	Partners (2335)	Mono-beneficiaries (457)
10	4	5

Potential for administrative burden reduction:

- As this task appears once per reporting period extending the duration of the reporting periods would decrease the number of times this task has to be fulfilled. A simplification of the cost eligibility rules and a reduction of the number of combinations of funding rates, organisation types and activity types would lead to much simpler financial statements.

3.3.3. Time to provide a certificate on the financial statement – Question 3.7

The number of working days spent on this task is reported as follows:

Coordinators (1106)	Partners (2335)	Mono-beneficiaries (457)
4	3	3

Potential for administrative burden reduction:

- Increasing the FP7 ceiling of EUR 375,000 cumulative amount of payments made to a beneficiary would further reduce the number of certificates to be provided. Simpler cost eligibility rules and the use of flat rate and lump sums for certain cost categories would simplify the provision of certificates.

3.3.4. Need to adapt the usual accounting system

Participants of the survey were asked if they had to adapt their usual accounting practices to comply with the EU funding rules. The replies were as follows:

Coordinators (1106)	Partners (2335)	Mono-beneficiaries (457)
32,7% = Yes	38,6% = Yes	33,3% = Yes
17,9% = don't know	18,7% = don't know	41,4% = Don't know

Potential for administrative burden reduction:

At least one third of FP7 beneficiaries report specific accounting requirements linked to EU funding.

- Broadening the acceptance of the usual accounting practices of the beneficiaries at the level of the Rules for participation and Commission implementation decisions (where deemed necessary) would decrease the administrative burden of the beneficiaries, especially when taking into account the large beneficiaries, involved in numerous projects.

3.3.5. Implementation of a time recording system for the researchers

This FP7 requirement raises a lot of negative feelings among researchers. A dedicated question "Does your entity implement a time recording system for the researchers?" was therefore included in the survey. Figures are reported as follows:

Coordinators (1106)	Partners (2335)	Mono-beneficiaries (457)
<ul style="list-style-type: none">44,4% = Always22,6% = Only for EU projects	<ul style="list-style-type: none">43,2% = Always24,0% = Only for EU projects	<ul style="list-style-type: none">17,5% = Always28,0% = Only for EU projects

Potential for administrative burden reduction:

- A simplified system for time recording with clear minimum conditions fixed in the rules of Horizon 2020, also in order to avoid problems at the level of ex-post auditing.

3.4. Auditing of the project

3.4.1. Burden of ex-post audits – Question 4.1

At the time of the survey, only a minority of FP7 projects had yet undergone an audit. Replies indicate that 1 project out of 6 (16,3%) has been audited. In addition, 11,0% of respondents do not know if their project has been audited. The figures below on administrative effort related to audits can therefore only be indicative; they might not yet be representative of the overall ex-post audit burden in FP7.

3.4.2. Time to interact with auditors – Question 4.2

The number of working days spent on this task is reported as follows (for the 16,3% audited beneficiaries):

Coordinators (17%)	Partners (16%)	Mono-beneficiaries (14%)
4	3	5

3.4.3. Time to gather the necessary information/documentation – Question 4.3

The number of working days spent on this task is reported as follows (for the 16,3% audited beneficiaries):

Coordinators (17%)	Partners (16%)	Mono-beneficiaries (14%)
5	4	5

3.4.4. Time to ensure audit follow-up and implementation of audit results – Question 4.4

The number of working days spent on this task is reported as follows (for the 16,3% audited beneficiaries):

Coordinators (17%)	Partners (16%)	Mono-beneficiaries (14%)
3	2	2

4. Processes and tasks applicable to single beneficiaries in mono-partner projects (Median values in working days – see Annex 1)

4.1. Preparation and submission of the proposal (Questions 1.3, 1.6 & 1.8)

<i>Time to:</i>	All mono-beneficiaries (457)	ERC grants (181)	MC grant (228)	CSA grants (48)
Find & make arrangements with the host institution	3	3	3	-
Develop the scientific-technical content of the proposal	14	15	14	15
Complete and submit proposal via EPSS (Parts A and B)	2	2	2	3

For all single beneficiary grants, respondents indicate similar figures in phase 1 of project life cycle, the longest sub-process being to develop the scientific content of the proposal. When it comes to developing the scientific-technical content and actually submitting the proposal via EPSS, the efforts invested amount globally to 50% of the efforts required from Coordinators of multipartner projects.

4.2. Negotiation of the project and Grant Agreement signature (Question 2.4)

<i>Time to:</i>	All mono-beneficiaries (457)	ERC grants (181)	MC grant (228)	CSA grants (48)
Make arrangements with the host institution	3	3	2	-

Figures appear slightly lower for MC grants.

4.3. Grant management and project reporting (Questions 3.1, 3.6 & 3.12)

<i>Time to:</i>	All mono-beneficiaires (457)	ERC grants (181)	MC grant (228)	CSA grants (48)
Interact with the [ERCEA/REA/Commission] Project Officer	3	3	3	4
Prepare and submit a periodic report (scientific and financial parts), including potential re-requests from the Commission for refinement/correction/completion	5	3	5	10
Prepare and submit the final report	5	6	5	8

Research grants (ERC and MC) require less effort than Support Actions for all these tasks. This may be in relation with the specific activities covered by Support Actions.

5. Processes and tasks applicable to coordinators only

(Median values in working days – see Annex 1)

5.1. Preparation and submission of the proposal (Questions 1.2, 1.6, 1.8 & 1.10)

<i>Time to:</i>	All COO (1106)	CP-Large (119)	CP-Medium (172)	CP-small (336)	Specific SMEs (67)	Combined (46)	NoE (10)	CSA (172)	ERC grants (25)	MC grants (159)
Set up the consortium	10	15	14	10	15	10	10	10	2	10
Develop the scientific-technical content of the proposal	30	40	30	25	20	30	14	20	20	20
Complete and submit proposal via EPSS (Parts A and B)	4	5	4	3	4	6	5	4	1	3
Prepare and participate in a hearing	4	5	4	4	4	4	3	3	3	3

As could be expected, efforts reported depend on the type of funding scheme and the associated complexity. Developing the scientific-technical content of the proposal is the major task in this phase of the project life cycle. It is followed by setting up the consortium.

5.2 Negotiation of the project and Grant Agreement signature (Questions 2.2, 2.3, 2.5, 2.10 & 2.11)

<i>Time to:</i>	All COO (1106)	CP-Large (119)	CP-Medium (172)	CP-small (336)	Specific SMEs (67)	Combined (46)	NoE (10)	CSA (172)	ERC grants (25)	MC grants (159)
Prepare and attend a negotiation meeting	4	5	4	4	5	4	3	4	2	4
Interact with the Consortium partners (including the CA)	10	18	10	10	10	14	10	8	4	10
Adapt the project content (DoW – annex I to GA) to ESR recommendations, including dealing with horizontal issues	7	10	9	6	10	10	7	7	4	5
Finalise the GA signature process	4	5	4	4	5	4	5	5	3	4
Distribute the EU pre-financing	2	3	2	2	2	2	2	2	1	2

As could be expected, efforts reported depend on the type of funding scheme and the associated complexity. The longest sub-process is linked to interaction within the consortium, followed by adaptation of the project content.

5.3. Grant management and project reporting (Questions 3.1, 3.2, 3.6, 3.8, 3.9, 3.10 & 3.12)

<i>Time to:</i>	All COO (1106)	CP-Large (119)	CP-Medium (172)	CP-small (336)	Specific SMEs (67)	Combined (46)	NoE (10)	CSA (172)	ERC grants (25)	MC grants (159)
Interact per year with the Project Officer (excl. periodic reporting)	5	10	5	5	6	5	5	7	3	5
Deal per year with horizontal issues	20	20	19	15	10	20	20	20	7	14
Collect contributions, assemble and submit a periodic report	15	20	15	14	15	15	16	12	5	10
Distribute an interim payment	2	2	2	2	2	1	2	2	1	2
Undergo a technical review at the request of the Commission	8	10	10	7	5	6	5	9	2	5
Prepare amendments to the GA	5	10	10	5	6	5	5	5	2	4
Assemble and submit the final report	15	15	15	15	18	10	16	15	5	10

Again as could be expected, efforts reported depend on the type of funding scheme and the associated complexity. Significant efforts are required for dealing with horizontal issues.

6. Processes and tasks applicable to partners only

(Median values in working days – see Annex 1)

6.1. Preparation and submission of the proposal (Questions 1.4, 1.7 & 1.9)

<i>Time to:</i>	All Partners (2335)	CP- (1564)	Specific SMEs (185)	Com- bined (111)	NoE (67)	CSA (274)	ERC grants (16)	MC grants (118)
Find suitable partners/con- sortium	5	5	5	5	5	5	7	3
Develop own part of scien- tific-technical content of the proposal	10	10	10	10	10	7	14	5
Fill in the ad- ministrative forms via EPSS	1	1	2	1	1	1	3	2

6.2. Negotiation of the project and Grant Agreement signature (Question 2.6)

<i>Time to:</i>	All Partners (2335)	CP- (1564)	Specific SMEs (185)	Com- bined (111)	NoE (67)	CSA (274)	ERC grants (16)	MC grants (118)
Adapt own part of project content (DoW – annex I to GA) to ESR recommenda- tions	4	4	4	5	3	3	3	3

Figures given by responding partners show that they are actively contributing to this task (as compared to coordinators who report 7 working days as median value).

Grant management and project reporting (Questions 3.4 & 3.11)

<i>Time to:</i>	All Partners (2335)	CP- (1564)	Specific SMEs (185)	Com- bined (111)	NoE (67)	CSA (274)	ERC grants (16)	MC grants (118)
Prepare contribution to the scien- tific-technical part of a pe- riodic report	6	6	7	7	8	5	5	3
Prepare contribution to the final report	6	7	5	7	7	6	5	5

Figures given by responding partners show that partners efforts for this phase vary only slightly with the type of funding scheme.

7. Dependence of administrative effort on the type and situation of beneficiaries (Median values in working days – see Annex 2)

Some specific questions were asked to respondent in order to gather information on the possible influence of specific situations or conditions that could impact of the efforts required for participating in EU funded projects. These specific factors were grouped by:

- Type of participating entities:
 - Higher or Secondary Education Establishment (HES)
 - Non-profit Research Organisation (REC)
 - Private for-profit entities (excluding Higher or Secondary Education Establishments) (PRC)
 - Public body (excluding Research Organisations and Secondary or Higher Education Establishments) (PUB)
 - Other (OTH)
- Type of participating countries:
 - "old" Member States (EU15)
 - "new" Member States (EU12)
 - Associated countries (AC)
- SME status
- Experience with participating in EU funded projects:
 - 1st participation in an EU funded project (1st part.)
 - More than one participation but only in FP7 (FP7s part.)
 - Participation in previous FPs (Prev. FPs)

For these different factors, the numbers of responses to the survey are distributed as follows (some categories, e.g. mono-beneficiaries being private entities are not sufficiently represented to support any conclusive statement):

	All	HES	REC	PRC	PUB	OTH	EU-15	EU-12	AC	SME	1st part.	FP7s part.	Prev. FPs.
Monob.	457	302	97	6	43	9	351	25	71	40	253	60	144
COO	1106	398	352	209	95	52	981	31	82	198	206	112	788
Partners	2335	658	578	743	218	138	1751	254	215	749	680	234	1421

7.1. Preparation and submission of the proposal (phase 1 – details in Annex 2)

In the table below, numbers of working days spent on the different processes/tasks identified for phase 1 of the project life cycle have been added in order to have one global figure for this phase, which can then be compared when selecting specific factors as listed above:

	All	HES	REC	PRC	PUB	OTH	EU-15	EU-12	AC	SME	1st part.	FP7s part.	Prev. FPs.
Monob.	24	24	25	21	23	24	23	23	25	21	23	24	23
COO	55	53	54	50	61	51	53	63	57	46	56	44	53
Partners	22	23	22	23	19	20	22	24	22	24	24	23	22

In addition, respectively 15% of mono-beneficiaries, 26% of coordinators and 21% of partners have indicated that processes/tasks that were not listed in the questionnaire have caused significant administrative effort as follows:

	All	HES	REC	PRC	PUB	OTH	EU-15	EU-12	AC	SME	1st part.	FP7s part.	Prev. FPs.
Monob.	4	4	4	2	15	2	4	4	5	2	4	3	4
COO	7	7	5	7	5	10	7	3	10	7	15	7	6
Partners	5	5	4	5	4	4	5	10	5	5	5	4	5

As can be concluded from the tables above, neither the organisation type nor the country of origin nor the level of experience with participation in EU funded projects have a significant influence on the administrative effort for preparing and submitting proposals to FP7. Most marked differences appear for coordinators who participate in more than one FP7 project and from SME who spend respectively 20% and 16% time less than average, and for coordinators from EU12 who spend 15% time more than average.

7.2. Negotiation of the project and Grant Agreement signature (phase 2 – details in Annex 2)

In the table below, numbers of working days spent on the different processes/tasks identified for phase 2 of project life cycle have been added in order to have one global figure for this phase, which can then be compared when selecting specific factors as listed above:

	All	HES	REC	PRC	PUB	OTH	EU-15	EU-12	AC	SME	1st part.	FP7s part.	Prev. FPs.
Monob.	12	12	13	5	11	10	12	11	13	15	12	11	11
COO	38	36	38	43	42	42	38	35	40	38	40	36	38
Partners	12	13	13	12	11	11	11	16	11	12	13	12	11

In addition, respectively 14% of mono-beneficiaries, 19% of coordinators and 11% of partners have indicated that processes/tasks that were not listed in the questionnaire have caused significant administrative effort as follows:

	All	HES	REC	PRC	PUB	OTH	EU-15	EU-12	AC	SME	1st part.	FP7s part.	Prev. FPs.
Monob.	5	6	2	0	20	8	5	5	8	1	8	8	3
COO	10	10	7	6	20	12	10	7	15	8	15	10	10
Partners	5	4	4	9	5	3	5	5	8	7	5	8	5

As can be concluded from the tables above, neither the organisation type nor the country of origin nor the level of experience with participation in EU funded projects have a significant influence on the administrative effort for negotiating grants in FP7.

7.3. Grant management and project reporting (phase 3 – details in Annex 2)

In the table below, numbers of working days spent on the different processes/tasks identified for phase 3 of project life cycle have been added in order to have one global figure for this phase, which can then be compared when selecting specific factors as listed above:

	All	HES	REC	PRC	PUB	OTH	EU-15	EU-12	AC	SME	1st part.	FP7s part.	Prev. FPs.
Monob.	28	31	27	23	37	28	26	38	41	26	26	26	31
COO	104	103	103	93	112	112	104	110	89	89	96	89	105
Partners	29	32	32	26	28	26	28	44	27	27	28	30	31

In addition, respectively 12% of mono-beneficiaries, 17% of coordinators and 13% of partners have indicated that processes/tasks that were not listed in the questionnaire have caused significant administrative effort as follows:

	All	HES	REC	PRC	PUB	OTH	EU-15	EU-12	AC	SME	1st part.	FP7s part.	Prev. FPs.
Monob.	10	15	5	1	5	10	10	5	20	5	20	5	8
COO	10	10	10	10	15	10	10	25	10	10	12	10	10
Partners	8	7	8	10	5	10	8	7	10	8	10	7	8

As can be concluded from the tables above, neither the organisation type nor the country of origin nor the level of experience with participation in EU funded projects have a significant influence on the administrative effort for managing grants in FP7, exception made for partners from EU12 who spend 50% more time than average partners. Other marked differences appear for coordinators who participate in more than one FP7 project, from SME and from associated countries who spend 14% time less than average, and for mono-beneficiaries from associated countries, EU12 and public bodies who spend more than average (46%, 36% and 32% respectively).

7.4. Auditing of the project (phase 4 – details in Annex 2)

Respectively 14% of mono-beneficiaries, 17% of coordinators and 16% of Partners have indicated that their project has been audited. The reported numbers of working days spent on the different processes/tasks identified for phase 4 of project life cycle have been added in order to have one global figure for this phase for the audited project, which can then be compared when selecting selected factors as listed above:

	All	HES	REC	PRC	PUB	OTH	EU-15	EU-12	AC	SME	1st part.	FP7s part.	Prev. FPs.
Monob.	12	13	10	10	13	13	10	7	13	9	10	7	12
COO	12	11	12	13	15	12	12	15	22	14	13	15	11
Partners	9	10	8	10	7	10	9	11	8	8	11	8	9

In addition, respectively 9% of audited mono-beneficiaries, 13% of audited coordinators and 11% of audited partners have indicated that processes/tasks that were not listed in the questionnaire have caused significant administrative effort as follows:

	All	HES	REC	PRC	PUB	OTH	EU-15	EU-12	AC	SME	1st part.	FP7s part.	Prev. FPs.
Monob.	10	10	0	0	0	1	10	0	30	0	10	0	2
COO	4	4	5	2	2	11	4	0	5	5	4	2	5
Partners	5	5	10	5	4	0	5	7	6	5	14	3	5

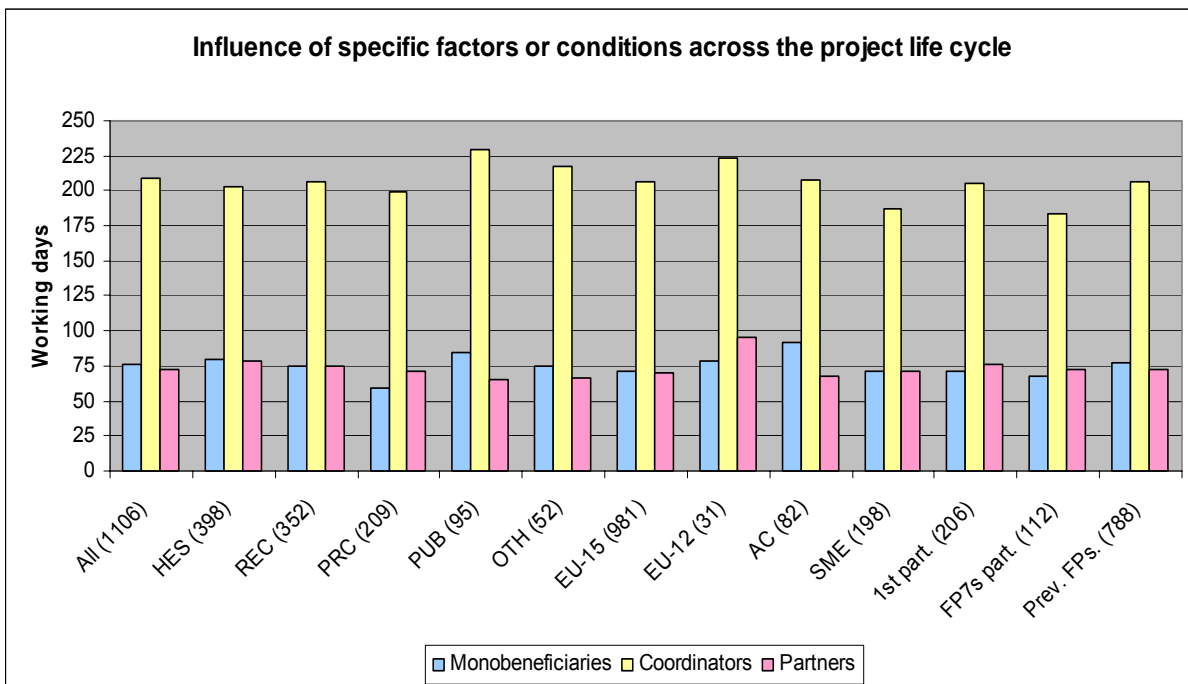
7.5. Total figures (phases 1 to 4 – details in Annex 2)

The influence of organisation type, country of origin and level of experience with EU funded projects on the total required administrative effort (in working days) is summarised in the following graph.

Globally, there is no evidence for marked differences between categories of beneficiaries following these factors. This tends to indicate that beneficiaries of EU funded research are playing on sufficiently similar grounds and/or that the administrative tasks related to participation are rather independent of the local circumstances of beneficiaries. As derogation to this general finding, there seems however to be a positive learning effect for coordinators and mono-beneficiaries participating in more than one FP7 project.

In some more detail, figures show that:

- Coordinators from PUB, OTH and EU12 report a somewhat higher effort than average, while those from SME and the ones participating in more than one FP7 project report lower than average effort.
- Mono-beneficiaries from PRC and with more than one FP7 project report efforts below average while those from PUB and AC score higher.
- Partners from EU12 report somewhat higher than average effort.
- SME beneficiaries report systematically slightly lower effort than average.



8. Simplification options for the future EU research and innovation programme (optional for the respondents)

8.1. Three potential scenarios

Respondents' views were collected on three potential scenarios for Horizon 2020.

8.1.1. Scenario 1: Output-based funding with project-specific lump sums for entire projects

A change from the current system based on reporting and reimbursement of actual costs towards a system of project-specific lump sums for entire projects that are agreed for each project in the negotiation, and payment of the EU financial contribution against the delivery of output/results. This implies no more cost reporting and no more financial auditing but a closer scientific/technical assessment of the projects and their output/ results.

In this scenario, lump sums are global amounts, fixed ex-ante and based on an estimate of expected inputs. They replace the "actual costs" model and reduce the amount of detailed checking before payment, and result in no need for financial audits.

8.1.2. Scenario 2: Extended use of flat rates, lump sums and scales of units

The extended use of flat rates, lump sums and scales of units for selected cost categories (notably for personnel, travel, consumables, etc.), replacing the reporting of actual costs. In this scenario, reporting on generating events (hours worked, days of business trips made, etc.) would still be necessary but the actual costs related to these items would no longer be reported.

Flat rates are standard percentage rate applied to actual costs (i.e. indirect costs calculated on the basis of a percentage of direct costs incurred) or standard scale-of-unit costs (i.e. standard amounts per unit of input (e.g. a "person-day")). Scale-of-unit costs may be unique or applied with a corrective coefficient per country.

8.1.2. Scenario 3: Continuation of current cost reporting approach but with a simplification of the cost eligibility criteria

A continuation of the current approach based on reporting of actual costs (with a limited use of flat rates and lump sums) but with a simplification of the cost eligibility criteria, allowing for a broad acceptance of the usual accounting and management practices of the beneficiaries.

8.2. Global assessment of the three scenarios

	Scenario 1 Lump-sums for entire projects (970 responses)	Scenario 2 More lump-sums and flat-rates (579 responses)	Scenario 3 Simplified actual costs (580 responses)
In favour (best option / less burden)	48%	27%	51%
Best for personnel costs		2%	
Best for indirect costs		1%	
Against (lower than real costs / no simplification / financial risk)	24%	42%	18%
Dubitative (Simplification difficult to evaluate)	24%	27%	28%
No trust (it will not work in practice)	4%	2%	4%

When expressing their views, respondents favour mainly scenarios 1 and 3, sometimes both together (totals by rows may be more – or less – than 100%), and are against scenario 2.

8.3. Respondents comments and suggestions on the proposed scenarios

8.3.1. On scenario 1: Output-based funding with project-specific lump sums for entire projects

- Could inspire fraud (much repeated)
- What about non-performing partners? (repeated)
- More complex and risky for coordinators (repeated)
- Doubts about the quality and independency of the reviewers (repeated)
- Need for a clear definition of outputs
- Use of milestones per partner
- Keep controls on durable equipment
- Pay attention to quality of results
- Could be difficult for the management of the partners
- Milestones should be flexible and revisable
- Concerns about quantification of results
- Too radical change
- Discourages high-risk –high-gain projects
- Maybe useful for private companies, particularly SMEs
- Coupled with simplification of reports
- Poses financial risks for beneficiaries
- May be useful for small grants
- Results in research are uncertain, cannot be guaranteed ex-ante
- More complicated proposal preparation

8.3.2. On scenario 2: Extended use of flat rates, lump sums and scales of units

- Only favourable for low-costing countries (repeated)
- Must go along with eliminating time-sheets (repeated)
- Only worth if adjusted by country (repeated)
- Maybe for travels
- Risk of too low rates - all depends on the level of the rate
- Impact of exchange rates

8.3.3. On scenario 3: Continuation of current cost reporting approach but with a simplification of the cost eligibility criteria

- Fewer cost eligibility criteria requested – acceptance of usual accounting practice
- Fewer certificates
- Fixed and unique rules (continuity)
- Accept non-recoverable VAT as eligible cost
- Ask for less detail during budget negotiation
- Simpler rules for subcontracting

8.4. Detailed assessment by phases (rating of perceived impact)

8.4.1. Scenario 1: Output-based funding with project-specific lump sums for entire projects

For Proposal preparation and submission:			
	Number of requested records	% of total number records (3898)	% of total number records (3032)
No reduction	1311	33,63%	43,24%
Up to 10% reduction	685	17,57%	22,59%
Up to 30% reduction	447	11,47%	14,74%
Up to 50% reduction	146	3,75%	4,82%
More than 50% reduction	137	3,51%	4,52%
Increase instead of reduction	306	7,85%	10,09%
Not responded	-	22,22%	-
For Grant negotiation and signature:			
	Number of requested records	% of total number records (3898)	% of total number records (2993)
No reduction	1232	31,61%	41,16%
Up to 10% reduction	700	17,96%	23,39%
Up to 30% reduction	462	11,85%	15,44%
Up to 50% reduction	168	4,31%	5,61%
More than 50% reduction	115	2,95%	3,84%
Increase instead of reduction	316	8,11%	10,56%
Not responded	-	23,22%	-
For Grant management and reporting:			
	Number of requested records	% of total number records (3898)	% of total number records (2992)
No reduction	387	9,93%	12,93%
Up to 10% reduction	447	11,47%	14,94%
Up to 30% reduction	844	21,65%	28,21%
Up to 50% reduction	604	15,50%	20,19%
More than 50% reduction	539	13,83%	18,01%
Increase instead of reduction	171	4,39%	5,72%
Not responded	-	23,24%	-
For Ex-post auditing:			
	Number of requested records	% of total number records (3898)	% of total number records (2675)
No reduction	538	13,80%	20,11%
Up to 10% reduction	365	9,36%	13,64%
Up to 30% reduction	417	10,70%	15,59%
Up to 50% reduction	416	10,67%	15,55%
More than 50% reduction	748	19,19%	27,96%
Increase instead of reduction	191	4,90%	7,14%
Not responded	-	31,38%	-

8.4.2. Scenario 2: Extended use of flat rates, lump sums and scales of units

For Proposal preparation and submission:			
	Number of requested records	% of total number records (3898)	% of total number records (2810)
No reduction	1410	36,17%	50,18%
Up to 10% reduction	724	18,57%	25,77%
Up to 30% reduction	365	9,36%	12,99%
Up to 50% reduction	95	2,44%	3,38%
More than 50% reduction	61	1,56%	2,17%
Increase instead of reduction	155	3,98%	5,52%
Not responded	-	27,91%	-
For Grant negotiation and signature:			
	Number of requested records	% of total number records (3898)	% of total number records (2765)
No reduction	1364	34,99%	49,33%
Up to 10% reduction	757	19,42%	27,38%
Up to 30% reduction	377	9,67%	13,63%
Up to 50% reduction	89	2,28%	3,22%
More than 50% reduction	52	1,33%	1,88%
Increase instead of reduction	126	3,23%	4,56%
Not responded	-	29,07%	-
For Grant management and reporting:			
	Number of requested records	% of total number records (3898)	% of total number records (2794)
No reduction	568	14,57%	20,33%
Up to 10% reduction	813	20,86%	29,10%
Up to 30% reduction	850	21,81%	30,42%
Up to 50% reduction	282	7,23%	10,09%
More than 50% reduction	126	3,23%	4,51%
Increase instead of reduction	155	3,98%	5,55%
Not responded	-	28,32%	-
For Ex-post auditing:			
	Number of requested records	% of total number records (3898)	% of total number records (2485)
No reduction	728	18,68%	29,30%
Up to 10% reduction	591	15,16%	23,78%
Up to 30% reduction	570	14,62%	22,94%
Up to 50% reduction	258	6,62%	10,38%
More than 50% reduction	192	4,93%	7,73%
Increase instead of reduction	146	3,75%	5,88%
Not responded	-	36,25%	-

8.4.3. Scenario 3: Continuation of current cost reporting approach but with a simplification of the cost eligibility criteria

For Proposal preparation and submission:			
	Number of requested records	% of total number records (3898)	% of total number records (2830)
No reduction	1728	44,33%	61,06%
Up to 10% reduction	685	17,57%	24,20%
Up to 30% reduction	245	6,29%	8,66%
Up to 50% reduction	75	1,92%	2,65%
More than 50% reduction	46	1,18%	1,63%
Increase instead of reduction	51	1,31%	1,80%
Not responded	-	27,40%	-
For Grant negotiation and signature:			
	Number of requested records	% of total number records(3898)	% of total number records (2803)
No reduction	1618	41,51%	57,72%
Up to 10% reduction	743	19,06%	26,51%
Up to 30% reduction	266	6,82%	9,49%
Up to 50% reduction	94	2,41%	3,35%
More than 50% reduction	47	1,21%	1,68%
Increase instead of reduction	35	0,90%	1,25%
Not responded	-	28,09%	-
For Grant management and reporting:			
	Number of requested records	% of total number records(3898)	% of total number records (2813)
No reduction	744	19,09%	26,45%
Up to 10% reduction	1091	27,99%	38,78%
Up to 30% reduction	651	16,70%	23,14%
Up to 50% reduction	186	4,77%	6,61%
More than 50% reduction	96	2,46%	3,41%
Increase instead of reduction	45	1,15%	1,60%
Not responded	-	27,83%	-
For Ex-post auditing:			
	Number of requested records	% of total number records(3898)	% of total number records (2555)
No reduction	892	22,88%	34,91%
Up to 10% reduction	837	21,47%	32,76%
Up to 30% reduction	477	12,24%	18,67%
Up to 50% reduction	180	4,62%	7,05%
More than 50% reduction	116	2,98%	4,54%
Increase instead of reduction	53	1,36%	2,07%
Not responded	-	34,45%	-

8.4.4. Comments – Potential for administrative burden reduction

For all three scenarios, respondents are of the view the potential impact on proposal preparation and submission and on negotiation would be minor ("No reduction" is the majority reply), i.e. respondents do not *a priori* expect any specific impact of the scenarios on the administrative burden up to the signature of the grant.

As concerns phase 3 (Grant management and reporting), respondents estimate that scenario 1 and 2 could offer a 30% reduction of the administrative burden, while scenario 3 could offer less, up to 10%.

Views on ex-post auditing highlight a strong expected impact for scenario 1 (more than 50% reduction) and no reduction for scenarios 2 and 3.

9. Number 1 priority for simplification

Respondents were asked (optionally) to indicate their "number 1 priority for one concrete and feasible simplification measure in the programme succeeding to FP7". 759 suggestions were put forward.

Priorities number 1 (17%) and number 2 (15,5%) concern the grant management phase, calling for the abolition of time-sheets and for simplifying the reporting both for the financial and the scientific-technical side. The system of deliverables, work packages and milestones and the level of detail requested in reporting (including the variations in requirements between different Commission services or staff) were clearly identified as an area for improvement.

Better IT tools and services and better (simpler) guidance documents appear too in the top 10. Suggestions related to proposal submission and evaluation count for only 10% of responses.

Priority order	Type	Suggestion	Number	Percentage
1	Grant management	Simplify time-recording (no time sheets)	130	17,1%
2	Grant management	Simplify reporting (including financial), re-think system of deliverables	118	15,5%
3	General	Use output-based with lump sums for whole projects	87	11,5%
4	IT tools & services, Guidance documents	More integrated, stable and user-friendly PP (including e-signature)	73	9,6%
5	Costs accounting	Extended use of flat rates and lump sums	55	7,2%
6	Costs accounting	Accept usual accounting practice	42	5,5%
7	Costs accounting	More flexibility in reallocation of funds (and work plan)	31	4,1%
8	IT tools & services, Guidance documents	Better help service and training/guidance	30	4,0%
9	Proposal submission and evaluation	More 2-stage submission	29	3,8%
10	Costs accounting	Reimburse non-recoverable (and non-identifiable) VAT	29	3,8%
11	Costs accounting	Fewer combinations ICM, reimbursement rate, activity types	23	3,0%
12	Ex-post audit	Abolish ex-post audit	20	2,6%
13	Proposal submission and evaluation	More possibilities for smaller consortia	15	2,0%
14	Grant management	Consistency of interpretation, central clearing house	13	1,7%
15	Proposal submission and evaluation	Extend ERC practice to all calls	12	1,6%
16	General	Continuity, stability (also for PO responsible for the project)	12	1,6%
17	Proposal submission and evaluation	Impact, EU dimension, socio-economic relevance to be removed from proposal writing	10	1,3%
18	Proposal submission and evaluation	More open calls	7	0,9%
19	Costs accounting	No depreciation on equipment (reimburse full purchase)	5	0,7%
20	General	More transparent process for establishing work programmes and calls	4	0,5%

21	Costs accounting	Reintroduce FP6 AC model	3	0,4%
22	Costs accounting	Align rules between FP, JTIs, CIP...	3	0,4%
23	Grant management	Allow professional coordinators (consultants)	2	0,3%
24	Ex-post audit	Link ex-post audit strategy to scientific performance	2	0,3%
25	Proposal submission and evaluation	Fully remote evaluation	1	0,1%
26	Proposal submission and evaluation	Make briefing for evaluators available to proposers in advance	1	0,1%
27	Grant management	Unique Commission contact with phone n° always accessible	1	0,1%
28	Ex-post audit	Reduce period for ex-post audit from 5 to 1year, in particular for SMEs	1	0,1%
			759	100%

10. Benchmark of FP7 against other national or international research funding programmes

Finally, respondents were asked (optionally) to compare FP7 with other research funding programmes. 468 replies were received. 38 respondents quoted FP7 as the best programme according to their experience.

German programmes are the most reported. This may in part be related to the number of German respondents which is the highest (15%).

Proposed benchmark programmes (simpler programmes)	Simpler financial rules	Lighter procedures	Fewer reporting requirements	Fewer audits	Better evaluation	Better IT tools	In general
German National Programmes (DFG, GACR, ANR, BMBF, BMWI, BMZ, AIF, Von Humboldt foundation, BMU, ZIM)	98	83	80	66	36	22	2
UK National Programmes (EPSRC, BBSCR, AHRC, TSB, NERC, EPSRC, DFID, DEFRA, AICR, MRC, Wellcome Trust)	77	73	71	63	35	30	2
US (DARPA, Cancer Research Fellowships, NSF, NIH, Navy, SBIR)	54	48	43	36	29	19	4
Others (Gates Foundation, Brazil, Canada, Russia, Turkey, EFSD, EMBO, HFPS, HHMI, NATO, NordForsk, Mcdonnell)	27	54	20	18	9	10	
Switzerland National Programmes (SNF, KTI, CTI)	26	22	22	15	11	5	
Sweden National Programmes (FFI, FORMAS)	26	27	26	25	10	12	
Netherlands National Programmes (EOS, NWO, IIS)	24	20	18	16	7	2	
Austrian National Programmes (FWF, FFG, Climate and Energy Found)	17	11	14	9	3	3	
France National Programmes (ANR, FUI)	16	11	11	9	4	2	1
European Space Agency	13	10	10	6	5		
Belgium National Programmes (IWT, FWO, IAP, Belspo, ANR, WIST)	13	10	8	5	3	4	
Norway National Programmes (SKATTEFUNN, NRC)	12	11	9	9	1	4	

Denmark National Programmes (FNU)	11	10	9	5	5	3	
Spain National Programmes (Cenit, Plan Nacional, Excelencia)	6	6	5	2	2	1	
EUREKA	6	6	4	4	2		
COST actions	5	3	5	2	1	1	
Israel National Programmes (ISF)	4	2	2	4	1		
Finland National Programmes (TEKES)	4	3	4	4		2	
CIP	4	5	3	2		1	
Italy National Programmes	3	3	2	2			
Poland National Programmes (MNiSW)	2	2	1	1			
Australian Research Council	2	2	1			2	
Czech National Programmes	1	1					
ERC	4	4	4	2	3		1
Previous FPs							7
FP7							38
"Any other"							17
Totals	455	427	372	305	167	123	

11. Discussion and conclusions

11.1 Validation of the survey results

The survey figures were presented to and discussed with two different groups of experts, the Legal and Financial National Contact Points (workshop on 4 April) and a group of European stakeholders (workshop on 28 April – list of participants in annex 3). Both groups confirmed that the figures collected from the survey appear reasonable and form a good basis for the ex-ante impact assessment for the Rules for participation of Horizon 2020.

It can therefore be concluded that the online survey on administrative costs for managing grants under the FP7 has allowed gathering valuable and reliable information, providing:

- A tool to quantify the administrative efforts of the beneficiaries – 'What is behind' processes and tasks requested or proved necessary throughout the life cycle of EU funded projects is now properly evidenced.
- A tool to test options or to build scenarios for future funding of projects at European level, e.g. calls set-up, project duration, size of projects, frequency of reporting, cost reimbursement rules, etc.
- A tool that may be used to improve also the management of the remaining FP7 activities.

11.2 Main findings

The figures show that the major burden always lies with the coordinator. The difference with other partners is most important for the negotiation & GA signature phase and the project management phase (see annexes 1 and 2).

Type of beneficiaries, country or level of experience with EU funding do not show very marked differences, exception made for coordinators and mono-beneficiaries who participate in more than one FP7 project; they appear to benefit from a certain learning effect, that would be arguing for some continuity and stability in the rules and their implementation.

The largest potential for administrative burden reduction is within the grant management phase, including the "soft" law and rules and the way these are implemented in practice by the services.

11.3 Illustrative examples

11.3.1. Average small-scale collaborative project

Based on the median values for the different tasks, two virtual typical model projects were constructed. A 3-year collaborative project involving 9 partners and receiving € 3.000.000 EU contribution, with 2 reporting periods of 18 months (with only 1 CFS to be provided by each beneficiary), 1 technical review and 1 amendment, would typically imply the following administrative workload, expressed in number of working days, on the part of the beneficiaries:

	Proposal phase	Negotiation phase	Grant management phase	Total project (3 year + 1 year TTG)	
For the coordinator	51	38	185	274	14 person-months
For each partner (n = 8)	23	11	60	94	5 person-months

If figures are given per year (total divided by 3 years project duration + 1 year time-to-grant), the coordinator would typically have to employ 1/3 full-time equivalent over the duration of the project for fulfilling the administrative tasks and the 8 partners together 4/5 full-time equivalent (10 person-months per year), **i.e. the administrative work in the project in total would require slightly more than 1 full-time equivalent.**

In case a beneficiary in this project is audited, 13 or 9 working days are also to be added depending on the role in the project (coordinator or partner).

The figures show that the major burden lies with the coordinator. In an average small-scale collaborative project, the coordinator has to spend 3 times the administrative effort of each individual partner. The difference with regular partners is most important for the negotiation & GA signature phase and the project management phase. The management of the grant is the phase requiring the majority of the administrative effort. For coordinators, about 67% of the overall effort is linked to this phase, while proposal preparation and submission, and grant negotiation ex-post audit mobilise 19% and 14% respectively. If the coordinator is audited, figures become 64% for grant management and reporting, 18% for proposal preparation and submission, 13% for grant negotiation and 5% for ex-post audit.

11.3.2. Average large-scale collaborative project

A 4-year collaborative project involving 20 partners receiving a total € 12.000.000 EU contribution, with 4 reporting periods of 12 months (with 4 CFS for the coordinator and 2 CFS for each partner), 2 technical reviews and 2 amendments, would typically imply the following administrative effort, expressed in number of working days, on the part of the beneficiaries:

	Propo- sal phase	Nego- tiation phase	Grant mana- gement phase	Total project (4 years + 1 year TTG)		Total per year	(Audit stage)
For the coordinator	74	57	390	521	26 person- month	5,20 person- month	(16)
For each partner (n = 19)	23	11	93	127	6 person- month	1,25 person- month	(9)
Total project	509	264	2170	2943	147 person- month	29,5 person- month	(187)

A Coordinator of a large-scale collaborative project typically invests 4 times more administrative effort than a partner. This coordinator also spends more time per year (5,20 person-month) than a coordinator of a small-scale collaborative project (3,50 person-month).

Changing the duration from 4 years to 5 years while keeping similar other settings gives a total effort of 170 person-month for the entire duration of the project (28,4 person-month per year).

In case a beneficiary in this project is audited, 16 or 9 working days are also to be added depending on the role in the project (coordinator or partner).

11.3.3 Grant decisions instead of grant agreements

For the project negotiation and grant agreement signature phase, survey results indicate that using grant decisions instead of grant agreements would save:

- Up to 1 working day per beneficiary
- 4 working days for coordinators

11.3.4. Fewer reporting periods

For the grant management and reporting phase, survey results indicate that one reporting period less would save:

- About 32, 27 and 25 working days at least (without CFS) for coordinators of large-scale, medium-scale and small-scale collaborative projects respectively (i.e. always more than 1 person-month)
- About 10 working days for each partner

11.4. *Potential for administrative burden reduction*

A number of points have been highlighted by the survey and in the discussions during the 2 validation workshops mentioned under point 11.1.

- **Two-stage calls** that prove to save 60% working time on average for failing applicants, are positively perceived although they are not necessarily adequate for all types of actions and there are certain risks that need to be carefully analysed. In particular, two-stage calls should not result in a longer time-to-grant, especially when time is a crucial element in the area of the call (i.e. innovation). The two-stage approach seems appropriate for broad topics and certain areas while the one-stage approach appears better suited for narrow topics or topics that require short time-to-market.
- On the question of **researchers' time recording**, there is a general consensus on the need for a verifiable time-allocation system for justifying the personnel costs charged to the project budget in the context of actual costs grants. Nevertheless, Commission requests should be kept simple and clear. The Commission is also called to be flexible towards the different time-allocation systems at the beneficiaries and accept, for as far as possible, their usual management practices.
- In addition to decisions and rules for Horizon 2020, **internal management processes** such as work programme content and calls set-up or project officers' negotiation and management practices offer significant possibilities for simplification and reduction of the administrative workload of the beneficiaries.
- Clear preferences regarding the 3 potential scenarios (see point 8.1) became apparent in the discussions in the two workshops. In general terms, **scenario three (simplified actual costs) gathers the most positive views, if combined with a harmonised application of the rules and improved communication and assistance to participants**. The other two scenarios are perceived as alternatives for specific projects/partners or if proposed as options alongside scenario 3.

