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Conference of Rectors of Academic Schools in Poland
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**CRASP Presidium position
on the future EU Framework Programme in Research and Innovation
(Green Paper)**

The Presidium of the Conference of Rectors of Academic Schools in Poland, recognising the importance of consultations on the future European Union Framework Programme in Research and Innovation, initiated by the European Commission through the publication of the Green Paper - *From Challenges to Opportunities: Towards a Common Strategic Framework for EU Research and Innovation Funding* (COM(2011) 48), presents the following position:

- The opinion of CRASP on the ideas presented in the Green Paper is consistent with the position of the European University Association, as discussed and agreed by the representatives of the national rectors' conferences in the EUA Council, including the representative of CRASP, and presented in the document *EUA position on the EC "Green Paper" on a Common Strategic Framework for EU Research and Innovation Funding* (Annex 1).
- It is necessary to harmonise objectives, rules and procedures for different EU financial instruments supporting research and innovation, including the Structural Funds. This issue has been elaborated in more detail in the document *Opinion of four European Rectors' Conferences on the Future of European Cohesion Policy* of March 2011, adopted by CRASP and the national rectors' conferences of Austria, Germany and Hungary, and supported by the national rectors' conferences of several other European countries, that has been addressed to the European Council, the European Commission, the European Parliament and other institutions (Annex 2).

The Presidium supports the main points made by the Polish Government in the its position on the Green Paper (draft version, sent for consultation on 28 April 2011).

President of CRASP



Professor Katarzyna Chałasińska-Macukow



European University Association (EUA)

EUA position on the EC “Green Paper” on a Common Strategic Framework for EU Research and Innovation Funding

EUA’s recent statement on the “Innovation Union” strategy, entitled “Smart People for Smart Growth”, has set the overall context for this response to the European Commission’s “Green Paper” which seeks to focus a debate on a common strategic framework for research and innovation funding over the period 2014-2020 and the range of funding instruments required. On this central issue of future EU research and innovation funding instruments, “Smart People for Smart Growth” has identified key principles and main instruments of prime importance for Europe’s universities.

Key Overriding Principles

- (i) **Excellence** criteria should determine the use and allocation of instruments and funding across the range of research and innovation activities but based upon assessments and indicators of best practice in the domains of both basic research and collaborative research with external partners.
- (ii) **Simplification** and reduction of heavy administrative and accounting procedures should be the driving forces for the improved implementation of EU funding instruments.
- (iii) **Competitive funding instruments** should be open to all research institutions with no programmes targeted specifically for certain types of research institutions as exclusive partners.
- (iv) **Innovation requires a wider interpretation and understanding** than simply being seen as the last step to commercial application. Innovation comes from contributions across the full spectrum of sciences, from engineering and technical sciences, medical and life sciences to the social sciences, arts and humanities.
- (v) **“European Added Value”** should be clearly demonstrated in order not to run the real risk that in periods of economic downturn EU research and innovation funding could be used to substitute for reductions in national and regional funding.

Underpinning these above principles, EUA has asserted that an increased budget for 2014 - 2020 is required to achieve the ambitious programme set forth in the “Innovation Union” policy framework.

Present instruments that should be continued were identified as follows:

- The **European Research Council (ERC)** supporting principal investigator-driven research teams should be further developed through both an increased budget and achieving greater autonomy within the legal framework of the Lisbon Treaty.

- **Marie Curie Actions** should provide an enhanced range of instruments for fostering the mobility and careers of researchers and strengthening their expertise and skill development for employment in academic and non-academic research.
- **Cooperation Programme** should continue as an open framework in which universities and university-based researchers develop their European networks and project collaborations with external partners (addressing broadly defined thematic priorities) offering valuable instruments to both established players and, importantly, new entrants (through small- to medium-sized collaborative project support).

On **new instruments**, “Smart People for Smart Growth” took also the following positions:

- The **European Institute of Innovation and Technology (EIT)** needed to find its place within the range of EU research and innovation instruments focusing specifically upon the enhancement of partnerships and knowledge exchange between industry / business and universities and non-university research institutions.
- The proposed **European Innovation Partnerships (EIPs)**, as instruments to bring together the relevant research and innovation actors to address “societal grand challenges”, were seen as a valuable concept but clarification was needed on how they would relate to existing instruments such as Joint Technology Initiatives (JTIs) and European Industrial Initiatives (EIs).
- On the new initiative of **Joint Programming**, which is being led by EU Member States with the goal of overcoming fragmentation of research effort in national programmes to better address “grand challenges”, the “framework conditions” for participation should take more account of universities’ interests.

