



National Documentation Center  
(EKT/NHRF)

FP7 Rules of Participation  
Funding schemes  
Financial issues  
Evaluation Criteria  
Implementation  
Submission

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Belarus, 28 February 2008



# Outline of the presentation

- **Definitions- Participation rules**
- Funding schemes
- Financial issues
- Evaluation Criteria
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# Differences between FP6 ≠ FP7 Terminology

FP6		FP7
➤ Cost Model	≠	“Does not exist any more”
➤ Upper funding limit for R&D=100%	≠	Upper funding limit 75%
➤ Indirect Cost for SSA/CA=20%	≠	Indirect Cost for SSA/CA=7%
➤ “Contract” becomes	≠	“Grant Agreement”
➤ “Contractor” becomes	≠	“Beneficiary”
➤ “Instrument” become	≠	“Funding Scheme”
➤ “Audit certificate” becomes	≠	“Certificate of Financial Statements”
➤ Evaluation criteria	≠	Evaluation criteria=3
➤ Financial Collective Responsibility	≠	Not exist in FP7
➤ “Pre-existing know-how”	≠	Background
➤ Knowledge	≠	Foreground
➤ “INCO Countries”	≠	International Cooperation Partner Countries

# Minimum conditions for participation

- 3 independent participants from 3 different Member States (MS) or Associated countries (Ac)
  - ❖ *Member States (MS): EU 27*
  - ❖ *Associated countries (Ac): EU non member countries associated to FP7, ie, Iceland, Liechtenstein, Norway, Switzerland, Israel, Turkey, Croatia and Serbia\**

Provided this minimum has been achieved, **any number of additional participants from other countries can be included**

- Natural persons may participate
- Sole participants composed of members that meet the criteria above can participate
- JRC may participate and is deemed to be from a different MS or Ac (same principles for **international European interest organisations**; and entities established under Community law, eg, a European Economic Interest Grouping)
- **Additional conditions** can be established by the work programme (WP) or specific programme (SP) (e.g. specific cooperation activities dedicated to ICPC)

\* list regularly updated at : [http://cordis.europa.eu/inco/agreements\\_fp7\\_en.html](http://cordis.europa.eu/inco/agreements_fp7_en.html)

# Minimum conditions for participation

- Collaborative projects for specific international cooperation actions (SICA) dedicated to international cooperation partner countries (ICPC) identified in WP – minimum is 4 participants of which 2 in different MS or Ac and 2 in different ICPC countries unless otherwise foreseen in work programme

***The list of ICPC countries is given in annex 1 of the work programme***

- **Frontier research actions (ERC):** at least 1 legal entity established in a MS or AC
- **Coordination and support actions** and actions in favour of training and career development of researchers: **minimum of 1 legal entity** (except actions to coordinate research activities)
- Participation of international organisations and participants from third countries possible if in addition to minima

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# Funding Schemes

- Collaborative projects (in former times IP; STREP)
- Networks of Excellence (NoE)
- Coordination and support action (CSA)
- Support for „frontier“ research (Ideas)
- Support for training and career development of researchers (Marie-Curie)
- Research for the benefit of specific groups (in particular SMEs; in former times CRAFT and Collective Research)

# CP - Integrating Projects

## ➤ **Activities in an Integrating Project may cover**

- ✓ Research and technological development
- ✓ Demonstration
- ✓ Training activities
- ✓ Innovation linked activities
- ✓ Management of the consortium

## ✓ **Experience of IPs in FP6**

- ✓ Average duration: 36-60 months
- ✓ Optimum consortium: 10-20 participants
- ✓ Total EC contribution: 4-25 M€

**Source: European Commission**



# CP – Focused Projects

- ✓ **Activities in a Focused Project may cover**
  - ✓ Research and technological development
  - ✓ Demonstration
  - ✓ Management of the consortium
- ✓ **Experience of STREPs in FP6**
  - ✓ Average duration: 18-36 months
  - ✓ Optimum consortium: 6-15 participants
  - ✓ Total EC contribution: 1-4 M€

# Networks of Excellence (NoEs)

- **Activities in an NoE may cover**
  - ✓ Joint programme of activities (JPA)
  - ✓ Integrating activities
  - ✓ Joint research programme
  - ✓ Spreading of excellence
  - ✓ Management of the consortium
- **Experience of NoEs in FP6**
  - ✓ Average duration: 48-60 months
  - ✓ Optimum consortium: 6-12 participants
  - ✓ Total EC contribution: 4-10 M€

# Coordination Actions

- ✓ **Activities in a Coordination action may cover**
  - ✓ Networking, coordination and dissemination activities
  - ✓ Management of the consortium
  - ✓ *(Coordination actions do not conduct S&T research !)*
- ✓ **Experience of CAs in FP6**
  - ✓ Average duration: 18-36 months
  - ✓ Optimum consortium: 13-26 participants
  - ✓ Total EC contribution: 0.5-2 M€