12. Administrative effort in financial terms – Application of the standard cost model

12.1 Secretariat General methodology

The last step of the impact assessment analysis consists of translating administrative efforts into financial estimates.

The methodology provided by the Secretariat General (SecGen) implies using the standard cost model, i.e. assessing administrative costs "on the basis of the average cost of the required administrative activity (Price) multiplied by the total number of activities performed per year (Quantity). The average cost per action will be generally estimated by multiplying a tariff (based on average labour cost per hour including prorated overheads) and the time required per action. [...] The quantity will be calculated as the frequency of required actions multiplied by the number of entities concerned. In case of multiple relevant administrative activities per information obligation these need to be summed up to calculate the administrative cost per information obligation. The core equation of the SCM is as follows:

$$\Sigma P \times Q$$

where P (for Price) = Tariff \times Time and

Q (for Quantity) = Number of businesses \times Frequency)"

(http://ec.europa.eu/governance/impact/commission_guidelines/docs/ia_guidelines_annexes_en.pdf).

The SecGen also provides services with a table on tariffs/gross earnings per hour in 27 Member States (see <http://adminburden.sg.cec.eu.int/calculator.aspx>). This table distinguishes between 9 different staff categories: 1) Legislators, senior officials and managers, 2) Professionals, 3) Technicians and associate professionals, 4) Clerks, 5) Service workers and shop and market sales workers, 6) Craft and related trades workers, 7) Plant and machine operators and assemblers, 8) Manual workers (agricultural and fisheries), 9) Elementary occupations.

Finally, from the same page, either an "Administrative Burden Calculator" or an "EU Standard Cost Model reporting sheet" are made available for calculating administrative costs in the context of Impact Assessments.

12.2. Application of the SecGen methodology to the Research & Innovation funding programmes – Costs for participating in typical average FP7 projects

The standard cost model was developed by SecGen mainly for assessing the burden on citizens, enterprises, etc. caused by legislation, i.e. by legal information obligations that they have to fulfil. The current FP7 and Horizon 2020 are expenditure programmes, i.e. they do not create any legal obligations on citizens and organisations (nobody is obliged to participate). Nonetheless, beneficiaries invest working time when participating in FP7 projects, not only for purely administrative tasks (form filling, financial accounting, etc) but also, as detailed under sections 3-6, for tasks such as developing the scientific-technical content of a proposal, adapting this content during the negotiation phase, managing the consortium or dealing with scientific reporting, ethics, gender, dissemination and stakeholders involvement at project implementation phase. This overall effort for participation corresponds to costs that beneficiaries have to support (some of which are partially reimbursed by the programme). Applying the standard cost model allows to estimate these participation costs.

As projects have duration of multiple years and undergo different stages and settings, the straight application of the standard cost model methodology to an expenditure programme is not possible. The reporting sheet provided by the SecGen (see above) in our case would not provide any

meaningful global financial figures in relation with the range and variety of data gathered on beneficiaries' administrative efforts.

As an alternative, better adapted to the special situation of a complex funding programme, participation costs for a set of typical average projects, corresponding to the five most common actions funded under FP7, were calculated. On the basis of available information (CORDA database), average FP7 projects have been defined as follows:

Project features at the implementation stage	1. Small-scale Collaborative project	2. Large-scale Collaborative project	3. SMEs project	4. Marie Curie Individual Fellowship	5. ERC grant (monobeneficiary)
Duration (years)	3	5	3	2	5
Number of partners in the consortium	9	20	9,3	1	1
Average EU contribution (Mio Euros)	2,4	9,8	1,2	0,2	1,6
Yearly interaction with Project Officer(s) (on top of the periodic reporting)	3	5	3	2	5
Yearly dealing with horizontal issues, including communication, dissemination of results, ethical and gender issues, stakeholders involvement etc.	3	5	3	0	0
Yearly administrative management of the project (i.e. read guidance, instruct staff on requirements and ensure compliance)	3	5	3	2	5
Contribution to the scientific-technical part of a periodic report (Partners)	2	5	2	0	0
Preparation and submission of a financial statement for a periodic report	2	5	2	1	4
Preparation and submission of a periodic report (scientific and financial parts)	2	5	2	0	1
Provision of a certificate on the financial statements	25%	25%	25%	0%	25%
Distribution of an interim payment	2	5	2	0	0
Project technical review at the request of the Commission	1	2	1	0	1
Amendments to Grant Agreement	1	2	1	2	2
Own contribution to the final report (Partners)	1	1	1	0	0
Preparation and submission of the final report	1	1	1	1	1

With this approach, it is also possible to modulate the above settings (e.g. if changing the standard duration of reporting periods, or if modifying the number of certificates on the financial statements by changing the FP7 threshold of € 375.000) and estimate the impact of such changes on the project total participation costs. It is therefore possible to assess potential impact of envisaged options for simplified rules for participation and dissemination for Horizon 2020 on these participation costs

Gross earnings per hour in 27 Member States provided by SecGen (see above) for staff categories "2) Professionals" and "3) Technicians and associate professionals" can be used as weighted averages that reflect the proportion of MS participation in FP7, giving respectively values of € 38,71 and € 26,02 per hour (table below).

Member State	2: Professionals	Share of EU-27 total FP7 participations (up to March 2011 - Source CORDA)	3: Technicians and associate professionals	Share of EU-27 total FP7 participations (up to March 2011 - Source CORDA)
Belgium	35,25	4,68%	27,34	4,68%
Bulgaria	2,24	0,75%	1,94	0,75%
Czech Republic	7,74	1,36%	6,28	1,36%
Denmark	45,40	2,25%	38,41	2,25%
Germany	43,15	15,66%	31,12	15,66%
Estonia	7,83	0,52%	5,83	0,52%
Ireland	45,94	1,52%	32,86	1,52%
Greece	21,00	3,46%	15,15	3,46%
Spain	23,94	8,38%	18,72	8,38%
France	47,02	11,36%	26,79	11,36%
Italy	59,26	10,41%	25,07	10,41%
Cyprus	20,29	0,42%	15,72	0,42%
Latvia	5,81	0,32%	5,36	0,32%
Lithuania	6,06	0,41%	4,23	0,41%
Luxembourg	41,58	0,18%	34,33	0,18%
Hungary	7,78	1,54%	6,12	1,54%
Malta	13,21	0,19%	11,39	0,19%
Netherlands	35,19	6,47%	27,85	6,47%
Austria	38,75	2,89%	29,21	2,89%
Poland	10,37	2,11%	5,78	2,11%
Portugal	19,32	1,88%	13,93	1,88%
Romania	5,97	1,05%	4,30	1,05%
Slovenia	18,75	0,87%	11,97	0,87%
Slovakia	5,19	0,51%	4,34	0,51%
Finland	34,74	2,49%	26,71	2,49%
Sweden	40,47	4,04%	31,29	4,04%
United Kingdom	49,75	14,26%	36,56	14,26%
Average weighted along % of FP7 participation	38,71		26,02	

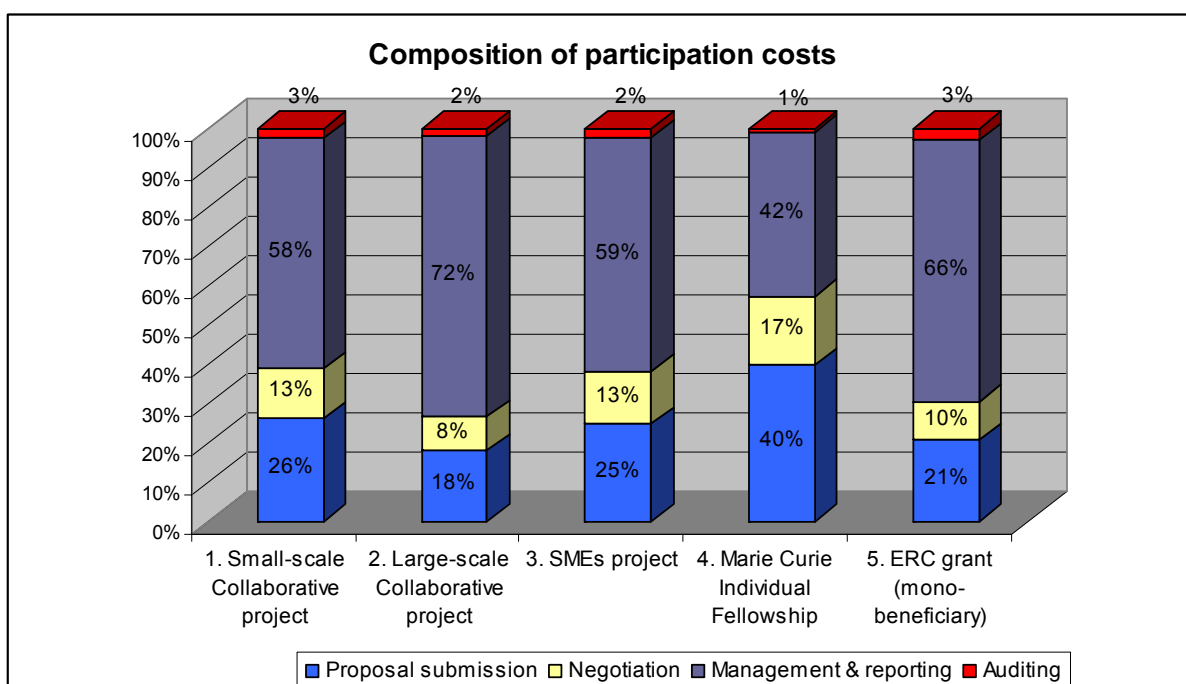
Combining these inputs (Quantity and Tariff) with the working times established through the survey (Time) gives the following estimates of **total participation costs in an FP7 average project**:

	Without audit (stages 1 to 3)	With ex-post audit (stages 1 to 4) ¹
1. Small-scale collaborative project (9 partners)	€ 277.000	€284.000
2. Large-scale collaborative project (20 partners)	€ 884.000	€902.000
3. SMEs project (9 partners)	€ 303.000	€310.000
4. Marie Curie Individual Fellowship (1 partner)	€ 18.000	€18.250
5. ERC grant (mono-beneficiary) (1 partner)	€ 36.000	€37.000

In these figures, it is assumed that the majority of project tasks are fulfilled by staff category "2) Professionals", leaving only a limited number of support tasks to be fulfilled by staff category "3) Technicians and associate professionals", mainly during the grant management and reporting phase.

The **composition of participation costs** show that tasks linked to the grant management and reporting phase represent the main part of the costs, ranging from 42% in MC individual fellowships to 72% in large-scale collaborative projects. This last percentage is to be linked to the project duration that entails more recurrent tasks/processes taking place. Similar situation applies to ERC grants that also last for 5 years on average.

	1. Small-scale CP	2. Large-scale CP	3. SME project	4. MC individual Fellowship	5. ERC grant (mono-beneficiary)
Proposal preparation & submission	75.000	163.000	77.000	7.000	8.000
Project negotiation & grant agreement signature	36.000	76.000	42.000	3.000	4.000
Grant management & reporting	166.000	645.000	184.000	8.000	24.000
Auditing	7.000	18.000	7.000	250	1.000
Total	284.000	902.000	310.000	18.250	37.000



1 Taking into account the current % of audited projects.

12.3 Cost for unsuccessful applicants

Estimating the average effort and the associated costs when preparing and submitting a typical FP7 average proposal is important for considering the costs for unsuccessful applicants. Data appear as follows:

	Person-days	Costs
1. Small-scale collaborative project (9 partners)	280	€ 75.000
2. Large-scale collaborative project (20 partners)	612	€ 163.000
3. SMEs project (9 partners)	294	€ 77.000
4. Marie Curie Individual Fellowship (1 partner)	26	€ 7.000
5. ERC grant (mono-beneficiary) (1 partner)	28	€ 8.000

On the basis of these data, it is possible to estimate that **a FP7 failing applicant will have invested € 8.000 on average** when responding to a single stage call. In case of a two-stage call, costs invested by applicants failing to pass to the second stage are cut by 50% for mono-beneficiaries and by 60% for partners, amounting then to € 4.000 and € 3.200 respectively (taking into account the distribution of effort between first and second stage as reported under point 3.1.3).

Unsuccessful coordinators spend more time than average unsuccessful applicants, with associated costs ranging from € 15.000 for small-scale collaborative projects to € 22.000 for large-scale collaborative projects. These amounts are cut by 70% for coordinators whose proposal do not pass the 1st evaluation stage of two-stage calls (as indicated under point 3.1.3). Application costs are then limited to € 6.600 and € 4.500 respectively.

13. Annex 1 – Global statistics by roles and project phases

See separate excel file.

([Survey report_Annex 1_Roles.xls](#))



Microsoft Office
Excel Worksheet

14. Annex 2 – Global statistics by instruments and project phases

See separate excel file.

([Survey report_Annex 2_Instruments.xls](#))



Microsoft Office
Excel Worksheet

15. Annex 3 – List of participants

WORKSHOP ON IMPACT ASSESSMENT ON COMMON STRATEGY FRAMEWORK, Brussels, 28 April 2011 (CDMA - SDR1)

Nr	Last name/First name	ORGANISATION
1	GHENO Ilenia	AGE PLATFORM EUROPE
2	TRECA, Adrienne	ASD-EUROPE - AeroSpace and Defense Industries Association of Europe
3	WESTRUP, Marten	BUSINESSEUROPE
4	DE MOOR, Anne	DIGITALEUROPE
5	PERRY, Milly	EARMA - European Association of Research Managers and Administrators
6	HULL, Christopher John	EARTO - European Association of Research and Technology Organisations
7	TRUJILLO, Miguel	EBAN - European business angel network
8	JUDKIEVICZ, Daniel Michel	EIRMA - European Industrial Research Management Association
9	WATKINS, Michael	EIROFORUM - European Intergovernmental Scientific Research Organisations
10	LANGER, Michael	EOS - European Organisation for Security
11	TUFFS, Richard	ERRIN - European Regions Research and Innovation Network
12	BORRELL-DAMIAN, Lidia	EUA - Association of European institutions of higher education
13	ESTERMANN, Thomas	EUA - Association of European institutions of higher education
14	GODWIN, Simon Dr	EUCAR - European Council for Automotive R&D
15	LABISCH, Claudia	EUROHORCS - European association of the heads of research funding organisations (RFO) and research performing organisations (RPO)
16	CHATTERJEE, Kumardev	EYIF - European Young Innovators Forum
17	BERGMAN-TAHON, Anne	FEP - Federation of European Publishers
18	KRAAN, Niek	IGLO - Informal Group of RTD Liaison Offices
19	MADSEN, Jakob Just	IGLO - Informal Group of RTD Liaison Offices
20	BROWNE, Michael	LERU - League of European Research Universities
21	LAMBRECHT, Bruno	LERU - League of European Research Universities
22	LLOYD, James	LERU - League of European Research Universities
23	NOTARFONSO, Maurizio	SPES GEIE - 'Spread European Safety' Economic Interest Grouping
24	RABETGE, Doris	UEAPME - European Association of Craft, Small and Medium-sized Enterprises
25	TRAVAINI, Giorgio	UNIFE - The European Railway Industry

16. Annex 4 – Survey content (Questionnaire)

Administrative costs for managing grants under the 7th EU Framework Programme for Research and Technological Development (FP7)

PLEASE READ BEFORE STARTING

This survey is addressed to researchers and administrators participating in FP7 projects. Evidence on the administrative effort in FP7 projects is gathered and will be used to assess potential scenarios for simplifying the next EU research and innovation programme.

You are asked to provide some quantitative information and to add comments and give opinions on potential simplification options.

The survey is anonymous. You are nevertheless asked to provide some basic information that will allow proper analysis of the data collected.

We would be very grateful if you could spend 25-30 minutes of your time.

When responding, please note the following:

- Even if you are/were involved in more than one FP7 project, the questionnaire should be filled in with regard to one specific project, e.g. the one you are the most familiar with. You may also, if you are/were involved in several projects, fill in several forms, one for each project.
- Most of the questions are compulsory. Should you lack the respective information or should you not be concerned with some phase(s), please indicate "don't know" or not applicable ("0 person-day (N/A)").
- In estimating the figures for the survey, please consider the working time actually spent by your organisation for fulfilling administrative requirements (not the overall delays for the completion of the different phases).

By clicking on the "circled i" sign close to questions a box with help text appears.

For any question on this survey please send an e-mail to:

RTD-SURVEY-ADMINBURDEN@ec.europa.eu.

Many thanks for your contribution.

The survey team

0. General information on your organisation and your FP7 project

0.1 Your organisation type is: (compulsory) (at most 1 answer)

- Higher or Secondary Education Establishment
- Non-profit Research Organisation
- Public body (excluding Research Organisations and Secondary or Higher Education Establishments)
- Private for-profit entities (excluding Higher or Secondary Education Establishments)
- Other

0.2 If your organisation type is "Other", please specify: (compulsory)

0.3 Is your organisation a Small or Medium-Sized Enterprise (SME)? (compulsory) (at most 1 answer)

- Yes
- No

0.4 Country of establishment of your organisation: (compulsory) (at most 1 answer)

- | | |
|--|-------------------------------------|
| <input type="radio"/> Albania | <input type="radio"/> Italy |
| <input type="radio"/> Austria | <input type="radio"/> Latvia |
| <input type="radio"/> Belgium | <input type="radio"/> Liechtenstein |
| <input type="radio"/> Bosnia & Herzegovina | <input type="radio"/> Lithuania |
| <input type="radio"/> Bulgaria | <input type="radio"/> Luxembourg |
| <input type="radio"/> Croatia | <input type="radio"/> Malta |
| <input type="radio"/> Cyprus | <input type="radio"/> Montenegro |
| <input type="radio"/> Czech Republic | <input type="radio"/> Netherlands |
| <input type="radio"/> Denmark | <input type="radio"/> Norway |
| <input type="radio"/> Estonia | <input type="radio"/> Poland |

- | | | | |
|-----------------------|--|-----------------------|----------------|
| <input type="radio"/> | Faroe Islands | <input type="radio"/> | Portugal |
| <input type="radio"/> | Finland | <input type="radio"/> | Romania |
| <input type="radio"/> | Former Yugoslav Republic of
Macedonia | <input type="radio"/> | Serbia |
| <input type="radio"/> | France | <input type="radio"/> | Slovakia |
| <input type="radio"/> | Germany | <input type="radio"/> | Slovenia |
| <input type="radio"/> | Greece | <input type="radio"/> | Spain |
| <input type="radio"/> | Hungary | <input type="radio"/> | Sweden |
| <input type="radio"/> | Iceland | <input type="radio"/> | Switzerland |
| <input type="radio"/> | Ireland | <input type="radio"/> | Turkey |
| <input type="radio"/> | Israel | <input type="radio"/> | United Kingdom |
| | | <input type="radio"/> | Other |

0.5 If your organisation is established in an "Other" country, please specify: (compulsory) (between 2 and 25 characters)

0.6 Role of your organisation in the project for which you respond to this survey: (compulsory) (at most 1 answer)

- | | | |
|-----------------------|--|-----------|
| <input type="radio"/> | Single beneficiary in a mono-partner project | [MONO] |
| <input type="radio"/> | Coordinator | [COO] |
| <input type="radio"/> | Partner | [PARTNER] |

0.7 [MONO] Type of project for which you respond to this survey: (compulsory) (at most 1 answer)

- Coordination and support action
- Support for 'frontier' research (ERC grant)
- Support for training and career development of researchers (Marie Curie Action)

0.8 [COO & PARTNER] Type of project for which you respond to this survey: (compulsory) (at most 1 answer)

- Collaborative project
- Networks of Excellence
- Coordination and support action
- Research for the benefit of specific groups (in particular SMEs)
- Combined project (Collaborative project and Coordination and support action)
- Support for 'frontier' research (ERC grant)
- Support for training and career development of researchers (Marie Curie Action)

0.9 [MONO & COO] Maximum EU contribution (in euros) for the project: (compulsory)

0.10 [COO & PARTNER] EU contribution (in euros) budgeted for your organisation in the project for which you respond to this survey: (compulsory)

0.11 [COO] Number of partners in the Consortium of the project for which your respond to this survey: (compulsory)

0.12 Your experience with EU funded research: (compulsory) (at most 1 answer)

- 1st participation in an EU funded project
- More than one participation but only in FP7
- Participation in previous FPs

1. Project Phase 1: Preparation and submission of the proposal
 - 1.1 [ALL] How much working time did your organisation spend studying FP7 documentation for finding a suitable call and topic, and for assessing your eligibility to apply? (compulsory) (at most 1 answer)
 - 1.2 [COO] How much working time did your organisation spend to set up the consortium? (compulsory) (at most 1 answer)
 - 1.3 [MONO] How much working time did you spend to make the arrangements with your host institution? (compulsory) (at mot 1 answer)
 - 1.4 [PARTNER] How much working time did your organisation spend to find suitable partners/consortium? (compulsory) (at most 1 answer)
 - 1.5 [ALL] How much working time did your organisation spend to get registered and validated as a legal entity via the Participant Portal/Unique Registration Facility? (compulsory) (at most 1 answer)
 - 1.6 [MONO & COO] How much working time did your organisation spend for developing the scientific-technical content of your project (part B of your proposal)? (compulsory) (at most 1 answer)
 - 1.7 [PARTNER] How much working time did your organisation spend for developing your part of the scientific-technical content of the project (part B of the proposal)? (compulsory) (at most 1 answer)
 - xx [ALL] Was the call to which you submitted a two-stage call? (compulsory) (at most 1 answer)
 - Yes
 - No
 - Don't know
 - xx [ALL] Which part of the overall working time for preparing the proposal (stage 1 and 2) can be attributed to stage 1 only? (compulsory) (at most 1 answer)
 - about 10%
 - about 20%
 - about 30%
 - about 40%
 - about 50%
 - about 60%
 - about 70%
 - about 80%
 - about 90%
 - about 100%
 - 1.8 [MONO & COO] How much working time did your organisation spend to complete and submit the proposal information in the electronic proposal submission system (completion of part A - Administrative forms and upload of part B - Proposal content)? (compulsory)
 - 1.9 [PARTNER] How much working time did your organisation spend to connect to the online submission system and fill in the administrative forms (part A of the proposal) for your organisation? (compulsory) (at most 1 answer)
 - 1.10 [COO] How much working time did your organisation spend to prepare and participate in a hearing on your proposal during the evaluation phase? (compulsory) (at most 1 answer)

- 1.11 [ALL] Do you identify any other process/task in the phase of proposal preparation and submission that has caused significant administrative effort? (compulsory) (at most 1 answer)
- Yes
- No
- 1.11' Please detail (compulsory if Yes) (maximum 300 characters)
- 1.11" How much working time did your organisation spend to complete this other process/task? (compulsory if Yes) (at most 1 answer)
- xx [ALL] Please provide below any comment that you might have related to the administrative effort for preparing and submitting your FP7 proposal? (optional) (maximum 1000 characters)

2. Project Phase 2: Negotiation of the project and Grant Agreement signature

- 2.1 [ALL] How much working time did your organisation spend to analyse guidance documents (Evaluation Summary Report, Negotiation letter, Negotiation Guidance Notes, FP7 Guide to Financial Issues, model Grant Agreement, etc.)? (compulsory) (at most 1 answer)
- 2.2 [COO] How much working time did your organisation spend to prepare and attend a negotiation meeting with the Commission? (compulsory) (at most 1 answer)
- 2.3 [COO] How much working time did your organisation spend to interact with your Consortium partners, including the development of the consortium Agreement? (compulsory) (at most 1 answer)
- 2.4 [MONO] How much working time did you spend to make the arrangements with your host institution? (compulsory) (at most 1 answer)
- 2.5 [COO] How much working time did your organisation spend to adapt the project content (Description of Work - Annex I to Grant Agreement) to the recommendations in the negotiation mandate, including horizontal issues such as dissemination and exploitation of results, communication, gender or ethical issues? (compulsory) (at most 1 answer)
- 2.6 [PARTNER] How much working time did your organisation spend to adapt your part of the project content (Description of Work - Annex I to Grant Agreement) to the recommendations in the negotiation mandate, including interaction with the Consortium partners? (compulsory) (at most 1 answer)
- 2.7 [ALL] How much working time did your organisation spend to complete the information in the online negotiation tool NEF? (compulsory) (at most 1 answer)
- 2.8 [ALL] How much working time did your organisation spend to provide the information necessary for the Financial Capacity Check? (compulsory) (at most 1 answer)
- 2.9 [ALL] How much working time did your organisation spend to have the Grant Agreement/Form A signed by the authorised representative of your organisation? (compulsory) (at most 1 answer)
- 2.10 [COO] How much working time did your organisation spend to finalise the Grant Agreement signature process (including collection of access forms signature(s) from all other beneficiaries)? (compulsory) (at most 1 answer)

- 2.11 [COO] How much working time did your organisation spend to distribute the EU pre-financing? (compulsory) (at most 1 answer)
- 2.12 [ALL] Do you identify any other process/task in the phase of grant negotiation and signature that has required significant administrative effort? (compulsory)
- Yes
- No
- 2.12' Please detail (compulsory if Yes) (maximum 300 characters)
- 2.12" How much working time did your organisation spend to complete this other process/task? (compulsory if Yes) (at most 1 answer)

xx [ALL] Please provide below any comment that you might have related to the administrative effort for negotiating and signing your Grant Agreement (optional) (maximum 1000 characters)

3. Project Phase 3: Grant management and project reporting

Please limit your replies to management tasks specifically linked to an EU funded project, i.e. excluding those management tasks which arise for any research project, irrespective of its source of funding.

- 3.1 [MONO & COO] How much working time did your organisation typically spend per year to interact with your Commission/REA/ERCEA Project Officer(s) during the implementation of your project (on top of the periodic reporting)? (compulsory) (at most 1 answer)
- 3.2 [COO] How much working time did your organisation typically spend per year to deal with horizontal issues for your FP7 project, including communication (e.g. a dedicated web site), dissemination of results, ethical and gender issues, stakeholders' involvement etc.? (compulsory) (at most 1 answer)
- 3.3 [ALL] How much working time did your organisation typically spend per year for the administrative management the project (i.e. read guidance, instruct staff on requirements and ensure compliance with e.g. time-recording, archiving, sub-contracting procedures)? (compulsory) (at most 1 answer)
- 3.4 [PARTNER] How much working time did your organisation typically spend to prepare your contribution to the scientific-technical part of a periodic report? (compulsory) (at most 1 answer)
- 3.5 [ALL] How much working time did your organisation typically spend to prepare and submit your financial statement for a periodic report, including potential requests from the Commission for refinement/correction/completion? (compulsory) (at most 1 answer)
- 3.6 [MONO & COO] How much working time did your organisation typically spend to collect contributions from partners (if applicable) and assemble and submit a periodic report (scientific and financial parts), including potential requests from the Commission for refinement/correction/completion? (compulsory) (at most 1 answer)
- xx [ALL] Did your organisation have to adapt its usual accounting system for complying with the rules governing EU research grants? (compulsory) (at most 1 answer)
- Yes
- No
- Don't know
- xx [ALL] Does your entity implement a time recording system for the researchers? (compulsory) (at most 1 answer)
- Always

- Only if requested by the customer/funder
 - Only for EU projects
 - Never
 - Don't know
- 3.7 [ALL] How much working time did your organisation typically spend to provide a certificate on the financial statements? (compulsory) (at most 1 answer)
- 3.8 [COO] How much working time did your organisation typically spend to distribute an interim payment? (compulsory) (at most 1 answer)
- 3.9 [COO] How much working time did your organisation typically spend to undergo a project technical review at the request of the Commission? (compulsory) (at most 1 answer)
- 3.10 [COO] How much working time did your organisation spend to prepare amendments to your Grant Agreement? (compulsory) (at most 1 answer)
- 3.11 [PARTNER] How much working time did your organisation spend to prepare your contribution to the final report? (compulsory) (at most 1 answer)
- 3.12 [MONO & COO] How much working time did your organisation spend to assemble and submit the final report? (compulsory) (at most 1 answer)
- 3.13 [ALL] Do you identify any other process/task in the phase of grant management and reporting that has required significant administrative effort for your organisation? (compulsory) (at most 1 answer)
- YES
 - NO
- 3.13' Please detail (compulsory if Yes) (maximum 300 characters)
- 3.13" How much working time did your organisation spend to complete this other process/task? (compulsory if Yes) (at most 1 answer)
- xx [ALL] Please provide below any comment that you might have related to the administrative effort for managing your FP7 grant and fulfilling project reporting requirements (optional) (maximum 1000 characters)

4 Project Phase 4: Auditing of the project

This section addresses only audited projects or audited participations in FP7 projects.

- xx Has your project been audited? (compulsory) (at most 1 answer)
- Yes
 - No
 - Don't know
- 4.1 How much working time did your organisation spend to interact with auditors? (optional if Yes to 5.1) (at most 1 answer)
- 4.2 How much working time did your organisation spend to gather the necessary information/documentation? (compulsory if Yes to 5.1) (at most 1 answer)

- 4.3 How much working time did your organisation spend to ensure audit follow-up and implementation of audit results? (compulsory if Yes to 5.1) (at most 1 answer)
- 4.4 Do you identify any other process/task in the phase of auditing that has required significant administrative effort? (compulsory if Yes to 5.1) (at most 1 answer)
- Yes
- No
- 4.4' Please detail (compulsory if Yes to 5.5) (maximum 300 characters)
- 4.4'' How much working time did your organisation spend to complete this? (compulsory if Yes to 5.5) (at most 1 answer)

xx Please provide below any comment that you might have related to the administrative effort related to audits on your FP7 grant (optional) (maximum 1000 characters)

6. Simplification options for the future EU research and innovation programme

6.1 Scenario 1: Project-specific lump sums for entire projects

A change from the current system based on reporting and reimbursement of actual costs towards a system of project-specific lump sums for entire projects that are agreed for each project in the negotiation, and payment of the EU financial contribution against the delivery of output/results. This implies no more cost reporting and no more financial auditing but a closer scientific/technical assessment of the projects and their output/results.

In this scenario, lump sums are global amounts, fixed ex-ante and based on an estimate of expected inputs. They replace the "actual costs" model and reduce the amount of detailed checking before payment, and result in no need for financial audits.

	No reduction	Up to 10% reduction	Up to 30% reduction	Up to 50% reduction	More than 50% reduction	Increase instead of reduction
Proposal preparation and submission:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Grant negotiation and signature:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Grant management and reporting:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ex-post auditing:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please give your appreciation on scenario 1 (optional) (maximum 1000 characters)

6.2 Scenario 2: Extended use of flat rates, lump sums and scales of units

The extended use of flat rates, lump sums and scales of units for selected cost categories (notably for personnel, travel, consumables, etc.), replacing the reporting of actual costs. In this scenario, reporting on generating events (hours worked, days of business trips made, etc.) would still be necessary but the actual costs related to these items would no longer be reported.

Flat rates are standard percentage rate applied to actual costs (i.e. indirect costs calculated on the basis of a percentage of direct costs incurred) or standard scale-of-unit costs (i.e. standard amounts per unit of input (e.g. a "person-day")). Scale-of-unit costs may be unique or applied with a corrective coefficient per country.

	No reduction	Up to 10% reduction	Up to 30% reduction	Up to 50% reduction	More than 50% reduction	Increase instead of reduction
Proposal preparation and submission:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Grant negotiation and signature:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Grant management and reporting:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ex-post auditing:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please give your appreciation on scenario 2 (optional) (maximum 1000 characters)

6.3 Scenario 3: Continuation of current cost reporting approach but with a simplification of the cost eligibility criteria

A continuation of the current approach based on reporting of actual costs (with a limited use of flat rates and lump sums) but with a simplification of the cost eligibility criteria, allowing for a broad acceptance of the usual accounting and management practices of the beneficiaries.

	No reduction	Up to 10% reduction	Up to 30% reduction	Up to 50% reduction	More than 50% reduction	Increase instead of reduction
Proposal preparation and submission:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Grant negotiation and signature:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Grant management and reporting:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ex-post auditing:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please give your appreciation on scenario 3 (optional) (maximum 1000 characters)

- 6.4 If you consider another research funding programme to be more simple and efficient than FP7, please indicate the name of this programme and if possible the funding organisation (optional) (maximum 300 characters)
- 6.5 When compared with FP7, that programme has (tick all options that apply): (optional) (at most 6 answers)
- Simpler financial rules
 - Better IT tools
 - Lighter and quicker procedures (to submit proposals and to negotiate and implement projects)
 - Fewer reporting requirements
 - Fewer audits
 - Better evaluation system leading to granting better projects
- 6.6 What would be your number 1 priority for one concrete and feasible simplification measure in the programme succeeding to FP7? (optional) (maximum 500 characters)

(You may also refer to the content of the Communication on simplification - see Background documents section)

7. Potential follow-up to this survey

Thank you very much for completing the questionnaire.

You can choose to stay anonymous but we would be very grateful if we could recontact you in a second phase of the survey.

If you agree to this, please provide below an e-mail address: (optional) (between 4 and 100 characters)

Useful links

Legal and guidance documents for the 7th Framework Programme:

http://cordis.europa.eu/fp7/find-doc_en.html

Participant Portal:

<http://ec.europa.eu/research/participants/portal/appmanager/participants/portal>

Research and FP7 on EUROPA:

http://ec.europa.eu/research/fp7/index_en.cfm

EU Financial Regulation:

http://europa.eu/legislation_summaries/budget/l34015_en.htm

Privacy statement for this consultation:

<http://ec.europa.eu/research/pdf/privacy/a3-admincosts-privacy-statement.pdf>

Background documents

Communication on Simplification (April 2010):

http://ec.europa.eu/research/fp7/pdf/communication_on_simplification_2010_en.pdf



European Commission

Directorate-General Research
and Innovation

Assessing the Effectiveness of
Simplification Measures under
FP7

Final Report

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1. EXECUTIVE SUMMARY

1.1. Objectives of the study

Since the Seventh Framework Programme (FP7) was launched, the Commission has been working on simplifying its administrative and financial rules, in order to make participation in the Framework Programme easier. 15 simplification measures were initially designed and implemented in this context, and to underline the importance which it attributes to the issue, the Commission has continued to review and act on simplification initiatives on an ongoing basis. The recent interim evaluation¹ of FP7 also drew significant attention to the simplification imperative.

FP7 nevertheless still has the reputation of being complex, with the risks that:

- researchers participating in FP7 projects spend too much time, and budget on administering these projects, while this time and money could have been better spent on research activities; and
- some might even be discouraged from taking part in the Programme because of the complexity and administrative burden linked to participation in FP7. The Interim Evaluation Expert Group finds that “‘complication’ continues to deter (and exasperate) researchers and, especially, can be a daunting obstacle to effective industry participation”².

This study assessed the effectiveness of the simplification measures undertaken in FP7 and developed recommendations for both the current and future European research programmes.

1 Interim Evaluation of the Seventh Framework Programme, Report of the Expert Group, Final Report 12 November 2010 (http://ec.europa.eu/research/evaluations/pdf/archive/other_reports_studies_and_documents/fp7_interim_evaluation_expert_group_report.pdf)

2 *Ibid.*

1.2. Methodology

The study's analysis was based on qualitative information from:

- desk research, including the contributions received by the Commission in the public consultation on simplification in FP7³;
- interviews with 90 FP7 participants; and
- interviews with representatives from three large research-funding organisations⁴.

The initial findings were discussed both in a workshop with Commission project officers, and in a round table meeting with FP7 stakeholders involved in the simplification debate.

The study also collected quantitative data from FP7 participants, in particular related to the time spent by coordinators and work package leaders in handling the key administrative steps in the FP7 life cycle (namely, application/selection, negotiation, project management and ex-post audits).

The Commission carried out parallel data collection on time spent administering FP7 projects through an online consultation⁵. This additional data will complement the study, benefiting from a much larger sample of participants.

1.3. Main findings and recommendations

While stakeholders understand that a programme such as FP7 is complex *per se*, and that the measures introduced to date are not a panacea, they still see significant room for improvement. Simplification remains a key challenge in their minds.

3 Ideas for simplifying the implementation of the EU Framework Programmes, in preparation of the 2010 Communication on simplification, 2009, Summary of outcomes.

4 National Science Foundation (USA), German Deutsche Forschungsgemeinschaft (DFG Germany), and the French National Research Agency (ANR France).

5 Survey on administrative costs for participants in the 7th EU Framework Programme for Research and Technological Development (FP7).

Of the 15 simplification measures introduced since FP7 was proposed in 2005, eight affect the project life cycle transversally, while seven affect one specific project life cycle step (either application/selection, negotiation, audit or project management).

Of these 15 measures, the most successful have been, according to participants and stakeholders:

- the introduction of a unique registration facility (URF);
- a major reduction in the number of certificates related to financial statements that must be provided with periodic claims;
- a considerable reduction in ex-ante controls and revised protective measures for financially weaker participants; and
- the extension of lump sum financing for subsistence and accommodation costs.

These measures should naturally be kept in place, and strengthened in the future where appropriate.

However, other measures (that were considered as potentially important by stakeholders) are not perceived as having been successfully implemented:

- the introduction of the possibility of ex-ante certification of the accounting methodology for recurring participants (very few certifications were delivered);
- a clearer definition of eligible costs, and improvements to the services and guidance documents for applicants (the definition of eligible costs remains unclear, and the many documents available remain difficult for newcomers to understand);
- a simpler cost reporting system (reporting remains complex); and
- a simplified support rate per type of activity (participants may face several support rates depending on the type of funding scheme that applies to them).

Given the potential impact of these measures if implemented effectively, the Commission should continue to focus on improvements in these areas.

Following the study results, the most time-consuming project life cycle step for participants is project management, followed by application/selection, negotiation and audit in terms of administrative obligations (the time spent on scientific tasks is not included). Project coordinators spend almost as much time writing the application as they do managing the project⁶. Simplification efforts will obviously have most effect if they are targeted on these most time-consuming steps.

6 The data collection conducted by the Commission on time spent when participating in FP7 projects via the online consultation mentioned here above shows different results as compared to the findings of this study, due to methodological differences between both surveys. This study only covers projects of the Cooperation Programme (no mono beneficiary projects such as Marie Curie, Coordination and Support Action, etc.). The scope of the Commission's online consultation was much broader in this respect. Furthermore, this study only collects data on time spent for administrative obligations and does not include the time spent on scientific tasks

It is not surprising that participants with prior experience of the Framework Programme are at an advantage compared to newcomers, even beyond the “normal” learning curve effect. They have experience in the administrative processes and can therefore spend less time on them.

However, if the complexity of the Framework Programme is not significantly reduced, high-potential research projects from less- or non-experienced researchers or from smaller organisations (such as SMEs) may be “missed” by the Programme and its successors.

In addition to these findings, the study identified the following simplification areas that merit serious attention by the Commission:

- remove differences of approach between Commission DGs and Directorates involved in FP7 (e.g. interpretation of rules, communication, training of Commission staff, etc...). A dedicated change management strategy in this respect and a coherent and holistic Business Process Management approach should be put in place to assure future consistency in approach between Directorates;
- simplify the ‘rules for participation’ by rationalising and reducing the number of funding schemes and cost models, remove the obligation to open a specific bank account for the project and implement the additional simplification measures listed by the Council on 12 October 2010⁷;
- assess the feasibility of different options proposed for a “trust-based approach” to achieve a better balance between science and administration;
- offer the option of a direct contractual relationship only with the major partners in the consortium (instead of collaborative agreements). Small organisations and/or newcomers would be attracted by lighter administrative procedures, whereby they would have the status of subcontractors in a project and avoid more complex contractual procedures. The financial threshold above which audits become mandatory (EUR 375 000) could be an appropriate level of grant income below which participants could be subcontractors;
- align the administrative processes of FP7 with typical internal business processes of the beneficiaries. Ideally the Commissions internal business processes should be reengineered in such a manner that they establish a ‘natural’ link with the day-to-day business of participants, thus avoiding double work, irritation and additional administrative burden;
- publish “deadline-free” calls (calls that are continuously open and regularly assessed by an evaluation committee) in order to allow more flexibility for researchers;
- ensure the right balance between simplification and stability of the rules. If further simplification measures are selected, they should be tested against their stability over the next funding programmes. Ever-changing rules are often a cause of additional

(also for the preparation of the proposal), which is another clear difference as compared to the Commission’s consultation. For further details, please see Section 2.2.1. and Annex 3.

administrative burden and irritation rather than a lever for removing the negative effects of red tape;

- ensure audit traceability throughout the project life cycle, so that certain project decisions can be explained and errors can be avoided in the future. Much discussion and confusion about project decisions could be avoided if any change or decision is well-documented throughout the project;
- ensure flexibility in the implementation of rules, taking into account country-specific financial rules;
- use communication as a powerful simplification tool. FP programmes should be supported by a user-friendly research participants' portal incorporating clear guidelines. In addition, all communication (e-mails, letters, phone calls, RTD magazines and publications, etc.) should be consistent and the terminology used should be harmonised.

Naturally, the Commission should be guided by continuous monitoring of the effects of simplification measures implemented to date. Useful indicators such as:

- time to grant;
- time to pay;
- time to reply;
- time to find the right information (calls, guidance documents, specific rules applying to these documents); and
- time spent by EC officers (project/legal/financial) as well as coordinators and project partners in managing each step of the project life-cycle

should be used to measure the impact of simplification measures already introduced – and to assess the likely effect of further steps. In order to achieve this, an integrated approach to internal performance management, linking clear performance indicators to the Commission's business processes, could be put in place.

The Commission introduced three further measures in January 2011⁸, (averaging of personnel costs, flat rate financing of SMEs and natural persons, and the creation of an internal "Research Clearing Committee). These are evidence of the Commission's continued willingness to improve the processes. While the first two are likely to affect only a limited number of participants and the potential impact of the third step remains unclear, they are welcomed by the research world as evidence of continuing attention to the remaining issues.

