



**The ERC Scientific Council's response to the
Report on the Review of the European Research Council's
Structures and Mechanisms "Towards a world class Frontier
Research Organisation"**

25 August 2009

Note to readers:

The formal response of the European Commission will be released at a later date.

**Letter from ERC President Prof. Fotis Kafatos to
ERC Review panel chair Prof. Vaira Vike-Freiberga**

25 August 2009

Dear Professor Vike-Freiberga,

On behalf of the ERC Scientific Council (ScC) and the Secretary General (SG), I thank you and the rest of the Panel for your extremely helpful Report. We are aware that the Commissioner will be presenting the political response to your Report; and we are looking forward to receiving it. Hereby we wish to express our strong appreciation of your work, which also gives us the opportunity to provide our concrete opinion on subjects stressed by your recommendations. For clarity we have organized the present document in four Chapters (A-D), highlighted in green. Each chapter pertains to a cluster of related panel recommendations. Further, we have inserted in italicized red your Panel's recommendations and have put our own comments in bold black. All your recommendations are commented.

With kind regards,

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Chapter A. Basic Structure of the Evaluation and Reform Process

Background comments:

The Scientific Council wishes to express in no uncertain terms its strong appreciation for the cooperation and contributions to the ERC by the Commission, the responsible Commissioner J. Potočník and the pertinent Services, from the very beginning.

Recommendation 8: “The implementation of the recommendations put forth by this panel should be formally evaluated by an independent panel in two years time”.

As you know, we would have preferred one year. Two years should give ample time for all concerned, the Scientific Council included, to devote our best effort to the objective of making the ERC the World Class Research Organization that we all want it to be. To facilitate the process, the Scientific Council intends to follow carefully the implementation steps and to report on them in one year.

Recommendation 9: “Assuming that it has not been possible to achieve the goals of the ERC within an executive agency structure, steps should be taken to create a new structure under article 171, to be operative by the start of the 8th Framework programme”.

This recommendation is, without any doubt, very positive. Yet, we strongly believe that Article 171 should not be viewed merely as the "default" option to be resorted to in case of failure. Even if the process works reasonably well, and in light of the rigid structure of Executive Agencies, we feel the need for a more solid, permanent but flexible form of organization; this may well mean Article 171. (Even now, to give an example, the EIT already has been given a number of “Derogations” of the Financial Regulations, something that we have not been able to achieve: we understand that derogations are currently not possible for an EA).

In summary, it is our considerate opinion that the 171 option should be revisited in two years’ time unconditionally (and not only in case of perceived failure). Revisiting A.171 should not prevent every *bona-fide* effort to make the current, very constrained structure work; such efforts therefore are in principle compatible with postponing the ultimate decision on the structure for two years. However, to accomplish the desired outcome of making the ERC a successful,

permanent, world-class organization, all improvements suggested in the report are essential as is carrying them out with sufficient promptness.

Recommendation 7: "The Panel recommends that the Financial and Staff Regulations applicable be adapted to the specific needs of the ERC's mission".

The importance of this recommendation cannot be overstated. Most of the problems that the Scientific Council and the ERC as a whole have encountered repeatedly have been due to the rigidity of the legislation, also including the Executive Agency rules.

We welcome your emphasis on trust as a necessary component of the normal functioning of any good funding research organization. We also note that the recommendation has two parts (Financial and Staff), which differ in terms of complexity. The recommendation is appropriate both in the short and in the longer term, irrespective of whether the ERC takes an Article 171 direction in two years' time, or not.

It is relevant to recall that, in our view, it is part of the ERC's mission of scientific excellence to become a permanent institution, endowed with proper legal standing. Currently this is only true for the Executive Agency component of the ERC, and not the Scientific Council. Only as a permanent institution can the ERC continue over time to meet the needs and expectations of the European scientific community and other stakeholders. The adaptations of the Financial and Staff Regulations indicated by these Recommendations have to open the way to make the "institutionalisation" of ERC as a whole possible.

Chapter B. Governance and Organizational Issues

Concerning the Scientific Council

Recommendation 2: "The Panel recommends the setting up of a subcommittee of the Scientific Council to steer and control the construction of a database for the selection of Reviewers and panellists."

