



CEA position paper on ‘Simplifying the implementation of the research framework programmes’

Third beneficiary of the EU R&D framework programme, CEA is a major French research centre active in the fields of energy, health and information technologies and security and defence.

On the 29th of April, the European Commission adopted a communication on the simplification of the R&D framework programme¹. This document brings highly innovative ideas that will probably initiate a thorough and interesting debate. Yet, CEA would like to remind EU institutions that EC and participants operational teams have to live up with FP7 rules until 2017. Therefore concrete issues encountered today can not be eluded and need to be addressed as quickly as possible. Therefore, CEA calls for two separate debates:

- . A first one dedicated to measures applicable under the FP7 regulatory framework
- . A second and less urgent related to the forthcoming FP8.

Measures for FP7

CEA supports many proposals of the European Commission (systematic use of IT systems, electronic signature, reducing size for consortia, and uniform application of rules ...). Similarly, CEA endorses EC analysis on the tolerable risk error and calls the European Parliament, as well as the Council and the Court of Auditors to agree on research specific constraints enabling the practical applicability of average cost methodologies.

Yet, CEA does not understand why EC awaits regulatory changes before recognizing participants' usual accounting principles when this rule is already established by Article 31 of the Rules for participation. In addition, CEA regrets that EC requires regulatory amendments before suspending the obligation for interest bearing accounts for prefinancing as this measure is already applied only on a discretionary basis by EC services.

¹ COM(2010) 187 : ‘Simplifying the implementation of the research framework programmes’



Therefore, CEA calls on EU institutions to urgently converge on the following issues:

- . Harmonisation of FP7 rules interpretation
- . Full recognition of usual accounting principles
- . Full authorisation to use average cost models methodologies
- . Removal of the obligation for interest bearing account on a project basis

Towards FP8

CEA expresses many reserves on the two main propositions aiming at adapting present 'financial based' controls. Limiting the variety of rules clearly would simplify EC daily management of the programme. Yet, we believe that such a measure does not take into account the inner differences between public and private research. Moreover, as experience showed, lump sums for direct and indirect costs do not relieve participants to prove that the difference with the real cost is inferior to the tolerable risk error rate when audits are launched. In addition, such system does not recognize the structure cost of research infrastructure intensive organisations. Finally, a lump-sum system would penalise participants having already invested in full cost accounting systems.

Therefore, CEA remains reserved on the unique EC support rate and calls for giving the choice to participants to use either the lump-sums or the full cost models.

CEA has taken good notice of the idea to move into an output/result based control system. Such system is theoretically interesting and should probably be further explored. Yet, it raises at least 4 general and practical concerns:

- . As many FP7 projects will last until 2017, the transition between both models may create additional complexity for participants and EC teams who will have to cope with both systems.
- . Research results are by nature uncertain and therefore the definition of expected output/results will have to be precise and clear in the Grant Agreement. The definition of those output/results may lengthen the project negotiation phase.
- . Such system should not come in addition to the present accounting based controls
- . Such system will pose a real challenge for EC in terms of competencies and human resources management.

Therefore, at this stage, CEA would like to express its interest on the "project-specific lump sums [...] paid against agreed output/best efforts" model described by the European Commission. Though a full scale implementation of this system should probably not be expected nor supported because of all the practical issues it raises, a cautious testing on large and symbolic collaborative projects could be envisaged.