One task for which the new Research Clearing Committee could become responsible is tackling discrepancies of approach within the Commission and for continuously monitoring

7 Council Conclusions on raising the attractiveness of EU Research and Innovation programmes: the challenge of simplification, 14980/10 of 12 October 2010 (<http://register.consilium.europa.eu/pdf/en/10/st14/st14980.en10.pdf>)

8 C(2011)174 Final Commission Decision of 24 January 2011 "on three measures for simplifying the implementation of Decision No 1982/2006/EC of the European Parliament and of the Council and Council Decision No 970/2006/Euratom and amending Decisions C(2007) 1509 and C(2007) 1625".

the achievement of simplification objectives. A successful initiative in centralisation of standardised and consistent communication, training of EC staff, the participants' portal, and consistency of interpretation of rules would improve the quality of the interactions with applicants and participants.

2. FINDINGS

This chapter presents our findings.

2.1. Achievements of simplification measures

This section focuses on the effectiveness of simplification measures implemented under FP7 so far. It provides:

- an overview of simplification under FP7 so far:
 - simplification objectives in FP7 (based on issues raised about FP6);
 - simplification measures implemented so far;
- a description of the FP7 project life cycle and an assessment of the effects of the simplification measures taken to date correlated with the project life cycle.

This findings section links the simplification measures already in place to the different steps in the life cycle, thus making it apparent where these were affected by simplification measures.

2.1.1. Assessment of the simplification measures under FP7

The generic project life cycle of FP7 depicted in Annex 4 (Figure 6) has been broken down into further detail below to reflect the different project steps undertaken by the Commission services as well as by the FP7 applicants and beneficiaries. These steps have been correlated with four phases in the project life cycle:

- Application (beneficiaries)/selection of proposals (Commission);
- Negotiation of contracts;
- Project management;
- Ex-post audits.

The table below provides an overview of simplification measures introduced when FP7 was launched and their implementation status at the time of the 2010 Communication on Simplification. The list does not include measures that have been announced after the data collection⁹, nor the simplification measures that are not labelled as such nor perceived as such by participants, even though they may facilitate their activities (e.g. simplified procedure for amendments, letter of information, no more compulsory annual update of the 18 months implementation plan for large instruments, etc...).

The table links the simplification measures to the issues they are targeting, the simplification objectives, the status of their implementation and our summary findings on the way (positively, negatively or neutrally) they affect the project life cycle.

It also links the simplification measures to the project life cycle phase on which they are having an impact. It shows clearly that, although some measures have an impact on specific aspects of FP7, most have an impact across the board, i.e. throughout the life cycle.

Simplification measures affected both the Commission and applicants and participants, although the stated objective of the simplification measures was to facilitate the activities carried out by applicants and participants.

Findings and conclusions for each specific measure are summarised in the last column of the table below.

⁹ Measures adopted and announced in January 2011 will be addressed in Section 2.4.

Table 1: Overview of implementation measures introduced when FP7 was launched

Simplification measures	Simplification objectives ¹¹	Project life cycle phase	State of issues at the end of FP6	Implementation status	Findings and conclusions
Continuity of FP6 instruments while providing more flexibility of use	1- Simple set of funding schemes (continuity with the instruments of FP6 and flexibility of use)	Transversal	Multiple instruments for participation	New set of funding schemes in 2007, but not perceived as simpler	Neutral impact. The large number of instruments is still puzzling for participants
Improvements to the services and guidance documents for applicants	2- Consistent, high quality communication	Transversal	Multiple sources of information	Implemented in 2007: Reduced number of documents, these are valid across all DGs, but still issues in terms of clarity and organisation. Work programmes are adopted at the same time of the year	Neutral impact. Documents are still numerous, while understanding them is difficult for newcomers
Introduction of two-stage procedures	3-Rationalisation of the requests for information addressed to participants	Application/selection	Participation complex for newcomers and small players	Extended in 2007	Neutral impact. The two-stage procedure could be further extended
Introduction of a unique registration facility (URF)	3-Rationalisation of the requests for information addressed to participants	Application/selection	Participants required to submit the same information several times	URF created in 2007 integrated in the Participant Portal in 2008 with difficulties at the beginning	High (positive) impact initiative

¹¹ Based on CSWD “simplification in the 7th framework programme” SEC 2005 431; <http://cordis.europa.eu/documents/documentlibrary/72661501EN6.pdf>.

Simplification measures	Simplification objectives ¹¹	Project life cycle phase	State of issues at the end of FP6	Implementation status	Findings and conclusions
Progress towards optimised IT tools ("e-FP7" the Participant Portal)	3-Rationalisation of the requests for information addressed to participants	Transversal	Participants required to submit the same information several times	e-FP7 took major steps in 2008 -2009 but is not completed yet	Neutral impact. e-FP7 is a major source of frustration because of continuous changes
Streamlining of the project reporting requirements	3-Rationalisation of the requests for information addressed to participants	Project management	Multiple reporting requirements leading to errors in reports	In 2007 the period between reports was extended from 12 to 18 months with reduced data requirements No need for amendments for simple changes to the grant agreement and contract that the coordinator can validate	Neutral impact. Only partially achieved, due to the issues remaining in the IT tools supporting the process
Considerable reduction in ex-ante controls and revised protective measures for financially weak participants (SMEs and high-tech start-ups)	4-Guaranteeing the protection of the Community's financial interest without imposing an undue burden on participants by reducing a-priori controls to a bare minimum	Negotiation	Participation is complex for newcomers and small players	80% of FP7 participants (those asking less than EUR 500 000) are exempt from ex-ante financial capacity check ¹² since 2007	Positive impact. Participation is still too complex for newcomers and small players

¹² Source: 2010 Communication on Simplification

Simplification measures	Simplification objectives ¹¹	Project life cycle phase	State of issues at the end of FP6	Implementation status	Findings and conclusions
Major reduction in the number of certificates on financial statements to be provided with periodic cost claims (below EUR 375 000)	5-Full operational autonomy entrusted to consortia	Project management	Multiple requirements for submission and reporting	75% of FP7 participants are exempt from providing certificates ¹³ since 2007.	High (positive) impact initiative
Introduction of the possibility of ex-ante certification of the accounting methodology for recurring participants	5-Full operational autonomy entrusted to consortia	Transversal	Financial reporting is complex	Ex-ante certification for calculating personnel cost and for calculating indirect costs not implemented	Negative impact. Very limited number of organisations certified
No need to obtain validation by the Programme Committee of those selected	6-Streamlining the selection process	Application/selection	Multiple internal and external controls on expenditure of Community funds	Not implemented	Negative impact. Control is a difficult area in which to make progress
Revision of the Financial Regulation (to ensure broader flexibility of use of the budget dedicated to research policy)	7-More effective use of the budget dedicated to the research policy	Transversal	No synergies between funding programmes supporting research activities	Revision of the Financial Regulation under discussion	Neutral impact.
Extension of lump sum financing for subsistence and accommodation costs	8-Use of flat-rate financing within a simplified framework of forms	Transversal	Financial reporting is complex	Lump sums partially implemented in 2010	Positive impact. Financial rules are still complex, in particular the cost models

¹³ Source: 2010 Communication on Simplification

Simplification measures	Simplification objectives ¹¹	Project life cycle phase	State of issues at the end of FP6	Implementation status	Findings and conclusions
Simple cost reporting	9-Removing the need for complex cost reporting models and clarifying definition of eligible costs	Project management	Financial reporting is complex	Partially implemented in 2007	Neutral impact. Remains complex
Clearer definition of eligible costs	9-Removing the need for complex cost reporting models and clarifying definition of eligible costs	Transversal	Complex financial rules leading to errors in reports	Partially implemented in 2007	Neutral impact. Remains unclear for many participants
Simplified support rates per type of activity	10- Simplified support rates per type of activity	Transversal	Complex financial leading to errors in reports	Partially implemented in 2007	Neutral impact. Remains complex

Source: Deloitte 2011, based on SEC 431 (2005); first, second and third Monitoring Reports, (2009, 2009, and 2010); First two years subscription performance (2009); SEC 589 (2009); and COM 187 (2010)

2.1.2. *Conclusions*

The findings and conclusions in relation to achievements of simplification measures introduced under FP7 are:

- When FP7 was launched, the Commission announced ten simplification objectives with a series of measures linked to these objectives;
- The objective of FP7 simplification covered measures affecting the entire project life cycle:
 - Measures affecting only one step of the project life cycle, with the exception of the ex-post audits step, which is not specifically targeted by any measure;
 - Transversal measures affecting more than one project life cycle step.
- Some measures affected the project life cycle steps to a greater extent than others, such as:
 - the Unique Registration Facility;
 - the introduction of a minimum EUR 375 000 threshold for the requirement for an audit certificate, and
 - the guarantee fund which exempts participants from ex ante financial viability control below EUR 500 000.
- Some measures have not affected the project life cycle as planned, such as:
 - Introduction of the possibility of ex-ante certification of the accounting methodology for recurring participants
 - No need to obtain validation by the Programme Committee of those selected¹⁴
- The other measures are still under implementation and therefore have not (yet) affected the project life cycle. These measures are, e.g.:
 - Improvements to the services and guidance documents for applicants;
 - Progress towards optimised IT tools ("e-FP7" the Participant Portal).
- An essential attention point here for the Commission is clear and organised communication of the implemented simplification measures, as this would increase the positive perception of these measures by stakeholders.

While overall, FP7 simplification measures have been partially successful, measures have not been perceived as helpful to increase participation of less represented target groups such as SMEs, newcomers and small players in general. As a consequence, FP7 is still perceived as a 'closed shop' for experienced participants.

This means that there is still substantial room for improvement to achieve the simplification objectives set when FP7 was launched. The Commission has been moving in the right direction, in particular with the further simplification measures announced in January 2011.

¹⁴ The measure 'No need to obtain validation by the Programme Committee' was not retained for FP7, hence there was no impact.

These measures, as well as further feasible ‘quick wins’ simplification opportunities with high (positive) impact on beneficiaries, will be discussed in the following sections.

2.2. Measuring relative time spent, effects and impacts of simplification measures introduced under FP7

This section provides:

- an overview of the relative time spent on administrative task within FP7 projects for both participants and EC;
- an analysis of the effects and impacts of simplification measures and an overview of data currently available to measure the effects and impacts of simplification measures;
- a presentation of measurement tools and techniques assessing to what extent they can be used in the context of FP7 (feasibility).

2.2.1. Relative time spent on administrative tasks within FP7

This section focuses on providing an overview of the application and management costs of FP7 projects for both participants and the European Commission. The interviews provide baseline quantitative data on the time spent on administrative tasks within the FP7 project life cycle for participants (applicants and participants) and qualitative data on participants' assessment of the simplification measures within FP7.

The Commission carried out parallel data collection on time spent when participating in FP7 projects through an online consultation¹⁵.

The data collected via this online consultation show different results as compared to the findings of this study, as reported here below.

This is due to methodological differences. This study only covers projects of the Cooperation Programme (no mono beneficiary projects such as Marie Curie, Coordination and Support Action, etc.). The scope of the Commission's online consultation was much broader in this respect. Furthermore, this study only collects data on time spent for administrative obligations and does not include the time spent on scientific tasks, which is another clear difference as compared to the Commission's consultation. For further details, please see Annex 3.

¹⁵ Survey on administrative costs for participants in the 7th EU Framework Programme for Research and Technological Development (FP7).

As the long time frame of the FP7 project phases is not readily aligned with the detailed measurement approach of SCM (project phases can last for months; project activities are rarely detailed, and are mostly large), the study team applied an adapted version of the Standard Cost Model in order to fit the project's needs and to ensure that measurement data could be captured.

The team collected overall time data related to specific case studies, rather than conducting a full-fledged SCM measurement. Interviews with beneficiaries were related either to the entire project life cycle, part of the project life cycle, and/or specific topics such as FP7 administrative simplification measures. The key data collection unit was time (person-hours).

Even by applying this adapted approach, it turned out to be difficult for interviewees to give an accurate estimate of time spent, as it is difficult for anyone to give an accurate estimate of time spent on:

- Activities that happened a long time ago;
- Activities that ran over months/years;
- Activities that involved time spent by a large number of people/organisations.

The figures collected should, therefore, be seen as indicative of the relative cost of the different steps in the project life cycle.

The following table provides the cost in terms of hours for the four steps of the project lifecycle. Data are presented separately for coordinators (23 interviews) and work package leaders (26 interviews).

Table 2: Average time spent by participants in hours, 2011

Project life cycle steps	Average time spent by coordinators per project phase	Average time spent by work package leaders
Application/ selection of proposal	365	80
Negotiation of contracts	197	42
Project management (whole project duration up to the date of interview)	392	255
Ex-post audits	103	57
Total	1057	434

Source: Deloitte 2011

The following should be taken into account when analysing these figures:

- These figures were reported by a limited and not statistically representative number of FP7 project participants;
- The target groups (coordinator versus work-package leader) were very heterogeneous due to the nature of the consortium in different fields of science, of different consortium size, with previous FP experience (or not), organisation size and sector of activity (private versus public), the degree of centralisation of the organisation for EU projects, and the role played by the project coordinator (see Section 2.4.);
- The persons interviewed reported their time and the time spent by persons helping them, but they were not able to report the time spend on administrative obligations by central services of the organisation, their assistants, etc.;
- In addition, very few FP7 projects were terminated, so the average time for project management is only reported for the past, not for the remaining time of the contract.

However, the questionnaire was designed and has allowed looking at the following aspects:

- Coordinators spend on average 1057 hours per contract (i.e. over 6 months full-time) devoted to submit, negotiate and manage the project;
- The time spent on scientific activities was excluded from the replies, e.g. the scientific content of the proposal and the negotiation, and the time spent conducting research during the project execution;
- Work-package leaders (or equivalent) spend on average 434 hours per contracts, e.g. about 3 months full-time devoted to submit, negotiate and manage a project. The time spent on scientific activities was excluded from the replies, e.g. the scientific content of the proposal and the negotiation and the time spent conducting research during the project execution.
- Coordinators spend as much time preparing a proposal (in term of administration) as managing the project, while for work-package leaders, management is clearly the most time-consuming task.

The table below provides insight into the average time spent by participants on specific tasks within the project life cycle.

Table 3: Average time spent by participants for specific tasks within the project life cycle

Project life cycle step	SCM indicator	Time spent
Application	Average time to find a suitable call for proposal	10 hours but 1 hour (or less) for experienced participants
Application	Average time to build partnership	16 hours per partner + meetings (if relevant) except when continuation of a previous project
Application	Average time coordinators spend writing the proposal	190 hours, depending on experience and project size

Project life cycle step	SCM indicator	Time spent
Application	IT tools/ EPSS ¹⁶	7 hours on average to "get familiar with the tool's requirements/understand what information is needed" while it takes about 2 hours to enter the information itself
Transversal	Average perceived time to grant	1 year, but up to two years in some cases, six months for the European Economic Recovery Plan
Project Management	Financial reporting	32 hours on average to "train members and employees about the information obligations" while it takes about 1 hour to enter the information itself

Source: Deloitte 2011

DG Research and Innovation has conducted an internal study on the "cost of control" which is the sum of the time (and thus related costs) spent by Commission staff throughout all project stages (including time assessing unsuccessful proposals). The table below shows the time spent for DG Research and Innovation for units involved in FP7. While FP7 represents the major part here, it should be noted that these Commission Services also manage grants contracted under previous Framework Programmes.

Table 4: Time spent by DG Research and Innovation, 2009 in Full Time Equivalent (FTE)

EC study indicator	Time spent (FTE)	%
Selection of proposals	143	10.43
Negotiation of contracts	135	9.90
Project management	404	29.52
Audit (Ex-post auditors, recovery of audit results, and additional resources)	156	11.34
Non-related activities (such as policy)	531	38.81
Grand Total	1,369	100.00

Source: European Commission, 2009

The study shows that 1369 full time equivalent worked on managing FP7 (and previous FPs) in 2009, 60 % of the time was spent on managing the project life cycle while 40% was spent on activities not related to managing FP7. Among the activities related to the project life cycle, selection of proposals, negotiation of contracts, and audits (each about 10%) represent together the same cost in term of staff time as does project management (about 30%).

The table below shows the time spent by all Research DGs (see Section 2.3.) for units involved in managing FP7 (and previous FPs). The study shows that 2,262.3 full time equivalents worked on managing FP7 in 2009. Confirming the above data, selection of

16 Electronic Proposal Submission System

proposals and negotiation of contracts represent about 20% of the cost each, while project management and audits account for about 50% and 10% respectively.

Table 5: Time spent by all Research DGs, 2009 in Full Time Equivalent (FTE)

EC study indicator	Time spent (FTE)	%
Selection of proposals	474.64	20.98
Negotiation of contracts	438.98	19.40
Project management	1,135.79	50.21
Audit (Ex-post auditors, recovery of audit results, and additional resources)	212.89	9.41
Grand Total	2,262.30	100.00

Source: European Commission, 2009

2.2.2. Effects and impacts of simplification measures

This sub-section focuses on providing an analysis of the effects and impacts of simplification measures. We quote a number of sources, including our own work.

- **EC staff**

The Interim evaluation of FP7 reported that officials responsible for different areas of FP7 attributed a score of 4 out of 4 to the quality of the systems and procedures. They also scored the clarity and transparency of the programme at 4 out of 4.

- **Stakeholders**

The Interim evaluation of FP7 reported that 55.7% of the respondents to a stakeholder consultation carried out for the evaluation consider that simplification measures have been “partially successful”, 11.7% say “mostly successful” and 15.1% say they have been “unsuccessful”.

- **NCPs**

NCPs’ perceptions about the effects and impacts of simplification are monitored annually in the NCP survey and reported on in the annual FP7 monitoring reports, as one of the ten FP7 monitoring indicators is “simplification”. This indicator is divided into three sub-indicators:

- Do stakeholders perceive that the FP is getting simpler to use in terms of financial and administrative procedures?
- How do stakeholders find the ease of use of the FP, compared to similar international research actions and large national schemes?

- Are there any aspects of FP procedures which are adversely affecting to a significant extent the quality of research carried out and the quality of participation in the FP?

According to the third FP7 monitoring report (covering 2009) NCPs' perception of FP7 administrative and financial procedures compared to FP6 is as follows:

- A majority of respondents consider FP7 is "easier than FP6", in particular in terms of finding information on FPs and open calls and application procedures (proposal submission) (respectively 49.8%, 53.1% and 55.9% of respondents);
- The ease of use of FP7 regarding grant negotiations, project management and communication with the Commission is rated "same as FP6" by a majority of respondents (respectively 35.5%, 42.2% and 45.0% respondents);
- A significant part of respondents (more than 15%) consider FP7 more difficult than FP6 regarding financial aspects of project management, project reporting and reviews and IT tools (respectively 23.2%, 19.4% and 16.6%).

- **Participants**

FP7 project participants interviewed for this study were quite positive about the degree of complexity of FP7. Although they all recognise that FP7 is relatively complex, they understand the reasons for the complexity of the rules, i.e.:

- the diversity of projects funded and funding schemes;
- the number of applicants and funded projects;
- the international dimension of FP7.

Our interviewees were somewhat more negative regarding the management of FP7 rules and their consequences in terms of:

- time to grant, especially for fast-moving sectors, such as IT or for the private sector;
- administrative user-friendliness: requirements vary from one project to the other (event within the same programme/call/research field) or the reporting tool is not intuitive.

When asked to identify issues both in the rules and their management, a minority of interviewees were able to provide concrete examples, but most of them were isolated problems.

These isolated cases, even if anecdotal and not representative, can have a high impact in terms of irritation. This impact is multiplied by word-of-mouth within the research community.

The table below lists a number of interviewee comments on effects and impacts of simplification.

Table 6: Participant views of effects and impacts of simplification measures introduced under FP7

FP7 simplification measures	Views of participants (coordinators/partners)
Continuity of FP6 instruments while providing more flexibility of use	Coordinators who have noticed the continuity also noticed “new naming and criteria”. As a result, they see both continuity but also changes.
Improvements to the services and guidance documents for applicants	<p>Many coordinators prepare short PowerPoint presentations to help partners, especially for financial reporting and for using the Participant Portal.</p> <p>A partner finds it “very good, better structure, but guidelines for applicants should be better written (description of works)”. Participants still often rely on coordinators to guide them because they find current guidance targeting experienced participants, not new comers.</p>
Introduction of two-stage procedures	<p>Feelings about this measure are mixed: some partners say it “should be developed further” and “should be extended especially for big projects” while others say “it is ok to be rejected after the first stage, but it is frustrating to be rejected after the second stage” and “promising, but risk of rejecting good projects on the basis of a proposal on a few pages should be monitored” and “very good, even if more competition, because more chances of being successful”. Coordinators say “it should be extended and a hearing should be organised systematically with evaluators” and “it makes sense, but competition is tougher”.</p> <p>The two-stage procedure is “recommended in order to avoid wasted effort for a small company”</p>
Introduction of a Unique Registration Facility	For Partners, the Unique Registration Facility “is a very good move” but it is sometime “difficult to find internally the registration code (PIC)”. Coordinators also expressed warm appreciation for the introduction of the Unique Registration Facility
Progress towards optimised IT tools (“e-FP7” the Participants Portal)	Partners state “tools should be integrated” because the current Portal leaves the feeling of a collection of tools located at the same place but working together well, and not requesting information in the same way.
Streamlining of the project reporting requirements	<p>About half of the partners say that 18-month reporting “is not in line with organisations’ standard reporting (which is 12 months, especially for private sector organisations)” and “regular reporting is needed” as it has “added value” but for others it is “good to have 18 months reporting”. Coordinators find it a “big improvement”</p> <p>Partners find that the reduced need for amendments is “useful” and “very good” but also “confusing”. Coordinators find it “good to give more power to coordinators” especially when compared to “a bad experience during FP6”. SMEs prefer 12 months reporting to “get a constant stream of funding”.</p>
Considerable reduction in ex-ante controls and revised protective measures for financially weak participants (SMEs and high-tech start-ups)	This measure concerns mainly small partners. Those concerned regard the measure very positively since it reduce the cost to participate in a FP7 project (no need to have a bank guarantee for small partners from the private sector that is usually very expensive)

FP7 simplification measures	Views of participants (coordinators/partners)
Major reduction of the number of certificates on financial statements to be provided with periodic cost claims (below EUR 375 000)	This measure mainly affects partners. They are extremely positive about this measure
Introduction of the possibility of ex-ante certification of the accounting methodology for recurring participants	Few participants were aware of the measure. One coordinator finds it a “good idea but too complicated for big organisations, and therefore a risk. Actual costs are better and more transparent”.
No need to obtain validation by the Programme Committee of those selected	NA
Revision of the Financial Regulation (to ensure broader flexibility of use of the budget dedicated to research policy)	NA
Extension of lumps sum financing for subsistence and accommodation costs	Partners find the extension of lump sums “useful”, “very good because they (the Commission) could not control indirect costs in detail” and “would need to be extended” while others report that “they would not be able to participate and prefer actual costs instead”. Coordinators reported that it “works well in attracting SMEs” and “makes things easier”.
Simple cost reporting	The measure was appreciated where there was awareness of it, although it was seen to be “more complex than FP5” and “cost justification is still too detailed”. One coordinator asked for “templates and PowerPoint guidelines”. Another coordinator said that “reporting online is useful (and saves time), because partners can file the C-forms themselves (in the first year of the project, the C-forms were reported by the coordinator)”.
Clearer definition of eligible costs	Clearer definition of eligible costs is “very good” although partners mentioned that “changes from FP6 are hard to understand” and even “more complex” for some. For coordinators, they are “much simpler, although there is room for improvement”
Simplified support rates per type of activity	Partners noted the simplification and one asked for a mandatory rule on financing "dissemination and management of activities" 100% (not leaving it up to the coordinator)". One coordinator did not notice the “difference” while another would appreciate having “online forms to help calculate activity costs” but had no opinion about it.

Source: Deloitte 2011

2.2.3. *Measuring FP7 performance*

Several measures exist or can be adapted in order to provide benchmarks or measurement of FP7 simplification.

- **“Cost of control” survey**

One of the existing sources of data is an internal study by DG RTD on the “cost of control”¹⁷ carried out in 2009 which totals the time spent by Commission staff in the project stages (see data Section 2.2.1). Research DGs¹⁸ (as well as the Research Executive Agency and Europe Research Council) were required to assess the volume of resources staffed for or assigned to each of the stages of the FP7 project cycle.

The limitations are that this study does not include the cost of the experts who evaluated the proposals, or the cost of external contractors conducting audits. In addition, the data do not identify the cost per thematic area of the Cooperation Programme, and do not distinguish between the management of FP6 and FP7 projects.

- **FP7 annual monitoring and interim evaluation**

The FP7 annual monitoring reports include a Time to Grant (TTG) indicator (indicator 3.3). This is defined as “the time elapsed from the deadline of the call for submission of proposals until the signature of the grant agreement”¹⁹. The average TTG for the whole FP7 is 350 days (median 335) for data extracted in April 2010. This figure is higher than those reported in previous Monitoring Reports (333 days in 2008, median 318 and 291 days in 2007, median 287). Although the indicator has methodological limitations²⁰, one explanation for such a high number is the inclusion of “several lengthier grant agreement negotiations”²¹ that were not included in the previous years as the negotiations were not concluded. In addition, the experts who carried out the Interim Evaluation of FP7 found that the “TTG for projects

17 Based on the “Note for the attention of the Directors of DG RTD, REA and ERCEA: Tolerable risk of error and cost of control at DG RTD, REA, and ERCEA – data collection exercise 2009” of 10.10.2009. RTD.R5/ASB/JAL/ms D(2009) 574941.

18 DG EAC, DG ENER, DG ENTR, DG INFSO, DG RTD, DG MOVE (REA and ERCEA)

19 Third Monitoring Report, 2010

20 Time to grant (TTG) indicators are also measured in different ways by different services, judging by the self assessments, with some referring to 75% achieved, and others to 50% , see Interim Evaluation of the Seventh Framework Programme, Report of the Expert Group, Final Report 12 November 2010

21 Third Monitoring Report, 2010

funded in later calls has been falling. Consequently, it is hard to ascertain whether or not improvements are occurring”²².

The table below provides the average TTG in days for FP7 grant agreements signed between 2007 and 2009, by thematic areas (extracted in April 2010). It shows major disparities in different areas.

Table 7: Time to Grant for FP7 grant agreements signed between 2007 and 2009

Thematic areas	Time To Grant (days)			
	Minimum	Median	Average	Maximum
Health	96	417	439	804
Food, Agriculture and Fisheries, and Biotechnology	282	450	448	650
Information and Communication Technologies	178	248	252	466
Nanosciences, Nanotechnologies, Materials and new Production Technologies	190	401	394	609
Energy	63	338	337	544
Environment (including Climate Change)	47	530	493	651
Transport (including Aeronautics)	223	541	525	926
Socio-economic sciences and Humanities	223	429	432	782
Space	94	533	478	724
Security	228	556	530	929
General activities	112	374	324	493
ERC	160	318	314	602
Marie-Curie Actions	122	322	324	650
Total (including EURATOM and CAPACITIES)	47	335	350	929

Source: European Commission, Third FP7 Monitoring Report (Monitoring Report 2009)

Several conclusions are drawn by the experts in the Interim Evaluation of FP7:

- “the procedures from negotiation to contract signature are at present very linear and sequential. The scope for having parallel procedures to quicken time to contract would be worth investigating”.
- “it is hard to escape the conclusion that decisive management would sort out many of the inconsistencies.”
- “The Expert Group finds it hard to explain why so many projects take so long to start, and is concerned that this reveals a lack of urgency or commitment to find solutions. Delays can even undermine the case for support: for example, research for the benefit of SMEs under the Capacities specific programme has a mean TTG of 456 days. Given that the nature of small business is inherently fast-moving, this is a disturbing statistic and also one which reinforces the complaints of small business about delays. Within Cooperation, the TTG in the (substantial) sub-themes of environment, transport and security (in order of time taken) is around double those of the sub-theme of ICT. The Expert Group

²² Interim Evaluation of the Seventh Framework Programme, 2010

has been unable to obtain convincing explanations for these disparities. Some difficult cases are inevitable, but not to this extent.”

- **SCM v. KPIs**

In order to obtain funds under FP7 from the European Commission, research organisations have to allocate resources to administrative activities rather than investing them in their core activities. This might inhibit innovative research, and thus economic growth and prosperity in society. Therefore, there is a clear need to reduce the administrative burdens linked to FP7. The Standard Cost Model is one way to assess how to reduce this burden, but as indicated above, it has serious limitations for projects with a long life cycle and many participants.

Key Performance Indicators (KPIs) are suited, on the other hand, to this type of measurement, and there are existing tools which could be adapted so that more systematic use is made of KPIs in order to monitor:

- The administrative burden for FP7 participants,
- the extent to which simplification measures reduce the administrative burden for FP7 participants,
- provide insight into the flexibility and user-friendliness of FP7 tools.

As explained in Annex 2 (Evaluation and monitoring under FP7), FP7 is monitored annually based on a set of performance indicators. However, when seen in the context of the ‘SMART regulation agenda’ (see Annex 1), the simplification objective and related measures are only partially ‘SMART’ (Specific, Measurable, Achievable, Realistic and Timely).

The use of short voluntary online questionnaires attached to the tools that allow electronic submission of FP7 documents appears to be a feasible option for obtaining information from participants. The existing internal Commission study could be adapted to broaden the information obtained from Commission staff. In both cases, a balance would have to be struck between the value of the information in reducing future administrative burdens and the increase in the administrative in collecting the information.

The advantages of such an approach are:

- immediacy;
- continuity.

The table below illustrates what kind of KPIs could be used to monitor simplification within FP7.

Table 8: Monitoring of simplification: potential KPIs

KPI for EC staff	KPI for participants
Time to grant, to pay, etc. (included in annual monitoring reports)	Time spent by coordinators and project partners to manage each step of the life cycle
Time to reply	Time to reply
Time spent by EC officers (project/legal/financial) to manage each step of the project life cycle	Time to find the right information (calls, guidance documents, specific rules in these documents)

Source: Deloitte 2011

2.2.4. Conclusions

The conclusions in relation with this section are as follows:

- Time spent in FP7 activities in terms of administrative obligations (the time spent on scientific tasks is not included):
 - Overview of time spent:
 - The most time consuming project life cycle step on average for participants is project management, followed by application;
 - Coordinators state that – up until the time of the interview – they had spent almost as much time writing the application as they did managing the project²³;
 - Coordinators spend on average about 6 months of effort devoted to submit, negotiate and manage a project, project partners 3 months;
 - Administrative burden for participants depends on their previous experience with FPs:
 - From 1 to 10 hours to find a suitable call for proposal (respectively for experienced and non-experienced participants);
 - A coordinator spends 190 hours on average on writing a proposal;
 - Regarding the IT tools (EPSS and financial reporting tools) it takes on average much longer to get familiar with the tool than it does to use it in the normal course.
- Effects and impacts: there is a shared perception that FP7 simplification has brought many impact changes (including URF, IT tools), but that it is still very much work in progress:
 - Perception:

²³ Most of the interviewees were still in the process of finalising their project.

- EC officials: FP7 is efficient in terms of procedures and transparency
- NCPs: FP7 simplification is:
 - successful in terms of finding information and applying for grants,
 - stable in terms of negotiation, project management and negotiation,
 - not successful in terms of financial reporting and user-friendliness of IT tools
- Participants: are satisfied with some changes but still negative in terms of time to grant and administrative user-friendliness (finding information and time to reply)
- Monitoring
 - Existing monitoring is based only partially on SMART indicators. The effects and impacts of simplification are therefore difficult to measure;
 - A continuous and timely monitoring of time spent carrying out FP7-related activities before and after a simplification measure is implemented would help to draw conclusions about the effectiveness of simplification.

2.3. Key actors of FP7 simplification and their role in making it a reality

This section will present a mapping of the key actors in the simplification process and their respective role. It will also present the main barriers to simplification and the role played by these key actors to make simplification a reality.

2.3.1. Key actors of simplification in FP7

The main actors are:

- Project Applicants and Participants;
- the Commission;
- the European Parliament;
- the Council;
- the Member States.

Their respective roles in implementing simplification are described below.

- **Project applicants and participants**

Project **applicants and participants** (also sometimes called users or beneficiaries) are organisations carrying out research activities and applying for research funding. The persons involved are a diversified population of researchers, from coordinators to work package leader (or similar level of responsibility such as member of Advisory Group or Steering Committee of the project), and partners. These researchers:

- Are from one of the 40 countries associated with the Framework Programme, and sometimes from another third country;
- Work for a Higher Education Institution (HES), Non-Profit Research Organisation (REC), Public body (PUB), Private for Profit Organisation (PRC), or another eligible organisation. If from the private sector, they may have SME status;
- Have or do not have experience with FP7, FP6 and previous programmes (as a coordinator or as a partner, for all responsibilities or for only one, for few or for several projects);
- Take part in small or large projects (definitions used for this study: project size by funding from EUR 2-3 million to 8-13 million, or by number of partners from 8-12 to 15-37 partners).

Researchers and research departments are often supported by additional resources helping to manage the project:

- Their administrations / EU office in the organisation;
- Consulting companies (often associated as a partner);
- Dedicated project staff working with the researchers;
- Any hybrid of the above.

The role of the researcher in the project changes depending on the degree of centralisation:

- Centralisation at organisation level, i.e. whether (or the extent to which) the organisation centralises the scientific, administrative and legal tasks related to the project in the same departments/staff within their organisation;
- Centralisation at project level, i.e. whether (or the extent to which) the project coordinator takes care of the administrative and financial tasks of all project partners on their behalf.

Organisations that have an EU office are usually managing several EU projects or are aiming at upscaling their EU participation by providing a level of expertise able to help prepare project submissions and administer projects at the lowest possible cost. Such an organisation does not seem to be country-, or sector-dependent (public or private). Projects that provide a central administration are helping all partners in their administration, sometimes going as far as reporting the financial statements (FORM C online) on behalf of all partners in order to increase efficiency.

The table below presents eight theoretical participant organisation types²⁴.

Table 9: Eight theoretical types of organisation

Type of organisation	Project size	Centralised organisation (EU office), decentralised organisation (no specialisation in the organisation)	Centralised project (consulting company, staff dedicated to EU projects working with the researcher)
I	Small	Centralised: researchers focus on research	Centralised: coordinators or dedicated staff manage the administration for all partners
II	Small	Decentralised: researchers do research and are responsible for the administration (financial reporting)	Decentralised: partners are responsible for reporting

²⁴ In reality, partners are not similar within the same project, and a mix of the type of organisations is often closer to the reality

Type of organisation	Project size	Centralised organisation (EU office), decentralised organisation (no specialisation in the organisation)	Centralised project (consulting company, staff dedicated to EU projects working with the researcher)
III	Small	Centralised: researchers focus on research	Decentralised: partners are responsible for reporting
IV	Small	Decentralised: researchers do research and are responsible for the administration (financial reporting)	Centralised: coordinators or dedicated staff manage the administration for all partners
V	Large	Centralised: researchers focus on research	Centralised: consulting company or dedicated staff manages the administration for all partners. Intermediary level of decision approves the project main steps but is less important
VI	Large	Decentralised: researchers do research and are responsible for the administration (financial reporting)	Decentralised: partners are responsible for reporting. Intermediary level of decision approves the project main steps: work package leader or project Advisory Group or Steering Committee
VII	Large	Centralised: researchers focus on research	Decentralised: partners are responsible for reporting. Intermediary level of decision approves the project main steps: work package leader or project Advisory Group or Steering Committee
VIII	Large	Decentralised: researchers do research and are responsible for the administration (financial reporting)	Centralised: consulting company or dedicated staff manages the administration for all partners. Intermediary level of decision approves the main steps but is less important

Source: Deloitte 2011

- **Commission**

The Commission is mainly represented by project officers in charge of managing contracts with the support of financial officers for managing the financial aspects of the project and legal officers for helping to solve legal issues that may arise. The Framework Programme is implemented annually via Work Programmes²⁵ that are the legal basis for future calls. Many Work Programmes are managed by bodies outside DG Research and Innovation. The table

²⁵ http://cordis.europa.eu/fp7/wp-2011_en.html

below provides an overview²⁶ of the “research family”. The two agencies manage projects but cannot define the annual Work Programmes.

Table 10: Organisations in charge of the Framework Programme 7

Work Programmes	Organisations in charge
Cooperation Programme (Health; Food, Agriculture and Fisheries, Biotechnology; Nanosciences, nanotechnologies, materials & new production technologies; Energy; Environment including Climate Change; Socio-economic Sciences and the Humanities), Capacities Programme (except SMEs)	DG Research and Innovation
Cooperation Programme (Information and communication technologies)	DG Information Society and Media
Cooperation Programme (Transport including aeronautics)	DG Mobility and Transport
People Programme (Marie Curie Actions)	DG Education and Culture
Cooperation Programme (space, and security)	DG Enterprise and Industry
Cooperation Programme (Energy)	DG Energy
Management of projects on behalf of the Scientific Council of the ERC for the Idea Programme ²⁷	ERCEA agency (European Research Council Executive Agency),
Management of projects on behalf of several DGs for the People Programme (Marie Curie Actions), Capacities Programme (only SMEs), Cooperation Programme (space and security) ²⁸	REA agency (Research Executive Agency)

Source: Deloitte 2011, on the basis of CORDIS website and EUROPA Portal

In addition, the Commission is assisted at national level by a network of National Contact Points (NCP). The network is “the main provider of advice and individual assistance in all Member States and Associated States”. Researchers can contact their National Contact Points in the area of interest (about one contact point for each Work Programme). Although the structure of the network varies from country to country, the network aims to provide:

- Guidance for choosing thematic priorities and instruments;
- Advice on administrative procedures and contractual issues;
- Training and assistance on proposal writing; distribution of documentation (forms, guidelines, manuals etc.); and

²⁶ See list of bodies in: MEMO/11/38, Brussels, 24th January 2011, EU research and innovation funding – immediate changes to cut red tape for researchers and SMEs, and see section on external sites at: <http://ec.europa.eu/research/index.cfm?lg=en&pg=who&cat=a&tips=on>

²⁷ <http://erc.europa.eu/index.cfm?fuseaction=page.display&topicID=15>

²⁸ <http://ec.europa.eu/research/rea/index.cfm?pg=about>

- Assistance in partner search²⁹.

In addition, National Contact Points provide information on their own website.

When asked about their contacts with NCPs, the majority of interviewees (participants) stated that they never contacted their NCPs, but obtained this type of information through their own network.

- **The European Parliament (EP)**

The EP follows annually how the research budget is spent. But its main role in relation to research and innovation is to vote new European legislation and the research and innovation budget is under co-decision procedure with the Council of Ministers.

- **The Council of Ministers**

The Council also votes the research and innovation European legislation and budget in co-decision with the European Parliament.

- **Member States**

Representatives of the ministries of research (or equivalent) also monitor how the research budget is spent through the different Programme Committees attached to the Work Programmes. Member States also take part in joint exchange of good policy practices in the context of the Open Method of Collaboration.

2.3.2. Role of the key actors

The actors, Applicants and Participants, Commission, European Parliament, and Council and Member States each have a role in implementing further simplification of rules and procedures:

- Applicants and Participants, especially coordinators, can play the role of interface between researchers and the Commission for the administration of the project;
- The Commission has an important role in tackling the lack of consistency in management of FP7 (interpretation, communication, performance, etc.), and the lack of timeliness in feedback (time to reply);
- The European Parliament and the Council of Ministers are responsible for the legal environment and in particular the question of control (vs. trust) (see next section) when deciding on a new programme and in particular its funding schemes, but also the revision of the Financial Regulation (and in particular but not only the Tolerable Risk of Error);

²⁹ http://cordis.europa.eu/fp7/ncp_en.html

- The Council and Member States are engaged in a gradual process of convergence of national research systems into a European Research Area in order to avoid having 27 parallel national systems (or 40 if the countries associated with the FP are included).

Improvement to the procedures is continuous, while the development of the successor Framework Programme (Common Strategic Framework - CSF), and the revision of the Financial Regulation, and the coordination of the research efforts (the Innovative Union and the European Research Area) are dependent on EU and national approval procedures. The figure below summarises the roles of the players in achieving further simplifications.

Figure 1: The role of the key players in achieving further simplification



The areas of implementation of further simplification in which each of the key players play their role is:

- Coordinators: continuous improvements of project management rules and administration (at their organisations), as they gain experience with the Framework Programme, and procedures are put in place in many types of project organisation (see table above). They explain rules and procedures to the consortium while providing an overview of the difficulties participants face to the Commission for consideration in further simplification;
- Commission: continuous improvements and simplification of the current procedures, implementation monitoring (annual Monitoring Reports³⁰);
- Parliament and Council: approval of the triennial revision of the Financial Regulation and its Implementing Rules launched by public consultation in 2009 and the Proposal

³⁰ http://ec.europa.eu/research/evaluations/index_en.cfm?pg=monitoring

for revision presented by the Commission in May 2010³¹. The revision is due to be adopted by end of 2011, as illustrated below.

Figure 2: Towards the triennial revision of the Financial Regulation and its Implementing Rules



- The Parliament and the Council will also approve the CSF (next Framework Programme), a process which began with the Innovation Union Communication in 2010 and the Green Paper in 2011 which launched a public consultation, and will be completed in 2012/2013 with final approval.

Figure 3: Towards the CSF



- Member States “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” (Council Conclusions, 26/05/2010). The coordination of the research effort takes the form of the Innovation Union policy. The Innovation Union also pledges for the creation of a unified European Research Area by 2014 to overcome the current fragmentation of the European research systems.

31 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; <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:0260:FIN:EN:PDF>

2.3.3. *Main barriers to simplification*

One of the main barriers to real change merits particular attention. It is the question of trust (vs. control) for funding research projects, which is discussed increasingly in relation to the topic of simplification. The concept is attracting a high level of attention because of the potential simplification opportunities that it may deliver. However, there is as yet no single approach to trust and different potential levels of the concept.

