



GUIDE FOR APPLICANTS

*Research for SME Associations
Two-stage-submission process
Call 2*

Research for the benefit of specific groups (in particular SMEs)

Call identifier FP7-SME-2008-2

*Further copies of this Guide, together with all information related to this call for proposals, can be downloaded from the following web-site:
<http://cordis.europa.eu/>*

About this Guide

This is version number 3 of the FP7 Guide for Applicants for calls using two-stage submission procedures. The Guide covers both stages. *If it is revised during the course of FP7, the new Guide will be given a different version number and the changes will be indicated in this box. Please refer to what is in the CP GfA for consistency.*

The main part of this Guide (sections 1 to 5) is common to all such calls. Information specific to this call is found in the annexes.

This version contains a number of clarifications and amendments, the most important of which are:

- Inclusion of guidance on Participant Identification Code and the Unique Registration Facility
- Incorporation of new work programme provisions on dealing with proposals having an equal score (annex 2)
- Reinforcement of warning regarding consequence of exceeding page limits
- Revised evaluation scoring (annex 2) and provisions on ethical issues (annex 4)

Please note: This Guide is based on the rules and conditions contained in the legal documents relating to FP7 (in particular the Seventh Framework Programme, Specific Programmes, Rules for Participation, and the Work programmes), all of which can be consulted via the CORDIS web-site. The Guide does not in itself have legal value, and thus does not supersede those documents.

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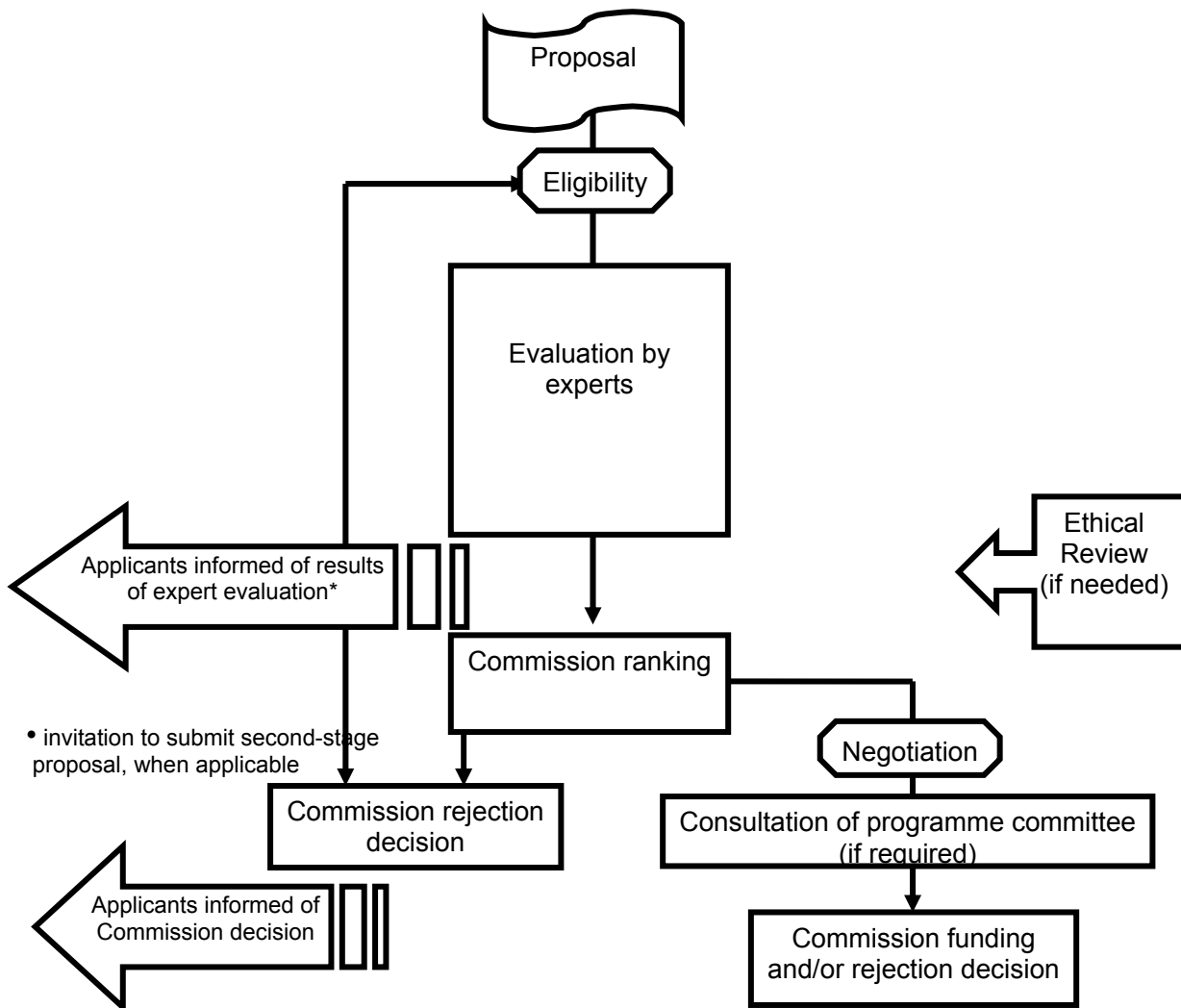
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1. Getting started

