

The ICT Theme in FP7

How to participate to ICT in FP 7

1. The Rules of the Programme

*ICT Proposer's Day
Köln, 1 February 2007*

Overview

Content:

- Minimum conditions for participation
- Consortia
- Grant agreement
- Community financial contribution
- Forms of grants
- Reimbursement of eligible costs
- Indirect costs
- Maximum funding rates
- Guarantee mechanism
- Risk-sharing Finance Facility – European Investment Bank (EIB)

Minimum conditions for participation

General:

- 3 independent legal entities from 3 different Member States (MS) or Associated countries (Ac)
- Natural persons may participate
- Sole participants composed of members that meet the criteria above can participate
- Collaborative projects for specific cooperation actions (SICA) dedicated to international cooperation partner countries (ICPC) identified in WP: minimum 4 participants of which 2 in different MS or Ac and 2 in different ICPC countries unless otherwise specified in work programme
- Participation of international organisations and participants from third countries if in addition to minima

Consortia

- **Consortium agreements obligatory** unless exempted by call for proposals, Commission to publish guidelines
- **Coordinator** acts as efficient interface between consortium and Commission (verifies accession, monitors compliance, receives and distributes EC contribution, keeps financial records and ensures timely delivery of reports)
- Tacit approval for changes in consortium membership, except if associated with other changes
- Written approval for change of coordinator

Grant agreement

Model grant agreement to be drawn up:

- to establish rights and obligations of participants (including submission of reports, termination, access rights);
- to identify whether and what part of EC financial contribution is based on reimbursement of eligible costs, lump sums or flat rates;
- to identify which changes in the consortium require prior publication of competitive call;
- shall reflect general principles of the European Charter for Researchers and the Code of Conduct for the Recruitment of Researchers
- specific provisions for certain types of actions (IPR particularly)
- grant agreement comes into force upon signature by coordinator and Commission and applies to each participant that accedes

Community financial contribution

Eligibility for Funding:

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

and

- International organisations
- Legal entities established in 3rd countries other than ICPC-INCO, if provided for in SP or WP or essential for carrying out action; if or provision for funding is provided for in a bilateral agreement between Community and that country

Forms of grant

- Reimbursement of eligible costs
- Flat rates: a percentage for indirect costs or scales of unit costs (initially only overhead)
- Lump sum amounts (Initially only for ICPC)
- Combination of the above
- Scholarships or prizes

Forms of grants to be used are specified in WP/calls for proposals

ICPC participants may opt for lump sum financing.

Reimbursement of eligible costs

Co-financing, no profit.

Cost reporting models eliminated

- Participants charge direct and indirect eligible costs

Eligible costs

- Actual;
- Incurred during the project;
- Determined according to usual accounting and management principles/practices;
- Used solely to achieve project objectives;
- Consistent with principles of economy, efficiency and effectiveness;
- Recorded in accounts (or the accounts of third parties);
- Exclusive of non-eligible costs
- **Average personnel costs** may be used if consistent with above and do not differ significantly from actual

Indirect costs

All participants:

- **Actual** indirect costs (participants may use a simplified method of calculation) or
- **Flat-rate** of direct eligible costs excluding subcontracts and reimbursement of third parties' costs (to be established by the Commission) – currently 20%

Non-profit public bodies, secondary and higher education establishments, research organisations and SMEs unable to identify real indirect costs:

- Flat-rate of 60% of total direct eligible costs (until end 2009)
- Flat rate of minimum 40%, to be established by the Commission (as of 2010)
- **Flat rate of 7% for indirect costs for Coordination and support actions**

Maximum funding rates

- **Research and technological development activities:**
 - 50% of eligible costs except for:
 - Public bodies (non-profit): – 75%**
 - Secondary and higher education establishments: – 75%**
 - Research organisations (non-profit): – 75%**
 - Small and Medium sized Enterprises - SMEs: – 75%**
- **Demonstration activities:** – 50% of eligible costs
- **Other activities:** – 100% including e.g. consortium management
- **Coordination and support actions – 100%**
 - Flat rate indirect costs: 7%
- Receipts are taken into account to determine the final Community financial contribution

Guarantee mechanism

Replaces financial collective responsibility

- Commission establishes and operates a participant **guarantee fund**
- Contribution to guarantee fund of **max. 5% of the EC contribution by each participant, to be returned at the end of the project**
- If interests generated not sufficient to cover sums due to EC, retention of max. 1% of EC contribution
- Exemption of retention for public bodies, higher and secondary education establishments, legal entities guaranteed by a MS/Ac
- **Ex-ante financial viability checks limited to coordinators and participants requesting > EUR 500.000** (unless exceptional circumstances)
- Guarantee fund replaces financial guarantees

European Investment Bank (EIB)

Risk-sharing Finance Facility (RSFF)

- The Community may award a grant to the EIB to cover risk of loans [or guarantees] in support of research objectives set out under the 7th FP
- The EIB shall provide these loans [or guarantees] in a fair, transparent, impartial and equal way
- The Commission may object to the use of the RSFF for certain loans on terms defined in the grant agreement in accordance with the work programme