The table below provides an overview of the trust-based options and their main sources:

Table 11: Various insights into the trust-based approach and their sources

Sources	Various insights into the trust-based approach
COM (2010) 187 ³² (see also LERU 2010 ³³)	“A high-trust “award” approach consisting of distributing pre-defined lump sums per project without further control by the Commission: (...) This scenario would be most appropriate in areas where the ... incentive mechanisms are strongest, i.e. in particular in the European Research Council. The advantages of the approach are obvious: no need for cost checking, minimised administrative effort, high speed. “
Third FP7 monitoring report (2010, see also EUROHORCS)	“Lack of trust” is often cited between the research project and the Commission leading to request more information than perhaps needed.
EP report on simplifying FP7 (2010)	“...the management of European research funding should be more trust-based and risk-tolerant towards participants at all stages of the projects...” EP is “concerned about the possible impact of result-based funding on the quality and nature of research, with possible constraints on scientific research and a negative impact on projects with non-measurable objectives or with an objective measurable using parameters other than that of immediate utility; is equally concerned about the potential outcome in terms of further ex-ante and ex-post evaluation of project output/results and about the pinpointing of the criteria necessary to define them...” “...recommends launching pilot tests of the ‘result-based funding’ with project-specific lump sums paid against agreed output/results for research and demonstration projects in specifically challenging areas; “...favours instead a ‘ science-based ’ funding system, with emphasis on scientific/technical criteria and peer review based on excellence, relevance and impact, with simplified and efficient financial control, respecting the right of all sides to be heard”

32 Communication on Simplification, op.cit.

33 http://www.leru.org/files/publications/LERU_Advice_paper_FP8_final.pdf

Sources	Various insights into the trust-based approach
FP7 Interim Evaluation (2010) ³⁴	<p>“Too high level of detail is required for audit certificates and the upshot is a ‘zero-trust’ policy” and “much more radical approach is now needed to attain a quantum leap in simplification. In particular, the risk-trust balance needs to be redressed, as the current risk-averse culture inhibits participation and may be undermining the research most likely to result in genuine breakthroughs” and “To increase the participation of industry and SMEs the Commission (...) has to switch from a low-risk, low-trust attitude to a more trust-based and risk-tolerant approach.”</p> <p>“More trust should be placed in researchers to amend project work programmes and deliverables instead of sticking rigidly to plans established at the outset. In this regard, the Expert Group notes the groundswell of opinion articulated by the ‘Trust Researchers’³⁵ campaign. At the time of writing, 13,684 researchers had signed a petition calling for a significant reduction in bureaucratic demands and for greater trust to be vested in researchers.”</p> <p>“To give some examples (of trust):</p> <ul style="list-style-type: none"> • The ESA³⁶ makes a distinction in risk tolerance between more applied research and basic research. Financing basic research is not current spending, but investment. The higher the risk, the higher the possible return, so that if 2% is the risk threshold, the investment is unlikely to yield very high returns. • For many purposes lump sum payments would be preferable in the interests of efficiency, even though greater financial risks might ensue. • It may be that ‘one size does not fit all’, for example in the context of indirect cost calculations for universities and SMEs, and that more discretion could be vested in scientific and financial officers in finding suitable compromises.”
Green paper (2011) 048	“Simplifying participation by lowering administrative burdens, reducing time to grant and time to payment and achieving a better balance between cost and trust based approaches. The approach used in the CIP ³⁷ could serve as an example”

Source: Deloitte 2011

The trust-based approach has several meanings - as the table illustrates - from the lack of trust between the research project and the Commission leading to requests for more information than perhaps needed, to achieving a better balance between cost and trust by reducing the administrative burden. But the most significant concept for simplification is the high-trust “award” approach consisting in distributing pre-defined lump sums per project without further control by the Commission. In between, there are several scenarios, such as trusting the consortium as a whole more and only controlling the coordinator.

The table below provides an overview of the main barriers to real change as seen by a number of key players and quotes in relation to those barriers.

34 Op.cit.

35 <http://www.trust-researchers.eu/index.php?file=home.php>

36 European Space Agency, <http://www.esa.int/esaCP/index.html>

37 See Fiche 4

Table 12: Possible barriers to real change

Barriers	Quotes
<p>Variety of rules: multiple funding schemes and cost models, etc...</p>	<p>“The Expert Group also fears that that simplification measures implemented in the ‘FP7 core’ will be of limited value if additional instruments, each with their own specific rules and regulations, keep being introduced.” (Interim Evaluation of the Seventh Framework Programme, 2010).</p> <p>"The 7th Framework-Programme contains a wide range of objectives, a multitude of intervention mechanisms with specific rules, diverse reimbursement rates and special conditions for certain types of organisation. Collectively, this diversified approach leads to a complex situation. The definition of a common set of basic principles rather than the current diversified approach, would undoubtedly lead to a considerable trimming and lightening of rules, processes and IT systems.” (Assembly Of The Portuguese Republic³⁸).</p> <p>“There is a need to establish a clearer, rationalised European R&I programme landscape.” (RECH Council Conclusions 12 October 2010³⁹).</p>
<p>Parallel national and EU systems</p>	<p>“Initiate a process to make the European, national, regional rules and procedures simpler and more consistent” (RECH Council Conclusions 12 October 2010⁴⁰)</p>
<p>Financial Regulation (Tolerable Risk of Error)</p>	<p>“The guiding principle in the public sector has traditionally been compliance with rules with "zero risk taking" and no explicit recognition of the level of error which controls do not correct or cannot correct in a timely fashion...In practice a certain amount of risk will be justified or "tolerable" as reducing error to "zero" is too costly or quite simply impossible. Until now, this acceptance of a justified risk of error has not been explicit. The Court applies a standard 2% materiality level for the legality and regularity of underlying transactions (a "green light"). Above this, if the error rate calculated by the Court is between 2% and 5% it gives a "yellow" assessment and if it is over 5% a "red" assessment.” The Commission proposes to adopt a tolerable risk adjusted to the risk which “varies between the activities managed” through “a cost-benefit analysis” (COM (2010) 261)</p>
<p>Control (vs. trust) approach</p>	<p>See quotes the Table above</p>

38 http://ec.europa.eu/dgs/secretariat_general/rerelations/rerelations_other/npo/docs/portugal/2010/com20100187/com20100187_assembleia_opinion_en.pdf

39 <http://register.consilium.europa.eu/pdf/en/10/st14/st14980.en10.pdf>

40 <http://register.consilium.europa.eu/pdf/en/10/st14/st14980.en10.pdf>

Barriers	Quotes
<p>Lack of consistency in management of FP7 (Interpretation, communication, performance, etc.) and communication to applicants/ participants not adapted to new comers</p>	<p>Lack of "Consistent interpretation and traceable application of rules" between DGs and directorates (Leibniz Association).</p> <p>"It has become evident that due to the complexity of portfolio and intervention mechanisms there is a lack of coherence and consistency among DGs with regard to the interpretation and application of some rules and procedures." (ENEA)</p> <p>"Consistency of rules and their application throughout the different research programmes and coherence in policy implementation must ensure the right balance between project, programme and context." "Ensuring consistency throughout the legal documentation and between EU funded programmes is not in contradiction with the need for appropriate suppleness in the implementation of these texts which is to be preserved."</p> <p>"Moreover, regulatory and managerial rigidity and heterogeneity add to complexity for the beneficiaries applying for the different instruments or funding schemes and greatly increases the administrative effort and the risk of error." (EUROHORCS 2009).</p> <p>There is a need for "a dedicated service or an e-mail address for Frequently Asked Questions concerning all financial/reporting issues" to uniform the interpretation of rules within the Commission. (CERN)</p> <p>"Communication to potential applicants is done through the Europa and Cordis portals. The Participant Portal of 'Europa' was created in 2009 and is integrating a series of pre-existing applications like the unique registration facility. These are valuable means of communication, but it is unclear why the two web-portals are kept separate. The CORDIS site should be improved to make it easier for first-time users, with no prior knowledge of the FP7 structure, to find what they are looking for." (Interim Evaluation of the Seventh Framework Programme, 2010)</p>
<p>Lack of timeliness in feedback (time to grant and time to reply)</p>	<p>"The average amount of time needed from the end of a call to the signing of a research grant is nearly a year, which is high and undoubtedly offers room for improvement, but not grossly out of line with national practice. However, of more concern is diversity in time to grant (TTG) across different components of FP7. The conclusion drawn by the Expert Group is that this ought to be amenable to changes in practice in the Commission or the executive agencies, and that the areas currently exhibiting overly high TTG should be expected to converge on the best performers." "Coherence of procedures and approaches between Commission Directorates General and the Executive Agencies responsible for administering FP7 is of crucial importance." (Interim Evaluation of the Seventh Framework Programme, 2010)</p>

Barriers	Quotes
Lack of interface role in project coordination	<p>The coordinator can help to increase reach: “The complaints that the Expert Group has read and heard about the administrative burdens of involvement in FP7, despite the many worthwhile changes adopted since FP6 under the banner of simplification, testify to the continuing frustration in this regard.” “There is, however, still a wide range of evidence that small businesses are more easily deterred by ‘complexity’ in procedures and delays in contracts” “many proposals adjudged to be excellent are not funded and that this, coupled with the substantial effort needed to prepare a proposal, may deter some of the best researchers from applying.” (Interim Evaluation of the Seventh Framework Programme, 2010)</p> <p>“Of the more than 1500 final beneficiaries, approximately 2% account for more than 40% of the total EU funding” (2006 annual report of the Court of Auditors in Deloitte report for the European Parliament⁴¹).</p> <p>“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” (COREPER report, 06.10.2010).</p> <p>"Probably the focus of most criticism of the Framework programme by both individual researchers and industry is the excessive bureaucracy that is counter to the culture of research and innovation" (LERU)</p> <p>"The very first, and crucial, step of all, however, is to regain the confidence of key FP players whose faith in the Commission as a competent administrator of EU research and innovation policy has been severely damaged by the Commission’s dysfunctional ex-post audit campaign of FP6 projects." (EARTO)</p>

Source: Deloitte 2011

41 “Financial rules under research framework programmes”, op.cit.

The respective roles of the key players in implementing simplification and securing resulting change in relation to each of the barriers to real change (i.e. the composite picture) are presented in the table below.

Table 13: Roles of the key players in implementing (I) simplification and overcoming (O) possible barriers to real change

Barriers	Applicants and participants	Commission	EP	Council and MS
Variety of rules: multiple funding schemes and cost models, etc.		I	O	O
Parallel national and EU systems				I/O
Financial Regulation (Tolerable Risk of Error)		I	O	O
Control (vs. trust) approach		I/O	O	O
Lack of consistency in management of FP7 (Interpretation, communication, performance, etc.) and communication to applicants/ participants not adapted to new comers		I/O		
Lack of timeliness in feedback (time to grant and time to reply)		I/O		
Lack of interface role in project coordination	I/O	I/O		

Source: Deloitte 2011

2.3.4. Conclusions

Overall, the conclusions as to the role (to be) played by key actors in implementing further simplification and securing resulting change are as follows:

- Within the group of project applicants and participants, coordinators play a key role as interface between the Commission and project partners. The success rate of the project increases proportionately to the degree of involvement and dedication of the project coordinator.
- Within the Commission, project officers, as single points of contact for the project coordinators, and to some extent financial and legal officers play a key role at operational level. When asked about their contacts with project and other officers, interviewees indicated that:

- Although there is an unwritten rule that project officers be in contact with the project coordinator only, some project partners either contact their current project officer directly, or a project officer in charge of another project (ongoing or closed).
- Most coordinators are satisfied with the relationship they have with their project officers, but often criticise their limited availability. There is a shared feeling among project participants that projects officers are overloaded
- Contacts with financial and legal officers are more limited than with project officers. Interviewees consider that keeping the project officer in the loop of any communication between project coordinator (or partners) and financial/legal officers is a success factor.
- Due to the central role played by the project officer and considering the high turnover rate among project officers (who are often contract agents), interviewees perceive changes of project officers in the project life cycle (almost always once in projects covered by the interviews, sometimes twice or more) as having a negative impact on the management of the project.
- National government can play a key role through the coordination of national research systems with the European Research Area, and the alignment of national information obligations with the EU requirements;
- The Commission can continuously improve some of the current procedures without any need for political decisions;
- Other stakeholders such as national research councils should keep playing their role of facilitating participation in FP7 and communicating the needs of FP7 participants to the Commission;
- The revision of the Financial Regulation and the revision of the Financial Instrument of the Framework Programme in conjunction with CSF are both dependent on political approval by the Parliament and the Council.

Our conclusions about the main barriers and the role of key actors in overcoming them are as follows:

- The Commission can play an active role in addressing four of the seven main barriers:
 - Control (vs. trust) approach;
 - Lack of consistency in management of FP7 (Interpretation, communication, performance, etc.) and communication to applicants/ participants not adapted to new comers;
 - Lack of timeliness in feedback (time to grant and time to reply); and
 - Lack of interface role in project coordination.
- The other barriers need to be removed with the help of the participating countries and institutions involved in the decision-making process (Council and European Parliament):
 - Variety of rules: multiple funding schemes and cost models, etc..;
 - Parallel national and EU systems;
 - Financial Regulation (including Tolerable Risk of Error).

- Applicants, participants and other stakeholders need to point the Commission at possible simplification areas and openly and constructively communicate any issues, inter alia through public consultations and debates;
- Most stakeholders agree that simplification in CSF should be based on a high-trust “award” approach consisting of distributing pre-defined lump sums per project without further control by the Commission.

2.4. Efforts already foreseen to further simplify FP7 and other simplification opportunities

The objective of this section is to:

- Provide an overview of further simplification measures;
- Assess their cost-effectiveness;
- Assess the balance between the risks and benefits linked to these measures.

Findings from previous sections will also be proposed as further ideas. The 3“I” framework designed for the Action Programme for Administrative Burden Reduction will be used to assess risks and benefits.

2.4.1. Potential to reach expected results at a reasonable cost

Further simplification measures proposed by the study are presented below, followed by simplification measures recently introduced by the Commission.

- **Simplification measures proposed by this study**

Based on findings from the previous sections, the ten simplification measures proposed by this study are likely to achieve good results. Their implementation cost is either low or medium. When low, the cost is negligible, while when medium, the measure will require some financial or human efforts.

The extent to which the further simplification measures proposed, or considered by this study, will create the desired results at reasonable cost is summarised in the table below. The possibility to implement them during FP7 is also assessed.

Table 14: Assessment of further simplification measures proposed by the study

Measures	Project life cycle phase	Expected result	Expected cost	Implementability within FP7
Tackle discrepancies of approach across Commission Directorates involved in FP7 (interpretation of rules, communication, training of EC staff, etc...)	Negotiation & Project management	Positive	Low	Neutral
Simplify the rules, rationalise and reduce the number of funding schemes and cost models, remove the obligation to open a specific	Application/ selection & Negotiation & Project	Positive	Low	Negative

Measures	Project life cycle phase	Expected result	Expected cost	Implementability within FP7
bank account for the project and implement the additional simplifications listed by the Council on 12 October	management			
Assess the feasibility of a “trust-based approach”, implying strong control by the Commission at the application/selection phases and more trust during implementation and reporting (implying minimal reporting requirements)	Project management	Positive	Low	Neutral
Offer the option of a direct contractual relationship only with the major partners in the consortium (instead of collaborative agreements)	Negotiation & Project management	Positive	Low	Neutral
Develop user-friendly guidance document(s)	Transversal	Positive	Low	Neutral
Develop a single user-friendly web portal	Transversal	Positive	Low	Neutral
Align the administrative process of FP7 with typical internal business processes of the beneficiaries, where possible by linking information obligations more to the day-to-day business steps	Application/selection & Negotiation & Project	Positive	Low	Neutral
Publish “deadline free” calls (calls that are continuously open and regularly assessed by an evaluation committee) in order to allow more flexibility for researchers	Application/selection	Neutral	Medium	Neutral
Produce better communication about simplification	Transversal	Positive	Low	Neutral
Continuously monitor performance of FP7 and in particular the effects of simplification measures	Transversal	Neutral	Medium	Neutral

Source: Deloitte 2011

As simplification measures can sometimes create additional frustration rather than reducing irritation (see Section 2.5.), an important success factor of the abovementioned simplification measures will be the way their implementation is managed. Another point of attention will be a consistent implementation of the simplification measures across all the research Directorates and services implementing FP7 (see Section 2.2.3. on TTG).

In support of the abovementioned measures, the following simplification opportunities are feasible ‘quick wins’ with a potentially high (positive) impact on beneficiaries:

- Communication of the simplification measures already implemented in order to make them more visible;
 - A more general FP7 communication strategy towards FP7 beneficiaries, in particular those who encounter difficulties in applying and participating: even if it is understandable that it takes them longer than experienced participants to carry out FP7-related activities, if the objective is to attract them, a specific communication strategy should target them;
 - Better structuring and organisation of information about application and participation.
- **Further simplification measures introduced by the Commission in January 2011**

In response to the FP7 Interim Evaluation Report, the Commission⁴² decided on 24 January 2011 to implement three measures immediately:

- Revised criteria for the acceptance of average personnel costs eligible under FP7;
- Application of flat-rate financing to SME owners and other natural persons who do not receive a salary;
- Establishment of a Research Clearing Committee to streamline the implementation of FP7, including ensuring uniform interpretation of the FP7 rules.

Of these three measures, the “average personnel cost” is a measure that is expected to lead to significant administrative simplification at a low cost. Beneficiaries of EU funds will be able to use their own accounting system to calculate personnel costs instead of setting up a parallel system to be able to calculate the actual cost for EU funding based on Commission prescriptions. The “average personnel cost” approach will make it possible to compute an average salary by category based on objective criteria (experience, seniority, level of salary, department, etc.). Then, the average salary is used to charge the number of hours worked on the project (for each category) regardless of the actual cost of the individual (which could be higher or lower)⁴³. Although the cost of the measure is low, the transition period for all running contracts may be long.

The measure introducing the “flat rate for SME owners” will not bring about much simplification but is rather a new possibility for SME owners not receiving a salary to claim

42 C(2011)174 Final Commission Decision of 24 January 2011 “on three measures for simplifying the implementation of Decision No 1982/2006/EC of the European Parliament and of the Council and Council Decision No 970/2006/Euratom and amending Decisions C(2007) 1509 and C(2007) 1625”. Re-formulated in the COM(2011)52 Final of 9 February 2011. “On the Response to the Report of the Expert Group on the Interim Evaluation of the Seventh Framework Programme”

43 MEMO 11/38 of 24 January 2011, and C(2011)174 Final.

costs for their own work. The measure does not require major changes, but rather resolves an issue affecting the limited number of SME owners taking part in EU projects.

The measure to introduce a “Research Clearing Committee” can potentially achieve simplification results at a low cost, but as the measure has only recently been announced, it is not possible to assess the scope of the measure, still less the decisions of the committee. However, the possibility to create consistency in the application of rules and procedures across Directorates General and Agencies has significant potential. The cost is medium because it is limited to internal coordination.

The Research Clearing Committee that plans to have four meetings per year could also play a role in monitoring the implementation of the simplification measures centrally.

The extent to which the three measures adopted by the Commission will create the desired results at reasonable cost is assessed in simplified form in the table below.

Table 15: Status of the three simplification measures proposed in 2011 by the Commission in response to the interim evaluation of FP7

Measures	Expected result	Expected cost
Average personnel costs	Positive	Low
Flat rate financing of SME owners and other natural persons not receiving salaries	Neutral	Low
Research clearing committee	Neutral	Medium

Source: Deloitte 2011

2.4.2. *Risks and benefits linked to the simplification measures*

The risks and benefits associated to the simplification measures are assessed in the next table.

Table 16: Risk, benefits, and balance of the simplification measures

Measures	Source	Risks (Implementability)	Benefits		Balance risk/benefit
			Impact	Image	
Average personnel costs	2011 Decision	+/-	+	+	Positive
Flat rate financing of SME owners and other natural persons not receiving salaries	2011 Decision	+/-	+/-	+	Neutral
Research clearing committee	2011 Decision	+/-	+/-	+/-	Neutral
Tackle discrepancies of approach across Commission Directorates involved in FP7	2010 Mid-term evaluation	+	+	+	Positive
Simplify the rules, rationalise and reduce the number of funding schemes and cost models, remove the obligation to open a specific bank account for the project and implement additional measures listed by the Council	October 2010 Council Conclusions	+	+	+	Positive
Assess the feasibility of a “trust-based approach”, implying strong control by the Commission at the application/selection phases and more trust during implementation and reporting	2010 Communication on Simplification	+/-	+	+	Positive
Offer the option of a direct contractual relationship only with the major partners in the consortium (instead of collaborative agreements)	Benchmarking exercise	+	+	+	Positive
Develop user-friendly guidance document(s)	Desk research	+	+	+	Positive
Develop a single user-friendly web portal	Benchmarking exercise	+	+	+	Positive

Measures	Source	Risks (Implementability)	Benefits		Balance risk/benefit
			Impact	Image	
Align the administrative process of FP7 with typical internal business processes of the beneficiaries	Deloitte	+	+	+	Positive
Publish “deadline free” calls in order to allow more flexibility for researchers	Benchmarking exercise	+	+/-	+	Positive
Produce better communication about simplification	Deloitte	+	+	+	Positive
Continuously monitor performance of FP7 and in particular the effects of simplification measures	Deloitte	+	+	+/-	Positive

Source: Deloitte 2011

2.4.3. *Conclusions*

The conclusions of the section are as follows:

- Potential to reach expected results at a reasonable cost:
 - Of the three measures adopted by the Commission in January 2011, the measure on “average personnel costs” is a very important measure while the “Research Clearing Committee” has potential but cannot be assessed at this moment. The measure on eligible costs for SME owners will only affect a limited number of beneficiaries but should have a significant impact on them.
 - The ten simplification measures related to barriers to simplification are all likely to reach the expected results, at a reasonable cost.
- Risks (Implementability) and benefits (Impact and Image):
 - Most measures have a manageable or neutral risk, except the implementation of a trust based approach, which is risky in terms of continuity with previous research programmes and in terms of ensuring (the perception of) sound management of public money;
 - All measures are expected to have a benefit in terms of image and/or impact, except the Research Clearing Committee, for which the benefit is not clear (yet);
 - The five measures with the highest expected benefit (all targeting transversal issues) with limited implementation risks are:
 - Tackle discrepancies of approach across Commission Directorates involved in FP7 (interpretation of rules, communication, training of EC staff, etc...);
 - Simplify the rules, rationalise and reduce the number of funding schemes and cost models, remove the obligation to open a bank account for the project and implement the additional simplifications measures listed by the Council on 12 October 2010;
 - Assess the feasibility of a “trust-based approach”, implying strong control by the Commission at the application/selection phases and more trust during implementation and reporting (implying minimal reporting requirements);
 - Offer the option of a direct contractual relationship only with the major partners in the consortium (instead of collaborative agreements);
 - Develop user-friendly guidance document(s).
 - The following were also flagged as important measures:
 - Develop a single user-friendly web portal;
 - Align the administrative process of FP7 with typical internal business processes of the beneficiaries, where possible;

- Publish “deadline free” calls (calls that are continuously open and regularly assessed by an evaluation committee) in order to allow more flexibility for researchers;
- Produce better communication about simplification;
- Continuously monitor performance of FP7 and in particular the effects of simplification measures.

2.5. Timeliness and clarity of communication about simplification measures under FP7

This section gives an overview of the perception by experts and stakeholders on the communication related to FP7 overall and simplification measures in particular.

2.5.1. Assessment of communication under FP7

There are two prerequisites communicating about the simplification measures:

- An agreed definition of what those measures are;
- A communication strategy incorporating the definition of target audiences, dissemination channels and timetable.

Neither of these minimum requirements was fully present in this case. As indicated above, the measures listed in this study are derived from the 2005 CSWD on Simplification, but they were agreed by the Commission for the purpose of this study.

Nor does there appear to really have been an information strategy as such. There is little evidence that officials made a priority of communication and/or used Info Days and similar events to explain and promote administrative simplification.

While the target group included both existing beneficiaries and newcomers, there does not appear to have been any systematic attempt to reach newcomers specifically, rather than as part of the Directorate-General's overall communication strategy. Heavy reliance was placed on word-of-mouth, and on newcomers finding the information online. A prerequisite for the latter, however, is a website which is user-friendly. This study has, therefore, necessitated looking at whether that is the case.

- **Finding information online about FP7**

The figure below presents the many different paths a newcomer to FP7 can follow to find information about FP7 (or more generally research) funding opportunities at European level, starting with three possible entry points: the institutions' Europa portal, the European Commission portal and the CORDIS research information service portal.

The green marking on the figure shows pages where users can find information about FP7 calls.

A variety of paths contributes to increasing awareness of the existence of FP7 and funding opportunities, as many visitors will obtain information about FP7 by chance. However, when it comes to finding specific information on FP7, and in particular on a call and the associated procedures, the diversity of sources of information can be confusing for applicants.

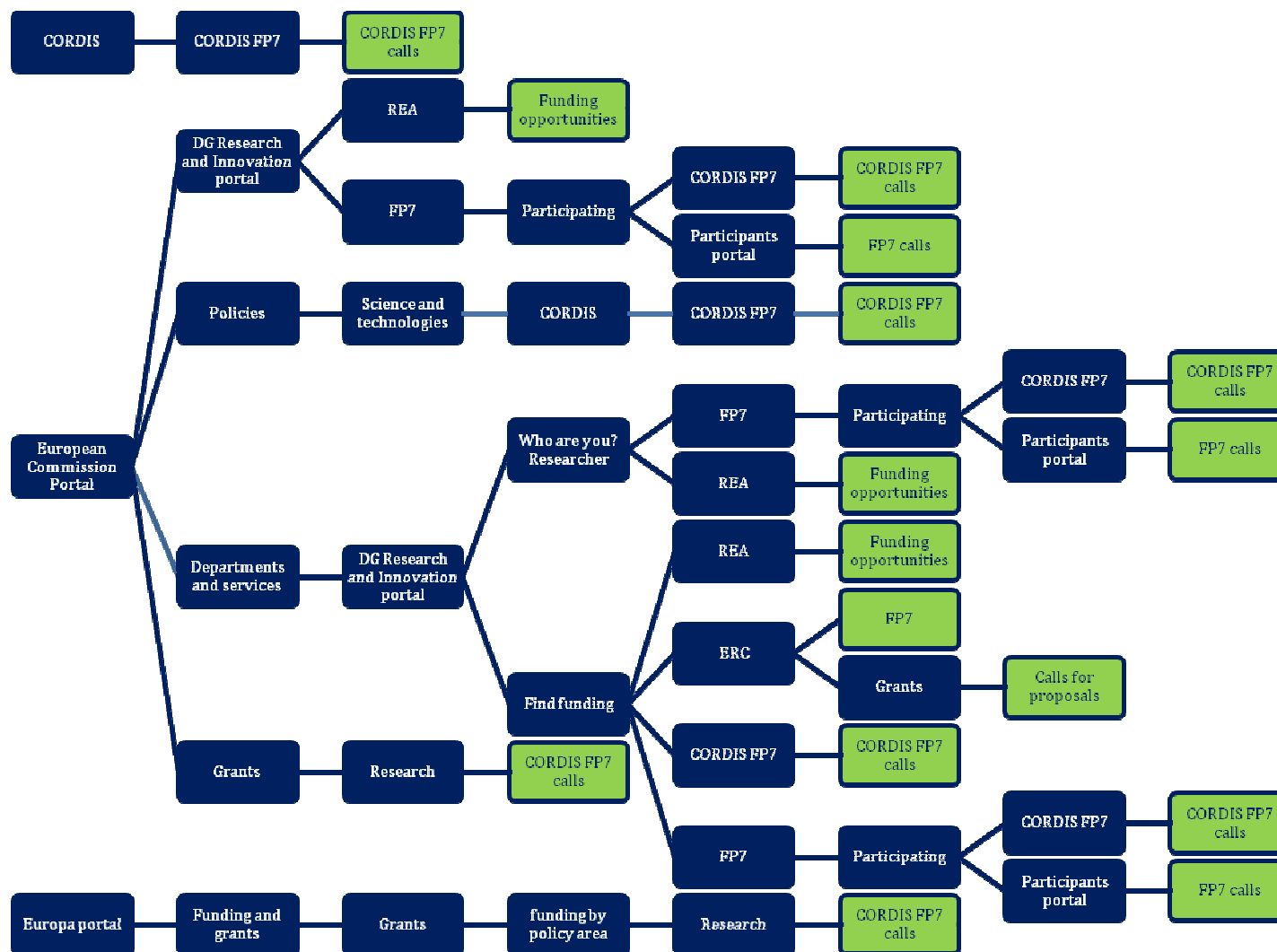


Figure 4: Paths towards finding information about FP7 calls

- **Obtaining guidance**

As stated above, the diversity of sources does not help participants to find suitable calls quickly. Most interviewees use CORDIS as the main source of information when they look for guidance online.

CORDIS provides a long⁴⁴ list of links to documents grouped by the following categories:

- FP7 legal basis
- Legal documents for implementation
- All Current Work Programmes
- Guidance documents
- Ethics Review
- Open Access Pilot in FP7
- Fuel Cells and Hydrogen Joint Undertaking (FCH JU).

Organisations such as NSF provide guidance in a single document available on the organisation's portal⁴⁵. This 166-page document covers all the steps of the project life cycle and is the reference document for applicants, participants and NSF staff. The existence of this single point of reference, as well as its clarity and comprehensiveness, contribute to limiting differences in interpretation of rules and their application.

When asked about the added value of a single guidance document for FP7, both participants and EC staff had their doubts about the feasibility of such a document, the main reasons being the number of funding schemes multiplied by the diversity of participants profiles (and the different national contexts).

Nevertheless, the way information is presented online could be improved in many ways. Many interviewees would like to see the documents using a consistent format and structured according to project life cycle step and by profile. Financial guidelines should also be available in national languages and, ideally, ambiguities between the financial guidelines and the national specificities should be avoided.

44 The list of documents in CORDIS occupies three screens, while internationally recognised benchmarks recommend an overview on one screen only.

45 Proposal and Award Policies and Procedures Guide, January 2011
(http://www.nsf.gov/pubs/policydocs/pappguide/nsf11001/nsf11_1.pdf)

Accessibility in the national language and at national level

While many pages of the Europa portal are available in 22 languages, the FP7 web pages and the Participant Portal are available in English only. CORDIS is available in six languages (DE, EN, ES, FR, IT and PL) but most guidance documents are available only in English.

English is commonly used in science projects. The fact that information is available only in English is not problematic when the principal researcher takes care him/herself of the scientific, administrative and legal activities linked to project participation (this mainly the case for small or medium sized organisations, using a decentralised model⁴⁶).

However, when the principal researcher works on the FP7 project with administrative and legal units within their organisation, as well as scientific assistants, they all need to be able to work in English in order to apply the rules. Interviewees often said that the need to speak English for all people involved in the project within the participating organisation was an obstacle to participation in FP7.

In addition to the sources mapped above, researchers can obtain information at national level. Most NCPs have websites in the national language (and sometimes another, often English). Some provide links to CORDIS (e.g. FNRS in Belgium); others provide an overview of calls and invite interested participants to contact their NCP. Amazingly, other NCPs do not mention FP7 or the EU on their website at all.

When asked about the contacts with NCPs, a majority of interviewees said they almost never contacted their NCPs and would rather contact their project officer (mainly for coordinators), project partners or other experienced participants in their network when they had issues with a rule.

46 See Section 2.3. respective roles of key actors.

2.5.2. Stakeholder perception of the quality, clarity and user friendliness of the information provided

- **Participants**

In the table below, a number of sample comments by participants (gathered during interviews conducted in the course of this study) are listed, linked to the four project life cycle steps listed at the left-hand side of the table.

These comments give an indication of the main problems participants encounter in finding information on FP7, and therefore by extension on simplification measures, for each step of the project life cycle.

Table 17: Comments from participants on the main problems with the four project steps of FP7

Project life cycle steps	Comments from participants (coordinators/partners)
Application/ selection of proposal	Participants often rely on their network to inform them about the calls and on coordinators to design the application because they think it is quicker and easier for them than using the FP7 information channel.
Negotiation of contracts	Consortium agreement: the Commission did not provide a model when FP7 started. Initiatives such as the Development of a Simplified Consortium Agreement for FP7 (DESCA) initiated by ANRT (www.anrt.asso.fr), the German CA-Team (represented by Helmholtz - www.helmholtz.de and KoWi - www.kowi.de), EARTO (www.earto.eu), Eurochambres (www.eurochambres.be), and UNITE (www.unite.be) are filling the gap http://www.desca-fp7.eu/
Project management	As information provided by FP7 channels is not straightforward, participants need help to manage contracts by unloading a share of the workload to: dedicated EU staff, consulting companies, and specialised software. This allows them to concentrate on research. Partners are “not educated” to cope with complex rules and procedures.
Ex-post audits	Participants receive conflicting information for an audit between the official letter from the Commission providing a list of items to prepare and the letter from the local audit firm selected by the Commission that will conduct the audit.

Source: Deloitte 2011

Interviewees also reported that “most of the simplification measures and as a consequence information related to these, are for coordinators” or people working “fulltime on FP7”. They report “no real changes” or “nothing that really stands out”. Many coordinators report that they “get used to the procedures”. Once you are “used to the system (familiar with the rules), it works well”.

The role of the coordinator (and the coordinator’s team) is often highlighted. For example, an FP7 partner reported that “management is very much in the hands of the consortium, it is

much smoother (excellent and experienced coordinator of about 20 projects)” and another reported “the coordinator provides predefined inputs, he is well educated as a coordinator, and he is diplomatic, and formulates things to get through”.

Other FP7 features contributed to communicate about simplification measures:

- “Participation of the project officer in annual meetings is important”, their participation “could replace some project reporting” and “the project would be better understood”.
- “The new IT system makes applications much smoother than before, the technical annex can be re-used, etc.”
- EU Info Days for coordinators and national Info Days are “helpful because they help to meet other organisations (new and known) and meet the Commission”, they provide an “overview of the main calls, and lots of tips on how to apply” and “help to find everything at once and get information in advance”

The table below provides an overview of the **availability**, **timeliness** and **perceived quality** of the information linked to simplification measures introduced under FP7. The assessment of quality reflects the main thrust of feedback collected from FP7 participants during the interviews.

Table 18: Overview of the availability, timeliness, quality and structure of the information linked to simplification measures introduced under FP7

Information about simplification measures	Availability	Timeliness	Quality
Continuity of FP6 instrument while providing more flexibility of use	Yes	2007	No improvement
Improvements to the services and guidance documents for applicants	Yes	Came during 2007, often late	Improvement <i>except terminology, acronyms and length</i>
Introduction of two-stage procedures	For some calls	2007	Divergent opinions
Introduction of a unique registration facility (URF)	Yes	Setup during 2007 during open calls	Improving
Progress towards optimised IT tools ("e-FP7" the Participant Portal)	Depending on the calls/ projects	2007-2011	Neutral opinion
Streamlining of the project reporting requirements	Depending on the projects	2007	Improving but annual reporting is still necessary for the consortium
Considerable reduction in ex-ante controls and revised protective measures for financially weak participants (SMEs and high-tech start-ups)	Yes	2007	Improving
Major reduction in the number of certificates on financial statements to be provided with periodic cost claims	Yes	2007	Improving

Information about simplification measures	Availability	Timeliness	Quality
(below EUR 375 000)			
Introduction of the possibility of ex-ante certification of the accounting methodology for recurring participants	Currently under restrictive conditions	Not implemented	Not applicable
No need to obtain validation by the Programme Committee of those selected	No	Not implemented	Not applicable
Revision of the Financial Regulation (to ensure broader flexibility of use of the budget dedicated to research policy)	No	Depending on the approval by both Parliament and Council	Not applicable
Extension of lump sum financing for subsistence and accommodation costs	Depending on the projects	2010	No opinion
Simple cost reporting	Yes	2007	Improving for coordinators, no opinion for others
Clearer definition of eligible costs	Yes	2007	Improving for coordinators, no opinion for others
Simplified support rates per type of activity	Yes	2007	Improving for coordinators, no opinion for others

Source: Deloitte 2011

2.5.3. Conclusions

Our conclusions based on interviewees' perception of the availability of information, transparency and speed related to the implementation of simplification measures are as follows:

- Compared to other international practices, the number of clicks needed for an applicant to find information about funding sources and / or a call for proposal is too high (more than 3 clicks);
- The diversity of online sources for information about FP7 calls creates unnecessary confusion for applicants and participants;
- Considering the number of schemes and the diversity of rules a single guidance document covering all FP7 schemes seems very difficult to implement (while desirable);
- In terms of the organisation of information, the following are barriers to obtaining information on simplification measures:
 - The complex information structure and mapping of information sources for applicants/participants;

- The failure to present and structure information in a user-friendly manner, e.g. by project life cycle phase and step, profile, etc.
 - The mass of information that is available (to which the simplification measures appear merely to be adding!).
- In terms of the support tools, the functionalities and performance of the Participant Portal are still work in progress (since 2007) and the Portal is not (yet) self explanatory (guidance is still needed for first-time users);
- NCPs are not seen as a key interface between researchers in their country and the European Commission;
- The majority of operational guidance documents are available in English only, which requires English language skills for staff involved in the project, including administrative and financial staff. This can represent a barrier to participation;
- There is a perception that FP7 is better adapted to experienced participants with a good command of English, de facto discouraging participation by specific categories of applicants (centralised organisations, SMEs, newcomers to the programme, etc.);
- The need for targeted communication about simplification is needed for both experienced participants (to highlight the changes) and newcomers (to attract new participants);
- Many simplification measures were implemented after FP7 had already started, which means that they were not fully included in the communication about the programme when it was launched and remained unnoticed by participants;
- As many measures are still work in progress, many applicants still do not understand the added value of some of the new features:
 - There is still room for (mis-)interpretation, in particular in relation to the eligibility of costs;
 - The (changing) terminology and manifold acronyms contribute to the administrative burden for users.
- More generally, there is a need for a communication strategy dedicated to simplification measures.

2.6. Ideas from other large research programmes: could different approaches deliver better results?

This section focuses on programmes managed by the three following research organisations:

- National Science Foundation (hereafter NSF), United States;
- German Research Foundation (Deutsche Forschungsgemeinschaft, hereafter DFG), Germany;
- National Research Agency (Agence Nationale de la Recherche, hereafter ANR), France.

In order to ensure a broader picture, the benchmarking exercise was further extended to other sources and organisations, in particular in relation to a Commission survey on result-based funding and simplification practices in research organisations worldwide. Following the publication of the Green Paper “From Challenges to Opportunities: Towards a Common Strategic Framework for EU Research and Innovation funding”⁴⁷ on 9 February 2011 (which was also included in the desk research), it was also decided to include the Competitiveness and Innovation Framework Programme (CIP) ICT/FET (Future and Emerging Technologies) in the benchmark.

Furthermore, FP7 participants interviewed for this study were also asked to identify good practices in other programmes and organisations and to what extent they would be applicable to FP7.

The perceptions of NCPs whose views were sought as part of the FP7 monitoring reports have also been taken into account. Data was also collected on the relevance of the negotiation stage in the project life cycle and the role of control in the project life cycle.

The key judgement criterion in considering the benchmark programmes and good practice was the comparison of the project life cycle of FP7 with benchmark programmes.

Findings from desk research and interviews are presented below per organisation, starting with the three research organisations selected, and continuing with the good practice examples which were collected using the additional data sources mentioned above.

⁴⁷ Green paper “From Challenges to Opportunities: Towards a Common Strategic Framework for EU Research and Innovation funding”, COM(2011) 48 of 9 February 2011

Benchmarking exercise

The data collected during the benchmarking exercise (desk research and interviews with representatives of the three selected research organisation) is summarised in the table below and discussed in detail in this section.

- **Overview ANR, NSF and DFG**

Table 19: Benchmarking organisations overview

	FP7 (EC)	NSF	DFG	ANR
Profile (2009 figures)				
Annual budget	€ 7.2 billion (€ 10bn in 2013)	€ 5.2 billion ⁴⁸	€ 2 billion	€ 0.8 billion
Number of proposals submitted annually	13,654	42,000	Not communicated	6,036
Number of grants awarded annually	3,286	10,000	Not communicated	1,334
Number of participants	15,291	About 10,000	Not communicated	5,200
Beneficiaries	Private companies, public organisations, individual researchers, as well as researchers and organisations outside the EU (Candidate Countries, Associated States, developing countries, emerging economies or	Individual or small groups of investigators, research centres and universities, instruments and facilities	Individual or small groups of investigators, research centres and universities, and facilities	Private companies, public research organisations and universities, individual researchers, and facilities

⁴⁸Approx. \$ 6.9 billion (exchange rate 6 December 2010)

	FP7 (EC)	NSF	DFG	ANR
	industrialised nations)			
Success rate (%)	22%	20% (untargeted calls)	50-55%	23%
Average grant duration	To be confirmed	3 years	Not communicated	3 years
Time to grant	11.5 months ⁴⁹	NC	6.0 to 6.2 months	6.0 to 8.0 months
Staff	2,500	2,100	Not communicated	240 at June 2011
Funding opportunities				
Funding schemes	Collaborative projects, networks of excellence, coordination and support actions, support for frontier research (ERC), support for training and careers development of researchers (PEOPLE), research for the benefit of specific groups (in particular SMEs)	Individual and small group of investigator grants. Grants to research centres and facilities	Individual Grants Programme, Coordinated Programmes, Excellence Initiative, Research Infrastructure, Scientific Prizes and International Cooperation	Collaborative projects ("Programmes blancs" and the 7 thematic area programmes) and support for young researchers, chairs of excellence, and post doctoral returns
Type of research	Applied research (Cooperation Programme)	Mainly focused on basic research	More focused on basic research ⁵⁰	More focused on basic research, 50% is non-thematic research
Disciplines	Pluri-thematic (Health Food, Agriculture and Fisheries, Biotechnology Information & communication technologies)	Pluri-thematic (Biological Sciences, Computer and Information Science and Engineering, Engineering, Geosciences, Mathematics and Physical Sciences,	Pluri-thematic (not specified)	Pluri-thematic (not specified)

49 350 days average taking into account all FP7 projects since FP7 was launched (source: Third FP7 Monitoring Report)

50 See DFG "priority programmes" on

http://www.dfg.de/en/research_funding/programmes/coordinated_programmes/priority_programmes/index.html

	FP7 (EC)	NSF	DFG	ANR
	Nanosciences, nanotechnologies, materials & new production technologies Energy Environment (including Climate Change) Transport (including aeronautics) Socio-economic Sciences and the Humanities Space Security)	Social, Behavioural and Economic Sciences, and Education and Human Resources)		

Selection process ⁵¹				
Description	<p>“Excellence, Transparency, Fairness and impartiality, Confidentiality, Efficiency and speed, Ethical and security considerations”:</p> <ul style="list-style-type: none"> • Eligibility check; • Peer individual evaluation; • Peer panel review; • Commission ranking. 	<p>Proposal review and processing within the “Merit Review”: “fair, competitive, transparent, and in-depth” selection:</p> <ul style="list-style-type: none"> • Peer review: Intellectual Merit and Broader Impacts; • Program Officer recommendation; • Division Director review; • Recommendation sent to the Division of Grants and Agreements 	<p>“Quality-based differentiation”:</p> <ul style="list-style-type: none"> • Expert review: evaluation by voluntary reviewers against scientific criteria; • Review Board on the basis of the expert review; • Final decision taken by the Grants Committee. 	<p>“Transparency, equity and quality”, ISO 9001 certified:</p> <ul style="list-style-type: none"> • Two written reviews by external expert reviewers; • Assessment by a specific panel of researchers and recommendations to the programme’s Steering Committee; • Programme’s Steering Committee proposes a final list of recommended applications; • ANR decision

⁵¹ Based on self-description of the selection process on the organisations’ websites

Programme management				
Project life cycle (see Table 20)	Proposal, Negotiation of contracts, Project management, ex-post audits	Merit review (including “Business Review”), Grant administration	Proposal, Project management	Programme planning, selection, follow-up and assessment
Control stress point	Financial reporting	Proposal selection	Proposal selection	Proposal selection
IT tools	URF, EPSS, NEF, FORCE and SESAME grouped under the Participant Portal (PADME)	FastLane ⁵²	elan - Electronic Proposal Processing System ⁵³	“Site de l’ANR de soumission e projets en ligne” ⁵⁴
Guidance documents	Multiple documents ⁵⁵ , multiple locations	Single document: Proposal and Award Policies and Procedures Guide (PAPP), single location	Multiple documents (linked to call), single location	Document provided for the call, differs according to the call to avoid long document
Performance measurement	Annual indicator-based assessment of programme implementation, interim (completed) and ex-post (planned) evaluations	Annual performance measurement	Annual performance measurement (annual report), statistics and funding programmes evaluation	Innovative policy to promote quality - certified ISO (annually monitored). International panels to evaluate programmes (2008, 2010)
User-friendliness	Part of the performance measurement	Part of the performance measurement	Part of the performance measurement	Part of the annual quality monitoring process
Simplification exercise	Ongoing	Part of performance measurement	Quality review (Quality Assurance and Programme Development team)	Yes, continuous through the annual review for keeping the ISO certification (see examples in the text)

52 <https://www.fastlane.nsf.gov/index.jsp>

53 https://elan.dfg.de/dana-na/auth/url_2/welcome.cgi

54 <https://aap.agencerecherche.fr/>

55 For an overview: http://cordis.europa.eu/fp7/find-doc_en.html

Source: Deloitte 2011, based on FP7 Third monitoring report, DFG, ANR and NSF websites, interviews with DFG, ANR and NSF staff

- **Project life cycles**

The table below presents the life cycle of NSF, DFG and ANR funding programmes.