Funding decisions in the Seventh Framework Programme (FP7) are made on the basis of **proposals** submitted following **calls** published by the Commission. Proposals describe planned research activities, information on who will carry them out, and how much they will cost. They must be submitted using a special web-based service before a strictly-enforced **deadline**. The Commission evaluates all eligible proposals in order to identify those whose quality is sufficiently high for possible funding. The basis for this **evaluation** is a peer-review carried out by independent experts.

The Commission then **negotiates** with some or all of those whose proposals have successfully passed the evaluation stage, depending on the budget available. If negotiations are successfully concluded, **grant agreements** providing for an EU financial contribution are established with the participants.

The sequence of steps is summarised in this flow chart:



This **Guide for Applicants** contains the essential information to guide you through the mechanics of preparing and submitting a proposal. It is important that you have the correct document! Not

only are there different Guides for different calls, there may also be different Guides for other funding schemes within the same call.

You must also refer to the **work programme** covering the theme¹ of FP7 related to this call. This provides a detailed description of the objectives and topics which are open for proposals, and will describe the wider context of research activities in this area. Work programmes are revised each year, so make sure you refer to the latest version before preparing your proposal.

*Please check that this is the right guide for you by consulting the work programme, the **call fiche** (both posted on CORDIS), and the description of the funding scheme in the next section.*

This Guide and the work programme are essential reading. However, you may also wish to consult other reference and background documents, particular those relating to negotiation and the grant agreements, which are available on the Commission's CORDIS web site (see annex 1 to this guide).

¹ In addition to the main domains of the "Cooperation" programme, the term "theme" is used in this guide to refer, as appropriate, to the parts of FP7 in "Capacities".

2. About the funding scheme: Research for the benefit of specific groups (in particular SMEs)

2.1 General

A number of funding schemes are available to implement projects in FP7, but only certain ones may be available for the activities covered by this call. These are indicated in the call fiche.

This Guide covers the research for the benefit of specific groups (in particular SMEs) funding scheme, and a description is given in this section.

Please note that special conditions may apply on a call-by-call basis. These will always be set out in the work programme, including the call fiche.

2.2 Research for the benefit of special groups (in particular SMEs) projects

Purpose

The funding scheme “**Research for the benefit of specific groups (in particular SMEs)**” will support research and technological development projects where the bulk of the research is carried out by RTD performers for the benefit of specific groups, in particular Small and Medium sized Enterprises (SMEs) - in small groups or in associations - or for Civil Society Organisations and their networks (CSO¹s). Research for SMEs and for SME associations, aims to solve problems common to SMEs; research for CSOs aims to develop scientific knowledge related to CSOs activities in order to contribute to public debate.

Specific Programmes concerned

The funding scheme “Research for the benefit of specific groups (in particular SMEs)” may be used:

- In the related work programmes of “Capacities” for actions for the benefit of SMEs;
- In the related work programmes of “Capacities” and “Cooperation” for actions for the benefit of CSOs.

Participation

A participant means a legal entity contributing to the project and having rights and obligations with regard to the Community under the terms of the grant agreement. There must be a minimum of three participants, established in three different Member States or Associated countries; all three legal entities must be independent of each other.

¹ "civil society organisations" are considered to be any legal entity that is non governmental, non-profit, not representing commercial interests and pursuing a common purpose in the public interest. This is a general definition shared by the WP using the scheme. However, it does not prevent from restricting further the CSOs targeted according to the topic of the calls. European network of CSO is considered to be any legal entity that is established in a Member State or an Associated country and is made up of at least three CSO established in 3 MS or AC.

