

FP7 Rules for Participation and Model Grant Agreement

Athens – 19 January 2007

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Rules for participation

(adopted on 18 December 2006)



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**
- 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)



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*
- Participation of international organisations and participants from third countries possible if in addition to minima



Eligibility for Funding

1. Legal entities from MS and Ac (including JRC) or created under Community law
 2. International European interest organisations
 3. Legal entities established in international cooperation partner countries (ICPC)
- and
4. Other than the above, if provided for in SP or WP; or essential for carrying out action; or provision for funding is provided for in a bilateral agreement between Community and the third country.



Forms of grants

- **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
- Combination possible

Forms of grants to be used are specified in WP/calls for proposals

ICPC participants may opt for lump sum financing



Maximum funding rates

- **Research and technological development activities** – up to **50%** of eligible costs except for:
 - Public bodies – up to **75%**
 - Secondary and higher education establishments – up to **75%**
 - Research organisations (non-profit) – up to **75%**
 - 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%



Guarantee fund

Replaces financial collective responsibility

- Commission establishes and operates a participant guarantee fund
- Contribution to guarantee fund of max. 5% of the EC contribution by each participant, to be returned at the end of the project
- If interests generated not sufficient to cover sums due to EC, retention of max. 1% of EC contribution
- Exemption of retention for public bodies, higher and secondary education establishments, legal entities guaranteed by a MS/Ac
- Ex-ante financial viability checks limited to coordinators and participants requesting
 - > EUR 500.000 (unless exceptional circumstances)
- Guarantee fund replaces financial guarantees



European Investment Bank (EIB)

Risk-sharing Finance Facility (RSFF)

- The Community may award a grant to the EIB to cover risk of loans [or guarantees] in support of research objectives set out under the 7th FP
- The EIB shall provide these loans [or guarantees] in a fair, transparent, impartial and equal way
- The Commission may object to the use of the RSFF for certain loans on terms defined in the grant agreement in accordance with the work programme



Intellectual Property Provisions

- Pre-existing know-how (in FP6) becomes **background (in FP7)** which is:
 - held by participants prior to their accession to the EC grant agreement (no side-ground) and
 - needed for carrying out the project or for using its results
- No need to exclude it from access
- Knowledge (in FP6) becomes **foreground (in FP7)**



Intellectual Property Provisions

Ownership: each participant owns the foreground it generates

Joint ownership:

(in absence of specific agreement default joint ownership regime applies)

any owner can grant non-exclusive licenses to third parties, subject to prior notification and fair and reasonable compensation to the other owner(s) with no right to sub-licence.

Transfer of ownership of foreground:

Prior notification only to the other participants who may waive their rights to be notified regarding specific third parties

Requirement to notify Commission may be in grant agreement, Commission may object to transfers or exclusive licenses to third countries if contrary to ethical or competitiveness principles



Intellectual Property Provisions

Protection, use, dissemination, publication

- Foreground capable of industrial or commercial application shall be protected
- Owner of foreground may transfer to another participant if it does not wish to protect or to the Commission
- Foreground to be used and disseminated
- Notice of dissemination (including publication) to be given to other participants (not Commission)
- Publications and patent applications must indicate the Community financial assistance



Intellectual Property Provisions

Access rights

- Participants define the background they need and may exclude but not necessarily prior to signature of EC grant agreement
- Requests for access rights within one year after the end of the project or other period to be agreed by participants
- Possible to grant exclusive licenses if other participants waive their rights
- Commission no longer informed of granting of access rights to third parties, unless foreseen in the grant agreement
- Special provisions for certain types of actions e.g. frontier research, research for the benefit of specific groups, security research



Model grant agreement

(to be adopted by February 2007)



Terminology

- "Contract" becomes "Grant Agreement"
- "Contractor" becomes "Beneficiary"
- "Instrument" become "Funding Scheme"
- "Audit certificate" becomes "Certificate of Financial Statements"



