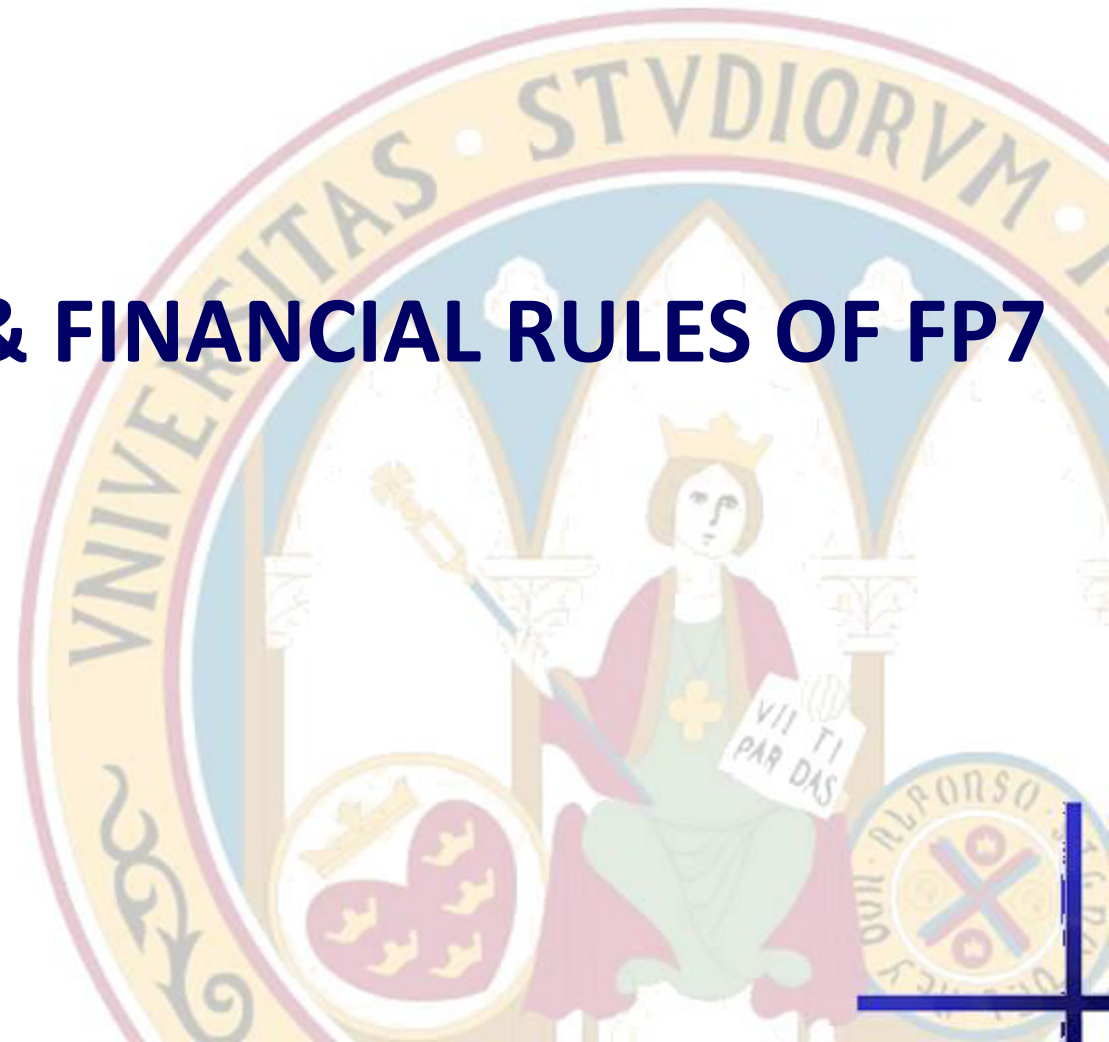




LEGAL & FINANCIAL RULES OF FP7





General provisions for participants

- entreprise,
- universities,
- Research center,
- organisation
- or individual, legally established in any country





Eligible countries

While FP7 participants can in principle be based anywhere, there are different categories of country which may have varying eligibility for different specific and work programmes:

- **MEMBER STATES** - The EU-27; ([View the list here](#))
- **ASSOCIATED COUNTRIES** – with science and technology cooperation agreements that involved contributing to the framework programme budget;
[View the Associated Countries](#) [PDF] Version: 2009-03-11
- **CANDIDATE COUNTRIES** – currently recognised as candidates for future accession;
[View the list here](#)
- **THIRD COUNTRIES** - the participation of organisations or individuals established in countries that are not Member States, candidates or associated should also be justified in terms of the enhanced contribution to the objectives of FP7.
- **ICPC COUNTRIES** - International Cooperation Partner Countries
 - African, Caribbean and Pacific countries (ACP)
 - **Mediterranean Countries (MPC)**
 - Eastern Europe and Central Asia (EECA & Russia)
 - Western Balkans WB
 - Latin America
 - New emerging Asian economies (Asia)

[View the list of the International Cooperation Partner Countries \(ICPC\) \[PDF\]](#)



Research in the FP7

In the Commission's proposal for FP7 the **four specific programmes** handle research themes in different ways:

- **Cooperation** - Collaborative research projects will be selected under sub-programmes in 10 defined themes, largely representing continuity with the seven thematic priorities of **FP6**

European Joint Technology Initiatives will be selected from the strategic research agendas defined by individual technology platforms.

- **Ideas** - The European Research Council (ERC) will support 'researcher led' basic research across all scientific and technological areas.
- **People** - Marie Curie actions to support individual researchers will operate horizontally across all research themes.
- **Capacities** - Activities to support research infrastructures, SMEs, international cooperation, regional capabilities and 'science in society' will also be identified across all research areas.

Each Specific programme is implemented through call of proposals



FP7 Organisation

COOPERATION

(THEMATIC AREAS):

1. Health
2. Food, agriculture, biotechnology
3. **Information & Communication Technologies**
4. Nanosciences, Nanotechnologies, materials and new production technologies
5. Energy
6. Environment
7. Transport/Aeronautics
8. **Socio-economic sciences and the humanities**
9. Security
10. Space

IDEAS

(ERC)

CAPACITIES

1. Research Infrastructures
2. Research for, and by SME
3. Regions of Knowledge
4. Research Potential
5. Science in Society
6. International cooperation

