



Social Sciences

Call for proposals

Smart Governance

Part of the Social Infrastructure Agenda

Call for Full proposals

2013

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1 Introduction

1.1 Background

This brochure provides information on submitting a research proposal to NWO's Division for the Social Sciences (Maatschappij- en Gedragwetenschappen (MaGW)) for a grant for the programme 'Smart Governance'.

The programme 'Smart Governance' is closely linked to the NWO's Social Infrastructure Agenda (SIA), developed in 2011. Among the challenges currently faced by the Dutch economy and society, and societies across the globe, the SIA identifies: dwindling social cohesion, distrust of traditional institutions, insecurity in financial markets, demographic transitions and migration, globalisation, the reformation of social welfare systems, and the need for sustainable productivity growth.

The SIA details the contribution that the social sciences and the humanities can make to addressing these challenges and helping to maintain or further develop a healthy social climate and a sustainable socioeconomic system. This includes research into the transition towards more efficient forms of organisation and governance; the theme which is central to the programme proposed here. For a detailed description of the content of the programme 'Smart Governance' see appendix 6.1.

This call for full proposals is the second phase of the programme. In May 2013 a first call for Partnership Development was closed in which applicants could apply for a small grant that they can use for activities to develop partnerships with external parties, such as private, public and societal organisations. In July 2013 11 applicants received a grant of maximum 20,000 euro in this first call. Researchers who received a grant in the first call for Partnership Development are urged to submit a full proposal in this second call. Researchers who did not receive a grant for Partnership Development or who did not apply in the call for Partnership Development are allowed to submit a full proposal in the second call for proposals.

Each project will need to demonstrate the capacity to combine scientific excellence with a proven ability to make research results applicable for business and societal purposes.

The call for full proposals is open for proposals which address the research questions put forward in the programme outline (see appendix 6.1).

1.2 Available budget

The maximum budget for this call for proposals is 2.3 million euros.

1.3 Validity of the call for proposals

This call for proposals is valid until the closing date 14 January 2014.

2 Aim

The grant for the programme 'Smart Governance' aims to:

- stimulate excellent research in the field of this programme (see section 6.1);
- to stimulate multidisciplinary research on several scale levels (micro, meso, macro);
- to build viable partnerships between academic researchers and practitioners of private, public and societal organisations;
- to stimulate the articulation of research questions in collaboration with private, public and societal organisations;
- to generate funding by private, public and societal organisations;
- to stimulate the use and dissemination of knowledge and the transfer of developed (and existing) relevant knowledge to partners and users.

To achieve the above objectives a contribution can be expected from researchers with a background in economics and business, psychology, sociology, law, public administration, political science and history.

3 Guidelines for applicants

3.1 Who can apply

Researchers from the following knowledge institutions can submit proposals:

- Dutch universities;
- NWO and KNAW institutes;
- the Netherlands Cancer Institute;
- the Max Planck Institute for Psycholinguistics in Nijmegen, and
- researchers from the DUBBLE Beamline at the ESRF in Grenoble.

The programme 'Smart Governance' aims to stimulate excellent interdisciplinary research and partnerships between university and non-university partners, such as private, public and societal organisations. In order to achieve this goal all involved collaborating parties in a project need to establish a consortium.

A consortium is defined as a collaboration between scientific researchers who submit the proposal and one or more external parties. External parties are private, (semi-)public, or societal organisations such as companies, governmental bodies or NGO's. External parties are not allowed to request funding from NWO, but as a consortium partner they are obliged to make a specific contribution to the proposed research and/or to the submitted budget. Knowledge institutions, that are not one of the above knowledge institutions recognised by NWO, can participate in the consortium.

Proposals are submitted by a single principal investigator on behalf of a consortium. A proposal includes one or several co-applicants. Full professors, associate professors (UHDs) or assistant professors (UDs) may act as principal investigators if they are employed by a Dutch university, or a NWO or KNAW institute, and if they are employed for the duration of the application process and the duration of the research for which the application is intended.

The following submission conditions apply for the principal investigator and co-applicant(s):

- The principle investigator can only submit a full proposal if he/she first submitted an Expression of Intent (see section 3.3 and 3.4);
- A researcher may only submit two applications in this round, and only one as the main applicant. This means that he/she can be the main applicant for one application and a co-applicant for one application or a co-applicant for two different applications;
- Researchers who have submitted or plan to submit a proposal for Research Talent within the Division for the Social Sciences (MaGW) need to take into account that neither the principal investigator nor co-applicants for a MaGW Research talent grant may concurrently submit or have a proposal in process at MaGW. For more information, please contact Joris Voskuilen, coordinator of the Research Talent subsidy, j.voskuilen@nwo.nl.

3.2 What can be applied for

The requested budget for a grant in this call may range from 400,000 euro (minimum) to 500,000 euro (maximum). In the project at least two researchers (PhDs or postdocs) need to be appointed. The maximum duration of the research project is five years. The requested funding may be used for salary as well as material costs. The external partner cannot make a claim for the budget provided by NWO.

Co-funding

An important goal of the programme Smart Governance is to build viable partnerships between academic researchers and practitioners of private, public and societal organisations. In order to achieve this goal it is required that an external partner (or partners) within the consortium should make an actual contribution to the proposed research.

In cash co-funding

The co-funding should equal at least 25 % of the budget requested from NWO and this co-funding should be in cash. Co-funding is calculated on the basis of the budget requested from NWO and has to be added to the overall budget. So for an NWO grant of 400,000 euro, an additional 100,000 euro is required as co-funding, and the total project budget is at least 500,000 euro.

