DEVELOPING TRANSNATIONAL RESEARCH AND DEVELOPMENT CAPABILITIES IN THE BALTIC SEA REGION FOOD CLUSTER
TRANSNATIONAL RESEARCH AND DEVELOPMENT CAPABILITIES IN THE BALTIC SEA REGION FOOD CLUSTER

TRAINING MANUAL
This manual is part of the deliverables of a project called BaltFood (www.baltfood.org), which is financed in part by the European Union (European Regional Development Fund and European Neighbourhood and Partnership Instrument). The project is implemented by a consortium of 12 partners from 6 EU Member States: Agropolis Ltd., City of Hamburg, Lübeck Business Development Corporation, Lithuanian Cluster of Food Sector, Lubelskie Voivodship, Lübeck University of Applied Sciences, Roskilde University - Oresund Food Network, Ruoka-Suomi, Skane Food Innovation Network, University of Lund, University of Rostock, University of Turku, and University of Warmia and Mazury in Olsztyn. Lübeck Business Development Corporation acts as the Lead Partner in the BaltFood project.

BaltFood aims to contribute to a sustainable cluster-specific economic development in the Baltic Sea Region (BSR) by making regionally embedded knowledge available on a wider geographical basis. The specific objective is to advance the process of building a sustainable and demand-oriented pan-Baltic food cluster structure in the attempt to increase the transfer and application of technological and market-related knowledge among its scientific community, industry, and public members by the year 2011.

Preparation of the core part of the manual was commissioned by the Marshal Office of the Lubelskie Voivodship (www.lubelskie.pl) and was carried out by SEENDICO - an economic research, analytics, and strategy consulting company headquartered in Warsaw (www.seendico.com). The working team consisted of Mariusz-Jan Radło (SEENDICO), Dorota A. Ciesielska -Maciągowska (SEENDICO), Katarzyna Samborska (Warsaw University of Life Sciences) and Małgorzata Ziarno (Warsaw University of Life Sciences). The manual prepared by SEENDICO was revised and adopted for BaltFood by Katja Rudow (University of Rostock). We also thank Carola Möller (University of Rostock) for her support. Basis for the manual was a curriculum also prepared within the scope of BaltFood by Katja Rudow (University of Rostock) and Silke Ritter (University of Rostock). Important parts of the manual were taken from official EU sources and publications, and composed in a new way that is easy to understand - even if the discussed issues are sometimes complicated. The Community is not responsible for any use that might be made of the content of this publication.
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Introduction

Business success in the global economy of the Baltic food industry depends less on the Baltic country’s endowment of natural resources than on the capabilities of its people, entrepreneurs, and other organisations involved in the food industry value chain. These stakeholders are involved in the food production, processing distribution, and last but not least, consumption and customer related issues. Among involved stakeholders, we can find not only companies located within the Baltic Sea Region (BSR), but also universities, knowledge and research institutions, and food related innovators.

Participation in the BSR food cluster offers a unique opportunity for companies to enjoy unusually competitive success as a result of increasing productivity, speeding up innovation, and developing new businesses. Geographic, institutional, and cultural proximity provides BSR enterprises with an opportunity to take advantage of a variety of EU funds supporting market-oriented cooperation, research and development (R&D). Thanks to these opportunities, BSR companies can develop their unique advantages based on BSR knowledge, relationships, and motivation, which cannot be replicated by rivals.

Taking the above into account, the aim of this manual is to provide small and medium-size food processing enterprises (SMEs) with knowledge regarding possibilities and ways of raising funds for the R&D capabilities in the Baltic Sea Region food cluster. Therefore, in this manual, you will find information about European grants fostering R&D activities for SMEs, managing R&D projects, establishing European partnerships, and managing EU project budgets. Special attention will be paid to the Seventh Research Framework Programme with an emphasis on SMEs in the food sector.

The manual is divided into six modules. The aim of the first module is to present the possible avenues along which food-sector SMEs can raise EU funds. The second module focuses on managing R&D projects funded by the European Commission. The third one describes the process of setting up and formalising European Partnerships. The fourth module is devoted to drawing up a budget for a European Partnership. The last two modules focus on the Seventh Research Framework Programme, the first of which pays attention to obtaining FP7 grants, while the second focuses on management issues. In each of these six modules, you will find learning objectives, explications of the relevant subject matter, practical examples, case studies, and a self-check exercise to help you revise the information you have acquired.

After completing this training programme, you will be able to design a research and development project that meets the priorities and aims of the European Commission. You shall also have acquired an understanding of the rules and obligations for R&D projects funded by the European Commission, the ability to identify the right partners for an R&D project, and the requisite skills for formalising agreements, managing partnerships and for complying with the budgetary regulations of European-funded projects such that you can optimise the funds available to you.

Mariusz-Jan Radło and Dorota A. Ciesielska-Maciągowska
MODULE 1

HOW DO I ACCESS EUROPEAN COMMISSION GRANTS?

1.1. Learning Objective

The aim of this module is to present the European Commission’s grants that are available for SMEs in the food sector and show how these companies can find programmes that can finance their business ideas in relation to research and development in the BSR food cluster. After completing the module, you will know where and how to find an appropriate source of funding, as well as how to successfully submit an application.

1.2. European Commissions’ Grants Available for SMEs

Major sources of EU funds for SMEs

There are three major sources of EU funds for SMEs in the food sector: the European Union Cohesion Policy (including structural funds and international cooperation), the Competitiveness and Innovation Framework Programme 2007-2013 (CIP), and the Seventh Framework Programme for Research and Technological Development (FP7). Additional to these major sources especially for SMEs the EUREKA / Eurostars initiative can be interesting to look at.

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**EU funds for SMEs in food sector**

- **Seventh Framework Programme for Research and Technological Development (FP 7)**
- **Competitiveness and Innovation Framework Programme**
- **Cohesion Policy**
- **EUREKA / Eurostars**
The Seventh Framework Programme for Research and Technological Development, with a total budget of over € 50 billion for 2007-2013, is the main instrument at the EU level that is specifically targeted at supporting research and development. It provides funding to co-finance research, technological development, and demonstration projects based on competitive calls and independent peer review of project proposals. Support is available for collaborative and individual research projects, as well as for the development of research skills and capacity. The successive Research Framework Programmes have played lead roles in multidisciplinary research and cooperative activities in Europe and beyond.

The Competitiveness and Innovation Framework Programme aims to foster the competitiveness of European enterprises and has a total budget of over € 3.6 billion for 2007-2013. Specific CIP programmes promote innovation (including eco-innovation), foster regional business support services, and improve access to finance. These programmes mainly target small and medium-sized enterprises, encouraging a better uptake and use of information and communications technologies (ICT), helping develop the information society, and promoting the increased use of renewable energies and energy efficiency.

The Cohesion Policy includes both structural funds and international cooperation. Structural Funds attempt to strengthen economic, social and territorial cohesion by reducing disparities in the level of development among regions and Member States. Among many areas supported by the Structural Funds are R&D and innovation. The allocation of funds in a given Member State or region varies according to its level of development. However, most regions will have funding available from the Structural Funds in support of research, development and innovation. EU investment under the Structural Funds for innovation and research in 2007-2013 will exceed € 99 billion. Cohesion policy also provides opportunities to contribute to international cooperation, and notably through the European Territorial Cooperation Objective (previously known as INTERREG). International cooperation in particular can be developed jointly by different instruments through networking. One of the innovations in the 2007-2013 programming period is the creation of a new legal instrument - the “European Grouping of Territorial Cooperation” (EGTC). This instrument facilitates cooperation between regions and enhances their capabilities to develop and implement common projects focusing on growth and competitiveness.

7th Research Framework Programme

Overview

The FP7 will last from 2007 until 2013 and has a total budget of over € 50 billion. The money will (for the most part) be spent on grants to research actors all over Europe and beyond in order to co-finance research, technological development and demonstration projects. Grants are determined on the basis of calls for proposals and a highly competitive peer review process. A key characteristic of FP7 that differentiates it from the Structural Funds is the lack of fixed national or regional allocations. Moreover, activities funded from FP7 must have a “European added value.” This means that a project should reflect specific regional or national needs in addition to EU-wide opportunities or challenges. FP7 is now the main instrument at EU level for supporting research and development. It has two main strategic objectives: strengthening the scientific and technological base of European industry and encouraging its international competitiveness through research that supports EU policies. There are four key FP7 programmes: Cooperation, People, Ideas and Capacities. In almost all of these programmes, there are possibilities for SMEs in the food sector to obtain grants supporting R&D activities.
Programmes and Goals

The Cooperation Programme is the core of the FP7 with a total budget of € 32.4 billion. It fosters collaborative research across Europe and other partner countries, according to several key thematic areas. The most important one for SMEs in the food sector is “food, agriculture and biotechnology thematic area” with total budget of over € 1.9 billion. At least 15% of this sum is dedicated to SMEs.

The Ideas Programme is intended to enhance exploratory research in Europe that fundamentally changes our vision of the world and our way of life. The Ideas Programme is uniquely flexible in its approach to EU research in that proposed research projects are judged solely on the basis of their excellence as determined by peer review. The new European Research Council (ERC) implements this programme. Research may be carried out in any area of science or technology, including engineering, socio-economic sciences, and the humanities. Unlike the Cooperation Programme, there is no obligation for cross-border partnerships here. SMEs may participate in this programme by competing for grants.

The People Programme aims to improve the career prospects of researchers in Europe and attract more high-quality, young researchers. The programme reinforces the existing “Marie Curie” actions, which for several years have offered mobility and training opportunities to European researchers. There is an emphasis on the involvement of business, including SMEs, in “Marie-Curie” actions.

The Capacities Programme is intended to foster investment in research infrastructure in less successful regions to create regional, research-driven clusters for the benefit of SMEs. This programme also reflects the importance of international cooperation in research and the role of science in society.

Types of Projects / Funding Schemes

FP7 is implemented through various types of projects, i.e. collaborative projects, networks of excellence, coordination and support actions, individual projects, training, and career development for researchers.¹

Collaborative projects are focused on research projects with clearly defined scientific and technological objectives and specific expected results. They are carried out by consortia of participants from different countries and from industries and academia.

Networks of excellence are designed for research institutions willing to combine and functionally integrate a substantial part of their activities and capacities in a given field in order to create a European “virtual research centre” in this field. This is achieved through a “Joint Programme of Activities” based on the integrated and complementary use of resources from entire research units, departments, laboratories, or large teams.

Coordination and support actions are actions that cover not the research itself, but the coordination and networking of projects, programmes, and policies. This includes, for example, coordination and networking activities, dissemination and use of knowledge, studies or expert groups assisting the implementation of the FP, support for transnational access to major research infrastructures, actions to stimulate the participation of SMEs, civil society and their networks, and support for cooperation with other European research schemes (e.g. "frontier research").

Individual projects are carried out by individual national or multinational research teams led by a "principal investigator" and are funded by the European Research Council (ERC).

Training and career development for researchers from across the European Union and its research partners is provided through a range of support actions named after Marie Curie.

Research for the benefit of specific groups - in particular SMEs. Research and technological development projects in which the bulk of the research is carried out by actors such as universities, research centres, or other legal entities for the benefit of specific groups, in particular SMEs or civil society organisations and their networks.

Funding

Allocation of FP7 funding is based on calls for proposals. Therefore, project proposals have to be submitted by a certain deadline and must comply with clearly defined themes and compositions of partnerships. In other words, it is not possible to spontaneously apply for assistance. All proposals under a call are evaluated to check their eligibility and compare their quality. Funding is awarded only for the best project proposals within the limits of the total available budget. In addition, under FP7, your project proposal might have to be modified (e.g. regarding its budget structure, certain actions, composition of the consortium) in the course of negotiation of the grant agreement.

The maximum reimbursement rates to the costs of a project depend on the funding scheme, the legal status of the participants, and the type of activity. The standard reimbursement rate for research and technological development activities is 50%. Certain legal entities (non-profit public bodies, SMEs, research organisations, higher education establishments) can receive up to 75%. For demonstration activities, the reimbursement rate may reach 50%. For other activities (consortium management, networking, training, coordination, dissemination etc.), the reimbursement can be up to 100% of the eligible costs. The 100% rate applies also to frontier research actions under the European Research Council.
Relevance for SMEs / Food Sector

In most cases, to participate in FP7 programmes, SMEs have to build or join a consortium in order to submit a project proposal in response to a call. The eligibility of various consortia varies according to different conditions related to the type of instrument action. Specific FP7 programmes may lay down conditions regarding the minimum number of participants or additional conditions on the type of participant or establishment.

There are several possibilities for food sector SMEs to take advantage of FP7 programmes. Food, agriculture and fisheries, and biotechnology are some major fields of research supported by the Cooperation Programme. SMEs participating in this can be end-users of new technologies, technology providers, or technology-based biotechnology companies (see picture below).
SMEs can also take advantage of the Marie-Curie actions funded under the People Programme to increase mobility between public and private sectors, as well as between countries. Thanks to the Capacities Programme, SMEs can develop their research infrastructures, optimise their use, improve access for researchers, or participate in regional research-driven clusters involving enterprises as well as universities and local authorities.

**SMEs in FP7**

**Theme 2: Food, Agriculture and Fisheries, and Biotechnology**

**End-Users of New Technologies**
- breeding companies, SMEs or agricultural cooperatives involved in the production, packaging or control of food or feed, etc.

**Technology Providers**
- mainly engineering companies

**Technology-Based Biotechnology Companies**
- in the areas of agricultural or industrial biotechnology

Expected Topics for FP 7 Theme 2 “Food, Agriculture, Fisheries and Biotechnology” in 2012

For work programme 2012 a stronger focus on mastering the “Great Challenges” (Sustainable primary production; mitigating and adapting climate change, Low carbon and resource efficient industry, Food security and safety for Europe and beyond, Socially inclusive and healthy Europe, Oceans for the future) and an emphasis on innovation (Greater participation of industry, particularly of SMEs (“SME-targeted”), emphasis on knowledge transfer and distribution) is expected. Calls will be presumably open in three areas: (Sustainable production and management from land, forests and aquatic environment, Food and Biotechnology). Concrete Topics are listed in the boxes below.

Features of Theme 2 are: a single stage application process is applied, topics have a wide spectrum with bottom-up approach, cross-references to the topics of energy and environment exists and special attention is given to international co-operation with emphasis on China/India.

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**Area 2.1 “Sustainable production and management from land, forests and aquatic environment”**

- **Area 2.1.1 “Enabling Research”**
  - Improving seeds for agriculture and conservation activities
  - Animal and farm-centric approach to precision livestock farming
  - Precision technologies to improve irrigation management (…)

- **Area 2.1.2 “Improved Sustainability of all Production Systems”**
  - Development of new or improved logistics for lignocellulosic biomass
  - Managing semi-natural habitats and on-farm biodiversity
  - Plant growth-promoting bio-effectors for alternative plant nutrition strategies
  - Vineyard agronomic management and breeding for improved grape quality
  - Development of seed testing methods for pests and pathogens of plant health concern
  - Multipurpose trees and non-wood products for (…) innovative forestry in rural areas
  - Development of management strategies for (…) forests to increase mitigation capacity
  - Prevention and mitigation of major diseases of cultured fish species
  - Bridging the gap between science and (…) marine mollusc production sector
  - ERA-NET+ on Innovation in the forest-based sector
  - Strengthening cooperation in EU research on sustainable exploitation of marine resources in the seafood chain (ERANET)
  - Integrating the role of benthic systems in fisheries management
  - Providing molecular tools for monitoring (…) impact of aquaculture

- **Area 2.1.3 “Improved Animal Health”**
  - Development and evaluation of risk-based surveillance models
  - Targeted research effort on African swine fever
  - Monogastric feed efficiency
  - Optimised farm animal reproduction systems and/or technologies

- **Area 2.1.4 “Socio-Economic Research and Policy Support”**
  - System analysis tools framework for the EU bio-based economy strategy
  - Boosting the translation of FP projects’ results into innovative applications
  - Advocacy and informational material (…) against neglected zoonotic diseases
  - Improved management practices and medicinal treatments (…) in organic farming
  - Volatility of agricultural commodity markets
  - Short chain delivery of food for urban-peri-urban areas
  - Agricultural knowledge and innovation systems for an inclusive Europe
  - Development (…) of methodologies and tools (…) rural development programmes

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### Area 2.2 “From Fork to Farm”

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<th>Area 2.2.1 “Consumer Behaviour”</th>
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<td>Role of health-related symbols and claims in consumer behaviour</td>
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<th>Area 2.2.2 “Investigation of Food Factors and Food Patterns”</th>
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<td>Beneficial effects of bioactive compounds in humans</td>
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<td>Study on the needs for food and health research infrastructure</td>
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<td>Impact of life-style and well-being on diet-related disease</td>
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<th>Area 2.2.3 “Innovation in the European Food Industry”</th>
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<td>Feed production form food waste</td>
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<td>Exploitation of FP project results by SMEs</td>
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<td>Automation in food packaging systems</td>
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<td>Personalised approaches to food production and distribution</td>
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<td>Insects as novel source of protein</td>
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<th>Area 2.2.4 “Food Safety and Improvement of Food Quality”</th>
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<td>Environmental contaminants in seafood and their impact on public health</td>
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<td>Food safety and quality issues related to parasites in seafood</td>
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<td>Strengthening cooperation for global food safety risk</td>
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<td>Towards evidence-based risk management of food allergies</td>
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<td>Post-market monitoring of GMOs based on epidemiological studies</td>
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<th>Area 2.2.5 “Environmental Impact on and from Food and Food Chains”</th>
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<td>Microbially safe water for human consumption</td>
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<td>Optimising food use for social innovation</td>
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<td>A comparative analysis of global versus local food supply systems</td>
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### Area 2.3 “Life sciences, biochemistry and biotechnology for sustainable non-food products and processes”

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<th>Area 2.3.1 “New Sources for Biomass and Bio Products”</th>
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<td>Improved water stress tolerance of crop plants</td>
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<td>Multipurpose crops for industrial bioproducts and biomass</td>
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<td>EU-China partnering initiative on fibre crops – Mandatory China</td>
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<th>Area 2.3.2 “Marine and Fresh Water Technology”</th>
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<td>Innovative marine biodiscovery pipelines for [...] industrial products</td>
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<td>Improved cultivation efficiency of marine microorganisms</td>
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<th>Area 2.3.3 “Industrial Bio Technology”</th>
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<td>Overcoming hurdles for innovation in industrial biotechnology</td>
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<td>Support to standardisation for bio-based products</td>
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<td>Mastering integration and intensification of bioprocesses</td>
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<td>Conversion of bio-waste in developing countries</td>
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<td>Biotechnology for novel biopolymers</td>
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<td>Innovative biotechnologies for tackling oil spill disasters</td>
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<td>Biotechnological solutions for the degradation of synthetic polymeric materials</td>
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<td>Biotechnological waste water treatments and reuse in agronomical systems</td>
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<td>Verification of GMO risks assessment elements</td>
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<th>Area 2.3.6 “New Trends in Biotechnology”</th>
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<td>Systems Biology ERA-NET</td>
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The Competitiveness and Innovation Framework Programme

Overview

The Competitiveness and Innovation Framework Programme of the European Commission fosters the competitiveness of European companies. The programme supports mainly small and medium-sized enterprises with special respect paid to innovation (including eco-innovation) and access to finance and business support services at a regional level. The programme is scheduled for 2007-2013 with an overall budget of € 3.6 billion. It is divided into three operational programmes (see figure below). These include the Entrepreneurship and Innovation Programme (EIP), the Information Communication Technologies Policy Support Programme (ICT-PSP) and the Intelligent Energy Europe Programme (IEE). CIP covers all EU Member States and several associated countries. The total budget of CIP accounts is over € 3.6 billion for 2007-2013. This includes € 2 170 million for EIP (of which more than € 1 100 million for financial instruments and € 430 million for promoting eco-innovation), € 730 million for the ICT-PSP and € 730 million for the IEE Programme.

