

Summary

- If Europe as a continent wants to remain competitive, it urgently needs determined action. The EU needs to significantly increase its investment in research if it wants to meet the ambitious targets of the new Europe 2020 strategy. As research-intensive universities play a crucial role in knowledge creation, research and innovation, it is more than ever important that the EU guarantees enough funding for a broad spectrum of excellent research in universities, especially at a time when public funding for universities at the national level is under considerable strain. The Framework Programme (FP) is one of the best tools through which the EU can stimulate and support research. As an association of leading research-intensive universities which all have extensive experience with the FP, LERU wants to share its views on how the next FP (FP8) should be developed. The paper makes recommendations in four broad areas.
- **Firstly, LERU emphasises the need to achieve a well-balanced division between funding directed, top-down, impact-driven and non-directed, bottom-up, science-driven research in FP8.** Although we consider top-down research funding schemes to be important, policy makers should realise that bottom-up funding schemes are key to ensure the long-term capacity of the research base to address future, yet unknown societal challenges. The most efficient way for the EU to increase support for science-driven research is to reinforce the strengths of the European Research Council (ERC) and the Marie Curie Actions.
- FP8 should be set up to reinforce international, intersectorial and interdisciplinary collaboration. LERU advocates including a Cooperation-like programme in FP8 because this programme has proven to be an optimal way for academia and industry to work together on an equal basis. In FP8 the entire chain of innovation should be taken into account in each programme and funding scheme, from basic research to the exploitation of research results. We suggest to develop Future and Emerging Technologies (FET)-like schemes in all directed research funding schemes. Restrictive IPR regulations disrupting the balance between industry-academia collaboration need to be avoided.
- **Secondly, to ensure the competitiveness and impact of European research, excellence must remain the most crucial driving force for research funding in FP8.** The creation of a more coherent, transparent and harmonised professional peer review system that uses excellence as the most important criterion for evaluation, would be a momentous improvement. Valuable and detailed feedback on all proposals should be provided after evaluation.
- It is important to ensure a harmonised, transparent and effective governance system for all FP8 funding schemes and for closely related Europe-wide schemes such as the nascent Joint Programming Initiatives (JPIs). LERU welcomes the principle of Joint Programming, but is sceptical about the present lack of transparency. We recommend that JPIs focus on addressing major societal challenges as defined by the relevant stakeholders in complete transparency, with the contribution of top researchers and with the EC acting as a gatekeeper.
- **Thirdly, the financial regulations for research need to be simplified and adapted to the needs of the research community.** To realise simplification, LERU favours reducing the variety of financial rules, which not only means harmonising the funding rules across the different funding schemes, but also harmonising the implementation of the different programmes and investing in uniform training of project officers and agency staff. The requirements for timesheets should be removed and the recovery process of reporting and auditing needs to be limited. The financial regulations need to support the financial sustainability of universities. Matching funding should be avoided as it leaves universities with serious funding shortfalls. Not all universities are able to move towards full costing in the short term and therefore LERU recommends a flexible approach from the EC, including the use of lump sums based on actual costs and of flat rates for financial accounting for all cost categories in FP8.
- LERU recommends caution when considering a radical shift towards output-based funding. We believe that such a shift would result in a whole new level of complexity. Before it could be contemplated, a thorough discussion among all stakeholders would be required on how to define and measure output.

- **Fourthly, LERU is in favour of a high-trust and risk-tolerant approach to funding research.** None of the proposed options in the EC's Communication on Simplification is suitable for all types of FP funding programmes. For frontier research we believe a high-trust award approach would be the proper option, while for technology-driven competitive research we could accept the use of pre-defined lump sums. For collaborative research projects, an output-based funding system could be valuable if used in combination with a high-trust approach based on actual cost. LERU proposes a trust-based certification approach in which the EC acknowledges national certification systems and usual accounting practice.