In addition projects under the funding scheme “Research for the benefit of specific groups (in particular SMEs)” require different **participant categories** with a respective minimum number of participants and role in the projects:

- **Research for SMEs:** 3 SME participants (from three different Member States or Associated countries) and 2 RTD performers (independent from any other participant);
- **Research for SME associations:** At least three independent SME associations/groupings, established in three different Member States (MS) or Associated Countries (AC), or one European SME association/grouping established in a Member State or Associated country according to its national law and which is made up of a minimum of three independent legal entities, established in three different Member States or Associated countries. In addition, 2 RTD performers (independent from any other participant) and at least 2 SMEs (as other enterprises and end-users) established in 2 different MS or AC.
- **Research for CSOs:** At least one participant must be a CSO from a Member State or Associated countries (Additional conditions may be set in the work programme concerned).

In addition, other participants, e.g. other enterprises and end-users may participate by making a particular contribution to the project and in solving specific problems or needs of the SMEs, SME associations or CSOs, though not in a dominant role.

The relevant Work Programmes will specify additional requirements for each participant categories concerning the eligible entities and their role in the project.

International European Interest Organisations (IEIO) and the JRC may participate as RTD performers or other participants under the same conditions as legal entities from Member States.

The projects will be open to the participation of entities from non-associated third countries, with special provisions for possible Community financial support for entities belonging to certain groups of countries.

Size and resources

The budget, the duration of the projects and the size of the consortium should provide the necessary resources to achieve the objectives. The relevant Work Programmes may include recommendations for the total budget, the duration of the projects and/or the number of participants.

Any such limits are indicated in the call fiche, and will be applied as eligibility criteria.

Activities

The activities to be carried out in the context of a research for the benefit of SMEs project should include:

- research and technological development activities, reflecting the core activities of the project, aimed at a significant advance beyond the established state-of-the-art, including scientific coordination

and/or

- demonstration activities, designed to prove the viability of new technologies that offer a potential economic advantage, but which cannot be commercialised directly (e.g. testing of product-like prototypes)

and

- management activities, over and above the technical management of individual work packages, linking together all the project components and maintaining communications with the Commission.
- any other activities such as:
 - activities directly related to the project's objectives (as identified in the relevant work programme or call for proposals) and likely to have a potential impact on the outcome of the project (e.g. debates and initiatives on issues such as ethics, gender, socio-economic, etc.);
 - activities to disseminate research results and to prepare for their take-up and use, including knowledge management and, activities directly related to the protection of foreground;
 - training of researchers and key staff, including research managers and industrial executives (in particular for SMEs) and any potential users of the knowledge generated by the project. The training should aim to improve the professional development of the personnel concerned.

Form of Reimbursement

The financial regime for projects is built on the reimbursement, in whole or in part, of eligible costs (based on maximum rates of reimbursement specified in the grant agreement for different types of activities within the project) and shall not exceed the maximum EC contribution determined by the rules for participation.

For actions under the funding scheme "Research for the benefit of specific groups (in particular SMEs)" the Community financial contribution will be capped at a value not exceeding 110% of the estimated price to be invoiced by RTD providers to SMEs or SMEs associations and/or other enterprises and end users for RTD and demonstration activities. (This ceiling does not apply to CSOs).

In accordance with the key outsourcing principle, full ownership of the entire foreground belongs to the specific group benefiting from that action and the RTD performers are remunerated accordingly.

However, the beneficiaries (SMEs, SME associations or CSOs) may agree on other conditions with the RTD-performers. It is e.g. conceivable that the beneficiaries do not require property rights on Foreground but that their interest is fully satisfied by a (non)-exclusive license. In such a situation, the RTD-performer could retain ownership of the IPR and certain use rights to valorise and get a return on its own investment. This in turn will affect the level of remuneration paid by the beneficiaries for the research services delivered.

Specific Characteristics

- The description of work (annex 1 to the grant agreement) is normally fixed. If needed a yearly update will be provided for in the grant agreement.
- Enlargement of partnership within the initial budget is possible.

3. How to apply

3.1 Turning your idea into an effective proposal

Two-stage submission

In this call a two-stage submission process is used. Your planned work is first presented in stage 1 as a short proposal which is evaluated by independent experts against a limited range of criteria.

Proposers who achieve satisfactory scores at stage 1 are then for stage 2 invited to submit a full proposal based on this initial concept by a date specified by the Commission. This date allows at least two months for the preparation of the full proposal.

The objectives of the full proposal must be consistent and in accordance with the stage 1 proposal, extending it by providing full details about the approach, the specific work-plan, etc.

In preparing this full proposal, applicants are advised to take into account any recommendations from the initial evaluation. The stage 2 evaluation of the full proposal is an independent evaluation against each of the criteria for that submission. It is not a complementary evaluation. Scores achieved by the stage 1 proposal are not taken into account at the stage 2 evaluation.

Further detail of the evaluation procedures applied is given in annex 2 of this Guide.

