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German EU Presidency - FP7 launch event

Europe on the way to the top

Opportunities for participation in FP7

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Bonn 15-16 Jan 2007

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- Adoption of FP7 EC Rules for participation and dissemination of results on 18.12.2006 by European Parliament and Council
- Adoption of FP7 Euratom Rules on 19.12.2006 by the Council
- FP7 Euratom Rules follow same principles as FP7 EC Rules, however adapted to specificities of the Euratom Treaty and content of FP7 Euratom (nuclear energy research – fission and fusion)



The Rules for Participation foresee that the Commission has to complete some aspects through three other decisions:

- 1. *Rules* to govern the **submission, evaluation and selection of proposals and award of grants, as well as redress procedures** for participants**
- 2. *Rules* to govern the **assessment of the legal and financial viability** of participants**
- 3. *A model grant agreement***



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Main principles

Two main principles have been kept in mind for these rules:

- **continuity** of the principles and procedures established in FP6
- right balance between **simplification**, facilitating the participation of legal entities and protecting the Community's financial interest



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How to participate?



Calls for proposals

- As a general rule the Commission has to publish calls for proposals for indirect actions in accordance with the specific requirements laid down in the relevant specific programme and work programmes
- The first FP7 calls have been published on the 22nd December 2006
- Calls for proposals shall have clear objectives so as to ensure that the participants do not respond needlessly



Evaluation and submission procedures

- Evaluations may follow a **single stage procedure, a two-step evaluation procedure or a two-stage submission procedure**
- The applicable procedure shall be set out in the call
- Two-step evaluation procedure means that only those proposals that pass the first step, based on the evaluation against a limited set of criteria, shall go forward for further evaluation
- Two-stage submission procedure means that only those applicants whose proposals pass the evaluation for the first stage shall be requested to submit a complete proposal in the second stage



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Who can participate?





Who can participate?

- Any undertaking, university or research centre or other legal entity, whether established in a Member State (MS) or Associated Country (Ac) or third country
- JRC (Joint Research Centre) - is deemed to be established in another MS or Ac
- International organisations and participants from third countries can participate only if in addition to minima



Conditions for participation

- **Minimum condition for participation**, as a general rule at least 3 independent participants from 3 different Member States (MS) or Associated countries (Ac)
- **Additional conditions** can be established by the work programme or specific programme (number or type of participant, place of establishment)
- **Specific conditions** may also apply for:
 - **Frontier research actions**, at least 1 legal entity established in a MS or Ac
 - **Collaborative projects addressing the participation of International Cooperation Partner Countries (ICPC)** – minimum is 4 participants, 2 of which from MS or Ac and another 2 from ICPC countries unless otherwise foreseen in work programme



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How the proposals will be evaluated?





Criteria for evaluation

- The Commission will evaluate the proposals submitted according to the following **main criteria**:
 - Scientific and/or technological **excellence**
 - **relevance** to the topic of the call
 - quality and efficiency of the **implementation and management**
 - **potential impact** of project results
- **Additional requirements** on the application of these criteria may be added in the work programmes:
- For research actions under the **IDEAS Programme** the sole criterion of excellence shall apply



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Ethical issues

A proposal which contravenes fundamental ethical principles or which does not fulfil the conditions set out in the specific programmes, the work programme or the call for proposals shall not be selected



Assistance of independent experts

The Commission will appoint **independent experts** to assist with the evaluation of proposals

- Chosen on the basis of **skills and knowledge**
- Reasonable **gender balance** will be ensured
- The Commission will adopt a **model appointment letter** to be signed by each expert, which will include a declaration of no conflict of interest
- **Calls** addressed to individuals and organisations for establishment of a **database** of prospective independent FP7 experts (OJ C 305 of 14.12.2006, p. 52.)



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General principles

- Proposals will **be ranked** according to the evaluation results and funding will be made on the basis of this ranking
- The Commission will provide information and set out redress procedures for applicants



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Who can receive funding?



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 ICPC** may participate only if:
 - provided for in SP or WP; or
 - the contribution is essential for carrying out action; or
 - provision for funding is provided for in a bilateral agreement between Community and the third country



Upper funding limits I

- **Research and technological development activities:** up to **50%** of eligible costs **or** up to **75%** for:
 - Research organisations (non-profit)
 - Public bodies: up to Secondary and higher education establishments
 - SMEs:
 - Security related research for highly reliable capabilities with impact on security of European citizens and targeted to a limited number of public users
- **Demonstration activities:** up to **50%**
- **Other activities** (including e.g. Management): up to **100%**



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Upper funding limits II

Actions that will be reimbursed up to **100%**:

- Frontier research actions
- Coordination and support actions
- Training and career development of researchers actions



Reimbursement of eligible costs

- Most funding schemes, particularly at beginning of FP7 will use reimbursement of **eligible** costs

Eligible

- **actual (average personnel costs may be used if consistent with above and do not differ significantly from 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...)

- Participants may charge eligible **direct** and **indirect** costs





Indirect Cost

- For all:
 - either actual overhead or simplified method
 - flat rate of **20%** of direct costs
- 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 Research, Technological Development & Demonstration,
- For Coordination and Support Actions limit of **7%** of direct costs.



Simplified method

- A participant may use a **simplified method** to calculate its indirect costs if this is in accordance with its usual management and accounting principles
- Why this new approach?
 - The Council wished to introduce a way to facilitate the transition from the Additional Cost model (abolished) towards the declaration of actual indirect costs
 - EP added the 60% flat rate for indirect costs for specific entities, being unable to identify their indirect costs



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Certification

Certificate on financial statements (CFS)

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



Certification on the methodology

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



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



Implementation

- Participants implement the indirect action 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 \neq FP6
- Instead: establishment of a participant **Guarantee Fund** to cover risks



Risk avoidance mechanism (1)

Participant **Guarantee Fund** ("the Fund"):

- All Participants contribute to the Fund to insure against losses of a defaulting partner
- The contribution shall not exceed 5% of the EC financial contribution due to the participant
- Financial interests generated by the Fund will serve to cover financial risk
- In principle this amount will be reimbursed at the end of the action



Risk avoidance mechanism (2)

- Only if interests are insufficient, Commission may deduct up to **1%** from the Community financial contribution
- This retention shall not apply to public bodies, entities guaranteed by a MS or Ac, and higher and secondary education establishments
- Exoneration of verification of financial viability of participants (excluding Coordinators) requesting less than 500.000 EUR
- No bank/financial guarantee may be requested
- The Commission has to establish the Guarantee Fund and its modalities of implementation



Grant agreement

The Commission is about to establish, in close cooperation with Member States, 3 model grant agreements:

- **General model** grant agreement (including specific provisions for SMEs, Infrastructures and ERA-NET+)
- **Specific model** grant agreement for ERC actions
- **Specific model** grant agreement for Marie-Curie actions



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Information

- EU research: <http://ec.europa.eu/research/>
- Seventh Framework Programme:
http://ec.europa.eu/research/future/index_en.cfm
- Information on research programmes and projects:
<http://cordis.europa.eu/>
- RTD info magazine:
<http://ec.europa.eu/research/rtdinfo/>
- Information requests:
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**Thank you very much for your
attention**

