

brightness²

Build on Best Practice

Video Workshop

**Best Practices and Potential Risks
from an ESS Partner's perspective**

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27.08.2020, Remote



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- The **BrightnESS-2 East IK Hub is Hungary** where the funding agency is the **National Office for Research, Development and Innovation ("NORDI")** of the Hungarian Government.
- The NORDI authorized 3 Hungarian research institutes to conduct In-Kind Agreements with ESS ERIC:
 - the **Institute for Nuclear Research ("ATOMKI")**,
 - the **Centre for Energy Research ("CER")**, and
 - the **Wigner Research Centre for Physics ("WIGNER")**.
- All these institutes are **not-for-profit public law organisations** and are operating in the same legal and economic environment as a result of belonging to the **Lóránd Eötvös Research Network of Hungary**.



BrightnESS² is funded by the European Union Framework Programme for Research and Innovation Horizon 2020, under grant agreement 823867

Best Practices already in place on which to build further developments (B-1/B-2)

- The **Hungarian ESS Board ("HUB")** has been established by NORDI and involving representatives of ATOMKI, CER, WIGNER and NORDI to **allocate state funding and approve in-kind contributions ("IKC")**. HUB held **meetings approx. quarterly** since 25th February 2015.
- On 12th December 2015 a **Memorandum of Understanding for Funding In-kind Contributions ("Financial MoU")** was signed between NORDI and ESS ERIC which aimed to clarify financial matters and to avoid possible risks of transnational finance.
- According to this Financial MoU, Hungary is transferring all of its funding to ESS ERIC in cash on an annual basis and **ESS ERIC transfers** the Hungarian in-kind commitment to its authorized Hungarian in-kind Partner **according to agreed Technical Annexes ("TA")** of the relevant In-Kind Agreement ("IKA").





Best Practices already in place on which to build further developments (B-1/B-2) – IKC protocols and networking activities in Hungary

- *Hungarian ESS Board* – composed by IK partners and the financing agency of Hungary – was established by the *National Office for Research, Development and Innovation (NORDI)* to regulate and supervise Hungarian IK projects
- *A Memorandum of Understanding for Funding In-kind Contributions* was reached between ESS ERIC and NRDIO
- *An Ex Ante Statement on VAT Status of In-kind Contributions* was obtained for Wigner RCP from the Hungarian Tax and Customs Administration
- *An Authorised Legal Opinion on Public Procurement of Innovation* was received to interpret properly the Hungarian Public Procurement Act of 2011
- *Activities of Hungarian delegates in various ESS bodies and advisory committees* were coordinated
- **Direct communication with ESS units and ESS IK partners was maintained to report and reflect on key issues**
- Technical assistance and best practices were provided to *Hungarian partners during preparation of IK Technical Annexes*
- Administrative support was provided to the *Hungarian ESS Board to assess progress of Hungarian IK projects*
- Coordination with *Hungarian ILO representative* was ensured.





Best Practice #1 – *Cross-Hub Communication 1.* – on Value Added Tax

1. *Consultations with North-West Hub* (contacts: Justin Greenhalgh and Philippa Kingston), *Nordic-Baltic Hub* (contact: Miloš Davidović) and *Central Hub* (contact: Artur Glavic and Tania Claudio Weber)
 - participation and Hungarian presentation at BrightnESS-1 "*Value Added Tax Workshop*" of 2016 in Malmö
 - ***information sharing*** re. *VAT Opinion of the Swedish Tax Agency* on IK Contributions
 - joint participation at BrightnESS-1 In-kind Best Practice Workshop "*VAT exposure related to ESS Installations in Sweden*" of 2018 in Lund
 - information exchange re. *access to and usage of XRM+ Data System*



Best Practice #2 – *Cross-Hub Communication 2.* – on Warranty & Liability

2. *Consultations with North-West Hub* (contacts: Justin Greenhalgh and Philippa Kingston), *Central Hub* (contact: Tania Claudio Weber), *Iberia Hub* (contacts: Fiamma Garcia-Toriello and Estefania Abad Garcia) and *South Hub* (contacts: Paolo Mereu)
 - risk analysis re. *Warranty clauses* of different IK Technical Annexes
 - common interpretation of *IK Agreement Template Section 7.2*
 - joint participation at BrightnESS-1 WP2 *General Meetings* at ESS Bilbao in Basque Country
 - ***information sharing*** re. *Warranty clauses of Technical Annexes* of Wigner, STFC, FZ Jülich, ESS Bilbao, INFN





Best Practice #2 – *Cross-Hub Communication 3.* – on Swedish Labour Law

3. *Consultations within South Hub (contacts: Paolo Mereu) and Central Hub (contact: Tania Claudio Weber)*
 - joint participation at BrightnESS-1 3rd Best Practice Workshop "*Detailing the European Spallation Source In-Kind Installations: Organization, Plans and Support*" in Lund
 - **information sharing** re. registration to *Swedish Work Environment Authority*.
 - information exchange re. *BrightnESS-2 1st Technical Report*





Main risks identified in IK Management

ID	Event	Cause	Impact	Cost Schedule	Prob. 1-5	Mitigation Measures
1	Narrow area of coordination between ESS IKRC and IK Group	No coordination mechanism exists regarding IKRC ToR 2.7 & 2.9 review actions	No conflict resolution mechanism is at work between ESS and Partners	N/A – structural issue	Already in place	Conflict resolution mechanism between ESS and Partners could be established
2	Reorganisation of ESS IK Management in 2019	No working conflict resolution mechanism is at work between ESS and Partners	Reduced role of the IK Group and creation of the IK Project Office	N/A – structural issue	Already in place	Coordination roles of the IK Group could be strengthened
3	Overlapping responsibilities of the IK Group and the IK Project Office	Reduced role of the IK Group and creation of the IK Project Office	Structural tension cannot be ruled out within ESS IK Management while Partners has no mechanism to voice their interests	N/A – structural issue	3	Share of responsibilities between the IK Group and the IK Project Office could be regulated
4	No channel for ESS Partners to be involved into ESS IK Management	Structural tension cannot be ruled out within ESS while Partners has no mechanism to voice their interests	Conflict resolution mechanism has still no place in the organisational structure of ESS	N/A – structural issue	4	Conflict resolution role of ESS IKRC could be strengthened since Partners need a mechanism to be heard
Probability: 5 = most severe; Cost: Estimated potential cost in M€ if not mitigated; Schedule: Estimated delay of activity in months if not mitigated						
Comments: We suppose that ESS Council is not the right place to deal with project level technical and management conflicts.						

brightness² Achievements & Lessons Learnt

- **Good working relationship** with ESS IK Management were dully established in Hungary which is one of the greatest achievement of ESS Partners of the country.
- However, ESS IK Group and IK Project Office are **representing ESS by definition**, so they are not always able to take into account those interests of their Partners which are conflicting with ESS interests.
- BrightnESS-2 IK Field Coordinators have only informal roles, hence the FC Network is able to forecast conflicts but it is **unable to mediate or resolve them**.
- Conflict resolution mechanism between ESS and its Partners could be an opportunity for IK managers of all sides **to resolve conflicts at their early stages** and to prevent unnecessary delays.
- Certainly, **conflict resolution should be an exceptional tool** which does not interfere with day-to-day operation and decision-making of ESS IK Management because it starts to work only in exceptional cases .
- As a basic rule, **good and effective conflict management is impartial** and thus it does not reduce but increases trust among cooperating partners.



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Thank you!

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