

OTKA

The Financial Aspects of Supporting Basic Research at Hungarian Scientific Research Fund (OTKA)

Andrea Balla
Head of Department
Social Sciences and Humanities

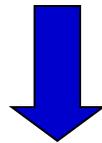
Brussels, Belgium
22-24th of June 2011

Funding research and development in Hungary

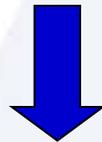
- Hungary: 10 014 thousand inhabitant (2010)
- GDP: 33 900 Euro / Inhabitant (2010)
- S+T+I from GDP: ~1%, 990 million in euros
- Competitive S+T+I funding:
 - NORT (NKTH): 200 M Euros /2009
 - OTKA: 20 M Euros/2010
 - Together with NKTH another 7,12 M Euros
- Total researcher FTE (2010): 20 064 (33 739 researchers)
- Budget of OTKA is determined by the Parliament each year suggested by the Ministry of Finances

OTKA

BASIC RESEARCH

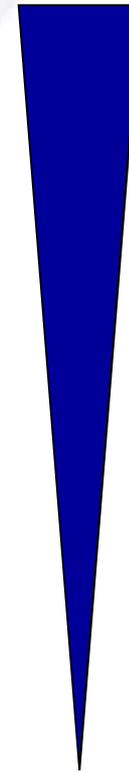


APPLICATION-DRIVEN
RESEARCH

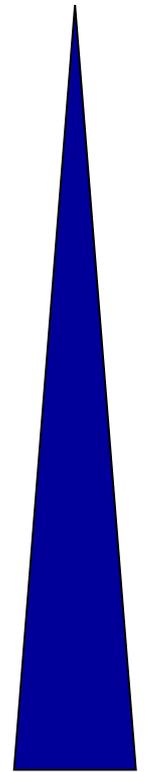


TECHNOLOGY

Sponsor?
Publicly
funded



Industry-
funded



OTKA

OTKA = Hungarian Scientific Research Fund

LIFE SCIENCES

- Brain research
- Agriculture
- Etc.

SCIENCE & ENGINEERING

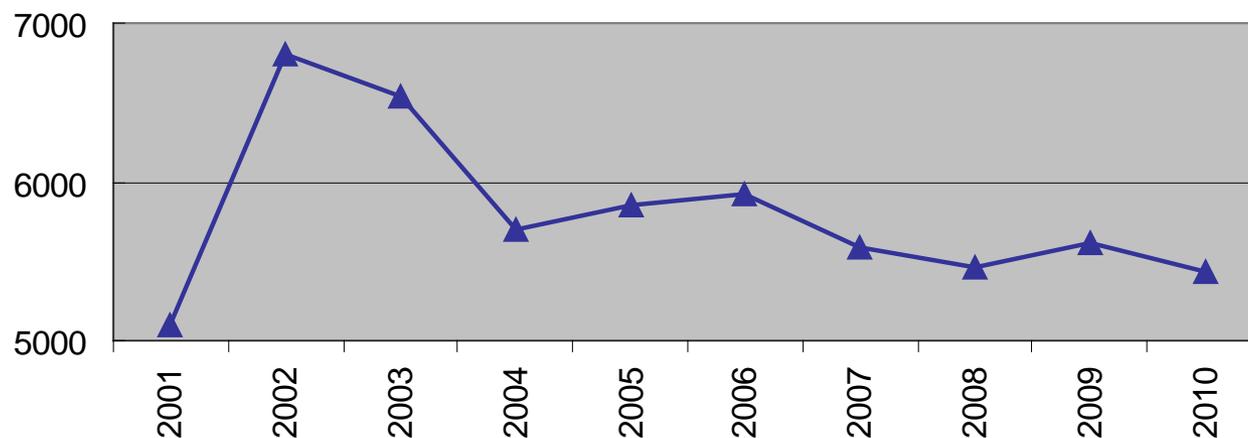
- Physics
- Mathematics
- Etc.

SOCIAL SCIENCES & HUMANITIES

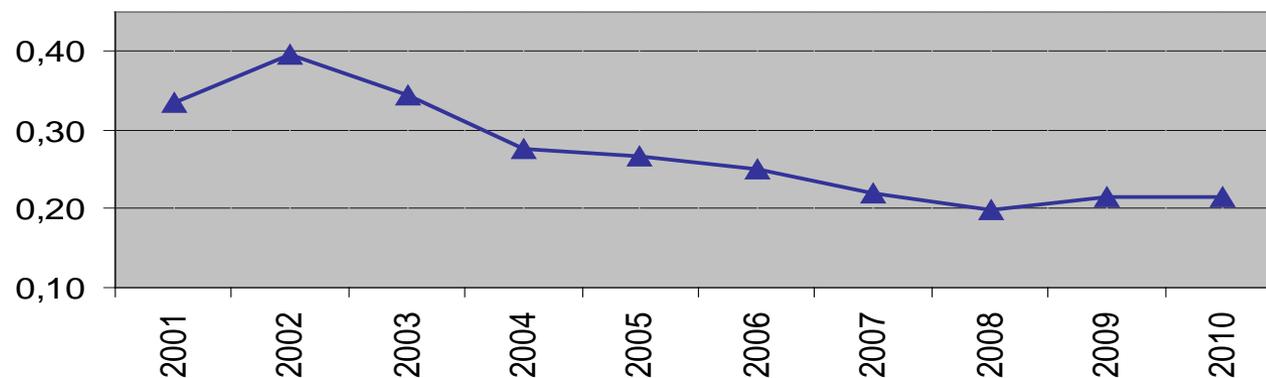
- Literature
- Archeology
- Etc.