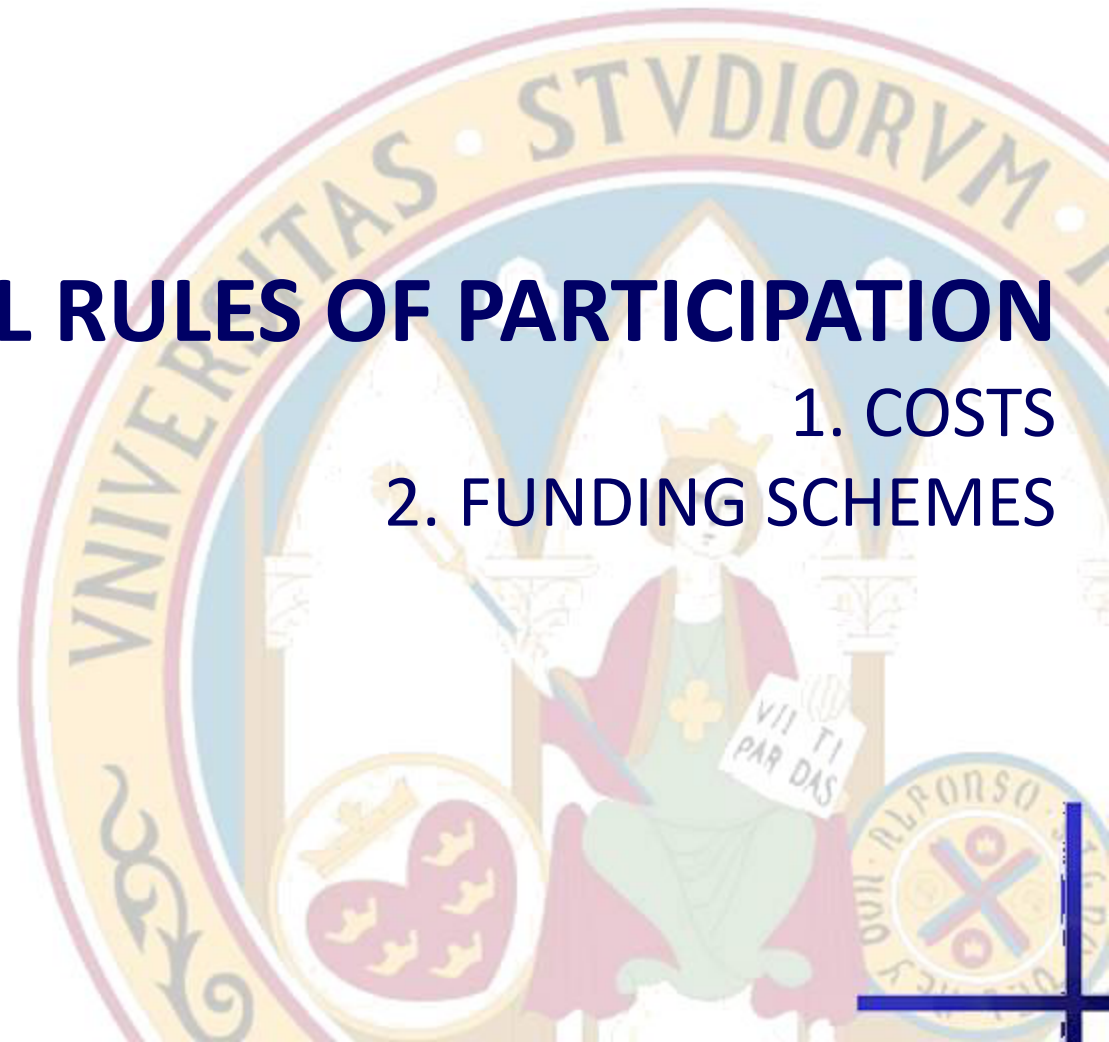
PEOPLE

1. Initial training of researchers to improve young researchers
2. Lifelong training and career development
3. Industry/Academia pathways and partnership
4. International dimension
5. Specific actions to support removing of obstacles to mobility and enhancing careers perspectives of researchers in Europe



FP7 FINANCIAL RULES OF PARTICIPATION

1. COSTS
2. FUNDING SCHEMES





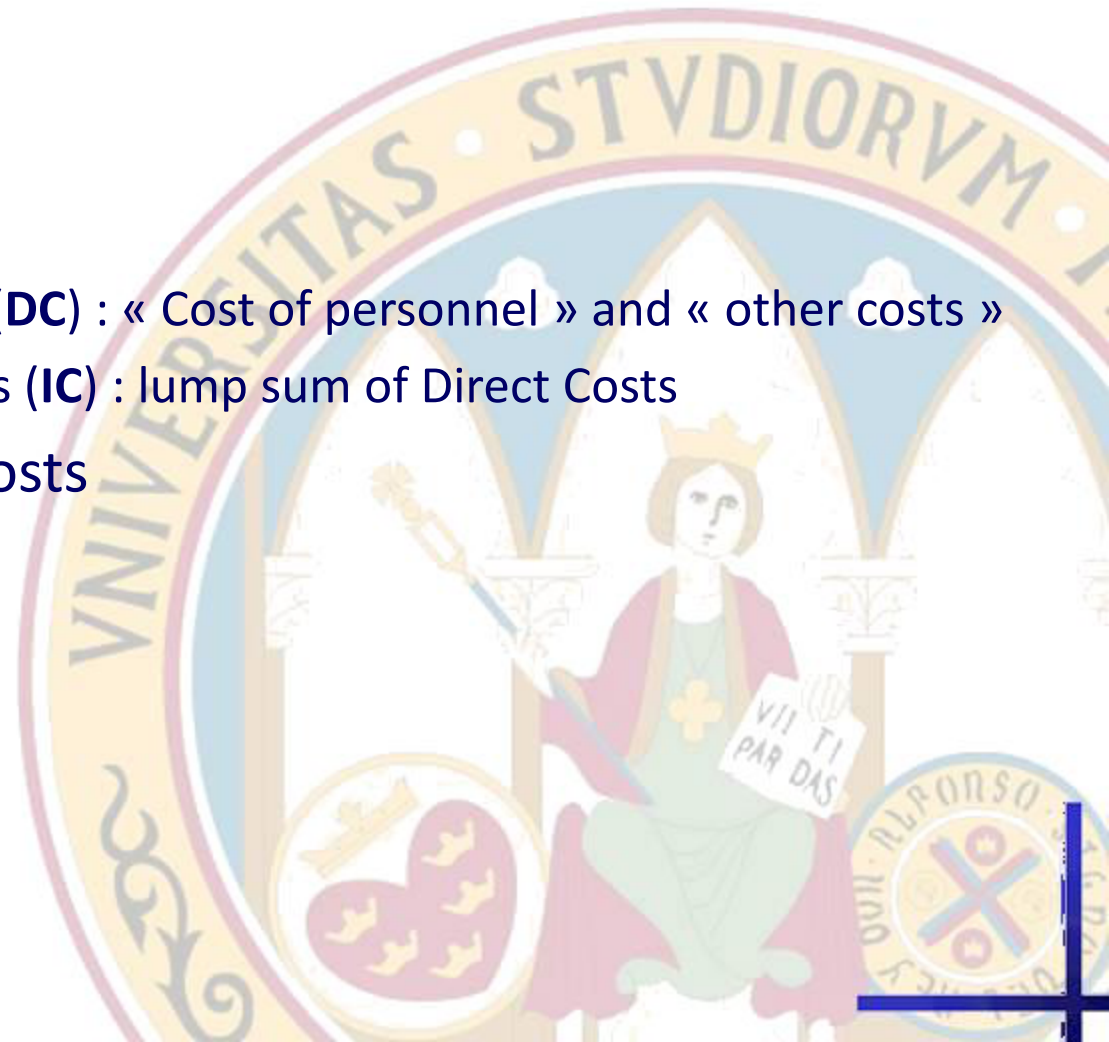
1. COSTS



The costs

2 type of costs:

- Eligible costs
 - Direct Costs (**DC**) : « Cost of personnel » and « other costs »
 - indirect Costs (**IC**) : lump sum of Direct Costs
- Non eligible costs





Direct Costs(DC)

Direct costs are all those eligible costs which can be **attributed directly** to the project and are **identified by the beneficiary** as such. To be considered eligible costs must be:

- actual
- incurred by the beneficiary
- incurred during the duration of the project
- Determined according to the usual accounting and management principles and practices of the beneficiary identifiable and verifiable (of the ECGA),
- used for the sole purpose of achieving the objectives of the project
- recorded in the accounts of the beneficiary
- indicated in the estimated overall budget annexed to the ECGA – Annex I

Direct costs correspond to **exact charges**, meaning giving rise to registration in the accounting system of the institution on the basis of an accounting



Personnel Direct Costs

Only the **hours worked** on the project can be **charged**. The personnel must:

- be directly hired by the beneficiary in accordance with its national legislation,
- work under the sole technical supervision and responsibility of the beneficiary
- be remunerated in accordance with the normal practices of the beneficiary
- **Record** the time spent on the project through **timesheet**

