

Workshop “Shaping the Parameters of Offsetting “

Max Planck Digital Library in Munich, 7-8 March 2016

Outcome Report

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Introduction

The workshop was held upon invitation by the ESAC initiative. ESAC is one of the three initiatives in the scope of the DFG funded project INTACT. The project aims at building up infrastructure and services for the evolving APC market in order to support new business processes and to ensure transparency and efficiency¹. INTACT is a collaboration of Bielefeld University, Bielefeld University Library and the Max Planck Digital Library.

The introduction of offset deals increasingly involves the need for developing new workflows and processes between research institutions, their libraries, authors, and publishers. Subscription publishers need to implement author identification and allocation tools, they have to set up different invoicing schemes and provide sufficient reporting to institutions. These are services which pure open access publishers often already offer by default. Likewise, research institutions have to deal with different realities. For instance, when entering into offsetting negotiations they identify an increasing demand for data evidence and bibliometric analyses as they need to predict publication volumes.

Besides these changing business processes, it becomes obvious that there is yet no shared understanding of the new model among open access advocates, librarians and researchers. Current perceptions about offsetting rather reflect a lack of knowledge about the conditions and mechanics of these agreements. And indeed, when having a closer look, it becomes apparent that there actually is a wide disparity among the models currently offered by publishers.

The aim of the workshop was therefore to learn more about the individual approaches and to exchange experiences among negotiators and users. In addition, it should be discussed whether users can agree upon a shared understanding of the objectives and necessary mechanisms of this new agreement type.

The workshop started with some basic considerations about offsetting. The participants agreed upon the fact that the common attitude towards offset deals is predominantly negative. Ralf Schimmer in his introductory presentation however stressed the following positive effects of the new model:

- Offsetting firstly is an improvement of the standard hybrid model as it merges spending for reading and spending for open access publishing instead of charging institutions publishing fees on top.

¹ The project comprises three components: The ESAC initiative, the OpenAPC platform and a working group at Bielefeld University called OA analytics. OpenAPC is an already working service at Bielefeld University Library, collecting and harmonizing APC payment data by German universities and research institutions. The data is openly available for being analyzed and reused. ESAC can perceptively serve as a point of contact between research institutions and publishers in order to shape the principles and conditions of the APC based business model by developing good practices and guidelines. The OA analytics working group will provide bibliometric indicators and analyzes with regard to open access publishing at universities and research organizations.

- Offsetting for the first time brings together licensing work and open access work. While during the past decade the discussion had focused mainly on advocacy (meaning to convince the researchers to change their publishing habits), offset deals bring in the financial component with substantial practical implications on libraries acquisition departments and consortia strategies.
- At the same time they are grounded in the existing business relations between institutions (libraries, consortia) and publishers.
- Offsetting has effective means for an orderly transition from subscription to an open access business model, as it provides a framework for the necessary shift of budgets. Moreover it helps building infrastructure for article-level billing on a large-scale on both sides, publishers and research institutions.
- Offsetting can be seen as a strategic element in order to achieve the several open access goal definitions which have been launched throughout Europe lately.
- The more offsetting agreements are in place, the closer we get to a decisive tipping point towards open access. Against this background, offsetting can be seen as a key element for the large-scale implementation of open access.
- However, offsetting is only an interim step. It is a transitional model paving the way to an article based open access approach. It cannot be the final target and it is therefore necessary to now jointly shape the principles and conditions.

Current status by countries as presented

United Kingdom

The current general status in the UK shows that most of the public money is spent on hybrid OA journals without offsetting arrangement but also a demonstrated support by policy makers for gold open access as a whole and for the development of sustainable models including offsetting agreements. The main objectives for negotiations was to maintain/reach cost efficiency, help institutions to comply with funder policies, administrative efficiency in managing payment schemes and workflows, and finally the goal of implementing schemes to facilitate the transition to open access. Jisc has been working on offsetting proposals since the beginning of 2014. The negotiated agreements are pilots, with special emphasis on monitoring the changing environment, the effectiveness of the agreements, and whether unintended consequences occur during the agreements.

Currently there are agreements in place with De Gruyter, IoP, RSC, Sage, Springer, Taylor & Francis, and Wiley, covering a variety of different schemes with different impact based on publisher:

- **Offsetting APCs against subscription spending**

Example 1 (IoP): Sliding scales of allocation of APC spend against local and global subscription costs → low level of global OA = high level offset of subscription costs and vice versa

Advantages: Transparent, scalable, high discounts

Disadvantages: High administrative burden, relies on high take up offer, allocation of rebate between APC funds and library budgets

Example 2 (De Gruyter): Subscription costs are reduced by 90% of the total amount spent on APCs, the remaining 10% goes on global offset. The institutions pay 100% of APCs up front, and the relevant offset is agreed upon for the following year based on the open access APC expenditure in the previous one.

