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# Practical Aspects of participation in FP7

**FP7 Info Day**

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**Tania Friederichs**

**DG RTD**

**International Cooperation**

**[tania.friederichs@ec.europa.eu](mailto:tania.friederichs@ec.europa.eu)**





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# Work Programmes

- Legal basis for the implementation of FP7
- Work Programmes updated annually
- One single timetable for all FP7
- Provide further detail of calls, topics, expected impact and details of the funding scheme
- Contain the call 'fiche' – the official announcement of the call
- May contain information on potential future topics, as basis of further consultation



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# Calls for Proposals

- Announced in the OJ
- Calls published on CORDIS
- Set out details of:
  - Call budget, opening and closing dates
  - Topics and funding schemes
  - Eligibility and evaluation criteria (and any deviation from the norms)
  - Indicative evaluation and contractual timetable
  - Provide access to EPSS



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# Proposal Submission

- Submission only through the EPSS – Electronic Proposal Submission Service
- Deadlines strict: to the second!
- Proposal:
  - Part A: administrative forms
  - Part B: main text of proposal
- Full information in the Guide for Applicants – specific to each call





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# Evaluation Process

- Funding decisions are based on peer review of research proposals
- High quality evaluators are at the core of the system
- System largely the same as that used in FP6
- Quality control
  - Questionnaire survey of experts
  - Independent observers
  - Redress system





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# Eligibility checks

- Receipt before deadline
  - Impossible to be late with EPSS!
- Minimum number of independent partners
  - As set out in work programme and call
- Completeness of proposal
  - Presence of all requested forms
- ‘Out of scope’
- Others (e.g. budget limits)



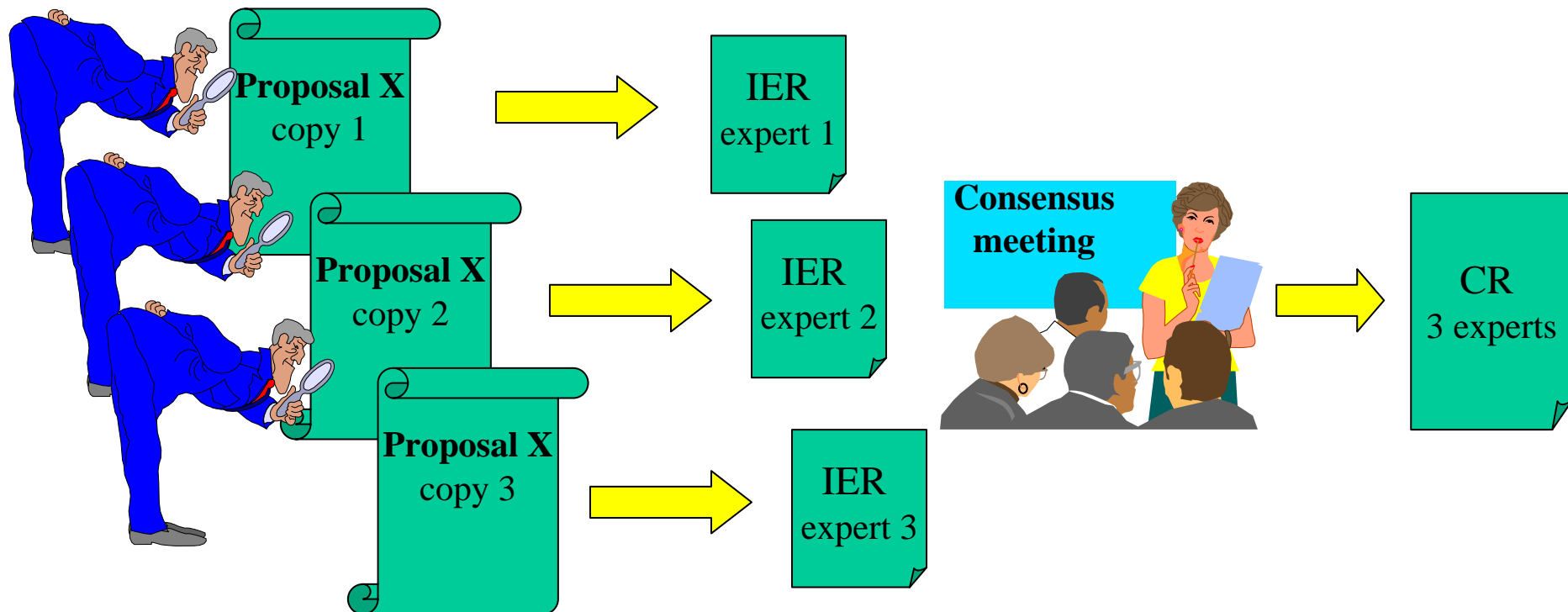


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# For each proposal

May be "remote"