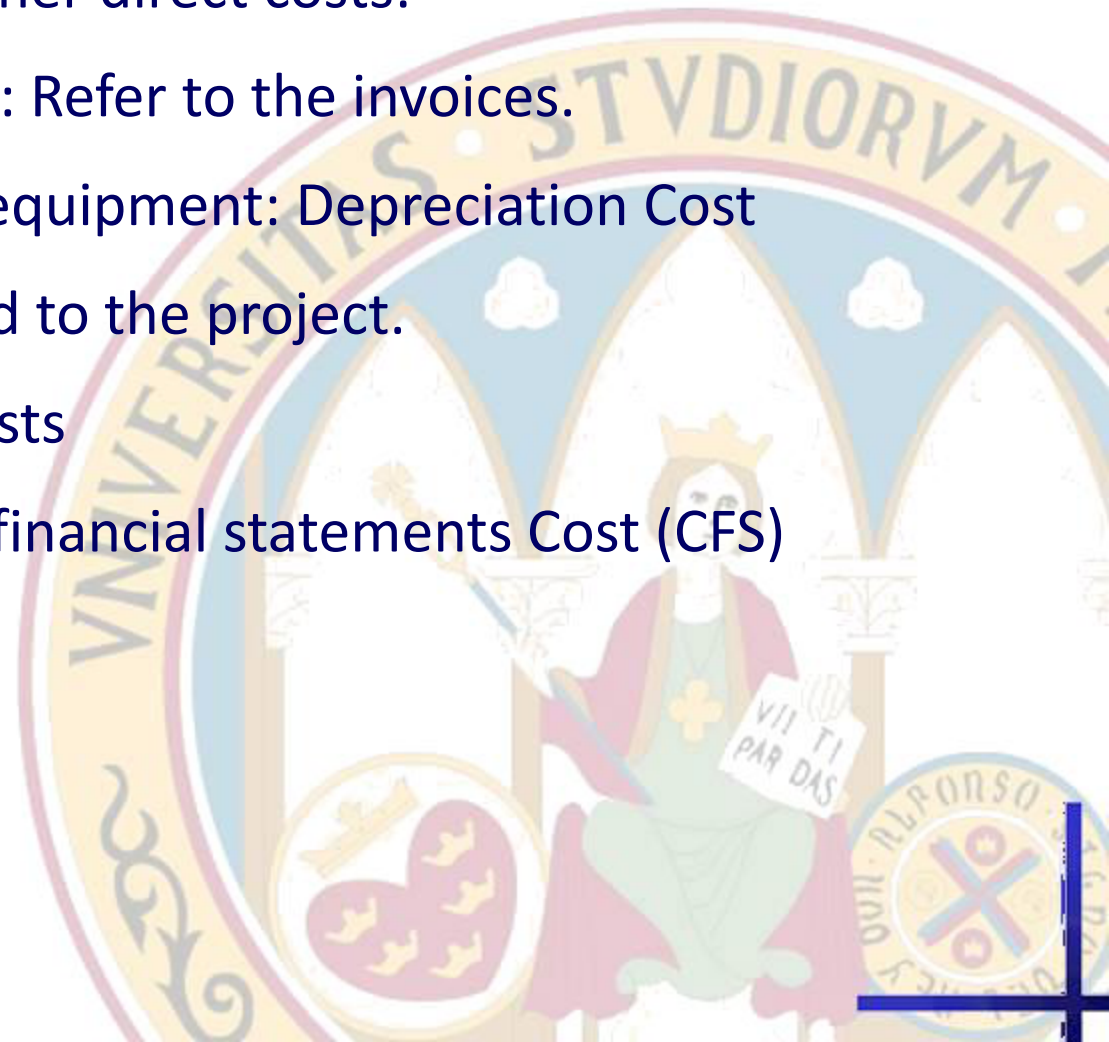
No distinction between "**permanent employees**", and "**temporary employees**": both can be charged to the project



Other Direct Costs

The assessment of other direct costs:

- Consumable Costs: Refer to the invoices.
- Costs for durable equipment: Depreciation Cost
- Travel costs related to the project.
- Subcontracting Costs
- Certificate on the financial statements Cost (CFS)





Non Eligible Costs

- **identifiable indirect taxes including value added tax:** *In general, the beneficiary is entitled to charge to the project only the net value of the invoice, provided that all eligibility criteria are met. Identifiable VAT is not eligible. Indirect taxes will be allowed when not identifiable. This may be for example the case with foreign invoices where the price indicated is gross without identifying the tax. In any case, the beneficiary should be able to justify this in the event of an audit.*
- **duties** : mean the amount assessed on an imported or (less often) exported item, nearly equivalent to taxes, embracing all taxation or charges levied on persons or things [or the tax imposed on the importation, exportation, or consumption of goods],
- **interest owed,**
- **exchange losses,** cost related to return on capital
- **provisions** for possible future losses or charges
- **costs declared or incurred,** or reimbursed in respect of another *Community project*
- **Excessive or reckless expenditure:** *Excessive should be understood as paying significantly more for products, services or personnel than the prevailing market rates, resulting in an avoidable financial loss to the project. Reckless means failing to exercise care in the selection of products, services or personnel resulting in an avoidable financial loss to the project*



Indirect Costs: IC *(ex Overheads)*

- **Definition:** costs which 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. The nature of an indirect cost is such that it is not possible, or at least not feasible, to measure directly how much of the cost is attributable to a single cost objective.

Examples :

- 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.



Which indirect cost model to choose (ICM)?

If analytical accounting system : Actual Indirect Costs

If NO analytical accounting system : Flate Rate

- Standard Flate Rate: 20%
- Transitional Flate Rate : 60%

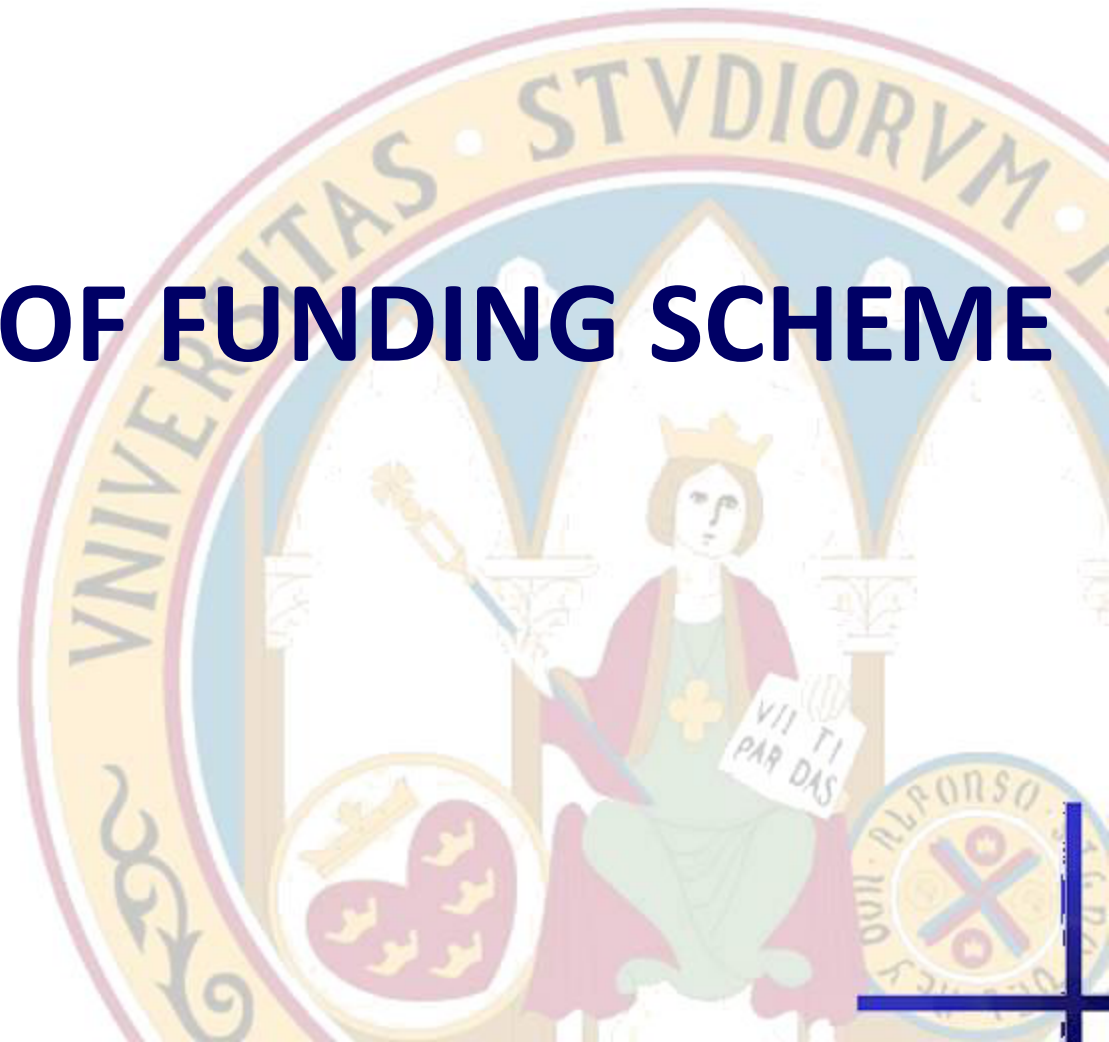
Transitional Flate Rate cumulative eligibility provisions:

