

Communication on the FP7 simplification Contribution from the French universities

Beyond simplification, the crucial point for French universities remains the clarity and consistency rules. The effort towards simplification is highly appreciated. However, the suggested paths exposed in the communication not only endanger some principles of the ERA but also question the current trend of modernisation of the Universities started in France. The principle threats are summarized below

Our major concerns are threefold:

- Moving towards result based instead of cost-based funding
- Moving from real cost system to average cost system
- Adopting lump-sum

Strand 1: Streamlining proposal and grant management under the existing rules

1- User support, guidance, transparency, IT tools and processes:

The French universities agree on reducing the average time-to-grant and time-to-pay.

2- Uniform application of rules:

This standardization to all the participants doesn't seem to be a good choice. The universities have different specificities from industries or SMEs. It is important to take these specificities into account in the rules of participation. The standardization of the financing rates (75% for the public partners, 50% for the private partners) could put the universities at a disadvantage because the WTO imposes this 50% limit to the private sector. Furthermore, the existing rules seem to be simple and understandable enough.

The transitional indirect cost model and the system of indirect cost are highly appreciated.

3- Optimising the structure and timing of calls for proposals

Most of the French universities agree on the longer periods to form consortia and prepare proposals, especially if they could avoid the major holiday periods. They also wish that the draft documents could be officially published for more transparency, which could enable to anticipate the redaction of the proposals.

4- Adapting size of consortia

The universities agree with the possibility to finance smaller consortia.

Strand 2: Adapting the rules under the current cost-based system

1- Broader acceptance of usual accounting practices

The Universities agree, but ask for a particular attention on the justification of the salaries. Very few research organisms have an integrated working-time registration system, and this shouldn't become the unique possibility to justify the personnel costs. There's a strong need of flexibility and understanding from the auditing services. The system of time-recording should also be more based on trust.

2- Average personnel costs

What seems important to us is not to change from a system to another one, but rather to simplify the justification procedure (e.g.: time sheet)

This approach is incompatible with current EU legislation. Further, it seems to us that the EC goes back to former Framework Programmes, whilst it encouraged at the beginning of the FP7 all the stakeholders to work towards real cost model.

The French universities are doing a great effort to comply with this EC exigency. It would be a bad signal to question this approach and to adopt an average cost system.

The Universities think that the **actual** personnel costs are easier to take into account and have the tool for it.. The main problem is the justification of these costs. Further, it would be more appropriate to keep the actual costs because the methodology certification processes of the costs are long and expensive. They also have to be updated very often, which could be a repulsive factor for the participation of the universities..

The possibility to keep both the actual and average costs is also considered.

3- Limiting the variety of rules

- *Reduce the number of combinations:* this is not the main obstacle to the participation.
- *Reduce the number of methods for determining indirect costs:* the correspondents are not in favour of such a reduction, the Commission would then have to accept more particular cases, which will make the demands more complex and could cause a lack of motivation.

4- Interest on pre-financing

Most of the universities are unable to respond to that recent demand of the Commission. The correspondents are favourable to the deletion of this obligation, or to the setting-up of a more flexible register of the exceptions, in which the French universities would be included *de facto*.

5- More lump-sum elements in the current cost-based approach

The French universities are not favourable to the setting-up of lump-sums, unless they're linked to a non-demand of justification. Such an approach raises a series of issues:

- Determination of the sums (on which basis?)
- Disconnection between costs and activity

- No more indirect costs?
 - Reimbursements of the lump-sums: no simplification expected, problematic concerning the salaries (levelling down of the budgets, problem of the timesheets)
- The lump sum system disconnects the research projects from its real cost, while the EC insisted in the FP7 to link projects and cost. As previously said, this step back would be difficult to understand; while we are convinced that adopting a more global approach for budget (full cost system, with co-financing) as more pedagogic aspects and allow raising awareness on the real cost of RTD and co-financing /participation through co-funding of projects' partners.
 - The lump sum system lead to diminish the budget associated to the project. Further, this system is difficult to apply, as there is no balance between RTD costs amongst EU member states, between ICPC, etc. The risk is that the teams with higher costs (e.g.: located in more 'expensive' countries) will have less interests to participate to FP projects

6- Accelerating project selection

The correspondents are favourable to this proposition.

Strand 3: Moving towards result based instead of cost-based funding

Most of the universities are against this kind of approach. This implies the definition of what an "acceptable result" is, but to know as well who will give an opinion on these results.

This is unacceptable

- The risk for universities due to the uncertainty of funding without guarantee of financial support could lead to diminish the involvement of most of the university teams.
- if public funding doesn't fund anymore risky, challenging and basic research projects, out of which results can be difficult to assess at least in mid-term, no other possible source of funding will remain to finance basic research project. This will also endanger the ERC.
- The notion of success and results is theme-dependant, and no criteria exist to be applied to the different scientific disciplines. This will also lead to decrease the ambition and the challenging aspects of the submitted projects

We refuse this approach which questions the funding principles of the European Research Area, based on the excellence of research. The competition and emulation among teams also arise from challenging, breakthrough and challenging ideas that are incompatible with a result-based approach. Furthermore, the notion of risk is intrinsic to research, and even if a project doesn't deliver expected results, this doesn't mean that it fails.

1- Project specific lump-sums

The lump-sum system is already in place partially in FP7, and its results are not satisfactory nor it simplifies the FP7... Amongst others:

- The system doesn't prevent the Marie Curie fellows to fill in time sheets; hence question regarding simpler control
- The ICPC partners scarcely adopt them
- The lump sum system leads to decrease the budget associated to the project. Further, this system is difficult to apply, as there is no balance between RTD costs amongst EU member states, between ICPC, etc. The risk is that the teams with higher costs (e.g.: located in more expensive countries) will have less interest to participate to FP projects

2- Publication of calls with pre-defined lump-sums

This system can discourage the researcher

3- High-trust award approach

What would be the "high-trust" organisms? How could it be fairly determined? Such a rule, if it is set-up, should apply in a fair way to all the research organisms, whatever their size or previous participation to European projects is.

It is further very difficult to define such an organism at the European level, without taking into account National specificities

Miscellaneous:

- During the negotiation phase, separate budgets between the partners of the grant agreement and the third parts shouldn't be asked. This demands as stated in the financial Guidelines weighs down the task of the universities at this stage of the project.
- It would be interesting to check whether both the two stage submission/evaluation and the use of lump-sums/flat-rates schemes have indeed alleviated the bureaucratic burden on project selection/management and see which lessons learnt can be drawn.