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OUTCOME OF PROCEEDINGS

From: General Secretariat of the Council
On: 12 March 2019
To: Delegations

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Subject: European Court of Auditors' Special Report No. 28 "*The majority of simplification measures brought into Horizon 2020 have made life easier for beneficiaries, but opportunities to improve still exist*"
- Council conclusions (adopted on 12. March 2019)

Delegations will find in the annex the Council conclusions on the European Court of Auditors' Special Report No. 28 "*The majority of simplification measures brought into Horizon 2020 have made life easier for beneficiaries, but opportunities to improve still exist*", adopted by the Council at its 3678th meeting held on 12 March 2019.

COUNCIL CONCLUSIONS ON THE EUROPEAN COURT OF AUDITORS' SPECIAL REPORT NO. 28 "THE MAJORITY OF SIMPLIFICATION MEASURES BROUGHT INTO HORIZON 2020 HAVE MADE LIFE EASIER FOR BENEFICIARIES, BUT OPPORTUNITIES TO IMPROVE STILL EXIST"

The COUNCIL:

1. WELCOMES the Special Report No. 28/2018 by the European Court of Auditors entitled "The majority of simplification measures brought into Horizon 2020 have made life easier for beneficiaries, but opportunities to improve still exist";
2. TAKES NOTE of the conclusions and recommendations of the Special Report and ACKNOWLEDGES their importance in view of the remaining years of Horizon 2020 and especially in view of the proposed new Framework Programme for Research and Innovation for 2021-2027, "Horizon Europe"¹;
3. RECOGNISES, whilst acknowledging the value of stable and clear rules for participation in European research and innovation activities, that the simplification measures introduced have reduced the administrative burden for beneficiaries and that the majority of actions have been effective, particularly the establishment of the Common Support Centre (CSC) and the electronic grant management;
4. URGES the European Commission based on the lessons learnt from previous framework programmes, including Horizon 2020, to improve its mechanisms for further simplification of rules in future framework programmes: two stage evaluation process, alignment of financial regulations between different EU funding programmes, streamlined communication with applicants while strengthening the role of NCPs, reduced time-to-grant, costs options such as lump sums, and personnel costs, and to thoroughly examine the quality of outsourced ex-post audits;

¹ 9865/18 + ADD 1-6 and 9870/18 ADD 1-5 + ADD 6 COR1

5. UNDERLINES that a better overall communication process entailing improved guidance and comprehensive direct feedback to applicants and beneficiaries, including high quality summary reports, through the whole process of application, evaluation and grant decision has the potential to improve the quality of the proposals, the follow-up of the decision-making process by Member States and a more efficient implementation of projects by beneficiaries; WELCOMES therefore, the Commission's intention to better communicate with applicants and beneficiaries, notably by improving the Research Enquiry Service, and to enhance further the introduction of simplified tools and guidance, in particular for SMEs and start-ups, mainly through online advanced interface services; RECOGNIZES the important role of the National Contact Points (NCPs) in informing and advising applicants and CALLS ON the Commission to further improve the methodological and technical guidance to these advisory bodies, in view of their capacity building.
6. WELCOMES the Commission's intention to better align the legal frameworks and rules of participation of EU funding programmes in view of enhancing synergies and to reduce the administrative burden for the benefit of beneficiaries;
7. NOTES that the Horizon 2020 rules for participation allow for both one and two stages evaluation processes; RECOGNISES that the two-stage evaluation approach may help applicants to avoid spending unnecessary time developing detail in ultimately unsuccessful projects, which has the potential to reduce the administrative burden for unsuccessful applicants; Accordingly, INVITES the Commission to consider the wider use of two-stage proposals evaluation where and if appropriate and to monitor and assess the effectiveness and impact of this measure;
8. CONSIDERS that simplified cost options, e.g. lump sums and inducement prizes, can further reduce the administrative burdens for beneficiaries and APPRECIATES that the Commission should intensify the testing of simplified cost options, in particular lump sums, by building, where appropriate, upon the evidence e from the Horizon 2020 pilot; Accordingly, INVITES the Commission to further explore the use of usual cost accounting practices for personnel costs;

9. STRESSES that the evaluation of submitted proposals under the Union's research and innovation framework programmes should continue to be of high quality and NOTES that insufficient time has often been allocated to evaluations;; Therefore CALLS UPON the Commission to reassess the time needed for experts to carry out reliable evaluations of project proposals;
10. NOTES that evaluators' daily remuneration rate has remained unrevised for more than ten years. Thus INVITES the Commission to further assess the need of reviewing the remuneration conditions for expert evaluators.
11. NOTING that the information campaign undertaken by the Commission on the "Seal of Excellence" concept launched in 2015 has raised awareness, but that it is not yet fully recognized, ACKNOWLEDGES the Commission's Horizon Europe proposals that aim at increasing the recognition of the "Seal of Excellence" in order to promote excellent proposals evaluated above threshold but not funded under the Framework Programme; and by RECALLING the December 2017 Council conclusions², in particular its paragraphs 8 and 23, INVITES the Commission to explore further ways to increase the likelihood that projects awarded under the Seal of Excellence can more easily access other funding sources;
12. WELCOMES that the Commission's Horizon Europe proposals contain plans to reduce the complexity of the next framework programme, in particular provisions on synergies and complementarities with other EU funding programmes, a one stop shop for innovation through the European Innovation Council, a new approach to rationalise the European R&I partnership landscape, improvements to the evaluation process by providing better feedback to applicants at all stages of the process and an aim to reduce the administrative burden for applicants even further with a control system ensuring an appropriate balance between trust and control.

² 15320/17 paragraphs 8 and 23 refer to "state aid".