- Status of the organization :
 - SME,
 - HE,
 - research organizations,
- Accounting system of the organization : NO analytical accounting system

ICM option : Only Applicable for Collaborative and Network of Excellence



2. TYPE OF FUNDING SCHEME



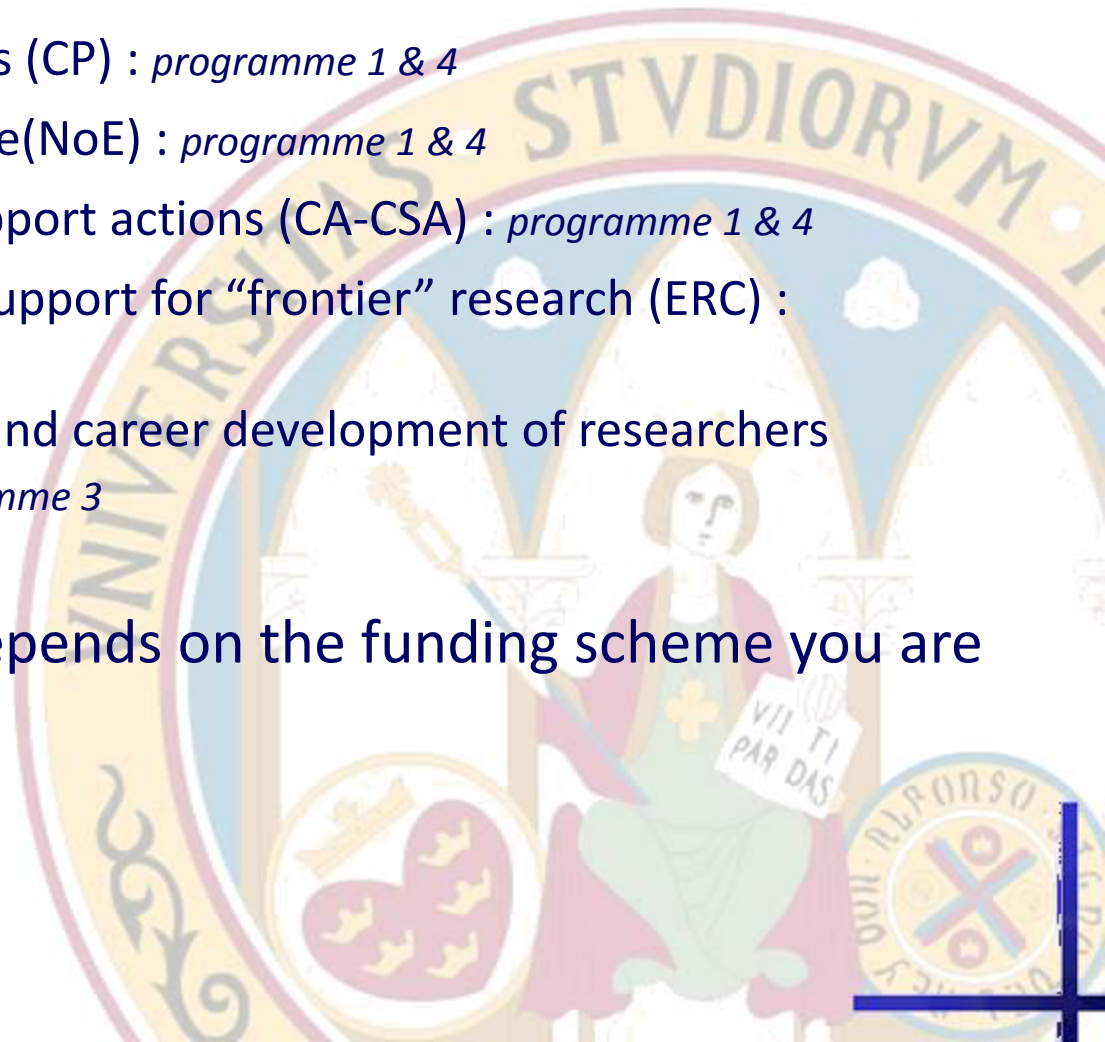


Funding scheme

5 Type of funding scheme :

1. Collaborative projects (CP) : *programme 1 & 4*
2. Network of Excellence(NoE) : *programme 1 & 4*
3. Coordination and support actions (CA-CSA) : *programme 1 & 4*
4. Individual projects: Support for “frontier” research (ERC) :
programme 2
5. Support for training and career development of researchers
(Marie Curie) : *programme 3*

EC reimbursement depends on the funding scheme you are involved in.





Funding scheme

- Collaborative Projects

- Maximum EC reimbursement for **Direct Costs** depends on the type of activity achieved in the project

	Research and Technological Development Activity	Demonstration Activity	Training, Dissemination and Coordination Activities	Support Activities
University, Research Organizations,	75% of eligible costs	50% of eligible costs	100% of eligible costs	100% of eligible costs
SME	75% of eligible costs	50% of eligible costs	100% of eligible costs	100% of eligible costs
Nonprofit public body	75% of eligible costs	50% of eligible costs	100% of eligible costs	100% of eligible costs
Non SME	50% of eligible costs	50% of eligible costs	100% of eligible costs	100% of eligible costs



Funding scheme

- 2 - NoE
 - Maximum EC reimbursement for **Direct Costs** depends on the type of activity achieved in the project within the framework of a NoE (see previous slide)
 - Maximum EC reimbursement for the **Indirect Costs** within the framework of a NoE
- 3 - CSA
 - Maximum EC reimbursement for **Direct Costs** within the framework of a CA-CSA **100 % of Direct Costs**
 - Maximum EC reimbursement for the **Indirect Costs** within the framework of a CA-CSA : **7 %**
- 4 - Individual Projects (ERC)
 - Maximum EC reimbursement for **Direct Costs** within the framework of an ERC: **100 % of Direct Costs**
 - Maximum EC reimbursement for the **Indirect Costs** within the framework of an ERC : **20 %**
- 5 - Support for training and career development of researchers (Marie Curie) : **Lump Sum**



Focus on Collaborative project

- **Objective:** objective driven research projects aiming at developing **new knowledge**, new **technology**, products, in order to improve **European competitiveness** or to address major societal needs.
- **Size and resources:** The size, scope and internal organization of coordination actions and support actions can vary from research theme to research theme and from topic to topic.
 - Large scale integrating projects
 - Small to medium-scale focused research project
- **Target audience:** Research institutes, Universities, Industry, including SMEs, (Possibly) Potential end-users
- **Minimum Consortium :** At least 3 independent legal entities, each of which is established in a MS or AC, and no 2 of which are established in the same MS or AC. A higher number of participants may be specified on a call-by-call basis.
- **Duration:** between 2 and 5 years
- **Activities:**
 - Research and technological development:
 - Demonstration:
 - Management, dissemination, training
- **Implementation :** through call of proposal,
- **Selection criteria:** S & T, implementation, impact
- **Proposal submission and evaluation :** 1 or 2 stages procedure
- **Reimbursement :** based on eligible costs, type of activity (RTD, Demo, Mngt, Other), & Indirect Cost Model



Focus on SICA project Special international cooperation actions

- **The same objectives, duration as the CP BUT**
- **Minimum Consortium** : At least 4 independent legal entities. Of these, 2 must be established in different MS or AC. The other 2 must be established in different international cooperation partner countries (ICPC).