Million HUF



Per mill of GDP



+ NKTH-OTKA

WHO IS „FINANCING”?

- OTKA:**
- Research activities
 - Equipment
 - Research institute (overhead)
 - Personnel

- RESEARCH INSTITUTE:**
- Salaries
 - Infrastructure

- RESEARCHER:**
- Reviews (free of charge)
 - Committee work (minor fee)

OTKA

MAJOR ACTIVITIES

90% → Research projects (4 or 3 years)

Age HUF	< 24 (40) M	> 24 (40) M
< 35 (40)	^{PD} Postdoc	^{NF} Starting Grant
No age limit	^K	NK

- Publications
- International

NKTH – OTKA :

- Mobility
- Basic research to establish innovation

OTKA

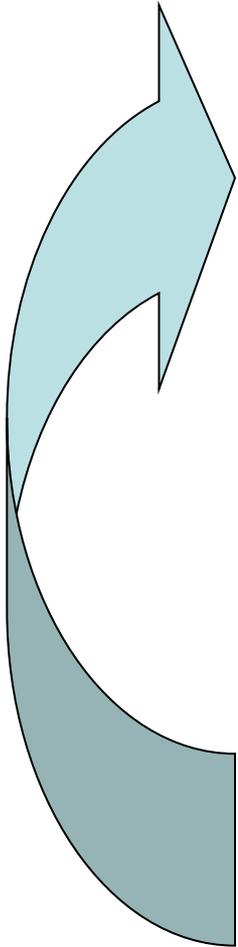
MAJOR STEPS - EVALUATION

Decision-making

- Scientific excellence
- Potential scientific & societal impact

Monitoring

Final report - evaluation



Decision-making

(Excellence & impact)

- 3 anonymous reviewers (experts on narrow field)
- Panel → order (experts on broader field)
- Board → decision

Transparency

- Known rules and decision making mechanism
- Strict rules: conflict of interest
- Applicants get: reviews + panel evaluation
- Board „do not” change the order



OTKA – in Numbers

- ~ 1300 projects (3-400 new yearly)
- ~ 4300 reviews (free of charge)
- ~ 400 experts in panels
- ~ 50 – average age of Principal Investigator
- ~ 12 scientific articles in periodicals / project

Administration at OTKA

- At any time point 1000-1500 contracts are handled
- Each year 1000 to 1500 applications are handled
- OTKA Office is the administrative handler
 - 45 employee
 - 10 employees handle finances, check financial reports, handle on-site controls
 - 8-10 employees serve logistics
 - 25 employees in 3 departments work with applications, peer review, contracts and interim and final reports

Checking the use of funds

- During peer review and before signing the contract the budget is evaluated, and corrected through negotiation if needed
- Financial reports are scanned for possible spending on items not allowed
 - If not allowed items are found the cost cannot be accounted for
 - Funds can be used for other costs of the project or have to be reimbursed.
- No cost extension is possible and unspent funds can be used for extending the projects for another period

Funding principles

- According to financial plan/budget. Requested budget usually honored in the contract
- Planning generally for 12 months intervals, but interval length can be flexible
- Each interval ends with a summary financial report (details can be checked on site if needed)
- Justification is needed when in a cost category the planned amount is overspent by more than 30%
- Flexible financial plan, can be modified in case scientifically justified
 - Modification requests are handled by the project manager
- Finances handled by the research institution
 - Spending only when authorized by the principal investigator
- Permissible cost categories
- Prohibited spending categories

Costs allowed

- Personnel
 - Salary
 - Contract work
- Travel conferences
- Consumables
- Instruments, investment



Not allowed

- Any kind of profit from grant funds
- Bonuses to personnel on the grant
- Funds requested for employing young scientists cannot be diverted to other cost categories, in case of no use, it should be reimbursed
- No order or payment can be authorized by the PI to any SME, where he/she or family members are owners/employee

Flexible use and misuse of funds

- About 35 % of the projects will request and will be granted budget modifications
- A small percentage of the requests are not honored
- Correction requests for the financial reports is in the range of 10%
- Reimbursement of funds at the end of the project period because of misuse of the money is in the range of 1%
- In a small minority of the cases serious misuse and unethical use of the funds is discovered and is followed by sanctions, such as reimbursement, exclusion from receipt of public funds (for up to 5 years).

Funding Strategy

- If budget request is deemed unrealistic by peer review/committee, a 25% reduction is possible. If more than 25% over planned, then reject is the only option.
- The funding requests in the applications govern the allocation of funds to the three main areas (Colleges/Departments). The funds are spent in the 3 Scientific Colleges in the function of the needs handled by PI
 - Humanities and Social Sciences : 20-25% in the last 5 years
 - Physical Sciences: 35-40% in the last 5 years
 - Life Sciences: 45-50% in the last 5 years

About 25-30% of the applications are funded

Analyses helping Strategy decisions

- Calculation of specific costs (personnel, conference, consumables and investments) for each type of application/grant in each of the 3 main scientific areas
- Calculation of costs for 1 FTE
- Calculation of added value by the research institutions to OTKA funds. (In the last 3 years OTKA funds are matched by the same amount from the institutions via the salaries of the PI and other investigators.)

OTKA

Thank you for your kind attention!