

Independent Rapporteur Report

**On Three dedicated Workshops
on the main FP6 instruments
Held in March 2006**

(NoE, IP, STREP)

Rapporteur:

Dr Ilse Vickers, University College London

June 2006

This report on the dedicated Workshops on the three main instruments of FP6 (Networks of Excellence, Integrated Projects and Specific Targeted Research Projects) organised by the European Commission in March 2006 was written by Dr Ilse Vickers, University College London, in her capacity as Independent Rapporteur.

The report does not represent an official position of the European Commission, nor do its contents prejudice any future Commission proposals in the research area or in other areas of Community policy.

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Rapporteur Summary Report

Key Findings, Recommendations and Lessons for FP7

Based on

**Three dedicated Workshops on the main FP6 instruments
(NoE, IP, STREP)**

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Introduction

Three workshops were organised on the main FP6 instruments, namely, the NoE, IPs and STREPs, to carry out a stock taking exercise that would identify the most positive aspects of the current types of projects and establish lessons learnt for the next Framework Programme. An independent rapporteur (Dr Ilse Vickers, University College London) was appointed to attend the three workshops and to compile reports of these events.* This Summary Report summarizes the key findings recommendations for FP7.

The Report is divided into two parts: whilst part I, entitled 'Lessons for FP7', gives the key findings and recommendations which apply to all three main FP6 instruments, part II lists additional, instrument specific comments and recommendations as they relate to the different stages of the life-cycle of a project.

Although with 45 project coordinators participating in the three workshops, the views expressed are not representative, yet it may be claimed that these key findings and lessons nevertheless constitute valuable indicators for the re-definition and fine-tuning of the funding schemes in FP7.

I Lessons for FP7

- As the Rapporteur Reports of the three dedicated workshops clearly demonstrate, the project coordinators' experience of the three main FP6 instruments for collaborative research has been positive and there is a strong recommendation that they be continued into FP7.

For full details of the positive aspects of NoE, IP and STREPs that were given during the workshops, the reader is directed to the three Reports. Here is a selection of some of these positive comments:

Networks of Excellence: Generally speaking, NoEs were considered to fulfil a very valuable role combating fragmentation and in the structuring of the ERA, even though there were confusions over 'durable integration' and concerns over the sustainability aspect of this important FP6 instrument.

Integrated Projects: IP were found to be most useful for the following reasons: IP allow scientists to carry out cutting edge research and assemble critical mass; IP facilitate multidisciplinary and trans-national approaches in research, demonstration and training; IP allow the development of links and synergies between EU, national government and industry funded R&D programmes; IP provide R&D, demonstration and training support to important EU-industry sectors; IP address important societal issues and demands; **the integration aspect of this instrument allows for collecting and spreading of information.**

- STREPs: This instrument was specifically designed for developing new knowledge and demonstration and as such has a big role to play in structuring the ERA. It was recommended that a fair share of the EC budget should be allocated to this type of instrument.

A summary of recommendations for fine-tuning and improving the design of the three instruments and the procedures for their implementation includes the following main points:

- There must be clearer guidelines and regulations for NoE, IPs and STREPs in FP7
- All documents must be available at the start of the Framework Programme
- There must be a common understanding and interpretation of Commission texts by all EC officers, including scientific, finance and administrative officers
- Project coordinators should be informed by the Commission of changes to the EC documents which impact on the project management of existing projects

* Please see Annex I for further information

- As regards the submission, evaluation and the negotiation of proposals, whilst the service delivered by the Commission is generally considered to be good, the evaluation and negotiation procedures could be improved. Both procedures need to be reviewed – in particular, the evaluation criteria need to be reviewed. It was also suggested that the EC introduce mechanisms for challenging the outcome of the evaluations
- More care needs to be taken in the selection of the experts for the evaluations so that a better match with the specific scientific content of the proposals is established
- Two-stage submissions would on the whole be preferable, provided the Commission gives clear guidance on the requirements of each stage, and provided the duration of the second stage is long enough to complete the final proposal. Two-step submission and evaluation procedures would have the added benefit of being more cost-effective for the participants.
- Whilst the process of entering into contract was considered to be more or less smooth, the actual time to contract was experienced by some as prolonged and this had negative consequences on employment of staff and producing the deliverables on time.
- The biggest problem relates to the budget cuts. Reductions of the budget need to be explained and justified. If the budget is reduced due to a recommendation from the independent evaluators, the ESR needs to give a justification.
- The reporting guidelines for these three instruments will need to be reviewed in order to eliminate non-essential requirements and adjust content and periodicity to the specific instrument
- It is recommended that there be separate Guides for Proposers for the difference funding schemes
- The situation regarding audit certificates will have to be reviewed, particularly with regards to their costs in relation to the budget for RTD
- The EU contribution to the management budget, currently of 7% of the total EU contribution, will need to be reviewed. A possible solution might be to have different levels of financial contribution depending on the complexity of the Funding Scheme
- The clause in the FP6 model contract on pre-existing know-how has caused confusion and should be reviewed in FP7
- Regarding the Consortium Agreement, it was recommended that such an agreement should be drawn up and signed (even if necessary in a shortened version) before the signature of the EC contract.
- Generally speaking, electronic submissions, EPSS, work well
- Since IPs and STREPs have different objectives, the proposed single Funding Scheme for Collaborative Projects under FP7 should allow for these distinct types of projects to continue under FP7

In sum, following on from the recommendations put forward by the Marimon Report, it is recommended that there will not be any radical changes but rather a fine-tuning and polishing so that the main funding scheme for collaborative research in the next Framework Programme can accommodate and implement IP-like and STREP-like projects and that also Networks of Excellence are continued.

II Additional instrument specific issues and comments

II.1 Issues and comments related to the objectives and characteristics of the three instruments

Networks of Excellence

- With the start of FP6, the NoE was introduced as a brand new instrument based on a completely new concept of durable integration. Given the novelty, there were bound to be some problems, even confusion with the traditional thematic networks. Yet, despite these difficulties there was nevertheless an overall positive perception of the NoE and participants at the workshop agreed that it must continue into FP7 as a powerful tool to address fragmentation in Europe and establish the European Research Area.
- There are many types of NoE and the concept of one size fits all does not apply to this instrument.
- The NoE is primarily an instrument for academia. The main barriers preventing industry from participating as full partners are competition and the difficulty of protecting intellectual property in an instrument whose core activity is institutional integration. However, useful links with industry can be established.
- Addressing the concept of ‘durable integration’, several NoE coordinators have created ‘virtual institutes’ or ‘reference centres’ as key objectives of their projects
- But ‘durable integration’ still causes misunderstandings and confusion, with some assuming that a very intensive form of collaboration is equal to integration.
- A related problem is that of measuring the progress of integration. Whilst the Commission document on ‘Performance indicators in the frame of NoE’ provides guidance on how to assess the progress made, it appears that further information would be useful.
- It should be realised that the objective of durable integration requires a long-term perspective and the commitment of top management.

IPs

- For those present at the workshop, the participation in the IP was a very positive experience for quite a number of reasons: IP allow scientists to carry out cutting edge research and assemble critical mass; IP allow the development of links and synergies between EU, national government and industry funded R&D programmes; IP facilitate multidisciplinary and cross national approaches in research, demonstration and training; IP provide R&D, demonstration and training support to important EU-industry sectors; IP address important societal issues and demands
- Since IP consortia become a European resource, it is recommended that mechanisms be put in place for this resource not to be lost at the end of the IP
- Many successful IPs use partners from previous well-established collaborations.
- IPs with large consortia will require considerable institutional financial input at proposal preparation stage, i.e., costs which are not chargeable to the contract

STREPs

- **A fair proportion of the EC budget should go to STREPs as this is a very useful instrument for trans-European collaborative research**
- SMEs on the whole prefer the traditional, smaller STREPs to IPs
- A careful balance must be struck between the specificity of the work programme/call text and encouragement of novelty and innovation
- Consortia consisting of well-established working relationships work best
- If clustering is necessary, ‘soft’ clusters work best

II.2 Issues and comments related to submission and evaluation procedures

Networks of Excellence

- Everybody over the threshold should be called to a hearing
- Hearings should be before the ESR to clarify unclear issues
- Two-stage submissions would on the whole be preferable, provided the Commission gives clear guidance on the requirements of each step, and provided the duration of the second phase is long enough to complete the final proposal.

IPs

- The problems associated with the success rate and over-subscription vary considerably depending on which priority area one is dealing with, i.e., it can be as low as 10% in some areas and as high as 40% in others. – In one area (priority area 5), the continued Commission effort of focusing the topics of the Call, together with the change to two-stage submission procedures has already resulted in a very reasonable success rate. (As indicated above, comments about 2-stage submission were made also for STREPs)
- The argument for two-stage submissions is generally positive, although more time was needed between the two stages to prepare the full proposal
- Evaluation criteria must be made clearer. With regards to the ‘management’ criterion, the views were divided with some regarding scientific excellence as the most important aspect of a project, whilst others were of the opinion that management was also of importance.
- The general perception of the hearings was positive.
- A clear and succinct ESR is essential. The response time to applicants must be kept as short as possible
- The evaluators must be selected with greater care to get a good match between the content of the proposal and the evaluator’s expertise

STREPs

- As noted above, two-stage submissions would on the whole be preferable, provided the Commission gives clear guidance on the requirements of each step, and provided the duration of the second stage is long enough to prepare the full proposal
- Again, as with the IPs noted above, more care needs to be taken in the selection of the experts for the evaluations
- If the evaluators recommend a budget reduction, this recommendation needs to be justified in the ESR

II.3 Issues related to negotiation, contractual and financial issues

Networks of Excellence

- There was broad consensus that the funding mechanism for NoE was complicated and unclear and led to misunderstandings between the coordinator and participants.

IPs

- The service provided by the Commission at negotiation stage was generally considered to be good and helpful.
- Limiting the length of the Technical Annex was considered not a good idea since detailed information on what members of the consortium are working on is essential
- The process of entering into contract was considered to be more or less smooth. Where delays occurred, both academic and industrial participants found this very difficult to handle because of employment issues.
- Delays to the signature of the EC contract occurred due to the time needed to sign the Consortium Agreement. Nevertheless, it was recommended that a CA should be drawn up and in place before the EC contract was signed.
- Consortium agreements appear to favour the big players, with SMEs often being disadvantaged
- The Management budget of 7% of total EU contribution was judged not enough
- Electronic submissions were considered to be fine. It was suggested that the A forms submitted by EPSS should be maintained and that these be available for cross-checking with the CPF editor. The CPF editor, it was recommended, needs improving

STREPs

- The system of 70% pre-financing is experienced by some project coordinators as problematical
- Consortium Agreements are of great value in safeguarding intellectual property as well as to agree on decision making and payment schedules to participants
- The procedure for making contract amendments has greatly improved since the start of FP6 and now involves far less bureaucracy

II.4 Issues and comments related to the implementation of the instruments

Networks of Excellence

- For some there was a conflict between the timing of the financial reports and the time-frame of scientific progress according to the work programme
- Some project coordinators experienced problems associated with the 18 months forward planning
- External reviews are generally considered a useful exercise
- Since the topics of durable, integration, dissemination and exploitation of results, and the transfer of knowledge to effective end-users are challenging and need expert advice, **it is recommended that seminars on these topics be organised by the Commission**

IPs

- For some project coordinators who had implemented competitive calls, it had been a good experience which led to 'good value for money'. Others found the procedure too complicated and costly.
- The inclusion of companies (SMEs) to take on the project-management of an IP, was considered a mixed blessing since too much of the RTD budget goes on the management/administration of the IP
- The submission period for audit certificates should be extended to 55 days
- As regards the publication of results, this issue must be clearly stated in the grant agreement thereby facilitating 'commercially' sensitive participants to comply.
- External reviews are generally considered a useful exercise and it was recommended that they be carried forward into FP7
- The 12 months periodic reporting was considered to be fine. Again, no real problems were noted in respect of 18 months forward planning and a number of those present considered it a very necessary tool to review and fine-tune the scientific development of the project

STREPs

- **The reporting requirements for STREP's are considered to be too arduous**
- The financial reporting period of 45 days is too short, and it was suggested that it be extended to 55 or 60 days
- There was unanimous agreement that the elimination of cost categories in FP6 was a positive move
- Some project coordinators found that there is now too much flexibility, in particular with regards to the financial issues and the payment of participants

Conclusion

In sum, following on from the recommendations put forward by the Marimon Report, it is recommended that there will not be any radical changes but rather a fine-tuning and polishing so that the main funding scheme for collaborative research in the next Framework Programme can accommodate and implement IP-like and STREP-like projects and that also Networks of Excellence are continued.

Annex

Dr Ilse Vickers was selected on the basis of her extensive experience and understanding of European funding of research. Dr Vickers is Director of Research Europe and Adviser on European Research Strategy at University College London. She took part in the mid-term review of FP6 where *inter alia* she participated in the debate on the effectiveness of the new FP6 instruments with a presentation to DG Research on 'UK universities' experience in FP6, so far'.

Report

Independent Rapporteur Report on NoE workshop held in Brussels, 8 March 2006*

Rapporteur:

Dr Ilse Vickers, University College London

*This is the first of three reports, the other covering the IP and STREP workshops

I. Introduction

I.1 Re-definition of funding schemes – lessons and best practice for FP7

In the run-up to FP7, the Commission is engaged in re-defining and fine-tuning the instruments, or Funding Schemes, for collaborative research. In order to assist this process, three workshops were organised on the main FP6 instruments, namely, the NoE, IP and STREP. The main objectives of these dedicated workshops were to carry out a stock taking exercise that would identify the most positive aspects of the current types of projects and to establish lessons learnt for the next Framework Programme. The workshops' terms of reference were defined as

eliciting principally best practice and positive elements which can beneficially be embodied in defining the FP7 Funding Schemes.

An independent rapporteur was appointed to attend the three workshops and to compile reports of these events as well as to give a separate general account summarizing the key findings, conclusions and recommendations for FP7.

The rapporteur was selected on the basis of her extensive experience and understanding of European funding of research. Dr Ilse Vickers, Director of Research Europe at University College London, took part in the mid-term review of FP6 where *inter alia* she participated in the debate on the effectiveness of the new FP6 instruments with a presentation to DG Research on 'UK universities' experience in FP6, so far'.

I.2 Structure of the Workshop

This report will focus on the first of the workshops dedicated to Networks of Excellence. Attendance at the workshop was comprised of invited project coordinators of 14 NoE, and Commission staff who have both an intimate understanding of the current FP6 instruments as well as new responsibilities for developing the Funding Schemes for FP7. As far as the project coordinators are concerned, they were selected on the basis of covering as many types of consortia (large/small, industry/academia led, and from different MS and NMS) as was possible in the limited time available.