[View the list of the International Cooperation Partner Countries \(ICPC\) \[PDF\]](#)





Focus on Coordination actions

- **Objective:** coordination of research activities and policies.
- **Size and resources:** The size, scope and internal organization of coordination actions and support actions can vary from research theme to research theme and from topic to topic.
- **Target audience:** Research organizations; universities; industry including SME; research programme managers and owners (ERA-NET and Research Infrastructure actions).
- **Minimum Consortium :** at least three 'legal entities' established in different EU Member States or Associated countries (the countries concerned are listed in section 3). The entities must be independent of each other.
- **Duration:** between 2 and 4 years
- **Activities:** the organization of events – including conferences, meetings, workshops or seminars, related studies, exchanges of personnel, exchange and dissemination of good practices, and, if necessary, the definition, organization and management of joint or common initiatives, together with management of the action
- **Implementation :** through call of proposal
- **Selection criteria:** S & T, implementation, impact
- **Proposal submission and evaluation :** 1 stage procedure
- **Reimbursement :** 100% eligible Direct costs + Indirect Costs (7% of the Direct Costs)



Focus on Support actions

- **Objective:** contributing to the **implementation** of the FP and the **preparation** of future Community research and technological development policy or the development of **synergies** with other policies, **Support actions normally focus on one specific activity and often one specific event.**
- **Size and resources:** The size, scope and internal organization of coordination actions and support actions can vary from research theme to research theme and from topic to topic.
- **Target audience:** Research organizations; universities; industry including SME; research programme managers and owners (ERA-NET and Research Infrastructure actions).
- **Minimum Consortium :** At least 1 independent legal entity
- **Duration:** between few months and 4 years
- **Activities:** conferences; seminars; workshops; working or expert groups; studies; monitoring; strategy development; high level scientific awards and competitions; operational support; data access and dissemination, information and communication activities; management activities;
- **Implementation :** through call of proposal
- **Selection criteria:** S & T, implementation, impact
- **Proposal submission and evaluation :** 1 stage procedure
- **Reimbursement :** 100% eligible Direct costs + Indirect Costs (7% of the Direct Costs)



Lump Sum Reimbursement

- For ICPC , list : ftp://ftp.cordis.europa.eu/pub/fp7/docs/icpc_list.pdf , Possibility to opt for a lump sum refund of costs per researcher based economy of the country concerned:

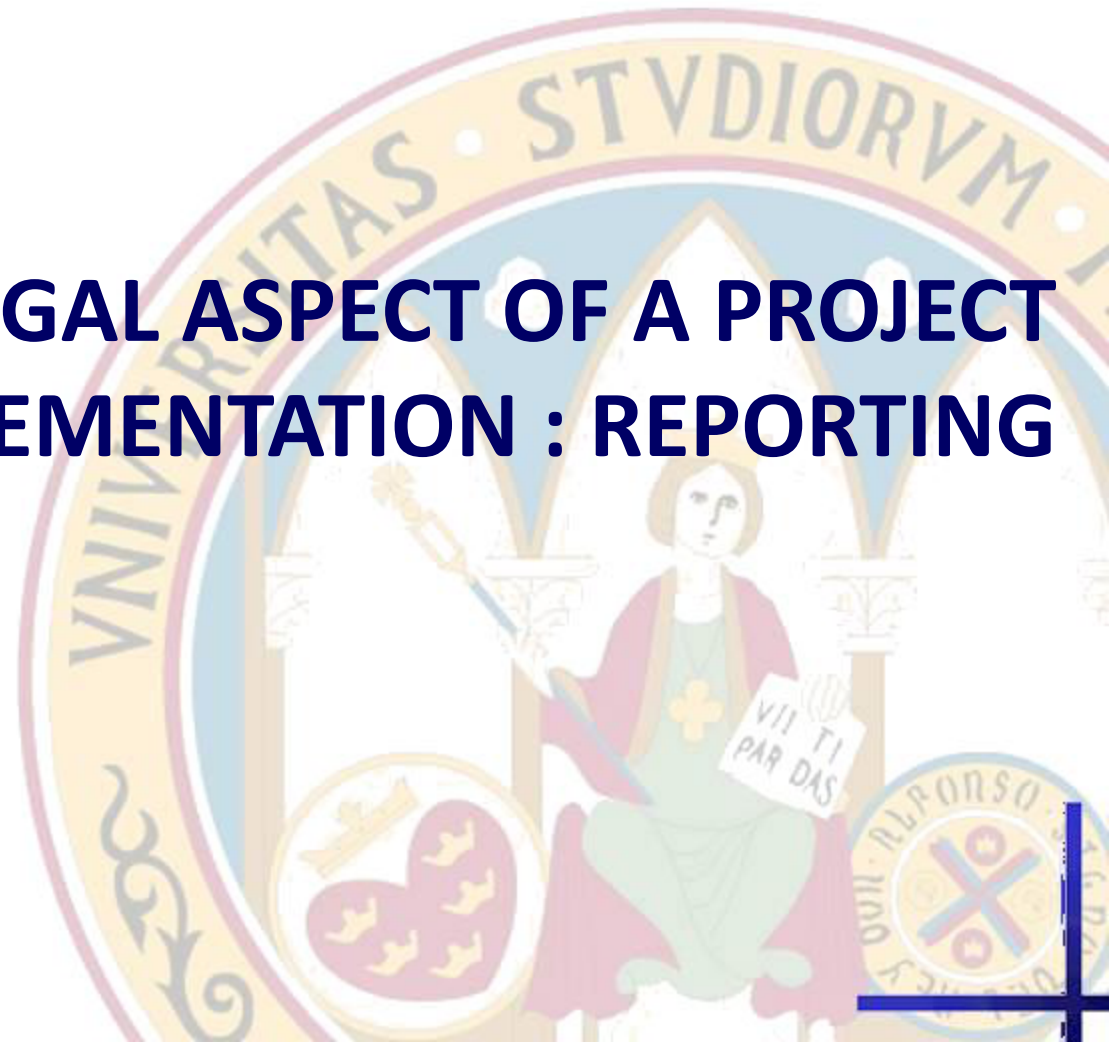
Economy of the ICPC	Contribution (EUR/researcher/year)
low-income	8,000
lower middle income	9,800
upper middle income	20,700

EG: for a Collaborative project involving an institution « from a low-income country », participation to Research activities the Max E4C Contribution would be = Time spent by Researcher*8000*0.75

- Advantage: no certificate in the form C to provide
- Doc to provide the EC end of period:
 - At the end of each period: Form C
 - if control by the EC: timesheet
- List of ICPC economies: http://www.eurosfaire.prd.fr/7pc/doc/inco/Liste_des_economies_ICPC.pdf