Similarities with FP6 contract

➤ Structure

- Core part: Grant agreement parameters
- Annex I: Description of Work
- Annex II: General Conditions
- Annex III: Specific provisions for funding schemes
- Annex IV, V & VI: Forms A,B & C
- 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)



Similarities with FP6 contract

- Signature by coordinator & Commission
- Accession of beneficiaries via "Form A"
- Later accession of beneficiaries via "Form B"
- Entry into force upon signature by coordinator & Commission



What is new compared to FP6

➤ **Financial provisions**

1. Payment modalities
2. Reimbursement of eligible costs
3. Indirect costs
4. Certificates
5. Third parties
6. Upper funding limits
7. No financial collective responsibility

➤ **Other provisions**

- Reporting
- Amendments



1. Payment modalities

- One **pre-financing** (upon entry into force) for the whole duration
- **Interim payments** based on financial statements (*EC contribution = amounts justified & accepted * funding rate*)
- **Retention** (10%)
- **Final payment**



2. Reimbursement of eligible costs

- **Co-financing, no profit**
- **Eligible**
 - Actual
 - Incurred during the project
 - Determined according to usual accounting and management principles/practices
 - Used solely to achieve project objectives
 - Consistent with principles of economy, efficiency and effectiveness
 - Recorded in accounts and paid (or the accounts of third parties)
- **Non-eligible**
 - Identifiable indirect taxes including VAT...



2. 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**



3. Indirect Costs

- For all:
 - either real overheads or simplified method
 - flat rate of **20%** of direct costs minus subcontracting and 3rd parties not used on the premises of the beneficiary
- 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 costs



4. Certificates

Certificate of financial statements

- Mandatory when requested funding reaches 375,000 Euro (except for projects of 2 years or less: Certificates submitted at the end)
- If above the threshold, mandatory for every beneficiary, except if a certificate on the methodology is provided



4. Certificates

Certificate on the methodology (*new*)

- Aims at certifying the methodology of calculating (average) personnel costs and overhead rates
- Valid throughout FP7, on a voluntary basis, must be accepted by EC
- Particularly aimed at legal entities with multiple participation
- Waives the obligation of certificates for interim payments
- Simplified certificate for final payments



4. Certificates

- Certification will be provided on the basis of “Agreed Upon Procedure” (AUP)
- AUP the auditor provides information according to a specific format specified via agreed terms of reference (ToR)
- ToR annexed to the grant agreement (Annex VII)
- AUP is derived from common practice in audits and corresponds to international audit standards
- 2 types of AUP: Report of factual findings on
 - expenditure verification – certificate on financial statements
 - system verification- certificate on the methodology



4. Certificates

Who can provide these certificates

- Qualified auditors under the 8th Directive
- Independent
- Public bodies, secondary and higher education establishments and research organisations may opt for a competent public officer



5. Third parties

Third parties carrying part of the work

- Subcontracts: tasks have to be indicated in Annex I
 - awarded according to best value for money
 - External support services may be used for assistance in minor tasks (not to be indicated in Annex I)
- Specific cases: EEIG, JRU, affiliates carrying out part of the work (special clause)

Third parties making available resources

- “Third parties”: to be indicated in Annex I
- Costs may be claimed by the beneficiary
- Resources “free of charge” may be considered as receipts



Upper funding limits

Maximum reimbursement rates of eligible costs	Research and technological development	Demonstration activities	Management of the consortium activities	Other activities
Network of excellence	50% 75% (*)		100%	100%
Collaborative project	50% 75% (*)	50%	100%	100%
Coordination and support action			100% (**)	100% (**)

(*) For non profit public bodies, secondary and higher education establishments, research organisations and SMEs

(**) The reimbursement of indirect eligible costs, in the case of coordination and support actions, may reach a maximum 7% of the direct eligible costs minus subcontracting



7. No financial collective responsibility

➤ **Guarantee Fund**

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



Reporting

- **Periodic reports** to be submitted by coordinator 60 days after end of period:
 - progress of the work
 - use of the resources and
 - Financial Statement (Form C)
- **Final reports** to be submitted by coordinator 60 days after end of project:
 - publishable summary report, conclusions and socioeconomic impact
 - covering wider societal implications and a plan on use and dissemination of results



