

FP7 Rules for Participation and Grant agreement



European Commission
Directorate-General for Research and Innovation
Industrial Technologies

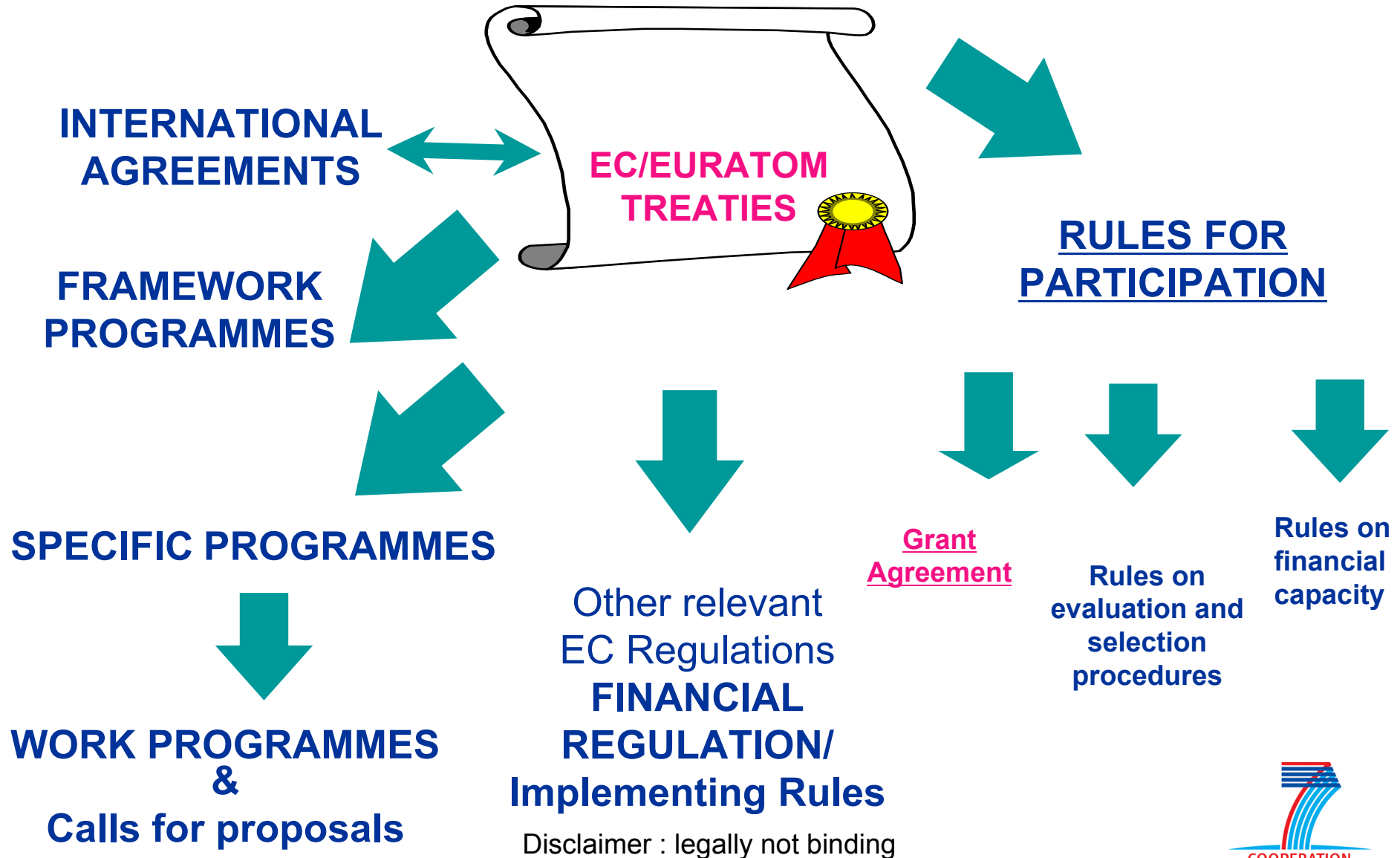
FP7 Helpdesk → <http://ec.europa.eu/research/enquiries>

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Legal Framework





Conditions for participation

- **Minimum number**, as a general rule at least 3 independent **legal entities** from 3 different Member States (MS) or Associated countries (AC)
- **Additional conditions** can be established by the work programme or specific programme (number or type of participant, place of establishment)

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Eligibility for funding

- Legal entities from MS and AC or created under Union law
- International European interest organisations
- Legal entities established in international cooperation partner countries (ICPC)
- International organisations - legal entities from third countries other than AC or ICPC **only in restrictive cases**
 - if specific provision is made in SP or WP; or
 - if the EU financial contribution is essential for carrying out the action; or
 - if such funding is provided for in a bilateral agreement between the Union and the third country

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Eligible Costs

- **Eligible**
 - actual
 - during duration of project
 - in accordance with its usual accounting and management principles
 - recorded in the accounts of beneficiary
 - used for the sole purpose of achieving the objectives of the project

- **Non-eligible** (identifiable indirect taxes including VAT...)