LEGAL ASPECT OF A PROJECT IMPLEMENTATION : REPORTING



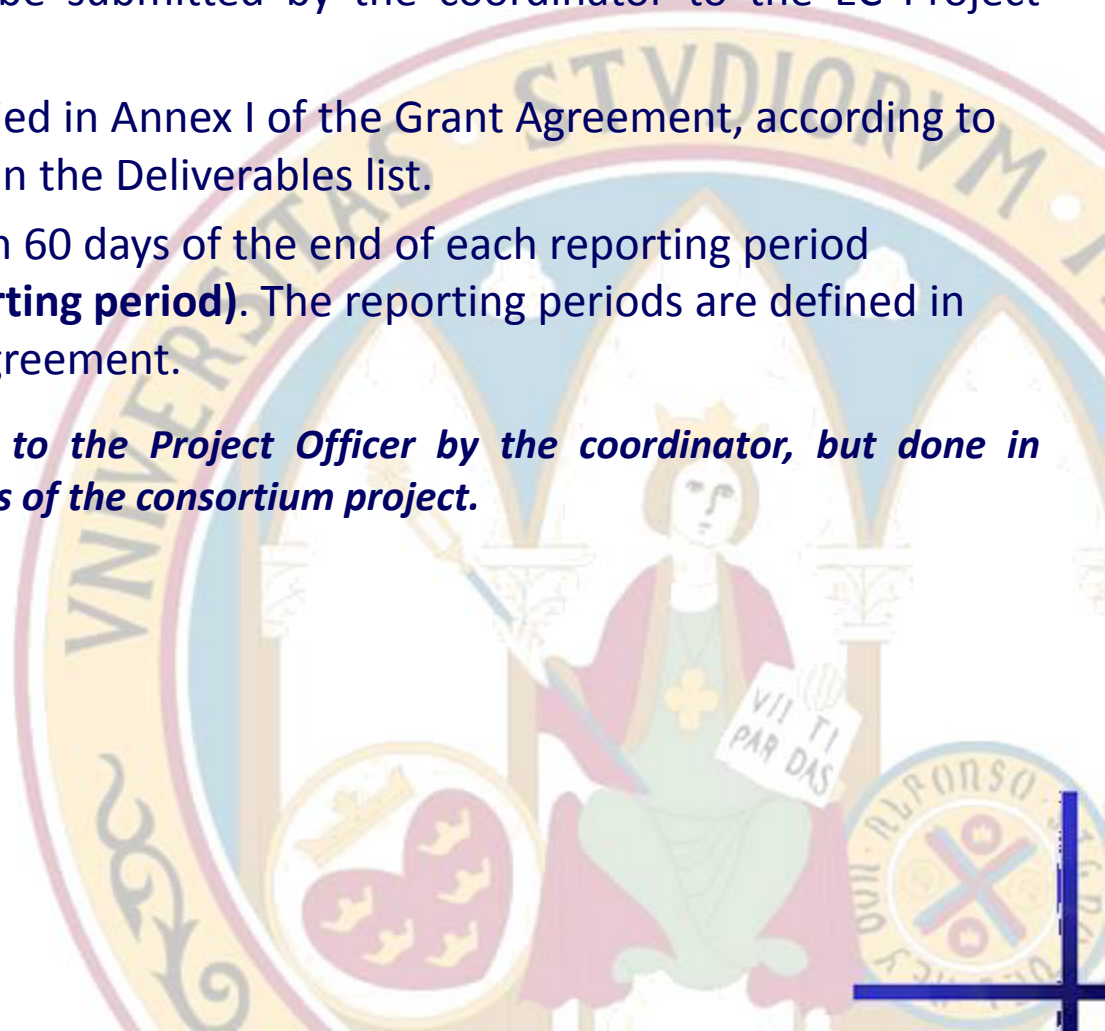


During the course of the project:

2 types of reports are to be submitted by the coordinator to the EC Project Officer

- The **deliverables** identified in Annex I of 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.

These reports are submitted to the Project Officer by the coordinator, but done in collaboration with all members of the consortium project.





Focus on the periodic report content

The **periodic report** comprises:

- a) 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 that actually carried out,
- b) An explanation of the **use of the resources**, and
- c) A **Financial Statement** (Form C – Annex VI of the Grant Agreement) from each beneficiary and each third party, if applicable, together 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. Model of FormC: [CP](#), [NoE](#), [CSA](#), [Marie Curie](#) and [ERC](#)

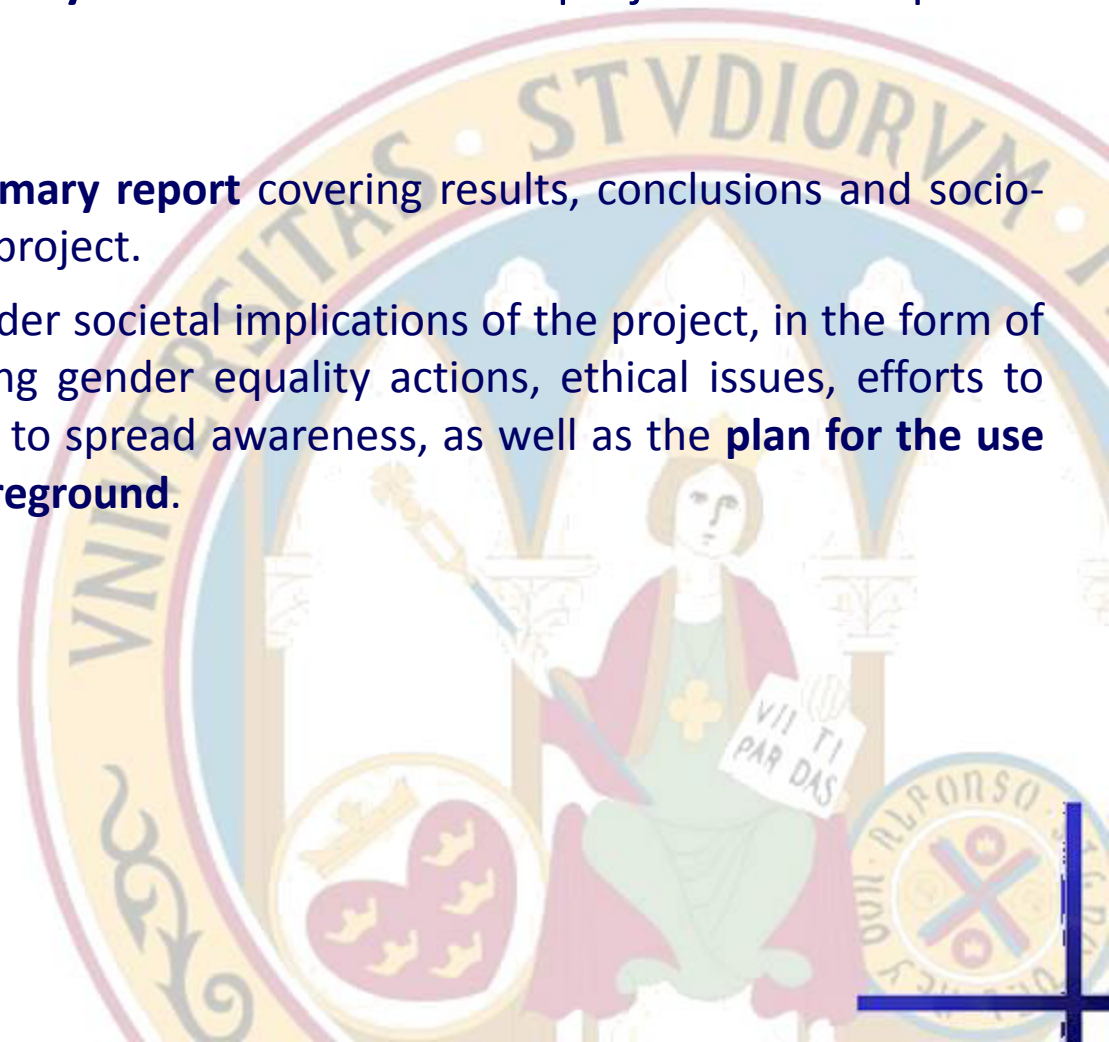
Financial statements should be accompanied by certificates, when this is appropriate (see Article II.4.4 of the Grant Agreement).