Reporting

- Commission has 105 days to evaluate and execute the corresponding payment
 - No tacit approval of reports
 - EC will pay automatically interest on late payment
- After reception Commission may:
 - Approve
 - Suspend the time-limit requesting revision/completion
 - Reject them giving justification, possible termination
 - Suspend the payment



Amendments

- Coordinator requests amendments on behalf of the consortium
- Coordinator can accept an amendment proposed by the Commission (*new*)
- For addition/withdrawal tacit approval after 45 days



Funding schemes



Funding Schemes

3 funding schemes – 5 types of projects

- Collaborative Projects (CP)
 - Large-scale integrating projects (IP)
 - Small or medium-scale focused research actions (STREP)
- Networks of Excellence (NoE)
- Coordination and Support Actions (CSA)
 - Coordinating or networking actions (CA)
 - Support actions (SA)

ICT Work programme – 2007/08: budget pre-allocation to instruments!



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€



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€



Funding schemes in ICT

- Funding schemes are defined in Appendix 2 to the Work programme and in the Guides for applicants
- The Commission never moves a proposal from a project type to another
- A proposal submitted to us as an Integrating project is evaluated using the IP evaluation criteria, and is ranked against the other Integrating project proposals submitted to the call
- So be sure you are using the right instrument for your project idea !



Budget

- In each objective the budget is pre-allocated per funding scheme, e.g.,
 - Objective 1.1 The Network of the Future
 - Budget 200 M€
 - Indicative budget distribution
 - Collaborative projects €180m
 - of which a minimum of €84m to IP and €42m to STREP
 - Networks of excellence €14m
 - Cooperation and support actions €6m



Submission and evaluation



Information for proposers

- Work programme 2007-2008
- Guide for applicants
 - now includes the Background note on the funding scheme (Section 2) and the Guidance notes for evaluators (Annex 2)
- Evaluation forms
- EPSS manual
- Model grant agreement
- Rules on submission of proposals, and the related evaluation, selection and award procedures



Submission

- Fixed deadline calls*
 - 17h00 Tuesdays
- One stage submission*
- Electronic submission only
- EPSS (Electronic Proposal Submission System) will be fully operational from 19 March

* *Special rules for FET Open scheme*



Before the evaluation

➤ **Eligibility checks**

- As always: deadline, completeness, minimum participation
- Now includes 'out of scope'
 - Clear cut cases only



Before the evaluation

- **Expert selection**
 - Expertise and experience are paramount
 - Academic/industrial, geography, gender and rotation are also considered
 - **New calls for experts for FP7**
 - to individuals
 - to organisations
 - **Current FP6 experts will be invited to transfer to FP7 ***
 - with a request to update their information
- * if their email address is up-to-date*



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 => total=15
 - Individual threshold = 3;
overall threshold = 10



When writing your proposal....1

- **Divide your effort over the evaluation criteria**
 - Many proposers concentrate on the scientific element, but lose marks on project implementation or impact description
- **Think of the finishing touches which signal quality work**
 - clear language
 - well-organised contents, following the Part B structure
 - useful and understandable diagrams
 - no typos, no inconsistencies, no obvious paste-ins, no numbers which don't add up, no missing pages ...



When writing your proposal....2

- Don't make it hard for the evaluators to give you high marks!
 - Don't write too little; cover what is requested
 - Don't write too much
 - Don't leave them to figure out why it's good; tell them !
 - Leave nothing to the imagination



Getting help with your proposal

The ICT theme supports

- Proposers' days and briefings in Brussels and elsewhere
- Partner search facilities
- A supporting website of advice, information and documentation
- A Helpdesk for proposers' questions, reachable by email or phone (and a Helpdesk for electronic proposal submission)
- <http://cordis.europa.eu/fp7/>

And a network of National Contact Points in Europe and beyond

<http://cordis.europa.eu/fp7/ncp.htm>

