

# Bocconi

## IDEAS FOR FURTHER SIMPLIFICATION IN FP9

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# The major proposals of the new financial regulation

Objective	Concrete changes to the EU financial rules
<b>Simpler rules for recipients of EU funds</b>	<ul style="list-style-type: none"> <li>• Remove non-cumulative award check for low-value grants</li> <li>• Remove non-profit principle</li> <li>• Increase the use of lump-sums</li> <li>• Recognise volunteer work</li> </ul>
<b>From multiple layers of controls to cross reliance: the single audit principle</b>	<ul style="list-style-type: none"> <li>• Rely more on the procedures used by the EU Commission's implementing partners (where they guarantee an equivalent protection of EU financial interests)</li> </ul>
<b>Alignment of rules across EU programmes and funds</b>	<ul style="list-style-type: none"> <li>• Apply only one set of rules to combinations of measures or instruments</li> </ul>
<b>Performance based payments</b>	<ul style="list-style-type: none"> <li>• Base payments on output and results achieved</li> </ul>

# Simplification in application stage

Today	Tomorrow
Audit report is required above thresholds (>750K€ action grants) and (>100K€ operating grants)	Audit reports only if required by national law
Checks of non cumulative principle in all cases	No checks of non cumulative principle for natural persons most in need

# Other major simplifications

- E-governance: moving to e-grant and the use of e-portals (H2020 already a front runner)
- Single web portals for all beneficiaries in each policy area
- ‘Single audit’ to become a reality, promoting common audit service
- Cross-reliance on existing assessments
- EU reporting harmonised with other donors
- Fewer details and less burdensome controls

# Lump sums

- Huge simplification potential: despite all simplification, funding based on reimbursement of incurred costs stays complex and error-prone
- Lump sum project funding removes all obligations on actual cost reporting and financial ex-post audits → major reduction of the administrative burden
- **No reimbursement of indirect costs**
- Perform based payments applied to fundamental research should be linked to milestones to be defined in the calls
  - assessing the results' proportionality leading to partial payments (?)
  - possible delays in the negotiation phase
- Pilot in 2018. In the future an opt out might be a possibility

# Lump sums: Pilot 2018

In the work programme 2018-2020 there are two pilots wit lump sum: NMBP and health

## —NMBP

- Fixes lump sum defined in the call for proposal, that describes the effort and resources that the applicant commit to mobilise for the amount
- Applicants must provide the split per WP and beneficiary

## —HEALTH

- Lump sum defined in the proposal (detailed estimation of costs in stage 2)
- Experts assess the costs details during evaluation and make recommendations
- Lump sum fixed in grant preparation

# Lump sums: Principles

- Lump sum evaluation and grant agreement follow the standard approach as much as possible
  - Same evaluation criteria (panels will contain additional experts that can judge on the costs)
  - Same pre-financing and payment scheme
  - Reporting periods and technical reporting as today, through focusing on completion of work packages → focus more on bundle of activities
- Lump sum shares are fixed in the grant agreement for each WP
  - This amount is paid when the activities in the WP are complemented
  - Payment does not depend on a successful outcome, but on the completion of activities

# Lump sums: Ex post controls

You need	You don't need
<ul style="list-style-type: none"> <li>• Technical documents</li> <li>• Publications, prototypes, deliverables</li> <li>• Who did what?</li> <li>• Any document providing that the work was done as detailed in Annex 1</li> </ul> <p>(already the case under the general Model Grant Agreement)</p>	<ul style="list-style-type: none"> <li>• Financial audits (except when fraud is suspected)</li> <li>• Time-sheets</li> <li>• Pay-slips or contracts</li> <li>• Depreciation policy</li> <li>• Travel invoices</li> <li>• Actual costs</li> </ul>



# Easying access to FP9: Submission

- Two stage procedure increased following the welcome by stakeholder
- Make proposals shorter (70 pages?)
- Close link to evaluation criteria and template
- A more defined substructure of the impact (chapter) could help to structure and provide the exact information evaluators are looking for
- Programme specific guidance would be helpful (the guidance for MSCA was mentioned as best practice)
- The online manual on the participant portal is useful, but guidance for proposal preparation and guidance would be helpful
- There might be not enough evaluation criteria, more criteria would make it easier to differentiate

# Easing access to FP9: Evaluation

- General criticism about the proposal feedback: perceived quality issues, reasons for rejecting high-scoring proposals are unclear; individual feedback in stage one is preferred; resubmission needs attention
- Suggested multistep evaluation: one group of experts looks at excellence, another group, in the next round, looks at impact, etc
  - Bigger pool of evaluators
  - Transparency issue on the evaluation stage
  - No feed-back on every aspect
  - More time to grant (?)
- Blind evaluation: Council recommends a pilot, but mixed reactions
  - Consortium known in a later stadium
  - Might increase the involvement of consultants

# Easying access to FP9: Grant preparation

- Ethics remains a problem: a table / check box about ethics would be helpful, anything else is just confusing
- Continues submission (e.g. FET Open) in bottom up processes helps

# Conclusions

- Rationalising the funding landscape
- WP complex and too prescriptive (top-down calls): introduction of missions less perspective and fewer topics
- Experimentation: trade-off between flexibility and harmonisation
- High burden on participants for reporting, but EC wants to know what is the results and impact of the funding (the latter diffuse and difficult to demonstrate)
- Quality of evaluators for credible and reliable results
- Improve audits

**GRAZIE.**