The coordinator

For a given proposal, the coordinator acts as the single point of contact between the participants and the Commission. The coordinator is generally responsible for the overall planning of the proposal and for building up the consortium that will do the work.

At stage 1 of a 2-stage process, Part A input is required from all key participants (according to the eligibility criteria). However, input on the A1 and A3.1 form is required from the coordinator only. Further details of other participants may be provided in the Part B description of the proposal.

Focusing your planned work

The work you set out in your proposal must correspond to one or more of the activity and associated **funding scheme(s)**, indicated in this call for proposals. **Proposals that fail to do so will be regarded as ineligible.**

Refer to annex 2 to this Guide, and the work programme, to check all the **eligibility criteria** and any other additional conditions that apply.

Unless otherwise indicated, these criteria apply to both stages of the submission.

Refer also to the **evaluation criteria** against which your proposal will be assessed. These are also given in annex 2.

The set of criteria used in stage 1 is usually a limited set of those used in stage 2.

Keep these sets of criteria in mind as you develop your proposal.

National Contact Points

A network of National Contact Points (NCPs) has been established to provide advice and support to organisations which 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 this Guide).

Please note that the Commission will give the NCPs statistics and information on the outcome of the call and the outcome of the evaluation for each proposal. This information is supplied to support the NCPs in their service role, and is given under strict conditions of confidentiality.

Other sources of help

Annex 1 to this guide gives references to these further sources of help for this call. In particular:

- 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). See section 3.2 below.
- A further help desk providing assistance on intellectual property matters.
- Any other guidance documents or background information relating specifically to this call.
- The date and contact address for any '**information day**' that the Commission may be organising for this call.
- Other services, including partner search facilities, provided via the CORDIS web site.

Who can participate?

In principle, a legal entity may participate in a proposal no matter where it is established.

A legal entity can be a so-called "natural person" (e.g. Mme Dupont) or a "legal person" (e.g. National Institute for Research).

However, there are certain minimum conditions that have to be met relating to participation from the EU and Associated countries. These conditions vary between funding scheme and may vary from call to call. See the call fiche for the conditions applicable to this call.

The EU Member States are:

Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom.

The Associated Countries are:

Albania, Croatia, FYR Macedonia, Iceland, Israel, Liechtenstein, Montenegro, Norway, Serbia, Switzerland and Turkey

Other countries may become associated during the course of FP7. The latest news will be posted on the CORDIS web site.

The following may receive EU funding in an FP7 project:

- Any legal entity established in a Member State or an Associated country (including the European Commission's Joint Research Centre), or created under Community law (e.g. a European Economic Interest Grouping),
- Any International European Interest Organisation (see glossary).
- Any legal entity established in an FP7 International Cooperation Partner Country (ICPC). The list of ICPC can be found on the CORDIS web site, and is given in Annex 1 to the related work programme.

In the case of a participating international organisation, other than an international European interest organisation, or a legal entity established in a non-EU country other than an associated country or ICPC, a Community financial contribution may be granted provided that at least one of the following conditions is satisfied:

- (a) Provision is made to that effect in the specific programmes or in the relevant work programme,
- (b) It is essential for carrying out the indirect action,
- (c) Such funding is provided for in a bilateral scientific and technological agreement or any other arrangement between the Community and the country in which the legal entity is established.

International cooperation

The Commission attaches great importance to international cooperation in research, and FP7 has been designed to ensure that such activities can be integrated across the programme. In addition to the opportunities mentioned above, which are generally applicable, calls may include:

- Topics of mutual interest defined in the work programmes where international cooperation is particularly encouraged.
- Specific international cooperation actions (SICA), also on topics of mutual interest. Here special minimum conditions apply.

Please check the work programme, including the call fiche, to see if these possibilities apply to this call.

Ethical principles

Please remember that research activities in FP7 should respect fundamental ethical principles, including those reflected in the Charter of Fundamental Rights of the European Union. These principles include the need to ensure the freedom of research and the need to protect the physical and moral integrity of individuals and the welfare of animals. For this reason, the European Commission carries out an ethical review of proposals when appropriate. The following fields of research shall not be financed under this Framework Programme:

- research activity aiming at human cloning for reproductive purposes;

- research activity intended to modify the genetic heritage of human beings which could make such changes heritable¹;
- research activities intended to create human embryos solely for the purpose of research or for the purpose of stem cell procurement, including by means of somatic cell nuclear transfer.

As regards human embryonic stem cell research, the Commission will maintain the practice of the Sixth Framework Programme, which excludes from Community financial support research activities destroying human embryos, including for the procurement of stem cells. The exclusion of funding of this step of research will not prevent Community funding of subsequent steps involving human embryonic stem cells.