A list of the invitees attending the workshop is given in the Annex to this report.

The workshop focused on the whole life-cycle of a project, that is, from call for proposal, proposal submission and negotiation to project implementation.

The following structure of five main sections, or blocks, was adopted:

1. Objectives and characteristics of NoE
2. Submission and evaluation
3. Negotiation & contractual and financial issues
4. Implementation
5. Lessons for FP7

It may be noted here that this structure of five main sections was adopted for all three workshops with each section giving instrument specific topics. Whilst giving space and time to spotlight the general as well as the project specific

concerns, this structure had also the great merit of facilitating a comparison between the three workshops, e.g., the project coordinators' view of project management, intellectual property protection, etc., in the different instruments.

As far as the format of the discussion was concerned, each of the five main sections was introduced by Commission staff followed by presentations by one or two project coordinators on topics of instruments specific issues. The succeeding round-table discussion following each presentation was steered by a member of the Commission.

I.3 Structure of the Report

As already indicated, the external Rapporteur attended all three workshops. This report on the NoE workshop is based on key comments and recommendations made during the first of the three workshops.

The Report is divided under two main headings:

- I Introduction explaining the reasons and objectives of the workshops and reports
- II Report on the NoE Workshop

Whilst Section II of this Report will follow closely the structure of the workshop, it is not intended as a transcript of the day's proceedings but rather, for the sake of clarity and succinctness, the Report will collect the main findings and comments made by the participants thereby bringing the key messages into the foreground.

The final part of Section II, entitled 'Lessons for FP7' represents a main aspect of this Report as it lists the conclusions and recommendations put forward during this intensive and highly-interactive workshop on NoE. Although with coordinators of 14 projects participating, only the views of a small sample of the hitherto funded NoE could be expressed, yet it may be claimed that these key findings and lessons are nevertheless fairly representative and constitute valuable indicators for the re-definition and fine-tuning of the NoE funding schemes in FP7.

II. NoE Workshop

The workshop on NoE was chaired by Robert-Jan Smits (DG Research, Dir B, Director for Structuring the ERA). Introducing the day's proceedings, Robert-Jan Smits went on to explain the overall aim of the three workshops within the context of the larger picture of designing the final shape and structure of the next Framework Programme due to start in 2007. With the preparations for FP7 now having advanced to the point where a clear definition of the characteristics of the Funding Schemes for collaborative research can be decided, it is timely to take stock of the experience gained to date from the implementation of the current main funding instruments in FP6. The Chair invited the project coordinators to actively take part in the first of the three debates dedicated to NoE and he encouraged them to speak frankly and openly when describing their experience of preparing for and implementing a NoE.

The invitees were asked to introduce themselves by giving a brief description of their responsibilities in relation to the NoE they were representing. In turn, the Commission staff members were invited to present themselves, and to explain their roles and activities with regards to the workshop. At this point the Rapporteur was introduced and her role during and after the three workshops explained.

Section 1: Objectives/Characteristics of NoE

Leonidas Karapiperis (DG Research, Dir. B, Adviser on new initiatives for the ERA) introduced the first Section of the NoE Workshop on ‘Objectives/Characteristics of NoE’. This presentation offered indeed a scene-setting for the whole day. The NoE’s main three objectives were briefly outlined as i) comprising strengthening Europe’s excellence in a particular research area; ii) tackling the fragmentation of European research; and iii) spreading of excellence within and beyond the confines of the network. On the basis of ‘ask the right questions and you will find the right answers’, M Karapiperis channelled the debate into the areas that are crucially important to the successful implementation of a NoE: how to ascertain fragmentation? What are the activities of integration? What is the scale of critical mass? And finally the all-important questions of how to measure, ensure, manage and govern durable integration during and after the funding period of the NoE?

- **Topic 1: NoE characteristics**

Presentation

The first presentation on ‘**NoE characteristics**’ was delivered by the project coordinator, Jean-Pierre Medevielle, (INRETS) of HUMANIST, a NoE on ‘Human centred design for Information Society Technologies applied to Road Transport’. With a consortium of 24 participants (no industrial participants), the project is focusing on structuring the **supply side** of research. The issues covered in the presentation were these: the approach taken to **overcoming fragmentation** and **establishing durable integration**; the scope of the NoE as regards the topics, resources and duration, the Joint Programme of Activities, and finally a description of the consortium with details of academic/industrial participation.

As to the approach and scope of HUMANIST, the project works with small teams (of ca 5 researchers per team) and as a first step mechanisms were put in place for long-term collaboration. The aim of the network is to make convergence between, on the one hand, human factors engineering and cognitive sciences, and on the other, air and road transport applications.

As far the **Joint Programme of Activities** is concerned the **integrating activities** listed include tools to establish an enhanced collaborative working environment; as far as integrative research is concerned, no specific research is carried out by the NoE but research is done in projects that run in parallel to HUMANIST; the **spreading of excellence** is done through participation in conferences and interaction with stakeholders.

As mentioned, this NoE has **no industrial participants** and the point was made that industrial and academic organisations find it too difficult to agree on the same roadmap of integration with the management of competition being one of the most problematical issues involved. It was suggested, however, that **industry can be closely involved** by having industrial representation in a stakeholder forum or advisory board.

It is not surprising that there was a considerable overlap in the discussion that followed immediately after this presentation and the comments made after the second presentation on ‘Integration’. For the sake of clarity and to avoid unnecessary repetition, the comments are therefore given together below.

- **Topic 2: NoE integration**

Presentation

The presentation on ‘**NoE Integration**’ was given by Bernhard Zeimet (CNRS), the project coordinator of FAME, a network submitted under priority area 3 on functionalised advanced materials and engineering of hybrids and ceramics. With 15 participants involving 22 laboratories from 7 countries this is a sizable NoE whose objective is to establish **durable integration** of European materials research. Specifically on the subject of integration, the presentation highlighted this network’s key activities in this area as 1) mobility and fellowship programmes as well as integration through education, 2) integration through the pooling of competences and equipment, and 3) integration through the building a communication infrastructure.

On the subject of **measuring integration**, the presentation gave tables for monitoring the exchange and collaborations between partners, and for recording new collaborations.

This NoE has also created a non-profit organisation called EMMI, the **European Multifunctional Materials Institute**, which deals with all the legal and IPR issues arising from FAME.

Discussion

In order to launch the discussion, the workshop participants were invited by the Chair to describe briefly the objectives of their NoE. The long list given included the **integration of teams**, the **integration of themes**, the **integration of services**, as well as **integrative activities** to facilitate the transition to a Platform-type of project. In short, it is evident **there can be many different types of NoE** and the one size fits all approach does not apply for this funding scheme.

Another subject that found broad consensus and can be mentioned up front is that the discussion confirmed the NoE to be an instrument **most suitable for academia**. Industry is reluctant to engage in an NoE for reasons of competition and the difficulty of protecting intellectual property in a type of project whose main objective is structuring a durable integration.

On the subject of **integrative activities** used by the represented NoEs, again a wide range of activities were described, including PhD programmes, cluster meetings, and conferences, research for integration, mobility programmes, etc. The long list of integrative tools revealed no surprises. However, what was interesting was that there appeared to be some confusion as to what constitutes integration within the context of a NoE. Some participants **regarded integrative activities between researcher and researcher** as sufficiently fulfilling the objectives of NoE integration. In other words, for some the distinction between integration and collaboration was not at all clear.

Equally revealing, though not entirely surprising, was that other participants whilst recognizing the true significance and commitment of **durable integration**, were of the opinion that this was an objective too difficult to achieve. The argument given was that **top management of organisations were reluctant to give such a long-term, in-depth commitment**. Asked by the Chair whether at the end of their NoE the integration was so well established that it will continue, most respondents thought that a 'soft' type of integration, e.g., in the form of integrated research themes, would most likely continue. Only one of the nine respondents to this key question was certain that at the end of the NoE a durable integration would have been established that would certainly continue without further EU support. – However, five of the NoE present included the setting up of some kind of **'virtual institute'** as a key objective of their network. - It should be noted that most of the NoE represented were approximately two years into implementation and had yet two or perhaps three years to run in which time the concept of durable integration could be more fully developed. All the respondents represented NoE led by academia.

As is clear from this discussion, not only in industry but also in universities and research institutes are there some doubts as to the feasibility, and in some cases, as to the desirability, of durable integration.

The discussion moved finally to the **measurability of integration**. The list of indicators of integration that were discussed included:

- monitoring the number of new collaborations, and mobility programmes
- making inventory at the beginning of project and to monitor new additional topic
- establishment of a virtual institute
- co-tutored PhD and/or Master degrees
- mobility of equipment
- pooling of competences and equipment
- common patents
- equal distribution of intellectual property rights at the end of project

Whilst the monitoring of new collaborations, activities and topics is no doubt useful, it does not measure the progress of integration as such. The discussion revealed, once again, that some participants were either resistant to, or perhaps not clear about, the true significance of integration and therefore tended to substitute integration with collaboration. Leonidas Karapiries pointed out the vital importance of having a clear concept of integration from the start of the project and that in order to be able to measure the progress, indicators and milestones of integration have to be set up.

Despite some hesitancy or some lack of clarity regarding the **concept of durable integration**, there was nevertheless **an overall positive perception of the NoE**. Those present at the workshop considered it a powerful tool to establish the ERA and one of the main instruments of FP6 to ensure Europe's competitiveness on the global stage. The participants were unanimous in their view that **with some fine-tuning the NoE must continue into FP7**.

Main points of Sections 1

The main points made during the first Section on the 'Objectives and Characteristics of NoE' were as follows:

- With the start of FP6, the NoE was introduced as a brand new instrument based on a completed new concept of durable integration. Given the novelty, there were bound to be some problems, even confusion with the traditional thematic networks. Yet, despite these difficulties there was nevertheless an overall positive perception of the NoE and participants at the workshop agreed that it must continue into FP7 as a powerful tool to address fragmentation in Europe and establish the European Research Area.
- There are many types of NoE and the concept of one size fits all does not apply to this instrument.
- The NoE is primarily an instrument for academia. The main barriers preventing industry from participating are competition and the difficulty of protecting intellectual property in an instrument whose core activity is institutional integration. However, industry can be closely associated.
- The concept of 'durable integration' still causes misunderstandings and confusion. Even the most intensive form of collaboration is not integration. The two are distinct and pursue very different goals. Typically, collaboration will involve for a short and pre-defined period the work of researchers and their teams from a number of different organisations. Durable integration, on the other hand, works both at macro and micro level. In order to achieve the much desired global competitiveness, a critical mass is needed. Decisions on establishing critical mass based on integration and structuring can only be taken at the top management level. Having agreed to and established integration, the consequences (i.e., the possible sharing and common management of equipment, installations, infrastructure, or the common management of human resources, etc) are carried out at a lower level.
- Several NoE present at the workshop included creating "virtual institutes" or "reference centres" as key objectives of their projects.
- A related problem is that of measuring the progress of integration. Whilst the Commission document on 'Performance indicators in the frame of NoE' provides guidance on how to assess the progress made, it appears that further information would be useful. It is suggested that in future the Commission organise seminars on the subject of integration assessment and performance indicators in NoE.

Section 2: Submission and Evaluation

The second section on the '**Submission and evaluation**' of proposals was introduced by Morten Moller (DG IST, Dir. C, Head of Unit - Operations) who invited his audience to reflect and comment on the following issues: how well did the FP6 instrument specific Guides for Proposers work? Was the 18 months breakdown a good idea (too long/short)? What are the views on one- or two-stage submissions? Are there too many evaluation criteria and should they be reduced to 5 or less? Do the hearings contribute to the evaluation process? What is the experience with the present 'time to contract'?

- **Topics 1 & 2: Prior to Closing Date / Submission Procedures**

Presentation

The presentations of Michael Basista (coordinator of KMM-NoE) on the above two topics made the point that the work programme and other submission requirements for this instrument were good, albeit there had been a problem at the start of FP6 since not all the information was available. There was, however, a problem with the financial aspects, i.e., it was not at all clear how the budget and later the distribution of the budget should be calculated. Another difficulty was the, at times, incomplete or inconsistent information available. As regards the help provided by the NCP (M. Basista is from Poland), it was felt that only standard information was provided and he stressed the importance of reading the documents oneself. The **two-stage submissions** are fine, provided there is a compressed first stage (10 pages) and a more elaborate second stage with the same evaluating panel for both stages.

Discussion

The following discussion confirmed the points made above: the fact that some Commission documents were not ready at the start of FP6, that there was initial confusion about the interpretation of **critical mass** (i.e., it does not mean a huge consortium), and that the constantly evolving Commission documents led to wrong interpretations not only among the stakeholders but also within the Commission.

Of those present, many felt that the interpretation of Commission documents can vary depending on which DG or Unit is dealing with your questions. **Consistency of interpretation** was strongly recommended.

With regards to the guidelines provided, a good and memorable point was made: guides are tools and not rules.

Although the **financial issues were really part of the next main section, the ‘head-count’ budget** calculation came up more than once in the discussion and was considered by many as being one of the most confusing aspects of the NoE.

As to **electronic submissions**, the general view was that provided the system works and can cope with the on-rush of many proposals on a given day, there was no real problem since many national funding bodies have now also switched to electronic submissions.

On the question of **one-stage or two-stage proposals**, the views were initially very much divided. Some thought that two-stage proposals were too costly and took too long. For one-stage proposals in NoE was also the argument that organisations who wanted to engage in this type of project needed full commitment from the start. By a showing of hands of the participants present, most were in the end in favour of two-stage proposals, and only three were against.

- **Topic 3: Evaluation**

Presentation

The presentation on the **evaluation** of NoE proposals was given by Kerstin Nyberg (EMBL-EBI), the project manager of BIOSAPIENS, a project with 24 participants in the priority area 1 on integrated genome annotation. Based on her and her team's experience, Ms Nyberg found that the interpretation of criteria was satisfactory. What was not clear was the meaning or purpose of the question on European added value. Her biggest criticism, however, related to the feedback, the **Evaluation Summary Report**, since in this consortium's experience it put in question the quality of the evaluators. It was this consortium's impression that not all the evaluators had been chosen carefully enough and that the comments made in the ESR revealed some of the evaluators' lack of knowledge of the topic discussed. - Since this consortium was not called to a hearing, no comments could be given on this subject.

Discussion

The quality of the ESRs was much discussed. The general perception was that the quality of the ESR can vary enormously. One comment referred to the 'obscure' feedback given, whilst another related that they were given a rating of 4 without any negative remarks or other explanation being made in the report. A number of participants felt that there was not enough consistency between the Commission's and the evaluators' interpretation of the evaluation criteria and assessment of the proposals.

