II

(Preparatory Acts)

ECONOMIC AND SOCIAL COMMITTEE

Opinion of the Economic and Social Committee on the ‘Proposal for a Decision of the European Parliament and of the Council concerning the rules for the participation of undertakings, research centres and universities and for the dissemination of research results for the implementation of the European Community framework programme 2002-2006’

(2002/C 94/01)

On 14 November 2001, the Council decided to consult the Economic and Social Committee, under Articles 167 and 172(2) of the Treaty establishing the European Community on the above-mentioned proposal.

The Section for the Single Market, Production and Consumption, which was responsible for preparing the Committee’s work on the subject, adopted its opinion on 4 February 2002. The rapporteur was Mr Malosse.

At its 388th Plenary Session of 20 and 21 February 2002 (meeting of 21 February), the Economic and Social Committee adopted the following opinion by 68 votes to 1, with one abstention.

1. Introduction

1.1. The rules for participation and dissemination ensure that the conditions for the implementation of the 6th European Community RTD framework programme (1) and its specific programmes are met. It is to be noted that, for the first time, this text is subject to the co-decision procedure between the Council and the European Parliament.

1.2. Notwithstanding the technical nature of the proposed decision, it does lead to a number of political choices, for example, about the participation of legal entities from third countries, priority criteria for project selection and access to knowledge produced by the research projects.

1.3. The European Economic and Social Committee should consider the question of administrative simplification, in accordance with the code of conduct it adopted (2). A number of research bodies have complained about excessive formalities in European research and the Committee has raised this issue on several occasions.

2. Innovations in the Commission’s proposal

2.1. The intention behind the new rules is to reflect the new approaches in the 6th framework programme, in particular the inclusion of two new types of assistance: support for networks of excellence and integrated research projects. Direct grants will be allocated to their budgets.

2.2. Participants from Member States and associated candidate countries have exactly the same rights and obligations, as do the international organisations for scientific cooperation with a European focus, such as the European Space Agency (ESA) or the European Organisation for Nuclear Research (CERN).

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(2) EESC opinion, OJ C 14, 16.1.2001.
2.3. The applicant countries are, of course, eligible with equal rights. For the first time, organisations from other third countries are fully entitled to participate in actions carried out under the bulk of the framework programme. Organisations in third countries eligible to take part in specific international cooperation actions under the framework programme (Russia and the States of the CIS, third countries of the Mediterranean, developing countries, the ACP countries and Latin American and Asian countries) will in addition be fully entitled to receive funding.

2.4. Consortia responsible for networks and integrated projects are given the opportunity to change the partnership, including through competitive calls under the supervision of the European Commission. This measure could be beneficial to SMEs whose participation in the framework programme has been set at 15% minimum.

2.5. There is to be greater flexibility with an individual work programme for each specific programme, which can be modified at any moment, and calls for tender with dates varying according to needs.

2.6. Financial rules are to be relaxed to allow for payment of advances. However, at the same time, ex-post controls will be stepped up and it will become compulsory to have accounts certified by an independent auditor, for which the costs may be fully covered by the European Union. Independent experts will be appointed to monitor the networks of excellence, integrated projects and, if necessary, some traditional actions.

2.7. The rules for dissemination of information among participants in a consortium have been made more flexible, for example by giving participants the option to exclude some of their pre-existing know-how from the requirement to grant access to other participants, or to limit access rights to knowledge arising from the work to particular participants.

2.8. Bodies submitting proposals for indirect actions are no longer obliged to prove, when they sign a contract, that they have sufficient resources to carry out the action. This used to mean the requirement to provide a bank guarantee, which was either impossible or very costly for small businesses, particularly start-ups. In exchange, the Commission has made the members of a consortium jointly and severally liable. This means that the Commission formally reserves the right to take action against the most solvent partners in case of default. Exceptions will be allowed for public bodies and each consortium will be able to draw up internal rules whereby participants can only be held responsible for that part of the Community budget allocated to them.

3. Comments

3.1. The participation rules focus on increased simplification, greater transparency and more consistency with the EU’s strategic objectives. The aim is to enhance the profile and effectiveness of European action and make sure that the programme meets the aspirations of the public.

3.2. Simplification

3.2.1. The Committee welcomes the proposals inasmuch as they will provide greater flexibility, more transparency and equal access. In particular, it approves the lifting of the requirement to provide a bank guarantee, which could be costly and difficult to secure. It also approves the system of advance payments as this is a welcome replacement for the reimbursement of expenses, which used to create cash-flow problems. These two innovations should be beneficial to SMEs, who should be considered the priority target of the 6th RTD framework programme, given their crucial role in developing European competitiveness and employment.

3.2.2. However, no specific arrangement has been put forward to simplify formalities for the submission of dossiers, in particular decentralisation proposals that the EESC formulated for the Fifth Framework Programme. This is fundamental, and the Committee therefore calls on the Commission to present an action plan to simplify procedures, using the SLIM method. The Committee also regrets that the Commission has not taken up its other proposals to simplify procedures and facilitate the participation of SMEs, for instance by decentralising pre-selection systems and granting overall subsidies to intermediaries. Such an arrangement would help to compensate for the uncertainty about tender publication dates and also provide an assistance service for project presentation.

3.2.3. The Committee welcomes the fact that the Commission has taken on board its suggestion to make business associations, such as chambers of commerce, trade organisations and technical centres, as well as other civil society organisations, eligible as entities. It would suggest that these associations be allowed to participate in projects as follow-up coordinators, in particular to ensure that projects are disseminated and exploited. They should be encouraged to participate in projects involving SMEs.
3.2.4. The Committee suggests that trans-national cooperation projects by business groupings also be made eligible, the objective being to set up a permanent framework for technological cooperation between companies. Such actions could be undertaken, both within the EU and with partner countries, in particular in the European Economic Area, Central and Eastern Europe, non-EU Mediterranean countries, and Latin America.

