



National Documentation Center  
(EKT/NHRF)

## Questionnaire on FP7 Rules of Participation

Answers based on the following presentations:

- “FP7 Rules of participation” and
- “Preparing and Managing a successful FP7 proposal step by step” delivered by Mr Paul Jamet

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Belarus, 28 February 2008



# Question- Answer 1

## 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)

# Question- Answer 1

## 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

# Question- Answer 2

## Third Countries

- 1- Associated Candidate Countries can participate on similar terms to participants from the EU Member States.
- 2- Industrialised countries (USA, Canada, Japan, Australia....) can participate under the FP7 'Rules for participation', but under their own funding, unless specifically set out differently in the relevant work programme.
- 3- **International Cooperation Partner Countries (ICPC):**
  - **Countries neighbouring the EU** (Mediterranean Partner Countries, Western Balkans, Eastern European and Central Asian Countries)
  - **Developing countries** (ACP, ASIA, Latin America)
  - **Emerging economies** (e.g. China, India, Brazil, Russia, South Africa)

An ICPC is a third country which the European Commission classifies as a low-income, lower-middle-income or upper-middle-income country and which is identified as such in the FP7 work programmes

# Question- Answer 3

## International Cooperation Partner Countries

*“...Another important group are the International Cooperation Partner Countries (e.g. **Russia and other Eastern European and Central Asian states**, developing countries, Mediterranean partner countries, Western Balkans countries). Participants from these countries are entitled to funding under the same conditions as EU Member States. The only restriction for them is that consortia must first have the required minimum number of participants from Member States or associated countries....”*

(from FP7 Europa website)

# Question- Answer 4-5-6

## Calls for proposals

- The Commission shall issue calls for project proposals in accordance with the requirements laid down in the relevant specific programmes and work programmes.
- The first calls for proposals were launched on 22 December 2006.
- **Fixed deadline calls\***
  - 17h00 Tuesdays
  - 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

# Question- Answer 7

## The information package - Key documents

Answer from the presentation by Mr. Paul Jamet

### For each call, a set of documents is available:

Text of the call (published in Official Journal of the EU)

Call fiche (part of the 2007 Work Programme)

**Work programme** (including General introduction & General annexes)

**Guide for applicants:** one per call and funding scheme

Rules for submission of proposals, and

The related evaluation, selection and award procedures

→ **Read carefully all the documents**

# Question- Answer 8-9

## 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



# Question- Answer 10

## Consortium Agreement

The consortium agreement is the agreement between the beneficiaries of an FP7 project proposal and governs the following:

- (a) The internal organisation of the consortium;
- (b) The distribution of the Community financial contribution;
- (c) Additional rules on dissemination and use including intellectual property rights arrangements, as appropriate;
- (d) The settlement of internal disputes.

# Question- Answer 11

## 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

# Question- Answer 11

## 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)

# Question- Answer 12

## Intellectual Property Provisions

### 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

# Question- Answer 13-16

## Cost Categories

Eligible costs of the project are:

- **direct costs**

are all those eligible costs which can be attributed directly to the project and are identified by the beneficiary as such, in accordance with its accounting principles and its usual internal rules

- **indirect costs**

are all those eligible costs which cannot be identified by the beneficiary as being directly attributed to the project but which can be identified and justified by its accounting system as being incurred in direct relationship with the eligible direct costs attributed to the project

# Question- Answer 13-16

## Direct Costs

Direct costs are e.g.:

- Personnel costs
  - Definition in MGA Annex II Art. II.15.1
  - Time records for **all project employees necessary**
  - Average personnel costs accepted if: 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 COM (NEW)**
- Travel costs
- Equipement

# Question- Answer 13-16

## Indirect Costs

Indirect costs are e.g.:

- Administration costs
- Rental fee
- Electricity and heating costs
- Phone and copy costs
- Cleaning costs
- General office equipment
- Mail charges
- Office supplies

# Question- Answer 13-16

## Eligible costs

✓ **Co-financing, no profit**

✓ **Eligible**

- ✓ Actual
- ✓ Incurred by the beneficiary during the project (except: for final report and final review 60 days after end of 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)



# Question- Answer 13-16

## Non- eligible costs

- **Non-eligible costs are:**
  - a) indirect taxes including value added tax,
  - b) duties,
  - c) interest owed,
  - d) provisions for possible future losses or charges,
  - e) exchange losses, cost related to return on capital,
  - f) costs declared or incurred, or reimbursed in respect of another Community project,
  - g) debt and debt service charges, excessive or reckless expenditure.

# Question- Answer 13-16

## 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 : 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*

# Question- Answer 13-16

## 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).

# Question- Answer 17-20

## 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%**

# Question- Answer 21

## Certificates

### Certificate of 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

# Question- Answer 22

## Implementation and grant agreements

- 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

## Question- Answer 22

# No financial collective responsibility

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**.

## Question- Answer 22

### 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**



# Question- Answer 23

## 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**

# Question- Answer 24

## 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

## Question- Answer 24

# Evaluation criteria for IDEAS Programme

1. Potential of applicant
2. Quality of project
3. Research Environment
  - Referees and panels evaluate and score criteria under Heading 1 and Heading 2 numerically which will result in the ranking of the projects
  - Criteria under Heading 3 will be considered as "pass/fail" and commented but not scored

# Question- Answer 25

## 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