The EUA position “Smart People for Smart Growth” underlined particularly the point that there will be a need for **more openness and transparency in the involvement of universities in the consultation and development stage of these above three “top down” EU initiatives** in order to ensure that university-based research teams with the appropriate expertise have opportunities to contribute.

Main Elements for a Common Strategic Framework on EU Research and Innovation Funding

EUA supports the concept put forward in the “Green Paper” of developing a “Common Strategic Framework” to cover all relevant EU research and innovation funding currently provided through the Research Framework Programme (FP7), the Competitiveness and Innovation Programme (CIP), and other EU initiatives relating to research and innovation activities such as the European Institute of Innovation and Technology (EIT). In doing so, however, it wishes to offer firm and clear advice on the priorities for a common strategic framework as seen from the perspective of Europe’s universities. In this spirit, EUA proposes the following main elements of such a framework for future research and innovation funding on which it would wish an active and engaged dialogue with the European Commission in the coming months.

1. “Bottom-up” funding instruments must be continued and enhanced

An overall question addressed in the “Green Paper” is how to achieve the right balance between “bottom-up” and “top-down” instruments. EUA would wish to see a strengthening of both the **European Research Council** and the **Marie Curie Actions**.

Both the ERC and MC Actions merit enhanced funding support in 2014-2020 as **core “bottom-up” instruments** in EU research and innovation funding. Furthermore, viewed in tandem, they offer complementary European policy frameworks in which to seek to attain **both a certain necessary concentration of research capacity and a flexibility to ensure a “level playing field” of opportunities** for new research capacity building.

As a new funding instrument, the ERC has achieved both high visibility and legitimacy, amongst researchers and the institutions in which they are based, as a mark of research excellence in Europe. ERC’s “hallmark” has also been its leadership in the simplification of the application and evaluation processes and importantly the operational, financial and reporting procedures concerning its grants. The implementation mechanisms of the ERC grant schemes have shown a commendable degree of flexibility and “user-friendliness” towards the ERC applicants and grant holders.

EUA would wish, however, to see **two new priorities** given consideration in ERC’s work. These relate to the need for a **higher level of financial support to universities as host institutions** of ERC grant holders, and **greater transparency requirements in the recruitment of young researchers (particularly doctoral candidates) and support for their career development** by ERC principal investigators.

On MC Actions EUA welcomes the proposed **two new pilot schemes on industrial doctorates and innovative doctoral schools** and their potential for adoption as major new initiatives in the next EU financial framework, 2014 – 2020. EUA is willing to bring forward its experience from the work of its own Council for Doctoral Education (CDE), and its projects on collaborative doctoral research, DOC-CAREERS I & II, to inform the future development of these potential new MC actions.

2. Europe’s universities have a crucial and essential role to play in EU research and innovation funding instruments contributing to tackling societal “grand challenges”

Europe’s universities are already making scientific progress on major societal challenges such as energy futures, climate change, food security, health and ageing through creating innovative research and training environments involving inter-disciplinary cooperation. To tackle these challenges effectively Europe’s universities require **medium- to long-term commitment of funding instruments that support both basic research and collaboration with industry and other external partners**. Europe’s universities need a balanced and appropriate combination of instruments and funding at the European, national and regional level to assist their efforts.

Universities will wish to play their full part, therefore, in the new **European Innovation Partnerships (EIPs)** which seek to bring together both supply and demand side measures in addressing societal challenges. EUA suggests that its recent experience in building a **European**

Platform of Universities engaged in Energy Research (EPUE) within the framework of the EU SET-PLAN, which was launched at the November 2010 SET-PLAN Conference in Brussels, could serve as a valuable pilot project on how to strike the right balance between “top-down” agenda-driven activities and “bottom-up” curiosity-driven basic research.

On the core issue in the “Green Paper” of “Tackling Societal Challenges”, EUA notes that it is implied that the Cooperation programme would be brought together with industry-led agenda-driven instruments such as Joint Technology Initiatives (JTIs) and European Industrial Initiatives under the new instrument of European Innovation Partnerships. EUA seeks clarification, therefore, of the objectives of EIPs in this respect. EUA believes that a re-designed Cooperation Programme should provide for a necessary “bottom-up” competition element within EIPs to fund a range of small to medium and large project collaborations within the defined “societal grand challenge” themes embracing all fields of science.