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Eligible Costs

- **Direct costs :**
 - can be directly attributed to the project
- **Indirect costs:**
 - either actual overhead or simplified method
 - flat rate of **20%** of direct costs minus subcontracting and 3rd parties not used on the premises of the beneficiary
 - For Non-profit Public Bodies, Secondary and Higher Education establishments, Research Organisations and SMEs (! Definition of SME!!) **unable to identify real indirect costs**, may apply for a flat rate of **60%** for funding schemes with RTD.

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Upper funding limits

Maximum reimbursement rates	Research and technological development activities (*)	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 scientific coordination.

(**) 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.

(****) Including research for the benefit of specific groups (in particular SMEs).

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Subcontracting/ Third parties

Third parties carrying part of the work

- **Subcontracts:** tasks have to be indicated in Part B of DoW
 - not core research activities
 - awarded according to best value for money, transparency and equal treatment principles
 - external support services may be used for assistance in minor tasks
- **Specific cases:** EEIG, JRU, affiliates and groupings carrying out part of the work (**special clause**) - tasks and budget to be indicated in Part B

Third parties making available resources

“Third parties”: to be indicated in Part B,

- Costs may be claimed by the beneficiary
- Resources “free of charge” may be considered as receipts

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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.

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Certificate on financial statements (CFS)

Mandatory for a beneficiary when its requested funding for the project exceeds **375,000€**

If above the threshold, 2 exceptions:

- for project of 2 years or less, no intermediate CFS submitted, only 1 at the end;
- if a certification on the methodology is provided, no intermediate CFS, only at the end.

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Payment modalities

- One **pre-financing** (upon entry into force) for the whole duration
- **Interim payments** based on financial statements (EU contribution = amounts justified & accepted * funding rate)
- Retention (10%)
- **Final payment**

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Receipts

At final payment, the EU financial contribution will take into account any receipts (financial transfer, contribution in kind, income generated by the project) of the project

For each beneficiary:

the eligible costs \geq EU financial contribution + the receipts for the project

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Guarantee Fund

- No more collective financial responsibility, as in FP6
- Instead: establishment of a **participant's Guarantee Fund** to cover risks
- Amount of 5% of the EU contribution deducted directly from the pre-financing and transferred to the Fund
- Financial interest generated by the Fund will serve to cover financial risk
- Amount will be reimbursed with final payment; possible deduction not exceeding 1% of the EU contribution (not for public bodies, entities guaranteed by MS or AC, higher and secondary education establishments)
- However, there is “technical responsibility” to carry out the project jointly and severally *vis-à-vis* the Union.

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Sanctions

- Recovery procedures (Article II.21 GA)
- Liquidated damages (if overstatement)
- Financial penalties (if false declarations)

Between 2% and 10% of the EU contribution

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Rules for Intellectual Property (1)

- **Ownership of FOREGROUND** (art. II.26):
Resides with the beneficiary carrying out the work generating that foreground
Joint ownership of foreground generated by several beneficiaries: terms and conditions to be defined in separate agreements
- **Transfer of ownership** (art. II.27): prior notice of at least 45 days to other participants (possible objection within 30 days)
If the transfer is to third party established in a third country the Commission may object if:
 - ✓ the transfer is not in accordance with the interest of developing the competitiveness of the European economy , or
 - ✓ is inconsistent with ethical principles or security considerations.

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Rules for Intellectual Property (2)

- **Protection** (art. II.28)
 - ✓ Foreground capable of industrial or commercial application **must be protected** (taking into account legitimate interests)
- **Use and dissemination** (art II.29 & 30)
- Foreground **must be used** (=in further research or commercially) and **disseminated** (=disclosure by appropriate means, including publications)
 - ✓ Prior notice of dissemination must be given to other participants
 - ✓ (at least 45 days, possible objection within 30 days)
 - ✓ Any dissemination (publications,...) and patent applications must indicate the EU financial assistance

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Access Rights (art II. 31.)

All request for access rights shall be made **in writing**

	Access rights to background	Access rights to foreground resulting from the project
For carrying out the project	<i>Yes, if a participant needs them for carrying out his own work under the project</i>	
	Royalty-free, unless otherwise agreed before signing the Grant Agreement	Royalty-free
For use purposes (exploitation + further research)	<i>Yes, if a participant needs them for using his own foreground</i>	
	On fair and reasonable conditions or on a royalty-free basis	
	Beneficiaries may define the background needed for the project in a written agreement and may agree to exclude specific background	

TIMING TO REQUEST ACCESS RIGHTS:

- For implementing the project: until the end of the project
- For use purposes: until 1 year after the end of the project or the termination of the participant

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THANK YOU FOR YOUR ATTENTION

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