*Note: There may be more than 3 evaluators*  
IER=Individual assessment report  
CR=Consensus Report





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# The criteria

- Criteria adapted to each funding scheme
  - specified in the work programme and Guide for Applicants
- Three main criteria:
  - S&T Quality (relevant to the topic of the call)
    - *Concept, objective, work-plan*
  - Implementation
    - *Management*
    - *Individual participants and consortium as a whole*
    - *Allocation of resources*
  - Impact
    - *Contribution to expected impacts listed in work programme*
    - *Plans for dissemination/exploitation*





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# Proposal scoring

- Each criterion is scored 0-5
  - **half-scores allowed**
  - **whole range should be considered**
  - **Scores must pass *thresholds* if a proposal is to be considered for funding**
- Thresholds apply to individual criteria...
  - **Default threshold is 3**
- ...and to the total score
  - **higher than the sum of the individual thresholds**
  - **Default threshold is 10**
- Can vary from call-to-call!





## Interpretation of the scores

- 0 - The proposal fails to address the criterion under examination or cannot be judged due to missing or incomplete information**
- 1 - Poor. The criterion is addressed in an inadequate manner, or there are serious inherent weaknesses**
- 2 - Fair. While the proposal broadly addresses the criterion, there are significant weaknesses**
- 3- Good. The proposal addresses the criterion well, although improvements would be necessary**
- 4 - Very Good. The proposal addresses the criterion very well, although certain improvements are still possible**
- 5 - Excellent. The proposal successfully addresses all relevant aspects of the criterion in question. Any shortcomings are minor**



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## Post Evaluation

- Evaluation summary reports sent to applicants
  - ‘*initial information letter*’
  - Redress procedure
- Draw up final ranking lists
- Information to the Programme Committee
- Grant negotiation





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# Eligibility for funding

- Legal entities from **MS and AC** or **created under Community law** (and JRC)
- **International European interest organisations**
- Legal entities established in **international cooperation partner countries** (ICPC), and
- **International organisations** and legal entities from **third countries other than AC or ICPC** under certain circumstances





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# General principles

## Forms of grants

**Reimbursement of eligible costs is the preferred method**

Flat rates, including scales of unit costs

Lump sum amounts, in particular as option for participants from ICPC

**Principles of co-financing and no profit**





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# Upper funding limits

## Reimbursement according to the type of organisation, of action and/or activity

- **Research and technological development activities:** up to **50%** of eligible costs.  
However, it can be up to **75%** for:
  - *Non profit* public bodies, secondary and higher education establishments and research organisations, SMEs, and
  - Security related research (in certain cases)
- **Demonstration activities:** up to **50%**
- **Other activities** including management: up to **100%**
- **Frontier research actions:** up to **100 %**
- **Coordination and support actions:** up to 100%
- **Training & career development of researchers actions:** up to 100%



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# Upper funding limits

Maximum reimbursement rates	Research and technological development activities (*)	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% (***)

(\*) Research and technological development includes scientific coordination.

(\*\*) For *beneficiaries* that are 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, excluding the direct eligible costs for subcontracting and the costs of reimbursement of resources made available by third parties which are not used on the premises of the beneficiary.

(\*\*\*\*) Including research for the benefit of specific groups (in particular SMEs).





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## Eligible Costs

- **Eligible**
  - actual
  - during duration of project
  - in accordance with its usual accounting and management principles
  - recorded in the accounts of beneficiary
  - used for the sole purpose of achieving the objectives of the project
- **Non-eligible** (identifiable indirect taxes including VAT...)





