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Community research

Participating in the 7th Community RTD Framework Programme

Athens 28/2/07
SSH Information Day

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Overview

- **How proposals are submitted: the EPSS system**
- **What happens next**
- **Who can participate**
- **Funding schemes**
- **Who can receive funding**
- **Certification of costs and on the methodology**
- **The Guarantee Fund**
- **Grant agreement**



EPSS for FP7

● What is the EPSS ?

- An electronic system enabling project coordinators to **prepare and submit their proposal online** through the Internet using a web site accessed seamlessly from CORDIS or accessed directly once the participant is registered
- Operating 7 days a week, operating 24 hours a day, free of charge to the participants, supporting most IT configurations, avoiding paper based submission costs and issues

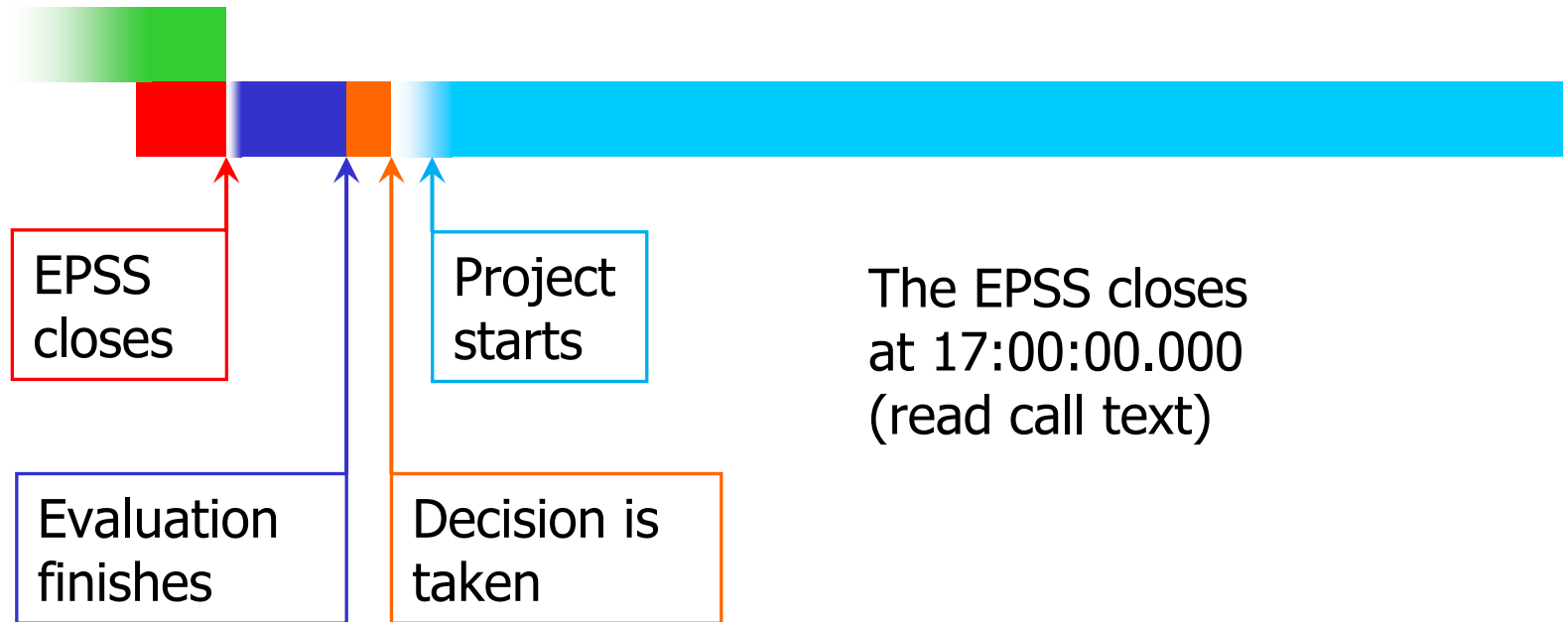
● What is needed to use it ?