Programmes and Goals

The Entrepreneurship and Innovation Programme supports innovation and SMEs. The programme provides SMEs with better access to finance through venture capital investment and loan guarantee instruments, business and innovation support services delivered through a network of regional centres, promotion of entrepreneurship and innovation, support for eco-innovation, and support for policy-making that encourages entrepreneurship and innovation. Especially for the food sector the Eco-Innovation initiative can be relevant. The crosscutting initiative provides funding for projects in various sectors that mitigate environmental impacts or promote a more efficient use of resources. Priority areas include material recycling, buildings, the food and drink sector as well as greener business. Funded projects deal e.g. with a reduced consumption of energy or water in the production process as well as the avoidance of waste. For further information check: [http://ec.europa.eu/environment/eco-innovation/index_en.htm](http://ec.europa.eu/environment/eco-innovation/index_en.htm)

The Information Communication Technologies Policy Support Programme stimulates a wider uptake of innovative ICT-based services and the exploitation of digital content across Europe by citizens, governments and businesses, particularly SMEs. ICT-PSP funds goes mainly to pilot actions implemented by public organisations and SMEs related to ICT-based services in areas such as health, aging and inclusion, Digital Libraries, public services, energy efficiency, smart mobility, multilingual web, and Internet evolution.

The Intelligent Energy Europe Programme fosters energy efficiency and the rational use of energy sources, promoting new and renewable energy sources, and energy diversification, as well as promoting energy efficiency and new energy sources in transport. The programme supports concrete projects, initiatives, and best practices via annual calls for proposals.

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2 Albania, Bosnia & Herzegovina, Croatia, Former Yugoslav Republic of Macedonia, Iceland, Israel, Lichtenstein, Montenegro, Norway, Serbia, Switzerland and Turkey.
Type of Projects / Funding Schemes

There are three main funding schemes in CIP supporting different types of projects. These schemes include financial instruments (equity financing, debt and hybrid, capacity building), pilot and market replication projects, policy analysis, development, coordination, twinning, best practice exchange, and thematic networks.¹

The financial instruments (http://www.access2finance.eu) of CIP aim to cover market gaps in the supply of debt and equity finance to SMEs. These instruments are managed by the European Investment Fund (EIF) on behalf of the European Commission and implemented via financial intermediaries or specialised funds.

CIP - Types of Projects / Funding Schemes

Three financial instruments of CIP cover different needs of SMEs according to the stage of their life cycle:²

1. High Growth and Innovative SME Facility (GIF) provides equity to venture capital funds for seed and early-stage investments in SMEs to reduce the gap in early-stage investment by investing in venture capital funds.
2. Debt and hybrid instruments: SME Guarantee Facility provides co-and counter-guarantees to guarantee schemes. These schemes stimulate the supply of loans to SMEs by credit institutions. They also provide direct guarantees to these institutions under four guarantee windows: loans, microloans, quasi-equity and equity and SME securitisation (more info, see below).

Capacity building: The Seed Capital Action supports the recruitment of specialised staff by seed capital funds, and the Partnership Action will support bank lending, notably in new Member States.

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² See: EC (2006) Growth and jobs: Commission provides more means to finance innovative SMEs, MEMO/06/259, Brussels, 30 June 2006
Pilot and Market Replication projects are CIP instruments that provide support to projects concerned with the first applications or market replication of innovative or eco-innovative techniques, processes, products or practices of European relevance that have already been technically demonstrated with success but, due to residual risk, have not yet significantly penetrated the market. These shall be designed to promote broader utilisation of such techniques, products, or practices and facilitate their market uptake.

Policy analysis, development, coordination, twinning, best practice exchange and thematic networks—including studies, data collection, surveys and publications, twinning and meetings of experts, conferences and other events, awareness raising, networking and other relevant activities, benchmarking of national and regional performances, and best practice actions—spread knowledge and share experiences across Europe.

Funding

Allocation of CIP funds—apart from financial instruments—is based on calls for proposals. It means that project proposals have to be submitted by a certain deadline and have to comply with clearly defined themes and compositions of partnerships. In the case of “Pilot and Market Replication projects” as well as “Policy analysis, development, coordination, twinning, best practice exchange and thematic networks”, the basic principle of funding in CIP is co-financing. Thus the Commission contributes only a certain percentage of the overall project costs. The percentage is defined for each specific call. The maximum reimbursement rates to the costs of a project depend on the funding scheme, the legal status of the participants, and the type of activity. In some cases, the Commission may choose to purchase services under the CIP by placing contracts and paying a price.

CIP Funding Map

- **Support Services**
  - Enterprise Europe Network (in your region)
    http://www.enterprise-europe-network.ec.europa.eu
    - Information, guidance and customised assistance on EU funding opportunities, including FP7
    - Technology audits
    - Technology transfer and business partner finding

- **Access to Finance**
  - Check with financial intermediaries in your country
    http://www.access2finance.eu
Relevance for SMEs / Food Sector

There are several possibilities for SMEs in the food sector to participate in CIP programmes. SMEs may benefit from the CIP Financial Instruments if they subject to the approval of financial intermediaries under these instruments. SMEs in search of finance should contact a financial intermediary located in their country or region. The list of financial intermediaries and information on eligibility criteria and application procedures can be found at [http://www.access2finance.eu](http://www.access2finance.eu). Pilot and market replication projects are also addressed to companies, independent of their size. Grants for networking projects are in most cases addressed to public bodies, business organisations, or through public-private partnerships. Companies may also benefit from support services programmes. All possibilities for SMEs are listed on the CIP funding map above. For more information, check indicated websites.
The Structural Funds - Cohesion Policy

Short Overview

The main goal of Cohesion Policy is to strengthen economic and social cohesion in the European Union. The cohesion policy acts via the Structural Funds aimed at equalizing main regional imbalances in the Union. Thus, support for R&D or innovation from the perspective of the Cohesion Policy is only the mean to an end, not the objective in itself - as is the case in FP7 or CIP. Another difference between the Cohesion Policy and FP7 or CIP is that its management and programming is decentralised, meaning the implementation and allocation of funds to projects is not handled by the Commission, but by Managing Authorities. There are three major funds under which research and innovation activities can be supported - see figure below. These include the European Regional Development Fund (ERDF), Cohesion Fund, and European Social Fund (ESF).

Programmes and Goals

These three funds support three main objectives of the cohesion policy. These objectives include Convergence, Regional Competitiveness and Employment, and European Territorial Cooperation. The rationale of the Convergence objective is to promote growth enhancing conditions and factors leading to real convergence for the least developed EU Member States and regions. The Regional Competitiveness and Employment objective aims to strengthen competitiveness and attractiveness, as well as employment. The European Territorial Cooperation objective is meant to strengthen cross-border cooperation through joint local and regional initiatives, transnational co-operation aiming to integrate territorial development, and interregional cooperation and exchange of experience. The three main Structural Funds are intend to implement of the above objectives, and under these funds, research and innovation activities can also be supported. The figure below shows the applicability of these funds to various objectives.

The Cohesion Fund supports the implementation of the Convergence objective. It is dedicated to the least developed Member States and regions, i.e. Member States whose Gross National Income (GNI) is lower than 90% of the EU average. Assistance from the Cohesion Fund can be given to actions in the areas of trans-European transport networks and the environment within the priorities assigned to the Community environmental protection policy under the policy and action programme on the environment.

The European Social Fund (ESF) fosters Convergence and Regional Competitiveness and Employment objectives. It is aimed at strengthening competitiveness and employment by helping Member States and regions to adapt the workforce, their enterprises and entrepreneurs with a view to improving the anticipation and positive management of economic change, in particular by promoting lifelong learning and increasing investment in human resources, the development of qualifications and competences, the dissemination of information and communication technologies, e-learning, eco-friendly technologies as well as the promotion of innovation and business start-ups.
**Structural Funds Supporting Main and Cohesion Policy Objectives**

<table>
<thead>
<tr>
<th>Funds</th>
<th>European Regional Development Fund (ERDF)</th>
<th>European Social Fund (ESF)</th>
<th>Cohesion Fund</th>
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<tbody>
<tr>
<td>Objectives</td>
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<tr>
<td>Convergence</td>
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<tr>
<td>Regional Competitiveness and Employment</td>
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<tr>
<td>European Territorial Cooperation</td>
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</table>

**European Regional Development Fund (ERDF)** intends to fulfil all objectives of the Cohesion Policy. It strengthens competitiveness through helping regions anticipate and promote economic change through innovation and the promotion of the knowledge society, entrepreneurship, the protection of the environment, and the improvement of their accessibility. It also supports cross-border cooperation through joint local and regional initiatives, trans-national cooperation aiming at integrated territorial development, interregional cooperation, and exchange of experience.

Not all Funds and Objectives are eligible to all regions of the European Union – to check eligibility of your region to Cohesion Policy instruments please see: http://ec.europa.eu/regional_policy/atlas2007/index_en.htm.

**Implementation - Types of Projects**

As in case of other EU programmes, SMEs can obtain support from Structural Funds in the form of **grants, loans, guarantees, venture capital or services**. Nonetheless, the procedures for the allocation of Structural Funds to projects differ depending on the relevant national or regional programme. Application procedures (e.g. ongoing application and project selection, calls for proposals or competitions with fixed deadlines) are decided by the Managing Authority, depending on what is most appropriate for the activities in question. Project selection criteria are determined by each programme's Monitoring Committee and published (e.g. on managing authority websites). The information about managing authorities in various EU Member States can be found here: http://ec.europa.eu/regional_policy/manage/authority/authority_en.cfm.

Many regions also use the JEREMIE (Joint European Resources for Micro to medium Enterprises) format to promote increased access to finance for SMEs. JEREMIE funds are not issued directly to SMEs. They should therefore not apply to EIF or the Commission for financial support. In due course, a list of financial intermediaries (see: www.eif.org/jeremie) will be provided when the JEREMIE initiative becomes active in Member States and regions. See: http://ec.europa.eu/regional_policy/funds/2007/jjj/jeremie_en.htm.
**Funding and Relevance for SME / Food Sector**

The Structural Funds offer many funding possibilities for SMEs, but conditions and topics vary across programmes. Therefore, when looking for precise information about such support, it is necessary to consult the operational programmes in each Member State or region. Moreover, for the individual enterprise or researcher looking for funding opportunities, differentiations between the objectives and funds described above are not very relevant. Therefore, it is necessary to look for the details of conditions and modalities for funding in the operational programme(s) covering the region in which the applicant is located. Also, application procedures (e.g. ongoing application and project selection, calls for proposals on specific topics or competitions with fixed deadlines) are decided by the Managing Authority for the programme in question, depending on what is most appropriate for the activities envisaged. Research or innovation projects submitted to a Structural Funds programme are judged on their likely contribution to the economic development of the Member State or region, as well as it’s the scientific or technological quality.

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### Eurostars Overview

The Eurostars Programme (Eurostars) is a European innovation programme. It is managed by EUREKA. It provides funding for market-oriented research and development with the active participation of research-and-development-performing small and medium-sized enterprises. Eurostars is a joint initiative between EUREKA and the EU Seventh Framework Programme for Research and Technological Development (FP7). The Eurostars Programme enables R&D-performing SMEs to improve performance through its support of “in-house” research.

### Implementation

Eurostars project can address any technological area, but must have a civilian purpose and develop of a new product, process, or service. It is a collaborative project and therefore must involve at least two participants.
(legal entities) from two different Eurostars member countries. The main participant must be an R&D-performing SME from a Eurostars member country. The role of the SME participant(s) in the project should be significant. At least 50% of the total project costs related to R&D activities shall be dedicated to the participating R&D-performing SME(s). However, this percentage can include minor contracting. The consortium should be well balanced, meaning that no participant or country will be required to invest more than 75% of the total project costs. A Eurostars project should be market-driven and last up to three years. Within two years of project completion, the product of the research should be ready for launch onto the market. Biotechnology, biomedical, and medical projects are exceptions to this rule because they require clinical trials. These trials must start within two years of project completion. There is a one-stage application process for all projects. The process is summarised in the following flow chart.

Applicants are advised to contact their EUREKA for more comprehensive information on the national funding rules, assistance in preparing an application, and information concerning the chances of a successful project application.

**Funding and Relevance for SMEs / Food Sector**

Eurostars projects are funded primarily through national funding schemes. The amount of funding and costs eligible for funding will follow national rules and procedures. It may therefore vary between Eurostars member countries. Each partner is advised to contact his or her EUREKA NPC (for information on the applicable funding rules and the availability of funding per cut-off date). In each of the participating countries, different national funding rules apply. To find your local contact and for further information on national funding rules, check this website: [http://www.eurostars-eureka.eu/where.do](http://www.eurostars-eureka.eu/where.do).

Eurostars supports research executed by SMEs by offering funding for their activities, allowing them to compete internationally and become leaders in their particular area of business. It is addressed to all SMEs investing at least 10% their full-time equivalent or annual turnover in research and development activities.
1.3. Finding the Appropriate Funding Source and Getting Started

Money is a means, not an end.

European funds can finance your business and research ideas, and you can implement them in real life, but your ideas are much more important than the money. Therefore, consider ideas that you can implement in cooperation with other companies, universities, research institutions or innovators. Find a good business and R&D idea, and then start looking for money. The whole process of finding an appropriate funding source for your business idea will include all stages named in the chart below. These include: making up your mind, collecting information, finding partners, determining funding programme, and finally finding the call.

**Step 1: Make up your mind**

*Develop business idea*

You have to start with the analysis of your business ideas from the perspective of arising opportunities and challenges. You should develop an outline of your proposal. Think about your ideas before thinking about funding. Remember that a good business idea is better than any external funding. EU funds, however, can enable you to implement ideas that are more ambitious and develop unique competitive advantages. Generally, there are three basic categories of your business ideas that can be financed by EU funds for research and development:

1. Building up or enhancing the research capacity of your company, including training or undertaking research to generate new knowledge.
2. Innovating in the broad sense (technology transfer, access to venture capital or business and innovation support services).
3. Engaging in commercial activities.

*Evaluate relevance of various EU programmes and funds*

When you have a good business and R&D idea, start evaluating the relevance of various EU programmes from the perspective of your needs and your idea’s characteristics by filling in the table below and focusing on the following questions:

1. Am I eligible for a given programme or funding source?
2. Is my type of research or innovation activity eligible?
3. What about my timeframe?
4. What type of financial support do I need?
5. Who else is involved in the project?
6. Where can I get support?

When answering the above questions, use this checklist: http://cordis.europa.eu/eu-funding-guide/checklist_en.html. When filling in the table, indicate positive, negative, and intermediate responses. After filling it in, look at programmes for which you do not have any negative answers. These programmes can help you realize your ideas. However, this does not mean that you will automatically receive funding.

<table>
<thead>
<tr>
<th>Programme</th>
<th>Strand/Sub-Programme</th>
<th>Question</th>
<th>Score/Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>FP7</td>
<td><strong>Cooperation</strong>: trans-national research partnerships, ETP, JU/JTI, Art. 169, ERA-Net</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td><strong>Ideas</strong>: fundamental research (ERC)</td>
<td></td>
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<tr>
<td></td>
<td><strong>People</strong>: (Marie Curie Actions)</td>
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<td></td>
<td><strong>Capacities</strong></td>
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<td></td>
<td>Research infrastructures</td>
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<td></td>
<td>Research potential</td>
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<td></td>
<td>Regions or Knowledge</td>
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<td></td>
<td>Support for the coherent development of research policies</td>
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<td></td>
<td>SME</td>
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<tr>
<td></td>
<td>INCO: International cooperation</td>
<td></td>
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<tr>
<td>CIP</td>
<td><strong>Financial Instruments</strong></td>
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<td></td>
<td><strong>Innovation</strong>: networking, analysis, pilot and market replication projects</td>
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<td></td>
<td><strong>ICT and information society</strong>: networking, analysis, pilot and market replication projects</td>
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<td></td>
<td><strong>Renewable Energy</strong>: networking, analysis, pilot and market replication projects</td>
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<tr>
<td>Structural Funds</td>
<td><strong>Regional / National Programmes</strong> (Cross-border, Transnational, inter-regional)</td>
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<td><strong>Territorial Cooperation Programmes</strong></td>
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</table>

**Step 2: Get information about the programme**

When looking for information about EU programmes and funding options, you may hire external consultants. Nonetheless, you should first check websites of the specific programmes or find advice in information centres near you. An overview of the EU funds and programmes can be found here: http://cordis.europa.eu/eu-funding-guide/annex04_en.html. You can also use EU funding mind map that can be found here: http://cordis.europa.eu/eu-funding-guide/mind-map_en.html.

