

21 concrete measures to further simplify FP9

This position statement was put together by ANRT following consultation of members of its ERA Club. ANRT's ERA Club comprises 29 organisations representing $\frac{3}{5}$ of the H2020 funding paid to France.

In its report entitled LAB – FAB – APP, the Lamy group identified simplification as a priority for FP9 ([point 7: simplify further](#)). At the “stakeholders’ workshop on further simplification” organised on 20 October 2017, the EC invited participants to submit suggestions to improve the framework programme. The objective of this document is, as far as possible, **to provide concrete simplification measures**. It is not intended to comment on the FP’s scientific programme.

The 21 concrete measures are:

1. A success rate per call consistently above 10%
2. More detailed ESRs
3. Preparation of GAs: possibility for some negotiation
4. Funding through grants: as much as possible
5. No additional remuneration
6. Optional flat rate for other direct costs
7. Lump sums: option to make several pre-financing requests
8. Lump sums: extend the pilot to a dozen FP9 projects
9. No choice between lump sums and actual costs when submitting a proposal
10. Better coverage of coordination expenses
11. Unit costs of clinical trials: to be calculated after a project's selection
12. Make cascade funding easier
13. Redesign rather than abolish instruments
14. More transparent audits
15. Maximum 8 months before the final audit report
16. Maximum 3 months to produce an amendment
17. Translate and index the AGA
18. Alert system for updates of official documents
19. An “eco-friendly” version of the GA
20. IP rules should remain stable
21. Improve communication on open science

1. Success rate per call consistently above 10%

With a success rate of 11%, Horizon 2020 is one of the most competitive R&I programmes in the world. However, this success rate is unequally distributed between calls. Depending on the year, it can drop as low as 5% for phase-2 SME instruments and 2% for FET Open projects. For non-funded consortiums, the cost of an unsuccessful application can amount to several tens of thousands of euro. Given this situation, even the best beneficiaries can be reticent to submit their project. The EC should set an objective of financing at least 10% of the proposals submitted, taking all instruments together. To this end, it could prescribe some calls that are too open, or increase some areas that clearly risk being oversubscribed. On the other hand, the members of the ERA club do not consider that making wider use of 2-stage calls would be a solution.

2. More detailed ESRs

Writing a proposal is a long, demanding and costly exercise for participants. For non-funded projects, it provides an occasion to receive quality feedback from top experts. However, numerous participants complain that the quality of these reports has dropped since the launch of Horizon 2020. They regret the excessive use of standard phrasing that gives them few pointers to improve their projects. As a result, partners sometimes have to submit proposals several times before satisfying the demands of evaluators. To finance the best proposals, FP9 would benefit from guaranteeing the excellence of its evaluations.

3. Preparing a GA: several negotiation options

One of the new features of Horizon 2020 is that it is no longer possible to negotiate the content of a grant agreement once the proposal has been evaluated. This principle is reasonable, but the EC should maintain some flexibility in accepting minor additions. In particular, it is unfortunate that when transferring a task or adding a third party, beneficiaries have to wait for the project to start before submitting an amendment request. Similarly, it would be a good idea if, during the preparatory phase of the grant agreement, all participants could see the modifications requested by the project officer. Currently, only the coordinator can view them, which leads to unnecessary exchanges back and forth between partners.

4. Funding through grants: as much as possible

Grants are by far the most attractive form of funding and the easiest to manage for framework programme beneficiaries. They correspond well with an R&I rationale and a means obligation. Nevertheless, the members of the ERA club would like to draw the EC's attention to the risk of relying on repayable advances. The latter are viewed as burdensome and require post-project follow-up that can last several years. Financial instruments should remain as they are today, in other words, very high TRLs and specific objectives, such as fund-raising and scale-ups.

5. No additional remuneration

Introduced into Horizon 2020, additional remuneration can be used to cover emoluments paid out for supplementary work or for expertise other than that of employees. This notion has been subject to numerous reinterpretations by the EC since 2014. In 2018, there is still no consensus as to what comes under additional remuneration and what does not. Therefore, it subjects beneficiaries to legal uncertainty, with the result that they tend not to include these add-ons in their financial statements. To simplify the justification of costs, the EC should find a way to reintegrate additional remuneration into basic remuneration.

6. Optional flat rate for other direct costs

[Regulation ESF 1304/2013](#) establishes that a flat rate based on the eligible direct staff costs may be used in order to cover the remaining eligible costs of an operation. This means that for every euro of staff costs incurred, the beneficiary renders eligible a few cents of other costs with no justification.

