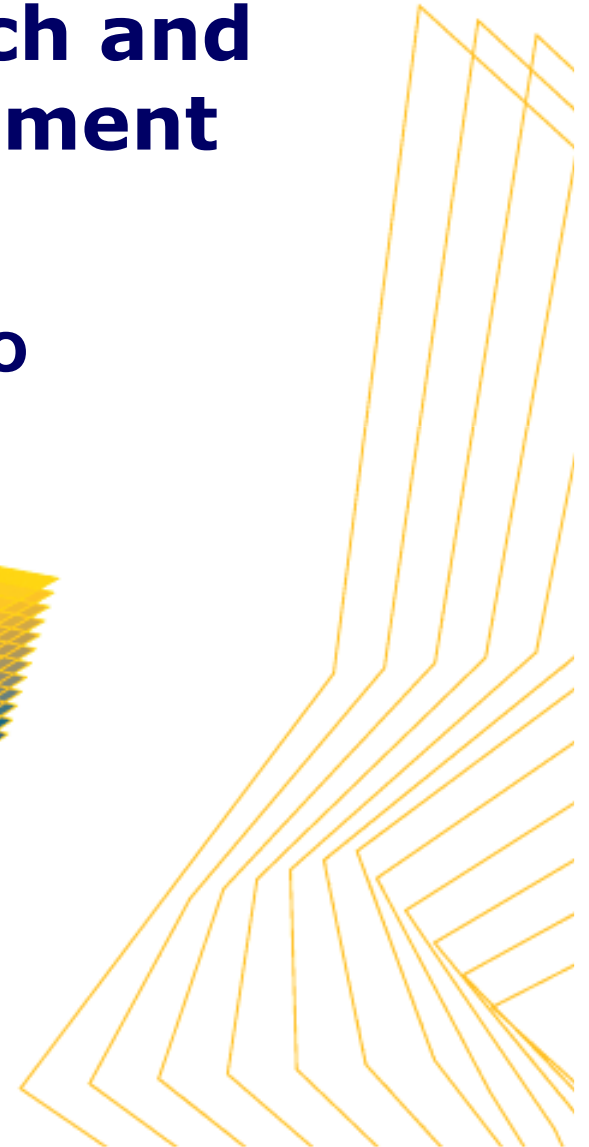


Simplification of the Framework Programme for Research and Technological Development

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EARTO



Brief Words about EARTO and RTOs

EARTO DEFINES RTOs AS

"...organisations ... which as their predominant activity provide research and development, technology and innovation services and which are managerially independent"

- RTOs live from providing R&D and related services
- Most have some public core funding – negotiated, competitive



Brief Words about EARTO and RTOs

EARTO represents 350 RTOs

- mission-oriented research organisations
- generally government sponsored, government sanctioned, occasionally government owned
- 150,000 employees, €15 billion annual turnover
- Some of our larger members: VTT, SINTEF, Swedish industrial institutes, Teknologisk, TNO, VITO, Fraunhofer, Technology Partners, Bay Zoltan, Instituts CARNOT, FEDIT Technological Centres...
- Major players in Framework Programme
 - e.g. Fraunhofer 2nd largest single player in FP6: >500 project participations,
 - e.g. 5 largest RTOs above: >1,400 project participations, >€520 million EU funding



Simplification of the Framework Programme

Simplification Agenda

- EC Communication on Simplification of the Implementation of the Framework Programme for Research (COM(2010)187) of 29th April
- Review of the Financial Regulation: EC proposals of 28th May
- Communication on a Tolerable Risk of Error for Research: EC proposals of 28th May 2010



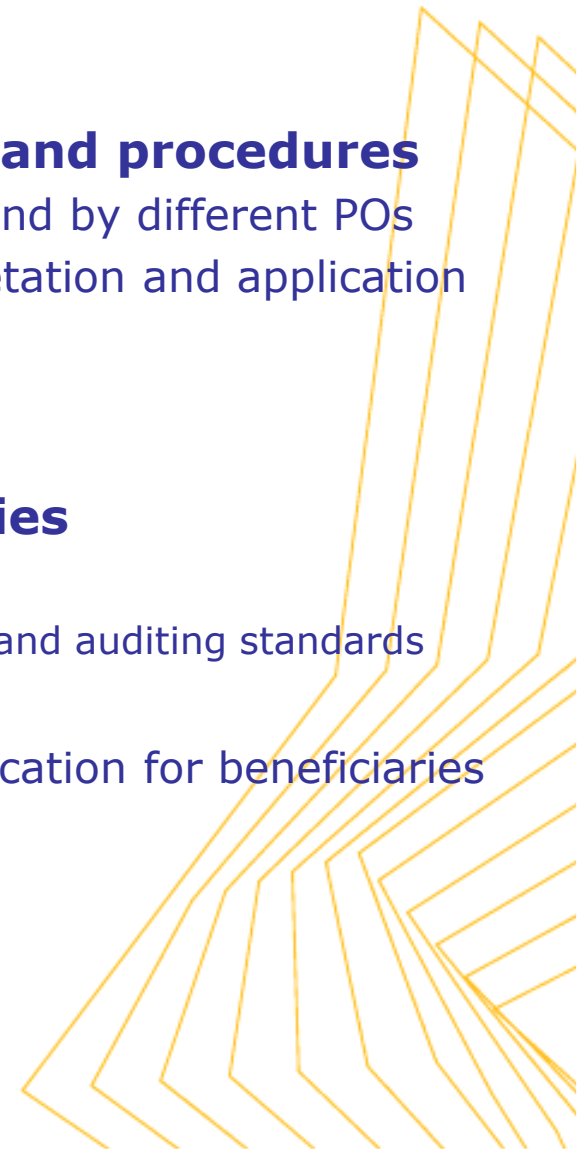
EC COM(2010)187 – main elements (1)