When looking for information centres check:

- **Enterprise Europe Network**

- **National Contact Points:**
  - For FP7: http://cordis.europa.eu/fp7/get-support_en.html;
  - For CIP _IEE: http://ec.europa.eu/energy/intelligent/contact/national_en.htm;

- **Managing Authorities:**
  - National: http://ec.europa.eu/employment_social/esf/index_en.htm;
Step 3: Find partners

Successful implementation of your business ideas in cluster-based cooperation depends on your ability to build an effective network of collaborating partners. The network will usually include companies, universities, research institutions, and innovators performing various activities within the project. The structure of your partnership will depend on the specific needs of your project, your previous experience, current network of contacts, and requirements stipulated in specific EU programmes and funds. For example, some EU programmes have special requirements concerning legal status or geographical location of partners. You also have to decide about role of various participants in your consortium. This will depend on the capacity of selected participants—their experience and will. The process of developing partnerships or project consortia includes at least four stages: defining your goals and needs, identifying potential partners, finding the right partner, preparing a consortium formal agreement and signing it. Module 3 presents more information about developing partnerships.

Step 4: Determine the suitable funding programme

After finalising steps 1 and 2, you will probably have one or more financing options for your project idea. Now you can focus on the details of these programmes and funds and compare possibilities that these programmes offer you. Indicate pros and cons of each option and relevance to your needs. Pay attention to such issues as funded activities and funding rates, consortium requirements, structure of the proposal, and associated issues. Deep analysis of these programme elements will lead you to the most suitable funding programme.

When analysing programmes, remember that they all have limitations. Limitations can concern fixed amount of funds allocated to various activities, limited time for implementation, business objectives, or even size of the company. It is a good idea to confirm eligibility of your company to participate in the programme before deep analysis. Applying for grants can be a complex and time-consuming process; thorough research is essential to make sure your business is eligible. It can be extremely frustrating, spending time on an application only to be turned down.

Step 5: Be in time – find the right call

Selection process in the most of the described programmes is based on calls for proposals. Therefore, the best way to find the relevant calls for proposal is to check programmes’ websites. Moreover, calls are published in the EU’s Official Journal. For more details please check funding maps presented before or websites of the selected programmes.

Case study: research grants for SMEs

Since raw materials and semi-agricultural products (especially fruits and vegetables) are known to be unstable and sensitive materials for thermal treatment, the drying process has a special place among the methods of preservation. Drying gives lower water activity, slows enzymatic reactions, and limits microbial growth. This results in the preservation of the product and improves its storage stability. At the same time, it reduces the weight and volume of products, which facilitates the storage and the ability to transport. However, the removal of water from fresh products by conventional methods of drying is associated with numerous negative consequences, including depreciation of its nutritional value and sensory. Therefore, there is a need to look for the innovative drying technologies, allowing the retention of high nutritional and functional value of products. Nonetheless, most modern drying methods are costly, time-consuming, and labour/energy-intensive. Providing SMEs in the dried food sector in the EU with a technology will be very useful because it will help them remain competitive in the global market.

“Research for SMEs” supports innovative drying

One of such possibilities was created by FP7 “Research for SMEs” grants. These grants support small groups of innovative SMEs in solving technological problems and
acquiring technological knowledge. In such projects, at least three independent SMEs from three different Member States or associated countries have to participate. Additionally, at least two R&D performers must be independent from any other participant and may come from any country. The size of the consortium should typically be between 5 and 10 participants.

**Results of the project**

Thanks to such grants, a Turkish company with other 4 SMEs and 3 R&D performers in 2008 obtained support for their project “ULTRAVEG - Development of a high power ultrasound system for the low-cost, fast, effective and quality drying of fruit and vegetables.” High Power Ultrasound is a powerful technology that is safe and environmentally friendly, efficient, economical, and seems to be very effective in processes in which heat-sensitive materials such as foodstuffs must be treated. High-intensity ultrasonic vibrations are capable of affecting mass transfer processes with the result of increasing the drying rate of materials, thereby permitting the use of lower temperatures or shorter treatment times. This process thus shows promise for assisting the dehydration of fruits, vegetables and other foods, preserving the quality attributes of the food products. Two prototypes have been built and tested for use during conventional drying processes. A combination of hot dry air and ultrasound has been tested in a chamber. Additionally, sensory evaluation tests with the processed goods were performed. The technology will be further improved and adapted for use on a larger scale. It can, however, be concluded that the future uptake of the technology within the dried food industry will benefit European competitiveness and innovation, employment, the environment, and consumers at large.

**Test your comprehension**

- Identify and briefly define major sources of EU funding available for small and medium-sized companies.
- Enumerate major Structural Funds and describe their connections with the Cohesion Policy objectives.
- Enumerate programmes and types of projects through which FP7 is implemented. Indicate which of them are suitable for your company.
- What kind of projects are financed by the Eurostars programme? Is your company eligible to be a main/ordinary participant of this programme?
- Enumerate and describe the basic elements of the finding the appropriate funding source in the EU.

**Apply your knowledge and understanding**

- Check the current FP7 calls for proposal. Are these calls interesting from the perspective of your company?
- Locate banks, venture capital funds, etc. that provide funding from CIP using the financial instruments.
- Find information about your national Service on CORDIS and find website of your FP7 National Contact Point.
- Locate national/regional managing authorities who can inform you about obtaining financing from CIP in your country or region via the EU Structural Funds.
- Check eligibility of your region or country to various programmes financed from Structural Funds.
- How would you apply to Eurostars programme? Find necessary information on the programme website and describe the steps to obtaining the grant.

- Find information about Structural Funds Managing Authorities in your country or region. Identify the most interesting programmes from the perspective of your company.
MODULE 2

HOW DO I MANAGE AN R&D PROJECT FUNDED BY THE EUROPEAN COMMISSION?

2.1. Learning Objective

The aim of this module is to present the basics of project management and show how project management can be used in projects funded by the European Commission. After completing this module, you will know how to manage your own projects.

2.2. Project Management

What is a project? Why do we need project management?

If you want to manage an R&D project funded by the EU Commission, you will need to implement the rules of project management into your project. In this module, you will find the basics of project management that will be useful after receiving a grant. To begin, it is necessary to understand the definition of a project. The project is a temporary activity with a starting date, specific goals and conditions, defined responsibilities, a budget, a plan, a fixed end date, and the involvement of multiple parties. The aim of the project is to fulfil its objectives within a limited period of time and with limited money and personnel resources. A project does not deal with routine operations, but with new activities. Therefore, it has a high risk of failure.\(^5\)


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For the project evaluation, it is important to have:

- Identified stakeholders, target group and the final beneficiaries;
- Defined coordination, management and financing arrangements;
- A monitoring and evaluation system (to support performance management); and
- An appropriate level of financial and economic analysis, which indicates that the project’s benefits will exceed its costs.  

**Project management is an approach to planning and guiding project processes.**

Project management is an “application of knowledge, skills, tools and techniques to project activities in order to meet or exceed stakeholder needs and expectations from a project.” In the European Cooperation Projects, this means that the project and its activities should lead to the development of all the outcomes and products that were promised in the application.

Project management is about running a process from the start to the finish. Project management can be applied to almost any type of project and is widely used to control the complex processes of software development projects. It is also very useful while running EU projects.

Projects may vary significantly in their objectives, scope, and scale. Smaller projects might last only a few months and involve modest financial resources, whereas a large project may last for years and involve many millions of euro.

There are three crucial elements that should be kept in balance while performing a project: scope, schedule, and resources.

![Diagram showing project, scope, schedule, and resources]

**Scope of the project.** This is a range of tasks, which are required to achieve project goals.

**Resources.** This element includes the employees and equipment necessary to achieve the goals of the project. These elements will create expenditure and depend on the project budget. The grants given by the European Commission in European Cooperation Projects are fixed for the funding period. It means that the budget and subsequent availability of resources can only be increased by the complementary funding.

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6 Project cycle management guidelines, Aid Delivery Methods, European Commission 2004.
Schedule. This shows the time and sequence of the various tasks that will take place during the project. It also illustrates the total project duration. The funding period is usually limited to the period of one to three years. However, in European Cooperation Projects, an extension of a few months can be requested.  

Project cycle

There are some stages typical for all projects, but because of their complexity, some projects will need more stages than others. Some steps, such as the evaluation of ideas, defining and designing of a process, building and testing, financing, implementing piloting and launching, evaluation, and monitoring can generally be applied to any sort of objective.

1. Evaluate ideas. (general vision of the project) This stage establishes the business needs for the project; documents the initial idea(s); assesses the benefits; identifies risks which might threaten the success of the project; outlines execution, time, and cost.
2. Define and design (identification of the important factors for the project). This is a stage in which all the details should be planned. One should analyse the programme framework, eventual problems, needs and interests of stakeholders. The outcome of this determines whether some elements of the project need to be studied in a more detail. This stage should also contain key measures for all stages of project implementation.
3. Build and test (preparation). This is the moment when all significant aspects are determined. This is the time to organise a process and test it. The outcome of this phase decides whether one should take the project forward.
4. Financing (negotiations). At this moment, the relevant parties should decide whether to fund the project.
5. Implement, pilot, and launch. At this stage, you should pilot the project, evaluate how it’s going, and refine as necessary. The progress should also be assessed through monitoring to enable adjustment to changing circumstances. At the end of this stage, a decision should be made as to whether it should be closed or extended the project.
6. Evaluate and monitor. This final assessment of the project’s achievements examines the impact and fulfilment of objectives. This stage leads to a decision of continuing, changing, or stopping a project. The conclusions of this stage should be taken into account when planning and implementing similar projects.

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Each phase of the cycle will vary for different projects, depending on the project scale and scope. For instance, a large engineering project may take years to pass through all stages of the project, whereas a project to provide emergency assistance in a post-conflict context may take a shorter amount of time to start operations. Because of that, it is crucial to ensure that adequate time and resources have been committed to project identification. Formulation is also critical to support the design and effective implementation of each phase of the project.9

Tasks for project management

There are some essential activities/tasks that are typical for project management. They should be taken into consideration while designing and planning the process. The primary ones include project coordination, financial management, budget planning, communication issues and so on. The management of a transnational project is a challenging and time-consuming task. Therefore the project staff should have experience in the management of (international) projects, be able to handle the challenges of different cultures and languages, and should enable the partnership to work together as a team.

Essential activities for project management

- **Project coordination**: is crucial for all projects to have a person responsible for performance. There are many tasks that should be assigned to the project coordinator, such as co-ordination of activities and division of tasks among partners, monitoring the process and ensuring the fulfilment of deliverables.

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Financial management is a very important task that requires an adequate accounting practice and proper management of the project budget. Examples of tasks that should be realized in this part of a project are: a book-keeping system, documentation of payments and payments flows, audit trail, compliance with EU and national regulations as well as Programme rules about financial management, eligibility of costs and public procurement, verification of budget allocation, preparing cash flow forecasts and stringent control of incurred cash flows, and financial progress report.

Project administration is close-knit with project coordination. Among other things it also comprises the preparation and submission of the activity / progress and financial reports.

Communication issues are also to be regarded by the project management. These include the development of a communication strategy and to ensure a proper information flow inside the project. For communication of projects achievements new letters and / or press releases can be set up or conferences organised. Setting up and maintaining a project website is also within the scope of project communication.

To prepare and ensure the dissemination of project results is also an essential task of project management. Dissemination activities are those activities that are going to be carried out during a project’s lifetime and possibly afterwards to spread the projects achievements. In order to ensure a successful dissemination a strategy in this regard should be developed in advance of the project. Closely linked to the dissemination is the exploitation of project results, which means to successfully utilise the results and to prevent the loss of knowledge, e.g. through knowledge and know-how transfer. Therefore the project manager should answer the following questions:

- What are the expected project results and who are they valuable to?
- What kind of needs does the project respond to?
- Who are the final or potential users or beneficiaries of the project’s outcomes and how can they be addressed?
- In which way and to what extent can the project results be utilised above and beyond the end of the project?

Budget planning. See module 4.

Timing. It means realizing all parts of a project in the prescribed time. It is better when applicants plan more time for the early stages of the project and consider fulfilling application deadlines. In general, funded projects can be divided into different project phases.
Reporting means to report to the funding authority about the project's progress, its outcomes, and financial situation.

How is the reporting organised?

Reporting can be generally divided into reporting during the project and after the end of the project.

During the course of the project. A report within a certain number of days after the end of each reporting period (depending on funding source) should be prepared. This report can include a progress report, which is contrasted with the promised deliverables and a financial report. What is more, it can be necessary to involve a first level controller. In FP 7 the threshold for the compulsory involvement of first level controller is a sum of 375,000 Euro per partner.

After the end of the project. A final report from a project has to be written and submitted within a given number of days after the end of the project. It should consist of:

- A summary of the report;
- A plan for the use and dissemination of foreground, to spread awareness;
- A report covering the wider societal implications of the project in the form of a questionnaire, including gender equality actions, ethical issues, and efforts to involve other actors.

For detailed information concerning reporting, you should look in programme manual guidelines and Guidance Notes on Project Reporting, e.g. FP7 Collaborative Projects, Networks of Excellence, Coordination and Support Actions, Research for the benefit of Specific Groups (in particular SMEs), Version June 2010.

Lead Partner principle – In most EU projects the Lead Partner principle is applied. This means that each project requires one partner to act as a Lead Partner / Project Coordinator. The Lead Partner is responsible for the entire project. He takes full financial and legal responsibility for the implementation of the project and is responsible for all the Project Partners.

Examples of the tasks of the Lead Partner are: securing an efficient use of the project’s resources, co-ordination of activities (division of budget and tasks), signing and submitting the application form to the programme managing authority; representing the project signing the grant contract with the Managing Authority and therefore ensuring the implementation of the entire project, ensuring the planned progress on the project, the delivery of outputs described in the approved application form, informing the public about the assistance received from the European Union, reporting of activity related progress and financial follow-up to the programme managing authority, verifying that the expenditure presented by the project partners, requesting and receiving payments from the programme, and transferring it to the project partners; monitoring the project expenditure, its eligibility and compliance with EU and national legislation,
as well as with the programme rules. The lead partner is also responsible for ensuring that the expenditure is supported by invoices or documented by accounting documents, has actually been paid out by the project partners within the project preparation phase or duration, was paid for activities described in the approved application, delivery of the products or services, observance of the project spending plan against the total project budget, and the budget of each partner producing documents.

**What are the reasons for project failure?**

There are many reasons why projects do not run as they should. The most typical reasons for failure are shown on picture below. These include: inadequate project specification, unrealistic timescale, poor management and lack of project coordinator, inappropriate staff, failure to manage changes, and delays in payments.

![Diagram of project failure reasons]

**Case study: managing project: perspective of ordinary project participant**

A small meat producer has been a partner in an existing EU project (the Integrated Project). A university seeking a national partner to carry out its research tasks arranged this company in the project. The company was expected to perform technological tests in industrial conditions in cooperation with the university. This required them to finance these tests, but the project allowed them to obtain funds from the EU, and most importantly, gave the company full access to all results obtained in the project by other partners.

**Assigning goals and estimating costs**

Already at the planning stage of the project, specific research goals were assigned to the company in cooperation with the partnering institution of higher education. The company was also expected to estimate the cost of the project implementation. Project proposal also provided an estimate of the level of reimbursement of expenses incurred by the company.

**Project coordination**

The project coordinator (the leader) was a renowned university in Western Europe, while each task was designated to research partner responsible for its implementation in due course. Annual meetings of all partners were organised to exchange information, present the progress of work of each partner, and to further strengthen cooperation between them. Each partner had an unwritten obligation to participate in meetings and present their results from the project. There were also executive meetings - project management
meetings—required of the project leader with partners responsible for carrying out tasks. Additionally, there were closed meetings focusing on the financial evaluation of the project and current decision-making. During the project, the EU and its partners were required to submit quarterly and annual technical and financial reports to the coordinator. The Annual Report contained detailed information on the progress of work on the project, and in some years had up to 500 pages.

**Overcoming language barrier**

The described small company faced a language barrier related to the lack of English-speaking representatives. Therefore, during the meetings the company head was represented by his scientific partner (or more precisely, an employee of a cooperating partner university).

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**Test your comprehension**

- Why is project management important for the company’s management?
- Identify and briefly define major tasks for project management.
- List the stages of reporting during the project realisation.
- Enumerate and describe major elements of the project cycle.

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**Apply your knowledge and understanding**

- Evaluate how you would manage your project. Divide your project into stages and identify the major tasks.
 MODULE 3

HOW DO I SET UP AND FORMALISE EUROPEAN PARTNERSHIPS

3.1. Learning Objective

The aim of this module is to explain the identification of a project partner and the process of writing a consortium agreement. After completing this module, you will know how to assess the need for partnership in a project, find an adequate business partner, and be able to prepare a formal consortium agreement.

3.2. Introduction

A balanced consortium is one of the key criteria during the project selection process in the EU. Therefore, understanding the roles of the coordinator and consortium partners is one of key elements of the project preparation process. It is also an essential step before starting the application for EU funds. The quality of project consortium management and contracting of the relations between partners are also a condition of effective achievement of the project goals. The process of developing project consortia include at least four stages shown on picture below: defining your goals, identifying potential partners, finding the right partners, composing partnership, and signing formal agreement.

3.3. Define your goals and needs

Project description

At the beginning of your work, define your goals and needs related to the implementation of your project. Prepare a short description (one to two pages) of your project. In the description, define the major goals of the project, key facts, and conditions of the project implementation. The aim of this description is to prepare a draft structure of your project consortium. A good project description will include a project name and idea, reference to the programme (call), goals, deliverables and benefits, project assumptions (including time and budget), and project consortium (including partners and their roles and expertise).
Draft structure of your partnership

Before starting the search for your partners, you have to prepare a draft structure of your consortium. When composing your consortium, remember that your project should have a logical representation of researchers and end-users (SMEs, industry, associations, etc.). Usually, specific requirements concerning structure of the consortium are described in the Work Programme. The number of partners in your consortium will depend on both the type of your project and the requirements of the EU programme. However, the consortium cannot be too small or too big. Remember that too small a consortium may reduce the potential of the project, while too big a consortium might face significant organisational and communicational problems. Effective consortia usually have sectoral expertise and potential, administrative expertise, sufficient technical, financial and human resources necessary to implement the project, and representation of partners in line with the programme expectations.

Identify potential partners

After preparing the draft structure of your consortium, you have to identify potential partners. When looking for project consortium partners, start with your current network of personal contacts. When you have the network of contacts, ask for potential partners and other contacts.