Risk-Sharing Finance Facility (RSFF)

This innovative debt-based facility, designed by the European Commission and the European Investment Bank creates an additional capacity of up to EUR 10 billion for financing higher risk research, technological development, demonstration and innovation activities. The EIB will implement RSFF in close collaboration with all major EU national and regional banks within Member States and Associated Countries to FP7, which are providing support to the development of European companies. Financing through the RSFF can be sought either in addition to, or instead of FP7 grants.

For additional information on RSFF see:

<http://www.eib.org/products/loans/special/rsff/index>

http://ec.europa.eu/invest-in-research/funding/funding02_en.htm

Presenting your proposal

A proposal has two parts:

Part A will contain the administrative information about the proposal and the participants. The information requested includes a brief description of the work, contact details and characteristics of the participants, and information related to the funding requested (see annex 3 to this Guide). This information will be encoded in a structured database for further computer processing to produce, for example, statistics, and evaluation reports. This information will also support the experts and Commission staff during the evaluation process.

The information in Part A is entered through a set of on-line forms.

At stage 1 of a two-stage process, Part A input is required from all key participants (according to the eligibility criteria). However, input on the A1 and A3.1 form is required from the coordinator only.

Part B is a "template", or list of headings, rather than an administrative form (see annex 4 to this Guide). You should follow this structure when presenting the scientific and technical content of your proposal. The template is designed to highlight those aspects that will be assessed against the **evaluation criteria**. It covers, among other things, the nature of the proposed work, the participants and their roles in the proposed project, and the impacts that might be expected to arise

¹ Research relating to cancer treatment of the gonads can be financed.

from the proposed work. Only black and white copies are used for evaluation and you are strongly recommended, therefore, not to use colour in your document.

Part B of the proposal is uploaded by the applicant into the Electronic Proposal Submission Service (EPSS) described below.

A maximum length may be specified for the different sections of Part B, or for Part B as a whole (see annex 4 to this Guide). You must keep your proposal within these limits. Experts will be instructed to disregard any excess pages.

Even where no page limits are given, or where limits are only recommended, it is in your interest to keep your text concise since over-long proposals are rarely viewed in a positive light by the evaluating experts.

*A small number of calls operate a **continuous submission procedure**. These calls are open for an extended period, during which proposals will be evaluated in batches after fixed cut-off dates. The call fiche will show whether intermediate cut-off dates apply to his call.*

Proposal language

Proposals may be prepared in any official language of the European Union. If your proposal is not in English, a translation of the full proposal would be of assistance to the experts. An English translation of the abstract may be included in Part B of the proposal.

3.2 Proposal submission

About the EPSS

Proposals must be submitted electronically, using the Commission's **Electronic Proposal Submission Service (EPSS)**. Proposals arriving at the Commission by any other means are regarded as 'not submitted', and will not be evaluated¹.

All the data that you upload is securely stored on a server to which only you and the other participants in the proposal have access until the deadline. This data is encrypted until the close of the call.

You can access the EPSS from the call page on CORDIS.

¹ In exceptional cases, when a proposal coordinator has absolutely no means of accessing the EPSS, and when it is impossible to arrange for another member of the consortium to do so, an applicant may request permission from the Commission to submit on paper. A request should be sent via the FP7 enquiry service (see annex 1), indicating in the subject line "Paper submission request". (You can telephone the enquiry service if web access is not possible: 00 800 6 7 8 9 10 11 from Europe; or 32 2 299 96 96 from anywhere in the world. A postal or e-mail address will then be given to you). Such a request, which must clearly explain the circumstances of the case, must be received by the Commission no later than one month before the call deadline. The Commission will reply within five working days of receipt. Only if a derogation is granted, a proposal on paper may be submitted by mail, courier or hand delivery. The delivery address will be given in the derogation letter.

Full instructions are found in the "EPSS preparation and submission guide", available from the EPSS entry page (click on "EPSS user guide").

The most important points are explained below.

Use of the system by the proposal coordinator

As a coordinator you can:

- register as interested in submitting a proposal to a particular call
- set up (and modify) your consortium by adding/removing participants (not applicable at stage 1 of a two-stage process)
- 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
- submit the complete proposal Part A and Part B.

Other participants can:

- complete their own sections A2 (participant details) for both stages.
- 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)
- view the whole proposal.