Next, the value of **hearings** with participants was discussed. The general perception of the hearings was positive and of those attending the workshop only one found that the experience had not been entirely satisfactory. Here are two of the comments made during the discussion since they offer recommendations for the future. 'Everybody over the threshold should be called to a hearing', and 'Hearings should be before the ESR to clarify unclear issues'.

Main points of Section 2

The main points made during the discussion of the second section on the 'Submission and evaluation' of NoE were as follows:

- The fact that not all information and Commission documents were ready at the start of FP6 caused confusion and false expectations
- There is considerable divergence in the interpretation of Commission texts. Commission staff should be trained so that they give the same information and interpretation
- Guides are tools and not rules!
- Separate Guides for Proposers for the different funding schemes
- The 'head-count' budget calculations are unclear and should be changed.
- One- or two-stage proposals? The majority felt that if properly set up the two-stage proposals would be preferable. Two-stage proposals would be welcome provided the first stage is short and covers the main criteria. The evaluation criteria should be no more than three, ie., excellence, impact, management. The feedback on the first stage should give information for the second stage submission. For the second stage the same evaluators should be used.
- Evaluation criteria must be made clearer and the evaluation process must be more transparent so that the participants gain trust in the process.
- Everybody over the threshold should be called to a hearing
- Hearings should be before the ESR to clarify unclear issues
- Evaluators must be chosen carefully with regards to their expert knowledge. The general perception was that the hearings have a positive role to play.

Section 3: Negotiation, Contractual & Financial Issues

In her introduction to Section 3 on '**Negotiation, Contractual and Financial Issues**', Myriam Gomez-Martelo (DG Research, Dir.A, Unit for Regulatory and Cross-cutting Matters) explained that the redefinition of NoE for

the next Framework Programme would also include a review of the financial contribution. The current draft for FP7 proposes that this Funding Scheme will be supported with 'lump-sum funding'.

- **Topic 1: Negotiation**

Presentation

Andre Jestin, the coordinator of the project MED-VET-NET, a NoE for the integration of veterinary, medical and food scientists in the field of food safety gave a presentation on their experience of negotiation. This medium-sized project involving 16 participants from 10 countries and a budget of EURO 14.4M was negotiated in 2003 for a start date in 2004. At the request of the Commission two partners from the NMS and one SME were introduced, whilst at the same time the budget had been reduced drastically by 50%. Other problems that were experienced by this project relate to the financial scheme for NoE (i.e., no relation between the 'head-count' calculation of scientists and the funds provided) and the audit certificate since apparently no clear or consistent advice was given by EC officials due to constant changes and rapid turn-over of Commission staff.

Discussion

The debate was opened to the floor and everybody was invited to come forward with their experience during the negotiation phase. Quite a number of participants echoed the above experience of having the budget severely cut by up to 50%. The reason for these cuts appear to be, on the one hand, incomplete financial information given in the proposal by the participants, and on the other, the Commission's decision to fund more projects but with reduced budgets.

Except for the financial issue, everybody was more or less agreed that the feed-back and service provided by the Commission at negotiation stage was good and that the entering into contract went forward smoothly even though some did experience, for a number of different reasons, delays in time to contract.

- **Topic 2: Contractual & Financial issues**

Presentation

The second presentation in the Section on '**Negotiation**' focused on the contractual and financial issues. The presentation was given by Juergen Kompenhans (DLR), the coordinator of the NoE European Windtunnel Association (EWA). With an interesting consortium involving 3 industrial organisations, 3 commercial wind tunnel operators and 7 research organisations and 1 organisation for post-doctoral education, this NoE involves major European wind tunnels for aeronautical applications, and developers of advanced measuring technologies for aeronautical applications. The issues covered by the presentation were: signature and entry into force, amendments, Consortium Agreements, collective responsibility, financing.

As regards the EC **signature and entry into force of the contract**, the partners in this NoE decided on a fixed starting date thereby putting the partners under some pressure to act quickly. Despite this precaution, there was a delayed start of work as well as delayed availability of the budget. However, it was stressed that the EC signature arrived in record time, i.e., two weeks after signature of DLR!

It was suggested that a database with all legal information about participants in EU funded research be established so that not the same information has to be given over and over again.

With regards to the **amendments**, these can take time since the EWA Consortium Agreement stipulated that all participants sign any changes made to the EC contract and its annexes. Further on the **Consortium Agreement**, it was recommended that these agreements be signed *before* the EC contract since the details of the intellectual property protection are in the CA. and need to be agreed on before the main contract is signed with the Commission.

Whilst the public body exemption from the **collective responsibility** should be carried forward into FP7, the technical collective responsibility should be limited to a maximum amount per partner.

Once again, the **calculation of the grant for integration** in relation to the number of researchers involved was found to be unclear, particularly since some researchers contribute partially, others may be employed temporarily. The **need for a clearer funding scheme** was recommended.

Discussion

The presentation had covered the ground very thoroughly and the observations based on EWA were largely shared by the other participants. Of the additional remarks made during the discussion, the following comments were interesting. Whilst the signing of the CA before the EC contract is highly commendable, it does take a lot of time and effort which at present is outside the contractual period. In answer to this observation it was suggested that one could at pre-contract stage have a relatively simple Letter of Agreement covering the key issues, with the **Consortium Agreement** being drawn up later, after the EC contract was signed.

Discussing the financial aspects and the annual update of the budget, Megan Richards (DG Research, Head of Unit A.3 - Regularity and Cross-cutting Matters) reminded the workshop participants not to over-estimate the projected costs in the yearly revision of the budget since this will only back-fire and leave the consortium with less money for the next period.

Main points of Section 3

- The feed-back and service provided by the Commission at negotiation stage was generally considered good and helpful.
- Whilst the process of entering into contract was considered to be more or less smooth, the actual time to contract was experienced by some as prolonged with negative consequences on timely employment staff and meeting of the first deadlines of the work programme.
- Drastic budget cuts can cause severe problems. However, in cases where this did occur the Commission staff was mostly helpful in giving advice on how to trim the work/consortium within the reduced budget limits.
- There was broad consensus that the funding mechanism for NoE was complicated and unclear and led to misunderstandings between the coordinator and participants.
- As already mentioned in an earlier section of this Report, the information and interpretation of texts given by Commission staff varies and it was suggested that training seminars be given for both Commission staff and project participants, so that all hear the same explanation.
- Regarding the Collaboration Agreement, it was recommended that such an agreement should be drawn up and signed (even if necessary in a shortened version) before the signature of the EC contract.

Section 4: Implementation

The Section on the 'Implementation' of NoE was introduced by Nicholas Hartley (DG Research, Dir G, Head of Unit – Policy and Strategy) who stimulated the debate by asking questions on the reporting process: what has worked well? How and where could reporting be made easier? What is the experience regarding external reviewers?

- **Topic 1: Reporting and monitoring**

Presentation

The subject of '**Reporting and monitoring**' in NoE was explored in the presentation by Rinus Penninx, the project coordinator of IMISCOE, a NoE led by the University of Amsterdam. As regards the **scientific reports**, it

was suggested that the Commission guidelines are too tight and that it would be better to leave the form of reporting to the discretion of the participants who could tailor it according to the nature of the NoE.

As regards financial reporting, an earlier problem was raised again, i.e., the fact that the Commission Financial Guidelines came out late and, moreover, that the text was not very clear. A central point made was that there can be conflict between the timing of financial reporting and the time-frame of scientific progress according to the work packages.

The information on **audit certificates** was considered to be good, if anything the guidelines were perhaps a bit too detailed.

The 18 months forward planning was found by several to cause real problems since the work to be done in the second nine months usually depends on the work yet to be completed in the first nine months.

The questionnaires on gender issues apply more to some NoE than others, and the same is true for the socio-economic relevance.

As regards the efficacy of **project reviews**, the consortium supported the idea of external reviews but it was stressed that these reviews must also evaluate and re-assess the original deliverables and milestones within the context of progress made by the project, i.e., the reviews must be linked to the indicators of integration.

Discussion

The first comment on the presentation related to **audit certificates** and it judged the whole idea of providing audit certificates as useless. The Chair responded by reminding the audience that the Commission had not set or imposed a specific model – once again, guidelines are tools and not rules. It should be added that other commentators on the subject of audit certificates found them no problem.

Commenting on the planning of the next 18 months, a considerable number of those present agreed with the point made in the presentation and also found this a challenging and very complicated exercise.

There was general consensus that the **external review** was most useful.

- **Topic 2: Management**

Presentation & Discussion

The presentation given by Carlos Diaz (FIMIM) on the experience of the management of the NoE entitled INFOBIOMED elicited very many comments which had one way or another already been touched upon in earlier discussions during the day. However, the key issue raised by the debate which needs highlighting was the **budget for Management**, currently set at 7% of the total EU contribution. Is this enough, and if not, how much should it be?

One commentator suggested an increase to 10% (but not as high as 12%). The argument put forward was that for Additional Cost model users it was the permanent staff who carried out the burden of project management but could not charge it to the budget. Others thought that 7% was about right since an increase would most likely mean the engagement of a professional company to carry out project management. In this connection it was also suggested that the level of project management budget should depend on the type of instrument since there is no doubt that some type of projects are more arduous and demanding than others.

- **Topic 3: Dissemination/exploitation/IPR**

Leonidas Karapiperis in his introduction of the topic of dissemination stressed that the spreading of excellence was a key objective of NoE. He reminded his audience that by establishing a stakeholder forum, or an advisory board, the dual aim of long-term integration and dissemination of results can be established and, if necessary, conflicts reconciled so that eventually the knowledge and the excellence of the NoE can be ‘transported’ within and without the NoE.

Discussion

Since **dissemination** and the management of knowledge constitute one of the core deliverables of NoE that can be quite challenging, topic 3 of the Section on ‘Implementation’ initiated a big discussion. In order to get the new

knowledge to effective end-users it was suggested that a new structure or centre be created, e.g., like EMMI of the project FAME described above on p.6. Others had created an **EEIG** to handle legal issues but warned that with such an organisation there can be a problem of joint and several liabilities. – The suggestion was also put forward that Technology Platforms would be useful and serve as a place to discuss the management of knowledge.

This discussion led naturally to the question posed by the Chair: when you have a **JPA** how do you jointly file for a **patent**? Several solutions were put forward, including the drawing up of a '**Joint Ownership Agreement**' at the start of the NoE. However, not all participants would want to find themselves in a joint ownership situation since a participant's generated results is his own intellectual property. Another suggestion was to create a separate company which owns all the IP.

The important point was made that issues related to **intellectual property protection** during the post-contract NoE period (e.g., access rights after the end of the NoE) must be addressed in the Collaboration Agreement during the second half of the NoE.

Since all of the above topics on Management need expert advice, it was suggested that the Commission organise a series of seminars to assist NoE participants in making the right decisions.

Main points of Section 4

- For some there was a conflict between the timing of the financial reports and the time-frame of scientific progress according to the work programme
- Problems associated with the 18 months forward planning
- External reviews are generally considered a useful exercise
- The budget for project management needs to be reviewed. It was suggested that the level of funding should depend on the type of Funding Scheme since some types of projects are considerably more demanding than others
- Since long-term integration, dissemination and exploitation of results, the transfer of knowledge to effective end-users are challenging topics needing expert advice, it was recommended that seminars on these topics be organised by the Commission

Section 5: Lessons for FP7

Section 5 of the Report is based on the key findings and comments put forward during the NoE Workshop. Summing up the main points made and combining them with Commission work already in progress regarding the re-definition of the NoE, the Chair identified the following list of lessons for FP7.

- NoE will continue into FP7, with durable integration as the core activity of this Funding Scheme
- There must be clearer guidelines and regulations for NoE in FP7
- All documents must be available at the start of the Framework Programme

- There must be a common understanding and interpretation of Commission texts by all EC officers, including scientific, finance and administrative officers
- As regards the submission, evaluation and the negotiation of proposals, the service delivered by the Commission is generally considered to be good. The biggest problem relates to the budget cuts. Discussions and careful decisions have yet to be made on whether to support fewer/more projects with bigger/smaller budgets.
- The reporting guidelines will need to be reviewed
- The situation regarding audit certificates will have to be reviewed, particularly with regards to their costs in relation to the budget for RTD
- The contribution to the management budget, currently of 7% of the total EU contribution, will need to be reviewed. A possible solution might be to have different levels of financial contribution depending on the complexity of the Funding Scheme.
- Regarding the sustainability, a dedicated meeting between the Commission and NoE project coordinators is planned to explore possible solutions and new ideas for the NoE in FP7.
- In sum, following on from the recommendations put forward by the Marimon Report, there will not be any radical changes made to the NoE but rather a fine-tuning and polishing to improve this funding scheme in the next Framework Programme.

Conclusion

To round off the workshop, the Chair asked the participants in a playful, but nevertheless serious manner to imagine that they were empowered to change just one thing, one element, of the NoE - what would this one thing be?

Here is the participants' wish-list:

- new ideas for and definition of sustainability
- forward-planning for 12 rather than 18 months
- different, less complicated funding structure
- greater flexibility
- simpler reporting procedures
- bigger pre-financing
- no more time-sheets

In his concluding remarks Robert-Jan Smits thanked the participants most warmly for taking part in the stock-taking exercise and for contributing with their comments and recommendations to the definition process of the NoE in the next Framework Programme.

Annex 1

List of participants at the NoE

- Kerstin Nyberg, EMBL-EBI (UK), NoE project BIOSAPIENS (priority 1)
- Sylvie Gratepanche, Inst. Pasteur (FR), NoE project BIOMALPAR (priority 1)
- Bruno Le Dantec, ERCIM (FR), NoE project COREGRID (priority 2)
- Jean-Pierre Medevielle, INRETS (FR), NoE project HUMANIST (priority 2)
- Carlos Diaz Acedo, Fundacio IMIM (SP), NoE project INFOBIOMED (priority 2)
- Patrick Boisseau, CEA-LETI (FR), NoE project 'Nano2Life' (priority 3)
- Michal Basista, IFTR (PL), NoE project KMM-NoE (priority 3)
- Krzysztof Dolinski, IFTR (PL), NoE project KMM-NoE (priority 3)
- Jose Kenny, University of Perugia (IT), NoE project NANOFUN-POLY (priority 3)
- Bernhard Zeimet, CNRS (FR), NoE project FAME (priority 3)
- Carlos Miravittles, ICMAB (SP), NoE project FAME (priority 3)
- Juergen Kompenhans, DLR (DE), NoE project EWA (priority 4)
- Kai Sipila, VTT Techn. Research Centre (FI), NoE project BIOENERGY (priority 6.i)
- Edgar Janssen, TNO Science & Industry (NL), NoE project APSEN (priority 6.ii)
- Rinus Penninx, University of Amsterdam (NL), NoE project IMISCOE (priority 7)
- Hanneke Grotenbreg, University of Amsterdam (NL), NoE project IMISCOE (priority 7)

Report

Independent Rapporteur Report on IP workshop held in Brussels, 9 March 2006*

Rapporteur:

Dr Ilse Vickers, University College London

*This is the second of three reports, the other covering the NoE and STREP workshops

I. Introduction

I.1 Re-definition of funding schemes – lessons and best practice for FP7

In the run-up to FP7, the Commission is engaged in re-defining and fine-tuning the instruments, or Funding Schemes, for collaborative research. In order to assist this process, three workshops were organised on the main FP6 instruments, namely, the NoE, IP and STREP. The main objectives of these dedicated workshops were to carry out a stock taking exercise that would identify the most positive aspects of the current types of projects and to establish lessons learnt for the next Framework Programme. The workshops' terms of reference were defined as

eliciting principally best practice and positive elements which can beneficially be embodied in defining the FP7 Funding Schemes.