FP9 could take on board this form of simplified cost. In fact, it is often difficult in Horizon 2020 to follow up on “other direct costs” (depreciation, consumables, missions, small purchases, internally invoices services, etc.). For this kind of expenditure, the cost of justification is often disproportionate with the expected financial issues. In this way, the framework programme opens up a gap between the eligibility rules and beneficiaries’ standard practices.

One solution to simplify the justification of expenditure would be to leave beneficiaries the choice of declaring their other direct costs as either actual costs or a flat rate. In addition, this option would make the framework programme more inclusive for small partners. The EC could integrate this flat rate into the FP9 budget model as shown below:

Personnel		Subcontracting	Financial support	Other direct costs			Indirect	Other unit costs
Actual	Unit	Actual	Actual	Actual	Unit	Flat rate*	Flat rate**	Unit

* Based on staff costs

** Also based on flat rate for other direct costs

7. Lump sums: option to make several prefinancing requests

Lump-sum financing is aimed to finance beneficiaries once a work package has been completed. If this has not been achieved at the end of a reporting period, then they must wait for the end of the next period to be paid. Beneficiaries therefore risk having to depend on self-financing for most of the project. Some organisations with low working capital, such as SMEs, cannot always bear the burden, and risk bankruptcy.

One solution would entail the coordinator being able to request, at the end of each period, a second or even third pre-financing payment from the project officer. These additional prefinancing payments would depend on the project’s overall progress.

8. Flat rate: extend the pilot to a dozen FP9 projects

From 2018 to 2020, only two project calls will be concerned by the “flat-rate financing” pilot: too few to envisage drawing lessons for the next framework programme due in 2021. Beyond this date, one solution would be to extend the pilot to more project calls, a dozen, and to a more representative sample of the framework project (fundamental research projects, with numerous partners or a significant budget). At the end of this exercise, the EC would dispose of sufficient information to consider integrating lump sums into the framework programme system.

9. No choice between lump sums and actual costs when submitting a proposal

In its [report](#), the top-level group suggests that consortiums should be allowed to choose between funding based on actual costs or a lump sum. This choice would be made at the time of the application. Although both approaches have advantages, the members of the ERA club do not consider that it would be a good idea to let participants decide. This is because funding based on actual costs and lump-sum funding involves two different ways of viewing R&I and building a proposal. As a result, the projects evaluated would be too different for the EC to ensure the principle of equal treatment.

10. Better coverage of coordination expenses

In Horizon 2020, grants are calculated based on a project’s eligible direct costs. However, it is not always easy to establish a direct connection between a cost and an activity. In the case of coordination tasks, participants sometimes mobilise staff to work on numerous missions. Some organisations thus prefer not to follow the working time of these employees and to cover their expenses on indirect costs.

One solution to simplify the coverage of coordination costs would be to allow beneficiaries to choose between declaring them in a real or simplified (flat rate or lump sum) form. For Marie Skłodowska-Curie Actions, for which coordinators employ unit costs, the EC would also gain from maintaining a “coordination expenses” unit cost.

11. Unit costs of clinical trials: to be calculated after a project’s selection

The actual costs of some R&I activities can be difficult to monitor. In the case of clinical trials, a specific unit cost has been established by the EC. Beneficiaries thus have the choice between declaring their expenses as actual or unit costs.

The unit method requires each participant to calculate, at the time of the proposal, an average cost per patient. This is done on the basis of historical expenses recorded in the last accounting period. It requires considerable preparation and consultation and has to be repeated for each new project. In a programme where the success rate is close to 11%, it is out of proportion to require so much effort at the proposal stage. Beneficiaries should invest in this action once their project has been selected, for example allowing them several more weeks to work on it during the preparation phase of the grant agreement.

12. Make cascade funding easier

Currently, beneficiaries can only financially support third parties (also known as “cascade funding”) when this is mentioned in the work programme. This is unfortunate since, in many cases, the legislator cannot anticipate whether consortiums will require this form of funding. Participants should – on a case-by-case basis – be able to justify the use of sub-granting in their proposals, even if the work programme does not mention it.

13. Redesign rather than abolish instruments

In its [report](#), the top-ranking group mentions the high number of instruments in the framework programme and suggests getting rid of at least a third of them. Although they observe a certain complexity, the members of the ERA club think that each of the instruments currently serves a distinct purpose. For this reason, withdrawing them is not sufficient; the existing instruments should be built on new foundations so that these purposes continue to be met in FP9.