With regards to in cash co-funding of projects in this programme the following conditions apply:

- NWO is the main funding provider and co-funding should not exceed the budget requested from NWO. No conditions may be imposed on the provision of co-funding by the external partner(s). External partners cannot make a claim on the budget provided by NWO;
- Knowledge institutions, that are not one of the knowledge institutions recognised by NWO, can participate in the consortium and may contribute to the required co-funding budget;
- Contributions from knowledge institutions that are recognised by NWO cannot be included in the 25 % requirement;
- The co-funding should be confirmed in letters from the private and/or public partners who are acting as co-financier, to be enclosed with the full application (Letter of Commitment; see also Chapter 3.4);
- If the application is accepted, NWO will ask the private and/or public partners for confirmation of co-financing (confirmation of contributions by third parties). Further agreements must be recorded in a consortium agreement (see Chapter 3.5 and Appendix 6.2).
- The co-funding should be accounted for in advance: co-funding will be part of the NWO-budget. This means that after a project was awarded the subsidy, NWO invoices the private or public party that has committed itself to the research project with a cash contribution. The co-funding is assigned to the project after NWO received the money from the co-financier. NWO has the right to withdraw the grant in case the co-financier fails to provide the co-funding (Awb art. 4;48).

In kind contributions

In kind contributions by external partners will not be accepted as part of the required co-funding of 25 % of the budget requested from NWO, but could nevertheless be part of the project. Although in kind contributions cannot be regarded as part of the "25 % requirement", these contributions should be described in your proposal. That is because contributions that do not 'count' can still have a positive influence on the quality of the research and the chances of the results being valorised.

With regards to in kind co-funding of projects in this programme the following conditions apply:

- Admissible as in kind contribution:
 - o Deployment of personnel and material contributions as co-funding are accepted on the condition that these are capitalised and that these constitute an integral part of the project. This must be clear in the description and the planning/phasing of the research;
 - o Part of the research may be carried out by third parties. A condition is that the expertise supplied in the form of man hours should not already be available at the research institution(s) and is therefore specifically deployed for the project. For personnel support by third parties fixed rates apply for a senior or junior researcher (see [NWO website](#));
 - o Pledges in the form of supplying services are only permissible if the service can be monitored as an identifiable new effort. The service must not already be available at the research institution(s) that are carrying out the research. It can be the case that a partner wants to enter services already delivered (for example a database or software) as in-kind funding. However this will not automatically be accepted. In such cases you should contact NWO. In further consultation it will then be determined if a concrete value can be attributed to this service delivered.

- Not admissible as in kind contribution:
 - o Contributions from the research institution of the principle applicant or co-applicants or from institutions who can themselves apply for funding within the research programme;
 - o Costs related to overheads, supervision, consultancy and/or participating in a user committee;
 - o Costs for services that are conditional. No conditions may be made for the provision of in kind contributions. In kind contributions may also not be dependent on whether or not a certain stage of the research plan (e.g. go/no-go moment) is reached.
 - o Costs for equipment if one of the main objectives of the research proposal is the improvement/added value if this equipment;
 - o Discounts on commercial rates, e.g. on materials, equipment and services;
 - o Costs that are not funded by NWO according to the Call for proposals.

- The in kind contributions should be accounted for when the project is finished. External parties have to account for the in kind contribution within three months after the research project was finished by submitting a specification to NWO of the costs that were made for the project.

- The request to settlement of the in kind contribution has to be submitted to NWO by the project leader together with the application for final settlement of the grant and accompanied by a joint final report. An auditors' certificate is required if the in kind contribution is higher than 125,000 euro; in other cases it will suffice to submit a written statement by the project leader in which is stated that the in kind contribution was indeed delivered.

- NWO will invoice the external party that has committed itself to the project with an in kind contribution for (part of) the in kind contribution, if the external party in the end does not deliver (part of) the promised in kind contribution. NWO has the right to withdraw the grant (Awb art. 4:48) in case the in kind contribution cannot be accounted for when the project is finished.

Personnel

At least 80 % of the budget applied for at NWO via the Smart Governance programme must be used for the appointment of PhD students and/or postdoctoral researchers at a Dutch university, NWO or KNAW institute. No more than 10 % of the staff budget may be spent on researchers with a tenured position at a Dutch university, NWO or KNAW institute (replacement grant), but only for scientific activities within the framework of the proposed research; this should be specified and substantiated. Costs for the supervision of PhD students or postdocs will not be funded by NWO, nor can funds be requested for non-scientific staff.

Full salary costs for PhD students and postdocs will be reimbursed as lump sums in accordance with the agreement between NWO and the VSNU on funding researchers. In these lump sums salary costs are indexed and the risk of unemployment pay (wachtgeldrisico) is redeemed. A bench fee is included in the lump sum. The appropriate salary tables will be published on the [NWO website](#). These tables should be used to calculate the staffing costs for PhD students and postdocs.

PhD students

Budget can be requested for one or more PhD students for either a period of three or four years maximum (full time). In case budget is requested for a period of three years, please note that no time for training is available for the PhD student within the requested budget. A part-time appointment (with a minimum of 0,8 fte) is possible, provided that it is requested in the application. A PhD student may only be appointed from the first year. A bench fee for the PhD student is added to the requested budget. The bench fee is to cover the costs made by the PhD student for the research, e.g. visiting conferences and costs related to the promotion ceremony.

Postdocs

Budget can be requested for one or more postdocs for a period of four years maximum (full-time). A bench fee for the postdoc is added to the requested budget on condition that the postdoc is appointed to the project for a minimum of two years with a minimum of 0,5 fte. The bench fee is to cover the costs made by the postdoc for the research, e.g. visiting conferences and costs related to poster presentations. A part-time appointment (with a minimum of 0,5 fte) is possible, provided that it is requested in the application. A postdoc researcher must have obtained his/her PhD at the time of the appointment or the date of the PhD defence should already be set and take place within six months of appointment.

Replacement grant

Budget can be requested for a replacement grant. This grant offers professors and senior lecturers (UDs or UHDs) the opportunity to be partly discharged of their teaching obligations in order to do scientific research for the project. A replacement subsidy will only be awarded if the applicant is able to demonstrate that a grant for a PhD student or Postdoc will not suffice. A replacement grant can cover for costs for replacement staffing (at the salary level of a postdoc). The maximum reimbursement for replacement staffing cannot exceed 10 % of the total staff budget.

Material costs

A grant can also be requested, with the application, to cover material costs like:

- procuring special equipment and consumables needed for the research, except for computers;
- conducting interviews and surveys;
- procuring databases;
- travel and hotel costs;
- organising national and international workshops and meetings.