When you do not have any personal contacts, try the following possibilities:

- Check potential partners’ data banks, including data banks published on the website of the funding programmes, and publish your own company profile there/add your company to the database, e.g.: FP7: http://cordis.europa.eu/fp7/partners_en.html;
- Check other dedicated websites, e.g.: http://www.biocircle-project.eu/partner-search.aspx;
- Contact chambers of commerce and industry, e.g.:
  - Confederation of the food and drink industries of the EU (CIAA): http://www.ciaa.be;
- Ask your National Contact Point (http://cordis.europa.eu/fp7/ncp_en.html) or Support Points for help;
- Contact European Agencies or institutions for help: http://europa.eu/;
- Go to road shows, partner searching events, conferences or trade fairs;
- Use Internet search engines.

When you are looking for an R&D partner in the Baltic Sea Region, you can also check the Baltfood Research and Development Network: http://baltfood.4w.lt/pages/read/3.html

3.4. Find the Right Partners

After identifying potential partners, you have to choose best partners for your consortium. The structure of your partnership will depend on specific needs of your project, your previous experience, current network of contacts, and requirements stipulated in specific EU programmes and funds. For example, some EU programmes have special requirements concerning legal status or geographical location of partners. If you are a project leader, you will have to decide about roles of various participants in your consortium. This will depend on the capacity of selected participants, their experience, and their expectations.
When you are the project leader, you are free to choose partners. Before making the final choice, check the following:

- Is potential partner eligible for funding (legal status, geographical location, financial involvement, programme co-financing)?
- Is the respective partner already known?
- If the partner is unknown to you and your network, try to meet your partner personally before applying for a project together.
- Does the partner have enough experience (concerning the content, with project implementation, with the funding source)?
- Are there any problems in cooperation with the partner from the early beginning?
- If there are any, consider looking for another partner.
- Do not depend only on one partner; have an alternative.

Check whether your project consortium composition is complying with the project funding regulations related to the number and types of partners (SMEs, universities, research institutions), number of represented countries, etc. The consortium that you are going to create must be eligible to receive funding.

It is also possible that someone will ask you to participate in a project consortium. In such a case, think carefully about the benefits and costs of such a partnership and check the following:

- Are you able to deliver the requested inputs?
- Are there sufficient staff and financial resources to undertake the project?
- Will it be possible to master difficulties and dry spells?
- What are the benefits resulting from the project if the set objectives are not achieved?
- Is the project financially attractive?
- Are there any other non-financial benefits?
- Are there obvious barriers or obstacles already at the time of preparing the proposal/proposal submission?

3.5. From the First Contact to Formal Agreement

First contact

After identifying potential partners, it is time to contact them and start building a real consortium. During this stage, it is necessary to decide how to contact various partners. When developing your consortium, it is better to start with contacting partners that you already know. Sometimes these partners can help you to find or contact other partners. If you have personal relations with potential partners, you can use informal methods of contact, including writing an email or calling by phone.

When making the first contact with less known partners, you have to consider several issues, including organisational level of contact (top executives, middle managers, researchers, etc.), means of contact (formal letter, email, telephone), way of initial discussion about the project (personal meeting, teleconference, etc.), and time limit for making a decision about participation in the project.

Letter of intent and confidentiality agreement

After making initial contact with potential partners and their positive decision concerning participation in the project, you should sign a letter of intent and a confidentiality agreement with the project leader and project
partners. Usually, letters of intent and confidentiality agreements are signed after initial discussions and before serious discussions about the structure of consortium and project. These documents contain basic information about the project purpose, roles of future partners, planned costs, identification of the parties involved, description of what is defined to be confidential, the scope of the confidentiality obligation, and exclusions.

The degree of partnership is depending on the stage of project.

### Partner declaration

In case of most EU programmes, you will also need the partner declaration. The goal of this declaration is to ensure that the partner is capable of participating in the project from a legal and financial point of view and is able to deliver the planned results. The signing of the partner declaration can be according to the funding programme compulsory for all project partners (including the lead partner). The content of the partner declaration can include declaration that the partner:

- Complies with the programme eligibility requirements regarding the legal status of partner organisations;
- Does not receive any other community funding for the activities scheduled in the action plan;
- Does not receive funding from any other public sources that would exceed the amount of obligatory national co-financing, which has to be provided by partner organisation to co-finance the project activities.
- Possesses sufficient human, financial, and administrative capacity to implement the assigned project activities;
- Will carry out activities in line with community and national legislation and programme rules.
- Is familiar with the content of the application form and understands what its role in the project will be;
- Will operate within a given budget (the concrete amount must be specified);
- Is entitled / is not entitled to recover VAT.
Consortium Agreement

Consortium agreements are obligatory for almost all EU programmes. The goal of the consortium agreements is to formalise the responsibilities and rights of consortium partners. If you are the project leader, you will have to prepare the consortium agreement in cooperation with your partners. It is necessary to sign the agreement before applying for EU funds. There is no one template of consortium agreement. However, many EU programmes present relevant sample agreements, guidelines and checklists. For example, the Eurostars programme provides applicants with a 3-page skeleton consortium agreement and the checklist (see here: http://www.eurostars-eureka.eu/guidelines.do). The Eurostars skeleton consortium agreement includes:

- Preamble and definitions (identification of participants, context of the cooperation, etc.);
- Implementation of the Eurostars Project - including description of the Eurostars Project;
- Organisation/management within the Project;
- Financial issues - including the global budget of the Eurostars project and the planning of expenses for each party;
- Confidentiality and publications;
- Ownership and protection of the pre-existing know-how and project results;
- Access rights to and exploitation of pre-existing knowledge and project results;
- Liability;
- Final clauses.

FP7 also provides applicants with its own guidelines (much longer in comparison to Eurostars’) concerning the consortium agreement. The FP7 checklist can be found here: ftp://ftp.cordis.europa.eu/pub/fp7/docs/fp7-consortium-agreement-checklist-2011v2_en.pdf.

Case study: A 100-pages long consortium agreement

The length of the consortium agreements can vary depending on legal culture as well as the needs of project participants. Sometimes such agreements can be extremely long, especially when cooperation will concern sensitive issues. In example, one of the Italian biotechnological companies, developing and producing starter cultures for the food industry, prepared a 100-page consortium agreement to be signed by over 50 partners from different European countries, contributing to the project. The Partnership Agreement included such elements like:

- Definitions
- Purpose and Nature of the Agreement
- Duration
- Organisational Structure
In the appendix “List of the excluded pre-existing know-how”, the Consortium Agreement carefully indicated the names of employees who will work for the EU project. It also clearly stated that parties would not bring to the project:

- Pre-existing know-how developed by company scientists not participating in the European Project.
- Pre-existing know-how developed by scientists participating in the European project, which falls outside the scope of the work programme.
- All know-how in patents and patent applications existing priority is a company entering into the European project.
- Licenses from Company to our industrial collaborators and licensees existing priority is a company entering into the European project and/or know-how related to falling outside the scope of the work programme.
- Know how covered under specific research contracts and confidentiality/non-disclosure agreements subject to third party rights.

Each project partner was entitled to claim protection of intellectual property, as well as appendices to this Consortium Agreement must be signed by all project partners. The Agreement provided for the biotechnology company discussed the possibility of withdrawing from the project under certain conditions. It also included the possibility of joining a new partner during the project.

Test your comprehension

- Enumerate and describe major stages of the project consortium development.
- Assuming that you do not have an existing network of personal contacts how would you find partners for your project?
- If you were a project leader, what would you consider before making a choice of project consortium partners? Be specific.
- If you were asked to participate in an R&D project financed by the EU funds, what would you consider before joining the consortium? Be specific.
- What are the major elements of a consortium agreement? Are there any documents and/or agreements preceding the consortium agreement? If so, describe them.
Apply your knowledge and understanding

✅ Create a profile of your company in the CORDIS Partners Service and find information about potential partners in food sector.

✅ Use the Internet to find and compare various templates of letters of intent, confidentiality agreements, partner declarations, and consortium agreements.
MODULE 4

HOW DO I DRAW UP A BUDGET FOR AN EUROPEAN PARTNERSHIP PROJECT

4.1. Learning Objective

The aim of this module is to describe the main rules for preparing a budget for European Partnership and drawing up your budget for European Partnership. After completing this module, you will know how to prepare budgets for European Partnership projects.

4.2. Preparing a Budget

Preparing a budget is one of the most crucial tasks of a project. The budget is a key factor for your application’s success. Moreover, detailed financial planning from the beginning of the project should help you to avoid financial difficulties during and at the end of the project.

Preparing a budget depends on the requirements of the funding source. For detailed information, it is necessary to fulfil the programme requirements, which you can find in the programme manual guidelines. However there are some procedures that are common for all funding programs. They are presented in this module.

4.3. Prepare Your Consortium Budget in 4 Steps

Step 1: Draft

The draft of a budget is based on the planned targets and activities set by the project coordinator and project partners. The budget must be built in a way that ensures that these targets can be realized in a cost-effective way. At the beginning, it is important to estimate a budget size as it depends strongly on the project scope, contents, and main goals. It is of course impossible to accurately describe a “normal” project budget because it differs significantly depending on the scale of the project.

It is recommended that you start preparing your budget from the analysis of activities which are indispensable to achieve goals and targets of your project. You can divide these activities into major categories (e.g.: transport, personnel, subcontracting, etc.) or into milestones (e.g.: January-April, May-August).
When you have divided and clarified the project activities, it is much easier to identify resources that are needed to implement project activities. At that stage, it is also important to determine the resources of each partner. The coordinator should decide who is going to do which piece of work.

**Step 2: Partners meeting**

Partner communication and cooperation is very important during the implementation of the project. All project planning, as well as the financial plans, and preparation of a budget, should be made jointly by all project partners. First meetings concerning financial issues should be held before and just after preparing a draft of a budget.

During these meetings, the project partners should decide on the division of responsibilities and tasks for which they will be responsible. Of course, the individual division of duties and tasks, as well as the financial obligations of the Coordinator and the other project partners, should be determined in a formal agreement. It is very important because clearly defined procedures and responsibilities make cooperation easier and help avoid future conflicts. During these meetings, it is also advisable to organise a group of representatives of all project partners who will be responsible for preparing a budget and coordinating its implementations.

It is worth noting that meetings should not be held just for planning new tasks and evaluation of the completed work. Meetings are also very important to discuss new ideas, achieve results, and find solutions to common problems. During the meetings, participants should also advance their shared tasks and support each other.

**Step 3: Collection of partners’ financial information**

To prepare a budget for the project as a whole, it is crucial to have realistic financial information from all partners. In some cases it is recommended that project partners calculate the budgets separately for the activities for which they have taken responsibility. In some cases the lead partner suggests partners a budget, which is appropriate according to the partners tasks. Once the partners have decided on their budget all information should be collected and compiled in one budget. To make it easier, it is very important that all the project partners prepare calculations in the same way. It is recommended that each project partner prepare the budget in the way that is presented in the chosen programme manual guidelines. This approach facilitates the preparation of the budget project by the coordinator and leads to better management and monitoring of the project during its implementation. Apart from that, the individual partner budgets are important tools for the coordinator to check if project partners have fulfilled their obligations.

In the FP 7 programme some partners, in particular SMEs, have to undergo a financial viability check. More information can be found in the FP 7 Guidelines.
Decision tree on Financial Capacity Verification

Is the organisation:
- a natural person in receipt of scholarship?
- a public body (international organisations accepted)?
- one of the following international organisations:
  - International public-sector organisations set up by intergovernmental agreements, and specialized agencies set up by such organisations?
  - The International Committee of the Red Cross (ICRC)?
  - The international federation of National Red Cross and Red Crescent Societies?
  - The European Investment Bank (EIB) or the European Investment Fund (EIF)?

  **YES**  No financial capacity verification required

  **NO**

Is the organisation a secondary and/or higher education establishment?

  **YES**  No financial capacity verification required

  **NO**

Is participation of this organisation financially guaranteed by a Member State or an Associated State?

  **YES**  No financial capacity verification required

  **NO**

Does the organisation request an estimated EC financial contribution superior to [€000.000]??

  **YES**  Financial capacity verification required

  **NO**

Has this organisation a coordinator role?

  **YES**  Financial capacity verification required

  **NO**

Is this organisation identified in the Early Warning System (W2, W3, W4)?

  **YES**  Financial capacity verification required

  **NO**

Has this organisation been subject to substantial financial findings following a financial audit realised by the Commission, the European Court of Auditors or their duly authorised representatives within the last 2 years?

  **YES**  Financial capacity verification required

  **NO**

No financial capacity verification required
Step 4: Consolidated budget

A budget plan is one of the crucial parts of the project application and it is one of the basic factors that influences the application success. The budget has to be made according to all obligatory rules for these types of applications (the most important of them are mentioned later in this module). Moreover, realistic planning at the beginning of the project will help in the future to fulfill the aims of the project and keep within the budget.10

4.4. Common Budget Procedures

What is the co-financing rate?

The term “co-financing rate” refers to a percent to which EU funding makes a contribution to a programme. Co-financing is usually subject to a maximum threshold. It is defined as a percentage of the total value of the programme, or a part of it.

Co-financing rates depend in the kind of activity and the status of the beneficiary. For example, for FP7, co-financing rates reach the level:

- Research and Development (50% - 75% co financing);
- Demonstration (50%);
- Other activities (up to 100%);
- Management activities (up to 100%);
- Training activities (salary for those, who train) (up to 100%).

How is the budget split up?

In the project application, the budget consists of several dimensions (it can be divided annually, by partner, by milestone, by work packages etc.). Using different dimensions shows that partners have considered all aspects of the budget and helps manage financial issues during the project.

According to work packages, a budget can be divided in five categories. They are listed below.

Personnel + External services + Travel = BUDGET + Other direct costs + Equipment and investment

Source: Based on Bienzle (2004).

Personnel costs. They are either attached to a partner organisation or working on a regular or recurring basis for the project.

External services. Strategic activities, including the management and administration of the project, cannot be the subject of subcontracts. Also, the majority of the work should be completed by the consortium itself. For some projects, it might be difficult to distinguish between internal staff and external collaborators who are financed under the realized item. In case of any doubt, the organisation should choose the status which can be most convincingly argued. Personnel costs should also be documented by employment contracts, time sheets, pay slips, proofs of payment, etc.

Concerning external services, the European Commission has made it very clear that this budget item should not be overstretched. A ceiling of 30% of the total project costs was introduced.

Travel, meetings. These are the costs connected with organisation of consortium meetings during the realization of a project. When paying the costs of project meetings, two alternatives are used most often:

- Everybody pays their costs during the project meeting with the grant they have received from the coordinator;
- The coordinator pays everything for everybody and deducts the sum from each partner grant.

Equipment, investments. The coordinator should be aware that expenditure relating to the acquisition of equipment and investments will be checked and analysed. To avoid ineligible expenditure, the coordinator should convincingly justify in the Final Report that the purchase of the equipment and investment is necessary for the realization of the project.

Which costs are eligible?

There are some rules that determine which costs can be eligible. First of all, they should be related to the project, necessary, and approved in a project plan. They should occur during the realization of a project and not be shared with any other project partners.

![Diagram of eligible costs](image-url)
It is also important to say what should be done so that eligible expenditures could be reimbursed:

- They should take place at the earliest day defined in the subsidy contract as the project start date;
- They should be related to products/services which have been delivered;
- They should be paid by the project partner and separated in the book-keeping;
- They should be supported by invoices or accounting documents of proper value;
- They should be accounted, certified, audited and reported within the respective reporting period included under an expenditure category (budget line) listed in the project budget;
- They should be directly linked to the project budget and to the project activities;
- They should not be claimed before in this or any other EU co-financed programme or other donor programmes (to avoid double financing).

SME participants charge eligible costs under the various activities to the project. The payment of RTD performers’ invoices (excl. VAT) by SMEs will be considered as eligible costs for the SMEs. However, VAT is not an eligible cost.\(^{11}\)

### How are direct/indirect costs handled? What are they?

Costs in the budget are generally divided into direct and indirect. Direct costs are for instance personnel and travel costs, whereas indirect costs are for insurance, postage costs, energy etc. More examples of direct and indirect costs are listed below:

#### Eligible costs

<table>
<thead>
<tr>
<th>Direct costs</th>
<th>Indirect costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel costs, Accommodation/food costs</td>
<td>Costs connected with infrastructures and the general operation of the organisation such as hiring or depreciation of buildings and plant, water/gas/electricity, maintenance, insurance, supplies and petty office equipment, communication and connection costs, postage, etc. and costs connected with horizontal services such as administrative and financial management, human resources, training, legal advice, documentation, etc.</td>
</tr>
<tr>
<td>Organisation of seminars, meetings, consultations, activities, Publications/translations/information costs, Dissemination and exploitation of results, Other costs directly linked to the implementation of the project</td>
<td></td>
</tr>
</tbody>
</table>


There are two methods of reporting indirect cost:

1. Simplified method - which is adequate for beneficiaries who have an accounting system that can identify and classify their indirect and direct cost in accordance with eligibility costs;
2. Flat rate method - which is for the beneficiaries whose accounting systems cannot divide costs in accordance with the project criteria.

Examples

Calculation of indirect costs - simplified method
An organisation is working on three projects. It has identified 100000 EURO as eligible cost (i.e.: electricity, administrative tasks and supply)

Allocation via hourly rate:
Overheads of the organisation: 10000
Worked hours at the level of the legal entity: 2000
Hourly rate: 10000/2000 = 5
Project 1: 600 worked hours => 600 x 5 = 3000 indirect costs
Project 2: 400 worked hours => 400 x 5 = 2000 indirect costs
Project 3: 1000 worked hours => 1000 x 5 = 5000 indirect costs

Calculation of indirect costs when the option of the 20% flat rate is chosen:
Personnel: 1000000
Subcontracting: 100000
Researcher from a third university who works in his university: 20000
Researcher from a third university who works in the premises of the beneficiary: 15000
Travel costs: 5000
Equipment: 50000
Total of direct costs: 1190000
Calculation of indirect costs:
1190000 - 100000 (subcontracting) - 20000 (researcher who does not work in the premises of the beneficiary) = 1070000 x 0,2 = 214000

Examples - continued

Allocation via percentage of personnel cost:
Overheads of the organisation: 10000
Personnel cost at the level of the legal entity: 100000
Rate: 10000/100000 = 0,1 (10%)
Allocation between projects:
Project 1: personnel cost = 30000 => 30000 x 0,1 = 3000 indirect costs
Project 2: personnel cost = 20000 => 20000 x 0,1 = 2000 indirect costs
Project 3: personnel cost = 50000 => 50000 x 0,1 = 5000 indirect costs

Calculation of indirect costs when the option of the 20% flat rate is chosen:
Personnel: 100000
Subcontracting: 100000
Researcher from a third university who works in his university: 20000
Researcher from a third university who works in the premises of the beneficiary: 15000
Travel costs: 5000
Equipment: 50000
Total of direct costs: 1190000
Calculation of indirect costs:
1190000 - 100000 (subcontracting) - 20000 (researcher who does not work in the premises of the beneficiary) = 1070000 x 0,2 = 214000
How to plan liquidity / When does the money come?