Example 3 (Wiley): Offset based on total expenditure on subscriptions and APCs → the higher the spend, the higher the offset available, based on tiers. Institutions receive a percentage of the year's APC spend to be for use against future APC spend

Advantages: Recognizes impact on the biggest spenders, ease of administration once set up

Disadvantages: Administrative burden (at the beginning), offset not that high, subscription spending is rather strengthened

Voucher schemes (RSC, Taylor & Francis)

APC vouchers are based on the size of the subscription spending

Advantages: Reduces the costs for institutions, the larger the subscription spending, the larger the number of vouchers (but also vice versa, so the opposite is a disadvantage), works well with pre-pay accounts.

Disadvantages: Administrative burden since it has to be checked for which journals vouchers are valid, take up, time limits for vouchers

Flipped model (Springer)

Historical consortium subscription spending and APC spending funds future consortium APCs

Additional transition fee covers cost of subscribed content

Advantages: Increases amount of OA, starts to move away from subscription spending, simplification of administration, ceiling of payments to publisher

Disadvantages: Lack of transparency, cost allocation within institution and across consortium

General challenges concerning offsetting deals

- Different processes at institutional and publisher levels;
- Not enough information from publishers to OA teams and academics what the offers imply and require;
- Publishers need to streamline and standardize the requirements, institutions need to promote the deals better;
- Complicated policy environment in the UK;

- Sustainability (administrative burden and costs, new systems, workflows and data requirements).

Sweden

The Bibsam Consortium, operated by the National Library of Sweden, negotiates license agreements for electronic information resources on behalf of Swedish universities, university colleges, governmental agencies and research institutes.

There are three main points Bibsam focuses on in negotiations with publishers:

- Author rights & self-archiving. Negotiations are aimed at including green OA rights in license agreements to comply with funder mandates;
- APC discounts. The goals are to negotiate discounts on APCs in hybrid journals and reductions of the license fees → no double dipping;
- Negotiate agreements with gold OA publishers.

Bibsam has a few agreements in place with APC discounts (ACS, IOS Press, ISPG, Karger) and discounts on memberships (RSC, BMJ, MaryAnn Liebert).

Bibsam is currently in discussions with Springer concerning Springer Compact. **Objectives for this potential deal** include:

- Increasing OA publishing;
- Avoid double dipping;
- Getting an overview of the Swedish publication landscape and financial streams;
- Find ways to re-direct revenue streams.

Strategic focus is to gain transparency and control of APC spending, and not to pay for more articles than necessary.

Experiences from the negotiations:

- Difficult to estimate future publishing;
- Price model is still unclear;
- Lack of transparency (what is the flipping mechanism?);
- Challenging to explain increased costs;
- Concerning administrative process, it is unclear at the moment what resources are required;
- Is there a need for involvements at institutional level to approve eligible authors' in the publisher's dashboard?

Future Steps: Sweden plans to have all scientific publishing resulting from research supported by public funding to be immediately published gold open access by 2025.

Norway

CRISTin manages license agreements on behalf of Norwegian research libraries. The agreements focus on access to electronic resources like e-journals, reference databases, dictionaries and encyclopedias.

Currently there is large governmental support for Open access. The Norwegian government has re-enforced their statement that all publicly funded research should be openly available and leans strongly towards gold OA. The Ministry of Education and Research has also established a working group consisting of researchers and the National Research Council. A new national policy for Open access is planned for June 2016.

CRISTin's general plan for negotiations is to convert resources currently spent on subscriptions into funds to support sustainable Open access business models. It is not planned to allocate additional funds for this transition. On the institutional level there is also widespread support for shifting budgets away from subscriptions → 5 Norwegian research institutions have already signed the *Expression of Interest in the large-scale transition to open access*.

CRISTin is currently in discussions with Springer to convert current subscription agreement to Open access. → Springer is hesitant, apparently they want to wait with new deals the results of existing pilot agreements become clearer.

Other agreements up for renewal in 2016 include Elsevier, Wiley, Taylor & Francis and OUP.