EUA has stated that there needs to be a debate on where the “**The European Institute of Innovation and Technology (EIT)**” can find its proper place within the “top-down” agenda-driven instruments. As an input to this “Green Paper” consultation and the forthcoming consultation on the “EIT Strategic Innovation Agenda” this summer, **EUA suggests that the Competitiveness and Innovation Programme (CIP) should be re-designed for the next financial period 2014-2020 to integrate the EIT as a major part of its future activities.**

3. Simplification of funding instruments requires a common set of rules applied across all EU research and innovation funding

EUA supports strongly the “Green Paper” commitments to achieving simplification of funding instruments and their implementation based more on a **trust-based system**. In its plans for a Common Strategic Framework the European Commission should consider also taking the further step (proposed by EUA in its submission to the second triennial review of the financial regulation) to introduce **a new and specific financial regulation for EU Research and Innovation funding programmes** more tailored to the needs of scientific research and technological development.

The EUA asserts that there is an urgent need for reform to achieve **common terminology and clear and consistent rules and regulations** within all EU grants/contracts and their implementation in order to reduce administrative costs at the university level. In doing so, it is crucial that the diversity of beneficiaries across Europe is taken into account and the principle of respecting their usual accounting and management practices (including staff time allocation mechanisms) are accepted. This should be the guiding principle in interpreting the regulations, including in granting the “certificate of methodology to calculate average personnel costs and indirect costs”. To solve problems and disputes in concrete cases in interpretation of rules, a mediation body should be established.

It is important for Europe’s universities that EC Rules of Participation, regulations and model grant agreements are available from the beginning of the funding programme. **Once the “rules of the game”, so to speak, are established they should be applied and followed across all EU**

research and innovation funding activities so that universities can plan and develop their research collaboration on a sound basis.

On **procedures**, the application process and reporting requirements need further reduction and simplification (in terms of number and size of reports) and there should be a shift from *ex-post* to *ex-ante* controls. EUA supports the European Commission's proposal to increase the Tolerable Risk of Error (TRE) from the current 2% to 3.5% for research funding as a genuine concrete step towards a more risk-tolerant and trust-based approach. All actors from the European Institutions – European Commission, European Court of Auditors, European Parliament and the Council of the European Union – and Stakeholders from the beneficiary side should work together to agree on the basic principles of how to simplify procedures.

Future research and innovation funding programmes need to move further towards funding all projects **on a full cost basis**, which means not only that the beneficiaries need to be able to fully recover all direct and indirect costs, but also that the European Commission applies a broader acceptance of eligible costs, in particular for the possibility to recover VAT. On the **recovery of indirect costs**, the first 4 years' experience of FP7 shows that **the interpretation of rules has been far too restrictive**. Universities that have the capacity to identify the full costs of their activities through an appropriate accounting methodology most often still do not fulfill the requirements of the European Commission. Although the "simplified method" was set up to encourage universities to move towards full costing (the capacity to identify and calculate all direct and indirect costs of an institution's activities and projects), the excessively restrictive interpretation and subsequent regulations hinder that objective and generate the opposite effect, with universities having to fall back on the flat rate option in spite of their capacity to identify costs through an appropriate methodology.

Although progress has been made in the implementation of full costing methodologies in European universities, there are still countries where capacity building in this area will take time (in particular in EU new Member States). These institutions should nevertheless not be disadvantaged in European research and innovation projects. EU research funding programmes should therefore **continue to include the option of recovery of indirect costs through a flat rate of 60% of the direct costs**.

Lump sum payments should not replace the recovery of all actual costs. They can be useful in particular circumstances but should only be available on an optional basis and not be mandatory.

4. Avoid complexity in the mixing of Competition and Cohesion instruments

The "Green Paper" seeks also to explore how to achieve greater synergy between the EU research and innovation funding instruments and the Cohesion policy instruments, i.e. European Regional Structural Funds and European Social Funds (i.e. the portions of those Cohesion funds devoted to research and development objectives). The EUA believes that the potential mixing of "competition" funding instruments (FPs and CIP) with "cohesion" instruments (Structural Funds) could create more complexity and inefficiency rather than synergy with respect to implementation in Europe's universities. In this respect, EUA draws

attention to the **“Opinion of twelve European Rectors’ Conferences on the Future of European Cohesion policy”** which addresses this specific issue. A major challenge and concern for Europe’s universities in the Cohesion regions remains how to meet the co-financing requirements from sources beyond their current operational public financing in order to develop and expand their research and innovation activities. The further progress in the simplification process of the EU FP funding rules and procedures will clearly be highly relevant to be applied to cohesion policy instruments designed to foster research and innovation activities if synergy effects rather than complexity and inefficiency are to be promoted.