Not all expenses are covered:

- the costs of using computers at university computer centres and fees for using laboratories are not eligible for a grant;
- accommodation, overhead and depreciation costs are not eligible for a grant;
- the costs of equipment, consumables, or administrative or technical assistance that are part of the standard facilities package of a university or research institute are not eligible for a grant either.

In addition, the following costs are not covered:

- costs incurred to obtain an auditor's report;
- costs incurred for arranging and/or acquiring and performing contract research, including any other indirect costs attributable thereto;
- reservations for future costs or the formation of reserves.

Material costs should be accounted for both financially and substantively. When awarding a grant NWO reserves the right, due to budgetary considerations, not to assign the full amount for requested material costs.

In so far as it is not set down in the brochure, Smart Governance grants are subject to the NWO Regulation on Granting. The document containing this regulation can be downloaded from www.nwo.nl/regelingsubsidieverlening. To obtain the English version, click on the language button on the left hand side next to the search field.

3.3 When can applications be submitted

Note! Before submitting a research proposal, principal investigators must express their intention to do so. For this purpose an Expression of Intent form to be submitted via Iris is available on the website. A full proposal can only be submitted if the intention to do so has been expressed by the principal investigator earlier.

The closing date for the submission of Expressions of Intent is **5 November 2013** (13:59 CET)

The closing date for the submission of full proposals is **14 January 2014** (13:59 CET)

The form for the Expression of Intent can be downloaded from the website. The form for the full proposal will become available at the same website shortly after 5 November 2013.

3.4 Preparing an application

Your grant application has two parts: a fact sheet and the application form.

- You complete the fact sheet directly in NWO's electronic application system Iris.
- The application form is on the grant page for this programme on the NWO website. As soon as you have completed it you can add this form to the Iris fact sheet as a PDF file.

Expression of Intent

The Expression of Intent has to be submitted through Iris. It suffices to submit the fact sheet; no proposal has to be submitted. The fact sheet includes the name and contact information of the principal investigator, the names of the envisaged co-applicants, the proposed title of the project and a summary of the proposed research. The summary does not exceed 400 words and contains the names of the envisaged external partner(s) and a concise description of the proposed research. Submitting a factsheet serves as the Expression of Interest and is a requirement for submitting a full proposal.

Expressions of Intent are not subject to the assessment procedure mentioned in paragraph 4.1 of this brochure, and no selection will take place. NWO may contact the principal investigator in case the information provided suggests a problem with the eligibility (see chapter 3 of this brochure) of the full proposal to be submitted.

Application form

Proposals must be drafted in English and can only be submitted using the correct application form. For further instructions please see the application form, that will be made available at the website shortly after 5 November 2013.

Letter of commitment

When submitting the full application the financial commitment of the partners must be confirmed by letters of commitment by these partners, addressed to the principal investigator. See for a template of this letter of commitment appendix 6.2. The letter of commitment should contain an explicit statement of the agreed financial contribution and - if applicable - capitalised staff and/or material contribution and an explanation of how the results of the research will contribute to developing policy or practice. The amounts stated in the letter must correspond to the amounts in the application budget, as well as with the external partner's activities described in the application and the planning. This letter must be attached to the application.

3.5 Specific conditions

NWO framework for Public-Private Partnership (PPP Framework) (see Appendix 6.2)

At the start of the project the consortium partners must conclude an agreement on the rights (e.g. copyrights, intellectual property, etc.) on output to be developed within the project. Should this not occur, MaGW can revoke the decision to award funding.

NWO uses a PPP Framework for public-private partnership, which describes the minimum requirements a project agreement must meet. It involves recording agreements on consortium governance, finances, publications, intellectual property, liability and disputes. The NWO terms of reference regarding intellectual property (IP) and knowledge transfer are set out in this PPP Framework. When a researcher submits a proposal, the consortium partners must confirm that they have taken note of the PPP Framework, the NWO terms of reference regarding IP and the knowledge transfer rules contained therein. Before a granted project begins the project partners must conclude a project agreement in accordance with the PPP Framework.

Other specific grant conditions

The programme office will not process any proposals to which one or more of the following applies:

- the Expression of Intent was not submitted before the deadline via Iris;
- the application was not submitted online via Iris;
- the application was submitted after the deadline;
- the application does not meet the requirements of this call for proposals;
- in the application the maximum number of words for specific sections is exceeded;
- the application form was incorrectly or only partially completed and the applicant failed to respond to a request to rectify the situation;
- the application was not submitted by a professor, associate professor (UHD) or assistant professor (UD) employed at one of the knowledge institutions mentioned in section 3.1 on behalf of a consortium;
- the application does not meet the requirements for co-funding as mentioned under section 3.2 in this brochure and does not contain a letter of commitment of external partner(s) concerning the required co-funding.

If correction is possible, then the applicant will be given the opportunity to correct his/her application within two working days of being contacted by NWO. If the application is not corrected within that timeframe, the application will not be considered. If the application is corrected within that timeframe and can be declared officially admissible, it will be processed.

The Board of the Council for the Social Sciences reserves the right to have an application shortened or changed for substantive scientific, policy or budgetary reasons as a condition for granting the application.

Should a proposal be rewarded, MaGW generally appoints the principal investigator as the programme leader. This principal investigator will receive the MaGW guidelines for project/programme leaders and NWO's general subsidy regulations.

The research must start within six months after the allocation of the subsidy with the fulfilment of at least two staff places.

The grant is valid for no more than five years. Should the subsidised research exceed this duration NWO-MaGW reserves the right to take fitting measures. MaGW monitors the progress and evaluates the results of the subsidised research, using the project's planning and listed expected output as mentioned in the application. In the event that MaGW finds that the output is considerably lower than as mentioned in the application, it reserves the right to impose a sanction according to the terms and conditions of the allocated subsidy.

3.6 Submitting an application

An application can only be submitted to NWO via the electronic application system Iris. Applications not submitted via Iris will not be admitted to the selection procedure. A main applicant is obliged to submit his/her application via his/her own Iris account.