Finland

The current status in Finland is that there are no firm mandates and no choice of green or gold. Open access publishing is generally still moderate in Finland. The Ministry of Education and Culture has launched an initiative for next year with the goals to raise awareness, build infrastructures, gather data and start project "Funding of Finnish Open Access Journals".

In 2016 there will be journal packages under negotiation with 11 publishers. FinELib's objectives for the negotiations:

Elsevier:

- Objectives: Further open access, price, TDM;

- Expectations no extra money to be spent on open access, hybrid articles without extra cost, it is still to be discussed if green and gold OA is included;
- The objectives set for negotiations with Elsevier will be applied to other big deals when appropriate.
- Challenges for the negotiations include the difficult economic situation, difficulties of getting reliable data of open access publishing outcome, and whether to include negotiations about hybrid OA without extra cost, full OA reductions, and reduction in global OA fees.

Austria

The two key players for open access deals in Austria are the Austrian Science Fund (FWF), which is responsible for the strategic focus, and the Austrian Academic Library Consortium (KEMÖ), which has an operative focus and coordinates acquisition, licensing and administration of databases.

Current open access deals in Austria include RSC's Gold for Gold (since 2013), SCOAP3 (2014-2016), a deal with Sage including the reduction of APC (2016-2018), and offsetting-type pilots with IoP, Taylor & Francis, and Springer.

General mechanism of the offsetting pilots with IoP and Taylor & Francis

- The pilot will run from 2014-2016;
- KEMÖ members pay the subscription fees, while the FWF pays the APCs;
- Once a year the payed APCs are deducted from subscription fees of member institutions;

General mechanism of the Springer Compact deal ("Read and Publish", 2016-2018)

- Read and publish-deal: Lump sum for reading and publishing;
- Contract includes Springer and 34 institutions in Austria;
- Deal provides access to over 2000 Springer Journals and includes publishing 3.650 hybrid open access articles in Springer Open Choice Journals;
- First come, first serve principle for article allocation.

Austria has already set a timeline to 100% open access publishing in the country, which is tried to be achieved by 2025.

Netherlands

All 14 Dutch universities included in the “user group” that negotiates big deals and open access in the Netherlands. The negotiation teams are chaired by presidents of universities and they negotiate with a mandate from all universities.

Dutch points of departure for negotiations:

- Subscription big deal plus gold open access for all corresponding authors from Dutch universities;
- Gold OA without delay and additional costs;
- 0% price cap to max consumer price index;
- Usual licensing conditions (e. g. use in course packs, perpetual access rights, inter library loan);
- A Main point of negotiations: open access must be included in the big deal, or no deal!
- All deals described on oa.nl <http://www.openaccess.nl/en/in-the-netherlands/national-agreements>

Problems for the negotiations:

- Price;
- Open access for all or only a percentage of Dutch authors;
- Content.

Concluded open access big deals

Elsevier (2016-2018)

- 10% open access to 30% for Dutch corresponding authors from 2016 to 2018 based on a selected list of 140 titles for 2016;

Wiley (2016-2019)

- 100% open access for Dutch corresponding authors in about 1,400 hybrid Wiley journals, starting March 2016;

Springer Open Choice (2015-2016)

- 100% open access for Dutch corresponding authors in about 1,500 hybrid Springer journals (Open Choice journals);
- 1917 open access publications on Springer platform in 2015

Sage (2015-2016, open access from 2016)

- In 2016, 20% open access for Dutch corresponding authors (= approx 200 articles in 150 journals)

Observations about the deals so far

- Price cap max consumer index not achieved;
- Price is based on big deals plus APCs from previous years;
- Often “forced” into more content which leads to higher prices;
- Two types of open access transition, either 100% for corresponding authors at once OR only a gradual rise to a certain percentage.
- Workflows between publishers and administrators Libraries not yet materialized except for Springer

Denmark

The main political strategy in Denmark is focused on the green OA road.

DEFF’s current focus is on self-archiving rights . At the same time DEFF is preparing for offset/APC negotiations and other opportunities relating to OA within the framework of the national strategy and the consortium's negotiation mandate. Denmark aims at achieving to have 80% of Danish peer reviewed papers freely available the green way. The Gold model is only pursued if it does not increase spending.

66 of the current consortia deals have open access potential, 23 of those already include self-archiving rights. 28 others have potential in that regard, one deal includes another significant open access element.