This helpful recommendation, to establish a Scientific Council subcommittee for recruiting and managing the ERC reviewers and panelists, will be implemented as a matter of priority. With the participation of the ERC Scientific Officers, the existing database will be constantly and substantially extended, improved, and put in full operation. The ultimate appointment of panelists should remain within the competence of the Scientific Council, which will consider proposals made by the subcommittee from a larger pool of names. The participation of Scientific Officers in this process will also mean that they will need to be encouraged and supported to attend Scientific Conferences, in order to keep up to date. We agree that these changes will strengthen and reinforce the evaluation system that has served the ERC well in the first phase of its operations.

We are pleased that the Panel recognized the exceptionally high quality of reviewers recruited by the ERC Scientific Council in the first phase of operations. We are committed to maintain this quality standard, both for the panel members and for the remote referees (external reviewers). The MTR Panel's further suggestion that the ERC establish a body of "permanent reviewers" is also helpful and will be pursued. Actual appointment of panelists drawn from this body should remain within the competence of the Scientific Council.

Recommendation 10: "The Panel recommends that the rules of conflict of interest be interpreted in such a way that it does not become an impediment to collaboration and action for seconded national experts".

The recommendations of this chapter are highly relevant as they will help considerably in attaining the high quality standards we are determined to uphold in one of the most fundamental aspects of the ERC work: the evaluation process. We also believe that the recommendation can be explicitly linked with Recommendation 13. The judgement of the Scientific Council should play a key role in specifying the conflict of interest rules and we have made repeatedly specific proposals, which still remain to be adopted for the ERC.

Recommendation 14: "The summarized minutes of the Scientific Council plenary meetings should be made public and posted on the web after each meeting of the Council".

We accept this recommendation wholeheartedly and with thanks for the suggestion.

Recommendation 12: “A Standing Committee of high calibre should be constituted as an Identification Committee which presents the Commissioner the names of candidates to replace outgoing members and the names of present members who should be renewed for a second four year term”.

This recommendation is fundamental to the entire enterprise. We want to recall here that the regulations currently in force specify that the Identification Committee will consult with the leadership of the Scientific Council. This should not be lost as it is very important to ensure a proper level of continuity. In fact, it may be a good idea that, in addition, the membership of the Standing Identification Committee includes one name suggested by the Scientific Council (possibly its Chair or a Vice-chair).

*Recommendation 1: “Considering that it is extremely important that the Chair and Vice Chairs of the Scientific Council be working scientists, and that they and their host organizations not be penalised as a result of them taking on these extra jobs, the panel recommends that financial compensation be given to the Scientific Council Chair and Vice Chairs in the form of a lump sum similar to those foreseen for the European Institute for Technology Chair and Vice Chairs.
A lump sum for administrative support should be paid to the institutions hosting the Chair and the Vice Chairs.
Adequate compensation should also be provided to other Scientific Council members for their attendance at meetings”.*

This proposal is overdue and it would be appropriate that it be rapidly implemented. We trust the Panel’s recommendation will resolve both the problem of financial compensation and of administrative support to the Chair and Vice-Chairs once and for all. The leadership of the Scientific Council has recognized its increased accountability under such terms and has doubled the frequency of Board meetings.

Chapter C. About the ERC Executive Agency (ERCEA)

Recommendation 4: “The Panel recommends that the positions of the Secretary-General and Director be merged. The new position should be filled by a distinguished scientist with robust administrative experience”.

We understand that an implication of this recommendation, with which we concur, is that in due time, the Director of ERCEA (and eventually also the Director of a possible successor Article 171 organization), should be filled by open call, with a single "distinguished scientist with robust administrative experience". In view of the strategic stand of the Report in favour of the merging of the scientific and management lines this is a logical position to implement preferably when the present, much appreciated ERCEA Director and Secretary-General complete their terms and step down. In case they do not step down simultaneously, the remaining person will be suggested by the Scientific Council for an interim ERC Director post.

There is, however, a prior and fundamental issue: the procedure for the selection of the Director. Explicit and stable procedures are key to the healthy development of organizations, and the ERC can be no exception.

