



**Mrs. Máire Geoghegan-Quinn**

Commissioner for Research, Innovation and  
Science

European Commission

BE -1049 Brussels

Belgium

16 November 2010

Dear Commissioner,

The European Parliament adopted its non-legislative report on "*Simplifying the implementation of the Research Framework Programmes*" on 11 November, reiterating the calls for substantial simplification of the rules governing EU funded research projects and highlighting the need for urgent action. There is a broad consensus among the various stakeholders that the current regulations and guidelines governing the Seventh Framework Programme for research and technological development (FP7) cause severe problems for many beneficiaries, not the least for companies. As you are aware, BUSINESSEUROPE therefore welcomed the Commission's Communication on simplification of the research framework programmes adopted this spring, and we appreciate that the Commission services are preparing a set of simplification measures for immediate implementation, to be adopted by the end of the year.

A priority for quick action should be a move towards accepting the beneficiaries' usual methodologies for *average personnel cost calculations*, as suggested by the Communication. The standard methodology for calculating the personnel costs among companies is often based on average hourly rates *per cost centre*, and not per personnel category. This results in the Commission refusing the vast majority of methodologies for calculating average personnel costs. As the internal accounting systems and management practices of many beneficiaries are based on cost averaging methodologies that are otherwise widely accepted and often audited, they cannot be changed without disrupting the overall accounting logic of the beneficiaries. I understand that representatives of the European research community have similar concerns with the present rules on this matter.



In this context we have with great interest noted the strong support from Council and Parliament for an extended acceptance of methodologies for average personnel cost calculations. Postponing this measure to the next financial framework of the EU would put the success of FP7 at risk as it would obstruct the much needed participation of European business. We therefore encourage you to include this point in the set of measures for immediate implementation and invite you to consult us on any further concrete simplification action.

Yours sincerely,

*Best regards*

Philippe de Buck