At the end of the project:

In addition to reports of the last period, the coordinator will provide the Project Officer **within 60 days** after the end of the project a final report which shall comprise:

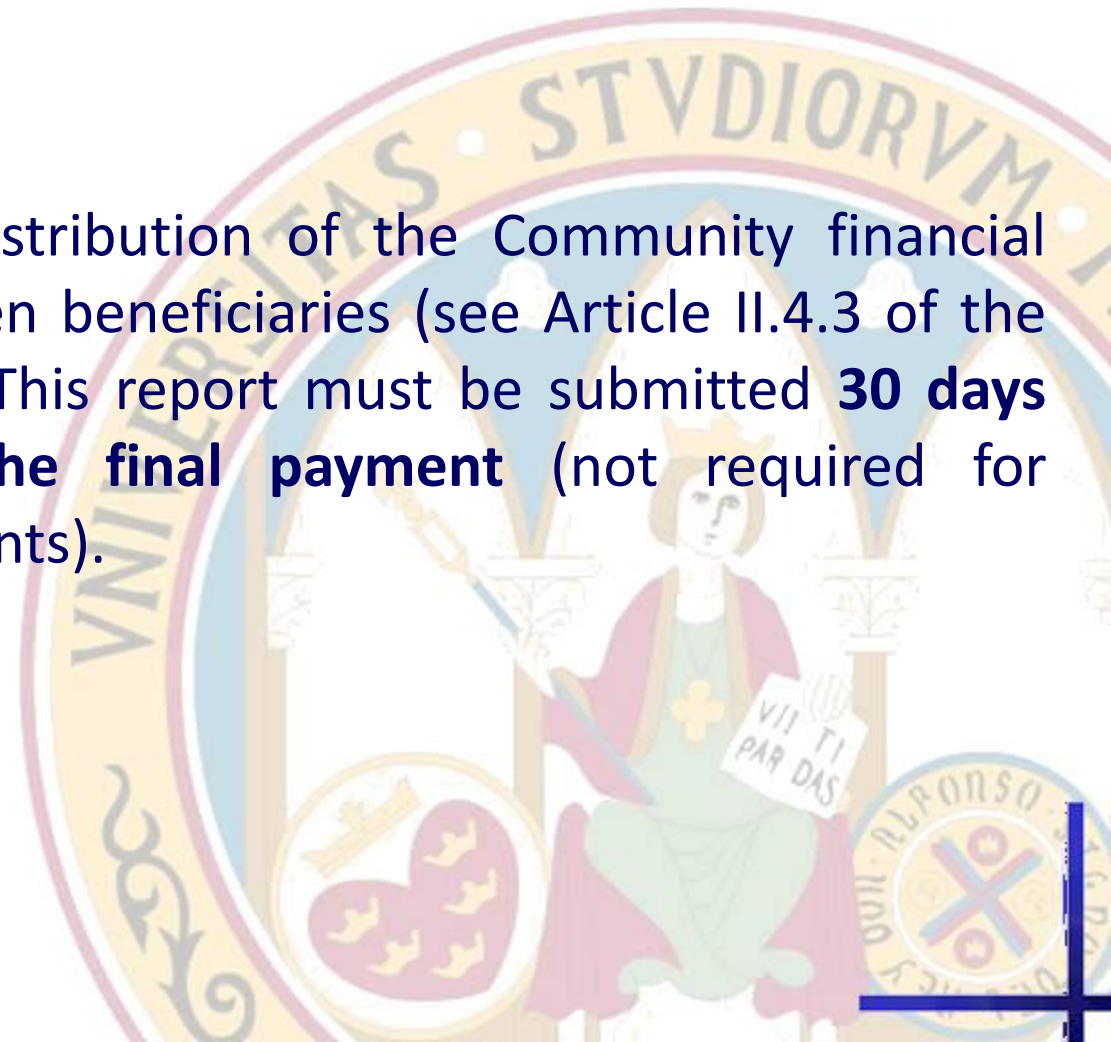
- A **final publishable summary report** covering results, conclusions and socio-economic impact of the project.
- A report covering the wider societal implications of the project, in the form of a questionnaire, including gender equality actions, ethical issues, efforts to involve other actors and to spread awareness, as well as the **plan for the use and dissemination of foreground**.





After the final payment from the EC :

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





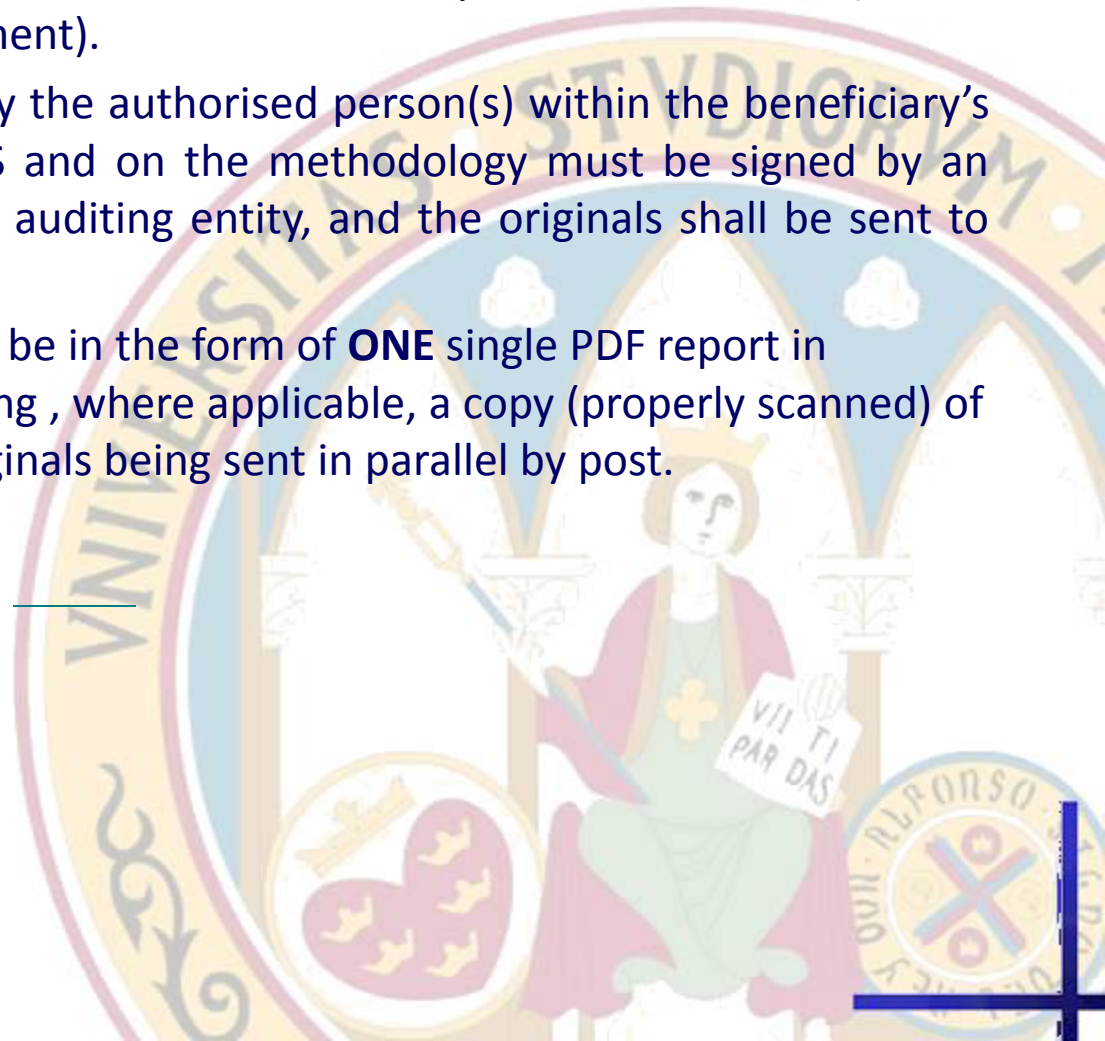
Publications: during and after the project

- The **coordinator** shall provide references and an abstract of all scientific publications relating to foreground at the latest two months following publication (see Article II.30. of the Grant Agreement).
- **All publications** shall include the following statement to indicate that said foreground was generated with the assistance of financial support from the Community: *“The research leading to these results has received funding from the [European Community's] [European Atomic Energy Community's] Seventh Framework Programme ([FP7/2007-2013] [FP7/2007-2011]) under grant agreement n^o [xxxxxx]”* (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.



Reports Format and transmission modalities

- Reports and Deliverables shall be transmitted by electronic means (Article II.4.5 of the Grant Agreement).
- Form C must be signed by the authorised person(s) within the beneficiary's organisation and the CFS and on the methodology must be signed by an authorised person of the auditing entity, and the originals shall be sent to the Commission.
- Each periodic report shall be in the form of **ONE** single PDF report in electronic format, including , where applicable, a copy (properly scanned) of the signed pages, the originals being sent in parallel by post.