If the main applicant does not have an Iris account yet then this should be created at least one day before the submission. Then any possible registration problems can still be solved on time. If the main applicant already has an Iris account then he/she does not need to create a new account to submit a new application.

For technical questions, please contact the Iris helpdesk.

In accordance with the agreement between NWO and the VSNU applicants must report their application to their institution. For that reason NWO asks for explicit confirmation on the application form that the institution has been informed and that it agrees to make available all the infrastructure needed for the research, including the related costs, as well as the matching contribution for the acquisition of equipment.

4 Assessment procedure

4.1 Procedure

The NWO Code of Conduct on Conflicts of Interest applies to all persons and NWO staff involved in the assessment and/or decision-making process.

With effect from 1 January 2012 NWO will use a new qualification for applications assessed. Information about the qualification can be found on the NWO website: <http://www.nwo.nl/kwalificaties>.

The various steps in the assessment process are described below. Applicants can follow the progress of the application procedure via their Iris account. No rights may be derived from this.

Administrative-technical check

The first step in the assessment procedure is to determine the admissibility of the application. This is done using the conditions stated in Chapter 3 of this call for proposals. If these conditions are not fulfilled or the information required is incomplete the applicant will be given the opportunity to amend the research proposal within two working days of being contacted by NWO.

Assessment by external referees

The proposals are provided with commentary in a peer review procedure by two external referees. The referees will assess a proposal using the assessment criteria published in this brochure. The MaGW Bureau will pass on the anonymized reports to the applicants for a reaction (i.e. the 'rebuttal'). The applicants can react to the comments in writing, using no more than 1000 words (font Arial, size 10 pt.).

There is an option to indicate which referees are not considered suitable for assessing the proposal (also known as 'non-referees'). The names of these non-referees, no more than two per proposal, can be sent by e-mail to the MaGW secretariat (s.ramai@nwo.nl).

International assessment committee

During the meeting of the international assessment committee, the proposals will be assessed on the basis of the application, the referees' judgements and the applicants' rebuttal. The committee as a whole is also expected to include an assessment of the content and quality of these referees' reports in its considerations.

The committee's assessment is based on the criteria as published in this brochure. The assessment will result in one of the following qualifications: 'excellent', 'very good', 'good' or 'unsatisfactory'. Subsequently the committee will, if necessary, rank the proposals that are eligible for funding based on the mutual variation in quality. Ranking is based on the assessment criteria as described under section 4.2 of this brochure.

The committee will advise the Board of the Division for the Social Sciences on the quality and the ranking of the research proposals submitted to them. The Board will make a decision regarding allocation or rejection, based on the committee's advices, available resources and, where necessary, on policy considerations.

In making this decision, the Board is entitled to make use of the following policy consideration:

- The promotion of the participation of female researchers;
- The optimisation of the subsidy distribution.

Composition of the committee

The international assessment committee is put together under the responsibility of the Board of the Division for the Social Sciences. The committee consists of scientific and non-scientific experts. The non-scientific experts originate from the Netherlands. The members of the assessment committee will be selected based on their research experience, their experience in assessing applications, and their non-involvement in the applications being assessed. Since it is only possible to put together the assessment committee once it is known who has submitted proposals, the composition cannot be announced beforehand. A technical chair will be appointed. After the subsidy round the names of the committee members will be published in alphabetical order on the MaGW website.

Timetable

25 September 2013	Call for proposals open
5 November 2013	Deadline for submitting Expressions of Interest
14 January 2014	Deadline for submitting full proposals
21 January 2014	Secretariat establishes admissibility of proposals; notification to applicants
January – March 2014	Consultation external referees
April 2014	Obtaining rebuttals from applicants. On average researchers are given 2 weeks to give a response
May 2014	Meeting assessment committee
June 2014	Funding decision taken by Board of the Division for the Social Sciences

4.2 Criteria

Assessment criteria

Proposals are assessed by the international assessment committee with respect to the criteria mentioned below, based on the information provided in the application. The criteria carry equal weight. A number of relevant points of attention have been summarised per criterion.

I. Match with the programme text 'Smart Governance'

To what extent does the proposal match with and contribute to the objectives, key areas and priorities of the programme Smart Governance as described in the programme text (see section 6.1 of this brochure)? Does the proposal contain a multidisciplinary approach? Does the proposal take a systematic comparative perspective? Does the proposal link descriptive, explanatory and evaluative approaches?

II. Scientific quality

A. Research questions and objectives

Have the problem definition and research questions been defined clearly, sufficiently demarcated and adequately worked out? Does the proposed research make a significant contribution to theory, methods, design or knowledge?

B. *Scientific approach and methods*

Is the proposal theoretically well substantiated? Are the proposed methods and techniques and the proposed framework suitable for studying the issue and answering the research questions? Is the work plan logically structured, well phased and realistic? Are the listed sources accessible and suitable to answer the research questions?

III. Quality and organisation of the consortium**A. *Scientific quality of the applicants***

Here the assessment will address the past performance of the applicants: publications, scientific performance, results of prior subsidies, quality and embedding of the group, demonstrated for example by prior assessments, subsidies assigned, types of recognition, etc.

B. *Organisation of the consortium*

Does the proposed collaboration within the consortium have added value for the realisation of the envisaged scientific and utilisation objectives? Are the necessary expertises, both scientific and non-scientific, sufficiently represented within the consortium? Are these expertises put to use adequately? How is the management of the research project organized?

IV. Knowledge utilisation**A. *Potential of the knowledge utilisation*¹**

Is the envisaged goal of knowledge utilisation sufficiently clear? What is the added value of the research for societal, economic, cultural, policy related or technological challenges? Does the subject relate to current societal issues? What is the expected medium to long-term effect? What is the quality and added value of the collaboration within the consortium with regards to knowledge utilisation – for example, the quality of the existing collaboration, the level of stakeholder involvement, available expertise for utilisation and the long term perspective of new collaborations. In what way is ongoing valorisation guaranteed in the value chain?

B. *Efficacy and feasibility of the approach*

Will steps be taken to make the knowledge usable for third parties? Does the proposal put forward activities to reach the target group(s)? Is the proposed approach adequate? Is the potential of the consortium put to use effectively? What products will result from the specific activities? Are the activities or products suitable and effective for the objective and the target group(s) stated?