Table 20: NSF, DFG and ANR funding programme life cycle

Project life cycle phase	NSF	DFG	ANR
Selection of proposals Merit review: submission, review and award	Merit review: <ul style="list-style-type: none"> • Proposal Preparation and Submission • Proposal Review and Processing • Award Processing 	<ul style="list-style-type: none"> • Publication of a funding opportunity • Submission of proposals • Proposal evaluation (3 independent reviewers) • Programme officer review • Award (or decline) decision by Division Director • Award processing by DFG's Division of Grants and Agreements (DGA) 	Programme planning and selection: <ul style="list-style-type: none"> • Programme planning (only for thematic programmes) • Submission of proposals • 2 stages proposal evaluation spanning over 3 months • Negotiation • Signature of contract with all partners
Negotiation of contracts	Not applicable	Not applicable	Included in the selection
Project Management (Issuance, administration and closeout)	<ul style="list-style-type: none"> • Annual reports (technical and financial) • Final report 	<ul style="list-style-type: none"> • Annual reports (technical and financial) • Final report 	Follow-up and assessment: <ul style="list-style-type: none"> • 6 monthly reporting (technical and financial) • Mid-term reporting • Final reporting
Ex-post	Ad hoc audit by Office of Inspector General (OIG)	Economics and auditing office	Ad hoc audit for about 5% of projects

Source: Deloitte 2011, based on FP7 Third monitoring report, DFG, ANR and NSF websites, interviews with DFG, ANR and NSF staff

- **Commission survey on result-based funding and simplification practices in research organisations worldwide**

The Commission conducted a survey⁵⁶ on research funding organisations, investigating a “result-based approach using lump sums” and “good practices on simplification” during 2010.

This survey identified the following “self-reported” good practice examples:

- the Danish Agency for Science Technology and Innovation⁵⁷, chosen for its faster approval system: the e-application system in Denmark⁵⁸ is a new system designed to simplify and help participants but also peer reviewers and project officers;
 - the National Institute for Health (NIH)⁵⁹ in the United States, for its fast review of applications; and
 - the Technology Strategy Board (TSB)⁶⁰ in the United Kingdom for streamlined reporting requirements (1-page quarterly report every 3 months).
- **Trust-based approach currently run by the FP7 ERC and JTIs (IMI, Artemis, Clean Sky, ENIAC, FCH, GMES)**

Both the ERC and the Joint Technology Initiatives (JTIs) are new instruments under FP7. They entrust the principal investigator (ERC) and the dedicated structures implementing the JTIs with the management of funds.

- **CIP Eco-innovation market replication project and FP7 ICT future and emerging technologies (FET): Good practice examples for other research and innovation funding programmes**

The Green Paper⁶¹ “From Challenges to Opportunities: Towards a Common Strategic Framework for EU Research and Innovation funding”, published on 9 February 2011, proposed the CIP Eco-innovation⁶² First Application and Market Replication Projects, and the FP7 ICT FET⁶³ as examples of “open, light and fast implementation schemes” for other research and innovation funding programmes to “allow flexible exploration and

56 ERAC Committee, Programme Committee for the Cooperation Programme, and EC scientific counsellors in third countries

57 <http://en.fi.dk/>

58 <http://en.fi.dk/funding/e-application>

59 <http://www.nih.gov/>

60 <http://www.innovateuk.org/>

61 COM (2011) 48. 09.02.2011. http://ec.europa.eu/research/csfr/pdf/com_2011_0048_cs_f_green_paper_en.pdf

62 http://ec.europa.eu/environment/eco-innovation/application_en.htm

63 http://cordis.europa.eu/fp7/ict/programme/fet_en.html

commercialisation of novel ideas”, in particular by SMEs. This statement is based on findings from the CIP interim evaluation⁶⁴.

Both schemes are creative. The CIP/ Eco-innovation scheme provides funds in the form of grants to SMEs (which are faster than collaborative projects). The ICT/FET scheme is “topic-agnostic” and “deadline-free”. The scheme also uses Specific Targeted Research Projects (STREP) and Community Support Action (CSA) funds instead of the collaborative projects approach (which is also faster).

2.6.2. Perception of FP7 in the international research landscape

- **Perception by National Contact Points (NCPs)**

The FP7 monitoring system uses ten “indicators” and 35 “sub-indicators”⁶⁵. The tenth indicator, “simplification”, includes three sub-indicators, of which one is “How do stakeholders find the ease of use of the FP, compared to similar international research actions and large national schemes?”

The question: “*based on your own observations and the feedback received from researchers and stakeholders in your country, how would you rate the ease of the use of FP7 [in 2008, 2009] compared with similar international research actions or large national schemes?*” was covered by the second and third monitoring report. The source of information was the respective annual survey of National Contact Points (NCPs). Data reported in these monitoring reports is presented in the table and figure below:

64 GHK and Technopolis, 9.03.2010. Interim Evaluation of the Competitiveness and Innovation Framework Programme (2007 – 2013). http://ec.europa.eu/cip/files/docs/interim_evaluation_report_march2010_en.pdf

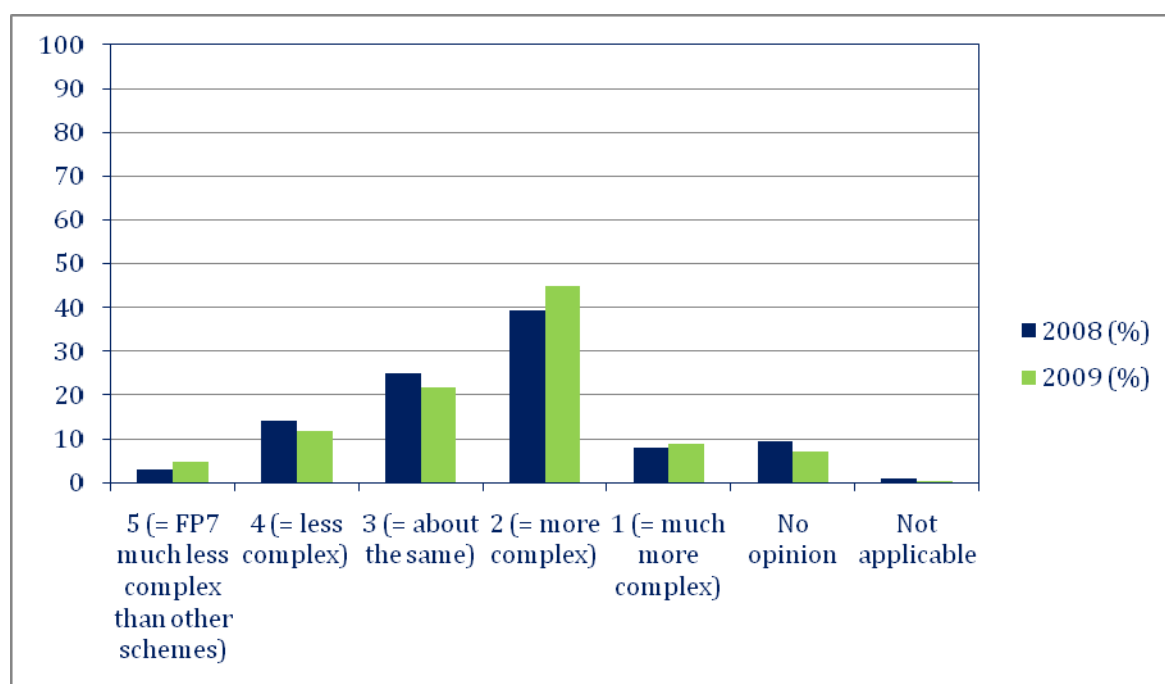
65 Source: FP7 monitoring reports

Table 21: NCPs' perception of FP7 compared with other funding schemes

Comparison of ease of use of FP7 with other funding schemes	2008		2009	
	Number of respondents	% of total respondents (%)	Number of respondents	% of total respondents (%)
5 (= FP7 much less complex than other schemes)	9	3.11	10	4.74
4 (= less complex)	41	14.19	25	11.85
3 (= about the same)	72	24.91	46	21.80
2 (= more complex)	114	39.45	95	45.02
1 (= much more complex)	23	7.96	19	9.00
No opinion	27	9.34	15	7.11
Not applicable	3	1.04	1	0.47
Total	289	100.00	211	100.00

Source: Second & Third FP7 Monitoring Reports

Figure 5: NCPs perception of FP7 compared with other funding schemes



The graph shows that in 2008, 47,5% of NCPs considered that FP7 is more or much more complex than other funding schemes. One year later, 54% of the NCPs surveyed considered FP7 more or much more complex than other funding schemes.

- **FP7 participants**

FP7 project participants interviewed for this project were less negative than NCPs about the complexity of FP7. Although they all recognise the fact that FP7 is relatively complex, they seem to understand the reasons for this complexity.

When asked to name a national or international research funding programme which could inspire FP7 by its exemplary procedures, only a very small number of interviewees came up with good practice examples. The programmes most often mentioned are listed in the table below.

Table 22: Good practices by country from other programmes as reported by FP7 participants

Programme	Country	Good practice
SNSERC and CRSNG	Canada	Finances only individual managers http://www.nserc-crsng.gc.ca/onlineservices-servicesenligne/index_eng.asp
Agency for Science, Technology and Innovation	Denmark	Approval system is faster The agency administers research and funding to promote innovation for the Danish Council for Independent Research, the Danish Council for Strategic Research, the Danish Council for Technology and Innovation and the Danish Research Training Committee under the auspices of the Danish Research Coordination Committee http://en.fi.dk/
ANR	France	'Programme blanc' (topic-agnostic) devoted to SMEs http://www.agence-nationale-recherche.fr/
FP ICT policy support programme (PSP)	EU	The financial calculation is easy to understand with 50% participation reimbursed plus a unique overhead of 30%. http://ec.europa.eu/information_society/activities/ict_psp/index_en.htm
Swedish Research Council & VINNOVA	Sweden	Swedish funding system is much less detailed for each step of a project life cycle (trust principle) http://www.formas.se/default_529.aspx http://www.vinnova.se/en/
Technology Strategy Board (TSB)	UK	Streamlined and easier reporting with one page report every 3 months http://www.innovateuk.org/ Call procedure
EPSCRC ⁶⁶	UK	More difficult to get funding, but trust principle, time spent on research rather than bureaucracy http://www.epsrc.ac.uk/Pages/default.aspx
NIH Brookes Anthony J.	USA	The review of applications is far better than anything else in the world http://www.nih.gov/
NIH	USA	The reporting is more flexible for the scientific section. But it is different because few partners are involved http://www.nih.gov/

⁶⁶ Engineering and Physical Science Research Council

Programme	Country	Good practice
NIH centers for AIDS research (CFAR)	USA	Equivalent to the EU networks of excellence. Allows re-applying for funding to continue the project. Provides administrative and shared research support to synergistically enhance and coordinate high quality AIDS research projects. http://www.niaid.nih.gov/labsandresources/resources/cfar/Pages/default.aspx
Department of Energy (DOE):	USA	Interesting in terms of selection where the criteria are: quality of project and methodology, while in Europe there is more paperwork, and more emphasis on the quality of the proposal

Source: Deloitte 2011

However, the majority of FP7 participants do not see these being good practices as applicable to FP7, because its complexity and international reach make these examples difficult to transfer to the EU context.

2.6.3. Simplification opportunities from other research programmes

Simplification opportunities from other research programmes are presented below.

- **Pertinence of the negotiation phase**

One of the main differences between the FP7 project life cycle and the three benchmarked organisations⁶⁷ is the negotiation phase.

In FP7, the negotiation phase aims to⁶⁸:

- Agree on the scientific-technical details of the project;
- Collect financial and legal information needed for:
 - Preparing a Grant Agreement;
 - Project management;
 - Reporting on the project execution;
 - Checking the financial viability/capacity of the coordinator;
 - Checking subcontracting and third party participation.
- Follow-up on the ethics review (if relevant).

Depending on the size and nature of the project, the Project Officer in charge of the project negotiations may organise meeting(s) between the Consortium (coordinator, assisted by project partners if necessary) and the Commission/REA.

⁶⁷ Also ERC

⁶⁸ Negotiation Guidance Notes, Version 10 September 2010

Experienced FP participants are familiar with the negotiation phase and its contents. However, when interviewed, less experienced participants often claimed that the terminology used was misleading. The most striking fact for them was that almost all projects invited to the negotiation phase signed a Grant Agreement, while they expected the negotiation phase to reduce the number of successful applications. The second misunderstanding about the negotiation phase was that participants expected more discussion about the scientific aspects of the projects. Their perception of the negotiation phase was that the objective was really for the Commission to communicate to the project coordinators the conditions applying to their project:

- Administrative conditions, e.g. coordinators are asked to produce additional administrative documents or to clarify the administrative status of a partner;
- Financial conditions, e.g. the proposal is accepted, but with a reduced budget/EU contributions, or there are mistakes in the financial section. In the latter case, these mistakes need to be corrected and clarified in order to avoid consequences in financial reporting;
- Scientific conditions, e.g. the proposal was accepted, but with comments about the scientific scope or methodologies.

All participants agreed that the discussion that happens in the negotiation phase should be maintained and take place at some stage of the project life cycle. They perceive the negotiation phase as positive in as much as it provides an opportunity for project coordinators and the Commission/REA (project, legal and financial officers) to discuss and clarify important project points. Moreover, the main outcome of the negotiation phase is that the details of the grant agreements are finalised with the applicants and that all the necessary checks are carried out. That is why the negotiations take place before the grant agreement is signed, thus before the project starts.

The same type of discussion takes place in programmes managed by NSF, ANR and DGF, but not within the framework of a so-called “negotiation” phase. The discussion occurs at the end of the proposal submission phase (e.g. “Business Review” within the Award Processing phase at NSF) or at the beginning of the project management phase.

FP7 participants interviewed suggested that the EU negotiation phase could be improved by:

- a faster process for those with no scientific/financial negotiation, but only administrative checking and the signature of the grant agreement to prepare and sign (distinction between groups of proposals within the same call);
- moving from the sequential logic (with strict deadlines followed often by long periods of silence) to starting all procedures simultaneously for the consortium and the Commission, and not waiting in order to avoid wasted work (check on a partner that left, etc.);
- more generalised use of online tools (Negotiation Facility Tool on the Participant Portal, emails, etc);
- use of video conferences where possible, in lieu of meetings;

- clear contact points for the negotiation: project coordinator and project officer.

Although the benefits of changing the name and the positioning of the negotiation phase (clarity in terms of objectives and expected outcomes of the negotiation) are limited in the short term due to the difficulty of changing FP7, a major simplification step in future FPs would be to align the high level project life cycle with the project life cycle of the three benchmarked organisations: application/selection step, project management and ex-post.

Even if merely shifting the discussion that currently takes place in the negotiation phase to another phase would not reduce the administrative burden as such, it would reduce the ‘perceived’ burden by participants.

- **Project life cycle: Control**

Apart from the positioning of the “negotiation phase”, the organisations we benchmarked with FP7 are often organised in line with the same high level project life cycle as FP7.

However, they do not have the same approach to control. The NSF, ANR and DFG, but also ERC, have a different trust/control balance.

All programmes considered in the benchmarking exercise are funding programmes using public money. The organisations managing these programmes are accountable to their taxpayers and need to ensure a minimum of control over public spending.

In programmes managed by NSF, ANR and DFG, the highest degree of control is in the application/selection phase. These organisations then consider that the researchers benefiting from the grants are responsible for and empowered to deliver the execution of the research project. The respective programme officers support the beneficiaries and deal with the grant administration.

This approach does not mean that NSF, ANR and DFG do not control the spending of the grant once it is awarded. Beneficiaries have to report on outcomes of the research projects and spending. However, the reporting requirements are much lighter than in FP7.

The outcome of the control operated by ANR, DFG and NSF is to detect errors and to avoid them in the future. Moreover, projects are not always audited – unlike in FP7.

None of the organisations benchmarked has carried out a formal simplification exercise. However, they all have strong quality policies and performance improvement processes.

- **Minimal reporting requirements**

Some of the organisations benchmarked are often cited as showing more trust in the participants during the project management life cycle. This is the case for:

- the TSB in the UK, with 1 page reporting every 3 months;
- ERC/ JTI, which only require reports to the principal investigator and the dedicated structure;
- NIH in the US, with flexible reporting;
- EPSCR in UK which, after a difficult selection process, largely trust the researcher during execution of the project to implement what has been approved.

- **Call expectation and “deadline free” calls**

Some programmes help researchers to prepare future funding projects by providing them with the forward planning for expected calls, or by using the same schedule of calls every year. Other programmes are continuously open:

- ANR publishes a calendar of expected calls on its website;
- ICT/FET is “deadline free”.

- **Communication with applicants and participants**

NSF demonstrates good practice both in terms of guidance provided to participants and interactivity of the IT support tools.

The Proposal and Award Policies and Procedures Guide (PAPP) and *fastlane* tool make it possible for participants and applicants to find and submit application and project management related information in a user-friendly manner.

2.6.4. Conclusions

The conclusions are:

- Although FP7 has no comparators, it is possible to adopt good practices from other large research programmes.
- Recently launched EU research programmes such as the ERC and JTIs are using a simpler approach. There is an opportunity to reduce administrative fragmentation for EU researchers applying for and delivering research projects.
- Most programmes assessed allocate grants to a specific researcher instead of under cooperative agreements, and therefore have leaner operations (including better guidance), and a different balance between trust and control.
- Good practice examples collected that are applicable to FP7 include:
 - Quality certification engaging the operator in a continuous improvement process;

- Offer the option of a direct contractual relationship only with the major partners in the consortium (instead of collaborative agreements);
- Trust based approaches, with strong control at the application/selection phases and trust during implementation and reporting (implying minimal reporting requirements);
- Incorporation of the equivalent of the negotiation phase either as the closure of the selection step or at the start of the project-management step instead);
- Assess the feasibility of a single guidance document;
- Integrated interface portal;
- Forward communication planning of a calendar of expected calls or a standard annual schedule of calls, and “deadline free” calls;
- Aligning the FP7 high level project life cycle with the benchmarked organisation.

3. CONCLUSIONS AND OUTLOOK

While stakeholders understand that a programme such as FP7 is complex *per se*, and that the measures introduced to date are not a panacea, they still see significant room for improvement. Simplification remains a key challenge in their minds.

Of the 15 simplification measures introduced since FP7 was proposed in 2005, eight affect the project life cycle transversally, while seven affect one specific project life cycle step (either application/selection, negotiation, audit or project management).

Of these 15 measures, the most successful have been, according to participants and stakeholders:

- the introduction of a unique registration facility (URF);
- a major reduction in the number of certificates related to financial statements that must be provided with periodic claims;
- a considerable reduction in ex-ante controls and revised protective measures for financially weaker participants; and
- the extension of lump sum financing for subsistence and accommodation costs.

These measures should naturally be kept in place, and strengthened in the future where appropriate.

However, other measures (that were considered as potentially important by stakeholders) are not perceived as having been successfully implemented:

- the introduction of the possibility of ex-ante certification of the accounting methodology for recurring participants (very few certifications were delivered);
- a clearer definition of eligible costs, and improvements to the services and guidance documents for applicants (the definition of eligible costs remains unclear, and the many documents available remain difficult for newcomers to understand);
- a simpler cost reporting system (reporting remains complex); and
- a simplified support rate per type of activity (participants may face several support rates depending on the type of funding scheme that applies to them).

Given the potential impact of these measures if implemented effectively, the Commission should continue to focus on improvements in these areas.

Following the study results, the most time-consuming project life cycle step for participants is project management, followed by application/selection, negotiation and audit in terms of administrative obligations (the time spent on scientific tasks is not included). Project coordinators spend almost as much time writing the application as they do managing the project⁶⁹. Simplification efforts will obviously have most effect if they are targeted on these most time-consuming steps.

It is not surprising that participants with prior experience of the Framework Programme are at an advantage compared to newcomers, even beyond the “normal” learning curve effect. They have experience in the administrative processes and can therefore spend less time on them.

However, if the complexity of the Framework Programme is not significantly reduced, high-potential research projects from less- or non-experienced researchers or from smaller organisations (such as SMEs) may be “missed” by the Programme and its successors.

In addition to these findings, the study identified the following simplification areas that merit serious attention by the Commission:

- remove differences of approach between Commission DGs and Directorates involved in FP7 (e.g. interpretation of rules, communication, training of Commission staff, etc...). A dedicated change management strategy in this respect and a coherent and holistic Business Process Management approach should be put in place to assure future consistency in approach between Directorates;
- simplify the ‘rules for participation’ by rationalising and reducing the number of funding schemes and cost models, remove the obligation to open a specific bank account for the project and implement the additional simplification measures listed by the Council on 12 October 2010⁷⁰;
- assess the feasibility of different options proposed for a “trust-based approach” to achieve a better balance between science and administration;
- offer the option of a direct contractual relationship only with the major partners in the consortium (instead of collaborative agreements). Small organisations and/or newcomers would be attracted by lighter administrative procedures, whereby they would have the status of subcontractors in a project and avoid more complex contractual procedures. The financial threshold above which audits become

69 The data collection conducted by the Commission on time spent when participating in FP7 projects via the online consultation mentioned here above shows different results as compared to the findings of this study, due to methodological differences between both surveys. This study only covers projects of the Cooperation Programme (no mono beneficiary projects such as Marie Curie, Coordination and Support Action, etc.). The scope of the Commission’s online consultation was much broader in this respect. Furthermore, this study only collects data on time spent for administrative obligations and does not include the time spent on scientific tasks (also for the preparation of the proposal), which is another clear difference as compared to the Commission’s consultation. For further details, please see Section 2.2.1. and Annex 3.

70 Council Conclusions on raising the attractiveness of EU Research and Innovation programmes: the challenge of simplification, 14980/10 of 12 October 2010 (<http://register.consilium.europa.eu/pdf/en/10/st14/st14980.en10.pdf>)

mandatory (EUR 375 000) could be an appropriate level of grant income below which participants could be subcontractors;

- align the administrative processes of FP7 with typical internal business processes of the beneficiaries. Ideally the Commission's internal business processes should be reengineered in such a manner that they establish a 'natural' link with the day-to-day business of participants, thus avoiding double work, irritation and additional administrative burden;
- publish "deadline-free" calls (calls that are continuously open and regularly assessed by an evaluation committee) in order to allow more flexibility for researchers;
- ensure the right balance between simplification and stability of the rules. If further simplification measures are selected, they should be tested against their stability over the next funding programmes. Ever-changing rules are often a cause of additional administrative burden and irritation rather than a lever for removing the negative effects of red tape;
- ensure audit traceability throughout the project life cycle, so that certain project decisions can be explained and errors can be avoided in the future. Much discussion and confusion about project decisions could be avoided if any change or decision is well-documented throughout the project;
- ensure flexibility in the implementation of rules, taking into account country-specific financial rules;
- use communication as a powerful simplification tool. FP programmes should be supported by a user-friendly research participants' portal incorporating clear guidelines. In addition, all communication (e-mails, letters, phone calls, RTD magazines and publications, etc.) should be consistent and the terminology used should be harmonised.

Naturally, the Commission should be guided by continuous monitoring of the effects of simplification measures implemented to date. Useful indicators such as:

- time to grant;
- time to pay;
- time to reply;
- time to find the right information (calls, guidance documents, specific rules applying to these documents); and
- time spent by EC officers (project/legal/financial) as well as coordinators and project partners in managing each step of the project life-cycle

should be used to measure the impact of simplification measures already introduced – and to assess the likely effect of further steps. In order to achieve this, an integrated approach to internal performance management, linking clear performance indicators to the Commission's business processes, could be put in place.

The Commission introduced three further measures in January 2011⁷¹, (averaging of personnel costs, flat rate financing of SMEs and natural persons, and the creation of an internal “Research Clearing Committee). These are evidence of the Commission’s continued willingness to improve the processes. While the first two are likely to affect only a limited number of participants and the potential impact of the third step remains unclear, they are welcomed by the research world as evidence of continuing attention to the remaining issues.

One task for which the new Research Clearing Committee could become responsible is tackling discrepancies of approach within the Commission and for continuously monitoring the achievement of simplification objectives. A successful initiative in centralisation of standardised and consistent communication, training of EC staff, the participants’ portal, and consistency of interpretation of rules would improve the quality of the interactions with applicants and participants.

71 C(2011)174 Final Commission Decision of 24 January 2011 “on three measures for simplifying the implementation of Decision No 1982/2006/EC of the European Parliament and of the Council and Council Decision No 970/2006/Euratom and amending Decisions C(2007) 1509 and C(2007) 1625”.

ANNEXES

Annex 1 Simplification under FP7

This section sets out the overall EU policy context and the current status of simplification under FP7.

- **Simplification in the context of the Better/Smart Regulation agenda**

Simplification of EU programmes is part of the European Commission's Better/Smart Regulation agenda⁷² including the Action Programme on Reducing Administrative Burdens⁷³ coordinated by the Secretariat General.

The European Commission has an ambitious strategy to reduce the administrative burden for business by 25%. The Action Programme is high on the political agenda of the Commission, successive Council Presidencies and the Member States. The Better Regulation agenda aims at:

- simplifying existing legislation through a rolling simplification programme composed initiatives in all policy areas;
- reducing administrative burdens by at least 25% by 2012;
- placing greater emphasis on the use of impact assessments and public consultations when drafting new rules and regulations;
- monitoring the application of Community law.

The Better Regulation agenda is monitored and reviewed/reported on annually.⁷⁴ The agenda was updated with the publication of the Communication "Smart Regulation in the European Union"⁷⁵, which takes stock of the achievements so far and presents the Commission's key messages on roles and responsibilities in ensuring that smart regulation is embedded in the Commission's working culture.

- **Simplification in FP7**

The need to further simplify research framework programmes was identified in 2004 by an expert group on the "Evaluation of the effectiveness of the New Instruments of Framework Programme VI"⁷⁶.

72 http://ec.europa.eu/governance/better_regulation/index_en.htm

73 http://ec.europa.eu/enterprise/policies/better-regulation/administrative-burdens/action-programme/index_en.htm

74 Strategic reviews of Better Regulation in the European Union in Commission Communications COM(2006) 689 of 14 November 2006, COM(2008)32 of 30 January 2008 and COM(2009)15 of 28 January 2009

75 Communication "Smart Regulation in the European Union", COM(2010) 543 final of 8 October 2010

76 Evaluation of the effectiveness of the New Instruments of Framework Programme VI - Report of a High-level Expert Panel chaired by Professor Ramon Marimon of 21 June 2004; <http://cordis.europa.eu/documents/documentlibrary/66674081EN6.pdf>

Key recommendations from that report included a significant simplification of administrative procedures and financial rules to ensure “more efficiency and flexibility in implementing participation instruments”. The expert group also saw a need for:

- clear strategic objectives for the instrument, and clear guidelines and criteria for their use;
- a focus on instruments that are adapted to risk-taking, industry, participants from new Member States and to smaller players in general, including SMEs;
- the introduction of a “well conceived” two-step application procedure, i.e. a short proposal first, with selected projects only being invited to submit a full proposal).

More generally, the report stressed the importance of finding the right balance between changing the rules and the stability of the instruments, whereas in the past “flexibility and simplification (had) either not (been) delivered or are (had been) the source of new challenges”.

The Commission’s stressed in response ⁷⁷ that the conclusions reached by the expert group to a large extent matched its own findings and that these had already led to the adoption of "corrective measures" to make the 6th Framework Programme more flexible and easier to use. It said measures which could only be implemented by making changes to the legal framework would be considered in connection with the preparation of the 7th Framework Programme and its legal framework.

However, the Commission did not agree with leaving the proposed freedom of choice of objectives and instruments entirely to participants or with certain statements by participants regarding the quality of the procedure for evaluating proposals.

The Commission therefore launched a study of financing mechanisms in order to explore possible ways of further relaxing participants' obligations while guaranteeing the necessary transparency in terms of the use of public funds.

Although it was felt that significant progress had been made in simplifying research framework programmes, the assessment of the impact of the new instruments introduced in FP6, published in 2009⁷⁸, largely repeated the same recommendations, which remain valid for FP7 so far.

⁷⁷ Communication from the Commission responding to the observation and recommendations of the high-level Panel of independent experts concerning the new instruments of the 6th Framework Programme, COM(2004)574 final of 27 August 2004; ftp://ftp.cordis.europa.eu/pub/fp6/docs/energy_eag_eerawog.pdf

⁷⁸ Assessment of the impact of the new instruments introduced in FP6 - EPEC study for DG Research, Final Report of 28 September 2009; http://ec.europa.eu/research/evaluations/pdf/archive/fp6-evidence-base/evaluation_studies_and_reports/evaluation_studies_and_reports_2009/assessment_of_the_impact_of_the_new_instruments_introduced_in_fp6.pdf

The simplification objectives of FP7 and related measures were introduced in the Commission proposal for a Decision on the Seventh Framework Programme⁷⁹ and detailed in the impact assessment and ex-ante evaluation⁸⁰ annexed to the proposal.

The Commission Staff Working Paper (CSWP) “Simplification in the 7th Framework Programme”⁸¹ annexed to the Commission’s FP7 proposal⁸² recognised the complexity of the Framework Programme and indicated what simplification measures needed to be taken in order to make FP7 less complex (including for non-administrators) and in particular for smaller players.

In the Communication “Simplifying the Implementation of the Research Framework Programmes”⁸³ (‘Communication on Simplification’), published in 2010, the Commission describes the simplification measures already implemented under FP7:

- Reduction of ex-ante controls and revised protective measures for financially weak participants designed to ease the participation of SMEs and high-tech start-ups;
- Reduction of the number of certificates on financial statements to be provided with periodic cost claims;
- Introduction of a unique registration facility;
- Introduction of the possibility of ex-ante certification of the accounting methodology for recurring participants;
- Streamlining of project reporting requirements;
- Optimisation of IT tools;
- Improvements to the services and guidance documents for applicants.

The Communication also included a list of further simplification measures to be considered, having been identified in consultation⁸⁴ with stakeholders. These focus on the following remaining issues:

79 Commission Proposal for a Decision concerning the seventh framework programme of the European Community for research, technological development and demonstration activities (2007 to 2013), COM(2005) 119 final of 6 April 2005; ftp://ftp.cordis.europa.eu/pub/fp7/docs/fp7_proposals_en.pdf

80 Communication Staff Working Document - annex to the Proposal for the Council and European Parliament decisions on the 7th Framework Programme (EC and Euratom): Impact Assessment and ex-ante evaluation (Main Report: Overall summary), SEC(2005)430 of 6 April 2005, in particular Annex 1, Chapter 6

81 SEC(2005)431 of 6 April 2005;

82 Proposal for a Decision of the European Parliament and of the Council concerning the seventh framework programme of the European Community for research, technological development and demonstration activities (2007 to 2013), COM(2005)119 final of 6 April 2005, op.cit.; ftp://ftp.cordis.europa.eu/pub/fp7/docs/fp7_proposals_en.pdf

83 COM(2010)187 of 29 April 2010; http://ec.europa.eu/research/fp7/pdf/communication_on_simplification_2010_en.pdf

84 Public consultation “Ideas for simplifying the implementation of the EU Framework Programmes”, open from 24/07/2009 to 30/09/2009 (http://ec.europa.eu/research/consultations/fp-simplification/consultation_en.htm)

- Access to the programmes and preparation of proposals (still seen as too difficult, in particular for newcomers);
- The high administrative burden for project administration and accounting;
- Time-to-grant and time-to-pay (still seen as too long).

The Communication also raised the issue of the error rates detected in ex-post audits, in particular for personnel and indirect costs. These remained above the materiality threshold defined by the Court of Auditors.

The additional simplification measures the Commission proposes for the future are listed below:

- **Streamlining proposal management and grant management under the existing rules:** short term improvements and simplifications, to be implemented under the current legal and regulatory framework, including further practical improvements to processes and tools:
 - User support, guidance, transparency, IT tools and processes;
 - Uniform application of rules;
 - Optimising the structure and timing of calls for proposals;
 - Adapting sizes of consortia;
 - More extended use of prizes.
- **Adapting the rules under the current cost-based system.** It is expected that this would accelerate the processes and contribute to a reduction of the error rate in the cost based approach, by:
 - Accepting usual accounting practices;
 - Using average personnel costs;
 - Limiting the variety of rules and special conditions:
 - Reducing the variety of different funding rates, organisation types and activity types;
 - Reducing the number of methods for determining indirect costs.
 - Adapting the rules linked to interest on pre-financing;
 - Increasing the use of lump sum elements in the current cost-based approach, including provision for owner-managers of SMEs; and
 - Accelerating project selection.
- **Moving towards result-based instead of cost-based funding:** Long-term changes towards result-based funding using lump sums would shift the control efforts from the financial to the scientific-technical side. The proposed steps are:
 - Providing project-specific lump sums as a contribution to project costs estimated during grant evaluation/negotiation, and paid against agreed output/results;

- Publishing calls with pre-defined lump sums per project in a given subject area and selection of the proposals promising the highest scientific output for the specified lump sum;
- Putting in place a high-trust "award" approach consisting of distributing pre-defined lump sums per project without further control by the Commission.

The FP7 Interim Evaluation⁸⁵, published in November 2010, concluded that simplification under FP7 had been partially successful. The report also highlighted the areas where simplification had been “disappointing”:

- Time-to-grant⁸⁶;
- Reporting requirements;
- Inconsistency in the interpretation of rules and procedures, and their implementation.

The expert group listed a number of remaining issues, including problems with the IT tools, and referred to the simplification priorities set out in the Council conclusions on the Communication on Simplification adopted on October 12, 2010⁸⁷:

- Take following actions already with regard to the FP7:
 - Finalize and improve the research participant portal as soon as possible and by 2012 at the latest;
 - 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;
 - Provide clear guidelines and further reduce paperwork e.g. by reducing the amount of documents and by radically simplifying them (e.g. regarding timesheets and other time-recording mechanisms);
 - 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;
 - Complete and test IT tools and processes before launching the CSF, in order to maintain them stable during CSF implementation, taking into account the need for user friendliness and uniformity where possible;

85 Interim Evaluation of the Seventh Framework Programme – Report of the Expert Group, Final Report of 12 November 2010.

(http://ec.europa.eu/research/evaluations/pdf/archive/other_reports_studies_and_documents/fp7_interim_evaluation_expert_group_report.pdf).

86 Time to grant is the interval between the deadline for bidding for funding in response to a call for proposals and the signature of a grant agreement (Source: MEMO/10/156 of 27 April 2010).

87 Council Conclusions on raising the attractiveness of EU Research and Innovation programmes: the challenge of simplification, 14980/10 of 12 October 2010 (<http://register.consilium.europa.eu/pdf/en/10/st14/st14980.en10.pdf>)

88 At the time of the Interim evaluation report, only the draft conclusions, dated 31 August 2010, were available (<http://register.consilium.europa.eu/pdf/en/10/st12/st12920.en10.pdf>)

- 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;
 - Develop an enhanced FP- Mediation mechanism for disputes with participants at all stages of the process;
 - 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;
 - Consider extending the use of prizes;
 - Introduce more flexibility in the composition of consortia and their size;
 - 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;
 - 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;
- Take following actions with regard to the forthcoming R&I Programmes:
 - 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;
 - 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;
 - 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;
 - Pursue examining if, inter alia, value added tax (where non-deductible) can be considered as an eligible cost item.

In January 2011, the Commission announced three specific simplification measures⁸⁹:

- Revised criteria for the acceptance of average personnel costs as being eligible in FP7;
- Flat-rate financing for SME owners and other natural persons not receiving a salary;
- A Research Clearing Committee to ensure uniform interpretation and application of the rules and procedures relating to FP7 projects.

The Commission Green Paper on Research and Innovation funding programmes⁹⁰, published in February 2011, the Hungarian EU Presidency Conference on the Interim Evaluation of FP7 organised on 24-25 February 2011⁹¹, and the Council Conclusions⁹² on the FP7 evaluation of 9 March 2011 all drew attention to how reducing complexity and simplifying participation are important in FP7 and in the wider context of the future Common Strategic Framework for EU Research and Innovation funding.

89 Re-formulated in the COM(2011)52 Final of 9 February 2011. « On the Response to the Report of the Expert Group on the Interim Evaluation of the Seventh Framework Programme »

90 Green Paper “From challenges to Opportunities: Towards a Common Strategic Framework for EU research and Innovation funding”, COM(2011)48 of 9 February 2011

91 See <http://www.tetalap.hu/fp7interim/>

92 3074th Competitiveness Council of 09.03.2011 on “Conclusions on the evaluation of the Seventh Framework Programme for Research (FP7), including the risk-sharing finance facility”.

Annex 2 Evaluation and monitoring under FP7

Evaluation and monitoring in FP7 aims to provide a reliable source of systematically collected information to support FP management, as described in Article 7 of the Decision on FP7. This foresees a Progress Report on FP7, the FP7 Interim Evaluation, and an ex-post evaluation, and that the Commission⁹³ will “systematically monitor the implementation of (FP7) and its specific programmes and regularly report and disseminate the results of this monitoring”⁹⁴.

Performance in FP7 is monitored annually against the operational objectives set in the Proposal for FP7⁹⁵ and the annexed Commission Staff Working Document “Impact Assessment and ex-ante evaluation”⁹⁶ and on simplification⁹⁷.

The characteristics that a monitoring system should have were described in detail in a special report in 2007 from the Court of Auditors⁹⁸. In this report, the Court of Auditors recommends “a limited, but balanced, set of performance indicators to measure the efficiency and effectiveness of programme implementation for each specific programme (and sub-programme).”

The FP7 monitoring system includes ten “indicators” and 35 “sub-indicators”⁹⁹. The sources of information for the indicators are mainly the Common Research Data (CORDA) warehouse¹⁰⁰ which contains data on applicants and participants, the annual survey of National Contact Points (NCPs)¹⁰¹, and reports and contributions addressing a number of horizontal and thematic issues. With more and more information being encoded, the new

93 Research Executive Agency when relevant

94 Decision No 1982/2006 of the European Parliament and of the Council concerning the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007-2013) of 18 December 2006

(<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:412:0001:0041:EN:PDF>)

95 Proposal for a Decision concerning the seventh framework programme of the European Community for research, technological development and demonstration activities (2007 to 2013), COM(2009)119 of 6 April 2005

96 Commission staff working paper - Annex to the Proposal for the Council and European Parliament decisions on the 7th Framework Programme (EC and Euratom) - Main Report: Overall summary - Impact assessment and ex ante evaluation - {COM(2005) 119 final}, SEC/2005/430 final of 6 April 2005

97 Commission staff working document - Simplification in the 7th Framework Programme {COM(2005)119 final}, SEC/2005/431 final of 6 April 2005

98 Special report no. 9/2007 concerning 'Evaluating the EU Research and Technological Development (RTD) framework programmes - could the Commission's approach be improved?' together with the Commission's replies (2008/C 26/01);

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2008:026:0001:0038:EN:PDF>

99 See pages 69-70, Third Monitoring Report, 2010

100 See FP7 Subscription, Performance, Implementation during the first two years of operation, 2007-2008 European Commission, June 2009

101 See Section 2.2.

reporting system for project participants will gain further importance in the forthcoming annual FP7 monitoring reports.

