

The future FP8
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1 - Introduction

Science, education and innovation are pillars of economic growth and job creation. Europe must invest in innovation if it is to develop new products and services. These will create new sources of employment and growth, something that will both render Europe more competitive and improve its quality of life. Innovation, however, requires research.

In this respect, FP7 and its successor FP8 are key instruments in catalysing research across Europe.

This document will deal with a general outline of FP8. It will discuss the main principles, the structure of FP8, the thematic priorities built into FP8, the procedural rules and the need for simplification.

2 - FP8 principles

There are 5 key principles for FP8:

1. A trust based funding system;
2. A chain from frontier research, to technological development, demonstration, valorisation of results and innovation;
3. A simpler FP with fewer instruments and a radical overhaul of the administration of the FP;
4. Excellence as the criterion for the FP in co-ordination with the structural funds for research capacity building;
5. Enhanced international cooperation.

3 - Structure of FP8

At the moment there is a whole mass of programmes, sub-programmes and instruments which should be dramatically restructured. There should be three main pillars:

1. A science driven pillar that includes ERC, research support activities pillar such as Marie Curie and European research infrastructures;
2. An industry driven pillar that includes JTI, SMEs, EIB;
3. A policy driven pillar that includes cooperative research projects addressing the major societal challenges, and joint programming.

It is also essential to encourage and improve close cooperation between the FP and programmes such as Competitiveness and Innovation (CIP), and the European Institute of Innovation and Technology (EIT).

4 - Thematic Priorities

It is strongly recommended that the thematic priorities be reduced to 5 main themes:

1. Health and well being (Food and Health);
2. Environment;
3. Energy;
4. Transport;
5. Security.

Inside these broader areas, emphasis should be placed in areas related to the great challenges agenda, for example:

- Challenges for people and society:
 - Quality and healthy food;

- Prevention and health care;
 - Ageing society;
 - Cancer and heart related diseases.
- Environmental challenges:
 - Mitigation and adaptation to climate change;
 - Water management and planning for sustainable use;
 - Resource efficiency.
- Energy Challenges:
 - Low carbon energy production;
 - Energy efficiency;
 - Energy storage;
 - Smart grids;
 - Buildings and cities.
- The challenges for the European industry in a globalised world should cut across all the thematic priorities. I should involve competitiveness and ensure employment whilst covering the major European industrial sectors:
 - The transport industry including the automotive, aeronautics and rail sectors;
 - The manufacturing Industry;
 - The primary transformation industries - foundry, steel and non-ferrous metals sectors;
 - The agro-industry, agriculture and the food industry in general;
 - The major processing industries including the chemical, petrochemical and plastics industries;
 - The housing and buildings sector.

5 - Procedural rules

The following points stand out:

The Co-operation Programme should be the main instrument of the FP8 and should focus on the great challenges agenda. At the same time, it is crucial to create space for research in new and emerging areas in order to develop the next generation of technologies.

The funding line "Future and Emerging Technologies" (FET Open) in the field of information and communication technology represents a promising approach in this regard. We should propose the creation of such a line in other themes of the FP8.

- Rules of Joint Technology Initiatives and other PPPs must be framed in such a way that provide open and fair access to universities and SMEs;
- The research infrastructures that are accessible to users around the world should continue to play an important role;
- It is necessary to further promote the Ideas Programme (ERC) and to increase the proportion of the budget dedicated to grants for young researchers;
- The Marie Curie Actions should be continued;
- The SMEs dedicated projects should be redesigned in order to ensure that the major beneficiaries of the projects are the SME's and not the intermediate structures;
- It is necessary to introduce specific instruments to facilitate processes of innovation and to bring the results of R&D to the market;
- Better synergies between programmes and more targeted use of Structural Funds are required in order to support the development of research capacity in Europe;

- The participation of young scientists in project teams in the context of collaborative research activities by industry and science organisations should be incentivated.

6 - Simplification

The report on "Simplifying the Implementation of the Research Framework Programmes" presented 71 recommendations to be implemented.

At the beginning of 2011, the Commission adopted three concrete measures with immediate effect on the management of EU research grants in the current EU research programme (FP7). Each of these steps responds to concerns repeatedly expressed by participants and would-be participants in FP7.