Use of Participant Identification Codes (PICs):

Participants possessing a Participant Identification Code (PIC) can use this number to identify themselves in the Electronic Proposal Submission system. On entering the PIC, parts of the A forms will be filled in automatically. Please note that in the cases where a PIC is not available it will always be possible to submit a proposal by entering the organisation details manually. However, the use of PICs will lead to more efficient handling of the proposal. The process for assigning a PIC is triggered by a self-registration of an organisation at the following website: <http://ec.europa.eu/research/participants/urf>. On this website you will also find a search tool for checking if your organisation is already registered (and has thus a PIC).

Submitting the proposal

Only the coordinator is authorised to submit the proposal.

Completing the Part A forms in the EPSS and uploading a Part B does **not** yet mean that your proposal is submitted. Once there is a consolidated version of the proposal, you must press the button "SUBMIT NOW".

(If you don't see the button "SUBMIT NOW", first select the "SUBMIT" tag at the top of the screen).

Please note that "SUBMIT NOW" starts the final steps for submission; it does not in itself cause the proposal to be submitted.

After reading the information page that then appears, it is possible to submit the proposal using the button marked "*Press this button to submit the proposal*".

The EPSS then performs an automatic validation of the proposal. A list of any problems ("validation error message") such as missing data, viruses, wrong file format or excessive file size will then appear on the screen. **Submission is blocked until these problems are corrected.** Once corrected, the coordinator must then repeat the above steps to achieve submission.

If successfully submitted, the coordinator receives a message that indicates that the proposal has been received. This automatic message is not the official acknowledgement of receipt (see Section 5).

The coordinator may continue to modify the proposal and submit revised versions overwriting the previous one right up until the deadline. The sequence above must be repeated each time.

If the submission sequence described above is not followed, the Commission considers that no proposal has been submitted.

For the proposal Part B you must use exclusively PDF ("portable document format", compatible with Adobe version 3 or higher, with embedded fonts). Other file formats will not be accepted by the system. Irrespective of any page limits specified in annex 4 to this Guide, there is an overall limit of 10Mbyte to the size of proposal file Part B. There are also restrictions to the name you give to the Part B file. You should only use alphanumeric characters. Special characters and spaces must be avoided.

You are advised to clean your document before converting to PDF (e.g. accept any track changes). Check that your conversion software successfully converts all pages and the original document (e.g. there is no problem with page limits).

Please note that the Commission prints out proposals on plain A4 paper. The printable zone on the print engine is bounded by 1.5 cm right, left, top bottom. No scaling is applied to make the page "fit" the window. Printing is done at 300 dots per inch.

About the deadline

Proposals must be submitted on or before the deadline specified in the Call fiche. It is your responsibility to ensure the timely submission of your proposal.

The EPSS will be closed for this call at the call deadline. After this moment, access to the EPSS for this call will be impossible.

Do not wait until the last moment before submitting your proposal!

Call deadlines are absolutely firm and are strictly enforced.

Please note that you may submit successive drafts of your proposal through the EPSS. Each successive submission overwrites the previous version. It is a good idea to **submit a draft well before the deadline**.

Leaving your first submission attempt to the last few minutes of the call will give you no time to overcome even the smallest technical difficulties, proposal verification problems or communications delays which may arise. Such events are never accepted as extenuating circumstances; your proposal will be regarded as not having been submitted.

Submission is deemed to occur at the moment when the proposal coordinator completes the submission sequence described above. It is not the point at which you start the upload. If you wait until too near to the close of the call to start uploading your proposal, there is a serious risk that you will not be able to submit in time.

If you have registered and submitted your proposal in error to another call which closes after this call, the Commission will not be aware of it until it is discovered among the

downloaded proposals for the later call. It will therefore be classified as ineligible because of late arrival.

*The submission of a proposal requires some knowledge of the EPSS system, a detailed knowledge of the contents of the proposal and the authority to make last-minute decisions on behalf of the consortium if problems arise. **You are advised not to delegate the job of submitting your proposal!***

In the unlikely event of a failure of the EPSS service due to breakdown of the Commission server during the last 24 hours of this call, the deadline will be extended by a further 24 hours. This will be notified by e-mail to all proposal coordinators who had registered for this call by the time of the original deadline, and also by a notice on the Call page on CORDIS and on the web site of the EPSS.

Such a failure is a rare and exceptional event; therefore do not assume that there will be an extension to this call. If you have difficulty in submitting your proposal, you should not assume that it is because of a problem with the Commission server, since this is rarely the case. Contact the EPSS help desk if in doubt (see the address given in annex 1 to this Guide).

Please note that the Commission will not extend deadlines for system failures that are not its own responsibility. In all circumstances, you should aim to submit your proposal well before the deadline to have time to solve any problems.