# Support Actions

- ✓ **Activities in a Support action may cover**
  - ✓ Conferences, seminars, working groups and expert groups; Studies, analysis;
  - ✓ Fact findings and monitoring; Preparatory technical work, including feasibility studies; Development of research or innovation strategies;
  - ✓ High level scientific awards and competitions;
  - ✓ Operational support, data access and dissemination, information and communication activities
  - ✓ Management of the consortium (*Support actions do not conduct S&T research !*)
- ✓ **Experience of SSAs in FP6**
  - ✓ Average duration: 9-30 months
  - ✓ Optimum consortium: 1-15 participants
  - ✓ Total EC contribution: 0.03-3 M€

**Source: European Commission**

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# Financial Issues

- ✓ **Reimbursement of eligible costs as the preferred method**, particularly at the beginning of FP7
- ✓ **Flat rates**: a percentage for indirect costs or scales of unit costs
- ✓ Lump sum amounts : in particular as option **for participants from ICPC** and, if provided for by work programme, **for NoEs**
- ✓ Combination possible (will be used for ERANET-PLUS)
- ✓ *Forms of grants to be used are specified in WP/calls for proposals*
- ✓ **ICPC participants may opt for lump sum financing**

# Reimbursement of eligible costs

- ✓ **Cost reporting models eliminated**
  - ✓ Participants charge direct and indirect eligible costs
- ✓ **Average personnel costs accepted if: (new)**
  - ✓ Consistent with the management principles and accounting practices
    - ✓ and
  - ✓ they do not significantly differ from actual personnel costs= if identified according to a methodology approved by the Commission
- ✓ **Receipts** taken into account at the end of the project
- ✓ **Interest from pre-financing**

# Indirect Costs

- ✓ For all beneficiaries:

## Either on

- ✓ **real overheads**
- ✓ **simplified method**: only if **lack of analytical accounting** or legal requirements to use a form **cash-based accounting** prevents detailed cost allocation; in accordance with usual accounting and management principles (certification of methodology possible)
- ✓ **flat rate of 20%** of direct costs minus subcontracting and 3rd parties not used on the premises of the beneficiary

## But:

- ✓ Non profit Public Bodies, Secondary and Higher Education establishments, Research Organisations and SMEs **unable to identify real indirect costs**, may apply for **a flat rate of 60% for funding schemes with RTD**.
- ✓ For Coordination and Support Actions limit **of 7% of direct eligible costs** (minus subcontracting and costs made available by 3rd parties which are not used on the premises of the beneficiary).



# Maximum funding rates

- **Research and technological development activities** – up to **50%** of eligible costs except for: Public bodies, Secondary and higher education establishments, Research organisations (non-profit), SMEs– up to **75%**
- **Demonstration activities** – up to **50%** of eligible costs
- **Other activities (management, etc)** – up to **100%**
- **Coordination and support actions** – up to **100%** (Flat rate indirect costs: 7%)
- **Frontier research actions (IDEAS):** up to **100%**
- **Training and career development of researchers actions (PEOPLE):** up to **100%**

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# Evaluation criteria

Divided into three main criteria

## S&T Quality

- ✓ Concept, objectives, workplan

## Implementation

- ✓ Individual participants and consortium as a whole
- ✓ Allocation of resources

## Impact

- ✓ Contribution to expected impacts listed in the work programme
- ✓ Plans for dissemination/exploitation

# Evaluation criteria

## Criteria adapted to each funding scheme

- ✓ Specified in the work programme (annex 2)
- ✓ Given in Guide for applicants

## Scoring

- ✓ Criteria scored out of 5  $\Rightarrow$  total=15
- ✓ Individual threshold = 3;  
overall threshold = 10

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# Certificate on financial statements

- For claims of interim payments and final payments by a beneficiary when community financial contribution equal or superior to **375,000 Euro** (except for project of 2 years or less: the CFS is submitted just at the end)
- If EC funding for a participant does not reach 375,000 **no Certificate** on financial statement **is needed.**
- If above the threshold, mandatory for every beneficiary, except if a certificate on the methodology is provided

# Certificate on the methodology

- Certificate on the methodology for calculation of costs (both personnel and indirect costs and the related control systems) verified by external auditor = **accepted by the COM = no intermediate certificate on the financial statements** for claims of **interim payments** necessary
- **Simplified certificate** for final payments

# Grant Agreement

## Structure

- Core part: Grant agreement parameters
- Annex I: Description of Work
- Annex II: General Conditions
- Annex III: Specific provisions for funding schemes(e.g. Research for SMEs)
- Annex IV, V & VI: Forms A(Accession of beneficiaries),B (Accession of new beneficiaries) & C (Financial Statement)
- Annex VII: Form D - ToR for the certificate of financial statements and Form E – ToR for the certificate on the methodology *(new)*