An independent rapporteur was appointed to attend the three workshops and to compile reports of these events as well as to give a separate general account summarizing the key findings, conclusions and recommendations for FP7.

The rapporteur was selected on the basis of her extensive experience and understanding of European funding of research. Dr Ilse Vickers, Director of Research Europe at University College London, took part in the mid-term review of FP6 where *inter alia* she participated in the debate on the effectiveness of the new FP6 instruments with a presentation to DG Research on 'UK universities' experience in FP6, so far'.

I.2 Structure of the Workshop

This report will focus on the second of the workshops dedicated to Integrated Projects. Attendance at the workshop was comprised of 18 invited project coordinators of IP, and Commission staff who have both an intimate understanding of the current FP6 instruments as well as new responsibilities for developing the Funding Schemes for FP7. As far as the project coordinators are concerned, they were selected on the basis of covering as many types of consortia (large/small, industry/academia led, and from different MS and NMS) as was possible in the limited time available.

A list of the invitees attending the workshop is given in the Annex to this report.

The workshop focused on the whole life-cycle of a project, that is, from call for proposal, proposal submission and negotiation to project implementation.

The following structure of five main sections, or blocks, was adopted:

1. Objectives and characteristics of IP
2. Submission and evaluation
3. Negotiation & contractual and financial issues
4. Implementation
5. Lessons for FP7

It may be noted here that this structure of five main sections was adopted for all three workshops with each section giving instrument specific topics. Whilst giving space and time to spotlight the general as well as the project specific concerns, this structure had also the great merit of facilitating a comparison between the three workshops, e.g., the

project coordinators' view of project management, intellectual property protection, etc., in the different instruments.

As far as the format of the discussion was concerned, each of the five main sections was introduced by Commission staff followed by presentations by one or two project coordinators on topics of instruments specific issues. The succeeding round-table discussion following each presentation was steered by a member of the Commission.

I.3 Structure of the Report

As already indicated, the external rapporteur attended all three workshops. This report on the IP workshop is based on key comments and recommendations made during the first of the three workshops.

The Report is divided under two main headings:

- I Introduction explaining the reasons and objectives of the workshops and reports
- II Report on the IP Workshop

Whilst Section II of this Report will follow closely the structure of the workshop, it is not intended as a transcript of the day's proceedings but rather, for the sake of clarity and succinctness, the Report will collect the main findings and comments made by the participants thereby bringing the key messages into the foreground.

The final part of Section II, entitled 'Lessons for FP7' represents a main aspect of this Report as it lists the conclusions and recommendations put forward during this intensive and highly-interactive workshop on IP. Although with coordinators of 18 projects participating, only the views of a small sample of the hitherto funded IPs could be expressed, yet it may be claimed that these key findings and lessons are nevertheless fairly representative and constitute valuable indicators for the re-definition and fine-tuning of the IP funding scheme in FP7.

II. IP Workshop

The workshop on IP was opened by Robert-Jan Smits (DG Research, Dir. B, Director for Structuring the ERA). Introducing the day's proceedings, Robert-Jan Smits went on to explain the overall aim of the three workshops within the context of the larger picture of designing the final shape and structure of the next Framework Programme due to start in 2007. With the preparations for FP7 now having advanced to the point where a clear definition of the characteristics of the Funding Schemes for its implementation can be decided, it is timely to take stock of the experience gained to date from the implementation of the current main funding instruments in FP6.

Leonidas Karapiperis (DG Research, Dir. B, Adviser on new initiatives for the ERA) was introduced as the overall chairman of the workshop on Integrated Projects.

The Chair invited the project coordinators to actively take part in the second of the three debates dedicated to IP and he encouraged them to speak frankly and openly when describing their experience of preparing for and implementing an IP. The invitees were asked to introduce themselves by giving a brief description of their responsibilities in relation to the IP they were representing. In turn, the Commission staff members were invited to present themselves, and to explain their roles and activities with regards to the workshop. At this point the Rapporteur was introduced and her role during and after the three workshops explained.

Section 1: Objectives/Characteristics of IP

Leonidas Karapiperis introduced the first Section of the IP Workshop by outlining briefly the objectives and characteristic of IPs. The IP is an instrument with ambitious, clearly defined scientific and technological goals and its objectives are through integration of the critical mass of activities and resources to generate the knowledge required for the implementation of the priority thematic areas of FP6. The integration can take various forms (i.e., vertical, horizontal, through range of RTD/demonstration/training activities, sectoral, or financial). Leo Karapiperis reminded the audience of the definition of the scale of the critical mass of IPs in terms of resources involved, duration and composition of partnership. In this context the importance of applying a coherent management structure was stressed. Finally, the informing principles of IPs were isolated as:

- flexibility and adaptability
- increased management autonomy
- public accountability and protection of the Community

- **Issues related to the objectives & characteristics of IP**

Presentation 1

The first presentation on the IP **objectives and characteristics** was delivered by Carlo Leifert (University of Newcastle, UK), the project coordinator of QLIF, QualityLowInputFood, submitted under priority area 5. The IP has a consortium of 31 participants, and it represents a very good mix of university, industry and charities. This was one of the first IPs to get off the ground and looking back to the start of QLIF, the project coordinator could record that for this consortium it had been a remarkably positive experience. Prof Leifert highlighted in particular the following positive aspects of IP:

- IP allow the development of links and synergies between EU, national government and industry funded R&D programmes
- IP facilitate multidisciplinary and cross national approaches in research, demonstration and training
- IP provide R&D, demonstration and training support to important EU-industry sectors
- IP address important societal issues and demands

QLIF covers a wide scope : it involves resources of between 10 to 20 million euros, has a duration of 4 to 5 years, and a consortium consisting of 5 to 10 core partners as well as 10 to 30 specialist partners (for specific tasks). Given this scope, QLIF operates more like a 'programme' than a project.

As regards the **approach** taken, it is the result of a clear evolution from FP4, to FP5 and FP6 (with Carlo Leifert having had the role as project coordinator throughout). Particularly interesting was his description of the evolution since it so clearly demonstrated not only the tremendous growth in scope and complexity but also the development of the multidisciplinary and the cross-national integration of the RTD approaches. This IP can now apply RTD/demonstration/training to a whole industrial sector. QLIF has 6 sub-projects and it addresses societal issues and demands over a wide spectrum ranging from consumer attitudes to economics factors.

The presentation went on to discuss **management issues** involved in the running of this IP. However, this will be the subject of Section II.4, and will therefore not be addressed at this point of the Report.

The presentation ended by raising the following issues and questions:

- Since IP consortia become a European resource, what will or could be done for this resource not to be lost at the end of the IP?
- IPs with large consortia requiring considerable institutional financial input at proposal preparation stage, i.e., costs which are not chargeable to the contract.
- As regards specialist companies to carry out the project-management, this was considered a mixed blessing since it could divert funds away from the RTD budget. Moreover, the use of these companies is costly. – This last point will be addressed again under II.4, below.

Responding to the first of the issues raised above on not losing a valuable European resource created by the IP consortia, Leo Karapiperis put forward the suggestion that the European Technology Platforms could potentially create the context for using the resource and benefits gleaned by the FP6 IPs.

Presentation 2

The second presentation on ‘Objectives & Characteristics ‘ of IPs was given by Dominique Hittner, the project coordinator of the Integrated Project RAPHAEL, led by Framatome (FR) and discussed the issues from the point of view of industry.

With 33 partners in 10 countries (including some SMEs), RAPHAEL (Reactor of process heat, Hydrogen and Electricity production) aims at developing the base technologies needed for the industrial development of High and Very High Temperature nuclear Reactors for the following three areas: industrial process heat supply, electricity generation and cogeneration. Noteworthy is that once again, as with last IP presented, of the 33 participants 20 had already collaborated under FP5.

Dominique Hittner expressed his overall positive view of the IP when he stated that it was an instrument which provided critical mass which allows the development of transverse activities. - It should be noted that at present this well-designed project is only one year into the project and that one can yet look forward to its further development.

Discussion

Leo Karapiperis opened the discussion and invited the participants to come forward with comments on the above two presentations.

The discussion commenced with positive comments and a considerable number of project coordinators agreed that the partnerships and meetings offered real competitive advantage since project meetings are often like mini-conferences where results can be discussed. The **integration aspect** of this instrument for collecting and spreading of information was considered also by other workshop participants to be a great plus of the IP. Once again the point was made that the IPs allow scientist to carry out cutting edge research and assemble critical mass.

A certain number of projects represented at the workshop involved third country participants from US, China and Russia. One commentator observed that they had one Russian partner in their consortium but did not want to include any other Russian participants for fear of losing IPR – this may be considered a limitation of the IP. The debate moved on to discussing the **links with the INCO** programme and it was stressed by a number of delegates that INCO projects require more management effort than other projects - again, this may be perceived as a limitation.

As regards the type of participants (public bodies, industry, SMEs) it was put forward that of the 50% of SMEs-led IPs, very few in fact had experience in Framework funding before getting involved. In order for the SMEs to derive benefit from and succeed with the IP, a good business plan is needed.

Further on the general IP experience, a number of the workshop participants commented that they were involved in different types of instruments, but the IP seems to be the best even though such big projects are difficult to get off the ground initially. – The removal of under-performing partners appears to be a general problem.

Despite these comments, the IP were generally perceived as most useful instrument since it not only provides for critical mass but also allows transverse activities, training and communication.

Main points of Sections 1

- For those present at the workshop the participation in the IP was a very positive experience for quite a number of reasons: IP allow scientists to carry out cutting edge research and assemble critical; IP allow the development of links and synergies between EU, national government and industry funded R&D programmes; IP facilitate multidisciplinary and cross national approaches in research, demonstration and training; IP provide R&D, demonstration and training support to important EU-industry sectors; IP address important societal issues and demands

- Since IP consortia become a European resource, it is recommended that mechanisms be put in place for this resource not to be lost at the end of the IP
- Successful IPs usually are based on previously well-established collaborations
- IPs with large consortia will require considerable institutional financial input at proposal preparation stage, i.e., costs which are not chargeable to the contract.
- Given the novelty of the instrument, the concept of the IP was taken up very successfully and the participants at the workshop were unanimous in their recommendation that this concept must continue into FP7.

Section 2: Submission and Evaluation

The second section on the 'Submission and evaluation' of proposals was introduced by Laurent Bochereau (DG Research, Dir. E, Head of Unit, Safety of Food Production Systems) who invited his audience to comment on the distinction between Integrated Projects and STREPS, and how this might be handled in FP7. In addition, what are the recognised 'best practices' in IPs which should be carried forward to FP7?

- **Topics 1 & 2: Prior to Closing Date / Submission Procedures**

Presentation

The presentation was given by Christoph Heinze, the project coordinators of CARBOOCEAN, the IP led by the University of Bergen, Centre for Climate Research (NO), and submitted under the priority area 6.iii.

This IP focuses on Atlantic and southern oceans covering a time interval of -200 to +200 years from now! With 35 participants from 13 countries (not only from Europe but also from USA and Africa), running for five years (2005-09), and a budget of 14.5million euros, this is an impressive IP. It carries out basic research of societal relevance in the areas of climate related issues, sustainable development with impact on policy development. Since members of the consortium had participated in the FP6 conference to launch the new Framework Programme in autumn 2002, they were well informed of the submission requirement, and the new concept of the IP. The project coordinator is particularly well placed to take on this role given his previous experience in Framework funding; the University of Bergen also has a central department for research management. Whilst this coordinator's experience of the EC provision of information was good, he did wonder whether this was the same for newcomers to EU framework funding.

Like other complex projects, CARBOOCEAN had a long planning phase (3 years) and it was stressed that the **information provided by the Commission** must arrive in good time so that it can be digested and applied.

For this particular IP the costs during the proposal preparation and negotiation period had been very high at 400k euros. These costs cannot be charged to the contract.

As regards the consistency of the information provided, it was fine, except for the information on the budget expectations which changed from 'over 20 million euros' to 'no more than 15 million euros' to finally 'under 10 million euros'.

On the subject of the service provided by the **NCPs**, this consortium found that for their particular research area they were often better informed than the NCP. On the other hand, the information given by the EC officers on procedural issues was found to be very good. Since the partner research services were not used, no comments could be given in this regard. On the subject of **electronic submission**, EPSS, no special problems were highlighted.

The presenter stressed that the instrument should be tailored to the topic before proposal submission. It was also suggested that a combination of IP plus CA or SSA is a particularly useful one.

Discussion

The discussion of the presentations on ‘**Submission and Evaluation**’ of proposals and ‘Submission Procedure’ was very lively. The first series of comments focused on the **electronic submission** using EPSS versus paper submission. Although comments were made on either side of the debate, on the whole there was a good feeling about the electronic submission.

Other general observations which can be made up front include comments on the **partner search service**. It was not considered a useful service. As already noted, most successful IP partnerships were built on previous collaborations. – It was also pointed out that for academic participants a deadline of 1st September was difficult to meet and should, if at all possible, be avoided.

The discussion moved on to **one-stage or two-stage proposal submission** and the consensus was that particularly for large proposals two-stage submission were preferable, provided there was enough time between the two stages to prepare the final full proposal.

As regards the information provided by the NCP, some workshop participants found that even EC officials were at the time of the first Calls unable to give all the necessary information. The fact that the Financial Guidelines were not complete at the start of FP6 caused problems. Nevertheless, there was general agreement on the timely and helpful service provided by the staff of the Commission.

The debate moved next to the subject of **success rate and over-subscription**. It appears that the problem varies considerably depending on which priority area one is dealing with, i.e., it can be as low as 10% in some areas and as high as 40% in others. One workshop participant commented that a success rate of between 20% and 30% would be acceptable. A Commission official pointed out that in priority area 5, the continued effort of focusing the topics of the Call, together with the change to two-stage submission procedures had resulted in a very reasonable success rate.