In this respect, several recommendations will be included in the Midterm Review of FP7. It is hoped that the other recommendations will be included in the FP8. Some of these require modification of the financial regulation.

Annex 1 shows the recommendations of the report on "Simplifying the Implementation of the Research Framework Programmes", divided into 4 categories:

- Already implemented by the Commission;
- Proposed by the EP to be implemented with the Midterm Review of FP7;
- To be implemented with FP8 not requiring revision of financial regulation;
- To be implemented with FP8 requiring a revision of the financial regulation.

ANNEX 1

A PRAGMATIC SHIFT TOWARDS ADMINISTRATIVE AND FINANCIAL SIMPLIFICATION

Recommendations of the report	Already implemented by the Commission	To be done in the Midterm Review of FP7	To be done in the FP8	Changes needed to Financial Regulation
8. uniform interpretation	A new steering group of senior officials from all the Commission departments and agencies involved will remove inconsistencies in the application of the rules on research funding	✓		
9. revision and/or extended interpretation of the EU Staff Regulation;				✓ (Staff regulation)
10. distinction clearly between fraud and errors		✓		
12. higher rate of tolerable risks of error (TRE)				✓
11. research funding should be more trust-based and risk-tolerant towards participants		✓		✓
14. broader acceptance of usual accounting practices for the eligible costs	Allowing more flexibility in how personnel costs are calculated so that EU research grant-holders can apply their usual accounting methods when requesting reimbursement for average personnel costs. They will no longer need to set up entire parallel accounting systems just for this purpose			✓
15. simplifying the	Allowing more			

calculation of average personnel cost	flexibility in how personnel costs are calculated so that EU research grant-holders can apply their usual accounting methods when requesting reimbursement for average personnel costs. They will no longer need to set up entire parallel accounting systems just for this purpose			
16. accept statements of assurance on the reliability of the organization's annual accounts			✓	
17. combining funding rates and defining indirect costs			✓	
18. lump sums and flat rates voluntary basis; clarify the terminology			✓	
19. introduction of lump sums covering 'other direct costs'			✓	
22. facilitate modification of the grant award agreement			✓	
23. simplification of time-recording mechanisms				✓
24. lift the obligation to recover interest fees on pre-financing				✓
25. prizes to be encouraged but not a substitute for properly structured funding				✓ (generalised use)
26. reimbursement of costs incurred after the presentation of the proposal	SME owners whose salaries are not formally registered in their accounts can now be reimbursed, through flat-rate payments, for their contribution to work on research	✓		

	projects			
27. definition of eligible costs; considering VAT an eligible cost item where non-deductible			✓	
13. Commission's relevant audit strategies		✓		
29. precise, consistent and transparent rules of procedure for audits		✓		
30. implement the 'single audit approach'		✓		
31. reducing the need for ex-post audits and retroactive corrections; to resolve prior situations				✓
32. introduction of a response procedure			✓	
37. Favours 'science-based' funding			✓	
38. shortening the average time-to-grant and time-to-pay		✓		
39. shorten time-to-contract to maximum 6 months			✓	
40. extend the average time from the publication of the call to submitting the application			✓	
41. not abolish the legal requirement for an opinion by committees of Member State		✓		
43. 'two-stage' application procedure		✓	✓	
46. simplification of the application and contractual procedures			✓	
47. one single Commission project officer			✓	
48. each document provided by the Commission and its services should clearly establish its legal status			✓	
49. e-administration and IT tools			✓	

50. information and awareness-raising campaign		✓		
51. Commission's Open Access Pilot			✓	
52. ensure full and effective beneficiaries' involvement in the use of FP7 resources		✓		
53. increased transparency as regards the process of topic selection for calls		✓		
54. harmonised peer review system			✓	
57. reduced set of rules and common principles for funding			✓	
58. launch training for project officers and internal auditors		✓		
61. revision of the Financial Regulation, the Staff Regulations and the implementation of a research-specific TRE				✓
62. reduction in the diversity of instruments			✓	
67. public-private venture and loan capital investments			✓	