5. The integral role of the social sciences, arts and humanities should be enhanced

Interdisciplinary research perspectives involving the social sciences, arts and humanities will be essential to tackle effectively societal “grand challenges” in the areas of energy, climate change, health, sustainable cities etc. This needs to be explicitly recognised in the future development of the Common Strategic Framework for future research and innovation funding. Furthermore, the first decade of the 21st Century has demonstrated also that there are major economic, social and political changes and events (for example, most recently, the 2008 financial crisis and its ramifications, the 2011 democratic reform movements in North Africa and the Middle East) that present challenges that require focussed study, deep reflection and analysis from SSH scientific fields to strengthen Europe’s knowledge base and to help inform European Union policy development in the context of its overall “Europe 2020 Strategy” and beyond. **EUA draws attention to the valuable initiative taken by Swedish Universities in preparing a “recommendation paper” on this issue of the role of SSH disciplines.**

6. Strengthen the International Dimension of EU research and innovation funding

EUA believes strongly that Europe’s future as a dynamic competitive global region will depend largely on its ability to increase substantially the number of highly trained people within EU Member States and to attract others from abroad in project collaboration and training environments and exchanges. EU research and innovation funding instruments should be used to further support and **strengthen the European and international profile of university-based research** through project collaboration and the enhanced mobility of their academic and research staff, post-doctoral and doctoral researchers and their career development.

Europe’s universities are well-placed to play a leading role in strengthening EU strategic international collaboration efforts concerning reaching more cooperation agreements with other regions. Given their long traditions of cooperation with partnerships and exchanges rooted in historical and cultural links, **European universities’ experience could bring considerable “European added-value” to the development of future EU instruments fostering cooperation agreements between EU countries and other global regions.**

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*The **European University Association (EUA)** represents and supports **higher education institutions** with approximately 850 members in 46 countries. Members of EUA are European universities involved in teaching and research, national associations of rectors and other associations and networks active in higher education and research*

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HRK German Rectors' Conference
The Voice of the Universities



Hungarian Rectors' Conference

UNIVERSITIES AUSTRIA



Opinion of four European Rectors' Conferences on The Future of European Cohesion Policy

March 2011

Keywords

- **Coordination of Structural Funds, Framework Programmes for Research and Technological Development and the Support for Innovation**
- **Implementation of the Knowledge Triangle**
- **Application of the Co-Financing Mechanism**
- **Simplification**
- **Innovation-Friendly Procurement Policies**
- **Impartial Decision-Making and Quality Assurance**

Introduction

Universities play a central role in raising the competitiveness of their regions and in improving the conditions of disadvantaged areas and population groups. As such, they play a critical role in the so-called "knowledge triangle" of education, research, and innovation, and the triangle itself is entirely or partially dependent on the unique characteristics of the universities involved. With their contributions in both training and research, universities can be counted among the drivers of innovation and the "laboratories of the future" in Europe.

The universities are therefore also important actors in the Cohesion Policy of the European Union, as the successful implementation of the EU's new priorities for the regions in Europe 2020 is highly dependent on the actual implementation of a variety of educational, training, and research projects, as well as those dealing with technology transfer and innovation. This is why the universities will actively participate in the current debate about their future and available tools for the next EU budget period (2014-2020).

The following opinion paper from the university rectors' conferences of Germany, Austria, Poland, and Hungary - which represent most of the universities of their respective countries - illustrates the experiences they have had in recent years with the implementation of Cohesion Policy programmes and projects and makes six primary demands.

The opinion paper is primarily meant for the European Council, the EU Commission, the EU Parliament, and the regional governments, local authorities, as well as the Committee of the Regions of the EU.

The experience of the universities should help to shape the future of a Cohesion Policy that must be formulated in close conjunction with other policy objectives in the EU member states and regions. The universities and their representatives should play a larger role in the decision-making process for Cohesion Policy, and actively contribute their expertise to this process.

1. Coordinating the political and administrative characteristics of Structural Funds with the Seventh Framework Programme for Research and Technological Development, and the support for innovation

It is the stated intent of the EU that the various financial instruments for publicly funded innovation such as the Structural Funds, the Research Framework Programme, the Competitiveness and Innovation Framework Programme (CIP), the development funds for rural areas, or other programmes should be more closely coordinated with each other creating synergies between them.

In fact, many of these financial instruments, from the perspective of the universities as the ones who implement the projects, often remain totally separate from each other and differ dramatically in their application processes. Only a few universities and their partners have succeeded so far in combining Structural Funds with related funds from other European programmes in a beneficial way. The formal requirements and administrative procedures are too diverse. The recent efforts to utilize user guides to create a better understanding of the various funding and financing opportunities have not changed the situation. The universities are looking forward with great interest to see the results of the "Synergies Expert Group (SEG)", to be unveiled in June 2011. Here, however, much greater efforts are needed to coordinate decisions at the political level for both the content of the project at the programme level as well as the implementation procedures.