As already mentioned in an earlier part of this Report, care must be taken that the period between the evaluation of stage 1 and the deadline for the full proposal is long enough.

- **Topic 3: Evaluation**

Presentation

The presentation on the **evaluation** of IP proposals was given by Antonio Marti from the Inst. Energia Solar, Madrid (SP), the project coordinator of FULLSPECTRUM, an IP with 18 participants under the priority area 6.i. In this consortium’s view the criteria were on the whole clearly presented and interpreted. However, it was felt that such concepts as ‘clear added value’ and ‘ambitious’ are ambiguous. In their experience there was also a conflict between basic and applied research and the potential impact achieved by either.

Whilst such issues as gender, ethics, societal impact are important, it was felt that they were given too much attention at present. On the subject of the **quality of the feedback** from the EC, the timing of the response to the applications, and the value of the **hearings**, these were all found to be good. The suggestion was made that hearings could be more of a dialogue session rather a mere question-and-answer session.

Discussion

The discussion started off with comments on the evaluation criteria, in particular with the ‘relevance’ and ‘management’ criteria. As became clear from the discussion, the ‘relevance’ criterion has caused some confusion, and a Commission official agreed that this was perhaps a difficult criterion since it allowed for different interpretations depending on one’s point of view. As far the ‘management’ criterion was concerned, the problem here seems to be that proposers used the method of ‘cutting and pasting’ the management structure from previous successful projects. Despite these reservations, most of the project coordinators felt that the overall criteria for IPs were fine.

Contrary to the observations made in the presentation that **gender issues** are over-emphasized, the point was made during the discussion that gender issues are very valuable and deserve the importance allocated. Similarly, the **ethical issues** and societal relevance, it was stressed, are of great importance. Supporting this view, Commission

officials commented that young scientists and young women researchers in particular, must be attracted to careers in science.

On the subject of the **ESR**, some wondered whether the evaluators were sometimes not expert enough in the areas they were evaluating. On a related subject, it was noted that some evaluators were not knowledgeable enough to know how best to cut a budget to bring it in line with the EC requirements. Some participants had experienced a **budget cut** of 25% and had received very little guidance on how to do the same work with so much less money. The point was furthermore made that the one page evaluation comments on a proposal of upwards of 150 pages was just simply not good enough.

The discussion moved on to the subject of '**hearings**' and the Chair asked the workshop participants how many had in fact experienced a 'hearing'. Of those present six had had a hearing, and of those six the hearing had been mostly a positive and helpful experience with real discussions taking place. In one case the hearing even saved the project.

Main points of Section 2

The main points made during the discussion of the second section on the 'Submission and evaluation' of IP were as follows:

- The work for IP proposals can be very arduous and costly and the costs cannot be charged to the budget
- The problems associated with the success rate and over-subscription vary considerably depending on which priority area one is dealing with, i.e., it can be as low as 10% in some areas and as high as 40% in others. – In one area (priority area 5), the continued Commission effort of focusing the topics of the Call, together with the change to two-stage submission procedures has already resulted in a very reasonable success rate.
- The argument for two-stage submissions is generally positive, although more time was needed between the two stages to prepare the full proposal
- The interpretation of EC texts and regulations can vary from one DG or Unit to another
- The fact that the Financial Guidelines were not complete at the start of FP6 caused problems. Nevertheless, there was general agreement on the timely and helpful service provided by the staff of the Commission.
- The general perception of the hearings was positive.
- Evaluation criteria must be made clearer. With regards to the 'management' criterion, the views were divided with some regarding scientific excellence as the most important aspect of a project, whilst others were of the opinion that management was also of importance.
- A clear and succinct ESR is essential. The response time to applicants must be kept as short as possible.
- The evaluators must be selected with greater care to get a good match between the content of the proposal and the evaluator's expertise.

Section 3: Negotiation, Contractual & Financial Issues

Introducing Section 3, on '**Negotiation, contractual and financial issues**', Megan Richards (DG Research, Dir. A, Head of Unit for Regulatory and Cross-cutting Matters), made the point that changes introduced at the start of FP6 which resulted in projects with longer duration, larger budgets, new activities and management activities, had a

direct impact on the contents of the EC model contract. Again, the annual audit certificates for IP were a direct result of these changes implemented at the start of FP6.

- **Topic 1: Negotiation**

Presentation

Maria Garcia Robledo (Siemens, Spain) the project coordinator of ASK-IT (Ambient Intelligence System of Agents for Knowledge-based and Integrated Services for Mobility Impaired users), gave the presentation on the topic of **'Negotiation'**. This IP with 43 participants was submitted under the priority area 2. The presentation addressed the following issues: information supplied by the Commission in advance of the negotiations, how were funding reductions addressed, time allowed for the finalisation of the contract, delays in the time to the contract, and finally, issues related to the starting date.

The overall experience of this consortium was indeed very positive, in that Mme Robledo confirmed that the EC information provided was clear and helpful. There had been no significant changes to the budget. Although a lot of paperwork and documents had to be handled, there were no real problems since the interaction with the Commission was entirely positive and helpful. No delays in time to contract were experienced and, moreover, the Commission was flexible with regards to the selection of the starting date for the project.

Discussion

The debate was opened to the floor and everybody was invited to come forward with their experience during the **negotiation phase**. Not everybody could echo the positive experience of ASK-IT. In the first comment on the presentation, the consortium of POLYCITY, an IP coordinated by the Fachhochschule Stuttgart (DE), experienced a long delay to the contract which was very difficult to handle since the IP includes companies which perhaps more than universities need to stay with a pre-arranged plan.

One workshop participant highlighted a problem which occurred when the EC initially asked for a 5 year proposal but later changed this to a 4 year project. These changes cost a lot of additional time and effort. Nick Hartley (DG Research, Dir. G, Head of Unit – Policy and Strategy) commented that this was most regretful and due to a reduced budget in this area.

Many agreed with the point made in the presentation that on the whole negotiations went smoothly and that the Commission staff were very helpful, although some felt that there was not quite enough time to re-write Annex 1.

As regards **electronic submissions**, the suggestion was made to maintain the A forms submitted by EPSS and that these be available for cross-checking with the CPF editor forms.

Megan Richards asked whether all the details in **Annex 1** are considered to be necessary for the successful running of the IP? How would the participants feel about streamlining or simplification of the Technical Annex? Responding to this question, it was generally felt that limiting the length of the Technical Annex was not a good idea since detailed information on what members of the consortium are working on is essential. An additional comment defending the detailed Technical Annex was that it was helpful for staff appointments at the correct level of skills and experience. A considerable number of workshop attendants pointed out that the CPF editor caused problems and needed improving.

- **Topic 2: Contractual & legal issues**

Presentation

The presentation was given by Yves Henri Geerts, the project coordinator of NAIMO, an IP led by ULB (BE) with 20 participants. The presentation focused on the following four key issues: Signature and entry into force, the consortium agreement, collective responsibility, and amendments to the contract.

In the experience of NAIMO, the signature of the EC contract was delayed by the **consortium agreement** signature as well as by a bank guarantee asked for a SME participant. In the end the bank guarantee was waived on

the condition that the project coordinator will distribute the EC advance payment on a *monthly* basis. Another delay was caused by one industrial partner refusing to accede to the contract. - The consortium agreement was very difficult to negotiate since universities, industry and SME have quite different points of view. It appears that consortium agreements tend to favour large companies. Another problem is that intellectual property generated by the project is 'trapped in complicated legal situations'. It was suggested that the Commission issue a 'code of conduct' that would reflect the interest of all parties, not just the strongest/best informed ones.

As regards the subject of collective responsibility, this IP experience no problems in this regard.

Amendments can require a long and tedious decision process.

Discussion

The first comment was made by the coordinator of a SME Integrated Project VIM and it confirmed the experience of NAIMO, i.e., that **Consortium Agreements** tended to favour large companies. Whilst there exist a number of Consortium Agreements for universities and large companies, it appears that there none tailor-made for the needs of an SME IP.

The discussion on Consortium Agreements focused in particular on the **exclusion of pre-existing know-how** under certain circumstance. Megan Richards from the Commission explained that the exclusion of pre-existing know-how had been generally misunderstood and that it had really been intended for smaller participants, e.g., SMEs, who brought intellectual property to the project but wanted to protect it.

Further on the subject of **access** to and sharing of intellectual property, the point was made that since we are dealing with an Integrated Project, the sharing is part of the philosophy underpinning this funding scheme.

Regarding the signature of the consortium agreement, it was stressed that it is very important to have this all tied up before the EC contract is signed. – The suggestion was made that the EC provide templates for consortium agreements for SMEs.

Topic 3: Financial issues

Presentation

The project coordinator of the Integrated Project NEXT GRID, Mark Parsons (University of Edinburgh) spoke on financial issues. He made the generally point that a overestimation of budgets in the CPFs could badly back-fire.

This consortium found the **management budget** reimbursed at 7% of total EU funding inadequate. It was also felt that the Financial Guidelines gave a poor explanation of 'receipts' and the status of 'third party contribution'. Moreover, for the legal and financial liability checks the forms were badly designed.

Discussion

Responding to these comments, Megan Richards began by stating that the **Financial Guidelines** is a reference text, that is, a tool not a rule. She agreed that the text could be improved and made more reader-friendly. Quite a number of the workshop participants found the definition of 'third party contribution' also confusing and unclear.

Several participants were of the view that the reimbursement of the management budget of 7% of the total EU funding was inadequate. Megan Richards explained that certain **management costs** exceeding the 7% could be charged under the RTD budget. She also stressed that whilst under FP5 there was a separate cost category for management it was not an eligible cost, whereas under FP6 management costs are reimbursed.

On the subject of the **cost models**, Megan Richards informed her audience that the plan for FP7 was to abolish the cost models and replace it with a single model, which would allow universities to calculate their actual direct costs and actual indirect costs at project level (or if the accounting system is not transparent enough apply a flat rate) and the EC would support the project with up to 75% contribution.

Main points of Section 3

- The service provided by the Commission at negotiation stage was generally considered to be good and helpful.
- Limiting the length of the Technical Annex was considered not a good idea since detailed information on what members of the consortium are working on is essential
- The process of entering into contract was considered to be more or less smooth. Where delays occurred, both academic and industrial participants found this very difficult to handle because of employment issues.
- Delays to the signature of the EC contract occurred due to signing of the Consortium Agreement. Nevertheless, it was recommended that a CA should be drawn up and in place before the EC contract was signed.
- Consortium agreements appear to favour the big players with SMEs getting a particularly bad deal
- The EC should provide templates for consortium agreements for SMEs
- The Management budget of 7% of total EU contribution was judged not enough
- Electronic submissions were considered to be fine. It was suggested that the A forms submitted by EPSS should be maintained and that these be available for cross-checking with the CPF editor. The CPF editor, it was recommended, needs improving

Section 4: Implementation

The Section on the '**Implementation**' of IP was introduced by Nicholas Hartley (DG Research, Dir G, Head of Unit – Policy and Strategy) who asked the workshop participants to comment in particular on the issues of audit certificates, on the 18 months forward planning as well as on the issue of competitive calls.

- **Topic 1: Reporting and monitoring**

Presentation

Hans Lokke, the project coordinator of NoMiracle led by NERI (DK) spoke on the subject of '**Reporting and monitoring**' in IPs. The 12 months reporting period was found to be very good. Equally, the 18 months forward planning was considered by this consortium to be a very good and an important tool to address new scientific directions away from the original plan and budget. The financial reporting period of 45 days also caused no problems - however, it was stressed that the CPFs needed improving. **Audit certificates** were found to be a good management tool though they can be expensive, particularly for participants with a relatively small budget share. Audit certificates can sometimes cause delays. - Reporting on non-technical issues was found to be easy and good although the use of these reports was not entirely clear.

The provisions for **excluding under-performing participants** need to be improved.

As regards the **project reviews**, these were found to be very efficient. In the case of NoMiracle the consortium included an additional internal project review procedure which has worked well. Whilst supporting the idea of external reviews, the consortium had unfortunately experienced a delay in getting feedback on the periodic review.

In his concluding remarks, Hans Lokke stressed that the IP was definitely a good funding scheme and that it should be continued under FP7.

Discussion

As regards the exclusion of **non-performing participants**, Leo Karapiperis commented that this would best be dealt with in the Consortium Agreement.

The next comment on the presentation related to **audit certificates** which in this commentator's view do not reflect the reality and do not prove the costs incurred or claimed. An argument in defence of the audit certificates judged that together with time keeping the certificates work well. - A further point regarding audit-certificates was made with the suggestion that they be dissociated from the scientific reports, i.e., that scientific reports should be submitted after 45 days, and that audit certificated should be submitted after 55 days.

Commenting on the planning of the next 18 months, a considerable number of those present found the forward planning good and problem-free whilst others suggested that one should have a 12 months detailed planning. There was no consensus on this issue.

On the subject of external reviews there was overall agreement that they had been efficient and useful, and that the reviews should be continued. Two suggestions were made to improve the system: firstly, the same reviewers should be used on subsequent occasions; secondly, on-site reviews should be carried out.

- **Topic 2: Management**

Presentation 1

The first presentation on '**Management**' was given by Valentin Kloeppe, the project coordinator of the project FRIENDCOPTER is led by Eurocopter, a large German company. The following presentation was given by an SME-led Integrated Project. Both presentations covered the following issues: the burden of management tasks; autonomy/flexibility; distribution of budget among participants; conflict resolution; introduction of new partners/competitive calls; coordinator qualifications.

As regards the burden of **management tasks**, the presentation stressed that project management of an IP was definitely arduous, particularly with a consortium of 34 partners. In order to carry out the many tasks efficiently, this IP decided on an EEIG and they also wrote a project hand book, a kind of consortium bible for guidance and reference. – Whilst the **increased autonomy** has benefits, it also gives increased responsibilities with respect to contractual and financial management, validation of scientific progress of project, approval of work plan and changes, and very many other issues linked to intellectual property access and protection as well as dissemination and exploitation of results.

The **distribution of the budget** has caused no problems – the IP follows the rules and regulations of the Commission. The consortium decided to keep 25% of the advance back but paid the full amount at the end of the project year, provided the performance of the partners was satisfactory. On the whole there were no problems though it appears that getting the money from the Commission can sometimes be a problem.

With regards to introducing **new participants** into the project, this is only possible if some of the budget is kept aside for this purpose.

The key qualifications of an IP project coordinator were identified as endurance, persistence, persuasiveness and capacity for teamwork.