The formulation of an appropriate selection procedure for the ERC Director flows naturally from the following two considerations:

- (i) In full consistency with the founding legislation of the ERC, the Commission and in particular the pertinent Commissioner, Janez Potočnik has put the Scientific Council in charge of the development of the strategic lines of the ERC. We wish to stress that the independence of the Scientific Council has been admirably respected by the Commission and that this constitutes an inestimable source of strength for the ERC. We equally appreciate the very competent, dedicated and effective work carried out by the DIS (now ERCEA), often under severe pressure and lack of precedent. The Director and staff of DIS/ERCEA deserve the warmest acknowledgement of the Scientific Council for their exceptional contributions.
- (ii) In page 37 of your Report it is said that if in order to achieve the goals of the ERC a new structure under Article 171 is to be set up, then the Scientific Council would be transformed into a

Governing Board. In page (vi) of the Executive Summary of the Report it is specified that this Governing Board should be composed of at least 75% of scientists.

We believe, in consequence, that the appropriate step would be for the Commission to update its charge to the Scientific Council by the end of the present Commission's term. It should establish procedures which guarantee that the appointment of Director of ERCEA will result from the recommendation of a formally constituted Search Committee. This Committee will draft the Call for opening the position, receive applications, gather information, hold interviews, select candidates, etc. Recognizing that the Director will also be responsible for the management of the Agency, or its future equivalent, the presence of representatives of the Commission is indicated, but with a minimum of 75% of the Search Committee appointed by the Scientific Council. Also, given the very specific skills required, the search should be addressed to the best possible persons from EU member states, and not be restricted to current Commission Officials. On this matter maximal flexibility is indicated. As pointed out by the Legal Services of the Commission (Opinion of 12 June 2009, signed by J. Grunwald) a degree of flexibility is already provided in Article 29(2) of the Staff Regulations.

Once a Director with the appropriate expertise, characteristics and power has been appointed, we agree that the position of Secretary General may become redundant.

Recommendation 5: "The Panel recommends that the Director of the Executive Agency reports directly and regularly to the Commissioner in charge".

This recommendation constitutes, indeed, a welcome complement to the redefined and enhanced role of the Director, and of the Agency itself. It should also apply in the case of an Article 171 structure. Given the significant administrative and budgetary dimensions required in the ERCEA, the ERC Director should also report on these matters to the Steering Committee and Director-General.

Recommendation 6: “The Panel recommends the strengthening of the Executive Agency Steering Committee by creating a fair balance between the representation of scientist and non-scientist”.

We interpret and endorse this recommendation in the form expressed in page 35 of the Report: *“the Steering Committee should consist of two administrative representatives, two members of the Scientific Council and one outside distinguished scientist”*. A similar balance should be maintained in case the Steering Committee is further modified. Considering together Recommendations 5 and 6, it seems appropriate that the leadership of the Scientific Council be included in the Steering Committee.

Chapter D. Flexibility Issues

Recommendation 3: “The management of reviewers and panellist contributing to the programme should be drastically simplified and made as user friendly as possible”.

This recommendation should constitute, we hope, a decisive step in resolving a number of recurrent issues. The handling of remote referees will be a critical case in point. In addition to being operationally very important this issue has become highly symbolic. How the ERC reacts to the recommendation will be perceived by the scientific community as a test of its effectiveness – a test that we cannot afford to fail. Perceptible progress in managing our evaluators by the next Call is imperative. We do know, and are gratified by it, that significant efforts are under way to meet this serious challenge. Further, as concluded in the Report (page. 34), the Scientific Council believes that the legal basis exists for being “as user friendly as possible”. Indeed we would argue for a “very user friendly, world class frontier research organization”.

Recommendation 11: “The funding of research proposals should be made in the form of lump sums”.

Undoubtedly, this recommendation is critical, and points in the right direction. We thank the Panel for doing so. The recommendation requires a change in the Financial Regulations. For example, they currently only permit lump sum payments of up to 25.000,-€. As the

Report also indicates we recognize that there has to be a proper mix of flexibility and accountability (hence paperwork and records), categories of allowable and inappropriate expenses, conformity with accounting rules of the Host Institutions, etc. Yet, in these and all related respects, the ERC should be driven by the aim of fostering maximal and proper flexibility. It should align itself with the policies and practices of research councils (European or not) that are considered “World Class Frontier Research Organizations”. We are not yet there but we share the ambition expressed by the Report.

Recommendation 13: “A permanent committee of the Scientific Council dealing with conflicts of interest issues should be established”.

The Scientific Council, in its brief period of existence, has already given to this very important issue a lot of attention. It is therefore an excellent idea to formalize the updating of this activity under the purview of a permanent committee. We shall proceed to implement this recommendation without delay. The Committee shall apply best practices adapted to the European context (see also response to recommendation 10).