Criteria for prioritization

Applications that are eligible for funding, given their qualification, will be prioritized (ranked) when not all of these applications can be funded due to lack of available funds. The assessment criteria mentioned above apply when prioritizing the application.

¹ Utilisation is defined as the sum of conditions and activities increasing the chance of application of research results by users.

5 Contact details and other information

5.1 Contact

5.1.1 Specific questions

For specific questions about Smart Governance and this call for proposals please contact:

- Drs. R.J.R. (Robbert-Jan) Slobben (secretary)
Telephone: + 31 70 344 09 76, e-mail: r.slobben@nwo.nl

5.1.2 Technical questions about the electronic application system Iris

For technical questions about the use of Iris please contact the Iris helpdesk. Please read the Iris manual before consulting the helpdesk.

The Iris helpdesk is available from Monday to Friday from 11.00 to 17.00 hours on +31 900 696 4747. Unfortunately not all foreign phone companies allow you to phone to a 0900 number in the Netherlands. You can also send your question by e-mail to iris@nwo.nl.

6 Annexe(s)

6.1 Programme text 'Smart Governance'

The future competitiveness of the Dutch economy and our quality of life will be determined to an important extent by our ability to strengthen and innovate the country's social infrastructure. A crucial element of this infrastructure is its system of governance. Systems of governance should allow individuals, groups, and corporate actors – to undertake effective collective action. The Dutch economy and our society are facing a number of major challenges. Meeting these challenges requires smart modes of governance, because traditional systems have failed or there are serious doubts regarding their adequacy for solving today's problems. A mode of governance is considered 'smart' when it is conducive to timely and effective collective problem-solving under conditions of high problem complexity and contextual uncertainty and volatility. Such modes may involve more direct forms of regulation but may also involve the incentive structure provided by the environment.

Smart governance may entail recalibrating the traditional governance institutions - markets, hierarchies, communities – (cf. Jessop 2011) but also (re)combining elements from these institutions in networked and/or hybrid forms (Bevir, 2011). Our knowledge of the antecedents and impacts of network governance has grown quickly over the last 25 years, but this is not the case for hybrid governance. To be sure, there is considerable disciplinary knowledge about the institutional performance of the various traditional modes of governance. But understanding hybrid, second-order modes of governance implies the need to *combine* the knowledge of the basic mechanisms and the development of an adequate understanding of the complex interplay between them. An example is the role of more community-like interpersonal relationships in the functioning of firms (like "relationship banking") or political participation. The search for smart forms of governance therefore requires a *multidisciplinary approach*.

The most promising efforts towards a better understanding of smart governance can be found at the boundaries of traditional disciplines e.g. in behavioural economics, cognitive psychology, social network research, legal research, and historical analysis. Interdisciplinary studies have unravelled a variety of mechanisms at play in effective collective decision-making and coordination within and across different arenas and levels of governance (Ostrom 2005). Examples of mechanisms working in such arenas are to be found at various levels of analysis: the impact of bonding, affect and trust in bilateral exchange relations and small groups (micro-level), the dynamics of self-organising and self-regulating communities and the learning capacity of complex organisations and social networks (meso-level), or the logic of cooperation and conflict in multi-actor and multi-level policy systems and polities (macro-level). From their specific angles, all these studies contribute to our understanding of whether, when and how smart modes of governance contribute – or not - to a social system's ability to effectively tackle its pivotal challenges.

Systematic *comparative research* into the performance of both classic and hybrid modes of governance is essential for answering questions about smart governance. In various historical epochs and in various jurisdictions and settings, a variety of governance arrangements have been implemented. The nature and causes of the performance of these governance arrangements can therefore be most helpfully understood through various types of comparative study: firstly, diachronic, historical and time series analyses of (changes in) governance systems over time; secondly, synchronic, cross-sectional as well as cross-national analyses of systemic differences between, for example different types of governance challenges and governance arrangements.

Aims and questions

This NWO programme is designed to stimulate precisely this kind of research. Its aims are: (1) to stimulate the conduct of systematic, multidisciplinary and comparative research into the nature and origins of smart governance; and (2) to stimulate partnerships between the academic community and public and private organisations in order to secure the valorisation of the knowledge developed.

In answering the main question underlying this research programme, two interrelated clusters of knowledge concerns will have to be addressed:

1. What are the main *characteristics* of smart modes of governance? Which *social mechanisms* underpin them? How is their modus operandi embedded in and contingent upon institutional, socio-cultural and political context factors?
2. How do smart modes of governance *perform*? In particular how can their impacts be assessed in three domains of institutional performance:
 - a. *effectiveness*: their capacity for generating joint action under conditions of complexity, uncertainty and volatility and their contribution to one or more aspects of balanced growth in terms of social, ecological and economic criteria;
 - b. *innovative capacity*: their capacity to safeguard and improve systems' performance by adapting to demand fluctuations and contextual variability associated with technological, institutional, and socio-cultural changes;
 - c. *resilience*: their capacity to effectively mitigate, absorb and recover from external or internal shocks, crises and disequilibria.

Research projects funded under this programme will be focused on these concerns. They explicitly need to address *both* clusters (descriptive/explanatory and evaluative) of questions in tandem. The programme is focused on funding multi-disciplinary, empirical, comparative research, preferably in combination with theoretical approaches, whilst accepting that a wide range of research designs and methods can yield the kind of academically pertinent and policy-relevant knowledge it seeks to generate.

Settings, contexts and applications

Modes of governance to be studied under this programme can be situated at different levels of analysis:

- at the *micro-level*: e.g. when neighbours initiate collective action, face to face as well as web-based stakeholder networks emerge to address collective challenges, and social-entrepreneurs create public value for local communities;
- at the *meso-level*: e.g. when organisations, such as regional employers, educational institutions and government agencies try to increase the competitiveness of the regional economy or stimulate economic innovation through partnership arrangements
- at the *macro-level*: e.g. when national governments and intergovernmental or supranational institutions, or different social actors within states, enable societies to adjust to economic globalisation, manage transboundary problems, and tackle demographic, geostrategic and ecological changes.