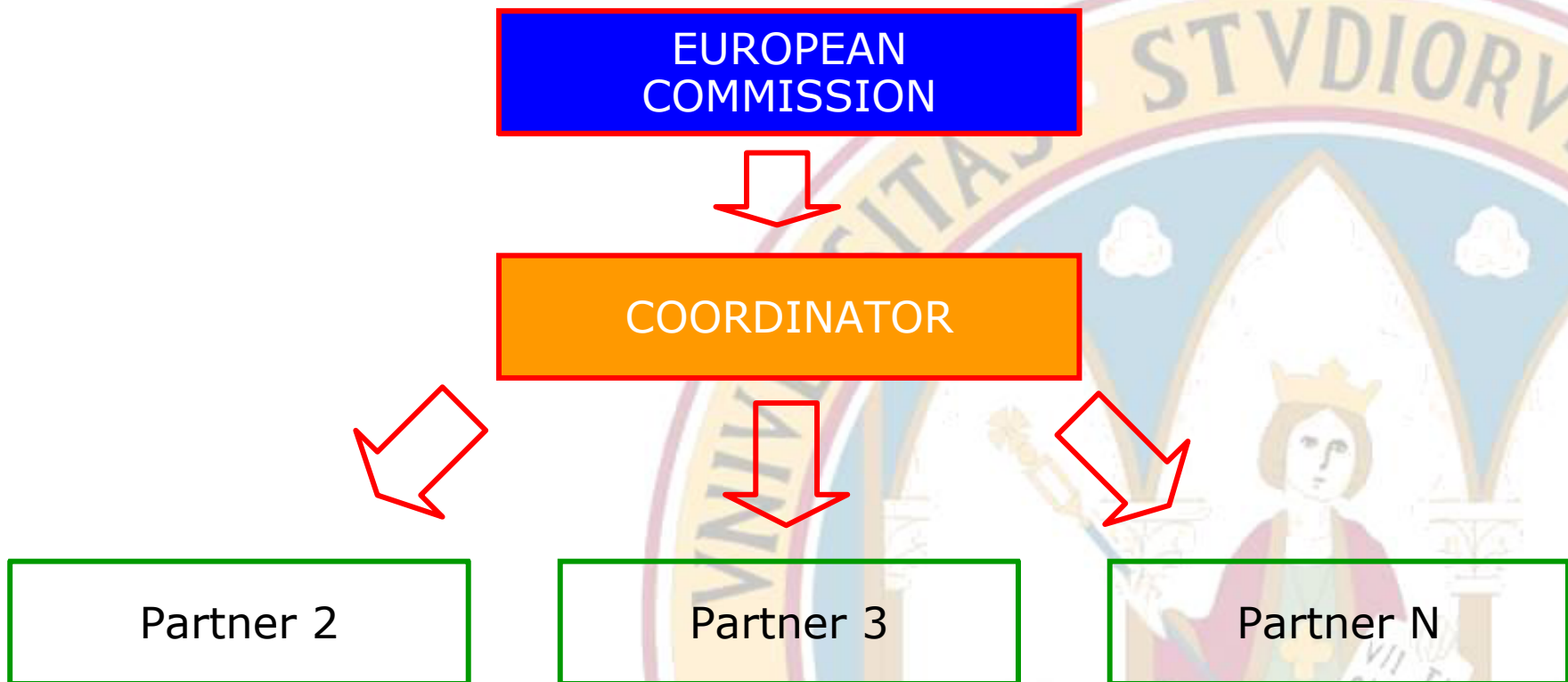




PAYMENTS



Project funding





Prefinancing

- **One prefinancing:** 160% of the average EC funding per period → transferred to Coordinator 30 days after entry into force of the GA
- Coordinator distributes prefinancing:
 - once minimum number of beneficiaries have signed Form A
 - only to those who have signed and returned Form A
- 5% of EC total grant is transferred to **Guarantee Fund** – it is kept aside (risk limiting mechanism) and will be recovered at the end of the project



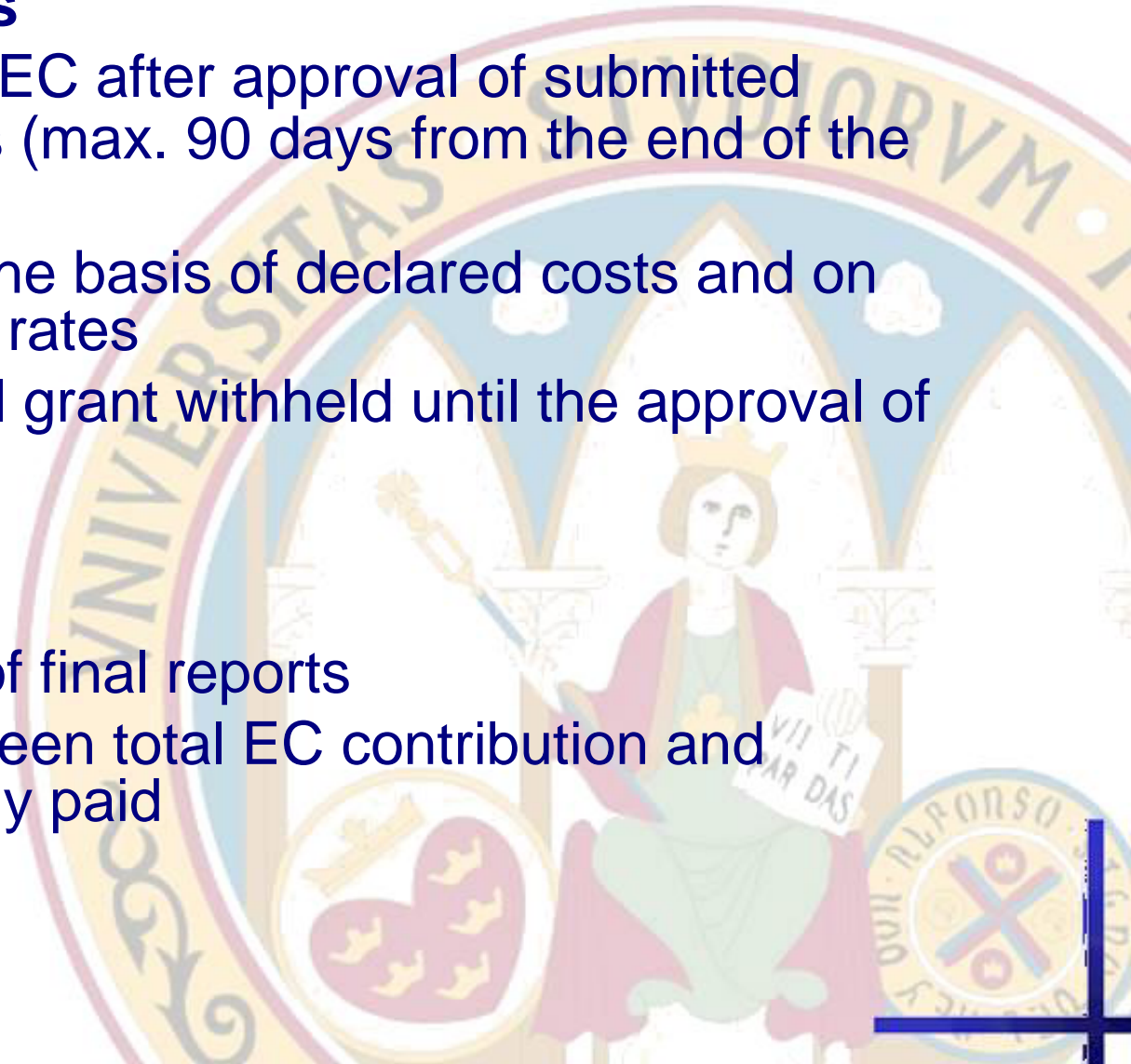
Further payments

Interim payments

- Transferred by EC after approval of submitted periodic reports (max. 90 days from the end of the period)
- Calculated on the basis of declared costs and on reimbursement rates
- 10% of EC total grant withheld until the approval of the final report

Final payment

- after approval of final reports
- difference between total EC contribution and amounts already paid





Timeline of reporting and payments

