



Basic rules for participation and Financial issues in FP7

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Rules for participation





The Seventh Framework Programme for Research and Technological Development (FP7)

- the EU's **main instrument** for funding research in Europe
- key pillar for the **European Research Area (ERA)**
- run from **2007-2013**
- budget of **EURO 54 Billion**
- organisations and researchers from more than **100 countries**



BASIC DOCUMENTS (1)

- **DECISION No 1982/2006/EC of the European Parliament and the Council of 18 December 2006 concerning **the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007-2013)****
- **REGULATION (EC) No 1906/2006 of the European Parliament and of the Council of 18 December 2006 laying down **the rules for the participation** of undertakings, research centres and universities in actions under the Seventh Framework Programme and for the dissemination of research results (2007-2013)**

http://ec.europa.eu/research/fp7/documents_en.html



BASIC DOCUMENTS (2)

➤ **Model Grant Agreement:**

http://cordis.europa.eu/fp7/calls-grant-agreement_en.html

➤ **Guide to Financial Issues:**

http://cordis.europa.eu/fp7/find-doc_en.html



BASIC DOCUMENTS (3)

Other guidance documents:

- **Amendments Guide for FP7 Grant Agreements**
- **Guidance Notes on Audit Certification**
- **Guide for beneficiaries**
- **Guide to IPR**
- **Checklist for the Consortium Agreement**
- **Negotiation Guidance Notes**
- **Guidance notes on project reporting**

http://cordis.europa.eu/fp7/find-doc_en.html



FP7 – Specific Programmes

***Cooperation* – Collaborative research**

***Ideas* – Frontier Research**

***People* – Human Potential**

***Capacities* – Research Capacity**

+

JRC (non-nuclear)

JRC (nuclear)

Euratom



Cooperation

- Health
- Food, Agriculture and Fisheries, Biotechnology
- Information & communication technologies
- Nanosciences, nanotechnologies, materials & new production technologies
- **Energy**
- **Environment (including Climate Change)**
- Transport (including aeronautics)
- Socio-economic Sciences and the Humanities
- Space
- Security



Grants

- publishing a number of **calls** for proposals under the specific programmes
- Evaluations
- negotiations
- Grant Agreements



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**)
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



Unique Registration Facility (URF)

- to register your organisations data only once
- organisation receive a **Participant Identification Code (PIC)** which you will be able to use in all proposals submissions and negotiations.



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



Funding Schemes

3 funding schemes – 5 types of projects

- **Collaborative Projects (CP)** - aimed at research and development
 - Large-scale integrating projects (IP) - 4-25 MEuro, 10-20 participants, 3-5 years
 - Small or medium-scale focused research actions (STREP) - 1-4 MEuro, 5-10 partners, 2-3 years
- **Networks of Excellence (NoE)** - aimed at integration of research activities/capacities
- **Coordination and Support Actions (CSA)** - aimed at supporting collaboration, coordination & other activities (e.g. conferences, trainings and studies)
 - Coordinating or networking actions (CA)
 - Support actions (SA)



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



Third Countries

- Candidate Countries, Associated Countries, Industrialised Countries, International Cooperation Partner Countries
- **Belarus**, Russia, Ukraine and other NIS belong to **ICPC**

Principles

- ▶ Competitive advantage for Europe
- ▶ Mutual benefit and interest
- ▶ Critical and specific need



International Cooperation (INCO) in FP7

Main features



- More inclusive
- More substantial
- More integrated
- More targeted
- More coordinated



COOPERATION

Collaborative research

Opening of **all themes** to third countries

- Build S&T partnerships based on mutual interest
- Enhance Europe's competitiveness
- Contribute to implementing EU policies and international commitments effectively

Specific International Cooperation actions (**SICA**) in themes

- Early identification of problems in other parts of the world before these affect Europe
- Cooperation with and in third countries in finding solutions to such problems
- Dedicated activities within and across themes in order to address existing complexity in third countries



CAPACITIES

INCO

Coordination of the international cooperation actions under the different programmes and across themes



Financial Issues



COSTS



Direct costs:

Costs directly attributed to the project (personnel, materials, equipment, travel ...)

Indirect costs (overheads):

Cannot be identified as being directly attributed to the project but can be identified and justified as being incurred in direct relationship with the eligible costs attributed to the project

(general administration and management, office or laboratory space, including expenditure such as water, heating, electricity etc., communication expenses, postal charges, common office equipment...)



- **Actual direct costs + actual indirect costs**
- **Actual direct costs + flat rate for indirect costs**
(20% of direct costs excluding subcontracting)

Non profit public bodies, secondary and higher education establishments, research organisations and SMEs unable to identify their real indirect costs for the project, may opt for a flat-rate of 60% when participating in projects which include research and technological development and demonstration activities



- For **coordination and support actions** flat rate for indirect costs is limited to **7%** of direct eligible costs excluding subcontracting
- **Marie Curie actions** – flat rate for indirect costs amounts **10%** of direct eligible costs excluding subcontracting
- **Frontier research** – flat rate for indirect costs amounts **20%** of direct eligible costs excluding subcontracting



Eligible costs=

- Actual (real, actually incurred, not estimated or budgeted)
- Incurred during the project (with exception of costs relating to final reports, audit certificates and final reviews if applicable – these costs may be incurred up to 60 days after the end of the project)
- Determined according to usual accounting and management principles/practices of the beneficiary (national accounting rules and principles/practices of the beneficiary). No possibility to create specific accounting principles for FP7 projects.