Presentation 2

The second presentation on the subject of 'Management' was delivered by Timo Ture, the project coordinator of the SME-led Integrated Project VIM. This is an exceptional project in that of the 22 participants 13 are SMEs. The point was made that **the burden of management** in financial terms is much higher than the 7% of the EU contribution. Moreover, the auditing requirements take up a large share of the management budget. It was suggested that for SMEs the reporting requirements need to be simplified.

The **autonomy/flexibility** aspect seemed to cause no problems, except that the annual reporting covers - from an SME point of view - a very long time. No problems or conflicts were encountered with **the budget distribution**. The recommendation was put forward that a consortium should select its partners very carefully and where possible, use partners that are known and trusted. – This IP has so far no experience with appointing additional participants to the projects, although money was set aside for this. Should they decide on a new participant, they would have to go down the route of a competitive call.

The key **qualifications of an IP coordinator** were highlighted as: to understand different cultures and different mentalities, to know how to work efficiently, to have experience in bringing different SMEs together, and finally, must have staff who speak different European languages.

Discussion

In the discussion on the two presentations it became clear that only one of the represented IPs had in fact had experience of a **competitive call**. It had been a good, positive but complicated procedure. On the whole the competitive call had been good value for the project. – The question was raised whether one really needs a competitive call for a participant whose tasks represent a minor aspect of the project, or should there be more flexibility to cover for this scenario.

The other issues raised by the presentations were confirmed in the discussion and will be reflected in the Key Points, below.

- **Topic 3: Dissemination/exploitation**

Joachim Seipelt gave the presentation on **dissemination and exploitation** as carried out by the project FLUVACC, an IP on ‘flu’ vaccine with 8 participants led by the SME Greenhills Biotechnology in Austria. A number of issues already dealt with earlier in this Report were echoed. Noteworthy is that this project put in place a plan for the use of intellectual property which covered all the steps or issues, such as, pre-existing know-how, joint inventions, commercialisation, as well as the post-project phase.

Regarding the plans for **use and dissemination**, it was highlighted that a careful analysis at the start of the project is essential in order to determine who is in a position to commercialise results. There must also be established mechanisms to deal with the unexpected. The importance of the Consortium Agreement was stressed since it will cover all of these important issues. Dissemination, it was argued, creates a conflict since on the one hand one needs to raise awareness (also with competitors) but on the other hand, it is important to protect the knowledge generated by the project. A problem specifically relevant to IPs like FLUVACC, is that of avoiding media ‘hysteria’. It was suggested that carefully planned contacts with the press would be the solution.

Discussion

The issue of **dissemination versus protection** of knowledge was much discussed. An important point was made when it was stated that communication with the public and giving information are very important but this does not necessarily mean divulging data or giving specific details. From a different scientific area, i.e., nanotechnology, the point was made that just to inform the public that a certain area of research was free of danger, was sometimes enough. The further discussion on IPR seemed to reveal that there is a general misconception about what the EC contract provides, and Megan Richards clarified the position by stressing that participants have access to that knowledge which they need to carry out the project. She admitted that this was perhaps not quite clear in the FP6 contract but that it would be made absolutely clear in FP7.

On the subject of the EC requirement for publication of results, it was suggested that this issue was clearly stated in the grant agreement thereby facilitating ‘commercially’ sensitive participants to comply.

The discussion moved on to universities versus industry perspective of dissemination and exploitation. The point was made that universities should be in a position to exploit their own results. Megan Richards commented that under FP5 there was in fact a provision covering exactly this situation but that at the time it was rarely used. It is expected that in FP7 this issue will be re-visited

Main points of Section 4

- Only one of the represented IPs had experience of a competitive call. Although it had been a complicated procedure, it was found to be a good, positive experience from which the project gained good value. - For participants whose tasks represent a minor aspect of the project, there should, however, be a more flexibility procedure.
- External reviews were generally considered to have been efficient and useful, and it was recommended that these reviews should be continued. Two suggestions were made to improve the system: firstly, the same reviewers should be used on subsequent occasions; secondly, on-site reviews should be carried out.
- It was suggested that the level of funding for management should be increased since 7% of the total EU contribution was not enough to cover the effort.
- Audit certificates can be a useful management tool although they take up perhaps too much of the management budget, this is particularly true for participants with a small budget share.
- The submission period for audit certificates should be extended to 55 days
- As regards the publication of results, this issue must be clearly stated in the grant agreement thereby facilitating ‘commercially’ sensitive participants to comply.
- The 12 months periodic reporting was considered to be fine. Again, no real problems were noted in respect of 18 months forward planning and a number of those present considered it a very necessary tool to review and fine-tune the scientific development of the project

Introducing the final section of this workshop on ‘Lessons for FP7’, Leo Karapipeis recalled the philosophy of the Commission’s FP7 proposals regarding the Work Programmes and the Funding Schemes: “***Instead of being encapsulated in the ‘instruments’, research goals and research policy objectives***, including those aiming at structuring research efforts, ***will be clearly and explicitly set in the work programmes***. For each topic on which proposals are invited, the scientific goals, the scope of activities and indications on the results expected will be defined. The work programme may also specify the type of funding scheme to be used and an indication of the available budget.” The proposed “collaborative projects” funding scheme is meant to be able to support to support from small to medium-scale focused research actions to larger integrating projects.

He initiated the debate by asking the following question:

- In this context, should FP7 allow the funding of IP-like and STREP-like projects?
- Should the annual update and 18 months forward-planning in IPs be maintained?

Of those participating in the workshop the majority agreed that IPs and STREPs are not at all the same kind of project and the future Funding Schemes should therefore be able to support both kinds of projects. Again, the majority were in agreement that the annual update was fine and that the 18 months forward planning had not caused real problems.

Section 5: Lessons for FP7

Section 5 of the Report is based on the key findings and comments put forward during the IP Workshop. The following is a summary of the recommended lessons for FP7:

- For those present at the workshop the participation in the IP was a very positive experience. Here are just some of the many reasons for this positive reaction: the integration aspect of this instrument which allows for collecting and spreading of information was considered a great plus; IP allow scientists to carry out cutting edge research and assemble critical; IP allow the development of links and synergies between EU, national government and industry funded R&D programmes; IP facilitate multidisciplinary and cross national approaches in research, demonstration and training; IP provide R&D, demonstration and training support to important EU-industry sectors; IP address important societal issues and demands.

In sum, given the novelty of the instrument, the concept of the IP was taken up very successfully and the participants at the workshop were unanimous in their recommendation that this concept must continue into FP7.

- Since IPs and STREPs have different objectives, the proposed Collaborative Projects should allow for these distinct types of projects to continue under FP7

In detail, the following comments and recommendations were put forward:

- Since IP consortia become a European resource, it is recommended that mechanisms be put in place for this resource not to be lost at the end of the IP
- The service provided by Commission staff as regards the submission, evaluation and the negotiation of proposals was generally considered to be good
- The 12 months reporting period in IP was found to be very good. Equally, the 18 months forward planning was considered by some consortium to be a very good and an important tool to address new scientific directions away from the original plan and budget.
- The argument for two-stage submissions is generally positive, although more time was needed between the two stages to prepare the full proposal
- The evaluators must be selected with greater care to get a good match between the content of the proposal and the evaluator's expertise.
- On the subject of external reviews, there was overall agreement that they had been efficient and useful, and that the reviews should be continued. Two suggestions were made to improve the system: firstly, the same reviewers should be used on subsequent occasions; secondly, on-site reviews should be carried out.
- The 'hearings, these were all found to be good. The suggestion was made that hearings could be more of a dialogue session rather a mere question-and-answer session.
- Audit certificates will have to be reviewed, particularly with regards to their costs in relation to the management budget and the overall budget for RTD
- The EC contribution to the management budget, currently of 7% of the total EU contribution, was found to be inadequate
- The access and protection of intellectual property will need to be reviewed

- Electronic submissions were considered to be fine. It was suggested that the A forms submitted by EPSS should be maintained and that these be available for cross-checking with the CPF editor. The CPF editor, it was recommended, needs improving

Conclusion

Leo Karapiperis thanked the participants most warmly for taking part with their first-hand experience and comments the definition process of the Funding Schemes in Framework Programme Seven.

Annex 1

List of participants at the IP workshop

- Joachim Seipelt, Greenhills Biotechnology (AT), IP project FLUVAC (priority 1)
- Ulf Landegren, Rudbeck Laboratory (SE), IP project MOLTOOLS (priority 1)
- Maria Garcia Robledo, Siemens (SP), IP project ASK-IT (priority 2)
- Kym Watson, FhG – ITT Karlsruhe (DE), IP project CHIL (priority 2)
- Mark Parsons, University of Edinburgh (UK), IP project NEXT GRID (priority 2)
- Yves Henri Geerts, ULB (BE), IP project NAIMO (priority 3)
- Water Valle Vedove, Martec Consulting (BE), IP project NAIMO (priority 3)
- Timo Ture, Elastopoly Oy (FI), IP project VIM (priority 3)
- Valentin Kloepfel, Eurocopter (DE), IP project FRIENDCOPTER (priority 4)
- Jean-Claude Dunyach, Airbus (FR), IP project VIVACE (priority 4)
- Mogens Jakobsen, Royal Vet. And Agr. University (DK), IP project PATHOGENCOMBAT (priority 5)
- Carlo Leifert, University of Newcastle (UK), IP project QLIF (priority 5)
- Antonio Marti, Inst. Energia Solar – Madrid (SP), IP project FULLSPECTRUM (priority 6.i)
- Ursula Eicker, Fachhochschule Stuttgart (DE), IP project POLYCITY (priority 6.i)
- Dominique Hittner, Framatome (FR), IP project RAPHAEL (priority 6.i)
- Nailia Dindarova, UNIFE – Brussels (BE), IP project MODTRAIN (priority 6.ii)
- Christoph Heinze, University of Bergen (NO), IP project CARBOOCEAN (priority 6.iii)
- Hans Lokke, NERI (DK), IP project NOMIRACLE (priority 6.iii)
- Sergio Carrera, CEPS – Brussels (BE), IP project CHALLENGE (priority 7)

Report

Independent Rapporteur Report on STREP workshop held in Brussels

28 March 2006*

Rapporteur:

Dr Ilse Vickers, University College London

*This is the third of three reports, the other covering the NoE and IP workshops

III. Introduction

I.1 Re-definition of funding schemes – lessons and best practice for FP7

In the run-up to FP7, the Commission is engaged in re-defining and fine-tuning the instruments, or Funding Schemes, for collaborative research. In order to assist this process, three workshops were organised on the main FP6 instruments, namely, the NoE, IP and STREP. The main objectives of these dedicated workshops were to carry out a stock taking exercise that would identify the most positive aspects of the current types of projects and to establish lessons learnt for the next Framework Programme. The workshops' terms of reference were defined as

eliciting principally best practice and positive elements which can beneficially be embodied in defining the FP7 Funding Schemes.

An independent rapporteur was appointed to attend the three workshops and to compile reports of these events as well as to give a separate general account summarizing the key findings, conclusions and recommendations for FP7.

The rapporteur was selected on the basis of her extensive experience and understanding of European funding of research. Dr Ilse Vickers, Director of Research Europe at University College London, took part in the mid-term review of FP6 where *inter alia* she participated in the debate on the effectiveness of the new FP6 instruments with a presentation to DG Research on 'UK universities' experience in FP6, so far'.

I.2 Structure of the Workshop

This report will focus on the third of the workshops dedicated to STREPs. Attendance at the workshop was comprised of 13 invited project coordinators of STREPs, and Commission staff who have both an intimate understanding of the current FP6 instruments as well as new responsibilities for developing the Funding Schemes for FP7. As far as the project coordinators are concerned, they were selected on the basis of being considered the coordinators of hitherto successful projects covering all the Thematic Priorities and SSP, as well as many types of consortia (large/small, industry/academia led, and from different MS and NMS) as was possible in the limited time available.

A list of the invitees attending the workshop is given in the Annex to this report.

The workshop focused on the whole life-cycle of a project, that is, from call for proposal, proposal submission and negotiation to project implementation.

The following structure of five main sections, or blocks, was adopted:

1. Objectives and characteristics of STREPs
2. Submission and evaluation
3. Negotiation & contractual and financial issues
4. Implementation
5. Lessons for FP7

It may be noted here that this structure of five main sections was adopted for all three workshops with each section giving instrument specific topics. Whilst giving space and time to spotlight the general as well as the project specific concerns, this structure had also the great merit of facilitating a comparison between the three workshops, e.g., the project coordinators' view of project management, intellectual property protection, etc., in the different instruments.

As far as the format of the discussion was concerned, each of the five main sections was introduced by Commission staff followed by presentations by one or two project coordinators on topics of instruments specific issues. The succeeding round-table discussion following each presentation was steered by a member of the Commission.

I.3 Structure of the Report

As already indicated, the external rapporteur attended all three workshops. This report on the STREPs workshop is based on key comments and recommendations made during the first of the three workshops.

The Report is divided under two main headings:

- I Introduction explaining the reasons and objectives of the workshops and reports
- II Report on the STREPs Workshop

Whilst Section II of this Report will follow closely the structure of the workshop, it is not intended as a transcript of the day's proceedings but rather, for the sake of clarity and succinctness, the Report will collect the main findings and comments made by the participants thereby bringing the key messages into the foreground.

The final part of Section II, entitled 'Lessons for FP7', represents a main aspect of this Report as it lists the suggestions and recommendations put forward during this intensive and highly-interactive workshop on IP. Although with 13 project coordinators participating, only the view of a small sample of the hitherto funded STREPs could be expressed, yet it may be claimed that these key findings and lessons are nevertheless fairly representative and constitute valuable indicators for the re-definition and fine-tuning of the funding schemes to support STREP-like projects in FP7.

IV. STREPs Workshop

The workshop on Scientific Targeted Research Projects was opened by Robert-Jan Smits (DG Research, Director for Structuring the ERA). Introducing the day's proceedings, Robert-Jan Smits went on to explain the overall aim of the three workshops within the context of the larger picture of designing the final shape and structure of the next Framework Programme due to start in 2007. With the preparations for FP7 now having advanced to the point where a clear definition of the characteristics of the Funding Schemes for collaborative research can be decided, it is timely to take stock of the experience gained to date from the implementation of the current main funding instruments in FP6.

Leonidas Karapiperis (DG Research, Dir.B, Adviser on new initiatives for the ERA) was introduced as the overall chairman of the workshop on STREPs.

The Chair invited the project coordinators to actively take part in the third of the three workshops dedicated to STREPs and he encouraged them to speak frankly and openly when describing their experience of preparing for and implementing a STREP. The invitees were asked to introduce themselves by giving a brief description of their responsibilities in relation to the project they were representing. In turn, the Commission staff members were invited to present themselves, and to explain their roles and activities with regards to the workshop. At this point the Rapporteur was introduced and her role during and after the three workshops explained.