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## Direct Costs

- No cost models (NEW)
- All beneficiaries report **all** their real direct costs



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## Indirect Costs

- For all:
  - either actual overhead or **simplified method\***
  - flat rate of **20%** of direct costs minus subcontracting and 3rd parties not used on the premises of the beneficiary.
- For 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 CSA limit of **7%** of direct costs

\*Transitional until 31/12/09, after at least 40%



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# Indirect Costs

## \*simplified method

- A participant may use a **simplified method** to calculate its indirect costs at **the level of the legal entity**
  - if this is in accordance with its usual management and accounting principles
  - If no analytical accounting system
  - Based on actual costs of the last closed accounting year

## Why this new approach?

to introduce a way to facilitate the transition from the Additional Cost model (abolished) towards the declaration of actual indirect costs





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		Real Indirect Costs		Flat Rate	
		Normal	Simplified	20%	60% *
Do I have an analytical accounting system allowing to determine with certitude the indirect cost related to research activities ?	YES	✓		✓	
IF THE ANSWER IS <b>NO</b> , THEN:					
Do I have an accounting system allowing to identify all my indirect costs and a reliable cost driver to allocate them?	YES		✓	✓	✓
	NO			✓	✓

\* Only applicable to Non-profit public bodies, Secondary and higher education establishments, Research organisations and SMEs





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## Example

Collaborative project submitted by a university partner in a consortium, using the 60% flat rate for indirect costs

### Project Direct Costs

100,000 RTD Costs

50,000 Demonstration

10,000 Management

### Indirect Costs (60%)

60,000

30,000

6,000



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## Example

### Total Project Costs (Direct + Indirect costs)

<b>RTD</b>	<b>160,000</b>
<b>Demonstration</b>	<b>80,000</b>
<b>Management</b>	<b>16,000</b>

=>

### Reimbursement i.e. EC contribution

RTD	$160,000 * 75%$	= 120,000
Demonstration	$80,000 * 50%$	= 40,000
Management	$16,000 * 100%$	= 16,000

**Total EC Contribution = 176,000**



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## 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**





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## Example

Project duration 3 years, EC funding 3 Mio€

- **Pre-financing** (average EU funding 1M/year, usually 160%) = 1.6 Mio€
- **1st Interim payment** 1Mio€ accepted, payment 1Mio€
- **2nd Interim payment** 1Mio€ accepted, payment 0,1Mio€ (retention 10%!)
- **Final payment** 0,3Mio€ (retention 10%)



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## Reporting

- **Periodic reports to be submitted by coordinator 60 days after end of period:**
  - overview of progress of the work, including a publishable summary report,
  - use of the resources and
  - Financial Statement **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 foreground.





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# Guarantee Fund

- No collective financial responsibility
- Instead: establishment of a financial guarantee fund to cover risks
- 5% of EC contribution
- However, there is still a responsibility to carry out the technical aspects of the project



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## Payment modalities

EXAMPLE: Project duration 3 years, EC funding 3 Mio€

- **Pre-financing** = 1.6 Mio€ of which 0,15Mio€ to the Fund
- **1st Interim payment** 1Mio€ accepted, payment 1Mio€
- **2nd Interim payment** 1Mio€ accepted, payment 0,1Mio€ (retention 10%!)
- **Final payment** 0,3Mio€ (retention 10%)+0,15 Mio€ of the Fund



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## Implementation: Status

- 170 calls published for more than €9Bn of EC funding
- 5 calls still open, 2 additional calls to open
- Major new series of calls to be published in July 2009
- More than 37000 proposals received
- More than 133000 applicants involved in proposals
- More than 12000 evaluators involved



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# 2010 Work Programmes

- Currently in preparation
- Due to be adopted July 2009
- Guiding Principles
  - Excellence
  - European Research Area
  - Recovery Package
  - Simplification and Streamlining
  - Increased focus





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# Documents and Contacts

- Rules for Participation
- Work Programme
- Rules for Submission and Evaluation of Proposals
- Guides for Applicants
  
- NCPs – National Contact Point in BiH





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## Further Information

- EU research:  
<http://ec.europa.eu/research/>
- 7<sup>th</sup> Framework Programme:  
<http://ec.europa.eu/research/fp7/>
- Information on research activities and projects:  
<http://cordis.europa.eu/>
- *research\*eu* magazine:  
[http://ec.europa.eu/research/research\\*eu/](http://ec.europa.eu/research/research*eu/)
- Questions?  
<http://ec.europa.eu/research/index.cfm?pg=enquiries>