Furthermore, research projects undertaken within the programme should factor in the role of contextual elements in shaping the design and operation as well as the impacts of smart modes of governance. Firstly, we welcome applications examining the (combined) influence of the regulatory context, e.g. the presence of formal regulations and legal procedures for supervising and sanctioning these rules, given the incentive structure provided by the environment. Such regimes and supervisory provisions may facilitate or impede the

performance of different modes of governance. Secondly, we welcome projects investigating the role of informal normative expectations regarding (in-)appropriate behaviour that provide the basis for trust and are sanctioned by mechanisms of informal social control. Forms of norm-setting, affective ties, self-regulation and other element of informal social control are embedded in different ways and to different extents in modes of governance. What needs to be studied is if and how this matters for their performance.

Ultimately, the performance of a mode of governance is most likely to depend on the *joint impact* of these formal rules/regimes and the informal socio-cultural mechanisms that condition the interactions and the decisions in these arenas. Hence a key question to be examined in the programme is how these institutional and socio-cultural contexts structure the nature of the interactions – vertical (guidance, control, leadership) and horizontal (mutual adjustment, participation, consultation, consent) – that occur within a particular mode of governance.

This applies to *micro-level cooperative arenas* of individual actors in organisations and associations. This raises a wide number of possible avenues of inquiry, including questions such as: Under what conditions do individuals in such contexts engage themselves and participate, and to what extent is this based on voluntarism and self-organisation? Do formal rules and hierarchical interventions facilitate or impede cooperative processes? How can cooperation be developed between dissimilar or unequal individuals and groups? What are the conditions for citizens' initiatives and (corporate) social responsibility as alternatives for state-led production of public value (e.g. collective goods)? How to deal with the influence of special interests, collective action problems and issues of representativeness?

Similar questions can also be asked regarding the interactions of composite actors in *meso- and macro-level* governance arenas. These include: What are the conditions for corporate, state and transnational actors' willingness to engage in institutional collective action (Feiock & Scholz 2010)? How do differences in the institutional make-up and the action orientations of different collective and corporate actors affect their willingness to engage in institutional collective action? How do different hybrid modes of governance strike a balance between cooperation (collusion) and competition (conflict)? And to what extent are they at risk of generating negative institutional effects, such as misalignment of incentives, information asymmetries, institutional sclerosis, 'red tape', or lack of democratic representativeness? What are the effects of traditional and hybrid forms of hierarchical control, regulatory institutions, open coordination and self-regulation on the capacity for smart governance (as defined above)? How do cooperative institutions perform in the 'shadow of hierarchy' (Scharpf 1997)?

A particularly salient set of questions centres on the strengths and weaknesses of the consensual or Rhineland-model versus the majoritarian, Anglo-Saxon models of socio-economic governance. How have these models evolved and how have they performed over time and with respect to different governance challenges? How have these national modes of governance absorbed the emergence of new actors and transnational arenas? What forms of hybrid governance do they typically elicit or reject, and to what effect? From a Dutch perspective, a crucial question concerns the extent to which traditional and emerging institutions of the country's so-called 'polder model' are (a) sustainable, after decades in which the social bases for corporatist interest representation have been eroded; (b) transportable to arenas other than socio-economic policy (e.g. environmental policy and water governance); (c) a salient 'roadmap' for tackling current and emerging challenges of European cooperation and globalisation. Most progress in addressing this set of issues can, again, be expected when combining the expertise of traditional disciplines, and by linking descriptive, explanatory and evaluative approaches, preferably within a comparative framework.

Online appendice

More information about the Social Infrastructure Agenda (SIA) including the SIA brochure can be found on <http://www.nwo.nl/onderzoek-en-resultaten/programmas/magw/sociale-infrastructuur-agenda/index.html> (only in Dutch).

6.2 Template Letter of Commitment

LETTER OF COMMITMENT

To: @Main Applicant@

@Place, @Date

Dear prof./dr. @@@,

Hereby we - @name organisation@ - declare our commitment to contribute @in cash (and in kind)@ to the project '@project title@', to be submitted under NWO Call for proposals Smart Governance 2013, by @Principle Applicant@.

For @name organisation@ it is important to participate in this project, investigating @topic@. In this way we can attribute our knowledge of @topic@ to the @technology / academic know-how / application@ in this project. Furthermore, the results of the research will contribute to developing policy or practice in the field of @description@.

Our contribution relates specifically to @extensive description@ of this project. We will collaborate with/in @description@.

The in cash contribution will amount to €@@ for the entire duration of the project / per project year@

The in kind contribution comprises a value of €@@ and can be specified as follows (in accordance with the Regulations governing contributions in kind, part of this NWO Call):

- 1.
- 2.
- 3.

We hereby confirm to have read the NWO Framework for Public-Private Partnerships, including NWO's rules concerning IP and the transfer of knowledge as described in that document. If the project will be approved and granted, we as a consortium partner will share responsibility for a prompt completion of a consortium agreement in accordance with the NWO Framework document.

Sincerely,

SIGNED BY AUTHORIZED PERSON ON COMPANY PAPER (WITH LOGO)

6.3 Consortium agreement /NWO framework for PPPs

What position does NWO choose?

NWO has the statutory duty to stimulate new developments in scientific research and to promote the transfer to society of the knowledge developed in research funded by NWO. This valorisation is a tool to create, promote or accelerate innovation through top quality scientific research. We find this explicitly in all the divisions of the NWO organisation – FOM, STW, ZonMw, the taskforces and the institutes.

In order to fulfil this role properly, NWO will in some cases need to have control over the use of the knowledge generated by NWO-funded programmes and projects, especially if the specific objectives of a funding instrument require this, and depending on the position of the co-financiers. NWO will claim co-ownership of the research results. It is not NWO's goal to build up a patent portfolio; generating revenue is also not an end in itself. The IP policy is aimed at maximising knowledge utilisation. NWO can, where relevant, play the role of neutral mediator or trusted third party. Subsequently, NWO will withdraw as the owner of the knowledge if the use and proceeds of that knowledge are well arranged and accounted for.