Section 1: Objectives/Characteristics of STREPs

Leonidas Karapiperis introduced the first Section of the workshop by outlining briefly the objectives and characteristic of STREPs and he went on to stress that this was an instrument for developing new knowledge and demonstration. This instrument can be used in the thematic areas as well as in additional areas such as, for example, the NEST programme. M. Karapiperis invited his audience to highlight what has worked well or not so well, and specifically he asked whether there was a clear distinction between STREPs and IPs.

- **Issues related to the objectives & characteristics of STREPs**

Presentation 1

The first presentation on the STREPs '**Objectives & Characteristics**' was delivered by Professor Gabriele Centi (University of Messina, IT), the coordinator of the NEST-Adventure project ECLAT. Commenting on this type of project from the point of view of the NEST (New Emerging Science and Technology) programme, Professor Centi began by listing the main steps in the proposal preparation, i.e., the identification of novel ideas; transformation of ideas into S&T objectives; identification of partners; exploration of exploitability by the partners; proposal preparation.

By comparing NEST with other FP6 activities, Prof Centi considered whether the NEST approach of stimulating unconventional, innovative ideas would be suitable for the STREPs. The conclusion was that the NEST approach was perhaps too broad and unfocused an approach to be generally adopted for the STREPs. Whilst having a specific prescription could stimulate competition of ideas in the same topic, it might also, unfortunately, restrict the promotion of novelty.

Prof Centi was in favour of **two-step submissions** and he supported his argument with the following two points: firstly, in a two-step procedure the first step will consist of a brief, succinct description of the S&T content of the proposal, allowing for a separation of the scientific aspects from the other aspects (such as management), or, in other words, with the two step submission the focus remains on the scientific and technological issues and is not diverted to other perhaps less important issues. His second point was that the referees' comments on the first proposal submission could be used to improve the project for the second-step submission.

Whilst the EU financial contribution to projects was considered adequate, it was observed that there can be huge differences in costs between participants from different MS. Tighter guidelines and stricter justifications of costs were recommended.

Presentation 2

The second presentation on ‘**Objectives & Characteristics**’ of STREPs was given by Dr Thomas Knacker from ECT Oekotoxikologie GmbH, an SME in Germany. ‘ERAPharm’ is a very focused STREP with 14 participants from seven MS and 1 participant from Canada. The topic of ‘ERAPharm’ is “Global change and ecosystems: Methods for risk assessment of pharmaceuticals in the environment”. The project is related to an IP (NoMiracle), i.e., the risk assessment is done by the STREP.

The presentation discussed the issues of approach, scope and partnership in STREPs, whilst at the same time drawing comparisons with IPs. As above, in the first presentation, Dr Knacker pointed out that it can be difficult to strike the right balance between, on the one hand, being specific and, on the other promoting novelty. Nick Hartly from the Commission (DG Research, Dir G, Head of Unit – Policy and Strategy) commented that since STREPs, like IPs, are focused instruments, it is right for the Commission to ask for specific instruments in order that the Commission achieves its strategic positioning. – On the subject of **resources**, it appears that during the negotiation process the budget of ‘ERAPharm’ was cut and that the consortium was not given sufficient reasons or justifications for the reduction of the EC contribution. It was suggested that budget reductions in both IPs and STREPs needed to be more transparent. – Further on scope in terms of **duration**, the current 3 years for a STREP seems appropriate, provided that in exceptional cases a longer duration could be applied for. For IPs the current duration of typically up to 5 years was judged to be fine.

A **consortium** consisting of partners with well-established working relationships seems to be the best basis for successful collaboration. It was also suggested that organisations with exclusive management responsibilities should not be part of the consortium.

Discussion

The discussion started off with comments on the subject of SME-led STREPs and some workshop participants recommended that the Commission should provide better guidance for SMEs, particularly with regards to evaluation and negotiation issues. Next to the bigger players, SMEs feel inexperienced and perhaps even disadvantaged. The point was also made that any delays in starting the project cause particular problems for SMEs (appointments of staff on time, etc)

The discussion turned to **clustering**. One workshop participant related how his STREP was forced by the Commission to ‘cluster’ with other projects in order to achieve common deliverables. It seems that from a technical point of view the clustering made perfect sense. What the consortium found difficult to accept was the way in which the clustering was forced rather than discussed. Others commented that they had had similar experiences and it was proposed that in future more discussions should take place and that ‘soft’ rather than ‘hard’ clusters should be established.

The Chair channelled the discussion towards **specificity of the Work Programme and the Call** text, and he explained that initially the purpose of specificity was to reduce over-subscription. The views were much divided with some arguing for less specificity and no prescription of the type of instrument, i.e., to leave the choice to the instrument to the consortium. Others, however, preferred the Commission to take a precise approach and also prescribe the instrument. At this point it was suggested that the evaluation procedure should not penalise proposals with a more focused approach than described in the Work Programme. One commentator proposed an approach somewhere between the very open style of NEST and the traditional, specific approach of STREP. The Chair commented that under FP7, NEST will be incorporated in each thematic area, allowing for projects with an open, flexible approach.

Noteworthy at this point is that **those attending the workshop were united in their view that STREP-like projects should continue under FP7. A significant number were happy with the STREPs as they are at**

present and recommended that a fair share of the budget should be allocated to this type of project. The further suggestion was made that several STREPs could come together in a coordination action in order to share experiences and best practice; it was recommended that these STREPs should be given the opportunity to apply for an extension up to four years.

Main points of Sections 1

The main points made during the discussion of the first Section on the objectives and characteristics of STREPs were as follows:

- For those present at the workshop, the participation in a STREP had been on the whole a very positive experience
- **A significant number were happy with the STREPs as they are at present and recommended that a fair share of the budget should be allocated to this type of project**
- SMEs on the whole prefer the traditional, smaller STREPs to IPs
- A careful balance must be struck between the specificity of the work programme/call text and encouragement of novelty and innovation
- Consortia consisting of well-established working relationships work best
- If clustering is necessary, 'soft' clusters work best

Section 2: Submission and Evaluation

The second section of the Workshop on the **'Submission and evaluation'** of projects was introduced by Nick Hartley (DG Research, Dir. G, Head of Unit – Policy and Strategy) who stressed that in accordance with the name given to the STREPs they were intended for specific targeted research projects with relatively small consortia. He also pointed out that since the start of the current Framework Programme quite a lot had changed, such as, the range of information given to the participants before proposal submission and during the evaluation stage, electronic submissions, etc., and that these changes had an impact on the submission and evaluation procedures and needed yet fully to be addressed in the planning of the next Framework Programme.

- **Topics 1 & 2: Prior to Closing Date / Submission Procedures**

Presentation

Lydia Smith from NIAB, an SME in the UK, gave the presentation on both topics 'Prior to Closing Date' and 'Submission Procedures'. NIAB is in the coordinating role of the project SIGMEA in the priority area SSP. On the first subject of 'prior to closing date', Ms Smith began by saying that in the consortium's experience it had not been a level playing field since there had been a lot of leakage of information prior to the Call. She registered some further problems in that the information given by the Commission was not consistent; changes were introduced without adequate warning, e.g., clause 39 on audit certificates was introduced at a later stage but not all project coordinators became aware of this for some time; routes to information were sometimes presented in an odd way; if guidance was available, it needed to be collected from a range of sources. The recommendation was made that the information provided by the Commission had to be consistent across the DGs and Units. If, as with clause 39, a change was introduced later in the Framework Programme, all project coordinators should be informed by email.

In SIGMEA's experience the NCPs fulfilled a useful role. Whilst NCPs information days were highly effective, they were not free, and consequently SMEs found it difficult to attend these events.

Ms Smith furthermore observed that in her field there was sometimes a lack of clarity as to why an IP had been prescribed rather than a STREP, or why a large rather than a small budget was set aside for certain projects/instruments.

With regards to the **submission procedure**, this consortium was generally in favour of **electronic submissions** although they had had difficulties in getting the necessary codes for participants. The suggestion was made that a warning light should come on when the submission was incomplete. Ms Smith wondered whether all the information asked at submission stage was really necessary for the submission and evaluation procedure.

The subject of **single vs. two-step proposal submission** was explored next. Ms Smith argued for the latter since in her view it weeds out the doomed proposals, and also gives more time and better opportunity to improve the proposal for the second phase. On the down-side, however, she noted that it can be challenging to describe a project in the space of a few pages allowed for stage one. In her experience, the duration of the second stage of the submission has sometimes been too short and consequently it has been difficult to do justice to the project. - Ms Smith also regretted that there were no facilities for challenging the results of an evaluation.

Discussion

Nick Hartley, the moderator of the above session, responded to the last comment made in the presentation by saying that under FP7 a more general move to two-step submissions would be very likely, and that the duration of each step would yet have to be decided.

Contrary to the argument made in the above presentation for two-step submissions, quite a number of the attending project coordinators felt that for STREPs, one-step submissions were preferable. If the two-step system would be adopted, it was argued, then the evaluation criteria should be reduced and the Commission would have to provide clear guidance on what was expected from the first-step submissions.

Regarding electronic submissions, the coordinators found the EPSS satisfactory.

- **Topic 3: Evaluation**

Unfortunately, Harilaos Psaraftis, the project-coordinator of EU-MOP, a project led by the National Technical University of Athens (GR) could not attend the workshop. Alan Cross (DG Research, Dir A, Unit for research Programmes Implementation) introduced the third topic on 'Evaluation' and initiated the discussion with regards to the following issues: clarity and interpretation of the criteria, quality of feed-back from the Commission, comparison with national and other schemes, and the timing of the response to applicants.

The discussion focused first on the **evaluation process**. Although the general view was that the comments in the ESR were helpful, the following suggestions to improve the system were put forward: during the negotiation process the Commission should follow up the comments made in the ESR; whilst some criteria of the evaluation were felt to be good and essential, i.e., the scientific criteria, others, like management were given too much importance. In this connection the point was made that since the management structure of a project can easily be changed and improved there is really no reason why a project should be rejected because of the initial weak management structure.

Commenting on this last point, Alan Cross pointed out that since the Commission cannot fund all good proposals, the management criterion is one way of addressing over-subscription. Mr Cross went on to say that under FP7 the focus will be on three criteria, namely, S&T, impact and implementation.

Still on the subject of **evaluation criteria**, a number of the project coordinators commented that the '**relevance**' criterion had caused a lot of concerns in FP6. As already indicated above, this problem has already been addressed in that under FP7 there will no longer be a 'relevance' criterion.

The discussion moved on to the **quality of the feed-back**. The first commentator stated that the feed-back his consortium had received via the ESR, revealed that the evaluators had in fact not been experts in the scientific area they had evaluated. From other comments made, it appears that quite a number of the project-coordinators had had the experience of evaluators working in a field outside his/her scientific expertise. - With respect to the speed with which the ESR or feed-back was sent to the consortia, one participant noted that they had experienced considerable delays when they had been unsuccessful but not when they had been successful. Nick Hartley from the Commission thought that this was rather strange since an information letter was sent to the coordinator with every ESR. He wondered whether it could be possible that coordinators did not inform the members of the consortium if the proposal was unsuccessful.

Picking up on a point made in the earlier presentation on submission procedures, a number of coordinators felt that there should be mechanisms for challenging the outcome of the evaluations. The problem of unexplained budget reductions was also made once more, and it was recommended that if there were budget cuts, the ESR should give a clear explanation and justification why the EC support was reduced.

Main points of Section 2

The main points made during the discussion of the second section on the 'Submission and evaluation' of STREPs were as follows:

- Two-step submissions would on the whole be preferable, provided the Commission gives clear guidance on the requirements of each step, and provided the duration of the second step or phase is long enough
- Two-step submission and evaluation procedures would have the added benefit of being more cost-effective for participants
- The information provided by the EC and the interpretation of these texts must be consistent across the DGs and Units
- Project coordinators must be informed by the Commission of changes to the EC documents which impact on project management of existing projects
- A lack of clarity in the evaluation and negotiation procedures was noted. Both procedures need to be reviewed – in particular, the evaluation criteria need to be reviewed. It was also suggested that the EC introduce mechanisms for challenging the outcome of the evaluations
- More care needs to be taken in the selection of the experts for the evaluations so that a better match with the specific scientific content of the proposals is established
- If the evaluators recommend a budget reduction, this recommendation needs to be justified in the ESR
- Electronic submissions, EPSS, work well

Section 3: Negotiation, Contractual & Financial Issues

Megan Richards (DG Research, Head of Unit for regularity and cross-cutting matters) introduced the section on the negotiation procedure, and she went on to stimulate the discussion by asking the following questions:

- How useful was the Consortium Agreement?
- Was the greater flexibility that FP6 provided a positive more?
- How well did the distribution of EU contribution/pre-financing work?
- FP6 introduced some significant changes to IPR – did these changes work well or were there problems?
- With regards to the management costs, is the current reimbursement of 100% up to 7% of the total EU contribution adequate, too little/too much?

• Topic 1: Negotiation

Presentation

The presentation by Dr Hans-Jorg Isemer, Head of the contracts office of the German company GKSS Forschungszentrum Geesthacht GmbH, was very detailed and offered many helpful suggestions. Dr Isemer's comments were based on his experience of MOREPOWER, a STREP with nine partners (five academic and four industrial partners), with a duration of three years and a budget of 2.1 mill. Euros. Dr. Isemer began by making the general point that the Commission information had greatly improved since the start of FP6, both in terms of clarity and availability of documents. Specifically on **negotiations**, he made a strong case for the **CPF editor** to be replaced by a web-based tool, and he furthermore recommended that the Commission should introduce just one tool for proposals, negotiations and the subsequent reporting requirements. He suggested that such a tool should be tested by a **user group** before it is launched.

Again, to avoid unnecessary work and repetitions, Dr Isemer recommended that the Commission establish a central database with standardised categories (e.g., if a participant is entered as 'PNP' he will always appear under this code) which could be used by all participants.

In order to avoid conflicting information being given by different EC staff, it was suggested that all Commission personnel be trained.

The issue of **unexplained budget** cuts was once more raised and, as above, it was recommended that the justification should be given in the ESR.

Basing his comments on the **time to contract** on GKSS' current 26 FP6 projects, Dr. Isemer argued that the TTC could be reduced and that due to internal Commission procedures too much time elapsed between the evaluation and the negotiation of the project.

As regards the start date of the project, MOREPOWER had a fixed starting date and this worked very well for this project.

Discussion

The discussion that followed this presentation was brief - it may be assumed that most of the workshop attendants felt in harmony with what had been said and recommended. One commentator observed that his consortium had been under the impression that entering into the **negotiations** meant that they would discuss and negotiate with the Commission. However, the reality had been otherwise since at the negotiation everything had in fact BEEN already decided. Megan Richards from the Commission commented that the negotiation procedure had been improved and that during the negotiations necessary changes to the scientific part or the budget of the project were discussed, explained and justified. Moreover, during the negotiations the budget could go up or down, and that the ESR was not the end of the story. She conceded that at the start of FP6 due to huge over-subscriptions there were some drastic budget cuts.

