



EUROPEAN
COMMISSION

Community research

DG RTD – Not legally binding

EC FP7 Participation Rules

European Commission
Research DG
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Foreword

- **Presentation based on the compromised text of EC Council**
 - ➔ 26/10/2006
 - ➔ Not yet approved
 - ➔ Subject to possible modifications (running negotiations)



Content

- [Subject, definitions, confidentiality] *(Ch 2 / Art. 1 to 3)*
- **Conditions for participation** *(Ch I / Sec 1 / Art. 4 to 12)*
- **Submission and evaluation** *(Ch II / Sec 2 / Art. 13 to 17)*
- **Implementation and grant agreements** *(Ch 2 / Sec 2 / Art. 18 to 26)*
- [Monitoring and evaluation] *(Ch II / Sec 2 / Art. 27 to 28)*
- **Community financial contribution** *(Ch II / Sec 3 / Art. 29 to 38 + Annex)*
 - ➔ Eligibility conditions for funding
 - ➔ Forms of EC financial contribution
 - ➔ Reimbursement of eligible costs
- **Intellectual property rights** *(Ch III / Art. 39 to 52)*
- **EIB (cf RSFF)** *(Ch IV / Art. 53)*
- [Entry into force] *(Ch V / Art. 54)*



Conditions for participation (Minimum rules)

● General rules

- Any legal entity can participate (moral and natural)
- 3 independent legal entities established in 3 different Member States (MS) or Associated Countries (AC)
- JRC, International European Interest Organisations, legal entity created under Community law = MS or AC (deemed to be from a different MS or AC)
- Additional conditions can be established by the work programme (WP) or specific programme (SP) (e.g. number or type of participant, place of establishment, ...)
- Sole participants composed of members that meet the criteria above can participate

Conditions for participation (Minimum rules)

● Specific rules

- 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)
- Collaborative projects addressing the participation of international cooperation partner countries (INCO) – minimum is 4 independent participants of which 2 in MS or AC and 2 in INCO countries [unless otherwise foreseen in work programme]
- Participation of international organisations and participants from third countries possible if in addition to minima

Submission and evaluation

- **Call for proposals always except for:**

- Coordination and support actions where the beneficiary has been identified in the SP or in the WP where this is foreseen by the SP
- Coordination and support actions for the purchase of a good or service by the Community
- Coordination and support actions for the appointment of independent experts
- Other actions where provided by the Financial Regulation or its implementing rules (monopolies etc.)



Submission and evaluation

● Criteria

- The Commission shall evaluate all the proposals submitted in response to a call for proposals on the basis of the principles for evaluation, and the selection and award criteria set out in the SP and the WP.

- Criteria for SP “Cooperation” and “Capacities”
 - ◆ Scientific and/or technological excellence;
 - ◆ Relevance to the objectives of these specific programmes;
 - ◆ Potential impact through the development, dissemination and use of project results;
 - ◆ Quality and efficiency of the implementation and management.



Submission and evaluation

● Criteria

→ Criteria for SP “People”

- ◆ Scientific and/or technological excellence;
- ◆ Relevance to the objectives of this specific programme;
- ◆ Quality and implementation capacity of the proposers (researchers/organisations) and their potential for further progression;
- ◆ Quality of the proposed activity in scientific training and/or transfer of knowledge;

→ Criteria for SP “Ideas”

- ◆ Sole criterion of excellence
- ◆ For CSA, project related criteria may apply



Submission and evaluation

- **Other general rules**

- Irregularity and violation of fundamental ethical principles are grounds for exclusion from evaluation and selection
- Proposals to be ranked according to the evaluation results
- Funding decisions to be made on the basis of this ranking
- Transparent, fair and impartial evaluation procedures with help of independent experts



Submission and evaluation

- **Adoption and publication of rules**
 - ➔ Commission to adopt and publish rules on procedures for proposal submission, evaluation, selection and award
 - ◆ Including two-stage submission and two-step evaluation
 - ◆ Including redress procedures
 - ➔ Commission to adopt and publish rules to ensure consistent verification of the legal status and financial capacity of participants





Implementation and grant agreements

● Main issues

- 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.
- No more financial collective responsibility ≠ FP6
- Instead: establishment of a Participants 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 to publish guidelines]
- Changes in consortium membership possible



Implementation and grant agreements

- **Model grant agreement to be drawn up in close cooperation with MS (1/2):**
 - ➔ 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;



Implementation and grant agreements

- **Model grant agreement to be drawn up in close cooperation with MS (2/2):**
 - ➔ 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



Community financial contribution

- **Eligibility conditions for funding**

- Can be funded (by right):

- ◆ Legal entities from MS and AC
- ◆ JRC, International European interest organisations and legal entities created under Community law
- ◆ Legal entities established in international cooperation partner countries (INCO)

- May be funded:

- ◆ International organisations
- ◆ third countries other than INCO

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



Community financial contribution

- **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 for NoEs and participants from ICPC)
- ➔ Combination possible
- ➔ determination of forms of grants to be used in the work programmes and calls for proposals

Community financial contribution

● Reimbursement of eligible costs

- Most funding schemes particularly at beginning of FP7 will use reimbursement of eligible costs
- Co-financing and no-profit rules
- Definition of eligible costs
 - ◆ 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 (or the accounts of third parties); exclusive of non-eligible costs
 - ◆ Average personnel costs may be used if consistent with above and do not differ significantly from actual costs.