Three annual monitoring reports have been published since FP7 was launched¹⁰², as illustrated below:

Table 23: Overview of FP7 annual monitoring reports

Monitoring report	Publication date	Year covered
First FP7 Monitoring Report	13 February 2009	2007
Second FP7 Monitoring Report	1 October 2009	2008
Third FP7 Monitoring Report	13 July 2010	2009

In addition to the monitoring reports, DG Research & Innovation published a report in 2009 on FP7 Subscription, Performance, and Implementation during the first two years of operation¹⁰³.

102 http://ec.europa.eu/research/evaluations/pdf/archive/fp7_monitoring_reports

103 FP7 Subscription, Performance, Implementation during the first two years of operation (2007-2008), June 2009 (<http://ec.europa.eu/research/reports/2009/pdf/fp7-1st-two-years-subscription-performance.pdf>)

Annex 3 Overview of the study methodology

The scope and work plan of the study have been adapted in order to provide relevant information for the ex-ante impact assessment of the Rules for Participation for the next Framework Programme¹⁰⁴. The analytical framework was adapted accordingly. As a consequence, the sources of information for the study have been shifted to desk research, case studies, the benchmarking study with three international organisations and workshops (with EC officials, including project officers) as well as a roundtable (with a range of stakeholders). Hence the key sources of information have become the case studies that are mostly qualitative and cover 90 interviews of Framework Programme participants. The benchmarking study included interviews with three international organisations.

The Commission completes quantitatively these data by the public consultation on simplification with a much bigger sample. This section provides an overview of the sources of information and the set-up of their analysis. In addition, the results of an internal management cost survey conducted by the Commission (hereafter referred to as ‘costs of control survey’) are being included in the analysis.

- **Desk research**

The desk research was an important source of data for all evaluation questions. It allowed to:

- Identify, describe and analyse in detail the simplification measures introduced under FP7;
- Conduct the investigation and analysis of the implementation and impacts of simplification measures introduced under FP7;
- Link our data to various sources such as the annual monitoring of the Framework Programme conducted by the Commission, but also the internal management cost survey and the public consultation on simplification conducted by the Commission respectively in 2009 and 2011.

The desk research includes position papers from stakeholders and a Deloitte study for the European Parliament. The list of references is provided in Annex.

- **Case studies**

Two types of case studies were conducted with 'Type I Case Studies' addressing the full FP7 project lifecycle and 'Type II Case Studies' focussing on the most burdensome steps.

The interviews provided baseline quantitative data on the time spent on administrative tasks within the FP7 project life cycle for participants (applicants and participants) and qualitative data on participants' assessment of the simplification measures within FP7. It is important to

104 Called so far the “Common Strategic Framework” (CSF).

emphasise that ONLY the time spent on administrative tasks, e.g. assembling the consortium be emails or phone calls or meetings, preparing the proposal from the organisation and budget point of view, negotiating from the same angle, and managing the project is included. The time spent on scientific activities such as writing the proposal or conducting research is excluded.

93 interviews were conducted (55 Type I and 38 Type II). For each research project, 3 interviews were conducted: one with the coordinator (administrative one if two coordinators), and two work-package leaders (or equivalent).

The type I questionnaire provides a baseline measure for the full project lifecycle process (see Annex 6) while Type II looks at some of the most burdensome steps: IT tools; financial reporting, contacts with the Commission regarding requests for project related information and feedback from reports; and the negotiation phase.

The Commission provided the sampled population, all coming from the Cooperation Programme to focus on the most important section of the Framework Programme. The sample was divided between ‘focused’ and ‘large’ projects defined by project funding (from EUR 2-3 million to 8-13 million), or by the number of partners (from 8-12 to 15-37 partners). One coordinator and two work package leaders were interviewed for each project. As the tables below summarises, the results are based on 87 usable interviews.

Table 24: Sampled population

Case studies population	Interviews	Usable interviews (exclude outliers)
Type I	55	49
Type II	38	38
Total	93	87

Source: Deloitte 2011

Table 25: Sampled population by type of interviewees (coordinators or work package leaders)

Case studies population	Coordinators	Work package leaders
Type I	23	26
Type II	7	31
Total	30	57

Source: Deloitte 2011

Table 26: Sampled population by size of project (focused or large projects)

Case studies population	Focused projects	Large projects
Type I	34	15
Type II	20	18
Total	54	33

Source: Deloitte 2011

Table 27: Sampled population by level of experience with the FP (FP6/FP7 experience or no previous experience)

Case studies population	FP6/FP7 experience	No previous experience	Did no reply
Type I	28	5	16
Type II	32	6	0
Total	60	11	16

Source: Deloitte 2011

Outcomes of the case studies and the SCM methodology are presented in Section 2.2.1. The tables below show further breakdowns of the data:

Table 28: Average time spent by participants in hours for focused and large projects, 2011

Project life cycle steps	Average time spent for focused project	Average time spent for large project
Application/ selection of proposal	211	219
Negotiation of contracts	122	99
Project management (whole project duration up to the date of interview)	325	307
Ex-post audits	74	62
Total	732	687

Source: Deloitte 2011

Table 29: Average time spent by participants (coordinators and work package leaders) in hours for focused and large projects, 2011

Project life cycle steps	Average time spent by coordinators per project phase		Average time spent by work package leaders	
	Focused projects (16)	Large projects (7)	Focused projects (18)	Large projects (8)
Application/ selection of proposal	348	403	89	58
Negotiation of contracts	215	153	34	51
Project management (whole project duration up to the date of interview)	423	320	237	296
Ex-post audits	52	107	95	32
Total	1038	983	455	437

Source: Deloitte 2011

The two above tables show only minor differences between focused and large projects in terms of administrative obligations (the time spent on scientific tasks is not included) suggesting that the administrative burden is equal irrespective of the actual size of the project.

Type I and Type II questionnaires are presented in the following Annexes.

- **Benchmarking study - interviews with 3 major (inter)national research funding programmes**

The study team interviewed three major national or international research funding programmes to analyse implementation and simplification issues according to five criteria:

- Call-based open competition;
- Type of funding: basic or applied research;
- Significant size of the budget;
- Innovative policy to promote quality;
- Pluri-thematic programmes (added during the design phase).

According to these criteria, the following three research funding programmes were selected:

- The National Science Foundation (NSF),
- The German Deutsche Forschungsgemeinschaft (DFG)
- The French National Research Agency (ANR).

They are presented in Section 2.6. and the interview questionnaire is presented in Annex 6.

- **Workshop and round table**

A workshop with Commission staff including project officers was organized on March 9, 2011 to present the preliminary results of the study, and collect feedback. A roundtable with FP7 stakeholders was organized on April 8, 2011 to test the study's emerging findings with a selection of well-informed FP7 stakeholders. The agendas are presented in Annex. Conclusions were integrated in the report.

In addition, several interviews were also conducted with Commission officials to understand better the internal cost survey, the portal developments, and the public consultation on simplification.

- **The set-up of the data analysis**

The evaluation team conducted the analysis on the data collected for the Type I and Type II case studies. We present a detailed analysis of the time spent per type of FP7 participants: coordinators and work package leaders. Cases studies also provide view of participants on simplification measures and their suggestions for improvement. Furthermore, we try to link - at a general level - our findings to the internal management cost survey on time spent on project management by the Commission.

As part of the analysis, the evaluation team developed a set of recommendations for further simplification or adjustment of current FP7 simplification measures. For the most interesting simplification ideas, the evaluation team conducted a brief so-called I3 analysis (Impact, Implementability and Image). This implies assessing the Impact (in terms of time spent by participants) and Implementability (quick win with limited efforts or structural change with large investments) of these simplification ideas. Besides Impact and Implementability, the way a certain simplification initiative or action would be perceived (Image) by the stakeholders – Commission, FP7 participants or policy makers - is a final element to be taken into account. Image is therefore a third criterion in our assessment as it refers to the perception by the stakeholders. In the end, stakeholders will be key players determining the success of implementation. An assessment of the Image of a recommendation helps to identify possible accompanying measures to build a good business case for implementation, taking into consideration the stakeholders' point of view.

Annex 4 Evaluation questions

This Chapter presents our approach to the six evaluation questions. As significant time elapsed between the submission of the study proposal and the start of the contract, the Commission asked Deloitte to take into account recent developments and new information which meanwhile became available including that from other studies and through work performed by the Commission. The analytical framework for the study and thus the evaluation questions have been adapted accordingly and have been agreed upon in the Inception Report.

The following sub-sections explain the structure of our analysis; analyse the data in relation to each question, and present our findings and conclusions.

The first question is: Is the term "simplification" adequately understood by different stakeholder groups, and how do they understand its measurement and impact? This question is further divided into sub-questions as follows:

- 1a. In detail, where and how have the simplification measures introduced under FP7 affected and shaped the project life cycle?
- 1b. Were the procedures for the implementation of the different simplification measures well managed in terms of availability of information, transparency and speed?
- 1c. How can simplification and the effects of related measures introduced under FP7 be identified and measured at multiple levels?
- 1d. What are the direct effects of the implemented simplification measures as regards FP7 project management (FP7 users and Commission Services)?
- 1e. What are the (broader) impacts of the implemented simplification measures at multiple levels, including so-called “soft factors¹⁰⁵”?
- 1f. Overall, to what extent were the simplification measures introduced under FP7 successful so far?
- 1g. What is the application and management cost for participants and management cost for the EC of an FP7 project taking into account the full project life cycle (from preparing the call to auditing the results of the project)?

For the sake of clarity, and in order to follow the logical flow of the analysis, sub-questions related to measuring the effects and impacts of simplification measures introduced under FP7 have been clustered and re-ordered under Section 2.2. These sub-questions cover:

105 Such as communication and informal processes in the organisation.

- The current situation: application and management costs for participants and management costs for the European Commission of an FP7 project, taking into account the full project life cycle (Question 1g);
- The effects of simplification measures: direct effects (Question 1d) and broader impacts (Question 1e) of the implemented simplification measures;
- Recommendations on how to measure the effects of simplification (Question 1c).

Other sub-questions are answered individually.

While Question 1 deals with the simplification measures introduced under FP7, Questions 2 and 3 deal with mapping the actors in the simplification process and their respective roles:

Question 2: What are the respective roles of the key actors in implementing simplification and securing resulting change? including their role in overcoming barriers to simplification and actually implementing the simplification ideas.

Question 3: What are the barriers to real change and what is being done by the key actors and at multiple levels to address these?

Question 4 focuses on the way simplification is dealt with in a selection of programmes in the research landscape worldwide and on identifying good practices for future development of Framework Programmes, i.e. Although FP7 has no obvious comparators, assess how "simple" and "user-friendly" FP7 is in relation to other large research programmes, e.g. the National Science Foundation NSF? Are there different approaches which could deliver better results?

Question 6: What efforts are already foreseen to simplify FP7 further and are these likely to create the desired results at reasonable cost? covers the further simplification measures planned in a broader context (including the measures announced in January 2011, the Innovation Union, and the opportunity to shift research towards a more "trust-based" funding approach – see further).

Finally, Question 5: What are the risks associated with various forms of simplification and how have these been balanced against the benefits? assesses the risks and benefits linked to past, proposed and other possible simplification measures identified in the study, in particular through our benchmarking exercise (Question 4). This is the final question to be addressed because of its overarching nature: The simplification measures are assessed in terms of image, impact and implementability, following the "I3 methodology" developed by the Consortium of Deloitte, Capgemini and Ramboll Management Consulting as part of the Action Programme on Administrative Burdens¹⁰⁶.

106 http://ec.europa.eu/enterprise/policies/better-regulation/administrative-burdens/action-programme/index_en.htm

Answers to the evaluation questions can be found in the following sections:

Table 30: Answers of the evaluation questions in the Final report

Sections	Questions
2.1.	1 a, f
2.2.	1 g, d, e, c
2.3.	2, 3
2.4.	5, 6
2.5.	1b
2.6.	4

For each evaluation question, as clustered in the report, our understanding of the question and the main data sources are listed in the sections below

Questions 1 g, d, e, c: Measuring the relative time spent, effects and impacts of simplification measures under FP7

This sub-section aims at answering the questions related to measuring the effects and impacts of simplification measures introduced under FP7. They are addressed in the following order:

- Question 1g: “What is the application and management cost for participants and management cost for the EC of an FP7 project taking into account the full project life cycle (from preparing the call to auditing the results of the project)?”
- Question 1d: “What are the direct effects of the implemented simplification measures as regards FP7 project management (FP7 users and Commission services)?”; and Question 1e: “What are the (broader) impacts of the implemented simplification measures at multiple levels, including so-called “soft factors?”
- Question 1c: “How can simplification and the effects of related measures introduced under FP7 be identified and measured at multiple levels?”

These questions are part of the seven sub-questions under Question 1 “Is the term “simplification” adequately understood by different stakeholder groups? How do they understand its measurement and impact?”. They have been grouped in order to follow the logic of the analysis, from the assessment of the current situation (Question 1g) to its effect (direct in Questions 1d and broader in Question 1e), to recommendations on how to measure the effect of simplification (Question 1c).

We have developed indicators for forming a judgment on the effects and impacts of simplification measures introduced under FP7 and how can they be identified and measured at multiple levels. They stem from the desk research, including process and organisation analysis, interviews using the Standard Cost Model (SCM) and expert panels.

The Standard Cost Model (SCM) is today the most widely applied methodology for measuring administrative costs. The SCM has been developed to provide a simplified, consistent method for estimating the administrative costs imposed on business by government. It takes a pragmatic approach to measurement and provides estimates that are consistent across policy areas. The SCM methodology is an activity-based measurement of the businesses' administrative burdens. Results of Standard Cost Model measurements are directly applicable in connection with government simplification efforts.¹⁰⁷

In order to be able to provide useable data, we have tailored the SCM methodology to the specificities of FP7.

Question 1b: Timeliness and clarity of communication about simplification measures under FP7

This sub-section aims to answer the question: “Were the procedures for the implementation of the different simplification measures well-managed in terms of availability of information, transparency and speed?”

This question is the second of seven sub-questions under Question 1 “Is the term “simplification” adequately understood by different stakeholder groups? How do they understand its measurement and impact?” which was taken as a starting point for subsequent discussion about the effectiveness of simplification measures under FP7.

This section focus on assessing the availability, timeliness, quality and structure of information about FP7 in general and in particular related to simplification measures. It implies taking into account the point of view of the beneficiaries, as well as other stakeholders such as organisations supporting beneficiaries, including National Contact Points (NCPs).

Our indicators for forming a judgment on whether the procedures for the implementation of the different simplification measures were well managed in terms of availability of information, transparency and speed come from: desk research; process and organisation analysis; FP7 participant case studies (interviews); and expert assessment. In order to ensure coverage of the different stakeholder groups, these sources of information were reinforced by data from the FP7 annual monitoring reports, in particular the NCP surveys, position papers from stakeholders (desk research and analysis of the public consultation on simplification¹⁰⁸),

107 <http://www.administrative-burdens.com/default.asp?page=122>

108 Ideas for simplifying the implementation of the EU Framework Programmes (http://ec.europa.eu/research/consultations/fp-simplification/consultation_en.htm)

complementary interviews with EC staff¹⁰⁹ and validation of our main findings with stakeholders¹¹⁰.

Questions 1a, f: Expert assessment of the success of simplification measures

This sub-section aims to answer the questions in the analytical framework:

- Question 1a: “In detail, where and how have the simplification measures introduced under FP7 affected and shaped the project life cycle?”;
- Question 1f: “Overall, to what extent were the simplifications measures introduced under FP7 successful so far?”.

While question 6 below focuses on additional simplification measures which have been announced and further simplification opportunities, this question focuses on the effectiveness of simplification measures implemented under FP7 so far. It provides:

- an overview of simplification under FP7 so far:
 - simplification objectives in FP7 (based on issues raised about FP6);
 - simplification measures implemented so far;
- a description of the FP7 project life cycle and an assessment of the effects of the simplification measures taken to date correlated with the project life cycle.

The information on the simplification objectives and related simplification measures implemented so far were identified from the 2010 Communication on Simplification. The project life cycle was established following the structure used by DG Research & Innovation.

The indicators for forming a judgment on where and how the simplification measures introduced under FP7 have affected and shaped the project life cycle come from desk research, including a process analysis, and FP7 participants’ interviews (case studies). In order to ensure coverage of the different stakeholder groups, the sources of information were reinforced by position papers from stakeholders (desk research) and complementary interviews with European Commission staff.

The main desk research sources in addition to the above-mentioned policy documents were:

- Rules for submission of proposals, and the related evaluation, selection and award procedures¹¹¹;
- Specific guidance documents to be found on CORDIS¹¹².

A generic project life cycle view of FP7 was developed to serve as the framework for this study. It describes, from a functional point of view, the different steps within any project life

109 Interview with EC staff, and internal EC workshop organised on March 9, 2011 in Brussels.

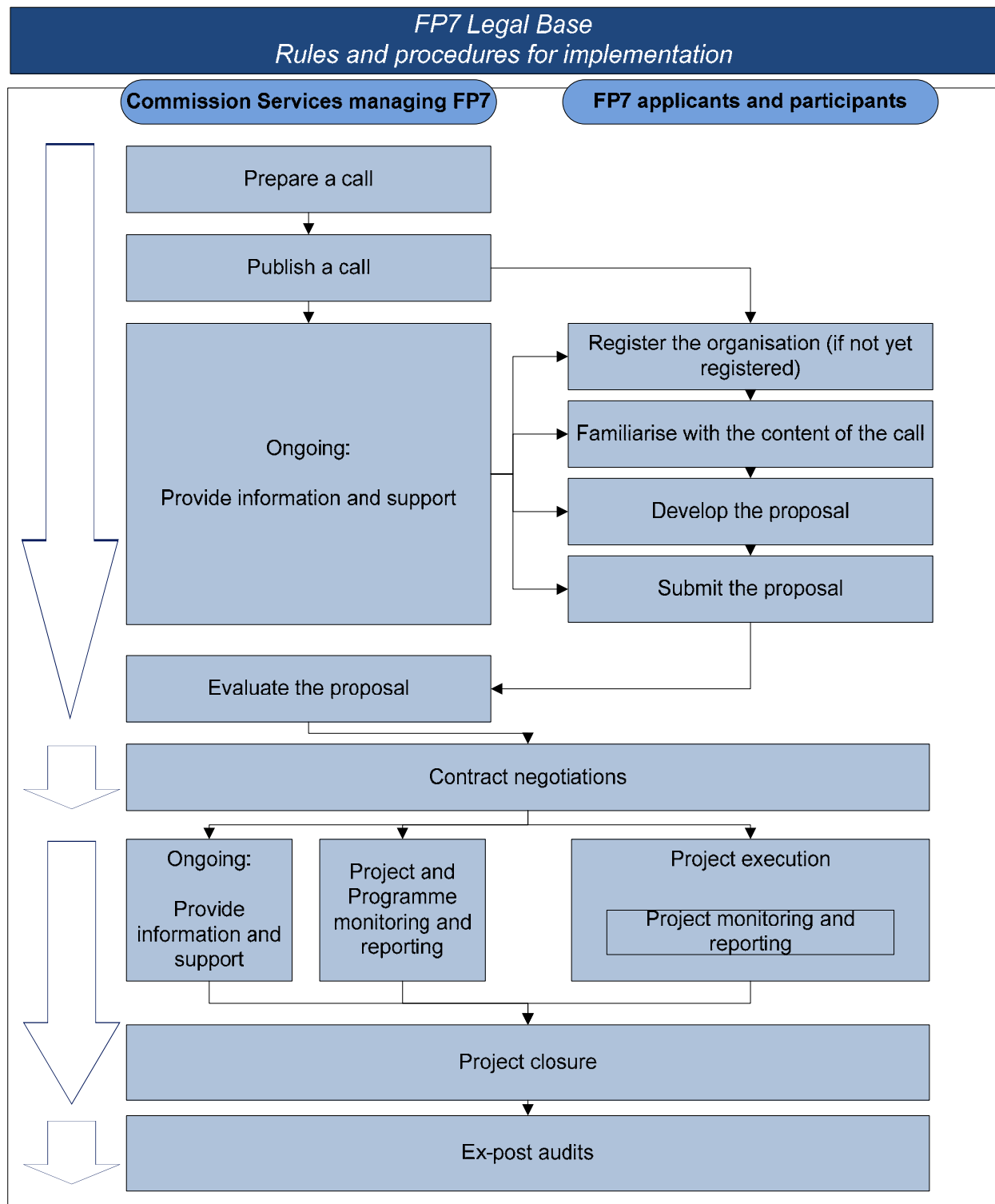
110 The roundtable took place on 8 April 2011

111 Rules for submission of proposals, and the related evaluation, selection and award procedures, COM(2008)4617, Version 3, 21 August 2008 (ftp://ftp.cordis.europa.eu/pub/fp7/docs/fp7-evrules_en.pdf)

112 http://cordis.europa.eu/fp7/find-doc_en.html

cycle undertaken by the Commission services as well as by the FP7 applicants and participants. This is illustrated in the figure below.

Figure 6: FP7 Generic Project Life Cycle



Source: Deloitte

The activities carried out in parallel by the Commission and by project applicants and beneficiaries were set down in detail, as illustrated below.

Table 31: FP7 project life cycle and the related activities carried out by Commission and project participants and participants

European Commission ¹¹³	Project life cycle phase	Project applicants/ participants (coordinator and partners)
<ul style="list-style-type: none"> • Prepare and define the annual work programmes • Plan and coordinate the calls • Evaluate proposals received • Carry out related work (including redress procedures) until the final list of approved proposals has been signed by the Director-General and submitted for inter-service consultation 	<p>Applications/ Selection of proposals</p>	<ul style="list-style-type: none"> • Find a suitable call and partners • Register your organisation • If relevant (two-stage proposal only): second stage • Become familiar with the content of the call, and the application and submission rules • Develop proposal • Submit proposal • Hearing (if applicable)
<p>All tasks performed during the detailed negotiation of the selected proposals up to the time when projects’ draft contracts and the Commission decisions are sent to the applicants. This stage covers all controls until the favourable decision is obtained</p>	<p>Negotiation of contracts</p>	<ul style="list-style-type: none"> • Redress procedure (if applicable) • Become familiar with negotiation mandate • Become familiar with the negotiation rules • Develop DoW (Description of Work) and GPFs (Grant Agreement Preparation Forms) • Negotiation meeting(s) (internal or with Commission) • Submit DoW (Description of Work) and GPFs (Grant Agreement Preparation Forms) • Grant agreement signature • Consortium agreement
<ul style="list-style-type: none"> • The financial operations related to expenditure defined in the Financial Regulation, i.e. the establishment of the Commission’s individual and legal commitments in the form of a signed grant agreement • Financial management (pre-financing, intermediate and final payment) • All the scientific work necessary for the approval of the non-financial deliverables required to clear the payments 	<p>Project Management</p>	<ul style="list-style-type: none"> • Contact with the Commission • Become familiar with project management rules • Project execution, monitoring and closure • Review by a group of independent experts (if applicable) and implementation of its outcomes • Amendments to contracts • Internal consortium/partnership management

113 Including external experts who participate in the selection process

European Commission ¹¹³	Project life cycle phase	Project applicants/ participants (coordinator and partners)
<ul style="list-style-type: none"> • The work of the ex-post audit units M1 and M2. • Some work required from the operational units in terms of putting together documentation for selected projects, in preparation of the audits • Work on discussion points between the DG and the beneficiaries, until the audit results are finalised • The time spent dealing with forecasts of revenue, recovery orders, extrapolation, exchange of correspondence and contacts with the beneficiaries to deal with these issues 	Ex-post audits	<ul style="list-style-type: none"> • Become familiar with audit rules • Gather information • Deal with requests for audit compliance • Audit follow-up

Source: Deloitte 2011, based on definitions used for a Commission “Internal management cost survey” (2010)

Questions 2, 3: Key actors of FP7 simplification and their role in making it a reality

This sub-section aims at answering two questions:

- Question 2: “What are the respective roles of the key actors in implementing simplification and securing resulting change?”
- Question 3: “What are the barriers to real change and what is being done by the key actors and at multiple levels to address these?”

These questions have been grouped in order to follow the logic of the analysis. The section on Question 2 will present a mapping of the actors in the simplification process and their respective role, while Question 3 will provide an overview of the main barriers to simplification and the role played by these stakeholders to make simplification a reality.

The indicators for forming a judgment on the respective roles of the key actors in implementing simplification and securing resulting change, and on the barriers to real change and what is being done by the key actors and at multiple levels to address these come from the desk research, including a process analysis complemented by an expert assessment.

The desk research included the results of the published consultations of stakeholders on FP7 issues by the Commission over the last few years. An overview of these consultations is presented in the table below.

Table 32: Overview of stakeholder consultation related to simplification in FP7

Title of the Consultation	Date	Objective	Outcome
Science and Technology, the key to Europe's future: Guidelines for future European Union policy to support research	2004	Preparation of FP7	Published ¹¹⁴
FP7 – Rules for participation – simplification measures	2005	Collection of stakeholder feedback about the ten proposed measures for simplification contained in the staff working document on simplification that accompanied the Commission proposal on FP7 Collection of inputs from participants on other issues that would be addressed by the Rules for Participation, such as intellectual property provisions, evaluation criteria, collective financial responsibility and other participation principles.	Not published
Practical guide to EU funding for research, development & innovation	2008	Provision of the opportunity to potential users of the Practical Guide to provide comments and suggestions on how to make the text more practical and user-friendly.	Not published
Ideas for simplifying the implementation of the EU Framework Programmes ¹¹⁵	2009	Preparation of the 2010 Communication on simplification.	Summary of outcomes published ¹¹⁶ ; access granted to the position papers
Consultation on the Seventh Framework Programme ¹¹⁷	2010	Preparation of the FP7 Interim Evaluation	Not published
Consultation on Green Paper – towards a Common Strategic Framework for EU research and innovation funding ¹¹⁸	2011	Collection of views on bringing together the current Framework Programme for research, the Competitiveness and Innovation Programme, and the European Institute of Innovation and Technology.	NA

Source: Deloitte 2011

114 http://ec.europa.eu/yourvoice/results/research/future_fp7.pdf

115 http://ec.europa.eu/research/consultations/fp-simplification/consultation_en.htm

116 http://ec.europa.eu/research/consultations/fp-simplification/outcome_summary_en.pdf

117 http://ec.europa.eu/research/consultations/fp7/consultation_en.htm

118 http://ec.europa.eu/research/consultations/csfri/consultation_en.htm

Question 4: Ideas from other large research programmes: could different approaches deliver better results?

This sub-section aims to answer the question: “Although FP7 has no obvious comparators, assess how "simple" and "user-friendly" FP7 is in relation to other large research programmes, e.g. NSF. Are there different approaches which could deliver better results?”

The objective of this question is not to compare FP7 with other programmes or to rank them, but to assess its user-friendliness against relevant programmes in the research landscape worldwide and to identify good practice for future developments of FPs. We will focus here on the project life cycle, user-friendliness and simplification measures.

To answer this question, it was agreed with the Commission to focus on programmes managed by the three following research organisations:

- National Science Foundation (hereafter NSF), United States;
- German Research Foundation (Deutsche Forschungsgemeinschaft, hereafter DFG), Germany;
- National Research Agency (Agence Nationale de la Recherche, hereafter ANR), France.

The indicators for forming a judgment on how "simple" and "user-friendly" FP7 is in relation to other large research programmes and on whether there are different approaches which could deliver better results come from desk research and interviews with representatives of the above-mentioned organisations.

In order to ensure a broader picture, the benchmarking exercise was further extended to other sources and organisations, in particular in relation to a Commission survey on result-based funding and simplification practices in research organisations worldwide. Following the publication of the Green Paper “From Challenges to Opportunities: Towards a Common Strategic Framework for EU Research and Innovation funding”¹¹⁹ on 9 February 2011 (which was also included in the desk research), it was also decided to include the Competitiveness and Innovation Framework Programme (CIP) ICT/FET in the benchmark.

Furthermore, FP7 participants interviewed for this study were also asked to identify good practices in other programmes and organisations and to what extent they would be applicable to FP7.

¹¹⁹ Green paper “From Challenges to Opportunities: Towards a Common Strategic Framework for EU Research and Innovation funding”, COM(2011) 48 of 9 February 2011

The perceptions of NCPs whose views were sought as part of two FP7 monitoring reports have also been taken into account. Data was also collected on the relevance of the negotiation stage in the project life cycle and the role of control in the project life cycle.

Questions 5, 6: Efforts already foreseen to simplify FP7 further and further ideas

This sub-section aims to answer the questions:

- Question 5: “What are the risks associated with various forms of simplification and how have these been balanced against the benefits?”
- Question 6: “What efforts are already foreseen to simplify FP7 further and are these likely to create the desired results at reasonable cost?”.

While Question 1a-f focused on the effectiveness of simplification measures implemented so far, the objective of this chapter is to:

- Provide an overview of further simplification measures as decided by the Commission and proposed by this study;
- Assess their cost-effectiveness;
- Assess the balance between the risks and benefits linked to these measures.

This section focuses on recommendations to both Applicants and Participants, and the Commission. These recommendations are achievable by improving current procedures and do not require the approval from the Council or the Parliament.

The indicators for these questions come from the desk research (including benchmarking) and FP7 participant interviews (case studies).

Preliminary findings were also discussed with stakeholders in a workshop¹²⁰ with EC officials and in a roundtable¹²¹ bringing together representatives from the main national research organisations (see also Annex 3).

Findings from previous questions will also be used:

- Barriers to simplification as identified in Question 3: for four of the seven barriers identified, the Commission can play an active role:
 - Control (vs. trust) approach;

120 The workshop took place on 9 March 2011

121 The roundtable took place on 8 April 2011

- Lack of consistency in management of FP7 (interpretation, communication, performance, etc.);
 - Lack of timeliness in feedback (time to reply); and
 - Lack of interface role in project coordination.
- In addition, further simplification measures identified in Question 4 will be analysed against their cost and expected results, risks and benefits.

The 3“I” framework designed for the Action Programme for Administrative Burden Reduction will be used to assess risks and benefits.

Annex 5 Desk research

The table below gives an overview of all documents taken into account for the desk research.

Document name	Author	Reference/Source	Publication date	Information category
Conclusions on the evaluation of the Seventh Framework Programme for Research (FP7), including the risk-sharing finance facility	Council	3074th Competitiveness Council	09.03.2011	Simplification/FPs
From Challenges to Opportunities: Towards a Common Strategic Framework for EU Research and Innovation funding	EC	Green paper (2011) 048	9.02.2011	FP7
Commission Decision "on three measures for simplifying the implementation of Decision No 1982/2006/EC of the European Parliament and of the Council and Council Decision No 970/2006/Euratom and amending Decisions C(2007) 1509 and C(2007) 1625"	EC	C(2011)174 Final	24.01.2011	Simplification/FPs
Interim Evaluation of the Seventh Framework Programme - Report of the Expert Group	Expert Group	NA	12.11.2010	FP7 Evaluation
Annual Report concerning the financial year 2009	CoA	NA	9.11.2010	Audit/TRE
Council Conclusions on Raising the attractiveness of EU Research and Innovation programmes: the challenge of simplification	Council	3035th Council meeting Competitiveness (Internal Market, Industry, Research and Space)	12.10.2010	Simplification/FPs
Turning Europe into a true Innovation Union	Commission /Press	MEMO/10/473	6.10.2010	Innovation policy
Report on simplifying the implementation of the Research Framework Programmes	EP (Rapporteur: Maria da Graça Carvalho)	A7-0274/2010	6.10.2010	Simplification/FPs
Making EU research and innovation programmes more attractive: the simplification challenge - Adoption of Council Conclusions	Council	13959/10 RECH 300	6.10.2010	Simplification/FPs
Europe 2020 Flagship Initiative Innovation Union	Commission	COM(2010) 546 final	6.10.2010	Innovation
PROPOSAL AND AWARD POLICIES AND PROCEDURES GUIDE	NSF	NSF 11-1 OMB Control Number: 3145-0058	1.10.2010	Benchmarking

NEGOTIATION GUIDANCE NOTES	Commission	Version 10 September 2010	10.09.2010	FP7
Consultation on Simplification - Positions	Stakeholders (various)	DG RTD A3	1.09.2010	Simplification/FPs
The Simplification of Framework - Programmes for research	Council (informal)	NA	20.07.2010	Simplification/FPs
Draft Report on simplifying the implementation of the Research Framework Programmes - AMENDMENTS	MEPs		16.07.2010	Simplification/FPs
Meeting of Research Ministers in Brussels: Simplify the European research programmes and trust researchers.	Council (informal)	NA	16.07.2010	Simplification/FPs
Presentation to the Belgian Presidency event - Simplification Seminar	MEP Carvalho (EP)	www.eutrio.be	15.07.2010	Simplification/FPs
Presentation to the Belgian Presidency event - Simplification Seminar	Paradis (EC-DG BUDG)	www.eutrio.be	15.07.2010	Financial Regulation/Simplification
Presentation to the Belgian Presidency event - Simplification Seminar	Rod (EUROHORC)	www.eutrio.be	15.07.2010	Simplification/FPs
Presentation to the Belgian Presidency event - Simplification Seminar	van Dijk (LERU)	www.eutrio.be	15.07.2010	Simplification/FPs
Presentation to the Belgian Presidency event - Simplification Seminar	Coda (EUCAR)	www.eutrio.be	15.07.2010	Simplification/FPs
Informal Research council on 15 and 16 July - The priorities	Council (informal)	NA	15.07.2010	Innovation policy/simplification
The Research and Industry Ministers want to provide Europe with an ambitious and integrated strategy with regard to innovation	Council (informal)	NA	15.07.2010	Innovation policy
Invitation to a Belgian Presidency event - Simplification Seminar	Council	www.eutrio.be	1.07.2010	Simplification/FPs
Draft Report on simplifying the implementation of the Research Framework Programmes	EP (Rapporteur: Maria da Graça Carvalho)	2010/2079(INI)	23.06.2010	Simplification/FPs
Proposal for a Regulation on the Financial Regulation applicable to the general budget of the European Union	Commission	COM(2010)260	28.05.2010	Financial Regulation/Simplification

Conclusions on simplified and more efficient Programmes supporting European Research and Innovation	Council	3015th COMPETITIVENESS Council meeting	26.05.2010	Simplification/ FPs
Conclusions on Creating an innovative Europe	Council	3016th COMPETITIVENESS Council meeting	26.05.2010	Innovation policy
Communication - More or less controls? Striking the right balance between the administrative costs of control and the risk of error	Commission	COM(2010)261 final	26.05.2010	Audit/TRE
Developing the tolerable risk of error concept for the research, energy and transport policy area	Commission	SEC(2010)641	26.05.2010	Audit/TRE
Financial Rules in the Research Framework Programmes - Streamlining rules for participation in EU research programmes	EP/Deloitte	PE 411.275	26.05.2010	Financial Regulation/ Simplification
CONSULTATION REPORT - Second triennial review of the Financial Regulation	Commission (DG BUDG)		1.05.2010	Financial Regulation/ Simplification
Communication "Simplifying the implementation of the research framework programmes"	EC/ DG RTD	COM(2010) 187	29.04.2010	Simplification/ FPs
Commission to boost research and innovation by making it easier to apply for and manage EU grants	EC/Press	IP-10-472	29.04.2010	Simplification/ FPs
Opening Remarks at the Press Conference on Simplification of Research Funding	EC/Press	SPEECH-10-194	29.04.2010	Simplification/ FPs
Commission to cut further red tape in research funding procedures - Questions and Answers	EC/Press	MEMO-10-156	29.04.2010	Simplification/ FPs
European Parliament resolution on the draft general budget of the European Union for the financial year 2010 as modified by the Council	European Parliament		17.12.2009	FP7
Simplification of the recovery process in the framework of the implementation of the audit strategy under the Framework Programmes (EC, Euratom) for research	European Commission/ Mr Potočnik in agreement with vice-president Kallas	SEC(2009) 1720 final	15.12.2009	FP7
Certificates issued by external auditors – Guidance notes for beneficiaries and auditors	Commission	version 3	1.09.2009	FP7

Communication on the progress made under the 7th European Framework Programme for Research	Commission	COM(2009) 209 final	29.04.2009	FP7 Evaluation
Commission Staff Working Document on Communication on the progress made under the 7th European Framework Programme for Research	Commission	COM(2009) 209 final	29.04.2009	FP7 Evaluation
Guide to Financial Issues relating to FP7 Indirect Actions	Commission	Version 02/04/2009	2.042009	FP7
Commission decision on flat rates	Commission	C(2009)1942	23.03.2009	FP7
FP7 "Negotiation Guidance Notes"	Commission	Version 27/01/2009	27.01.2009	FP7
Rules for submission of proposals, and the related evaluation, selection and award procedures	Commission	COM (2008) 4617, version 3	21.08.2008	FP7
Council Decision concerning the Specific Programme Cooperation implementing the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007 to 2013)	Council	2006/971/EC	19.12.2006	FP7
Council Decision concerning the specific programme: Ideas implementing the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007 to 2013)	Council	2006/972/EC	19.12.2006	FP7
Council Decision concerning the specific programme People implementing the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007 to 2013)	Council	2006/973/EC	19.12.2006	FP7
Council Decision on the Specific Programme: Capacities implementing the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007 to 2013)	Council	2006/974/EC	19.12.2006	FP7
Council Decision concerning the Specific Programme to be carried out by means of direct actions by the Joint Research Centre under the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007 to 2013)	Council	2006/975/EC	19.12.2006	FP7
Council Decision concerning the Specific Programme implementing the Seventh Framework Programme of the European Atomic Energy Community (Euratom) for nuclear research and training activities (2007 to 2011)	Council	2006/976/Euratom	19.12.2006	FP7

Council Decision concerning the Specific Programme to be carried out by means of direct actions by the Joint Research Centre implementing the Seventh Framework Programme of the European Atomic Energy Community (Euratom) for nuclear research and training activities (2007 to 2011)	Council	2006/977/Euratom	19.12.2006	FP7
Council Regulation (Euratom) 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)	Council	No 1908/2006	19.12.2006	FP7
Decision concerning the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007-2013)	European Parliament and of the Council	No 1982/2006/EC	18.12.2006	FP7
Council concerning the Seventh Framework Programme of the European Atomic Energy Community (Euratom) for nuclear research and training activities (2007-2011)	Council	969/2006/EC	18.12.2006	FP7
Council Decision concerning the Seventh Framework Programme of the European Atomic Energy Community (Euratom) for nuclear research and training activities (2007 to 2011)	Council	2006/970/Euratom	18.12.2006	FP7
Regulation (EC) laying down the rules for the participation of undertakings, research centres and universities in actions under the Seventh Framework Programme and for the dissemination of research results (2007-2013)	European Parliament and of the Council	1906/2006	18.12.2006	FP7
The effectiveness of the Design Studies and Construction of New Infrastructures support schemes under the Sixth Framework Programme for Research	CoA	ISSN 1831-0834	2.07.1905	Audit/TRE
Networks of excellence' and 'Integrated projects' in Community Research policy: did they achieve their objectives?	CoA	ISSN 1831-0834	1.07.1905	Audit/TRE

Annex 6 Questionnaires (for Type I & Type II Case Studies and international organisations)

Questionnaire for Type I Case Studies

Date of the telephone interview	
Time	
Name organization:	
Interviewee(s)	
Role in the organisation	
Role in the project	
Interviewer	
Phone number	
Mobile phone	
Email	
Comment(s)	

All information collected will be processed anonymously and presented in an aggregated way in the final report. This information will not be used for any other purpose than the study itself and will not be disclosed to third parties.

Introduction

Background

Deloitte Consulting was mandated by European Commission, DG Research, to carry out an analysis of administrative simplification measures under FP7.

Deloitte will interview 90 project participants. The objective of the interview will be to:

- Assess the time spent in FP7 project related activities from application to project closure/audit;
- Get interviewee's perception of simplification measures implemented so far and their suggestions for improvement in this area.

The Commission proposed a list of 60 ongoing or completed collaborative projects under the Cooperation programme. Deloitte contacted the project officers for these projects in order to know more about the project itself (background and status) and the project partners (roles, contact details). Based on these conversations with the Project Officers, Deloitte selected 30 projects for which the project coordinator and two project partners (priority will be given to work-package leaders) will be interviewed.

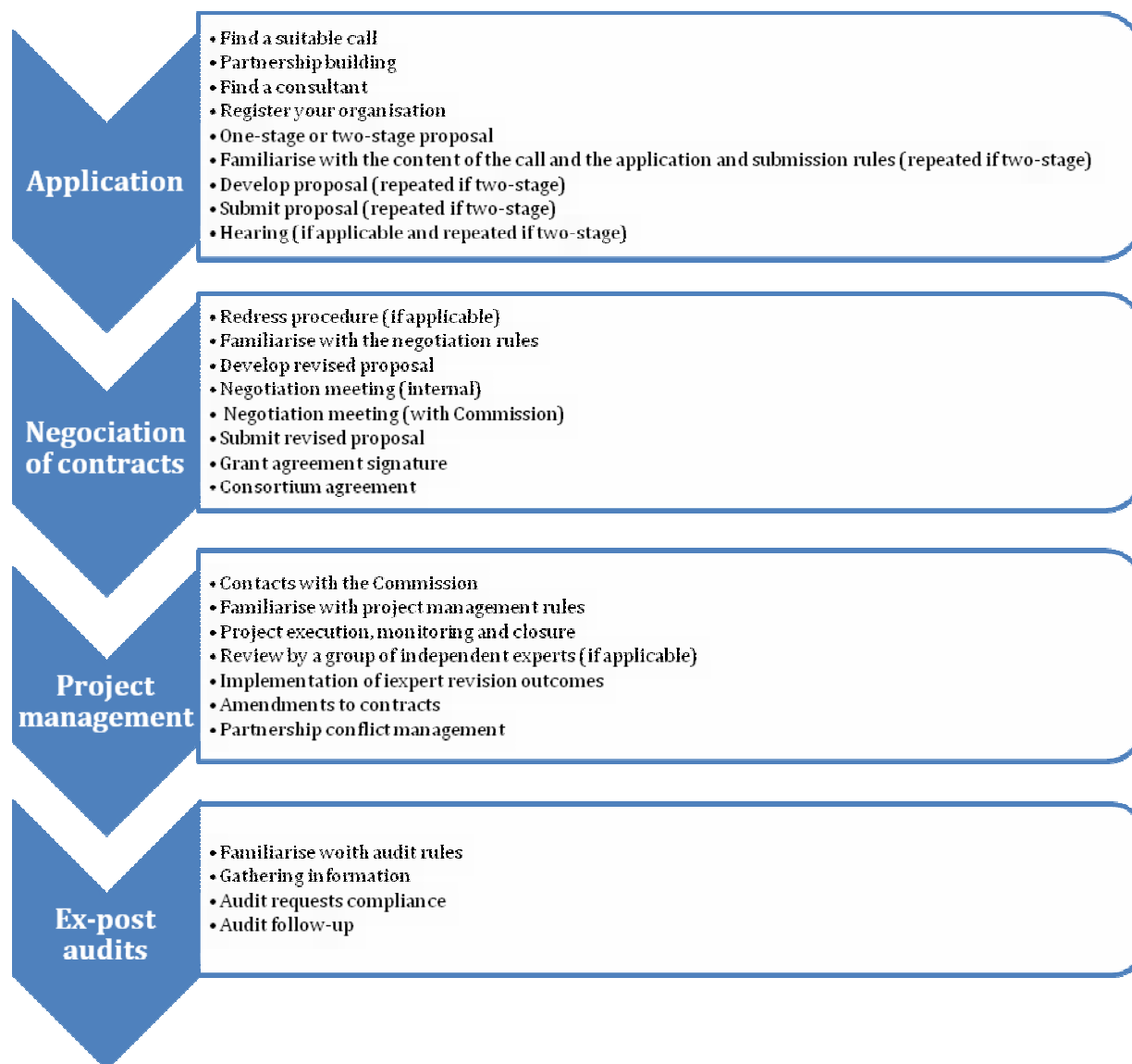
The success of the study assessing the effectiveness of simplification measures under FP7 and any resulting proposals for the reduction of the administrative costs related to the projects under FP7 or FP8 will be largely dependent on the quality of the data collected during this measurement phase.