The financing, respectively the time, when the money comes is depending on the funding source. In some funding programmes, e.g. Interreg, project partners have to cover all costs first by themselves and the funding source reimburses eligible costs deducted from co financing rates. In other cases, e.g. FP 7 financing the project is divided into three parts: pre-financing, interim payments and final payments. To know when the money comes can be crucial especially for SMEs as notably costs for larger projects can affect the liquidity of the company significantly.

Pre-financing at the start of the project

The main aim of the pre-financing is to enable beneficiaries to have a positive cash flow at the beginning and throughout the lifetime of the project. Unless the agreement is written in a different way, the coordinator at the beginning of the project (within 45 days of the entry into force of grant agreement) will receive pre-financing (advance payment). There is a possibility of getting only one advance payment during the lifetime of the project.

The coordinator is supposed to distribute the pre-financing to the other beneficiaries (the same procedure is for the rest of the payments). It should conform with the ECGA and the decisions made by the Consortium. The coordinator must be able to determine at any time the amount paid to each beneficiary (and inform the Commission when required). The pre-financing will remain the property of the EU/Euratom until the final payment. The amount of pre-financing is defined during the negotiations, but as a general rule, for projects with duration of more than two reporting periods, it should be equivalent to 160% of the average EU funding per period.

Interim payments following the approval of periodic reports

Interim payments follow interim reports. They are calculated on the basis of the accepted eligible costs and the corresponding reimbursement rates. The amounts paid for interim payments depend on the accepted EU/Euratom contribution. The total amount of interim payments + pre-financing is limited to 90% of the maximum EU/Euratom contribution.

Final payment following the approval of final report

After the approval of the final report, the final payment is transferred. It is the difference between the calculated EU/Euratom contribution (on the basis of the eligible costs) and the amounts already paid.

The total payment is limited to the maximum EU/Euratom contribution. If the total amount of money paid would prove to be higher than the EC contribution accepted, the Commission will recover the difference. 12

12 Guide to Financial Issues relating to FP7th Indirect Actions, European Commission version 28/02/2011.
How can changes in the budget be managed during the project?

The beneficiary has to declare any change in its methodology when the beneficiary needs to introduce changes in order to bring its "usual accounting principles and practices" in line with other provisions of the Grant Agreement. It is clear in that case, that those changes are not only possible, but compulsory.

Example of time recording practices, indirect cost calculations, productive hour's approaches

For the FP7 grant agreement, the ECGA specifies that when a beneficiary opts for the 20% flat rate or for the transition flat rate of 60 % for its first participation under FP7, it can opt afterwards for the actual indirect costs system for subsequent participations. After this change, this organisation cannot opt again for a flat rate system (either 60% or 20% flat rate). Finally, if a beneficiary acquires the status of non-profit public body, SME, research organisation or secondary and higher education establishments after its first participation in FP7, it may use the 60% rate for future GAs if it fulfils the other conditions set in the model GA for the use of this specific rate.

What kind of auditing procedure is applied?

The audits may cover three major files: financial aspects, systemic aspects, and other aspects such as accounting and management principles.

There are some rules which beneficiaries are required to obey during the duration of the project. The rules are imposed to ensure a complete, true, and fair verification that the project and grant have been properly managed and performed. The major rules are listed below:

- Keep the originals, or in exceptional cases in which the legislation accepts or contemplates this possibility, duly authenticated copies - including electronic copies - of all documents relating to the grant agreement for up to five years from the end of the project;
- Ensure that the Commission's services and/or any external body or bodies authorised by it have on-the-spot access at all reasonable times (notably to the beneficiary's offices where the project is being or has been carried out) to its computer data, to its accounting data, and to all the information needed to carry out those audits, including information on individual salaries of persons involved in the project. They shall ensure that the information is readily available on the spot at the moment of the audit and, if so requested, that data be handed over in an appropriate form;
- Make available directly to the Commission all the detailed data that it may request;
- Ensure that the rights of the Commission and the European Court of Auditors to carry out audits are extended to the right to carry out any such audit or control on any third party whose costs are reimbursed in full or in part by the EU/Euratom contribution on the same terms and conditions;
- Ensure the right of the Commission to interview people working or having worked on the project.

Source: Guide to Financial Issues relating to FP7th Indirect Actions, European Commission version 28/02/2011.
Polish company has requested a grant for creation of new solutions in vegetable industry. They have started to prepare an application in FP7. One of the requested parts of the application was a budget. After preparing a project plan and estimation of its scope, the company has made some assumptions and estimations to prepare a budget. These included the following:

1. The project will be realized by two employees.
2. The duration of project was estimated for 36 months of work for a scientist with a PhD and for 24 months of work for a PhD student. **The total number of work for two people was estimated for 63 months.**
3. During the project, **8 meetings** were planned.
4. The cost of one meeting for one person was estimated for 600 Euro. The cost of personnel was estimated for 25 000 Euro per year for a scientist with PhD and for 15 000 Euro per year for a PhD student.

The total cost of work for a scientist with PhD amounted to (25 000 Euro/12months) x 36 months of work = 81 250,00 Euro.
The total cost of work for a PhD students amounted to (15 000,00 Euro/12months) x 24 months of work = 30 000,00 Euro.
**The total cost of personnel amounted to 111 250,00 Euro.**

5. In a budget calculation the cost of personnel - 111 250,00 Euro was divided into cost of:
   - Innovative work - 105 000,00 Euro;
   - Administration - 2 083,33 Euro;
   - Management - 2 083,33 Euro
   - Other work - 2 083,33 Euro.

6. In a budget calculation the cost of meetings was shown as a cost of travel - 8 meetings x 2 people x 600,00 Euro = 9 600,00 Euro.
7. In a budget calculation the cost of consumables were estimated for 50 000,00 Euro.
8. The cost of audit certificate, which is going to be subcontracted, was estimated for 2 500,00 Euro.
9. In a budget calculation the total cost of Innovative work, Administration, Management and Other work was accounted. Then the same calculation was done for a total cost without subcontractors (the difference in the cost of management 4 583,33 Euro - 2 500,00 Euro (cost of a subcontractor) = 2 083,33). Because of this calculation **total direct costs amounted to 170 850,00 Euro.**

10. The company did not have an adequate accounting system for indirect costs simplified method, which is why a calculation of indirect costs based on flat rate was chosen. Indirect cost at a level of 20% was counted for all costs apart from subcontracting. **Total direct costs amounted to 34 170,00 Euro.**
11. The next step was calculating total eligible costs (a sum of total direct and indirect cost without the cost of subcontractor). **Total eligible costs amounted to 207 520,00 Euro.**
12. According the rules in the FP7 calculation of reimbursement rate was done (see table below).
13. Based on the calculations presented in a budget requested grant from EU amounted to 156 890,00 Euro.

### The calculation of a budget for a collaborative project in FP7 project

<table>
<thead>
<tr>
<th>Exchange rate Euro to PLN (Starting 1st June 2011)</th>
<th>4</th>
<th>RTD</th>
<th>Demo</th>
<th>Training</th>
<th>Management</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Man months PhD scientist</td>
<td>36</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Man months PhD student</td>
<td>24</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Man months Senior scientist</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Number of meetings planned</td>
<td>8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of persons per meeting</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost per meeting</td>
<td>600</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Euros per person</td>
</tr>
<tr>
<td>Cost PhD scientist</td>
<td>100 000</td>
<td>25 000</td>
<td>*Rates 2011</td>
<td>81 250</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost PhD student (including social charges)</td>
<td>60 000</td>
<td>15 000</td>
<td></td>
<td>30 000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost Senior Scientist</td>
<td>0  * See with HR</td>
<td></td>
<td>0,0</td>
<td>0,0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit Certificate</td>
<td>10 000</td>
<td>2 500</td>
<td></td>
<td></td>
<td>111 250</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Budget Calculation</td>
<td>R&amp;D</td>
<td>Administration</td>
<td>Training</td>
<td>Management</td>
<td>Other</td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>------------------------------------</td>
<td>-------</td>
<td>----------------</td>
<td>----------</td>
<td>------------</td>
<td>-------</td>
<td>---------</td>
<td></td>
</tr>
<tr>
<td>Personnel</td>
<td>105 000</td>
<td>2 083</td>
<td>0</td>
<td>2 083</td>
<td>2 083</td>
<td>111 250</td>
<td></td>
</tr>
<tr>
<td>Travel</td>
<td>9 600</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumables</td>
<td>50 000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>50 000</td>
<td></td>
</tr>
<tr>
<td>Durable equipment</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>n/a</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Subcontracting</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>n/a</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Other specific costs</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>AUDIT CERTIFICATE (subcontracted)*</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>2 500</td>
<td>n/a</td>
<td>2 500</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>164 600</td>
<td>2 083</td>
<td>0</td>
<td>4 583</td>
<td>2 083</td>
<td>173 350</td>
<td></td>
</tr>
<tr>
<td>Total (without subcontracts)</td>
<td>164 600</td>
<td>2 083</td>
<td>0</td>
<td>2 083</td>
<td>2 083</td>
<td>170 850</td>
<td></td>
</tr>
<tr>
<td>Flat rate 20%</td>
<td>32 920</td>
<td>417</td>
<td>0</td>
<td>417</td>
<td>417</td>
<td>34 170</td>
<td></td>
</tr>
<tr>
<td>TOTAL Eligible costs</td>
<td>197 520</td>
<td>2 500</td>
<td>0</td>
<td>5 000</td>
<td>2 500</td>
<td>207 520</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>% Reimb. EU</th>
<th>75</th>
<th>50</th>
<th>100</th>
<th>100</th>
<th>100</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requested grant from EU</td>
<td>148 140</td>
<td>1 250</td>
<td>0</td>
<td>5 000</td>
<td>2 500</td>
<td>156 890</td>
</tr>
</tbody>
</table>

Source: http://euresearch.epfl.ch/page-12605-en.html

Test your comprehension

- What is the difference between direct and indirect costs?.
- Do you know which costs are eligible? Enumerate the criteria.
- What are the main steps to prepare a budget?
- Which kind of activities/fields does audit covers?

Apply your knowledge and understanding

- How would you split up costs in your budget?
- Explain when and how to use indirect costs simplified method.
- Calculate indirect cost in your project when the option of flat rate is chosen.
- Look for the information concerning cofinancial rate in the programme for which you would like to apply for a grant.
- Create a draft of a budget for your project based on the example in a case study.
MODULE 5

HOW DO I APPLY FOR FP7 FUNDING?

5.1. Learning Objective
The aim of this module is to describe the main rules for preparing an application for FP7. After completing this module, you will know how to prepare an application for FP7.

5.2. Steps to Submission
In order to correctly prepare an application for FP7, you should go through following steps:

1. Have an idea of a project. You should try to check the accuracy of your idea while writing draft of a project, working schedule etc.
2. Select a specific programme. The European Commission announces information concerning specific programmes in annual “Work Programmes”. These work programmes include the schedule of “Calls for Proposals” or “Calls” to be published during the year. Each call usually covers specific research areas, and you may have to wait until the publication of a call that covers your exact area of interest.
3. Search for information concerning calls. Calls are announced in the EU’s Official Journal. The annual work programmes and the full texts of the calls are published on the FP7 section of CORDIS: www.cordis.europa.eu/fp7/CORDIS.
4. Look for one or more partners to realise a project. You should define partners profile, search for them, and select the most appropriate one(s).
5. Write and submit an application. To write an application, you should find and follow the Guide for Applicants published on CORDIS (these manuals are prepared for each calls). Of course, some general rules are the same for all calls in FP7, meaning you should:
   - Write a project outline;
   - Fill in part A of your proposal, which contains the administrative information about the proposal and participants and brief information concerning a project;
   - Write part B of your proposal, which consists of all the scientific and technical content of your project;
   - Consult your project partners on the contents of your application;
   - Divide tasks between project partners;
   - Prepare a project budget;
   - Write a project summary;
   - Submit a proposal.
6. **Check that all your material has been uploaded and submitted.** After the call deadline, the Commission will send an acknowledgement of receipt.

**Pre-Proposal Preparation/Checks**

Research and Development idea in mind? Planning to apply for FP 7? What to do?

<table>
<thead>
<tr>
<th>READ</th>
<th>CONTACT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Call for proposals</td>
<td>National Contact Point</td>
</tr>
<tr>
<td>relevant Work Programme</td>
<td></td>
</tr>
<tr>
<td>Guide for Applicants</td>
<td></td>
</tr>
</tbody>
</table>
There are some important points you should check before preparing an application form. The table below lists the main points that should be verified before applying.

<table>
<thead>
<tr>
<th><strong>The Work Programme</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• You should refer to the work programme covering the right theme of FP7 related to a specific call.</td>
</tr>
<tr>
<td>• In the work programme you can find information concerning detailed description of the objectives and topics, which are open for proposals, and the wider context of research activities in this area.</td>
</tr>
<tr>
<td>• Work programmes are revised each year, so make sure you refer to the latest version before preparing your proposal.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Guide for Applicants</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• You should check if you are applying for one of the eligible funding schemes. If there is a choice, find out if you have opted for the one that best suits your needs?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Funding Scheme</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• You should follow information given in the &quot;The Guide for Applicants&quot; published on CORDIS (this manuals are prepared for each calls)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Eligibility of the Proposal</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• It is advisable to check the eligibility criteria that are given in the work programme and annexes to the Guide for Applicants. Make sure that you satisfy the minimum requirements for the makeup of your consortium. Have any additional eligibility criteria been set for the call? Check that you comply with any budgetary limits that may have been fixed on the requested EU contribution.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Completeness</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Proposals must comprise a Part A, containing the administrative information including participant and project cost details on standard forms; and a Part B containing the scientific and technical description of your proposal as described in the Guide for Applicants.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Structure</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Proposals should be precise and concise, and must follow exactly the proposal structure described in the annexes to the Guide for Applicants, which is designed to correspond to the evaluation criteria, which will be applied.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Help</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• You are strongly advised to inform your National Contact Point of your intention to submit a proposal (see address in annexes to the Guide for Applicants). Remember the Enquiry service listed in the annexes.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Other Important Issues</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Do you have the agreement of all the members of the consortium to submit this proposal on their behalf?</td>
</tr>
<tr>
<td>• Is your Part B in portable document format (.pdf), including no material in other formats?</td>
</tr>
<tr>
<td>• Is the filename made up of the letters A to Z, and numbers 0 to 9? You should avoid special characters and spaces.</td>
</tr>
<tr>
<td>• Have you printed out your Part B, to check that it really is the file you intend to submit, and that it is complete, printable and readable? After the call deadline it will not be possible to replace your Part B file.</td>
</tr>
<tr>
<td>• Double check that you respect the font size (11 point) and the page limitations for the different chapters!</td>
</tr>
<tr>
<td>• Is your Part B file within the size limit of 10 Mbytes?</td>
</tr>
<tr>
<td>• Have you virus-checked your computer?</td>
</tr>
</tbody>
</table>
Prepare a Proposal

Before starting to prepare a proposal in FP 7 you should once again check the following:

- Is FP 7 appropriate for planned project
- Is effort reasonable to potential gain
- Does planned work fit to call
- Correct work programme found
- Correct Guide of Applicants found
- Can eligibility criteria be fulfilled

In a call, there should be a specification whether a single- or two-stage submission and evaluation procedure should be followed. For a two-stage proposal, applicants first submit reduced or outlined proposals. Only those whose proposals are evaluated positively at the first stage are invited to submit complete proposals in a second stage and will go forward for further evaluation. For details of evaluation and scoring of the first stage, please refer to [http://ec.europa.eu/research/fp7/pdf/fp7-factsheets_en.pdf](http://ec.europa.eu/research/fp7/pdf/fp7-factsheets_en.pdf). A proposal has two parts, which are discussed in detail in the table below:

<table>
<thead>
<tr>
<th>Part A</th>
<th>Part B</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• The administrative information about the proposal and the participants.</td>
</tr>
<tr>
<td></td>
<td>• A brief description of the work.</td>
</tr>
<tr>
<td></td>
<td>• Contact details and characteristics of the participants.</td>
</tr>
<tr>
<td></td>
<td>• Information related to the funding requested.</td>
</tr>
<tr>
<td></td>
<td>• All the scientific and technical content of your proposal (follow a &quot;template&quot;, or list of headings, given in the guide of applicants).</td>
</tr>
<tr>
<td></td>
<td>• It covers the nature of the proposed work, the participants and their roles in the proposed project, and the impacts that might be expected to arise from the proposed work.</td>
</tr>
<tr>
<td></td>
<td>• Part B of the proposal has to be submitted and uploaded by the applicant into the electronic proposal submission service (EPSS).</td>
</tr>
<tr>
<td></td>
<td>• Part B in most of the cases should not be no longer than 20 pages. Over-long proposals are rarely viewed in a positive light by the evaluating experts.</td>
</tr>
<tr>
<td></td>
<td>• Only black and white copies are used for evaluation and you are strongly recommended, therefore, not to use colour in your document.</td>
</tr>
<tr>
<td></td>
<td>• Part B I is uploaded by the applicant into the electronic proposal submission service (EPSS) described below.</td>
</tr>
</tbody>
</table>
Submit a Proposal

**What are the elements of a Successful Proposal?**

Check if your proposal fits in the criteria of a successful proposal listed below. You should remember them when preparing your proposal and at the last stage of work to verify that you have done everything correctly.