EPSS will close after the deadline for the submission of the stage 1 proposal. However, access will be exclusively reopened for those eligible proposals which pass all thresholds at the stage 1 evaluation. This access will remain open until the deadline for stage 2. The deadline for stage 2 will be confirmed to those applicants who receive an invitation to submit a full proposal.

Correcting or revising your proposal

Errors discovered in proposals submitted to the EPSS can be rectified by simply submitting a corrected version. So long as the call has not yet closed, the new submission will overwrite the old one.

Once the deadline has passed, however, the Commission can accept no further additions, corrections or re-submissions. The last eligible version of your proposal received before the deadline is the one which will be evaluated, and no later material can be submitted.

Ancillary material

Only a single PDF file comprising the complete Part B can be uploaded. Unless specified in the call, any hyperlinks to other documents, embedded material, and any other documents (company brochures, supporting documentation, reports, audio, video, multimedia etc.) sent electronically or by post, will be disregarded.

Withdrawing a proposal

You may withdraw a proposal before the deadline by submitting a revised version with an empty Part B section, with the following words entered in the abstract field of form A:

"The applicants wish to withdraw this proposal. It should not be evaluated by the Commission".

If you wish to withdraw a proposal after the deadline, please contact the EPSS help desk.

4. Check list

Of importance for the consortium in general, but in particular for the coordinator:

4.1 Preparing your proposal

- **Does your planned work fit with the call for proposals?** Check that your proposed work does indeed address the topics open in this call. (See the current version of the work programme).
- **Are you applying for the right funding scheme?** Check that your proposed work falls within the scope of this call, and that you have applied for one of the eligible funding schemes (see the work programme). If there is a choice, have you opted for the one that best suits your needs? Check the Part A and Part B formats shown in annexes 3 and 4 to this Guide¹
- **Is your proposal eligible?** The eligibility criteria are given in the work programme. See also annex 2 to this Guide. In particular, make sure that you satisfy the minimum requirements for the makeup of your consortium. Have any additional eligibility criteria been set for this call? Check that you comply with any budgetary limits that may have been fixed on the requested EU contribution. Any proposal not meeting the eligibility requirements will be considered ineligible and will not be evaluated.
- **Is your proposal complete?** 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 this Guide. A proposal that does not contain both parts will be considered ineligible and will not be evaluated.
- **Does your proposed work raise ethical issues?** Clearly indicate any potential ethical, safety or regulatory aspects of the proposed research and the way they will be dealt with in your proposed project. An ethical check will take place during the evaluation and an ethical review will take place for proposals dealing with sensitive issues. Proposals may be rejected on ethical grounds if such issues are not dealt with satisfactorily.
- **Does your proposal follow the required structure?** Proposals should be precise and concise, and must follow exactly the proposal structure described in this document (annex 4 to this Guide), which is designed to correspond to the evaluation criteria which will be applied. This structure varies for different funding schemes. Omitting requested information will almost certainly lead to lower scores and possible rejection.
- **Have you maximised your chances?** There will be strong competition. Therefore, edit your proposal tightly, strengthen or eliminate weak points. Put yourself in the place of an expert evaluator; refer to the evaluation criteria given in annex 2 to this Guide. Arrange for your draft to be evaluated by experienced colleagues; use their advice to improve it before submission.

¹ If you have in error registered for the wrong call or funding scheme, discard that registration (usernames and passwords) and register again before the call deadline. If, after the close of the call, you discover that you have submitted your proposal to the wrong call, notify the EPSS Helpdesk.

- **Do you need further advice and support?** You are strongly advised to inform your National Contact Point of your intention to submit a proposal (see address in annex 1 to this Guide). Remember the Enquiry service listed in annex 1.

4.2 Final checks before submission

- **Do you have the agreement** of all the members of the consortium to submit this proposal on their behalf?
- **Is your Part B in portable document format (PDF)**, including no material in other formats?
- **Is the filename made up of the letters A to Z, and numbers 0 to 9?** You should avoid special characters and spaces.
- **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.
- **Is your Part B file within the size limit of 10 Mbytes?**

Have you virus-checked your computer? The EPSS will automatically block the submission of any file containing a virus.

Have you made yourself familiar with the EPSS in good time?

Have you allowed time to submit a first version of your proposal well in advance of the deadline (at least several days before), and then to continue to improve it with regular resubmissions?

- **Have you completed the submission process for your latest version?**

4.3 Following submission

- Information submitted to the EPSS remains encrypted until the deadline and can only be viewed by the applicant.
- It is recommended that you check that all your material has been successfully been uploaded **and** submitted.
- You can revise and resubmit your proposal up to call deadline.