What knowledge should be protected?

It is important to distinguish between ownership of the developed knowledge and ownership of IP rights to that knowledge. IP rights are acquired either automatically (copyright) or through an application procedure (patent law). Confidentiality agreements are therefore very important in this respect.

In the process of applying knowledge that will lead to an economically relevant product, two forms of knowledge can be distinguished:

- background knowledge, which is the relevant information that was already known before the start of the project. This knowledge can help to determine the potential for development within the project as well as the final application of the developed knowledge;
- foreground knowledge, which is new knowledge generated by the project. Foreground knowledge leads to various products such as publications (for which copyright applies), data (for which database right applies), patents (for which patent right applies) and other unpublicised knowledge. To protect the knowledge acquired in a project funded by NWO it is therefore relevant to look at potential rights on the background knowledge as well as the foreground knowledge.

Tailored agreements

Agreements on knowledge have to be tailored. The possession and use of information and the ownership of intellectual property rights and access rights to intellectual property rights depend on the research sector, the form of cooperation, and the funding.

The parties involved must make agreements on the background knowledge that is relevant for the implementation of the research and use of research results, as not all parties have free access to this knowledge. In projects co-financed by NWO, agreements on ownership and access rights can be made for each programme/project/consortium.

This Framework distinguishes between:

- a consortium = all parties cooperating in a project;
- the legal entity = the legal form of partnership chosen;
- the initial ownership of IP rights, which may rest with different configurations of parties participating in the consortium (see Chapter 3.5).

The Framework does not apply to consortia funded through European grants, because of the specific conditions the EU can impose. However, the Framework is in line with EU state-aid rules.

1. Structure of the Consortium Agreement

A consortium agreement should *at least* include a summary of the consortium partners and their legal representatives, a preamble with the considerations for concluding a consortium agreement and information about the project – including the joint objects of the signatories to the agreement – and the following clauses:

1. A clause with definitions of terms used.
2. A clause referring to an appendix with the project plan, the project organisation and other project information.
3. A clause on the governance of the consortium.
4. A clause on the finances of the consortium.
5. A clause on the release of publications.
6. A clause on confidentiality of data and information.
7. A clause on intellectual property, to be broken down into background knowledge, research results (foreground knowledge) and the granting of licenses, supplemented by an appendix setting out the rights and obligations and associated time limits of the parties regarding patent applications and patent commercialisation.
8. A clause on the exclusion of liability.
9. A clause on remedying defaults.
10. A clause on amending the consortium agreement, including the project appendix.
11. A clause on the settlement of disputes.
12. A clause on the coming into force of the consortium agreement and the term of the agreement.
13. A clause on premature termination of the agreement.

Explanation

Re 3

This clause should in any case contain provisions on:

- the obligations of the consortium partners;
- information sharing and reporting requirements, both internally and externally;
- the withdrawal of existing members and joining of new members.

Re 4

One option is to include a provision in this clause on outsourcing work to third parties.

Re 11

This should specify that it is an agreement under Dutch law, and agreement on the competent court in the event of a dispute. Optionally, the possibility of mediation can be included in this clause.

Re 12

An option is to include a provision in this clause on those clauses that will remain in force, and until when, after termination of the agreement.

2. Regulation of governance

The governance of PPPs depends on the size and complexity of the partnership. The simplest form is a university project funded by one public financier and co-financed by one or more private parties. In that case the PPP governance is determined by the terms and conditions of the public financier, as long as the public financier and the university/universities are the majority financier in the project. Special arrangements must be made for other configurations.

In the case of a partnership programme consisting of several research projects, or a PPP with several programmes/themes/flagships etc., multiple layers of governance may be needed. Terms

such as General Assembly, Supervisory Board, Steering Group Executive Board, etc., are used for the top layer.

At the programme level, terms such as Programme Committee, Flagship Captains, etc., apply. The projects are listed below. The tasks of the various governance bodies are defined in the consortium agreement.

3. Regulation of intellectual property

Criteria:

1. The objective of the PPPs governed by this Framework is to create or accelerate industrial innovation on the basis of top quality scientific research. The consortium partners will therefore endeavour to use the knowledge and inventions produced by the research (foreground knowledge/research results) in products or services in the shortest possible term. The consortium partners will give form to this endeavour by agreeing on an IP process description that describes the rights and obligations and the associated time limits of the parties regarding patent applications and patent commercialisation.
2. In a PPP, knowledge must be shared and flow as freely or as freely as possible. Entrepreneurs must be able to apply the results as soon as possible with a minimum of red tape, for in the current competitive arena, time to market is essential. In fact, it is often more important than long-term protection of rapidly evolving technologies. In addition, all partners should be able to talk openly with one another without fear of ideas unexpectedly being "taken over".
3. Participating businesses do not have a pre-emptive right to the commercial use of research results². Businesses can only obtain commercial rights to research results by means of a written license or transfer agreement. Market rates should be paid for the use or ownership of the research results ("anti-state-aid" clause).

Ownership

4. With regard to the initial ownership of IP rights (i.e. before licenses are given or the rights are transferred to a commercial party), the following applies:
 - i. The consortium will agree in advance on which parties will be co-owners. There are two possibilities: (1) the knowledge institution that employs the inventor/inventors (in the case of patents) or creator/creators (in the case of copyright), or (2) – the same as (1) plus the business or businesses participating in the project.
 - ii. If NWO is one of the public financiers of a grant instrument aimed at valorisation as referred to in Article 33 of the *General grant conditions of NWO/NWO grants scheme*, NWO may be co-owner of the research results³.

In practice, co-ownership by the business or businesses will depend on their financial contribution to the project. The higher the contribution, the higher the motivation to have the business/businesses share in the initial ownership. Appendix 1 includes a tiered model that can serve as an example for this.

5. The consortium can only obtain legal ownership if it is a legal entity. NWO prefers to designate an existing legal entity as lead agency (e.g. a knowledge institute or NWO) rather than establishing a new legal entity.