Community financial contribution

● Reimbursement of eligible costs

→ No more Cost reporting models (FC, FCF, AC)

→ Real direct and indirect costs

→ Indirect costs

- ◆ Real: at the level of the project or « simplified method » (legal entity level)
- ◆ Flat rate is always an option:
 - General flat rate(s) to be set up by EC
 - Particular flat rate for indirect costs for non-profit public bodies, secondary and higher education establishments, research organisations and SME for funding schemes with R&TD and/or demonstration activities:
 - 60% for calls 2007 – 2009
 - not lower than 40% for calls from 2010 – 2013

Community financial contribution

● Reimbursement of eligible costs

- May be combined with lump sums and/or flat rates for certain items of a project
- Audit certificates continued but rationalised
 - ◆ Compulsory only whenever the cumulative amount of interim payments and balance payments made to a participant is equal to EUR 375 000 or more for an indirect action.
 - ◆ For indirect actions of duration of 2 years or less, only one certificate on the financial statements shall be requested from the participant, at the end of the project
 - ◆ Certificates on the financial statements shall not be required for indirect actions entirely reimbursed by means of lump sums or flat rates.

Community financial contribution

● Lump sums and flat rate financing

- Greater use of lump sum or flat rate financing in future for certain actions whose characteristics and objectives permit (e.g. possibly some Coordination and Support actions, and some Marie Curie schemes)
- Lump sums are established by the Financial Regulation and implementing rules – per category/per beneficiary
- Otherwise lump sums can be identified in the basic act (NoE)
- Flat-rates for certain costs – such as indirect costs in actions reimbursing eligible costs
- Flat rates include scales of unit for other types of costs
- Flat rates and lump sums do not require justification of real costs or certification of same



Community financial contribution

- **Special lump sum for NoE**

- ➔ For Networks of Excellence (NoE), a special lump sum is proposed in the Rules [if this form of financing is indicated in the work programme]
- ➔ The lump sum would be € 23,500 per researcher per year (with update every two years)
- ➔ Payments based on assessment of progress in implementing the joint programme of activity (measured by indicators of integration)

Community financial contribution

- **Maximum Funding rates (1/2)**

- ➔ Research and technological activities: up to 50% of eligible costs except for:
 - ◆ Non-profit public bodies: up to 75%
 - ◆ Secondary and higher education establishments: up to 75%
 - ◆ Research organisations (non-profit): up to 75%
 - ◆ SMEs: up to 75%

- ◆ Security related research for highly reliable capabilities with impact on security of European citizens and targeted to a limited number of public users: up to 75%.

Community financial contribution

- **Maximum Funding rates (2/2)**
 - Demonstration activities: up to 50%
 - Other activities: up to 100% including e.g. Management
 - Frontier research actions: up to 100%
 - Coordination and support actions: up to 100%
 - Training and career development of researchers actions: up to 100%
 - Receipts are taken into account to determine the final Community financial contribution

Community financial contribution

● Participants Guarantee Fund

- Replace financial collective responsibility
- To be established by the Commission
- The basis for an exoneration of verification of financial viability of participants (excluding CO) requesting less than 500.000EUR.
- No bank/financial guarantee for small actors
- Implementation modalities

Intellectual Property Rights

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

Intellectual Property Rights

- **Ownership:** each participant owns the foreground it generates
- **Joint ownership (in absence of a 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 in advance regarding specific third parties
 - requirement to notify Commission may be in grant agreement/ Commission may object to transfers or exclusive licenses to third parties established in non-associated countries if contrary to ethical or competitiveness principles



Intellectual Property Rights

- **Protection, use, dissemination (publication)**
 - Foreground capable of industrial or commercial application must be protected [legitimate interests of participant]
 - Owner of foreground may transfer to another participant if it does not wish to protect or to the Commission
 - Foreground must be used and disseminated
 - Notice of dissemination (including publication) to be given to other participants (not Commission unless no protection)
 - Publications and patent applications must indicate Community financial assistance involved

Intellectual Property Rights

● Access rights

- Participants define the background they need and may exclude [limited and identified in grant agreement] but not necessarily prior to signature of EC grant agreement
- Requests for access rights within one year or other period to be agreed by participants
- Possible to grant exclusive licenses to background and foreground if other participants waive their rights
- Commission no longer informed of granting of access rights to third parties
- Special provisions for certain types of actions e.g. frontier research, research for the benefit of specific groups, security research
- Access rights for use: An affiliated entity established in an MS or AS shall also have access rights to foreground or background under same conditions as the participant to which it is affiliated, unless otherwise provided for in the grant agreement or consortium agreement.