- **It's content should be related to the objectives and contents of the call.**
- **The objectives of the proposal should be stated in a clear and precise and innovative way aspects. Ethical and socioeconomic implications should be taken regard to.**
- **It should be put into a wide research context (it is recommended to read documents published by the Commission in relation to the chosen topic and refer to these documents in the proposal).**
- **The concept, methodology and work programme of the project should be convincing. It should underline the outcome of the project: products/service, procedures, patents, publications etc.**
- **It should be detailed how the various parts of the project are linked, how the different partners cooperate. It should contain a clearly arranged, comprehensible work programme.**
- **The presentation of the different project partners should include an overview of all participants, areas of expertise and experience, key publications and details of infrastructure and budget of the consortium.**
- **The layout should be professional, attractive and clear. Avoid gloss and too many images etc. Legibility can be improved through use of lists, tables (Gantt and PERT charts), clear English and by avoiding redundancies.**
- **Form, structure and stylistic aspects have a large influence on the experts evaluating the proposal and should therefore not be disregarded. Even if it is possible to submit a proposal in any UE language, the use of English is advisable.**
- **To avoid mistakes consult timetable for the call early, to enable timely and provident planning.**

**How to submit a proposal?**

Proposals must be submitted electronically, using the Commission's Electronic Proposal Submission Service (EPSS).

---

**Electronic Proposal Submission Service (EPSS)**

**Login**

In order to connect directly to this "Login Page" you must connect to: [https://www.epss.ue7.org/](https://www.epss.ue7.org/)

**Important notice for using EPSS:**

As of the 5th of May 2008 you can use the PIC feature in EPSS.

If you need to use EPSS in order to prepare several proposals in a concurrent way (i.e. use multiple accounts at the same time) you **MUST** do it in different Browser Windows and **NOT** Tabs.

The usage of Tabs with applications that use login credentials to identify different sessions (like EPSS) is not working.

Please enter your username and password...

<table>
<thead>
<tr>
<th>Element</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>username</td>
<td></td>
</tr>
<tr>
<td>password</td>
<td></td>
</tr>
</tbody>
</table>

Reset Proceed

If you’re not yet registered, please complete the registration form - [register now](https://www.epss.ue7.org/)

Forgot your password? - [click here](https://www.epss.ue7.org/)

---

55, Module 5
All the data that you upload is securely stored on a server to which only you and the other proposal participants have access until the deadline. This data is encrypted until the close of the call. Only the coordinator is authorised to submit the proposal. You can access the EPSS from the call page on CORDIS or on the Participant Portal. Full instructions are found in the “EPSS preparation and submission guide”, available from the EPSS entry page (click on "EPSS user guide"). Completing Part A in the EPSS and uploading Part B does not yet mean that your proposal is submitted. Once there is a consolidated version of the proposal, you must press the "SUBMIT NOW" button. The EPSS then performs an automatic validation of the proposal. A list of any problems ("validation error message") a missing data, viruses, wrong file etc. will then appear on the screen. Once corrected, the coordinator must then repeat the above steps to achieve submission. In the table below, you can find information concerning the duties and authorisations of the coordinator and other participants.

<table>
<thead>
<tr>
<th>Coordinator is authorised to</th>
<th>Other participants are authorised to</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Register as interested in submitting a proposal to a particular call</td>
<td>• Complete their own sections A2 (participant details)</td>
</tr>
<tr>
<td>• Set up (and modify) your consortium by adding/removing participants</td>
<td>• Download the document template for writing Part B of the proposal, in order to assist the coordinator in preparing it (however, only the coordinator can upload the finished version)</td>
</tr>
<tr>
<td>• Complete all of Part A of the proposal, pertaining to the proposal in general, and to your own administrative details download the document template for writing Part B of the proposal and, when it is completed, upload the finished Part B</td>
<td>• View the whole proposal.</td>
</tr>
</tbody>
</table>

If successfully submitted, the coordinator will receive a message that indicates that the proposal has been received. This automatic message is not the official acknowledgement of receipt. The coordinator may continue to modify the proposal and submit revised versions overwriting the previous one right up until the deadline.

For the proposal in Part B, you must use exclusively PDF. Other file formats will not be accepted by the system. There is an overall limit of 10Mb for the proposal file in Part B. There are also restrictions to the name you give to the Part B file. You should only use alphanumeric characters, avoiding special characters and spaces.

**What is the PIC?**

The Participant Identification Code is a unique 9-digit number that helps the European Commission to identify a participant. If your organisation has already participated in a 7th Framework Programme proposal, it is likely that the organisation has already received a PIC number. You can check it on the Participant Portal: [http://ec.europa.eu/research/participants/portal](http://ec.europa.eu/research/participants/portal). If a PIC is not yet available for your organisation, you can still submit your proposal by entering the organisation details manually. It is strongly recommended, that before submitting a proposal via the Electronic Proposal Submission System (EPSS), you self-register your organisation in the Participant Portal under the “My Organisations” and “Register” tabs and receive a temporary PIC, which can then be used in the EPSS. The use of PICs - even temporary ones - will lead to more efficient processing of your proposal. Self-registration in the Participant Portal for receiving a temporary PIC is quick and simple.
What are the main reasons for refusal?

In the chart below, you can find the list of the main reasons for the application refusal. Some of them can be avoided quite easily.

![Refusal diagram]

What Eligibility Criteria should the proposal fulfil?

All proposals should fulfil eligibility criteria. They are listed below:

- It should be received by the Commission before the deadline given in the call text;
- It involves at least the minimum number of participants given in the call text;
- It is complete (both the requested administrative forms and the proposal description are present);
- The content of the proposal relates to the topic(s) and funding scheme(s), including any special conditions set out in those parts of the relevant work programme;
- Other eligibility criteria may be given in the call text.

What are Evaluation Criteria against which proposal will be judged?

The evaluation criteria are set out in article 15 of the Rules for Participation. For the “Cooperation” specific programme these are:

- Scientific and/or technological excellence;
- Relevance to the objectives of these specific programmes;
- The potential impact through the development, dissemination and use of project results;
- The quality and efficiency of the implementation and management;
Within this framework, the annex to the work programmes and the Guide for Applicants will specify the evaluation and selection criteria and may add additional requirements, weightings, and thresholds, or set out further details on the application of the criteria;

- Proposals will be evaluated in line with the Commission “Rules on Submission of Proposals and the Related Evaluation, Selection and Award Procedures”;
- A proposal, which contravenes fundamental ethical principles, fails to comply with the relevant security procedures, or does not fulfil any of the other conditions set out in the specific programme, the work programme or in the call for proposals shall not be selected. Such a proposal may be excluded from the evaluation, selection and award procedures at any time.

Following Submission

You should also know what will happen after a submission of your proposal. The steps that will be taken by the EU Commission are listed below.

Essential Reading

In order to submit a proposal, applicants should consult the following documents:

- The text of the call for proposals (call fiche), as announced in the Official Journal of the European Union, and published on the specific Internet pages of the Seventh Framework Programme;
- The relevant Work Programme, including the General introduction and the Annexes;
- The relevant Guide for Applicants.

Other Documents

There are also a number of other useful texts to which applicants could refer, including:

- The Specific Programme “Cooperation”, the Rules for Participation for FP7;
- National legislation implementing Directive 95/45/EC of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data.

These documents and other relevant background documents are available on the Commission’s CORDIS web site and on the Participant Portal: http://ec.europa.eu/research/participants/portal.
National Contact Points and Other Sources of Help

A network of National Contact Points (NCPs) has been established to provide advice and support to organisations that are preparing proposals. You are highly recommended to get in touch with your NCP at an early stage. (Contact details are given on the CORDIS call page - annex 1 to the Guide for Applicants). Annex 1 to Guide for Applicants gives references to these further sources of help for this call, particularly:

- The Commission’s general enquiry service on any aspect of FP7. Questions can be sent to a single e-mail address and will be directed to the most appropriate department for reply;
- A dedicated help desk has been set up to deal with technical questions related to the Electronic Proposal Submission Service (EPSS);
- A dedicated Help Desk has been set up to deal with questions related to research ethics issues;
- A further help desk providing assistance on intellectual property matters;
- Any other guidance documents or background information relating specifically to a call;
- The date and contact address for any “information day” that the Commission may be organising for a specific call;
- Other services, including partner search facilities, provided via the CORDIS web site.

Case study: Building consortium - Producer of milk fermented beverages

One of the Polish producers of milk fermented beverages sought to expand the technological research and development department using EU funds. The aim of this development was to strengthen its position in the functional foods market and broaden the scope of the operation for more than just dairy products. The company, however, did not have experience in international cooperation, including cooperation research institutions. Nonetheless, it managed to build a consortium in the three steps described below.

Use personal contacts

The first steps of the company to achieve its goals were directed toward research institutions, i.e. universities and research institutes dealing with food science, in search of partners for research and development cooperation. Because the company did not have previous experience in cooperation with these institutions, it decided to use personal contacts and contacts of university graduates employed at the company. These contacts facilitated the search for individuals interested in cooperation. This way of searching is often practiced with the creation of EU projects, and the seeds of such projects (and further cooperation within them) are frequently formed with colleagues, meetings, or conferences meetings. Private contacts and the opinions of graduates employed in the company allowed the company to find the best people to work together. Their opinions about a potential partner facilitated preliminary assessment of future partners’ professionalism, credibility and reliability. Therefore, if you are already in a network of contacts and you want input on a project, do not avoid any meetings, even social.

Sign formal agreement

The result - and second step of developing consortium - was the signing of a cooperation agreement between the company and institution of higher education - indicating actual staff committed to research. The agreements included confidentiality issues concerning data and technological secrets.

Consortium in the third step

In the third stage, the company was supported by its research and a scientific partner, possessing its own network of contacts. Thus, the development of the international consortium was fostered by both initial partners. The final result of the initiated cooperation was the establishment of the international consortium whose goal was to implement a specific research project. Additionally, a network of international contacts based on the experience of researchers involved in the project and international business relations was established.

Developing common project proposal

The consortium gathered an international group of partners interested in implementing the project and applying for EU funds. During the informal meetings, they decided on the leader (a specific person), and roles of partners were defined. During such meetings, project
objectives, roles of partners, and research tasks were carefully planned. Many single research tasks had at least two partners assigned: one scientific and the other technological. This facilitated the completion of this stage and strengthened the cooperation between them. Project participants established a small budget to enable financing project proposal preparation stage, including informal meetings.

Application for the grant

Finally, the project was submitted to the European Commission and was finally accepted. The company has gained trust and the scientific support for university staff, useful for more than just the duration of the project.

Test your comprehension

- What should you do to submit a proposal? Enumerate steps that applicants should take.
- What are the mains reasons for proposal refusal?
- What are the Eligibility Criteria? Why they are important?
- What are the most important Evaluation Criteria against which your proposal will be judged?

Apply your knowledge and understanding

- Do you know where to look for the information concerning Calls? Try to find them.
- Enumerate all elements of a successful Proposal.
- Why should your company have a PIC? Where can you get it?
- Where is your National Contact Point? Who is responsible to answer your questions?
- List the issues that should be checked after preparing your proposal.
MODULE 6

HOW DO I MANAGE AN FP7 FUNDED R&D PROJECT?

6.1. Learning Objective
The goal of this module is to present main guidelines concerning formal rules of management of an FP7-funded research and development business projects. After completing this module, you will know how to conduct negotiations with the Commission, prepare a Grant Agreement, and manage costs, payments, deliverables, reporting, and audits.

6.2. Managing Your Project
When managing your FP7 project, you should follow general rules of project management stipulated in Module 2. This part of the manual will show you how to deal with specific management issues related to FP7 programmes, starting from the first negotiation with the European Commission to managing payments, costs, deliverables, reporting, and audits.

As mentioned in module 5, after applying for a FP7 grant, the Commission checks whether the proposal meets the eligibility criteria that apply to this call and funding scheme. If the proposal meets the eligibility criteria, then independent experts will evaluate all eligible proposals. The evaluation panel can sometimes ask the coordinator to provide further details regarding the proposal. After completing the evaluation, all coordinators will receive a letter containing initial information on the results of the evaluation.

When your proposal is highly rated by the panel of independent experts, you will be invited by the European Commission to start negotiations concerning the grant. This, however, still does not mean that the project was accepted.
6.3. Negotiations

Letter of Invitation

After a positive evaluation of a proposal, the project coordinator will receive the letter of invitation and information about the maximum EU financial contribution for the project. The letter of invitation to negotiations provides the results of the evaluation and includes a copy of the Negotiation Mandate. It is accompanied by the independent experts’ opinion about the project (Evaluation Summary Report).

The Negotiation Mandate sets the framework for the negotiations, listing the key points of information and instruction for the project coordinator. The negotiation mandate will include all key information concerning the negotiation process, including content, timing, and deadlines - see box below.
Contents of Negotiations

The goal of the negotiation process is to agree on the scientific-technical details of the project and to collect financial and legal information needed for preparing a Grant Agreement, as well as for the project management and reporting on the project execution. Contents of negotiations include technical negotiations and financial and legal negotiations.  

Technical negotiations

The aim of the technical negotiations is to agree on the final content of Annex I (Description of Work) to the Grant Agreement. During this part of the negotiation process:

- The proposal may need to be adapted to meet the recommendations of the evaluation, as described in the Negotiation Mandate;
- The Commission/REA verifies that the project objectives are “SMART” (S-Specific, M-Measurable, A-Attainable, R-Realistic, T-Timely);
- The full work plan of the project has to be defined in sufficient detail;
- The work to be carried out by each of the beneficiaries and any potential future expansion of the consortium must be defined in sufficient detail;
- The list of deliverables and their content, timing, and dissemination level are determined;
- The project milestones and their assessment criteria are determined;
- An indicative time schedule for the project reviews, ideally synchronised with the reporting periods, is established (if not pre-defined in the special conditions of the Grant Agreement).

Financial and legal negotiations

The financial negotiations focus mainly on reaching an agreement on budgetary matters, such as the budget for the full duration of the project and the budget breakdown for the different project periods, as well as issues related to subcontracting and third parties. They also cover the establishment of the initial pre-financing, timing of project periods, and reviews. The legal negotiations include the analysis and review of the final composition of the Consortium, any special clauses required for the project, and other aspects such as the project start date. During this part of the negotiation process:

14 Ibid.
The total costs, total eligible costs and the maximum EU financial contribution are determined. Special attention should be given to the methodology to calculate the personnel costs and the indirect costs;

A table of the estimated breakdown of the budget and the EU financial contribution per activity to be carried out by each of the beneficiaries is established;

The amount of the pre-financing is established;

The start date and the duration of the project are agreed upon;

The Commission verifies the operational capacity of the proposed coordinator, i.e. whether that organisation has the required management skills, capabilities, and experience to carry out the coordinator’s role;

The need for the inclusion in the Grant Agreement of any special clauses is established;

Where applicable, a “road map” is established for any planned competitive calls relating to the later addition of new project partners and the budget available for the Consortium’s expansion agreed upon;

The timing of the reporting periods is established;

Any subcontracting or third-party issues must be clarified;

The financial capacity check - if required;

The coordinator commits him/herself to open an interest-yielding bank account - unless already done - or requires the exemption from this obligation if it fulfils the conditions for this (for more details see the FP7 Guide to Financial Issues)

Members of the proposal consortium may be invited to Brussels or Luxembourg to facilitate the negotiation, depending on the size and nature of the project. Appendix 5 to the Negotiation Guidance Notes provides a negotiation checklist to keep applicants on track throughout the various steps and issues of the negotiations.

Preparation of the Grant Agreement

The Grant Agreement Preparation Forms (GPFs) facilitates the negotiation process and the development of the Grant Agreement. The GPFs are standard forms concerning administrative and financial data for all project partners. These forms are used to identify the beneficiaries that will sign the Grant Agreement and determine the eligible costs and Community contribution. The forms also include a standard declaration to be signed by each participating organisation. The first draft of the forms has to be prepared using online Negotiation Facility (NEF ) before the first negotiation round or meeting. The NEF under the Participant Portal (http://ec.europa.eu/research/participants/portal) facilitates the negotiation process. NEF provides the main channel for an interactive communication between the Consortium and the Project Officer as all necessary administrative, legal, and financial data about the projects and the participants are collected and agreed through NEF. In particular, NEF collects the following data during negotiations (the forms are pre-filled with data from the proposal and from the central participants’ database):

- General information about the project and reporting periods;
- Information on the coordinator and all the participants:
  - Legal data;
  - Organisation status;
  - Authorised representatives;
  - Contact persons;
  - Eligible costs and requested EU contribution;
  - Bank account information (for the coordinator);
  - Financial information (if required).

After the closure of the negotiations, the coordinator must print a final version of the GPFs (.pdf file), which can be found under Part A in NEF. For the GPFs to be finalised and correctly sent to the Commission/REA, three forms have to be signed manually:
- A2.5, “Our Commitment” per beneficiary has to be signed by the authorised representatives of the coordinator and each participant;
- A2.6, “Data Protection and Coordination Role” has to be signed by the coordinator’s authorised representative;
- A4, “Bank Account” must bear the bank stamp and the signature of the bank representative (if the account is not already validated by the Commission/REA, which will be checked by the Project Officers) as well as the account holder’s signature, with date.

The finalised GPFs are submitted to the Project Officer in one unbound copy on white paper with original signatures. Should any additional supporting documentation be required for specific projects, it has to be provided in one copy, unless advised differently by the Commission/REA.

**Conclusion of Grant Agreement**

At the end of the negotiations, an agreement should have been reached on all technical, financial and legal issues related to the Grant Agreement. Accordingly, the Consortium should be in the position to prepare and send the final version of the relevant documents to the Project Officer. Where signed paper copies are requested, as is the case for the Grant Agreement Preparation Forms, these should be unbound, on white paper, with original signatures. When all the necessary legal and financial information has been received and accepted by the Commission/REA, a Grant Agreement is drafted and sent to the coordinator for signature. Grant Agreements include following parts:

- The Core Agreement contains project specific information such as project duration, financial contribution, project start;
- Annex I: Description of work;
- Annex II: General conditions;
- Annex III: Specific provisions related to the funding scheme;
- Annex IV, Form A: Consent of beneficiaries to accede to the grant agreement;
- Annex V, Form B: Accession of new legal entities to the grant agreement;
- Annex VI, Form C: Financial statement per finding scheme;
- Annex VII, Form D and E: terms of reference for the certification of costs and on the methodology.

The grant agreement will come into force upon signature by the coordinator and Commission Project Officer. All participants must accede to the grant agreement in order to benefit from their rights and obligations vis-à-vis the Community and each other.