- **Topic 2: Contractual & legal issues**

Presentation

The presentation on '**Contractual and legal issues**' was also given by Dr Isemer. There were no problems to report as regards the signature and entry into force of the contract. MOREPOWER had used a model **Consortium Agreement** (produced by HGF) which GKSS has used for all their STREPs. Although their main reason for using a Consortium Agreement was to safeguard their intellectual property, a CA should cover not just IPR but also the decision making process, access rights, common liability, and payment schedules. It was suggested that a consortium should have the freedom to decide whether or not to have a CA.

On the issue of **collective responsibility**, the MOREPOWER consortium decided on retaining a small percentage of the budget for risk protection (similar to the provisions foreseen under FP7).

It was noted that **amendments to contracts** have improved under FP6 and that they now involve far less administrative procedures. The same is true for budget re-allocations which now no longer require contract amendments. All this, it was stressed, were welcome, positive developments helping to speed things up.

Some further comments were made on intellectual property rights, but since this topic was dealt with later in the Workshop, the comments will be given below under the relevant heading.

Discussion

In the ensuing discussion, one commentator observed that where there is common liability in a project there is a definite need for a Consortium Agreement. A Commission member of staff pointed out that under FP7 the situation will change with regards to common liability and that it is foreseen that a small percentage of the budget will be retained for risk protection.

A number of project coordinators agreed that Consortium Agreements were very useful and in certain cases absolutely essential.

- **Topic 3: Financial issues**

Presentation

Dr Morten Poulsen from the Danish Institute for Food and Veterinary Research (DK) spoke on the financial issues, the third topic of the Section on 'Negotiation'. Dr Poulsen is the project coordinator of NOFORISK, a STREP submitted under the priority area 5 (Food Quality and Safety). Addressing first the subject of **the cost models in FP6**, Dr Poulson commented that in this consortium's experience, the Additional Cost model had worked very well, and that the flat rate for indirect costs of 20% was fine. He wondered why an organisation could not use more than one type of cost model in parallel.

This project had encountered problems with the 70% **pre-financing**, and Dr Poulsen felt that in their experience it was a very difficult system to handle and that it should only be used for the first reporting period. He furthermore suggested that this system should be abolished under FP7.

As far as this STREP was concerned, **audit certificates** had caused a lot of confusion primarily because it was not entirely clear what the project coordinator's responsibilities were. It was put forward that the Commission provide a checklist which would clearly establish the coordinator's obligations. A regular newsletter with an update on additional information and changes might also be a good solution to this problem.

Discussion

The workshop participants largely agreed with the points made in the presentation. No comments were made on the subject of contributions from third parties. As regards the EU financial contribution, several commentators observed that there was not enough synergy with national funding sources. Since some of the other comments

made during the discussion, will come up again in the following section on 'Implementation', this Report will mention them there rather than make unnecessary repetitions.

Main points of Section 3

The main points made during the discussion of the third Section on the negotiation of projects (contractual and financial issues) were as follows:

- The information and the service provided by the Commission at negotiation stage was considered to have greatly improved since the start of FP6
- At time conflicting information is given by different EC officers: there must be one valid interpretation of EC texts. EC staff should be trained accordingly so that this consistency is achieved
- In some cases the time to contract was too long. When delays did occur, SMEs experienced the biggest problems because of employment issues
- The system of 70% pre-financing is experienced by some project coordinators as problematical
- Consortium Agreements are of great value in safeguarding intellectual property as well as to agree on decision making and payment schedules to participants
- Budget cuts proposed by the independent evaluators need to be justified in the ESR
- The procedure for making contract amendments has greatly improved since the start of FP6 and now involves far less bureaucracy
- The management budget of 7% of total EU contribution was judged by some not to be enough. - It should be noted though that some of the project coordinators attending the workshop were not aware that some management costs can also be charged to the RTD budgeted

Section 4: Implementation

Morten Moller (DG IST, Dir C, Head of Unit - Operations) introduced the section on '**Implementation**' by reminding the delegates that under FP6 the reporting and monitoring procedures had become considerably more flexible. As far as audit certificates were concerned, clause 39 offered a further flexibility. Given this move towards greater flexibility, Mr Morton asked the project coordinator whether there was now perhaps too much flexibility? For example, is there too much flexibility as regards the distribution of the budget among the participants and should the Commission be more involved and settle the budget distribution with appropriate clauses in the EC contract?

- **Topic 1: Reporting and monitoring**

Presentation

The presentation on '**Reporting and monitoring**' was delivered by Andre Van Leuven, of Dynamics Structures and System Int. (BE), the project coordinator of TURNOUTS, a STREP submitted under priority area 6.11. This consortium decided on designing its own 'integrated' cost statements. The system was explained in some detail. Moving on to more general matters, Mr Leuven remarked that for industrial participants there was a difficult imbalance between the EU contribution of 50% to RTD and 100% of Management. He also pointed out an

inconsistency in EC tables, i.e., whilst in Form C and table 8.2 there was a clear distinction between RTD and Management, at other times no such distinction was drawn between the two activities.

A number of problems were highlighted regarding the **audit certificates**: too much of the budget goes on administration/management; audit certificates cause delays; the 45 days for reporting and issuing of the audit certificate was too short. Mr Leuven suggested that audit certificates be abolished since in his view they added no real value and cause delays.

As regards **cost statements**, Mr Leuven recommended that the Commission should decide on whether paper versions with signature or electronic versions without signature are preferable.

Discussion

In the discussion on **audit certificates** a number of project coordinators agreed with the comments made in the presentation, i.e., that they added little value but other found them useful. The project coordinator of an SME-led STREP argued for having audit certificates but that the Commission should be clearer about who should bear the costs. The workshop participants were generally agreed that too much of the management budget goes on auditing and that the lack of distinction between management and audit costs had caused problems.

Turning to **reporting procedures**, several project coordinators felt that there was too much reporting in a STREP i.e., that annual reporting plus six monthly interim activity reporting was too much. Taking up this point, the Chair explained that at negotiation stage a consortium can agree with the Commission on frequency of activity reports. He explained the reason for the reporting requirements and he stressed that what the Commission needs to see was a clear breakdown of the activities so that the progress of the research can be monitored. M. Karapiperis went on to say that at the start of FP6 a simplification regarding cost claims had been introduced which eliminated cost categories. He asked the participants whether one should go back to the FP5 situation and re-introduce cost categories? The answer from the project coordinators was a decided 'no' not only because the FP6 approach of having no cost categories was simpler but also because it offered the advantage of switching funds between categories.

There was a strong feeling amongst the STREP representatives that **the financial reporting period of 45 days was too short** and that 60 days would be more appropriate.

- **Topic 2: Management**

Presentation 1

Two presentations on '**Management**' were received. The first was by Dr. Klaus-Michael Koch from the Technicon Forschungsgesellschaft mbH, a privately owned research and planning company in the microelectronic sector (AT). Dr Koch is the project coordinator of SCARD, a project submitted under priority area 2. Although the management tasks of a STREP are considerable, in Dr Koch's view the work is worth it since STREPs offer possibility of staying in touch with industrial technology leaders. The method used by this company is to appoint specialists for the different management tasks of finance, organisation and assessment. The IT infrastructure was considered to be of great assistance. Interesting was that in this company's experience, management tasks are primarily carried out by women. As to the challenges involved in managing projects, Dr Koch listed the lack of expertise and quickly changing work force, dealing with different MS and their cultures, the dependency on the performance of the other participants in the consortium, and finally, the cultural differences between academic, and industrial/SME participants.

As to **flexibility**, is there enough? Dr Koch's view flexibility depended on mutual interest within the project group, trust between the partners, the relationship with the project officer at the Commission, and not least on the promise of positive project outcomes. It was stressed that for financial issues one needs clear Commission regulations. He also argued against too much continuity from one Framework Programme to another since in his opinion the review and change of instruments can help to break entrenched problems.

Turning to issues associated with the **distribution of the budget** among participants, the point was made that since the distribution of the management budget is left to the consortium this can lead to difficult negotiations

between the partners. - It was suggested that it should be easier for the budget of under-performing partners to be shifted to the rest of the consortium. At the end of the project, it should be possible for the unused budget to be distributed among the rest of the consortium.

On the subject of **conflict resolutions**, a number of issues or situation were listed which cause conflicts, e.g., frequently changing project leaders, the lack of communication skills, cultural differences. It was stressed that although email is fast and efficient, face-to-face communication is much better. Having mixed gender groups, it was suggested, also helped to avoid or resolve conflicts.

Presentation 2

The second presentation was given by Prof Jozef Korecki from the Polish Academy of Sciences (PL), the project coordinator of DYNASYNC, a STREP with seven participants (all from academia) and a budget of 2.2 mill euros. On the question whether there was enough **flexibility**, Prof Korecki pointed out that whilst flexibility was welcome, the rules should not be changed too frequently.

On the subject of the **distribution of the budget**, this STREP had experienced no problems. Prof Korecki strongly recommended that a Consortium Agreement should cover all the details regarding payment structures. In the case of DYNASYNC, the consortium had decided to keep a small percentage of the budget in case of unexpected problems.

Again, for **conflict resolution**, the importance of having a Consortium Agreement was pointed out. Prof Korecki suggested that for STREPS Consortium Agreements should be mandatory. The CA should have clauses on decision making and how disputes will be resolved if they cannot be settled amicably.

• Topic 3: Dissemination/exploitation

Since the foreseen presenter of topic 3 on 'Dissemination/exploitation' could unfortunately not attend the workshop, the proceedings went straight into the discussion of IPR issues.

The comments were focused on the subject of **pre-existing know-how** which according to the FP6 EC contract is given 'on a royalty-free basis'. The recommendation was put forward that in FP7 this clause should be deleted. Echoing an earlier comment made by Megan Richards (DG Research, Dir. A, Head of Unit for Cross-cutting and Regulatory Matters), Denis Dambois (DG Research, Dir M, Unit for Political Aspects, Private Investments, and Relations with the EIB) explained that under FP6 this clause was frequently misunderstood and that there was no need to exclude all intellectual property if it is remote from the project. However, if it is central to carrying out the project it should not be excluded. The clause is intended for individual 'pieces' of know-how or for borderline cases, and in these instances if the IPR is to be excluded one should do it with the agreement of the other participants.

Main points of Section 4

- There was strong agreement that project management for STREPs can be very demanding and time consuming, but also worthwhile and that the management budget of up 7% of total EU contribution was not enough, especially in view of the high cost of audit certificates
- The reporting requirements for STREP's are considered to be too arduous
- The financial reporting period of 45 days is too short, and should be extended to 60 days
- Audit certificates can cause delays and they take up too much of the budget. The value of audit certificates is not clear, and there should be a clearer distinction between management and audit costs

- There was unanimous agreement that the elimination of cost categories in FP6 was a positive move
- Some project coordinators found that there is now too much flexibility, in particular with regards to the financial issues and the payment of participants
- Consortium agreements are of greatest value and should include next to IPR issues also clauses on the payment partners and conflict resolutions
- The clause in the FP6 model contract on pre-existing know-how has caused problems and should be reviewed in FP7

Section 5: Lessons for FP7

Section 5 of the Report is based on the key findings and comments put forward during the IP Workshop. The following is a summary of the recommended lessons for FP7:

- STREPs must definitely continue under FP7. Since STREPs have a big role to play in structuring the ERA, a fair share of the budget should be allocated to this type of project
- Since IPs and STREPs have different objectives, the proposed Funding Scheme for Collaborative Projects should allow for these distinct types of projects to continue under FP7
- Although the EC information and availability of texts has greatly improved since the start of FP6, there must yet be clearer guidelines and regulations for STREPs in FP7
- Two-stage submission and evaluation procedures would be preferable – not only would this system be more efficient but it would also reduce the costs for participants
- There must be one valid interpretation of Commission texts given by all EC officers, including scientific, finance and administrative officers. EC staff should receive training in this respect
- Generally speaking, the service provided by Commission staff as regards the submission, evaluation and the negotiation of proposals is considered to be good
- A big problem is the budget cuts and they need to be explained and justified. If the budget is reduced due to a recommendation from the independent evaluators, the ESR needs to give a justification
- The situation regarding audit certificates will have to be reviewed, particularly with regards to their costs in relation to the management budget and the overall budget for RTD
- The reporting procedures for STREPs are demanding and should be reviewed
- The EC funding of the management budget, currently of 7% of the total EU contribution will need to be reviewed
- The clause on pre-existing know-how in the FP6 model contract has caused a lot of confusion and needs to be changed

- SME participation in STREPs needs further review, particularly with regards to SME-led STREPs and the level of responsibilities in proposal preparation and project management
- In conclusion, no radical changes are proposed for STREPs but rather a fine-tuning of this type of project for FP7

Conclusion

The Chair thanked the participants most warmly for taking part in the STREPs dedicated workshop, and for contributing with their first-hand experience and comments to the definition process of the Funding Schemes in Framework Programme Seven.

Annex 1

List of participants at the STREP workshop

- Dr Klaus-Michael Koch, Technikon (AT), STREP project SCARD, (priority area 2)
- Prof Mikael Holmesland Snarud, Agder University College (NO), STREP project EIAO (priority area 2)
- Prof Jozef Korecki, Polish Academy of Sciences (PL), STREP, project DYNASYNC (priority area 3)
- Dr Marcus Wilhelmsson, Chalmers University of Technology (SE), STREP project AMNA (priority area 3)
- Edgar Uhl, Autoflug GmbH (DE), STREP project 'HeliSafe TA' (priority area 4)
- Dr Morten Poulsen, DFVF (DK), STREP project NOFORISK (priority area 5)
- Dr Hans-Jorg Isemer, GKSS-Forschungszentrum (DE), STREP project MOREPOWER (priority area 6.i)
- Andre Van Leuven, Dynamics Structures & Systems Int (BE), STREP project TURNOUTS (priority area 6.ii)
- Dr Thomas Knacker, ECT Oekotoxikologie GmbH (DE), STREP project ERAPHARM (priority area 6.iii)
- Dr Frans J.M. Harren, University of Nijmegen (NL), STREP project OPTICAL NOSE (NEST)
- Prof Gabriele Centi, University of Messina (IT), STREP project ECLAT (NEST)
- Dr Filip Volckaert, K.U.Leuven (BE), STREP project AQUAFIRST (SSP)
- Mrs Lydia Smith, NIAB (UK), STREP project SIGMEA (SSP)