



HRK German Rectors' Conference
The Voice of the Universities



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UNIVERSITIES AUSTRIA



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

Keywords

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

Introduction

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

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

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

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

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

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

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

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

2. Implementing the knowledge triangle

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

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

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

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

4. Starting the simplification process

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

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

But there is still much work to be done in the member states and regions on questions of how the process of awarding funds, the process to access funds, as well

as advisory services can be organized for the European financial instruments. A "one-stop-shop" for advice on European funding instruments in R & D and innovation is certainly not the rule at the moment.

5. Allow innovation-friendly procurement policies

The new innovation strategy of the EU attaches great importance to innovation-friendly procurement policies for public organisations. The reality within the projects themselves reveals that the EU competition rules on procurement activities can hamper truly innovative R & D projects, as they can often only work with a single highly specialized supplier. In addition the "Common Procurement Vocabulary" (CPV) of the EU does not sufficiently take the specific needs of innovative research at universities and research institutions into consideration.

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

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

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

This opinion was adopted by:

The Presidium of the Conference of Rectors of Academic Schools in Poland on 11 March 2011

The Senate of the German Rectors' Conference on 1 March 2011

The Presidency of the Hungarian Rectors' Conference on 16 March 2011

The Board of Universities Austria on 14 March 2011