² Unless a contribution is so high (~ 100 % of the total costs) that it is reasonable for that party to acquire the property rights.

³ In their capacity as employer, NWO and FOM are the owners of the research results produced by the staff of NWO and FOM respectively. STW as a whole is an example of an instrument aimed at valorisation.

6. If the consortium is nonetheless chosen as the legal entity, the parties must explicitly lay down in the consortium agreement that the consortium will not itself build up an IP portfolio.
7. The consortium will arrange, in the IP process description referred to under point 1, within what period and how it will transfer the ownership of the research results to the participants in the PPP or, if there is no interest by the PPP, to third parties. If no interested third parties are found, the consortium will make the results available as open source technology.

Transfer and/or license

All businesses and knowledge institutes in the consortium that participate in a project will evaluate the research results on technical patentability and commercially viable applications, after which they will decide whether or not to apply for a patent. The parties involved will decide between themselves who will apply for the patent. The lead party will promptly notify the other project parties of any relevant information and will make decisions in consultation with other project parties. (The above is subject to any prior agreements on who owns the property rights.)

The requesting party will pay the costs associated with the application. Tailored consortium agreements can be made at programme level and higher. The partners will provide the foreground and background knowledge needed to jointly achieve the objectives of the programme or project; tailored agreements should also be made for this. A license or transfer agreement must meet at least the following conditions (see Appendix 3 for supplementary conditions for larger consortia):

Licences

8. The consortium partners will have access to all foreground and background knowledge required to perform their own activities within the consortium until the end of the term of the consortium.
9. Each party will give all other parties a license for their own foreground knowledge so that the other parties can use this knowledge for internal or non-commercial research and education. This is an important license, as research programmes are often carried over into new programmes.
10. If a party contributes background IP and this party has made no reservations with respect to making this knowledge available, they must provide a license to other consortium partners who request this, but only to the extent necessary for the commercialisation of the foreground knowledge of that party and provided this is not demonstrably harmful to or prevented by the other (commercial) interests and agreements of that party.⁴ Agreements must also be made about using background IP for scientific research purposes that are relevant to the project, as well as agreements on the confidentiality of this knowledge.

Fee

11. An interested party must pay a market price for the use or ownership of the research results¹⁰.
12. When determining the market price, the contribution to the research must be taken into account. This may be the contribution in cash, but also the contribution in kind, the size

⁴ It may be the case that a party does not want to make knowledge available. This is possible, provided it is indicated in advance.

- of the party, number of inventions, the percentage that an invention contributes to a product, etc. The interested parties will negotiate on the price.
13. In case of exclusive rights, the patent costs will be borne by the interested party. In case of non-exclusive rights the interested party will pay part of the patent costs.
 14. The parties will negotiate on the fee to be paid.
 15. Revenue from knowledge exploitation will be collected by the lead agency.
 16. If the consortium transfers the research results, it will use the market price paid for this to remunerate the universities that employ the inventor/inventors. For each transferred patent application, this will be 50 % of the revenue from knowledge exploitation. The internal allocation and use of this remuneration is at the university's discretion.⁵
 17. The other 50 % remains in the consortium (i.e. will not be paid to the inventor/inventors) and will be used for new or existing research.
 18. Provided that the state-aid requirements are met, other conditions than those described above (e.g. royalties instead of lump-sum payments) can be considered for SMEs, depending on the phase the company is in at the time.⁶
 19. The party that acquires the ownership or right to use the research results will indemnify the consortium against third-party claims for damages resulting from use of the research results.

APPENDIX 1: Tiered model for knowledge ownership and right of use

Research projects with cash contributions.

In research projects with cash contributions from different public and private parties, the generally acknowledged principle is that the higher the contribution of a party, the more rights that party acquires. The starting point for this sliding scale, or "tiered model", is the situation where a private party finances 100 % of the total project. In such a case, that party will have full ownership.

In the situation where a private party finances at least 50 % of the total project costs, ownership of the results produced by the private party and the results produced jointly by the public party and the private party will rest with the private party. Ownership of the results produced by the public partner will rest with the public party. In the latter case, the public party will grant the private party a non-exclusive right to use the results, including the right to sub-license to third parties. In the situation where a private party finances 25-50 % of the total project costs, ownership of the results produced jointly will rest with the public partner. Ownership of all other results rests with the party that produced the results. The public party will grant the private party a non-exclusive license without the right to sub-license to third parties.

In the situation where a private party finances less than 25 % of the total project costs, the same principles apply as in the paragraph above, except that such party must pay for a non-exclusive right of use. The same principles apply if parties decide to cooperate in a TKI, where private partners can pool their cash contributions so as to determine which model of ownership and right of use will be

⁵ The three Technical Universities will distribute the revenue, in three equal parts, to the university level, an intermediate level (e.g. faculty or research institute) and the inventor. STW has tailored agreements on this with the universities. As the employer of its PhD students and postdocs, FOM has its own remuneration scheme.

⁶ All terms and conditions will be reflected directly or indirectly in the price.

applied. It is important, in this case, to agree in advance on which costs are considered project costs and which are not.

Research projects with contributions in the form of FTEs.

The parties may agree to cooperate by contributing FTEs to a project to be defined. In this case ownership of the results rests with the party whose employee produced the results. In general, ownership of jointly produced results will be considered as jointly owned, unless provided otherwise. All parties will have free access to the results owned by other parties, without the right to sub-license this to third parties. The contributions will often be a combination of cash and in-kind contributions. In those cases agreements will be made, at the appropriate level, on whether and if so how the in-kind contribution will be weighted in the tiered model described above.

General principles

The parties may at any time negotiate exclusive rights at market prices, taking into account the private parties' contribution to the project. Rights of use must be fair and on reasonable terms. Non-exclusive rights of use are non-transferable, non-exclusive, worldwide, and apply to the parties and their affiliates. The parties will grant the other parties a right of use, at no cost, insofar as necessary for the implementation of the project. Furthermore, the ownership of background knowledge ("background IP") will continue to rest with the party concerned. A party will grant other parties in the project access to background knowledge on fair and reasonable terms, insofar as necessary for the implementation of the project.

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