The questionnaire below is addressed to organisations coordinating or having been involved in administrative activities (i.e. leading a work package or similar) in one of the 30 FP7 projects selected for the case studies.

In the organisation, the interviewee needs to be aware of the time spent in FP7 project related activities. Most of the time, the interviewee will be either the scientific coordinators in charge of the administrative management of the project for their organisation or the administrative coordinators of the project (or both). Overall, addressing these questions and engaging in the telephone interview should only take up a limited amount of your time (between 30 minutes and 1 hour).

Instructions

The interview guide is structured along the logic of the FP7 project lifecycle (see figure below), with additional questions about simplification.



Questionnaire

Application phase

- How long did it take you (your organisation) to search for a suitable call for proposal to address the research project needed?

	HOURS
Comments	

- How many hours did it take you (your organisation) for partnership building (including finding new partners, confirming known partners)

	HOURS
Comments	

- How many hours did it take you (your organisation) to find a consultant or short term contractor to develop proposal (if applicable)

	HOURS
--	-------

Comments	
----------	--

- How many hours did it take you (your organisation) to register your organisation / Unique Registration Facility (URF)

	HOURS
--	-------

Comments	
----------	--

- Was your proposal a one-stage/two-stage proposal?

--	--

First proposal stage

- How many hours did it take for you (your organisation) to familiarise with the content of the call for proposal and rules?

- Access to information prior to call publication (CORDIS + NCPs + participants portal, programme committee, etc.)

	HOURS
--	-------

- Find the right information when the call is published

	HOURS
--	-------

- Understand the rules

	HOURS
--	-------

- Get additional information about the rules (CORDIS, NCP, EEN, REA, etc.)

	HOURS
--	-------

Comments	
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- How many hours did it take for you (your organisation) to develop the proposal?

- Contents/technical agreement with partners (including DoW (Description of Work) and distribution of work packages/scientific and administrative tasks)

	HOURS
--	-------

- Ethical issues (if applicable)

	HOURS
--	-------

- Intellectual property issues (if applicable, in particular if industry onboard)

	HOURS
--	-------

- Gender issues (if applicable)

	HOURS
--	-------

- Security issues (if applicable)

	HOURS
--	-------

- External consultant / short term contractor time spent to develop proposals (if applicable)

	HOURS
--	-------

Comments	
----------	--

- How many hours did it take for you (your organisation) to:

- Submit the proposal with the Electronic Proposal Submission Service (EPSS) (coordinator only)?

	HOURS
--	-------

- Insert changes in the proposal with the Electronic Proposal Submission Service (EPSS) (coordinator only)?

	HOURS
--	-------

Comments	
----------	--

- In case your organisation participated in a hearing, how many hours did it take you (your organisation) to:

- Prepare the hearing

	HOURS
○ Participate in the hearing	
	HOURS
Comments	

Second proposal stage (if applicable)

- How many hours did it take for you (your organisation) to familiarise with the content of the call for proposal and rules?

- Access to information prior to call publication (CORDIS + NCPs + participants portal, programme committee, etc.)

	HOURS
--	-------

- Find the right information when the call is published

	HOURS
--	-------

- Understand the rules

	HOURS
--	-------

- Get additional information about the rules (CORDIS, NCP, EEN, REA, etc.)

	HOURS
--	-------

Comments	
----------	--

- How many hours did it take for you (your organisation) to develop the proposal?

- Contents/technical agreement with partners (including DoW (Description of Work) and distribution of work packages/scientific and administrative tasks)

	HOURS
--	-------

- Ethical issues (if applicable)

	HOURS
--	-------

- Intellectual property issues (if applicable, in particular if industry onboard)

	HOURS
--	-------

- Gender issues (if applicable)

	HOURS
--	-------

- Security issues (if applicable)

	HOURS
--	-------

- External consultant / short term contractor time spent to develop proposals (if applicable)

	HOURS
--	-------

Comments	
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- How many hours did it take for you (your organisation) to

- Submit the proposal with the Electronic Proposal Submission Service (EPSS) (coordinator only)?

	HOURS
--	-------

- Insert changes in the proposal with the Electronic Proposal Submission Service (EPSS) (coordinator only)?

	HOURS
--	-------

Comments	
----------	--

- In case your organisation participated in a hearing, how many hours did it take you (your organisation) to:

- Prepare the hearing

	HOURS
--	-------

- Participate in the hearing

	HOURS
--	-------

Comments	
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Negotiation phase

- In case your organisation decided to submit a request for redress, how many hours did it take in total to go through the redress procedure?

	HOURS
Comments	

- How many hours did it take you (your organisation) to familiarise with the negotiation rules?

- Access to information

	HOURS
--	-------

- Find the right information

	HOURS
--	-------

- Understand the evaluation summary report

	HOURS
--	-------

- Understand the negotiation mandate

	HOURS
--	-------

- Get support (from EC / REA “Administrative office”, online Negotiation Facility, CORDIS, NCP, EEN, REA, etc.)

	HOURS
--	-------

Comments	
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- How many hours did it take you (your organisation) to develop the revised proposal (administrative/legal/financial/scientific) and how many iterations were needed?

- Negotiate with partners

	HOURS		times
--	-------	--	-------

- Negotiate within organisation (internal negotiation)

	HOURS		times
--	-------	--	-------

- Negotiate with EC

	HOURS		times
--	-------	--	-------

- Get support (from EC / REA “Administrative office”, online Negotiation Facility, CORDIS, NCP, EEN, REA, etc.)

	HOURS		times
--	-------	--	-------

Comments			
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- In case your organisation participated in negotiation meetings (internal – with consortium member), how many hours did it take you (your organisation) to:

- Prepare the meeting

	HOURS
--	-------

- Participate in the meeting

	HOURS
--	-------

Comments	
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- In case your organisation participated in negotiation meetings (with the Commission), how many hours did it take you (your organisation) to:

- Prepare the meeting

	HOURS
--	-------

- Participate in the meeting

	HOURS
--	-------

Comments	
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- How many hours did it take for you (your organisation) to

- Submit the new version of the proposal with the electronic negotiation tool (coordinator only)?

	HOURS
--	-------

Comments	
----------	--

- How many hours did it take you (your organisation) to get the Grant Agreement signed?

- Preparation of the agreement

	HOURS
--	-------

- Signature of the agreement

	HOURS
Comments	

- How many hours did it take you (your organisation) to prepare the Consortium agreement?
 - Preparation of the agreement

	HOURS
--	-------

- Signature of the agreement

	HOURS
Comments	

Project Management

- Contacts with Commission/perception of follow-up by Commission
 - How many contact people have you had at the Commission regarding your project since the project started?

	Past	Present	Comment
Project Officer			
Financial Officer			
Legal Officer			
Internal Auditor			
Any other			

- How often do you contact the Commission?

	Ad-hoc (when report due or problem)	Once a month	Once a week
Project Officer			
Financial Officer			
Legal Officer			
Internal Auditor			
Any other			
Comments			

- How many hours did it take you (your organisation) to **familiarise with** the project management rules?

- Access to information

	HOURS
--	-------

- Find the right information

	HOURS
--	-------

- Understand the reporting requirements (technical and financial)

	HOURS
--	-------

- Prepare the audit certificate for the methodology to calculate personal costs and/or indirect costs (if applicable)

	HOURS
--	-------

- Get support (from EC / REA “Administrative office”, CORDIS, NCP, EEN, REA, etc.)

	HOURS
--	-------

Comments	
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- How many hours did it take you (your organisation) to **carry out** project execution, project management, reporting and closure (if applicable)?

- Project factsheet (summary)

	HOURS
--	-------

- Project deliverables

	HOURS
--	-------

- Scientific/Technical reports

	HOURS
--	-------

- Financial statements including timesheets

	HOURS
--	-------

- Time to recruit relevant staff

	HOURS		
○ Audit certificate (only for those not certified)			
	HOURS		
Comments			
● How many hours did it take you (your organisation) to have your project reviewed by independent external expert(s) (if applicable) – (excluding reporting)?			
	HOURS		
Comments			
● How many hours did it take you (your organisation) to negotiate/ implement with the Commission the outcomes of the review by independent expert(s) (administrative/legal/financial/scientific):			
○ Negotiate with partners		HOURS	times
○ Negotiate with organisation (internal negotiation)		HOURS	times
○ Negotiate with EC		HOURS	times
Comments			
● How many hours did it take you (your organisation) to amend contracts			
○ Negotiate with partners		HOURS	times
○ Negotiate within organisation (internal negotiation)		HOURS	times
○ Negotiate with EC		HOURS	times
Comments			
● How many hours did it take you (your organisation) to deal with possible conflicts (with partners or EC) about project performance and their consequences in terms of:			
○ Negotiation with partners		HOURS	times
○ Negotiation with organisation (internal negotiation)		HOURS	times
○ Negotiation with EC		HOURS	times

Audits (if applicable)

● Is your project currently being audited (during project, after completion, by Court of Auditors)?	YES	NO
Comments		
● How many hours did it take you (your organisation) to familiarise with the audit rules?		
○ Access to information	HOURS	
○ Find the right information	HOURS	
○ Understand audit requirements	HOURS	
○ Understand the financial report requirements	HOURS	
○ Get support (from EC / REA “Administrative office”, CORDIS, NCP, EEN, REA, etc.)	HOURS	
Comments		
● How many hours did it take you (your organisation) to gather information for the audit?	HOURS	

Comments	
• How many hours did it take you (your organisation) to comply with the audit requests?	HOURS
Comments	
• How many hours did it take you (your organisation) to complete the audit follow-up?	HOURS
Comments	

Simplification measures

- Please describe the main problem(s) with the four project steps:

Project step	Problem(s)	Description(s)	Proposed solution(s)
Application			
Negotiation of contracts			
Project management			
Ex-post audits			

- Please compare your project with previous situation before simplification (if relevant)

Simplification theme	Link with simplification objectives ¹²²	Quantify time saved (+/-25%, 50%, 75%) Related activities	Comments
Funding schemes	Simple set of funding schemes		
	continuity with the instruments of FP6		
	flexibility of use		
Consistent, high-quality communication	user friendly documents		
	succinct publication in official journals		
	work programmes and call for proposals are adopted at the same time of the year		
Rationalisation of the requests for information addressed to the participants	web-based unique registration facility with the participant identification code		
	introduction of two stage procedures		
	extended period between reports from 12 to 18 months		
	no need for amendments for simple changes to the grant agreement and contract that the coordinator can validate		
	no need for audit certificate below EUR 375 000		
Reducing a-priori	guarantee fund for participants		

122 Based on SEC (2005) 431 « Simplification in the 7th FP » of 06.04.2005

Simplification theme	Link with simplification objectives ¹²²	Quantify time saved (+/-25%, 50%, 75%) Related activities	Comments
controls to a bare minimum (guaranteeing the protection of the Community's financial interest without imposing an undue burden on participants)	asking more than EUR 500 000		
Full operational autonomy entrusted to consortia	certification of the beneficiary on the method for calculating personal costs		
	certification of the beneficiary on the method for calculating indirect costs		
A more extended use of flat-rate financing within a simplified framework of forms taken by Community financial contributions	extended use of flat-rate financing		
	simplified framework of forms taken by Community financial contributions		
Removing the need for complex cost reporting models and clarifying definition of eligible costs	Simple cost reporting		
	Clearer definition of eligible costs		
Simplified support rates per type of activity			

- Please identify specific features of FP7 that you perceive as helping saving time (i.e. info days, participants portal, NCP, etc.):
- Please identify good practice examples (from international programme or other source) that could be used to simplify FP7:

Source	Programme/initiative	Description	Added value	Contact person – name	Contact person – email	Contact person – phone

- Other enriching experience (good practices from other projects, your simplification ideas, ...)

Questionnaire for Type II Case Studies

Date of the telephone interview	
Time	
Name organization:	
Interviewee(s)	
Role in the organisation (scientific, administrative, financial)	
Role in the project (coordinator, partner)	
Phone number	
Mobile phone	
Email	
Interviewer	
Comment(s)	

All information collected will be processed anonymously and presented in an aggregated way in the final report. This information will not be used for any other purpose than the study itself and will not be disclosed to third parties.

Introduction

Deloitte Consulting was mandated by European Commission, DG Research, to carry out an analysis of administrative simplification measures under FP7.

Deloitte will interview 90 project participants. The objectives of the interview will be to:

- Assess the time spent in FP7 project related activities from application to project closure/audit;
- Get interviewee's perception of simplification measures implemented so far and their suggestions for improvement in this area.

The Commission proposed a list of 60 ongoing or completed collaborative projects under the Cooperation programme. Deloitte contacted the project officers for these projects in order to know more about the project itself (background and status) and the project partners (roles, contact details). Based on these conversations with the Project Officers, Deloitte selected 30 projects for which the project coordinator and two project partners (priority will be given to work-package leaders) will be interviewed.

The success of the study assessing the effectiveness of simplification measures under FP7 and any resulting proposals for the reduction of the administrative costs related to the projects under FP7 or FP8 will be largely dependent on the quality of the data collected during this measurement phase.

The questionnaire below is addressed to organisations coordinating or having been involved in administrative activities (i.e. leading a work package or similar) in one of the 30 FP7 projects selected for the case studies.

In the organisation, the interviewee needs to be aware of the time spent in FP7 project related activities. Most of the time, the interviewee will be either the scientific coordinators in charge of the administrative management of the project for their organisation or the administrative coordinators of the project (or both).

This interview will be based on the Standard Cost Model (SCM) methodology. SCM aims to calculate administrative cost directly linked to ‘Information Obligations’¹²³ (IOs), i.e. information citizens or businesses have to provide to comply with legislation. In the context of this study, SCM is used to estimate the time spent on activities directly linked to participation in a FP7 project (application, negotiation, project management and audit). The measurement unit is the hour (other units used during the interview will be converted into hours).

Overall, addressing these questions and engaging in the telephone interview should only take up a limited amount of your time (between 30 minutes and 1 hour).

Preliminary questions:

- Are you familiar with the IT tools supporting participants during the FP7 project lifecycle¹²⁴?
 - Registration (URF)
 - Application (EPSS)
 - Negotiation (NEF)
 - Reporting (NEF, SESAM and FORCE)

If **yes** (to at least one): please [click here](#)

If **no**: please provide us with contact details of the person in your organisation that could answer questions related to the above.

Target: Administrative officer, coordinator

- Are you in charge of financial reporting for your FP7 project(s)? Are you familiar with financial reporting in FP7 financial reporting rules?

If **yes**: please [click here](#)

If **no**: please provide us with contact details of the person in your organisation that could answer questions related to the above.

Target: Financial or administrative officer, coordinator or project partner
Population most at risk: SME/ big companies/ EU 10 Member States with accounting department encountering difficulties in understanding documentation and guidelines in English, new participants (avoid universities and research centers).

- Are you in direct contact with the Commission regarding:
 - Requests for project-related information?
 - Feedback related to periodic reporting?

If **yes** (to at least one): please [click here](#)

123 Information Obligation is a term stemming from the Standard Cost Model framework which represents the standard methodology in Europe for measuring Administrative Burdens imposed on businesses. Information Obligations are the obligations arising from legislation to provide information and data to the public sector or third parties. An Information Obligation does not necessarily mean that information has to be transferred to the public authority, but may include a duty to have information available for inspection or supply on request. One piece of legislation may contain many Information Obligations.

124 These tools are grouped under the Participant Portal and not visible (anymore) during navigation (PADME)

If **no**: please provide us with contact details of the person in your organisation that could answer questions related to the above.

Target: Administrative or scientific officer, coordinator

- Have you been directly in contact with the Commission in the negotiation phase?

If **yes** (to at least one): please [click here](#)

If **no**: please provide us with contact details of the person in your organisation that could answer questions related to the above.

Target: Administrative or scientific officer, coordinator or project partner

Questionnaire

IT tools within the Participants' portal

Quantitative questions

- Time spent using the IT tools within the participants' portal:
 - Registration (URF)
 - Application (EPSS)
 - Negotiation (NEF)
 - Reporting (NEF, SESAM and FORCE)

Questions	Registration (URF)	Application (EPSS)		Negotiation (NEF)		Reporting (SESAM, FORCE, NEF)	
		FP6	FP7	FP6	FP7	FP6	FP7
How long did it take to find the tool?							
How long did it take to register (ECAS) to get into the system (if required)?							
How long did it take to get familiar with the tool's requirements/understand what information is needed (Familiarising with the IO)?							
If relevant, how long did it take to train members and employees about the information obligations (IO)?							
If relevant, how long did it take to your own adjust existing data so that it fits the requirements of the form?							
If relevant, how long did it take to design new information material specifically to fill the form?							
If relevant, how long did it take to fill forms and tables?							
If relevant, how long did it take to hold meetings (internal and external)?							
How long did it take to submit the information?							

Qualitative questions

- User-friendliness of the tools (existing functionalities)

Questions (please rate 1-5, 5 being the most user-friendly)	Registration (URF)	Application (EPSS)		Negotiation (NEF)		Reporting (SESAM, FORCE, NEF)	
		FP6	FP7	FP6	FP7	FP6	FP7
Portal sophistication level (rating from 1-5) – see Annex 1							
- Comments							
Easy Access							
- Per project							
- Per profile within project (coordinator/partner)							
- Per organisation							
- Comments							
Portal functionalities							
- Self status check (opportunity to see state of play of your submitted documents and to update them online)							
- Status change notification (receive an email to notify that the status has changed)							
- Subscription to targeted news feeds (opportunity to receive news feeds or newsletters in accordance with profile)							
- Submission of information in an online form (vs. Word or pdf document upload only)							
- Download template in order to be prepare answers offline							
- Pre-filled forms							
- Pre-filled forms: Information re-used from a form to another within one system							
- Pre-filled forms: Information re-used from one system to another							
- Pre-filled forms: Information updates taken into account from a form to another within the same system							
- Pre-filled forms: Information updates taken into account from one system to another							
- Wrong data entry pop-up							
- Discussion forum							
- Save draft documents							
- Submission of draft documents for feedback (pre-application)							

Questions (please rate 1-5, 5 being the most user-friendly)	Registration (URF)	Application (EPSS)		Negotiation (NEF)		Reporting (SESAM, FORCE, NEF)	
		FP6	FP7	FP6	FP7	FP6	FP7
- Training (tutorials, webinars, videos, ...)							
- Comments + accessibility/retrievability of submitted information							
Portal support							
• Support services (technical questions)							
- By email							
- Via an online form							
- By phone							
• Support services (content questions)							
- By email							
- Via an online form							
- By phone							
• Relevant guidance documents							
• FAQ (Frequently Asked Questions)							
• Good practice examples							
- Comments							
Overall comments							
• User-friendliness							
• Administrative burden reduction opportunities							
• Irritation factor (0-5, 5 being very irritating)							

- Added value of new functionalities in terms of administrative burden reduction:

Questions (please rate 1-5, 5 being the most significant administrative burden reduction)	Registration (URF)	Application (EPSS)		Negotiation (NEF)		Reporting (SESAM, FORCE, NEF)	
		FP6	FP7	FP6	FP7	FP6	FP7

- Overall, would you use the following to qualify the IT tools within the participants' portal?

The IT tools under FP7...	Yes	Somewhat	No
Effectiveness (+)			
Room for improvement (+/-)			
Trust (+)			
Control (+/-)			
Burden (-)			
Security (+)			

- Overall comments (including the impact of familiarisation on future use) about the IT tools within the participants portal

Financial reporting

Quantitative questions

Activity	Working time	
	FP6	FP7
How long did it take to get familiar with the financial reporting requirements/understand what information is needed (Familiarising with the IO)?		
If relevant, how long did it take to train members and employees about the information obligations?		
How long did it take to retrieve relevant information from existing data?		
If relevant, how long did it take to your own adjust existing data so that it fits the requirements of the form?		
If relevant, how long did it take to design new information material specifically to fill the form?		
If relevant, how long did it take to modify pre-filled data in the EU IT tool?		
If relevant, how long did it take to design new information material?		
How long did it take to fill forms and tables?		
If relevant, how long did it take to hold meetings (internal and external)?		
How long did it take to submit the information?		

Qualitative questions

- Overall questions

Financial reporting	Current status	Desirable change	Comments
Administrative burden reduction opportunities ¹²⁵			
• certification of the beneficiary on the method for calculating personal costs			
• certification of the beneficiary on the method for calculating indirect costs			
• flat-rate financing			
• cost reporting form			
• cost eligibility			
• support rate per type of activity			
• support rate per type of organisation			
• pre-defined lump sums (high trust “award” approach) ¹²⁶			
• Other comments			
Overall user-friendliness			
Irritation factor (0-5, 5 being very irritating)			
• Complex rules			
• Changed rules compared to FP6			
• Changing rules			
• Conflicting interpretation			
• Application more strict than the rule itself			

- Please fill in the table below with information (report periodicity) about the financial reporting requirements your organisation deals with at different levels (project, organisation, national, etc.):

Reporting period	Current	Desirable	Comments
Project level - External (Coordinator’s financial reporting to EC)			
Project level - Internal (Partners reporting to coordinator)			
National level (Participant reporting to national authorities)			
Organisation level (Participant reporting to their organisation)			

- Please use the table below to identify where incompatibility or conflicts among different sets of financial rules arise:

Financial rules	EU level	National level	Organisation level	Project level	Auditors
EU level					
National level					
Organisation level					
Project level					
Auditors					

- Overall, would you use the following words to qualify the financial reporting in FP7?

The financial reporting under FP7...	Yes	Somewhat	No
Effectiveness (+)			
Room for improvement (+/-)			
Trust (+)			

125 Please see definitions used in Communication “Simplifying The Implementation Of The Research Framework Programmes” COM(2010) 187, 29 April 2010

126 Please see definitions used in Communication “Simplifying The Implementation Of The Research Framework Programmes” COM(2010) 187, 29 April 2010

The financial reporting under FP7...	Yes	Somewhat	No
Control (+/-)			
Burden (-)			
Security (+)			

- Overall comments (including the impact of familiarisation on future use) about the financial reporting in FP7

Timeliness and quality of information

Quantitative questions

- How long did you have to wait between the proposal deadline and the signature of the grant agreement (time to grant¹²⁷)

Activity	Actual time (compared to previous activity)	Desired time (compared to previous activity)
Acknowledgement of receipt for the proposal (first stage or single stage)		
Feedback about first stage or single stage proposal		
Acknowledgement of receipt for the proposal (second stage – if relevant)		
Feedback about second stage proposal – if relevant		
Invitation to negotiate (negotiation mandate)		
Invitation to negotiation meeting – if relevant		
Feedback from negotiation		
Signature of the grant agreement by EC)		

- How long did you have to wait to get a reply in the following project life-cycle stages (time to reply):

Activity	Acknowledgement of receipt	First element of reply	Satisfactory reply	
			Actual	Desired
Proposal stage				
• URF				
• EPSS				
Negotiation stage				
• NEF				
• Commission (please specify)				
PM stage				
• NEF/SESAM/FORCE				
o Financial reporting				
o Technical reporting				
o Amendments				
• Commission (please specify)				
o Financial reporting				
o Technical reporting				
o Amendments				
Audit stage				

127 Time to grant is the interval between the deadline for bidding for funding in response to a call for proposals and the signature of a grant agreement

128 Time to reply is the interval between the submission of a question to the Commission and the reply from the Commission, including:

- Acknowledgement of receipt
- First element of reply (partial reply, forward to another contact, unsatisfactory reply, etc.)
- Satisfactory reply: reply that the applicant/participant accept as final answer

Activity	Acknowledgement of receipt	First element of reply	Satisfactory reply	
			Actual	Desired
• Commission (please specify)				
• Auditors				

- How long did you have to wait in to receive EU co-funding (time to pay¹²⁹)? Please do not take into account delays due to consortium management

Activity	Actual time	Desired time
Pre-financing payment		
Interim payment		
• Report approved		
• Payment received		
Final payment		
• Report approved		
• Payment received		

Qualitative questions

- Please use the table below to identify where incompatibility or conflicts among different set of rules arise (excluding financial rules):

Financial rules	EU level	National level	Organisation level	Project level	Comments
EU level					
National level					
Organisation level					
Project level					
Comments					

- Please specify the kind of incompatibilities or conflicts and their impact on your project:
- Overall, would you use the following words to qualify the timeliness and consistency of information in FP7?

Timeliness and consistency under FP7...	Yes	Somewhat	No
Effectiveness (+)			
Room for improvement (+/-)			
Trust (+)			
Control (+/-)			
Burden (-)			
Security (+)			

- Overall comments (including the impact of familiarisation on future use) about the timeliness and consistency of information in FP7

Negotiation Phase

Quantitative questions

Activity	FP6			FP7		
	Scientific negotiation	Administrative negotiation	Number of iterations	Scientific negotiation	Administrative negotiation	Number of iterations
How long did it take you						

¹²⁹ Time to pay is the interval between submission of a cost claim (accompanied by a report) and the actual payment to the beneficiaries.

Activity	FP6			FP7		
	Scientific negotiation	Administrative negotiation	Number of iterations	Scientific negotiation	Administrative negotiation	Number of iterations
(your organisation) to familiarise with the negotiation rules?						
<ul style="list-style-type: none"> • Access to information 						
<ul style="list-style-type: none"> • Find the right information 						
<ul style="list-style-type: none"> • Understand the evaluation summary report 						
<ul style="list-style-type: none"> • Understand the negotiation mandate 						
<ul style="list-style-type: none"> • Other comments 						
How many hours did it take you (your organisation) to develop the DoW (Description of Work) and the budget distribution including the GPF (Grant Preparation Forms)?						
<ul style="list-style-type: none"> • Administrative 						
<ul style="list-style-type: none"> • Legal 						
<ul style="list-style-type: none"> • Financial 						
<ul style="list-style-type: none"> • Scientific 						
In case your organisation participated in negotiation meetings (internal – with consortium members), how long did it take you (your organisation) to:						
<ul style="list-style-type: none"> • Prepare the meeting ? 						
<ul style="list-style-type: none"> • Participate in the meeting? 						
In case your organisation participated in negotiation meetings (with the Commission), how long did it take you (your organisation)?						
<ul style="list-style-type: none"> • Prepare the meeting ? 						
<ul style="list-style-type: none"> • Participate in the 						

Activity	FP6			FP7		
	Scientific negotiation	Administrative negotiation	Number of iterations	Scientific negotiation	Administrative negotiation	Number of iterations
meeting?						

Qualitative questions

Financial reporting	Current status	Desirable change	Comments
Administrative burden reduction opportunities			
• Reduced number of iterations			
• Meeting(s) in Brussels			
• Other?			
Overall user-friendliness			
Irritation factor (0-5, 5 being very irritating)			
• Complexity of the negotiation rules			
• Changed rules compared to FP6			
• Changing rules			
• Conflicting interpretation			
• Application more strict than the rule itself			

- Do think the negotiation phase could be simpler?
- What would you suggest to streamline the negotiation phase?
- Could you propose any good practice?
- Do you think the grant agreement model used for funding basic research (see for example the European Research Council) is applicable?

The negotiation phase will only look at administrative information and management information (if needed). Reference: page 45 of the "ERC Grant Schemes Guide for Applicants for the Advanced Grant 2011 Call" version 11/11/2010. "The grant preparation involves no negotiation of scientific/technical substance.

Applicant legal entities and Principal Investigators are expected to provide, if requested, further information on the project and its envisaged management in view of the rules applicable to ERC grants and if needed on the legal and financial capacity of the legal applicant entity."

- Overall, would you use the following words to qualify the negotiation phase?

The negotiation phase in FP7...	Yes	Somewhat	No
Effectiveness (+)			
Room for improvement (+/-)			
Trust (+)			
Control (+/-)			
Burden (-)			
Security (+)			

- Overall comments (including the impact of familiarisation on future use) about the negotiation phase

Annex: Sophistication level

Sophistication level	Description	Underlying functionalities
Level 1 – Provide info about the IO	Basic information provided to beneficiaries; passive website where information can be read	L1.1: Support: general information, guidelines and/or a F.A.Q; L1.2: E-learning and tutorials.
Level 2 – Downloadable IO forms	One-way interaction for beneficiaries to fill in information; downloadable forms on the website	L2.1: Downloadable forms.
Level 3 – IO submission	Two-way interaction (electronic forms that allow two-way information exchange, i.e.	L3.1: Forms can be electronically submitted; L3.2: Provide ALL requested information

	information can be uploaded into the system as well)	through the portal; L3.3: Avoiding for information submitted electronically, to having to resubmit it on paper; L3.4: Automatic system to exchange between the Beneficiary and the Managing Authority; L3.5: electronic authentication; L3.6: Allowing attachment and submission of relevant documents in electronic format.
Level 4 – IO status monitoring	‘Full’ electronic handling (e.g. self status follow-up)	L4.1: Email support.
Level 5 – IO workflow automation	Personalisation: pro-active and automatic handling (e.g. pre-filled forms, deadlines, alarms, etc.)	L5.1: Submitting information continuously, at the point in time of occurrence. E.g. sending invoices when they are processed; L5.2: Personalised forms (pre-filled forms).

Source: European Commission, 2009 benchmark study performed by CapGemini, Rand Europe, IDC, Sogeti and DTi for the European Commission, DG Information Society and Media on European eGovernment services.

Questionnaire international organisations

Date of the interview	
Time	
Name organization	
Website	
Interviewee(s)	
Role in the organisation	
Phone number	
Mobile phone	
Email	
Other recommended contact	
Comment(s)	
Interviewer	

Introduction

Background of the study

Deloitte Consulting is mandated by the European Commission, DG Research, to carry out an analysis of administrative simplification measures under the Seventh Framework Program (FP7).

As part of this exercise, Deloitte was asked to carry out a study analysing implementation and simplification issues for three major national or international research funding programmes, one of them being your organisation.

Our objective is to assess how "simple" and "user-friendly" FP7 is in relation to other large research programs and to assess whether there are different approaches which could deliver better results.

Definitions

Simplification

For the purpose of this interview, **simplification** should be understood as defined in the Commission Staff Working Document "Simplification in the 7th framework programme"¹³⁰:

- Flexibility - providing the necessary tools to achieve FP7 objectives efficiently;
- Rationalisation - establishing a better balance between risks and controls, avoiding procedures, rules and requests that have no added value, and aiming for the reduction of delays;
- Coherence - clarifying rights and obligations, ensuring consistent and user-friendly communication, matching objectives and means, and taking into account participants' own practices and pre-existing rules as far as possible.

Simplification measures under this definition are described in the Communication on simplifying the implementation of the research framework programmes¹³¹.

130 SEC(2005) 431 of 6 April 2005

<http://cordis.europa.eu/documents/documentlibrary/72661501EN6.pdf>

131 COM(2010) 187 of 29 April 2010

http://ec.europa.eu/research/fp7/pdf/communication_on_simplification_2010_en.pdf

FP7 Project life-cycle

The life cycle of an FP7 project can be described as follows:

Project life cycle phase	Steps included
Selection of proposals	<ul style="list-style-type: none"> The preparation and definition of the annual work programmes The planning and coordination of the calls The evaluation of proposals received The related work carried out until the final list of approved proposals has been signed
Negotiation of contracts	<ul style="list-style-type: none"> All tasks performed during the detailed negotiation of the selected proposals, until the projects' draft contracts are sent in batches and a Commission decision is returned. The stages covers all controls until the favourable decision is obtained
Project Management	<ul style="list-style-type: none"> The expenditure financial operations defined in the financial regulation, i.e. the establishment of the Commission's individual and legal commitments in the form of a signed grant agreement, The financial management (pre-financing, intermediate and final payment) All the scientific work necessary to the approval of the non financial deliverables required to clear the payments
Ex-post audits	<ul style="list-style-type: none"> The work of the ex-post audit units Some work required from the operational units in terms of putting together documentation for selected projects, in preparation of the audits Work done on contradictory procedures with the beneficiaries, until the audit results are finalised The time spent dealing with forecasts of revenue, recovery orders, extrapolation, exchange of correspondence and contacts with the beneficiaries to deal with these issues

General questions regarding your programme

Type of Programme and funding model

- Please describe the type of funding programme and funding model your organization is managing:
 - Basic research funded by grants or scientific prizes (European Research Council type)
 - Applied research funded by cooperative agreements (Framework Programme type)
 - Mix of both

General data for each type of research

- Please provide the broad numbers for each type of research your organization is managing:

	Budget	Number of proposals	Number of grants	Number of participants	Number of payments
For comparison: EC (FP7) in 2013 ¹³²	€ 10 billion	30 000	6 000	36 000	10 000
Basic research					
Applied research					

¹³² Source : mid-term review of FP7

Total					
-------	--	--	--	--	--

Applied research Programme management (basic if no applied programme)

- Please describe how your programme is managed and detail the main components of the project life-cycle:
 - Selection of proposals
 - Negotiation of contracts
 - Project Management
 - Ex-post audits

Policy to promote quality

- Please describe any policy to promote quality your organization is adopting:
 - ISO certification
 - Other certification
 - National (or EU) quality charter
 - Other
- Are there ongoing / finalised internal quality projects?
- Do you have quality procedures in place?
- Do you have quality control?
- Do you measure quality? And if so, how?

Collaboration with other EU funding programme (not for NSF)

- Please describe any collaboration with other EU funding programme your organisation is adopting:
 - Participation in the “EU joint programming” initiative¹³³ or similar
 - Recognition of ERC evaluation
 - Other collaboration with Member States leading to harmonisation or joint initiative
 - Other

Simplification

simplification measures

- Did you study / quantify the administrative burden / irritation for applicants that is related to your programme?
- What simplification measures have been undertaken over the last years, related to the following project phases:
 - Selection of proposals
 - Negotiation of contracts
 - Project Management
 - Ex-post audits
- Do you have ideas for future simplification measures?

Drivers of simplification

- What has driven the simplification efforts?
 - EU competition
 - EU collaboration
 - Participants to programmes (irritation, complaints, ...)
 - Others

Process of simplification

133 See http://ec.europa.eu/research/era/areas/programming/joint_programming_en.htm

- How is the simplification process being monitored within the funding programme?
 - External review
 - Internal review
 - As part of a continuous improvement process
 - Others

Managing the implementation

- Which measures have been fully implemented, which are ongoing?
- How have the simplification measures been implemented within the funding programme?
 - External implementation (using an external contractor)
 - Internal implementation
 - Others
- Where these measures successful or unsuccessful?

Lessons learned

- What lessons can be drawn from your experience with simplification initiatives?
- What good practices in terms of managing the simplification process can be identified?
- What are the barriers, risks, challenges related to the simplification process?
- What problems, issues have been encountered during the implementation of the simplification measures and have they been overcome?

Effectiveness and impact of the simplification measures implemented

- What is your perception of the effectiveness and impact of the simplification measures implemented for the participants in terms of:
 - Availability of information;
 - Transparency of information and procedures;
 - Complexity of the processes to be implemented by the applicants/users;
 - Systematic and efficient reuse of available data;
 - User-friendliness and quality of the supporting systems and instruments;
 - Clarity on roles and responsibilities;
 - Support offered by the managing services during the process;
 - Quality of the services delivered by the managing services.
 - Other
- Have you carried out any monitoring and evaluation / measurement exercise to assess the effectiveness of the simplification measures in your organization/under your programme? And how? If so, is it possible for us to access the data and/or evaluation report(s)?

Simplification in FP7

This section requires that the interviewee knows FP7 and FP7 simplification background.

- Do you identify any problem(s) within the four project steps in FP7?
 - Selection of proposals
 - Negotiation of contracts
 - Project Management
 - Ex-post audits
 - Transversal issues
- Do you have any suggestions for further simplification in FP7?
 - Selection of proposals
 - Negotiation of contracts

- Project Management
 - Ex-post audits
 - Transversal issues
- Could you recommend any good practice example to inspire further FP7 simplification (international, national, or regional)?

Programme/initiative	Description	Added value	Contact person – name, phone, email

ANNEX 3 - FUTURE PARTICIPANTS GUARANTEE FUNDS AND EX-ANTE CONTROLS OF THE FINANCIAL VIABILITY

Future Participants Guarantee Funds and ex-ante controls of the financial viability

1. Duplication of the FP7 Participants Guarantee Funds onto the CSF

1.1. State of Play

The FP7 EC and EURATOM Participants Guarantee Funds (PGF) have proven to date to adequately live up to the expectations set in their mission. Their mission consists in the protection of the EU budget against financial losses caused by bankruptcies and comparable deficiencies of beneficiaries on the one hand. On the other hand, the PGF protect the financial interests of grant beneficiaries, allowing projects to continue by reimbursing to consortia amounts lost to bankruptcy and comparable deficiencies of one of their members.

By 31 March 2011, the contributions to the PGF were in excess of 931 million euros. The EIB's investments of these assets had yielded net 32.7 million euros as interest. To date, 25 interventions of the PGF following bankruptcies and liquidations of beneficiaries have cost 2.5 million euros. At 31 March 2011, after deduction of costs and fees, 28.4 million euros remained available for future interventions.

The projections of the financial evolution of the PGF suggest that the intervention capital (interest) generated will well match the intervention needs. The EIB expects an average interest rate on its investments of 1.5% over the life time of the PGF, amounting to some 185 million euros. The intervention needs throughout FP7 have been estimated at an amount of between 130 and 150 million euros.

The positive experiences made with the PGF until now fully justify the recommendation to duplicate this financial instrument onto the CSF.

Apart from the benefits of the PGF's principal mission it must be borne in mind that the existence of this instrument has positive secondary side effects.

The PGF allow decreasing the intensity of ex ante controls of the financial viability of project participants (see also point 3 below). SMEs in particular find easier access to successful project consortia.

On the other hand, the PGF make the Commission's former requests for the submission of bank guarantees obsolete. The positive financial effects for those participants who would have had to present such a guarantee are obvious: They preserve their credit margin and must not pay bank fees, which is of considerable benefit for SMEs in particular. For illustration purposes: In the period from 2002 to

2006, the Commission had received 560 bank guarantees for a total financial volume of more than 160 million euros.

1.2. Scope and administrative/accounting setup of a CSF PGF

Instruments such as JTI, etc. cannot participate in the FP7 PGF as they are not subject to the FP7 Rules of Participation. Possible alternatives have been explored with certain JTI, but to no avail. However, as the activities of these instruments are and will be financed by the EU to a large extent and as the nature and structure of the participants to these instruments is largely congruent with the participant population in traditional FP7 actions, it seems appropriate to include these instruments as well as Art. 185 Initiatives, CIP and EIT in the CSF PGF in order to ensure the same protection level for the participants benefiting from grants in those instruments and the EU budget just as in all other activities under the CSF.

The financial risk of extending the CSF PGF to the instruments mentioned above cannot be quantified at this point in time since it will depend on the apportionment of budget to the different funding schemes under the CSF, specifically concerning the funding schemes for SMEs. However, as the population of participants in the instruments in question does not represent major differences to the population of traditional research project participants, the increase of the financial risk should be minimal and covered by the additional contributions received from the instruments.

The financial and accounting infrastructure including the ABAC interface of the FP7 PGF may as such be duplicated to the CSF PGF. However, DG Budget will have to examine to which extent the infrastructure needs to be adapted to the extended circle of participants in the CSF PGF.

The administrative costs of this exercise are not quantifiable at this point in time. The investment in human resources on the side of DG Budget will however not be negligible.

The legislation on the FP7 PGF only foresees to entrust the financial management of the PGF either to the European Investment Bank or to another appropriate financial institution as depository bank. It is recommended to broaden notion of depository bank in order to explore suitable alternatives for the CSF PGF.

Lastly, it should be examined to propose that the net operating surplus of the CSF PGF at the end of its operations should not return to the EU budget, but, if possible, be made directly available to future EU RTD programmes.

2. Analysis of the impact of a reduction of ex ante controls of the financial viability (FVC) on the CSF PGF

As mentioned above, the intervention needs of the PGF throughout FP7 had been estimated at an amount of between 130 and 150 million.

At the end of 2013, which marks the end of FP7, the assets of the PGF should attain 1.7 billion euros. The assets will from then on melt down to zero by the end of 2021¹. As mentioned above, the assets will generate a total of some 185 million euros in interest.

On the basis of data extracted from CORDA as per 7 April 2011, 10,598 grant agreements have so far been financed under FP7 for a total EU budget of around 25 billion euros.

1,599 distinct coordinators (excluding public bodies and universities) have been checked for their financial viability² to date.

Of the beneficiaries not being coordinators having requested an EU contribution of 500,000 euros and more, 1,378 (being private entities without public guarantees) have been checked for their financial viability to date.