- An access to the Internet – the faster, the better though the system works even with dial-up connections
- A computer – most of the platforms are supported, even older ones



EPSS for FP7

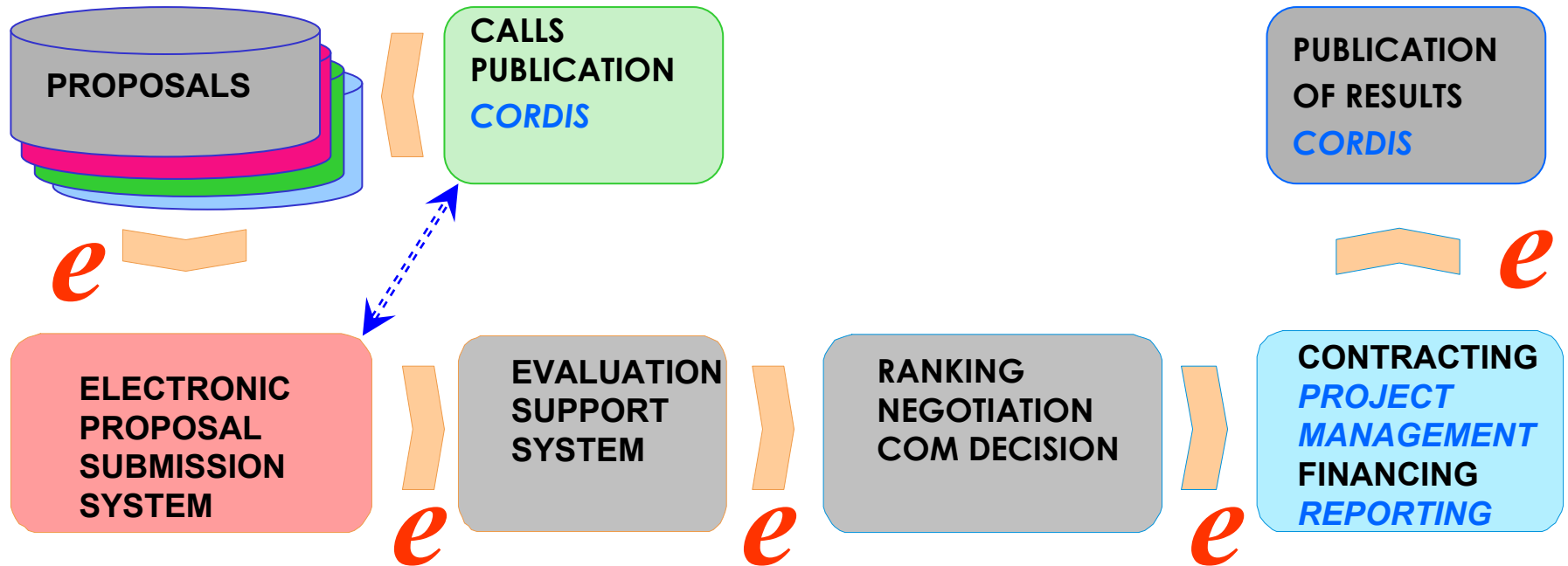
● The FP7 proposal-project time line





EPSS in the process chain

● EPSS in the process chain



e:denotes electronic information transfer



EPSS for FP7

● Steps to submission

- Identify call and funding scheme on CORDIS
- Register on the EPSS – give basic details on project
- *EPSS mails the user id and password to the proposal coordinator – Watch your electronic mail !*
- Go straight to the EPSS **or** go to the EPSS via CORDIS
- Enter user-id and password, change passwords
- Set up the consortium – or enter participant detail
- Enter the relevant information & load the part B
- Submit the proposal and log-out



EPSS for FP7

● Using the EPSS successfully

- The **submit button** disappears at 17:00:00.000, CET
- In case of doubt, get support early. Phone. Do not wait
- No special characters in file names. Stick to 'A-Z', '0-9', '-'
- The system allows multiple submissions. Use the facility but do not abuse.
- Do not change budgets at the last moment: this may prevent you from getting the proposal submitted on time
- Do not upload the proposal at the last moment: this invalidates the previous submission
- Monitor CORDIS, you email should the EPSS encounter technical problems: the two systems are independent



EPSS for FP7

How should I proceed as a coordinator?

- Access the CORDIS website for a specific call, register on the EPSS
- Check your electronic mail for the EPSS access details & FAQ
- Login for accessing the online EPSS
- Change the passwords for the coordinator and the partners
- Send the partner's username and password to the partners
- Set-up the proposal by indicating the number of participants, their participant id, name and email addresses, once in the registration process and after in the proposal setup screen
- Edit Part A forms (object, participants, budget)
- Upload the Part B file (detailed proposal text)
- Upload Part B annexes if needed or required
- Validate proposal to ensure basic checks are satisfied
- Submit the proposal – to modify, go back to step 6, 7 or 8
- Verify that the system gives a proposal number
- Logout and check your email for a confirmation mail



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- Watch <http://www.esp-fp7.org>
for more information

What happens next !

Once you #submit#



Q1: Can I do it again?

- Corrections may be done until the deadline BUT please submit early ...
- Once the deadline is gone the proposals are “unlocked” from EPSS and given to the Commission services



Q2: What does the Commission do with the proposals?