Lessons learned from the country showcases

- **General objectives of offset deals**
 - To increase open access shares of publication outputs;
 - Mostly no strategies in terms of alternative scenarios except from the Netherlands (“oa deal or no deal”);
 - Open access transformation in the sense of an abolition of the subscription system is not necessarily in the center of negotiations.
- **Realities**
 - In many cases, extra money has to be spent although many efforts have been made to look at the overall costs (e.g. subscriptions and APC).
 - Negotiators lack reliable independent data and data analysis on publishing outputs.
 - The settings of negotiations differ. The Netherlands approach to build negotiation teams including high level representatives has proven to be a valuable strategy and may serve as a model.
- **General mechanisms of the agreements**
 - All kinds of mechanisms are currently in place: vouchers, reimbursement on local and global levels, gradual increases of oa amounts, lump sum...
 - Most agreements however currently lack mechanisms such as penalties or incentives to really foster the switch to and publication based model.
- **Administrative processes**
 - Differences in price mechanisms add much complexity to accounting processes.
 - Consortia structures represent further challenges.

Outcome

The second day started with two presentations on the Max Planck Springer Compact agreement and the German Open APC initiative.

Following this, there was a discussion in groups working on the following questions:

- *What are the desired objectives of an offset deal/ what would represent a successful agreement?*
- *What would you identify as a good practice in terms of license mechanisms and negotiations?*

Discussion results have been gathered up, clustered and led to the following shared understanding:

Objectives of offsetting agreements

- Offset deals are **pilot models**. They cannot be regarded as properly established agreement types yet. They are rather transitional models in order to pave the ways to a fully open access business model. Since an actual offset of costs is not a consistent component of the current agreements and since there are also further non-APC-based models to conceive, the term ‘transitional model’ would be preferred.
- Offset deals (or transitional models) should therefore lead to a proper open access model. This includes to fully omitting subscription costs or other access based costs components. With regard to publishing fee based business models, they must **lead to a “pay as you publish” agreement** between institutions and publishers.
- Offset agreements must lead to **differentiated pricing models** that replace standard prices for publishing fees for all journals of a publisher. This requires working on reasonable criteria such as citations, compliance, dissemination or publishing services. Price caps have also to be discussed.
- Offsetting implies the opportunity to **overcome dysfunctionalities as known from the current subscription system** and to improve the business for scholarly publishing in terms of transparency and efficiency rather than to perpetuate it. Offset deals should therefore take these objectives into account by including appropriate mechanisms.

Mechanisms of offsetting agreements

- Agreements should include definitions of workflows and process **to adjust the eligibility of authors** to publish under an offset agreement.

This particularly includes mechanisms for author identification by the publisher, such as

- Email suffix;
- IP authentication;
- Provision of a drop-down menu to select the institution;
- The validation of the institution as stated in the publication by the authors;
- Publishers should introduce systems and notification processes in order to enable institutions to properly verify and confirm eligible authors.
- Agreements should clearly define publication and article types covered. Publishers should ensure to be able to track submissions by their systems for all journals within the scope of an agreement.

- Publishers and institutions must work on the **harmonization of payment and reporting workflows** such as:
 - In case of co-authorship, and to avoid multiple allocations of publications, the corresponding author's institutions should be billed.
 - Publishers should state the paying institution in the publication.
 - Reconsider membership schemes and define conditions for prepayment. Publication based payment schemes should be offered by publishers by default.
 - Publishers and institutions must work on the availability of reliable publication output data in a standardized format to be able to properly negotiate and evaluate agreements.
- Agreements should include **mechanisms to foster “pay as you publish”** such as
 - Gradual implementation of publication based billing procedures instead of upfront payments;
 - “Penalties” to come into effect when articles were not processed correctly by publishers, in order to include incentives for working on an improvement of workflows.
- Public expenditures for scholarly publishing should be **transparent**. This implies the releasement of payment data as well as to avoid confidentiality clauses.

Tools and infrastructure

In order to share information and to monitor the availability of offsetting as well as to synchronize its progress towards the open access transition, a network of users and negotiators has to be established. Workshop participants therefore constitute a starting point. For now, the ESAC initiative may serve as a hub to this purpose. The initiative can furthermore collect and disseminate requirements and discussion outcomes.

Beyond that network, the following tools are needed:

- Guidelines and requirement documents supporting the communication among the parties involved;
- A matrix which is publicly available to indicate the agreements currently in place;
- Procedures and platforms (such as Open APC) to share and to aggregate cost information and to allow empirical statements on average prices and price developments;
- Access to publication output data and bibliometric information or an independent infrastructure providing institutions with such data upon request.