All of the members of the ERA club also agree that efforts could be made to converge European programmes that support R&I. Other programmes, including COSME, LIFE+, Copernicus and structural funds, finance similar activities with very different rules. They would benefit from making a move towards the simplicity of Horizon 2020. Similarly, it would be a good idea if all of these programmes could be accessed from a single entry point to manage their projects: the participant portal. Incidentally, the three-pillar architecture of the framework programme is easy to understand and appreciated.

14. More transparent audits

Although they are an integral part of the research and innovation framework programme, audits are still shrouded in mystery for participants. Beneficiaries would like to have an auditor’s guide that explains, in concrete terms, what is expected from them. These instructions would describe how a typical audit works, in other words how to prepare for it, how to receive the auditors, and how to follow your case. It would set out the rights and duties of the audited party, describe the role of the EC as mediator, and underline the principle of off-site and on-site checks. The document would be complementary to the “indicative audit programme”, which take the auditor’s point of view.

15. Maximum of eight months before the final audit report

Currently, no known rule exists regarding the production and receipt of audit reports. Beneficiaries may receive auditors’ conclusions several years after their visit. As a result, participants are subject to insecurity and lose valuable time that they could use to implement experts’ recommendations. It would be in the EC’s interest to adopt clear, transparent objectives in this area, such as sending participants intermediary reports within five months following the auditor’s visit, and within eight months for final reports. Obviously, this would only be a general principle that would be binding for the EC but could be extended if the Commission demonstrated that doing so would be useful (e.g. quality of contradictory procedure). Lastly, audits would be easier to understand if participants had access to all relevant documents (letters, forms, reports) on the participant portal.

16. Maximum of three months to produce an amendment

Whether it relates to a minor modification of the GA or a substantial one, an amendment request can take up to a year to complete. This time lapse can cause delays or lead participants to embark on new studies in a climate of uncertainty. The EU could set an objective of producing its amendments in a maximum of three months. This period could obviously be extended if the Commission demonstrated that doing so would be useful.

17. Translate and index the AGA

The Annotated Model Grant Agreement (AGA) is a useful guide that explains the rules of Horizon 2020. However, its length and style of language mean that it is mostly aimed at English-speaking experts. Occasional users can find it a challenge to extract clear and concise information. In FP9, this issue could be resolved by supplementing the AGA with a key-word, themed index and translating it into all of the official EU languages. Similar to GAs, the English version would prevail in case of dispute.

18. Alert system for updates of official documents

Numerous experts involved in Horizon 2020 closely follow modifications to the framework programme's reference documents. In some cases, updates of manuals or annotations can have significant consequences on the management of a contract. These experts would appreciate an automatic alert that would directly inform them on the participant portal of any modifications of such documents.

19. "Eco-friendly" version of the GA

Digital pollution is one of the main sources of pollution observed on the planet today. Electronic signatures of grant agreements generate a very heavy PDF on the participant portal. This PDF has to be downloaded several times and by numerous different services, not all of which have a need for these certificates. One solution would be to make an "eco-friendly" version of the GA available on the participant portal that would involve no signature and therefore be lighter.

20. IP rules should remain stable

The rules on IP have remained simple, flexible and stable over the last few framework programmes. FP9 would benefit from continuing with this winning formula. The members of the ERA club unanimously agree that, like today, partners should have an option not to make their research data available to third parties (opt-out). Provided the decision reflects a legitimate interest (competitive advantage, confidentiality, ethics, security, etc.), experts should not consider this refusal in their evaluation.

In response to a request from a party from the community for a "first operation" in Europe, the EC could carry out an impact assessment to determine the consequences of such a policy.

21. Improve communication on open science

The principle of opening up science meets the agreement of all members of the ERA club. However, for many of them, opening up data is a new phenomenon. These organisations would appreciate more communication and training from the EC on this subject. The creation of fictional DMP (data management plan) examples, whereby the EC would imagine a project and its policy for opening up data, would both guide and reassure participants. The EC's new Common Dissemination Booster service, which aims to build consortiums' capacities for dissemination, could also usefully include a section on "opening data" and "how to draw up a DMP".

The Open Aire project, which currently finances expenditure on dissemination for FP7 projects up to two years after they have come to term, would greatly benefit from being extended to cover Horizon 2020 and FP9. It could not only fund the cost of publications, but also expenditure related to archiving and data access.