- First check:
 - Is the proposal eligible?
- Attribution of each proposal to an evaluation panel
- Selection of three evaluators for each proposal
 - All evaluators sign confidentiality and conflict of interest declarations
 - Evaluators are also checked for conflict of interest (broad definition)



The evaluation process

- Minimum three “individual evaluations”
- Consensus meeting – consensus report
- Panel meeting results in a panel report and for each-project and evaluation summary report
- Evaluation Summary Report is sent to the participants

Post-ESR scenarios

- Any scores below thresholds = out
- Proposals above thresholds always demand more than available budget
- Three lists
 - to be funded – negotiations start
 - to be rejected – rejection decision process
 - reserve list
- The position of each proposal is communicated to the applicants (in the above order!)
- Indicative timing in the work-programme



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WHO can participate?



Important definitions

- **Public body:**
 - any legal entity established as such by national law, and international organisations.
- **Research organisation**
 - a legal entity established as a non-profit organisation which carries out research or technological development as one of its main objectives.
- **Non-profit entity**
 - When considered as such by national or international law



Important definitions⁽²⁾

- **Higher and secondary education establishments**
 - Includes universities, schools for applied sciences and similar.
- **SMEs**
 - Micro, small and medium-sized enterprises within the meaning of Recommendation 2003/361/EC in the version of 6 May 2003 (OJ L 124, 20.5.2003, p. 36).
- **International cooperation partner countries:**
 - FP6 INCO countries – three categories according to income per capita will be identified as such in the work programmes
 - low-income, lower-middle-income, or upper-middle-income.



Who can participate?

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



Conditions for participation

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



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Funding schemes



Funding Schemes

- **Collaborative projects**
 - Range: from small or medium-scale focused research actions to large-scale integrating projects for achieving a defined objective.
 - Projects should also target special groups such as **CSOs** and other actors (**SMEs**)
- **Coordination and support actions**
 - Support for activities aimed at coordinating or supporting research activities and policies (networking, exchanges, trans-national access to research infrastructures, studies, conferences, etc.).



Research for the benefit of specific groups

- **Specific groups = Civil society organisations (CSOs)**
 - Non governmental, non-profit, not representing commercial interests
- Aims to develop scientific knowledge related to CSOs activities in order to contribute to public debate
- CSOs as coordinator or partner



Research for the benefit of specific groups

- CSOs define the questions
- CSOs outsource the bulk of research to RTD performers which are remunerated accordingly
- CSOs own the research results
 - ➔ Public access
 - ➔ Wide public dissemination
- IPRs provisions in consortium agreement



Research for the benefit of specific groups

- **Minimum participation**

- Three CSO in three Member States or Associated Countries
- Or a network of CSOs established in at least three MS or AC
- Two RTD performers

- **Project size**

- Max EU contribution : € 1 million



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WHO can receive funding?



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), and
- International organisations and legal entities from third countries other than ICPC **only if:**
 - provided for in SP or WP; or
 - their contribution is essential for carrying out action; or
 - provision for funding is provided for in a bilateral agreement between Community and the third country



Upper funding limits (1)

- Reimbursement according to the type of action and/or activity
- **Research and technological development activities:** up to **50%** of eligible costs, or up to **75%** for:
 - *Non profit public bodies*
 - secondary and higher education establishments
 - research organisations
 - SMEs
 - Security-related research, for development of capabilities with very limited market size and a risk of market failure and for accelerated equipment development in response to new threats
- **Demonstration activities:** up to **50%**



Upper funding limits (2)

Actions that will be reimbursed up to 100%:

- **Frontier research**
- **Coordination and support actions**
- **Training and career development of researchers (Marie Curie)**
- **Management**
- **Other activities:**
 - **Training (not Marie Curie), coordination, networking and dissemination**



Maximum reimbursement

Maximum reimbursement rates of eligible costs	Research and technological development (*)	Demonstration activities	Management of the consortium activities	Other activities (**)
Network of excellence	50% 75% (***)		100%	100%
Collaborative project	50% 75% (***)	50%	100%	100%
Coordination and support action			100% (****)	100% (****)

(*) Research and technological development includes operational activities directly related to the protection of foreground and coordination of research activities.

(**) Other activities means any "specific activity" covered by Annex I.

(***) For *beneficiaries* that are non profit public bodies, secondary and higher education establishments, research organisations and SMEs

(****) The reimbursement of indirect eligible costs, in the case of coordination and support actions, may reach a maximum 7% of the direct eligible costs, excluding the direct eligible costs for subcontracting and the costs of reimbursement of resources made available by third parties which are not used on the premises of the beneficiary.