**Consortium agreement mandatory** (except if excluded by Call)



# Grant agreement

## Model grant agreement to be drawn up in close cooperation with MS:

- to establish **rights and obligations of participants** (including submission of reports, termination etc);
- identify whether and what part of EC financial contribution is based on reimbursement of eligible costs, lump sums or flat rates;
- Identify which changes in the consortium require prior publication of competitive call;
- shall reflect general principles of the European Charter for Researchers and the Code of Conduct for the Recruitment of Researchers
- specific **provisions for certain types of actions** (IPR particularly)
- grant agreement comes into force upon signature by coordinator and Commission and applies to each participant that accedes
- future significant modifications to be reviewed with MS

# Grant agreement

- Participants implement work jointly and severally towards the Community and carry out work of a defaulting partner unless the Commission relieves them of that obligation.
- But: no more financial collective responsibility ≠ FP6
- Instead: establishment of a participant guarantee fund to cover risks.
- If implementation of the project is impossible or participants fail to implement it, the Commission shall ensure termination.
- Consortium agreements obligatory unless exempted by call for proposals - Commission will publish guidelines on content
- Changes in consortium membership possible

# Guarantee Fund

The financial **responsibility** of each participant shall be **limited to its own debt**.

However, there is “technical responsibility” to carry out the project jointly and severally *vis-a-vis* the Commission

In order to manage the **risk associated with non-recovery of sums** due to the Community, the Commission will establish and operate a participant **Guarantee Fund**.

# Guarantee Fund

- The **contribution to the Fund by a participant** to an indirect action shall **not exceed 5 %** of the Community financial contribution due to the participant

At the **end of the action** the amount contributed to the Fund **shall be returned to the participant**

- **Unless:** the interest generated by the Fund is insufficient to cover sums due to the Community, the **Commission may deduct\* from the amount to be returned to a participant a maximum of 1%** of the Community financial contribution.

\* **not for public bodies**, legal entities whose participation is guaranteed by a MS or an AC, and **higher and secondary education establishments**

# Payment modalities

- One **pre-financing** (upon entry into force) for the whole duration will be agreed during negotiations (for projects with more than 2 periods = around 160 % of average funding per period;  
Average = total EC contribution/nr of periods)
- **Interim payments** based on financial statements (*EC contribution = amounts justified & accepted \* funding rate*)
- **Retention** (10%- released with final payment)
- **Final payment**

# Intellectual Property Provisions

## Terminology:

**Background** = information and attached rights

- which is held by participants prior to their accession to the grant agreement (no side ground)
- which is needed for carrying out the project or for using its results
- which may be defined by the participants

**Foreground** = all results of the project and attached rights

# Intellectual Property Provisions

**Ownership:** each participant owns the foreground it generates

**Joint ownership:** in absence of a specific agreement:

- any joint owner is entitled to grant non-exclusive licenses to third parties (without any right to sub-licence)
  - with 45 days prior notice to the other joint owner(s) and
  - fair and reasonable compensation to the other owner(s)

# Intellectual Property Provisions

## Transfer of ownership of foreground:

**Prior notification** in principle **only to the other participants**; they may waive their rights

Where intention to transfer ownership of foreground to third party established in third country not associated to the FP7 = **Commission may object to transfers or exclusive licenses** (for ethical, competitiveness or security reasons)



# Intellectual Property Provisions V

## Protection, use, dissemination (publication)

- **Foreground** capable of industrial or commercial application **must be protected** taking into account legitimate interests
- Owner of foreground who does not wish to protect may **transfer** the foreground **to another participant or an (affiliate) entity established in a MS or associated country** or to the Commission
- **Foreground must be used and disseminated**
- Publications and patent applications **must indicate the Community financial assistance**

# Intellectual Property Provisions VI

## Access rights for implementation

to foreground shall be granted to other beneficiaries, if needed to carry out their work (royalty-free basis)

to background shall be granted to other beneficiaries, if needed to carry out their work (royalty-free unless otherwise agreed before accession to the grant agreement)

# Intellectual Property Provisions VII

## Access rights for use

### foreground:

to other beneficiaries if it is needed to use their own foreground (subject to agreement – fair and reasonable conditions or royalty-free)

### background:

to other beneficiaries if it is needed to use their own foreground shall be granted to other beneficiaries, if needed (subject to agreement – fair and reasonable conditions or royalty-free)

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# Submission

- **Fixed deadline calls\***
  - 17h00 Brussels Time
- One stage submission or
- Two step submission (Short proposal and full proposal):  
According to the Specific Work Programme
- **Electronic submission only**
- EPSS (Electronic Proposal Submission System) is fully operational from 19 March

# More Info.....

**FP7 CORDIS:** [cordis.europa.eu/fp7](http://cordis.europa.eu/fp7)

**FP7 EUROPA:** <http://ec.europa.eu/research/fp7>

**Participate in FP7:** [cordis.europa.eu/fp7/participate\\_en.html](http://cordis.europa.eu/fp7/participate_en.html)

**Useful documents:** [http://cordis.europa.eu/fp7/find-doc\\_en.html](http://cordis.europa.eu/fp7/find-doc_en.html)

**Find a Call:** [cordis.europa.eu/fp7/dc/index.cfm](http://cordis.europa.eu/fp7/dc/index.cfm)

*Thank you for your attention*  
*Discussion- Questions ???*