ELIGIBLE COSTS (2)

- Used solely to achieve project objectives (these costs must be essential for the performance of the project and would not be incurred if the project did not take place)
- Consistent with principles of economy, efficiency and effectiveness (refers to standard of „good housekeeping” in spending public money)
- Recorded in accounts
- Exclusive of non-eligible costs (**VAT is not eligible**)

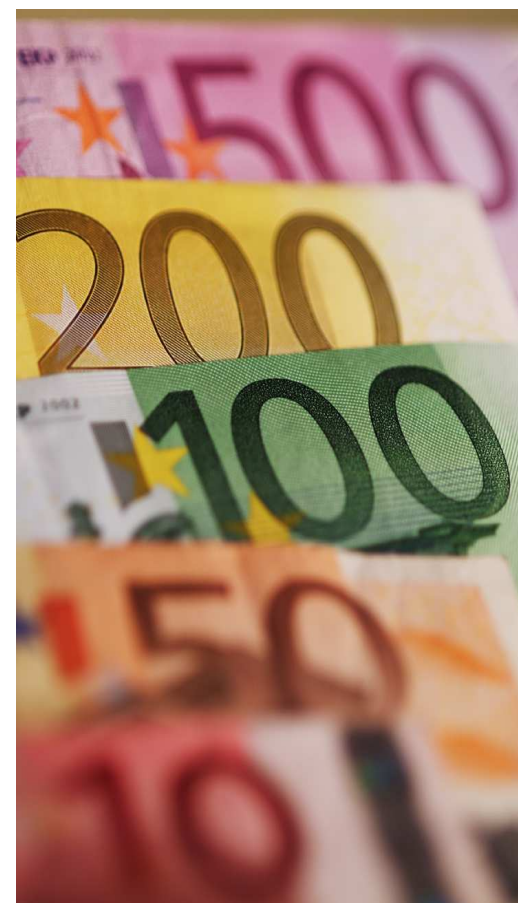


COST OF PERSONNEL ASSIGNED TO THE PROJECT

- Only the **hours worked in the project** can be charged
- Working time must be recorded on a daily, weekly or monthly basis using a paper or computer-based system
- The **time records** have to be authorized by the project manager or other superior



EC CONTRIBUTION



ACTIVITIES

Main categories of activities that can be charged:

- **Research and technological development (RTD)**
- **Demonstration activities** (proving the viability of new technologies that offer a potential economic advantage , but which cannot be commercialised directly)
- **Other activities** - management activities, training, coordination, networking and dissemination (including publications)



MAXIMUM FUNDING RATES PER ACTIVITY (in percentage of eligible costs)

Research and technological development activities:

- Non-profit public bodies – 75%
- Secondary and higher education establishments – 75%
- Research organisations (established as non-profit organisations) – 75%
- SMEs – 75%
- Others – 50%

Demonstration activities – 50%

Other activities – 100%



MAXIMUM FUNDING RATES PER ACTIVITY (in percentage of eligible costs)

Frontier research actions – 100%

Coordination and support actions – 100%

**Training and career development of
researchers
actions – 100%**



SPECIAL POSSIBILITY FOR PARTNERS FROM ICPC COUNTRIES

Beneficiaries from **International Cooperation Partner Country (ICPC)** can – as an alternative to funding based on actual cost – opt for a **lump sum**



LUMP-SUM for partners from ICPC countries (1)

The **lump sum** contribution for participants from International Cooperation Partner Countries (ICPC) is:

This amount is all inclusive, covering support towards both the direct and the indirect costs

Economy of the ICPC	Contribution (EUR/researcher/year)
Low-income	8.000
Lower middle income Belarus , Moldova, Ukraine,	9.800
Upper middle income Russian Federation	20.700



LUMP-SUM for partners from ICPC countries (2)

The upper funding limits to be applied in different funding schemes:

Funding scheme	Non-profit public bodies, secondary and higher education establishments, research organisations and SMEs	All other organisations
Collaborative projects	75%	50%
Networks of Excellence	75%	50%
Coordination and support action	100%	100%
Support for „frontier” research (ERC)	100%	100%
Research for the benefit of specific groups	75%	50%
Support for training and career development of researchers (Marie Curie)	Not applicable	Not applicable



PAYMENTS

For projects with more than 2 reporting periods:

- One **pre-financing** 45 days following the date of entry into force of the grant agreement.
About **160%** of the average funding per period (average = total contribution/no of periods)
- **Interim payments** based on financial statements
- Retention 10%
- **Final payment**

For projects with 1 or 2 reporting periods:

- pre-financing will be 60-80% of EC total funding



CERTIFICATE ON FINANCIAL STATEMENT (CFS)

- Mandatory when requested funding reaches **375.000 Euro** (except for project of 2 years or less – the CFS is submitted max. once – at the end of the project)
- CSF shall not be required for projects entirely reimbursed by means of **lump sum**



Guarantee Fund

- Established in order to **manage the risk** associated with non-recovery of sums due to the Community by the beneficiaries of grant agreements under FP7.
- Each beneficiary **financial responsibility limited to its own debt**
- Amount of **5% of EC contribution** paid at the moment of the pre-financing
- Interest generated by the Fund shall be added to it and shall be used by the Commission for transfers from or recoveries from the Fund
- At the end of the GA, **up to 1%** of EC Contribution may be deducted (except for public bodies, education establishments, entities guaranteed by MS or AS)



Risk-Sharing Finance Facility (RSFF)

- **new financial instrument** in FP7
- implemented by EC in cooperation with European Investment Bank (EIB)
- **EURO 1 Billion** from FP7 budget plus **EURO 1 Billion** from EIB to cover risk of **loans** [or guarantees] in support of research objectives set out under FP7
- 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



Getting support

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

Network of National Contact Points in Europe and Contact Points in INCO countries

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

- Supporting website of advice, information and documentation
- Info Days, meetings and trainings
- Partner search facilities
- Helpdesk/consultations reachable by email or phone



*Thank you for your
attention!*

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