

Proposed paragraph n. 1

Considers essential to maintain the currently foreseen opinion of a Regulatory Committee composed by the representatives of the Member States: as a precondition to the final approval of funding for research projects which are ethically controversial among Member States it adequately protects the EU principle of respect for Member States' cultural diversity and ethical options, which must be taken into account in the distribution of the relevant funding. For this reason, it is also important that the members of the Regulatory Committee have particular expertise in the ethical issues concerned.

Explanation: The legislation of a number of Member States forbid or limit research which involves the use of human embryos or human embryonic stem cells grounded in ethical considerations. The EU legal order protects Member States' cultural diversity and ethical options, which must be taken into account in the distribution of the relevant funding. The intervention of a Regulatory Committee in the selection procedure aims at guaranteeing this and facilitates the information flow to the European Parliament and to the general public in the best possible way, thereby ensuring transparency. These aims are particular relevant in this area, where ethical issues are utterly sensitive, and compromises are difficult to achieve. Moreover: the intervention of the Regulatory Committee was not put at stake by the respondents to the consultation of the European Commission on the simplification, who proposed instead other measures such as "extended time for the preparation of proposals – earlier access to draft Work Programmes" or "faster execution and optimized timing of deadlines" in order to pursue the simplification goal.

Proposed paragraph n. 2

Calls for a special attention to some concerns that the result-based funding raise:

- a) The difficulties in identifying and choosing criteria for defining output/result, and the risk that the criteria chosen can illegitimately hinder scientific research or provoke a decrease of funding for projects that either do not have a measurable objective or have an objective that is measurable with different parameters than that of immediate utility;
- b) The possible negative consequences as for the encouragement of experimental research whose particular needs of funding are linked with its high-risk, but also more innovative, nature;
- c) The simplification can increase information asymmetries and thereby inefficiencies such as the ones related to adverse selection (e.g.: selection of projects with lower ethical standards) or moral hazard (by diminishing the role that the researchers' reputation can play in this regard); on the other hand, attention should also be paid to the promotion of the alignment of interests so as to diminish moral hazard and, hence, inefficiency.

Explanation: this paragraph refers to point 3.3 of COM (2010) 187 and it points to the risks associated with result-based funding, especially with regard to the definition of output/result, to the possible effects in experimental research and to the efficiency of the allocation of resources.