**Start of the Project**

The relevant provisions of the Grant Agreement determine the start date of the project. This may be the first day of the month following the entry into force of the Grant Agreement, a specific fixed date as negotiated, or a date to be notified by the coordinator within [x] months from entry into force of the Grant Agreement. Where the Consortium requires a specific fixed start date for the project that precedes the entry into force of the Grant Agreement, full details regarding the justification for the request should be given in writing to the Project Officer prior to the finalisation of Annex I to the Grant Agreement and of the GPFs. The Commission/REA may refuse this request if no sufficient and acceptable justification is provided.
Some Important Points to Remember

1. An invitation to start negotiations does not, under any circumstance, guarantee the funding of a project or the offer of a Grant Agreement.
2. The funding of the proposal may depend on the Consortium's acceptance of the changes requested by the Commission in the Negotiation Mandate.
3. The maximum amount of funding for a project is fixed in the Negotiation Mandate.
4. Funding is conditional upon compliance with the Grant Agreement.
5. In some cases, the Commission may not be able to enter into a Grant Agreement with certain legal entities because of financial insecurity, other limitations imposed by the Financial Regulation, or for reasons pertaining to irregularity or violation of fundamental ethics principles. In such cases, the Consortium may be offered the possibility to start the project either with a reduced number of participants or to replace an ineligible participant.
6. If the Commission cannot obtain reasonable assurance that the project participants have the necessary financial and human resources to carry out the proposed work, it is possible that the negotiations will be terminated, or that a change in the Consortium will be requested.
7. The Commission aims to shorten the time to process the grant (i.e. the time between the deadline of the call for proposals and the signature of the Grant Agreement). As a result, the letter of invitation to negotiations specifies a time limit for the negotiations. If negotiations are not completed within the given time limit, the Commission may terminate them. For further references see the 'Rules for submission of proposals, and the related evaluation, selection and award procedures' (http://intranet-rtd.cec.eu.int/politique/ics-docs/8a-2.0-fp7-evrules_en.pdf).


6.4. Payments and Costs

Pre-Financing

Once the Grant Agreement is in force, the Commission can make the pre-financing payment to the coordinator. The amount is established during the negotiations and is intended to provide the beneficiaries with sufficient cash flow to carry out the first part of the project. Like any other payment, the coordinator will distribute the pre-financing to the other beneficiaries.

The Commission will make a pre-financing payment within 45 days of the date of entry into force of the Grant Agreement, except where a special clause provides otherwise. The pre-financing amount will include the 5% beneficiaries' contribution to the Participants' Guarantee Fund (PGF).

The Guarantee Fund (GF) is a mutual benefit instrument establishing solidarity among beneficiaries of the Framework Programme. Its primary purpose is to cover the financial risks incurred by the EU and beneficiaries during the implementation of the project. The GF's capital and interests constitute a performance security.

The Community financial contribution is paid to the participants via the coordinator. The coordinator has to keep records making it possible to determine at any time what portion of the Community funds has been distributed to each participant. The coordinator has to communicate that information to the Commission upon request.
Forms of Grants

There are three forms of grants that are proposed for the Community financial contribution:

- Reimbursement of eligible costs;
- Lump sums; and
- Flat-rate financing.

These may be used to cover the entire Community financial contribution for a funding scheme or in combination. For most funding schemes, reimbursement of eligible costs will be the preferred method, particularly at the beginning of FP7. The use of lump sum and flat rate financing will be introduced gradually, and if successful, will be used more extensively. The Community financial contribution may also take the form of scholarships or prizes.

Eligible Costs

In order to be considered for reimbursement, costs incurred by the beneficiaries in the course of the project must satisfy the eligibility criteria laid down by the grant agreement. It must be stressed that, subject to these criteria, it is always the Commission that makes the final decision on the nature and costs to be considered eligible. In order to be considered eligible, costs incurred for the implementation of a project shall meet the following conditions:

- They must be actual;
- They must be incurred by the beneficiary;
- They must have been incurred during the duration of the project, with the exception of final reports when provided for in the grant agreement;
- They must have been determined in accordance with the usual accounting and management principles and practices of the participant and used for the sole purpose of achieving the objectives of the project and its expected results in a manner consistent with the principles of economy, efficiency, and effectiveness;
- They must be recorded in the accounts of the participant and paid, and in the case of any contribution from third parties, they must be recorded in the accounts of the third parties;
- They must be exclusive of non-eligible costs, in particular identifiable indirect taxes including value added tax, duties, interest owed, provisions for possible future losses or charges, exchange losses, costs related to return on capital, costs declared, incurred, or reimbursed in respect to another community project, debt and debt service charges, excessive or reckless expenditure, and any other cost that does not meet the conditions referred to in points (a) to (d).
Direct and Indirect Costs

Participants can charge all their direct and indirect costs. Depending on the characteristics of the project, it is possible that some costs can be considered either direct costs or indirect costs, but no cost can be taken into account twice as a direct cost and an indirect cost.

Direct costs are all eligible costs that can be attributed directly to the project. They include:

- The cost of personnel assigned to the project;
- Travel and subsistence allowances for staff taking part in the project;
- The purchase cost of durable equipment;
- The costs of consumables and supplies provided they are identifiable and assigned to the project;
- Subcontracting;
- Certificate on the methodology and certificate on the financial statements;
- Conference fees;
- Internally invoiced costs.

Indirect costs are all eligible costs that 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. Indirect costs, also called overheads, are all the structural and support costs of an administrative, technical, and logistical nature, which are crosscutting for the operation of the beneficiary body's various activities and cannot therefore be attributed in full to the project.
Under FP7, there are no cost-reporting models. The beneficiaries must declare their actual costs. Optionally, beneficiaries may opt to declare their actual direct costs plus a flat rate for indirect costs of 20% of the direct costs. In FP7, all organisations that are part of the same legal entity must use the same system of cost calculation. The Guide to Financial Issues contains guidelines in terms of different costs incurred for the project and general information on the financial aspects of the project.

**Upper Funding Limits**

Grants shall be co-financed by the participants. The Community financial contribution will cover a maximum of 50% of eligible costs minus receipts both for research and for demonstration activities. For SMEs, public bodies, secondary and higher education establishments, and non-profit research organisations, there will be a top-up of a maximum of 25% for research activities. For demonstration activities, the Community financial contribution may reach a maximum of 50% of the total eligible costs. Frontier research actions would be reimbursed at 100% for all entities. All other activities, including those relating to coordination and support actions, and actions for the training and career development of researchers, would be reimbursed at up to 100% for all entities. These percentages apply in the case of projects where flat-rate financing or lump-sum financing is used. The maxima indicated above are applied to all eligible costs of the project consortium, even where part of the reimbursement of costs is based on lump sums or flat rates.

**Deliverables, periodic reports and audits**

The Grant Agreement defines when (and if) projects are obligated to submit periodic reports and when they have to submit the final report to the Commission.

Deliverables (other than the periodic and final reports formally required by the model grant agreement) should be limited in number, specific, and verifiable. A deliverable may be a report of a certain activity or be of a different nature, such as a prototype, a demonstrator, the organisation of a conference, the publication of a book, the completion of a specification, etc. Deliverables are agreed upon during negotiations and introduced via the respective web forms in NEF (linked to work packages). This list of deliverables will serve as a basis for reporting. Further details on the deliverables and milestones of the projects can be found in the separate “Templates for the Description of Work”: [http://cordis.europa.eu/fp7/find-doc_en.html](http://cordis.europa.eu/fp7/find-doc_en.html).

The Commission evaluates the reports and deliverables in accordance with Article II.5 of the Grant Agreement. Independent experts may assist in this task through technical project reviews. Payments are made after the Commission's approval of reports and/or deliverables. All reports (scientific and financial parts) have to be submitted electronically via the Participant Portal.
Reporting requirements during the course of the Project

During the Course of the Project you will have to submit:

- The deliverables identified in Annex I to the Grant Agreement, according to the timetable specified in the Deliverables list;
- A periodic report within 60 days of the end of each reporting period (including the last reporting period). The reporting periods are defined in Article 4 of the Grant Agreement. The periodic report comprises:
  - An overview, including a publishable summary of the progress of work towards the objectives of the project, including achievements and attainment of any milestones and deliverables identified in Annex I. This report should include the differences between work expected to be carried out in accordance with Annex I and work actually carried out;
  - An explanation of the use of the resources, and;
  - A Financial Statement (Cost Claims) (Form C - Annex VI to the Grant Agreement) from each beneficiary and each third party, if applicable, with a summary financial report consolidating the claimed Community contribution of all the beneficiaries (and third parties) in an aggregate form, based on the information provided in Form C by each beneficiary;
  - The frequency and format of the financial statements (and the cases in which they need to be certified by an independent auditor) are defined in the Grant Agreement (see Article II.4.4 of the GA). The financial statements form the basis for any payments made by the Commission.

Reporting requirements at the end of the project

In addition to the periodic report for the last period of the project, a final report has to be submitted within 60 days of the end of the project. This final report shall comprise:

- A final, publishable summary report which includes an executive summary, a summary description of project context and objectives, a description of the main science and technology results, the potential impact (including the socio-economic impact of the project) and the main dissemination activities and exploitation of results/foregrounds;
- A plan for the use and dissemination of foreground, to spread awareness;
- A report covering the wider societal implications of the project in the form of a questionnaire, including gender equality actions, ethical issues, and efforts to involve other actors.

Reporting requirements after having received the final payment

A report on the distribution of the European Union financial contribution between beneficiaries (see Article II.4.3 of the Grant Agreement) must be submitted 30 days after receipt of the final payment (not required for intermediate payments).

Continuous reporting requirements (during and after the project)

During and after the project, the coordinator shall provide references of all scientific publications relating to foreground at the latest two months following publication (see Article II.30. of the Grant Agreement). As part of the final project report, the coordinator will be required to submit a full list of publications relating to foreground of the project.
Technical audits and reviews

Based on the project reports and deliverables, and possibly also with the support of presentations made by Consortium members, the Commission, assisted by independent external experts, may conduct reviews of the progress of the project. These interim assessments, initiated and paid for by the Commission, are used to decide whether the EU financial support for the project should continue. In the event of a negative outcome of a review, the Commission may decide to suspend the project pending corrective action, or to terminate the Grant Agreement.

The review may also lead the Consortium or the Commission to require changes to the work plan (to reflect evolving circumstances in the marketplace, for example). In these cases, the Consortium will be required to revise Annex I of the GA. Details are provided in the Guidance notes on project technical review, available at ftp://ftp.cordis.europa.eu/pub/fp7/docs/project_review_en.pdf.

Case study: NANODETECT - Managing the research partnership

Currently, the most important criterion for food processing methods and storage conditions is to ensure food safety. Food producers are obliged to offer final products that comply with relevant microbiological criteria concerning control incidence of bacteria of the genus Salmonella or Listeria monocytogenes. Traditional methods of determining the presence of pathogenic microorganisms, mycotoxins, or drug residues in processed raw materials are usually complicated and time consuming. Often, it is necessary to stop the production until the receipt of test results; there is no possibility of carrying out these tests on-line on the production line. For these reasons, these methods are not suitable for food producers. It is therefore necessary to find new methods for rapid determination of important parameters of food quality and safety, without disturbing the production process and allow for quick response when it detects any inconsistencies. To solve this problem, nanotechnology, one of the most recent developments in biosciences, can be applicable. This in fact was the essential element of a small collaborative project funded under FP7: "NANODETECT - Development of nanosensors for the detection of quality parameters along the food chain", created in 2008.

Building the partnership

The project coordinator was the company ttz Bremerhaven, an innovative provider of research services with extensive experience as a participant and coordinator of the nearly 100 international projects. The project consortium created by ttz Bremerhaven was comprised of the company’s previous experience and network of existing contacts. It consisted of 8 partners from 6 countries, including 5 SMEs.

Among the partners implementing the projects were Universitaet Bremen (Germany), Noray Bioinformatics SL (Spain), Optotek Razvoj in Proizvodnja Opticine in Laserske Opreme Doo (Slovenia), Meierei Genossenschaft EG Langenhorn (Germany), Formatgeria Granja Rinya sl (Spain), Biocult BV (Netherlands), The Secretary Of State for Environment, Food and Rural Affairs (United Kingdom), and Stichting Dienst Landbouwkundig Onderzoek (Netherlands).

Building the project management structure

The project structure reflected the logical sequence of research and development process. There were seven working packages established - see Pert Diagram
presented above. Six of them reflected consecutive stages of project implementation enforced by selected project partners. One (i.e. project management) was devoted to coordination of all other working packages and was implemented by project leader.

**Project results**

In the NANODETECT project, the nanoreaction technology was used to develop on-line and off-line monitoring systems (sensors), which combined the expertise of sensitive molecular biological processes with the potency of nanotechnology for application in liquid process food streams. The nanosensors interacted with information technology tools and thus contributed to improved quality control systems within small and large industries. The partners have chosen milk as example of the process stream because it is subject to different contaminations, of which the following were chosen as models: pathogenic microorganisms (e.g. *Listeria monocytogenes*), mycotoxins (e.g. aflatoxin M1), drug residues (e.g. sulphonamides) and fraud (e.g. high value goat milk blended with cow milk).

The NANODETECT sensor could be termed as a biosensor on a nanoscale. It is intended to be used both off-line and online. Because of its scale, it will require only very limited amounts of raw material. An additional advantage will be that it will only require limited amounts of the different reagents, thereby reducing the cost of applying the instrument.

Source: [https://secure.fera.defra.gov.uk/nanodetect/](https://secure.fera.defra.gov.uk/nanodetect/).

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**Test your comprehension**

- Describe the major elements of the project negotiation process.
- Describe the role of GPFs in negotiation process.
- What are eligible costs? Describe types of eligible direct and indirect costs.
- Describe when and how you will have to report the project’s progress.

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**Apply your knowledge and understanding**

- Register your organisation to Research Participant Portal and test the possibilities that it offers.
GLOSSARY

A

ACCOMPANYING MEASURES
Actions supported by the RTD Framework Programmes to contribute to the implementation of a specific programme, with a view to enabling them to achieve or define their strategic objectives. They will also contribute to the preparation of future activities.

ACTS
Advanced Communications Technologies & Services programme implemented under the Fourth RTD Framework Programme, 1994-98.

ACKNOWLEDGEMENT OF RECEIPT
Applicants are informed by email shortly after the deadline that a proposal has been successfully submitted (but not that it is necessarily eligible). Contact the help desk urgently if you do not receive such an acknowledgement.

APPLICANT
The term used generally in this guide for a person or entity applying to a call for proposals. The term ‘participant’ is used in the more limited sense of a member of a proposal or project consortium (see below).

ASSOCIATED COUNTRIES
Non-EU countries, which are party to an international agreement with the EU, under the terms or on the basis of which it makes a financial contribution to all or part of the Seventh Framework Programme. In the context of proposal consortia, organisations from these countries are treated on the same footing as those in the EU. The list of associated countries is to be seen in ftp://ftp.cordis.europa.eu/pub/fp7/docs/third_country_agreements_en.pdf.

B

BIOMED 2
Biomedicine and health programme implemented under the Fourth RTD Framework Programme, 1994-98.

BIOTECH 2
Biotechnology programme implemented under the Fourth RTD Framework Programme, 1994-98.

BRITE-EURAM 3
Industrial Materials and technologies programme implemented under the Fourth RTD Framework Programme, 1994-98.
CALL FICHE
The part of the work programme giving the basic data for a call for proposals (e.g. topics covered, budget, deadline etc). It is posted as a separate document on the CORDIS and Participant Portal web pages devoted to a particular call.

CALL FOR PROPOSALS (OR "CALL")
An announcement, usually in the Official Journal, inviting proposals for research activities in a certain theme. Full information on the call can be found on the CORDIS and Participant Portal web-sites.

CALLS FOR PROPOSALS
In the context of the Seventh Framework Programme, calls are launched at various intervals inviting proposals for research projects and other measures to implement the specific programmes. These measures, together with the deadlines for submitting proposals, are defined in the “call text” published in the Official Journal of the European Union. Click [here](#) to access all the calls launched under FP7.

CLUSTERING (of RTD projects)
A feature of the Framework Programmes, the cluster is a defined group of RTD projects. The aim is to guarantee complementarity among projects, to maximise European added value within a given field and to establish a critical mass of resources at the European level.

COAL AND STEEL RESEARCH
Information service on a new EC coal and steel research programme, including access to funding opportunities, legal information guidelines and contact details.

COMBINED R&D AND DEMONSTRATION PROJECTS
Projects implemented under the RTD Framework Programmes combining shared-cost research and technological development projects and demonstration projects. The financial participation of the Community is between 35-50% of total eligible costs.

COMDOCUMENTS
Commission documents and Secretariat-General documents (identified by their abbreviation COM and SEC) are documents sent by the Commission to the Council and to other Community bodies as part of the Union’s decision-making and legislative process. They may be in the form of written communications or in the form of proposed legislation. The [COMdocuments on CORDIS](#) are selected on the basis of their relevance.

CONCERTED ACTIONS
Measures implemented under the RTD Framework Programmes to coordinate RTD projects already in receipt of funding (e.g. to exchange experiences, to reach a critical mass, to disseminate results etc.). The Community contributes up to 100% of the eligible costs necessary for the action.

CONSENSUS MEETING
The stage in the proposal evaluation process when experts come together to establish a common view on a particular proposal.

CONSORTIUM
Most funding schemes require proposals from a number of participants (usually at least three) who agree to work together in a consortium.
CONTINUOUS SUBMISSION
Some calls are open for an extended period, during which proposals may be submitted at any moment. In these cases, proposals are evaluated in batches after fixed cut-off dates.

COORDINATOR
The coordinator leads and represents the applicants. He or she acts as the point of contact with the Commission.

CORDIS SERVICE
A web service providing access to all the documentation related to FP7, and access to the electronic proposal submission service. (See also Participant Portal).

CORDIS: REGIONAL RESEARCH AND INNOVATION SERVICE
Service established to enable regions to promote their research and innovation-related infrastructures, services and activities on CORDIS.

CORDIS
Community Research and Development Information Service.

COST
European Cooperation in the fields of Scientific and Technical research.

COUNCIL PRESIDENCY RTD INFO SERVICE
Service established by the Member State holding the Presidency (for 6 months) of the Council of ministers of the European Union. The service highlights the Presidency's research and innovation priorities, activities and related information.

CRIS

CUT-OFF DATE
An intermediate date in the context of a call operating a continuous submission procedure. Proposals are evaluated in batches after each cut-off date.

DEADLINE
For a particular call, the moment after which proposals cannot be submitted to the Commission, and when the Electronic Proposal Submission Service closes for that call. Deadlines are strictly enforced.

DELIVERABLE
A deliverable represents a verifiable output of the project. Normally, each workpackage will produce one or more deliverables during its lifetime. Deliverables are often written reports but can also take another form, for example the completion of a prototype etc.