Uniform interpretation and application of rules and procedures

- Different interpretations of the rules across DGs, units and by different POs
- EC recognises this and wants to ensure uniform interpretation and application of rules and procedures
- EARTO proposed high-level coordinating body

Accept usual accounting practices of beneficiaries

- EC to accept usual accounting practices of beneficiaries:
 - As long as they are in compliance with national accounting and auditing standards
 - Would apply to average personnel costs
- EARTO welcomed this proposal: most significant simplification for beneficiaries



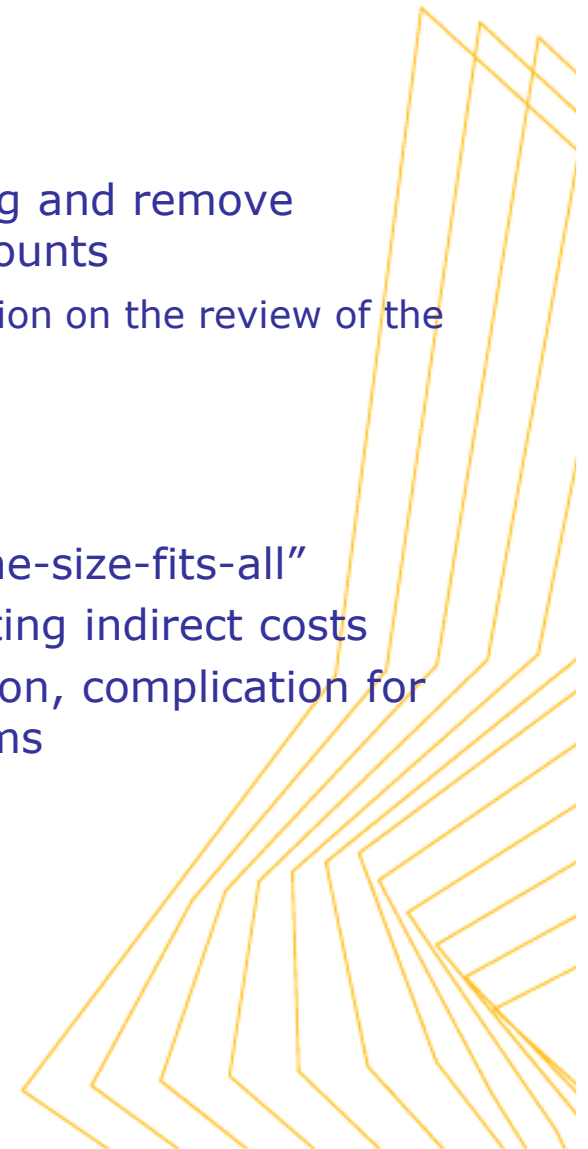
EC COM(2010)187 – main elements (2)

Interest on pre-financing

- EC could forgo its right to the interest on pre-financing and remove obligation to open separate interest bearing bank accounts
- EARTO would welcome this (cf. response to the consultation on the review of the Financial Regulation, December 2009)

Limiting the variety of rules

- EC proposes to replace “tailor-made approach” by “one-size-fits-all”
- Single reimbursement rate, single method for calculating indirect costs
- Lump sums/flat rates: simplification for the Commission, complication for beneficiaries, but maybe acceptable for low-value items



EC COM(2010)187 – main elements (3)

Results-based vs cost-based funding?

- Appears highly attractive
- But could open a door to permanent criticism from the ECA and in Parliament
- Pilot scheme?
- EC proposes greater use of prizes in FP7 (pilot scheme) and FP8
 - Akin to public procurement
 - Could be worth an experiment



Critical Issues

- **FP is an incentive programme:** proposals for change must take into account full economic cost of research
- **“One-size-fits-all”** will not work: different organisations have different business models, different needs
- **Recall:** Unattractive funding and IP-handling rules in some JTIs
- **Recall:** No repeat of the FP6 ex-post audit fiasco
 - No retrospective re-interpretation of the rules
 - Real-time auditing