As per 30 April 2011, it is possible to state that the extent of ex ante controls of the financial viability of coordinators and large beneficiaries has been fully justified:

- Of the 25 interventions concerning 17 different beneficiaries only 2 beneficiaries were coordinators. One of these went bankrupt immediately after the start of the project and took the entire prefinancing with him.
- The remaining 23 interventions concerning 15 different beneficiaries were limited to amounts of between 3,000 and 241,000 euros. None of the beneficiaries concerned had requested a contribution of 500,000 euros or more and were consequently not checked for their financial viability.

These circumstances suggest in principle continuing such checks in the CSF. The ex-ante check of the financial viability of private body coordinators enhances the security for the Commission that the prefinancing paid to coordinators will correctly be paid on to the other beneficiaries (annex 3, option 1).

It is nevertheless recommended to assess the financial exposure of the EU "vis-à-vis" any beneficiary by calculating its total EU contribution for all on-going and new projects, and to proceed with systematic FVC for cumulative EU contributions in excess of 500,000 euros. This would only affect marginally the current number of validations, but would increase tremendously the robustness of FVC for the smaller beneficiaries, participating in many small contracts.

Other options however are conceivable.

Another option (annex 3, option 2) could be to check the financial viability of coordinators as well as for beneficiaries requesting a cumulative EU contribution in excess of 1,000,000 euros.. In the reference period up until 30 April 2011, such an increase would have spared an additional 35% of financial viability checks compared to option 1. Taking a maximum risk of a 4,5% loss as suggested by detailed financial analysis of a representative portfolio of projects and a maximum materialisation level of 50%, the modification proposed represents an additional financial risk for

¹ NB! The end of all financial transactions in relation to the FP7 PGF is expected a number of years later (last waiver or cashing of the last recovery order of the PGF).

² For all background data please refer to annex 1.

interventions of the PGF that could be covered in maintaining the current contribution level of 5%.

A further option is to modify the payment scheme to the individual projects to yield a further decrease of financial viability checks (annex 3, option 3). Instead of making the pre-financing, intermediate and final payments to the coordinators, it can be envisaged to make those payments individually to each beneficiary. The technical set-up of ABAC makes this feasible by regrouping several payment requests under one single payment order, but this option needs a more integrated IT support.

Apart from the benefit of easier traceability of payments and their recovery, individual payments to beneficiaries offer the advantage of eliminating coordinators as cash buffers and therefore excluding the financial risk associated with this role. In consequence, coordinators – just as other ordinary beneficiaries - would only have to be controlled for their financial viability if they request a cumulative EU contribution in excess of 1,000,000 euros.

As under these circumstances, and extrapolating results up to the end of FP7, only 1,734 beneficiaries and coordinators in total would be subject to a financial viability check – 73% less than under the scheme in force –, the administrative burden would decrease considerably for all parties involved, including coordinators that would no longer distribute payments within the consortium.

The larger the requested EU contribution becomes, the more their requesting beneficiaries will be large and very large organisations that intrinsically represent a much lesser – if non-existing – financial risk for the EC. Under the FP7 PGF, all interventions were made for small and very small defaulting participants that had had requested EU contributions already exempt from financial viability checks under the present rules.

This circumstance, together with the relatively small quantity of beneficiaries and in conjunction with the fact that financial viability checks do not always render fully reliable results, make it worthwhile to consider the most far reaching option that is the abandon of financial viability checks altogether (annex 3, option 4). This option requests as well direct payments to all beneficiaries in the consortium.

Both options 3 and 4 may increase the risk exposure to amounts that could no longer be covered by a contribution percentage of 5%, but would have to be increased to a quota of between 5% and 7,5%.

In consequence, if option 3 or 4 were to be chosen for the CSF PGF, it is proposed to draft the future legislation foreseeing a maximum contribution rate of 7.5% with the aim to gain the necessary flexibility, although it can be anticipated that the very high level of risk materialization (50%) used in all simulations is unlikely to be reached and that therefore this margin of manoeuvre should not be exhausted.

Largely decreased or abolished financial capacity checks should be replaced by the control of beneficiaries' operational and co-financing capacity, i.e. their overall capacity to perform the work to which they subscribe in the work programme. Such checks could be facilitated by the future existence of a common inter-DG back office,

in which the results of such checks could be compiled, accessed, exchanged, and updated.

3. Conclusions

This paper proposes the **duplication** of the FP7 Participants Guarantee Funds onto the CSF, since they have proven to adequately live up to the expectations set in their mission, and to extend its coverage to the participants benefiting from grants in all instruments of the CSF.

The legislation on the FP7 PGF only foresees to entrust the **financial management** of the PGF either to the European Investment Bank or to another appropriate financial institution as depository bank. It is recommended to broaden the notion of depository bank in order to explore suitable alternatives for the CSF PGF.

Lastly, it should be examined to propose that the net **operating surplus** of the CSF PGF at the end of its operations should not return to the EU budget, but, if possible, be made directly available to future Guarantee Fund schemes.

Of course the performance of the PGF strongly depends on the ex-ante controls of the **financial viability checks** (FVC) of the participants.

This paper proposes 4 options with regard to FVC that will be carried out depending on the cumulative EU contribution to beneficiaries:

- **Option 1** is "**business as usual**" without major changes to the current setup. With the view to improve the robustness of FVC "vis-à-vis" smaller beneficiaries, it is recommended to assess the financial exposure to any beneficiary by calculating its total EU contribution for all on-going and new projects.
- **Option 2** allows **reducing FVC by 35%** with an increase of the threshold for the FVC of participants in projects to 1,000,000 euros³. In this case, coordinators continue to distribute payment and remain thus fully submitted to FVC
- **Option 3** enables **saving 73% of FVC** by increasing the validation threshold for coordinators and participants to 1,000,000 euros. In this case, the administrative burden of coordinators will be reduced, since they will no longer distribute payments to the other members in the consortium and will improve the service to participants in the CSF. This option will not entail more payment orders to be prepared and validated, but more bank account files to be validated. This additional clerical work that is quite straight forward will be balanced by the expected improvement with regard to income management.
- **Option 4** proposes to **abandon the current FVC** since the larger the requested EU cumulative contribution becomes, the more their requesting

³ Inflation not taken into account

beneficiaries will be large and very large organisations that intrinsically represent a much lesser – if non-existing – financial risk for the EC.

Both options 3 and 4 may increase the risk exposure to amounts that could no longer be covered by a contribution percentage of 5%, but would have to be increased to a quota of between 5% and 7,5%.

In consequence, if option 3 or 4 were to be chosen for the CSF PGF, it is proposed to draft the future legislation foreseeing a maximum contribution rate of 7.5% with the aim to gain the necessary flexibility, although it can be anticipated that the very high level of risk materialization (50%) used in all simulations is unlikely to be reached and that therefore this margin of manoeuvre will not be used.

Largely decreased or abolished financial capacity checks should be replaced by the control of beneficiaries' operational and co-financing capacity, i.e. their overall capacity to perform the work to which they subscribe in the work programme. Such checks could be facilitated by the future existence of a common inter-DG back office, in which the results of such checks could be compiled, accessed, exchanged, and updated.

In any case, all these processes need to be fully supported by the adequate IT tools.

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ANNEX

OPTION 1

FVC REMAINS UNCHANGED FOR COORDINATORS AND LARGE BENEFICIARIES
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- All coordinators remain subject to FCV
- Beneficiaries requesting a contribution >€ 500,000 remain subject to FCV

PROS: - Gives highest assurance on PGF risk coverage in relation to existing data
- No impact on existing structures of PGF

CONS: - No decrease of administrative burden for beneficiaries and EC services

Impact on PGF - None

OPTION 2

INCREASE OF THRESHOLD FOR FVC FROM €500,000€ TO €1,000,000 - COORDINATORS REMAIN PAYMENT RECIPIENTS FOR THE CONSORTIUM

- Coordinators continue receiving payments and distributing to their partners (beneficiaries)
- FVC for all coordinators needs to be maintained

PROS: - Less FVC (-35%)

CONS: - Imbalance between coordinators and participants with regard to FVC

Impact on PGF - Under the assumption of 4.5% of the total budget being at risk and a level of materialisation of 50%, there is no need to increase the 5% contribution to the PGF

N.B. The decrease of FCV should be mitigated by increased checks of the co-financing capability and operational capacity, and this in unified form for all grant participations at central level.

Percentage of risky beneficiaries (SMEs) decreases with increasing FCV threshold.

OPTION 3

INCREASE OF THRESHOLD FOR FVC FROM €500,000€ TO €1,000,000 FOR ALL BENEFICIARIES AND DIRECT PAYMENTS
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- Coordinators will no longer be recipients and distributors of EU contribution, but contributions will be paid to beneficiaries individually, according to a breakdown provided by the coordinator.
- Significant decrease of financial risk at the level of coordinators.
- Less sense to maintain FVC with increased threshold since percentage of risky participants decreases

PROS:

- Less FVC (-73%)
- Less administrative work for coordinators
- No retention of cash by coordinators
- Payment date ("date de bonne valeur") and amount known for each participant
- No involvement of coordinators in recovery procedures that do not concern them directly

CONS:

- More BAF (bank account files) to be created and managed
- Same amount of Payment Orders containing more Payment Requests
- More transactions managing the PGF

Impact on PGF

- Under the assumption of 4.5% of the total budget being at risk and a level of materialisation of 50%, an increase of contribution to between 5% and 7.5% is necessary.

N.B. This option requires a full IT support. That allows automatic generation of Payments Orders (PO) and Payment Requests (PR) for each member of the consortia.

OPTION 4

NO FVC FOR ANY OF THE PARTICIPANTS

- Full acceptance of all risks relating to financial viability

PROS:

- Significant decrease in administrative burden for EC services

CONS:

- Radical change in the approach accompanied by loss of feedback on the financial standing of the participants

Impact on PGF

- As there is no measurable impact on risk exposure in this option, and under the assumption of 4.5% of the total budget being at risk and a

level of materialisation of 50%, an increase of contribution to between 5% and 7.5% is necessary.

N.B. The abandon of FCV should be mitigated by increased checks of the co-financing capability and operational capacity, and this in unified form for all grant participations at central level.

Analysis of Green Paper consultation

Q1. How should the Common Strategic Framework make EU research and innovation funding more attractive and easy to access for participants? What is needed in addition to a single entry point with common IT tools, a one stop shop for support, a streamlined set of funding instruments covering the full innovation chain and further steps towards administrative simplification?

Main messages

- Strong support for all simplification measures proposed in the Green Paper.
- Widespread view that calls need to be less prescriptive and the evaluation more transparent, with "excellence" as the main criteria. In that line, researcher-driven schemes (as ERC) based on excellence should be promoted.
- Projects need to allow for smaller consortia and be more flexible during the implementation.
- Many suggestions to reduce paper work at all stages: pre-application (shorter, clearer guidance), application stage (including through 2 stage process), grant agreements (avoid micromanagement), and reporting.
- Requests for significantly improved IT portal – more user-friendly, more functionalities, etc.
- Improve communication and support to potential applicants including promoting networking for creation of new consortia and participation of newcomers.
- Reduce the number of instruments, removing overlapping, and improve coordination with other EU funds (eg. Structural Funds) and national funds.

Specific points

- Many requests for more open, flexible topics and for more small projects (fewer participants) with simpler rules and procedures.
- Support for single EU portal, and several requests for better IT systems, more user-friendly, easy access to previous projects and results, intelligent support to find partners, alert service for new calls.
- Support for uniform rules across all activities and reduction of funding schemes avoiding duplicities.
- Many suggestions for clearer communication e.g. exec summaries of calls; shorter, clearer guidance (including on-line guidelines); more training especially at the beginning of a new programme and better support for applicants also at national/regional level. Less EU jargon.
- Strong support for 2 stage calls with much shorter application forms, and higher success rates in the second stage (large oversubscription is perceived as a waste of resources). Some suggestions for continuously open/ rolling calls.
- Several requests for faster evaluations and faster time to contract and time to payment; overall, time elapsed from the publication of the call to the start of the project is perceived as too long.
- Many requests for less prescriptive grant agreements, with fewer milestones, deadlines, deliverables etc. Calls for more trust-based funding.
- Regarding financial rules, continuity of the cost-reimbursement logic is preferred to a radical change toward output-based grants. The message is clearer in the position papers than in the on-line replies where opinions are less homogeneous.
- Several request for lower reporting burdens, less frequent, less detailed.
- Several requests for more attention and accountability for project results, open-access and more visibility of EU funded projects.
- Some suggestions to follow national practices more closely and/or promote harmonisation of rules.

- Several respondents complain that expensive consultants are needed to prepare proposals likely to succeed. In general, more transparency is asked for the evaluation.
- Some concerns that "insider knowledge"/ contacts are needed to get funding.
- Promote participation of industry to boost innovation and market results.
- Continuity of successful programmes.
- Strengthen the National Contact Points network to promote access to the grants and to support participants.

Q6. How could the Commission ensure the balance between a unique set of rules allowing for radical simplification and the necessity to keep a certain degree of flexibility and diversity to achieve objectives of different instruments, and respond to the needs of different beneficiaries, in particular SMEs?

Main messages

- More flexibility is needed:
 - *More flexible rules including flexibility for project implementation; allow for adaptability of the research work.*
 - *Open, or at least wider, calls with flexible evaluation principles based on "excellence".*
- Unique and simpler (but flexible) set of rules:
 - *General perception is that simpler rules mean also more flexible rules. The concept of "unique set of rules" is however not equally understood by all beneficiaries; in most cases the "unique set of rules" include calls for "options" for the beneficiaries (like flat-rates or actual costs) or dedicated rules/reimbursement rates for specific groups of beneficiaries or type of research (fundamental /applied).*
 - *A unique set of rules should not lead to a one-size-fits-all situation.*
 - *Homogeneous interpretation of the rules.*
 - *Where possible fewer instruments.*
- Fewer and simpler reporting requirements:
 - *Fewer reports to be submitted, less information to be provided in the reports, some voices against the request for time-sheets.*
- Further promotion of SMEs participation:
 - *Via dedicated instruments and schemes or by setting a set of rules specific for SMEs with faster procedures and less onerous applications.*

Specific points

- Several calls for a more trust-based approach. Funds granted on proved expertise, past results, excellence, etc. Some views favourable to controls based on output not on input (output-based grants).
- Simpler procedures for submission of proposals and a more transparent (and flexible) evaluation process. Heavy requirements for proposal preparation act as an entry-barrier for new participants, especially SMEs.
- Several requests for the use of two-stage calls. In general, better communication of the calls among stakeholders is demanded.
- Allow for smaller projects with fewer participants and ad-hoc simplified rules and procedures.
- Project implementation should be more flexible which may need redefining the personal liability of Commission officers.
- Certain respondents call for a reduction of the audit controls, trusting national audit systems or internal controls of the entity and accepting the usual accounting practices.
- Certain beneficiaries warn the Commission about the risk of abuse behind too simple rules and/or too little control (attention to the "professional grant seekers").
- Remove EU jargon, make rules understandable for researchers.

- More assistance and one-to-one guidance by the Commission, NCPs and/or national services. In addition, dedicated support for SMEs on IPR related issues.
- Harmonised implementation within the Commission and, where possible, integration between EU programmes and national programmes.
- Some suggestions for the Commission to carry out benchmark analysis on national or international research programmes.
- Granting funds for the whole cycle of research (from the idea to the market) for further promoting participation of industry and SMEs. Support innovation to attract participation from private sector.
- Other requests: easier amendment procedures, granting funds also for project preparation and/or subsequent exploitation of results, quicker payments, more JU initiatives, only electronic submission of proposals and reports, single reimbursement rate for all activities.

Q19. Should new approaches to supporting research and innovation be introduced, in particular through public procurement, including through rules on pre-commercial procurement, and/or inducement prizes?

Main messages

- About 58% of the interviewees do not send any written comments or express a lack of awareness with regard to the topic of this question (mainly research centres and higher education institutes).
- Public procurement receives a wider support than the introduction of inducement prizes and awards. Roughly 18% of the respondents, representing the entire spectrum of stakeholders involved in the consultation (more than 32% considering only industry-related answers), recognize the large, untapped potential of the public sector purchasing power to drive innovation and stimulate private R&D and stress that the adoption of public procurement schemes would provide public sector bodies with innovative solutions to perform their public tasks more effectively and to better address societal challenges. Among those comments, several ones specifically call for supporting pre-commercial procurement as a tool to foster innovations in technologies and services and address societal challenges.
- Less than 10% of the contributions highlight that inducement prizes can be an effective way to stimulate research and innovation, provided that they are highly visible, attractive and well marketed as a Europe-wide acknowledgement of achievement.
- Among the negative feedbacks (around 9%), a major part does not consider the introduction of prizes as an efficient and beneficial instrument for industrial innovation and express scepticism about the capability of prizes in fostering research and innovation. Some comments believe that the introduction of prizes could distort the market and be counterproductive as it could lead to a narrowing of applications to chase those prizes. Several remarks from private companies highlight that prizes for innovation do not look attractive and rewarding because the chances of success are too small.

Specific comments

- Demand-driven innovation policies have significant potential that has not been fully utilized at EU level. New approaches need to be developed in this direction.
- Around 5% of the contributions (16% considering only the industry-related ones) highlight that pre-commercial procurement (PCP) can be a powerful tool for driving innovation and the Commission should encourage Member States to develop PCP schemes. PCP could be an efficient instrument because of its capability to shorten the process "from idea to market" and can therefore speed up the deployment of the results of research activities. Several remarks stress the need to clarify some legal issues related to PCP, especially IPR.
- Instruments like Green Public Procurement (GPP) should be promoted to increase the use of innovative green technologies in order to build best practices and increase market replication.
- Follow the example of USA in the field of public procurement (SBIR model) and learn from best practices.

- EU co-funding in the context of the Structural Funds could be used to stimulate procurement of innovative solutions.
- Prizes should cover all fields of research and if possible should specifically target young researchers, helping them to start their activities. Specific support to inducement prizes as a tool to promote curiosity-driven research.
- There is a strong need to support entrepreneurship, create a stronger connection between universities and entrepreneurs and make research careers more appealing (suggestion coming from research and higher education institutes).

Q20. |How should intellectual property rules governing EU funding strike the right balance between competitiveness aspects and the need for access to and dissemination of scientific results?

Main messages

- As far as research is publicly funded, the free dissemination of its results (at least after a delay) should be the rule.
- A specific case by case-approach depending on the subject matter (e.g., software, medication, scientific articles, etc.) as well as on the kind of research concerned (basic, pre-market) seems suitable.
- The design and the practice of the current system appears to be balanced in the sense of question 20 and adequate, in particular the approach of solving problems mainly at the individual level (GA, CA) while having a State institution as a safeguard; though, also MCA should be adopted. In any event, a future system should remain flexible.
- Open access, open source and patenting (probably with a deadline for a registration) seem to be adequate instruments for the dissemination of results and their promotion; more awareness-raising and more assistance as to IPR could be useful, though.
- An at least partial harmonisation of the legislation should take place (e.g., above all through an EU Patent). Furthermore, IPR Rules should be more consistent throughout all EU Programmes.

Specific comments

- Patent periods could be shortened or fees decreased or IPR could be limited to industry-specific EU Research Programmes; if no exploitation within a defined period takes place, it could be released.
- Patenting can slow down technical progress, as apparent from the US system; patents which prevent marketing should be avoided; there is no need for strict IPR or for IPR at all, on the contrary they form an obstacle. On the other hand, the US 'first to invent' instead the 'first to file' could be useful.
- Some exclusive rights necessary for the amortisation of private investment (not least for the sake of SMEs which can build on results); regarding multinational enterprises for instance, no limitation of access rights to the EU.
- Successful market introduction is the best publicity for EU Research Programmes.
- Certain thoughtfulness towards SME (though, very differing proposals for the implementation, from having very strict up to no binding rules, enhanced funding of their IPR activities, providing advice, ownership of all IPR, etc.)
- Different treatment of small and large (and (strategic) projects and particular consideration of sensitive areas.
- More exchange of best practice in protection; tutoring instead of imposing IPR rules could be better; more support and training throughout the whole cycle.
- Dissemination and exploitation of EU research results after projects end is not sufficient; EU should prevent this in order to avoid losing valuable research outputs.
- More publicity for the projects.
- Large shares of EU funding for innovative, patent and open source oriented projects; higher funding for agreements to make IPR produced generally accessible.

- Licensing should be also as open as possible (according proposals already in the ex-ante phase) and cheap (at least for EU companies); more smaller projects.
- Promotion of licensing agreements as much as IPR; gratis licensing of unexploited IPR.
- IPR rules are more relevant for marketing than for R&D; moreover, if competitiveness should be improved, EU should focus on the research community, i.e., the people, but not on formalities like number of patents, IPR, etc.
- Adaptation of IPR to the collaborative work instead of joint ownership.
- Improving the exploitation plans and the project follow-up.
- Restore the FP5 mandatory Technology Implementation Plan and making it mandatory throughout the whole lifecycle.
- Different treatment of the different phases, i.e., "pure" or basic and applied research with making the first one generally available (e.g., IMI, Human Genome Project) and focussing IPR Rules more on the latter.
- Creation of a dedicated EU body to encourage dissemination (and to discourage individual exploitation).
- IPR protection created by EU-funded projects by law.
- Adoption of the European IP Charta or taking it at least into consideration.
- Provision of more EU-wide databases (so far, project results are too split) – e.g., CORDIS.
- All EU citizens should own IPR created with the help of EU funding.

Specific comments as to 'Open Access' in particular:

- A clear definition of "open access" is needed, whereby a distinction must be made between access to background material and research data, and access to publications.
- Open access may have a positive impact for faster exploitation.
- EU should 'move towards an open access/open source/creative commons bias' and 'err on the side of openness'.

Sensitive points

- Too mighty scientific journals (in terms of market power, price, etc.).
- IPR Piracy.
- IPR must not negatively affect common and crucial agricultural heritage.
- There should be no patents on life.

Q26. How should international cooperation with non-EU countries be supported?

Main Messages

- **Global problems and common strategic interests are important drivers of international cooperation**
e.g. *"International cooperation activities should address the global challenges allowing Europe to participate to global solutions"*. (APRE – Italian Agency for the Promotion of European Research)
e.g. *"...the contributions of partners from outside Europe significantly enrich the research conducted under FP7, thereby delivering for Europe and its partners mutual benefit, including the enhancement of their respective economic competitiveness, a strengthening of knowledge generation capacities, as well as the harnessing of science and technology to address global challenge"*. (INCO NCP coordination project INCONTACT)
- **Use international cooperation to support EU interests (competitiveness, economic development)**
e.g. *"The European added value expected from cooperation should form the basis of specific international collaborations beyond Europe. The international competitive*

situation should be taken into account so as to take advantage of innovation opportunities for Europe."(German Federal Government)

e.g. *"...il est nécessaire de veiller à ce que le transfert et la valorisation des résultats de la recherche soient plus favorables à l'économie européenne notamment lors de partenariats avec des équipes situées dans des pays industrialisés ou émergents qui sont ou seront nos principaux concurrents".* (CNRS)

– **EU international cooperation should pursue a strategic approach and pursue reciprocity (i.e. participation and funding)**

e.g. *"The international dimension of the next Common Strategic Framework should be supported by a strategic approach taking into consideration the non-EU countries' specific strengths and strategies and based on equal partnerships and reciprocity."* (Romanian National Authority for Scientific Research)

e.g. *"[EU] international cooperation programmes, notably with organisations from emerging economies, must imperatively be based on the principle of reciprocity"* (European Alliance for Innovation)

ANNEX 5 - RESULTS OF THE SURVEY ON THE ADMINISTRATIVE EFFORT REQUIRED BY THE FUSION ASSOCIATIONS TO PARTICIPATE IN THE CURRENT FP7 IN THE FRAMEWORK OF THE IMPACT ASSESSMENT ON THE "RULES FOR PARTICIPATION" FOR THE 7TH EURATOM FRAMEWORK PROGRAMME

RESULTS OF THE SURVEY ON THE ADMINISTRATIVE EFFORT REQUIRED BY THE FUSION ASSOCIATIONS TO PARTICIPATE IN THE CURRENT FP7 IN THE FRAMEWORK OF THE IMPACT ASSESSMENT ON THE "RULES FOR PARTICIPATION" FOR THE 7TH EURATOM FRAMEWORK PROGRAMME

On the 14 of March 2011, within the exercise of the Impact assessment on the Rules for Participation of the 7th EU and Euratom Framework Programmes, the Commission launched a survey addressed to the 27 Euratom Fusion Associations to collect information on their administrative efforts required to participate to the current FP7, mainly the various processes to manage the Contract of Associations and EFDA tasks, in particular the Euratom financial contribution.

The deadline to answer to this survey was fixed to the 31st of March 2011 and the Commission received 19 responses out of 27.

The information from the survey (excel table enclosed) will be used in the preparation of the nuclear energy research Community Programme that will start from 2014, and more specifically to assess the potential effect of the revision to the Euratom "Rules for Participation".

INTRODUCTION ON THE FUSION ASSOCIATIONS

All 27 EU Member States participate in the Euratom Fusion research programme, as well as Switzerland which has had an agreement with Euratom to take part since 1979.

The principal mechanism of participation in the programme is the "Contract of Association". Each state, or organisation within a state, concludes a contract with Euratom, creating a "Euratom Association". This contract specifies the programme of work to be undertaken by the Association within the overall Work Programme for fusion in the Euratom Framework Programme, and provides the mechanism for funding from Euratom. A Steering Committee, made up of members from the national and Euratom sides has responsibility for guiding the activities of the Association.

All EU Member States have fusion Associations, except three of the newest, Cyprus, Estonia and Malta, plus Luxembourg, where the level of activity is presently too low to justify the formation of an Association. They participate as "trans-national research units" of the Association in a neighbouring Member State.

Researchers from all EU Member States can therefore participate in the programme through the 26 fusion Associations.

Some of the Associations have large-scale experimental facilities, while the smaller Associations generally do not. In return for a significant contribution to the capital cost of

building large facilities, the financing rules in the Contracts of Association oblige the Associations running them to give access to researchers from other Associations.

An additional financial contribution is also provided to encourage the smaller Associations to participate in the larger experiments by developing and installing auxiliary hardware such as plasma diagnostics. Clustering of several Associations who take joint responsibility for an experimental device or programme of work also helps smaller Associations to make a significant contribution.

To assist the exchange of personnel between Associations involved in collaborations, a “Mobility Agreement” provides support for travel and subsistence costs. The extensive network of collaborations between Associations has been a key element in the development of a programme which is unique in being fully integrated at the European level.

Further coordination of research activities, including for the joint exploitation of JET, is ensured by the European Fusion Development Agreement (EFDA), through which Euratom provides additional financing for activities considered as priorities.

The structure of the European Fusion Programme is aligned to the medium and long term objectives i.e. realisation of ITER and creation of prototype reactors for fusion power plants.

The budget for the Euratom fusion research under the 7th Euratom Framework Programme (2007-2011) is of EUR 1,947 million (EUR 390 million per year on average). During the first 4 years of FP7 (2007-2010), Euratom has committed a total of EUR 1393,5 million for fusion R&D. About 56% of the expenditure was dedicated to ITER construction (Europe is the largest contributor, accounting for about 45% of the total construction cost) and remaining part was spent on research activities (17% for research coordinated by EFDA, 37% for other research activities in the European fusion laboratories, and 46% for the joint exploitation of JET).

THE MAIN RESULTST OF THE SURVEY

The survey was structured in 5 sections covering:

- General information on the Associations
- The administrative tasks of legal and financial nature
- The administrative tasks covering the planning, programming and EFDA
- Auditing of the Association
- Simplification options for future Euratom programmes

1. GENERAL INFORMATION ON THE ASSOCIATIONS

The majority of the Associations are composed by either Higher or Secondary Education establishments or by non-profit research organisations. It is significant to underline that only two participants in an Association are Small and Medium Size Enterprise (NRG in the Netherlands and the Institute of Applied Mechanics Brno Ltd. in the Czech Republic).

18 of 19 Associations that have answered the survey indicated that they had already participated in past Euratom Framework Programmes and thus, they were familiar with the

Euratom fusion Associations procedures and funding mechanisms. Only the Bulgarian Association had no previously participated in a Euratom Framework Programme.

The composition of the Associations is very different from one to the other: 6% of the Associations are composed of only one institution while 10% of the Associations are composed of more than 5 institutions.

2. THE ADMINISTRATIVE TASKS OF LEGAL AND FINANCIAL NATURE

The Associations spent around 2 to 5 person-days to become registered and validated as a legal entity in the EU data base (Legal Entity Form and Bank account documents). However Romania reported that they needed to get this task done up to 30 person-days.

As regards the management of the distribution of the European funding the Associations reported that they have devoted from 3 to 5 person-days to carry out this task, while the Romanian Association reported a much higher amount, up to 100 person-days.

Concerning the preparation and submission of the financial statements to the Commission, the responses of the Associations vary enormously from 2-3 person-week to more than 50 person-days, with Belgium the Association reporting less person-days (only 5) and the United Kingdom, the Association reporting more person-days (up to 70).

Also, the Associations have reported important differences on the person-days devoted to carrying out related legal and financial administrative tasks that may be needed under the Contract of Association as for example, instructing the staff on Euratom requirements and ensuring compliance with time-recording, sub-contracting procedures, etc. The differences can go from 1 or 2 person-days (Greece and Poland) to 100 person-days (Romania).

As regards the use of a recording system, almost all the Associations declare its use for researchers and only very few have responded that they only use it if it is requested by the customer or institution funding the entities of the Association.

In addition, the Associations identified the audits and on the on the spot cost control missions, the IPR management, the administration of the Mobility and responding and managing EFDA calls for priority support, as additional processes and tasks of legal or financial nature which required significant administrative effort. Specifically, some Associations experienced difficulties in coping with the financial, legal and administrative requirements imposed by the Fusion schemes, notably on the reporting and the management of the different instruments, notably EFDA.

The corresponding effort in person-days of these additional tasks and process can vary a lot among Associations and can be up to 0,5 person-year.

3. THE ADMINISTRATIVE TASKS COVERING THE PLANNING, PROGRAMMING AND EFDA

The working time devoted by each Association for the overall implementation of the work of the association is above 5 person-days with a maximum of 35 person-days reported by Germany (IPP) which is the biggest Euratom Association.

This number increases drastically when the Association is preparing the progress report, the mobility plan, the annual work programme and all those other reports which are reviewed annually during the Steering Committee of the Associations. The time spent in preparing these documents and reports are easily above 20 person-days. This is also the case for the preparation of proposals to be submitted to the EFDA calls and the management of the EFDA Implementing Arrangements which are in general above 5 person-days and more than 35 person-days in the case of Slovenia, Romaina, KIT (Germany), Denmark and UK.

The Associations have also devoted an important amount of working time to communication activities, including dissemination of results. Most of the Associations exceeded the 5 person-days and some of them like Slovenia and Romania have largely exceeded the average with 30 person-days.

It is interesting to note that some Associations have showed concern about the lack of tools to keep track of the EFDA tasks and the time necessary to prepare these tasks for each work programme.

Finally, the Associations underlined that the fragmentation of EFDA, the Baseline support and the different systems for funding fusion research complicated the management of the fusion activities by the Association. In addition, the Associations indicated that the delays between the planning and the response to the EFDA calls, and the delays to receive the Community funding complicated the management of the fusion activities by the Association.

4. AUDITING OF THE ASSOCIATION

Most of the Associations have devoted more than 10 person-days as working time required to interact with the auditors, with the United Kingdom, being the Association devoting more time with 25 to 30 person-days and Denmark and Belgium the Associations using less person-days (2 person-days each). The Associations reported that they are also devoting more than 5 person-days per year to collect the necessary information and documentation for the audits, with 10 person-days, being the most common number indicated by the Associations. However Romania was only devoting 1 person-days, Belgium 2 person-days, Denmark 3 person-days and IPP (Germany) up to 75 person-days.

The implementation of the audit results required less person-days than the working time required to interact with the auditors. Between 1 and 5 person-days were reported by most of the Associations, with the exception of Hungary and CNR (Italy), both reporting 10 person-days.

In addition to the above administrative tasks, some Associations stated that the audits by the Commission services, the financial certificate and the introduction of the time sheet recording created additional significant administrative efforts in their participation to the fusion part of the Euratom Programme.

Finally, some Associations showed concern on the additional time needed to explain the fusion mechanisms to the auditors and the need to collect the required old data for the audits, as the costs incurred far back in time.

5. SIMPLIFICATION OPTIONS FOR FUTURE EURATOM PROGRAMMES

All Associations, except Hungary, indicated that they would like to continue with the current system of Contract of Associations in future Euratom Framework Programmes. These Associations considered that the Contract of Association proved to be a good tool that works quite well. However, the Associations considered it necessary to introduce some improvements and to guarantee at least the 20% of Baseline support from the Community to the fusion activities.

Some Associations indicated that they would prefer to increase the use of the "Implementing Agreements" or the use of "Project-specific lump sums", instead of the current funding mechanism.

In general most of the Associations would like to see simplification on the financial rules, the administrative procedures and to have fewer audits.

As regards the position of Hungary, its Euratom-Fusion Association would like to change to a different system based on simpler rules.

Finally, as the top priority for simplification measures to be introduced in the programme starting in 2014, the Associations indicated that the most important measure would be the increase of projects and the participation to the EFDA priority support and putting the financial support given under EFDA outside the Baseline support. Also, the Associations indicated that measures should be introduced to simplify the financial rules, including those applying to F4E, avoiding micro-management and respecting the deadlines for the Community payments.

Annex

Survey of Euratom Fusion Associates on the Administrative Effort required to Manage their Participation under the 7th Euratom Framework Programme for Nuclear Research and Training Activities

This survey is addressed to the Euratom fusion Associates participating in Euratom FP7. We would be very grateful if you could take a few minutes of your time to respond to the enclosed questions.

The purpose of the survey is to gather information on your Association's participation in Euratom FP7 (including the extension till end 2013). This information will be used in the preparation of the programme that will start from 2014, and more specifically to assess the potential effect of revisions to the Euratom 'rules for participation'.

The questions are intended to identify the administrative effort needed in the various steps and processes of your Association's management of its obligations under the Contract of Association, and in particular the Euratom financial contribution. In your responses please exclude all effort required to manage other sources of funding such as from F4E or the ITER Organisation. However, effort required for EFDA tasks should be included.

The survey is structured as follows: Section 1 covers general information, Section 2 covers administrative tasks of a legal and financial nature, Section 3 covers administrative tasks related to planning / programming / EFDA, Section 4 covers auditing and Section 5 covers simplification options for future programmes. The survey also offers the possibility to add comments and provide opinions.

When responding, please note the following:

- The responses should be, to the extent possible, those of your Association (or organisation) and not you personally.
- You should answer all questions; should you lack the relevant information or should your Association not be concerned, please indicate 'don't know' or '0 person-days (N/A)' – i.e. not applicable.
- In estimating the effort required, please consider only the administrative effort related to your obligations under the Contract of Association and EFDA and managing the related funding from Euratom. The scientific & technical management of the different projects within the Association's work programme should not be considered as part of this administrative effort.

If you have any questions you may contact Mrs Rosa ANTIDORMI at the following e-mail address: rosa.antidormi@ec.europa.eu

Many thanks for your contribution!

1 General information on your Association and participation under Euratom FP7

1.1 Number of organisations (i.e. separate legal entities and/or institutes) in the Association:

1.2 Your Association is composed of the following types of organisation:

- Higher or Secondary Education Establishment
- Non-profit Research Organisation
- Public body (excluding Research Organisations and Secondary or Higher Education Establishments)
- Private for-profit entities (excluding Higher or Secondary Education Establishments)
- Other (please provide more details:)

1.3 Are any of these organisations a Small or Medium-Sized Enterprise (SME)?

- Yes (please specify which:)
- No

1.4 What is the country of establishment of your Association?

1.5 What is the average annual Euratom contribution (in Euros) to the activities of your Association over the 4 years 2007-2010?

1.6 Is this your Association's first Euratom Framework Programme (FP)?

- Yes – 1st participation during Euratom FP7
- No – participation also in previous FPs

2 Administrative tasks of a legal and financial nature relating to the Contract of Association

2.1 How much working time did your Association (or organisation) require to become registered and validated as a legal entity in the EU data base (Legal Entity Form and bank account documents)?

- Don't know
- 0 person-days (N/A)
- 1 person-day
- 2 person-days
- 3 person-days
- 4 person-days
- 5 person-days
- More than 5 person-days. Please indicate:

2.2 If your Association comprises several organisations (i.e. legal entities and/or separate institutes), how much working time per year is required by your Association in managing the distribution of Euratom funding?

- Don't know
- 0 person-days (N/A)
- 1 person-day
- 2 person-days
- 3 person-days

- 4 person-days
- 5 person-days
- More than 5 person-days. Please indicate:

2.3 How much working time per year does your Association typically require to prepare and submit financial statements to the Steering Committee (annual accounts, mobility, EFDA, JET) and deal with other possible requests from the Commission for refinement/correction/completion after the Steering Committee meetings?

- Don't know
- 0 person-days (N/A)
- 1 person-day
- 2 person-days
- 3 person-days
- 4 person-days
- 5 person-days
- More than 5 person-days. Please indicate:

2.4 How much working time per year is required to carry out related legal and financial administrative tasks that may be needed under the Contract of Association (e.g. instructing staff on Euratom requirements and ensuring compliance with time-recording, sub-contracting procedures, etc.)?

- Don't know
- 0 person-days (N/A)
- 1 person-day
- 2 person-days
- 3 person-days
- 4 person-days

- 5 person-days
- More than 5 person-days. Please indicate:

2.5 Does your Association implement a time recording system for researchers?

- Always
- Only if requested by the customer/funder
- Only for Euratom-related effort
- Never
- Don't know

2.6 Can you identify any other process / task of a legal or financial nature as part of Euratom participation that has required significant administrative effort by your organisation?

- Yes, please provide details:
- No

2.7 How much working time did your organisation require to complete this other process / task?

- Don't know
- 0 person-days (N/A)
- 1 person-day
- 2 person-days
- 3 person-days
- 4 person-days
- 5 person-days
- More than 5 person-days. Please indicate:

2.8 Please provide below any comment that you may have regarding the administrative effort related to these legal and financial aspects in general required by your organisation:

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3 Administrative tasks related to planning, programming and EFDA

3.1 How much working time does your Association devote per year to the direct interaction with the Commission as part of the overall implementation of the work of the Association (attendance of Steering Committee meetings, other related meetings)?

- Don't know
- 0 person-days (N/A)
- 1 person-day
- 2 person-days
- 3 person-days
- 4 person-days
- 5 person-days
- More than 5 person-days. Please indicate:

3.2 For the Steering Committee meetings, how much time is needed by the Association per year to prepare the progress / annual reports, the mobility plan and report, the annual work programme under the Contract of Association, the multi-annual work plan and all other relevant documents?

- Don't know
- 0 person-days (N/A)
- 1 person-day
- 2 person-days
- 3 person-days

- 4 person-days
- 5 person-days
- More than 5 person-days. Please indicate:

3.3 For the participation in EFDA, how much time is needed by the Association per year to prepare the proposals for the EFDA calls (including setting up of collaboration networks, etc.) and in managing involvement in EFDA Implementing Arrangements?

- Don't know
- 0 person-days (N/A)
- 1 person-day
- 2 person-days
- 3 person-days
- 4 person-days
- 5 person-days
- More than 5 person-days. Please indicate:

3.4 How much working time does your Association require per year to deal with communication activities (e.g. dedicated Website, Association 'open days', dissemination of results, etc.)?

- Don't know
- 0 person-days (N/A)
- 1 person-day
- 2 person-days
- 3 person-days
- 4 person-days
- 5 person-days

More than 5 person-days. Please indicate:

3.5 Can you identify any other process / task in the phase of administrative management related to planning, programming and EFDA that has required significant administrative effort by your organisation?

Yes, please provide details:

No

3.6 How much working time did your organisation require to complete this other process / task?

Don't know

0 person-days (N/A)

1 person-day

2 person-days

3 person-days

4 person-days

5 person-days

More than 5 person-days. Please indicate:

3.7 Please provide below any comment that you may have regarding the administrative effort related to planning, programming and EFDA in general required by your organisation:
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4 Auditing of the Association

4.1 How much working time does your Association require per year for interaction with auditors?

- Don't know
- 0 person-days (N/A)
- 1 person-day
- 2 person-days
- 3 person-days
- 4 person-days
- 5 person-days
- More than 5 person-days. Please indicate:

4.2 How much working time does your Association require per year to gather the information / documentation necessary for audits?

- Don't know
- 0 person-days (N/A)
- 1 person-day
- 2 person-days
- 3 person-days
- 4 person-days
- 5 person-days
- More than 5 person-days. Please indicate:

4.3 How much working time does your Association require per year to ensure audit follow-up and implementation of audit results?

- Don't know
- 0 person-days (N/A)
- 1 person-day
- 2 person-days
- 3 person-days
- 4 person-days
- 5 person-days
- More than 5 person-days. Please indicate:

4.4 Can you identify any other process / task related to auditing that has required significant administrative effort?

- Yes, please provide details:
- No

4.5 How much working time does your Association require to complete this other process / task?

- Don't know
- 0 person-days (N/A)
- 1 person-day
- 2 person-days
- 3 person-days
- 4 person-days
- 5 person-days
- More than 5 person-days. Please indicate:

4.6 Please provide below any comment that you may have regarding the administrative effort related to audits in general required by your Association under FP7:

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5 Simplification options for future Euratom programmes

5.1 What would be the preference of your Association as regards the system of funding for the Euratom fusion programme starting 2014?

- Don't know
- Continue with the current system of Contracts of Association (scenario 1)
- Set up other funding mechanisms for fusion research activities (scenario 2)? Please give details:
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5.2 Please provide any comments you may have on scenario 1:

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5.3 If you consider another system of providing research funding to be particularly simple and efficient, please indicate the name of this programme and if possible the funding organisation:

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5.4 When compared to FP7, this research funding programme has:

- Simpler financial rules
- Better IT tools
- Quicker procedures

- O Fewer reporting requirements
- O Fewer audits
- O A higher level of funding

5.5 What would be your Association's top priority for one concrete and feasible simplification measure to be introduced in the programme starting 2014?

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