3.2.5. The joint liability of participants could discourage large groups from associating with small entities, on the grounds that they are more likely to default. To lessen this risk, the Committee suggests the idea of an insurance scheme which would be fully covered by the EU budget and would thus allow the Union to defend its financial interests well. The Committee believes that introducing the principle of joint liability would be detrimental unless such a scheme was set up.

3.2.5.1. There are concerns, however, that such an insurance scheme, financed by the Community budget, would drastically reduce the financial resources directly available for research and development. Therefore, initial experience on the possibilities and costs of such an insurance scheme should be gained in a pilot phase.

3.2.5.2. In addition it must be guaranteed that public institutions or state-supported bodies, which are not permitted to assume a joint and several liability, are thereby not excluded from participation nor disadvantaged in any way.

3.2.6. The Committee recommends leaving the choice of instruments open to operators. The various operating modes would thus be offered as a ‘toolbox’ from which it would be possible to choose individual instruments depending on needs and to develop them as and when experience is acquired.

3.2.7. The Committee approves the use of advance payments and hopes that priority in awarding them will be given to small research bodies and SMEs and that they will be awarded before an operation begins. The Committee approves the use of external auditors provided that they are chosen by the project promoter, that the European Commission only has to check that they are independent and that their costs are fully covered by the Community budget, as long as there is not an overall increase in administrative expenditure.

3.2.8. The Committee appreciates the principle of drawing up a list of non-eligible expenditure (negative list) instead of a list of eligible expenditure (positive list). This system would be attractive as it should lead to simplification. However, it must not open the way for the European Commission to dispute expenditure commitments systematically. A pilot phase seems necessary before definitively introducing this principle.

3.2.9. Finally, the Committee stresses the need to provide operators with information tools and aid to set up and manage projects, in particular a model contract for each intervention instrument and a guide including recommendations for each stage of a project’s progress.

3.3. Transparency

3.3.1. The way in which networks of excellence are to be selected and defined remains very unclear. The proposed decision does not give answers to several questions, in particular as to project assessment criteria and the arrangements for disseminating results. The Committee would like the Commission to clarify its intentions.

3.3.2. The requirement for networks of excellence to have three independent legal entities established in three different Member States or Associated States (of which at least two must be EU Member States), should not end up as a scramble to find partners of convenience nor, in certain justified cases, exclude more modest partnerships.

3.3.3. Some definitions (Article 2) could be clarified. For instance, the definition of SMEs should take account of the European Commission’s new proposals, in order to give a stricter definition of the independence criterion and avoid the abuses that have arisen in the research field. Other definitions, particularly for budgetary matters, should also be clarified.

3.3.4. The Committee welcomes the clauses moderating the rules on property, which enable participants to exclude their pre-existing know-how from dissemination and will help them to exploit the innovative process. However, some measures which might leave some results out of the usual rules on dissemination among consortium participants, could prove prejudicial to SMEs or other small-scale research entities. A complementary measure should be envisaged to help these entities by advising them on best possible practice for applying internal rules to a consortium.
3.3.5. The Committee approves the opportunity given to consortia to arrange their own competitive calls for some work or to extend activities, provided that they act within the framework defined by the Commission in order to ensure transparency, equal treatment and consistency with the programme's objectives. The Committee stresses the importance of finding flexible ways of doing this, so that groups of small and medium-sized enterprises can participate.

3.3.5.1. In order to ensure this transparency, the Committee suggests publishing calls for tender on CORDIS, as well as involving the Commission or experts duly appointed by the Commission at all stages of these competitive tenders, from ideas through to contracts.

3.4. Consistency with EU objectives

3.4.1. Without wishing to question the principle of sufficiently broad access to the programmes for third countries associated with the EU, the Committee feels that the clause that makes provision for 'Any legal entity established in a third country [to] participate in the 6th Programme' is a little extreme. It would seem wise, in order to promote the EU's true interests, to fine-tune this provision by drawing a distinction between, on the one hand, the countries of the European Economic Area and the associated applicant countries, as fully fledged participants, and, on the other hand, non-EU countries eligible for specific international cooperation actions in the framework programme (Russia and the CIS, non-EU Mediterranean countries and developing ACP, Latin American and Asian countries). The Committee also recognises the economic and scientific value of cooperation with developed countries. However, in accordance with its opinion of 11 July 2001 (1), the Committee urges that the principle of reciprocity be properly applied and calls on the Commission to present a report on our partners' implementation of this principle.

3.4.2. Article 20 of the decision concerning the rules for participation in the 5th RTD framework programme (2) required the compulsory presentation of a Technological Implementation Plan. The Committee approved this measure as it was intended to ensure that the project does in fact have an industrial impact and it also included conditions about disseminating and exploiting knowledge. The Committee wonders why this measure has been replaced by a promotion and dissemination programme only to be presented when a project is launched. Such a step seems to run counter to the conclusions of the Lisbon European Summit in March 2000 which aimed to make the EU the most competitive knowledge-based economy in the world by 2010.

3.4.3. If the objectives set out at the Lisbon European Summit are to be achieved, it is essential that (a) as many people as possible receive an appropriate basic education in science and technology and (b) a balance should be struck and fruitful interaction assured between longer-term basic research, on the one hand, and product-orientated development, on the other hand. This duality must also be reflected in the participation rules and the corresponding project assessment criteria.

3.4.4. Bearing in mind the observations made in point 3.4.3 above, the Committee hopes that major EU priorities, such as employment, the creation of new activity, entrepreneurship and competitiveness will also be taken into account as overall criteria for project assessment.


The President
of the Economic and Social Committee
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