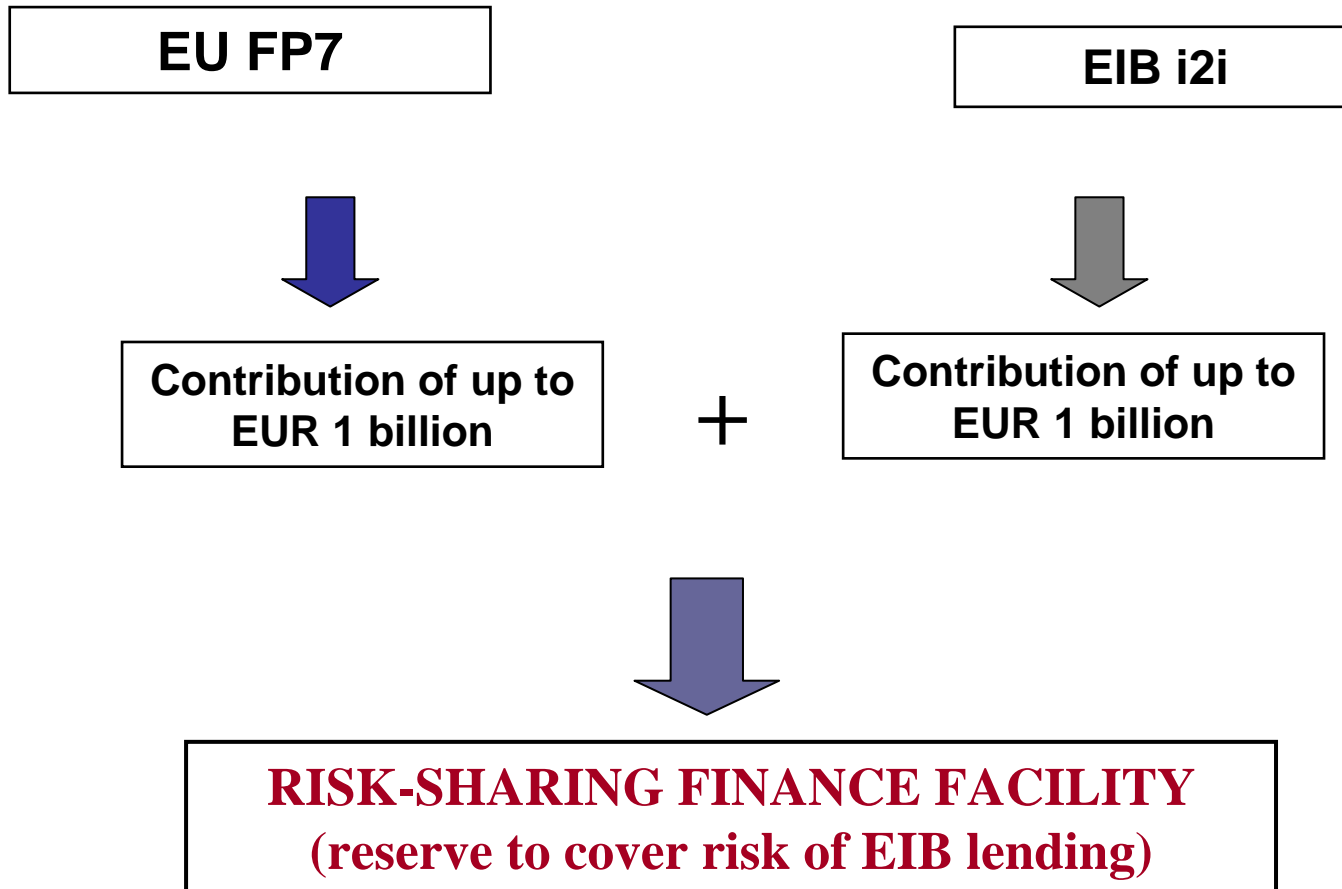
Intellectual Property Rights

- Access rights

| | Access rights to background | Access rights to foreground resulting from the project |
|---|--|--|
| For carrying out the project | Yes, if a participant needs them for carrying out its own work under the project | |
| | Royalty-free unless otherwise agreed before acceding to the grant agreement | Royalty-free |
| For use (exploitation + further research) | Yes, if a participant needs them for using its own foreground | |
| | Either fair and reasonable conditions or royalty free-to be agreed | |



- **Legal basis for RSFF**





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Thank you for your attention !