2. Implementing the knowledge triangle

The universities, as one of the key players in the knowledge triangle of innovation, research, and education, are very keen to implement projects that combine their educational and training activities with innovation and research in collaboration with industry. This is a goal that the EU, as a strong political supporter of the European Institute of Innovation and Technology (EIT), clearly fosters. The various financial regulations of the individual Structural Funds, such as the European Regional Development Fund (ERDF) and the European Social Fund (ESF), however, often prevent exactly this combination of funds from various sources and therefore the construction of such beneficial knowledge triangles. The seamless combination of funding from both funds should be possible for "cluster" projects under specific conditions. The political goals and the programme requirements and regulations should explicitly support this.

3. Avoiding applying the co-financing mechanism to the detriment of the universities

The universities understand the logic behind the co-financing mechanisms within the EU Cohesion Policy: the active participation of the region, the decentralized implementation

of the structural support according to the subsidiarity principle, and the creation of "local ownership" for the projects. The European universities, however, are largely not in a position to make major co-financing contributions that go beyond the work of their publicly financed staff. This is due to the fact that their operating budgets are being funded primarily through public financing. They are therefore dependent on the willingness of the programme agencies at the member state and regional levels to pay for their contributions from public funds. This is even more true, since the EU requires implementation of a full cost accounting from the universities and since project funding by other quasi-public funds might be considered as a breach of the EU state aid framework.

The oft-remarked upon under-funding of European universities, also recognized as an issue by the EU, should not lead to Structural Funds only being available to large organizations that can make equally large co-financing contributions. It is within this context that the universities have been concerned to see Structural Funds being mentioned more often by European political leaders as a key financing source for future large-scale research infrastructure. This could mean reduced funding for the more difficult to administer small and medium-sized R & D and technology transfer projects that are critical for the universities as well also the innovation capacity of Europe's SMEs.

4. Starting the simplification process

In the Seventh Framework Programme, an intensive discussion on the simplification of the rules is under way, in which the political, as well as economic and scientific sectors are participating intensively. There is no doubt that this will be the key to ensuring that creative and outstanding individuals and teams from both the private sector as well as universities and research organizations participate actively in the European-funded programmes. The recognition of national and regional accounting rules by the EU, among other topics, is under discussion. The first steps towards simplification have also already been introduced.

This simplification debate will have to be even more lively in the field of Structural Funds, as here, from the perspective of the applicant, the rules of different DGs of the European Commission and those of the member states and regions, including the programme agencies, are often mutually exclusive and dramatically increase the administrative burden for the recipient of the funds. This is how it is possible, for example, that a large project may be required to account for value added tax in three different ways. The discussion on simplification in the field of research policy can serve as an inspiration here, for example in the question of the EU's recognition of national and regional accounting methods.

But there is still much work to be done in the member states and regions on questions of how the process of awarding funds, the process to access funds, as well as advisory services can be organized for the European financial instruments. A "one-stop-shop" for advice on European funding instruments in R & D and innovation is certainly not the rule at the moment.

5. Allow innovation-friendly procurement policies

The new innovation strategy of the EU attaches great importance to innovation-friendly procurement policies for public organisations. The reality within the projects themselves reveals that the EU competition rules on procurement activities can hamper truly innovative R & D projects, as they can often only work with a single highly specialized

supplier. In addition the "Common Procurement Vocabulary" (CPV) of the EU does not sufficiently take the specific needs of innovative research at universities and research institutions into consideration.

6. Strengthening competition, impartial decision-making, and quality assurance - excellence and capacity building

Cohesion policy must include the promotion of "capacity-building measures" that allow emerging companies and universities in less competitive regions to gain access to those on top and promote themselves as attractive partners. For the decision-making process at the project level other regulatory frameworks are necessary than those used for the promotion of world class frontier research, in which the proof of excellence has to serve as the sole guiding principle.

Regardless of this, projects with capacity-building objectives must also not be given any special treatment in the competition in order to maintain quality. This review process must include the best method of assessment (peer review) by experienced and prominent researchers wherever possible, in particular when research related projects are concerned. Cross-border cooperation may also be appropriate in many cases to allow for quality assurance at the highest possible level.

This opinion was adopted by:

The Presidium of the Conference of Rectors of Academic Schools in Poland on 11 March 2011
The Senate of the German Rectors' Conference on 1 March 2011
The Presidency of the Hungarian Rectors' Conference on 16 March 2011
The Board of Universities Austria on 14 March 2011