DEMONSTRATION PROJECTS
Projects implemented under the RTD Framework Programmes designed to prove the viability of new technologies offering potential economic advantage but which cannot be commercialised directly. The Community contributes up to 35% of the total eligible costs.
DIRECT COSTS
Direct costs are all eligible costs which can be attributed directly to the project and are identified by the participant as such, in accordance with its accounting principles and its usual internal rules.

EARLY WARNING SYSTEM (EWS)
An internal information tool of the Commission to flag identified financial risks related to beneficiaries.

ELECTRONIC PROPOSAL SUBMISSION SERVICE (EPSS) HELPDESK
A telephone / email service to assist applicants who have difficulty in submitting their proposal via the Electronic Proposal Submission System: tel: +32 2 233 3760 email support@epss-fp7.org

ELECTRONIC PROPOSAL SUBMISSION SERVICE (EPSS)
A web-based service, which must be used to submit proposals to the Commission. Access is given through the CORDIS web-site, or via the Participant Portal.

ELECTRONIC PROPOSAL SUBMISSION SYSTEM (EPSS)
A Web-based system to prepare and submit proposals for FP7 online. Access will be provided via CORDIS.

ELIGIBILITY CRITERIA
The minimum conditions, which a proposal must fulfil if it is to be retained for evaluation. The eligibility criteria are generally the same for all proposals throughout FP7, and relate to submission before the deadline, minimum participation, completeness and scope. However, additional eligibility criteria may apply to certain calls, and applicants should check the work programme, and annex 2 to this Guide.

ELIGIBILITY REVIEW COMMITTEE
An internal committee, which examines in detail cases of proposals whose eligibility for inclusion in an evaluation is in question

ETAN
European Technology Assessment Network.

ETHICS ISSUES TABLE
Research activities supported by the Framework Programme should respect fundamental ethical principles. The main issues, which might arise in a project are summarised in tabular form in a checklist included in the proposal

EURATOM
European Atomic Energy Community Treaty. Research and training activities in the nuclear sector are implemented under the Euratom section of the Framework Programmes. Click here for details of activities implemented under FP7.

EVALUATION CRITERIA
The criteria against which eligible proposals are assessed by independent experts. The evaluation criteria are generally the same for all proposals throughout FP7, and relate to S/T quality, impact and implementation. Relevance is also considered. However, additional evaluation criteria may apply to certain calls, and applicants should check the work programme, and annex 2 to this Guide.

EVALUATION MANUAL
The guidelines for the evaluation of proposals for projects funded under FP5.

EVALUATION SUMMARY REPORT (ESR)
The assessment of a particular proposal following the evaluation by independent experts is provided in an Evaluation Summary Report. It normally contains both comments and scores for each criterion.
**EXPRESSIONS OF INTEREST (EoI)**
A facility offered by CORDIS through its partners service to help organisations identify potential partners for participation in the Sixth Framework Programme. Potential participants can either "express their interest" to participate in a specific programme or search the extensive database for potential partners.

**EXTERNAL ADVISORY GROUPS:**
Groups of experts constituted to provide independent advice to the Commission on the content and directions of research to be carried out under the Key Actions implementing the Sixth Framework Programme.

**F**

**FP4**

**FP5 - EURATOM**
Specific programme implementing research and training activities in the nuclear sector under the Euratom Framework Programme.

**FP5**
Fifth RTD Framework Programme, 1998-2002

**FP6 - EURATOM**
The European Atomic Energy Community (Euratom) Sixth Framework Programme for Research and Training activities is a collection of actions at EU level to fund and promote nuclear energy research.

**FP6**
Sixth RTD Framework Programme, 2002-2006

**FP7 ENQUIRY SERVICE**
A general information service on all aspects of FP7. Contact details are given in annex 1 to this Guide.

**FP7**
Seventh RTD Framework Programme, 2007-2013

**FUNDING SCHEME**
The mechanisms for the EU funding of research projects. The funding schemes have different objectives, and are implemented through grant agreements.

**G**

**GENERIC RESEARCH ACTIVITIES**
Activities implemented under the Sixth Framework Programme carried out in a limited number of areas not covered by the Key Actions. Complementing the key actions, their main aim is to help the Community maintain and improve its scientific and technological capability in those areas of research and enabling technologies, which should be used widely.

**GRANT AGREEMENT (GA)**
The legal instrument that provides for Commission funding of successful proposals.
GUIDE FOR APPLICANTS
Each FP7 specific programme has a Guide for Applicants, describing the priorities, main rules and conditions for participation in the specific programme. The Guide for Applicants is call-specific and provides detailed information on the call for proposals in question.

HEARING
Applicants whose proposals have been evaluated are sometimes invited to provide explanations and clarifications to any specific questions raised by the experts. These questions are submitted to the applicants in advance.

IMS
Intelligent Manufacturing Systems - assists and encourages the formation of international research consortia.

IMT (Brite-EuRam 3)
Industrial & Materials Technologies.

IMT (Innovation)
Innovation Management Techniques.

INCO-COPERNICUS
Countries of central Europe and the New Independent States of the former Soviet Union.

INCO-DC
International Cooperation with developing countries.

INDIRECT COSTS
Indirect costs, (sometimes called overheads), are all those eligible costs which cannot be identified by the participant 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.

INDIVIDUAL EVALUATION
The stage in the evaluation process when experts assess the merits of a particular proposal before discussion with their peers.

INFORMATION DAYS
Open events organised by the Commission to explain the characteristics of specific calls, and often as well, a chance for potential applicants to meet and discuss proposal ideas and collaborations.

INFORMATION PACKAGE ("Info Pack")
Each call for proposals will be accompanied by an "Info Pack" containing all of the necessary documentation to prepare and submit a proposal: Call Text; Work Programme; Guide for Proposers (Parts 1 & 2); Proposal Submission Forms; and, Evaluation Manual.
INFOSEC:
Security of Telecommunications and Information Systems.

INITIAL INFORMATION LETTER
A letter sent by the Commission to applicants shortly after the evaluation by experts, giving a report from the experts on the proposal in question (the Evaluation Summary Report).

INTAS
International Association for the promotion of cooperation with scientists from the New Independent States of the former Soviet Union.

INTELLECTUAL PROPERTY RIGHTS (IPR)
For EC co-financed projects, Intellectual Property Rights (IPR) normally belong to the project participants. For projects or actions where the EC bears the full cost the property is generally the property of the Community.

INTERNATIONAL COOPERATION PARTNER COUNTRIES (ICPC)
A list of low-income, lower-middle income and upper-middle-income countries, given in annex 1 to the work programme. Organisations from these countries can participate and receive funding in FP7, providing that certain minimum conditions are met.

INTERNATIONAL EUROPEAN INTEREST ORGANISATION
International organisations, the majority of whose members are European Union Member States or Associated Countries, and whose principal objective is to promote scientific and technological co-operation in Europe.

IPR HELP DESK
Established by the Innovation Programme to help protect Intellectual Property Rights and to assist with patent issues.

IRC: INNOVATION RELAY CENTRE
Created to help local companies access the European technology market by promoting their technologies across Europe, and by identifying and importing technological solutions. The IRC network has become a leading European network for the promotion of technology partnerships and transfer between SMEs.

IST
The acronym for research priority Information Society Technologies - one of the seven Thematic Areas of the 6th RTD Framework Programme (2002-2006).

ITT
Innovation and Technology Transfer Magazine - the Newsletter of the Innovation Programme.

J

JRC: JOINT RESEARCH CENTRE
The "official mission" of the JRC is to: provide customer-driven scientific and technical support for the conception, development, implementation and monitoring of EU policies. As a service of the European Commission, the JRC functions as a reference centre of science and technology for the Union. Close to the policy-making process, it serves the common interest of the Member States, while being independent of special interests, private or national.
KEY ACTION
A cluster of small and large, applied generic and basic research projects with a European focus (although often not exclusively European). Key Actions concentrate the resources and skills of all relevant disciplines, technologies and people on well-defined socio-economic problems.

LEAR (LEGAL ENTITY AUTHORISED REPRESENTATIVE)
The LEAR is a person nominated in each legal entity participating in FP7. This person is the contact for the Commission related to all questions on legal status. He/she has access to the online database of legal entities with a possibility to view the data stored on his/her entity and to initiate updates and corrections to these data. The LEAR receives a Participant Identification Code (PIC) from the Commission (see below), and distributes this number within his/her organisation.

LEGAL ENTITY
A legal entity (although this is not an exhaustive list) can be an individual, industrial or commercial firm, a university, research organisation, partnership, Associated State, Third State, a country with a Co-operation Agreement, or an SME.

LUMP SUM
Lump sums do not require the submission of financial justifications (statements), as they are “fixed”. ICPC participants when participating in an FP7 grant agreement (GA) have got the option between being reimbursed on the basis of eligible costs or on the basis of lump-sums. This option can be made (and changed) up to the moment of the signature of the GA. Once made, it will apply during the whole duration of the GA without the possibility of changing it. ICPC participants may opt for a lump sum in a given project and for reimbursement of costs in another. Whatever the final option chosen, the maximum EU contribution for the project will remain.

M

MCF
Marie Curie Fellowships.

MCFA
Marie Curie Fellowship Association: Association of scientists who have been awarded a fellowship by the EC through an independent peer review system.

MILESTONES
Control points where decisions are needed with regard to the next stage of the project.

N

NANOTECHNOLOGY WEB SERVICE
Thematic web service on nanotechnology. This service provides information on Community funding of research in nanotechnology and related actions, and on the actions launched within the context of the European Research Area.
NATIONAL CONTACT POINTS (NCPs)
A system of national contact points has been established for the Specific Programmes of FP7 in each of the Member States and states associated with FP7, with the aim of providing assistance and guidance on FP7 related issues.

NEGOTIATION
The process of establishing a grant agreement between the Commission and an applicant whose proposal has been favourably evaluated, and when funds are available.

NFS
Nuclear Fission Safety Programme.

NON-PROFIT
A legal entity is qualified as "non-profit" when considered as such by national or international law.

OPET
Organisations for the Promotion of Energy Technologies.

Part A
The part of a proposal dealing with administrative data. This part is completed using the web-based EPSS.

Part B TEMPLATE
A document in PDF format supplied by the EPSS, consisting of a template of all chapter headings, forms and tables required to prepare a proposal Part B. The template format is given in Annex 4 to this Guide.

Part B
The part of a proposal explaining the work to be carried out, and the roles and aptitudes of the participants in the consortium. This part is uploaded to the EPSS as a pdf file.

PARTICIPANT IDENTIFICATION CODE (PIC)
Organisations participating in FP7 will progressively be assigned Participant Identification Codes (PIC). The PIC is a unique 9-digit number for each organisation. Possession of a PIC will enable organisations to take advantage of the Participant Portal's services (see below), and to identify themselves in all transactions related to FP7 proposals and grants. An online tool to search for existing PICs and the related organisations is available at http://ec.europa.eu/research/participants/portal.

PARTICIPANT PORTAL
The single entry point for interaction with the Research Directorates-General of the European Commission. It hosts a full range of services that facilitate the monitoring and the management of proposals and projects throughout their lifecycle, including calls for proposals, and access to the electronic proposal submission service.

PARTICIPANTS
The members of a consortium in a proposal or project. These are legal entities, and have rights and obligations with regard to the EU.
**PARTNERS SEARCH**
A free service offered by CORDIS to help organisations identify potential partners for participation in the European Union's RTD programmes.

**PROGRAMME COMMITTEE**
A group of official national representatives who assist the Commission in implementing the Specific Programmes of FP7.

**PROGRAMME INFORMATION DESK**
The European Commission has established information desks for each of the specific FP6 programmes to provide assistance and guidance on programme-specific issues.

**PROPOSAL**
A description of the planned research activities, information on who will carry them out, how much they will cost, and how much funding is requested.

**PROTOOL**
A software tool developed by the European Commission to help proposers prepare the administrative and technical information of a proposal in conformity with the appropriate Proposal Submission Forms.

**PUBLIC BODY**
Public body means any legal entity established as such by national law, and international organisations.

**RAPIDUS**
Acronym formerly used to designate part of the CORDIS e-mail notification service.

**REDRESS PROCEDURE**
The initial information letter will indicate an address if an applicant wishes to submit a request for redress, if he or she believes that there have been shortcomings in the handling of the proposal in question, and that these shortcomings would jeopardise the outcome of the evaluation process. An internal evaluation review committee ("redress committee") will examine all such complaints. This committee does not itself evaluate the proposal. It is possible that the committee will recommend a re-evaluation of all or part of the proposal.

**REGIONAL INNOVATION POLICY NETWORK**
Consolidated network of regions, formerly involved in the RITTS/RIS action, to intensify exchange of good practices and to encourage the transregional transfer of experience.

**RESEARCH AND TECHNOLOGICAL DEVELOPMENT (R&D) PROJECTS**
One of the shared-cost actions supported by FP6. These are projects obtaining new knowledge intended to develop or improve products, processes or services and/or meet the needs of Community policies.

**RESEARCH ORGANISATION**
A legal entity established as a non-profit organisation, which carries out research or technological development as one of its main objectives.
RESEARCH TRAINING NETWORKS
One of the types of action funded under FP6. Training networks are for promoting training through research especially of researchers at pre-doctoral and post-doctoral level, whereas.

RESERVE LIST
Due to budgetary constraints it may not be possible to support all proposals that have been evaluated positively. In such conditions, proposals on a reserve list may only be financed if funds become available following the negotiation of projects on the main list.

RISK-SHARING FINANCE FACILITY (RSFF)
A new mechanism to foster private sector investment in research, by increasing the capacity of the EIB and its financial partners to provide loans for European RTD projects.

ROADMAP
An indicative timetable identifying the parts of a specific programme’s Work Programme to be opened by calls for proposals and the deadlines involved. Contained as part of the Work Programme.

RTD FRAMEWORK PROGRAMME
Global programme for a given period (e.g. 7th Framework Programme for the period 2007-2013) setting out the European Union’s research and technological development (RTD) activities.

RTD
Research, Technological development and Demonstration activities in the European Union.

SHARED COST ACTIONS
One of the types of action supported by FP5. These are actions carried out by third parties under contracts concluded with the Community and co-financed by it. They can comprise:

- Combined R&D and Demonstration projects
- Demonstration projects
- Research and technological Development (R&D) projects
- SME Co-operative Research projects (CRAFT)
- SME Exploratory Awards
- Support for access to research infrastructures

SME CO-OPERATIVE RESEARCH PROJECTS (CRAFT)
One of the shared-cost actions supported under FP6. These are unique to the "SME-Specific Measures", enabling at least three mutually independent SMEs from at least two Member States to jointly commission research carried out by a third party.

SME
SMEs' are micro, small and medium-sized enterprises. SMEs are defined in Recommendation 2003/361/EC of 6 May 2003.

SME-SPECIFIC MEASURES
Actions developed under FP6: to make it easier for SMEs to take part in RTD programmes of the European Union; to promote research and technological development by SMEs and for SMEs; and, to solve specific
technical problems for SMEs and encourage them to develop transnational partnerships (See also: SME CO-OPERATIVE RESEARCH and SME EXPLORATORY AWARDS).

**SMT**
Standards, Measurements and Testing programme.

**SPECIFIC FLAT RATE (60%)**
A 60% flat rate of the total direct costs applicable under certain conditions to non-profit public bodies, secondary and higher education establishments, research organisations and SMEs. This rate is now available for the entire duration of FP7.

**SPECIFIC INTERNATIONAL COOPERATION ACTIONS (SICA)**
In some calls on topics of mutual interest, special conditions apply to promote research collaborations between European organisations and those based in the International Cooperation Partner Countries (ICPC). This usually entails a minimum of two participants from EU or Associated countries, and two from ICPC.

**SUPPORT FOR ACCESS TO RESEARCH INFRASTRUCTURES**
One of the shared-cost actions supported by FP6. Encourages the optimum use of the Community's research infrastructure and improves the consistency of the European research fabric.

**TASK FORCE**
Research-industry task forces were established by the Commission to better co-ordinate and stimulate the European research effort in a number of key strategic sectors.

**TDSP**
Training and Dissemination Scheme Projects.

**TECHNOLOGY IMPLEMENTATION PLAN (TIP)**
A plan defining the exploitation of the technology within a project consortium or the dissemination of the results of a project in an effective and formalised way. The production of a TIP will be a contractual requirement for co-financed RTD projects. Its structure will be standardised.

**THIRD STATES**
Third State means a state that is neither a Member State nor an Associated State. Examples of Third States are European Newly Independent States (NIS), Mediterranean Partnerships, countries with Co-operation Agreements, International Organisations and other non-EU Countries on a self-financing basis if their participation is of substantial added value to the objectives of the programme.

**THRESHOLDS**
For a proposal to be considered for funding, the evaluation scores for individual criteria must exceed certain thresholds. There is also an overall threshold for the sum of the scores.

**TMR**
Training and Mobility of Researchers.
**TRAINING FELLOWSHIP (Marie Curie)**
One of the types of action funded under FP6. Can be either fellowships where individual researchers apply directly to the Commission, or host fellowships where institutions apply to host a number of researchers.

**TREND CHARTS**
Services relating to EU innovation services.

**TSER**
Targeted Socio-Economic Research.

**TWO-STAGE SUBMISSION**
Some calls require proposals to be submitted in two stages. In this case, applicants initially present their idea in a brief outline proposal. This is evaluated against evaluation criteria, or sub-criteria for this stage set out in the call. Applicants successful in the first stage will be invited to submit a full proposal at the second stage, which will be evaluated against criteria for this second stage set out in the call. The first stage criteria, as set out in the work programme, are usually a limited set of those applying at the second stage.

**TWO-STEP EVALUATION**
An evaluation procedure in which a proposal is evaluated first on a limited number of evaluation criteria (usually, just one), and only those proposals that achieve the threshold on this are subject to a full evaluation on the remaining criteria.

**WEIGHTINGS**
The scores for certain evaluation criteria may be multiplied by a weighting factor before the total score is calculated. Generally, weightings are set to one; but there may be exceptions and applicants should check the details.

**WORK PACKAGE**
A work package is a major sub-division of the proposed project, with a verifiable end-point – normally a deliverable or a milestone in the overall project.

**WORK PROGRAMME**
A formal annual document of the Commission for the implementation of a specific programme, that sets out the research objectives and topics to be addressed. It also contains information including the schedule and details of the calls for proposals, indicative budgets, and the evaluation procedure.