Reimbursement of eligible costs

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

Eligible:

- Actual (average personnel costs may be used if do not differ significantly from actual costs)

- Incurred within the duration of project

- In accordance with the beneficiary usual accounting and management principles

- Recorded in the accounts of beneficiary

- **Used for the sole purpose of achieving the objectives of the project**

NEW

Non-eligible

- identifiable indirect taxes including VAT (among others...)



Direct Costs

- Participants may charge eligible **direct** and **indirect** costs
- Reimbursement of **direct costs**:
- **Average personnel costs** accepted if:
 - Consistent with the management principles and accounting practices
 - they do not significantly differ from actual personnel costs, and
 - if identified according to a methodology approved by the Commission (**NEW**)



Indirect Costs

- **Reimbursement of indirect costs:**
 - **For all:**
 - **either actual overhead, or simplified method, or**
 - **flat rate of 20% of direct costs**
 - For Non profit Public Bodies, Secondary and Higher Education establishments, Research Organisations, and SMEs unable to identify real indirect costs
 - may apply for a flat rate of **60%** for funding schemes with Research, Technological Development & Demonstration (calls published up to 31.12.2009. 40% from 01.01.2010 to 31.12.2013)
 - **For Coordination and Support Actions**
 - limit of **7%** of direct costs



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Certification of costs and methodology



Certification on financial statements

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



Certification on the methodology

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



Certification on the methodology ⁽²⁾

- **Advantages of certificates on the methodology:**
 - The EC will receive consistent certifications and cost claims clean from errors
 - Beneficiaries will gain legal security
 - Beneficiaries in many projects will have to submit less certificates
 - EC and beneficiaries will have less processes to handle
 - EC gains significantly in terms of assurance on legality and regularity



Certification on the methodology (3)

- Auditors will provide information according to a specific format specified via agreed terms of reference (ToR) annexed to the grant agreement (Annex VII)
- 2 types of certificates:
 - Report of factual findings on expenditure verification – **certificate on financial statements (Form D)**
 - system verification- **certificate on the methodology (Form E)**



Who can provide these certificates?

- Qualified auditors under the 8th Directive on statutory audits
- Public bodies, secondary and higher education establishments and research organisations may opt for a competent public officer



Third parties

- **Third parties carrying part of the work**
 - **Subcontracts:** tasks have to be indicated in Annex I
 - Awarded according to best value for money
 - External support services may be used for assistance in minor tasks (not to be indicated in Annex I)
 - **Specific cases:** EEIG, affiliates carrying out part of the work (special clause)
- **Third parties making available resources**
 - “Third parties”: to be indicated in Annex I.
 - Costs may be claimed by the beneficiary
 - Resources “free of charge” may be considered as receipts



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The Guarantee Fund



Implementation

- Participants are **technically responsible** to carry out the project jointly and severally towards the Community and have to carry out the work of a defaulting participant
- But: **no more collective financial responsibility as under FP6**
- Instead: **establishment of a participant Guarantee Fund to cover risks**



Risk avoidance mechanism (1)

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

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



Risk avoidance mechanism (2)

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



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Grant agreement



Grant agreement

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

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



Terminology

Sources: Financial Regulation/Implementing Rules, FP7 and Rules for Participation

- "Contract" becomes "Grant Agreement"
- "Contractor" becomes "Beneficiary"
- "Instruments" become "Funding Schemes"
- "Audit certificate" becomes "Certificate on Financial Statement"
- The results of the project (knowledge in FP6) becomes "Foreground"
- Pre-existing know-how becomes "Background"



Payment modalities

- One **pre-financing** (within 45 days following the date of entry into force) for the whole duration of the action
- **Interim payments** based on financial statements (EC contribution = amounts justified & accepted * funding rate)
- Retention (10%)
- **Final payment**



Consortium agreement

- Unless **exempted by the call for proposals**, participants will have to draw up a “consortium agreement”, to govern the following:
 - The internal organisation of the consortium
 - The distribution of the Community financial contribution
 - Additional rules on dissemination and use including intellectual property rights arrangements, as appropriate
 - The settlement of internal disputes.



Reporting

- Periodic reports to be submitted by coordinator 60 days after end of period:
 - overview of progress of the work, including a publishable summary report,
 - use of the resources, and
 - Financial Statement (Form C)
- Final reports to be submitted by coordinator 60 days after end of project:
 - publishable summary report, conclusions and socioeconomic impact,
 - covering wider societal implications and a plan on use and dissemination of foreground.



Reporting (2)

- Commission has 105 days to evaluate and execute the corresponding payment
 - No tacit approval of reports
- After reception the Commission may:
 - Approve
 - Suspend the time-limit requesting revision/completion
 - Reject them giving justification, possible termination
 - Suspend the payment



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