5. What happens next

Shortly after the call deadline, the Commission will send an **acknowledgement of receipt** to the e-mail address of the proposal coordinator given in the submitted proposal. This is assumed to be the individual named on the A2 form for participant no. 1. Please note that the brief electronic message given by the EPSS system after each submission is not the official acknowledgement of receipt.

The sending of an acknowledgement of receipt does not imply that a proposal has been accepted as eligible for evaluation.

If you have not received an acknowledgement of receipt within 12 working days after the call deadline (or cut-off date, in the case of a continuously open call), you should contact the FP7 Enquiry Service (see annex 1 to this Guide). However, first please check that you are the person named in the proposal as contact person for partner no. 1, check the email address which you gave for yourself, and check the junk mail box of your email system for the first few days following the close of call for any mail originating from FP7Aor@ess-fp7.org.

The Commission will check that your **proposal** meets the **eligibility criteria** that apply to this call and funding scheme (see the work programme and annex 2 to this Guide).

All eligible proposals will be evaluated by independent experts. The evaluation criteria and procedure are described in annex 2 to this Guide.

If your proposal passes all the evaluation thresholds at stage 1 of a two-stage process, you will receive an invitation to submit a full proposal for stage 2 evaluation. In addition, you may receive further procedural information to assist you in completing the stage 2 submission. In any event, this Guide covers all the essential requirements for submitting either a stage 1 outline proposal or a full stage 2 proposal.

Soon after the completion of the evaluation, the results will be finalised and all coordinators will receive a letter containing **initial information** on the results of the evaluation, including the Evaluation Summary Report giving the opinion of the experts on the proposal. Even if the experts viewed your proposal favourably, the Commission cannot at this stage indicate if there is a possibility of EU funding.

If you have not received the "initial information letter" by the date referred to in annex 1 to this Guide, please contact the Commission via the FP7 enquiry service.

The letter will also give the relevant contact details and the steps to follow if you consider that there has been a shortcoming in the conduct of the evaluation process ("redress procedure").

The Commission also informs the relevant **programme committee**, consisting of delegates representing the governments of the Member States and Associated countries.

Based on the results of the evaluation by experts, the Commission draws up the final list of proposals for possible funding, taking account of the available budget. The Commission must also take account of the strategic objectives of the programme, as well as the overall balance of the proposals to be funded.

Official letters are then sent to the applicants. If all has gone well, this letter will mark the beginning of a **negotiation** phase. Due to budget constraints, it is also possible that your proposal will be

placed on a reserve list. In this case, negotiations will only begin if funds become available. In other cases, the letter will explain the reasons why the proposal cannot be funded on this occasion.

A description of the negotiation process will be provided in the **Negotiation Guidance Notes** available on CORDIS.

Negotiations between the applicants and the Commission aim to conclude a grant agreement which provides for EU funding of the proposed work. They cover both the scientific/technological, and the administrative and financial aspects of the project. The officials conducting these negotiations on behalf of the Commission will be working within a predetermined budget envelope. They will also refer to any recommendations which the experts may have made concerning modifications to the work presented in the proposal, as well as any recommendations arising from an ethical review of your proposal if one was carried out. Where relevant, security aspects shall also be considered.

The negotiations will also deal with gender equality actions, and, if applicable to the project, with gender aspects in the conduct of the planned work, as well as the relevant principles contained in the European Charter for researchers and the Code of Conduct for their recruitment.

Members of the proposal consortium may be invited to Brussels or Luxembourg to facilitate the negotiation.

For participants not yet having a Participant Identification Code (PIC), i.e. not yet being registered and validated in the Commission's Unique Registration Facility (URF) their existence as legal entities and their legal status will have to be validated before a grant agreement can be signed. For these participants, the procedure of registration and validation is triggered by a self-registration in the web interface of the URF available at <http://ec.europa.eu/research/participants/urf>. This self-registration will lead to a request by the Commission to the organisation to provide supporting documents and to nominate a Legal Entity Authorised Representative (LEAR).

Glossary

The following explanations are provided for clarity and easy-reference. They have no legal authority, and do not replace any official definitions set out in the Council decisions.

A

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 Community, 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 given in the body of this guide.

C

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 web page 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 web-site.

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*.

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*.

D

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.

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.

E

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 a specific site.

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

Eligibility Review Committee

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

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.

Ethical 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

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 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.

F**FP7 enquiry service**

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

Funding scheme

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

G**Grant Agreement (GA)**

The legal instrument that provides for Commission funding of successful proposals.

H**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.

I**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.

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).

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.

J**Joint Research Centre (JRC)**

The Commission's own research institutes.

L**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.

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 EC contribution for the project will remain.

M**Milestones**

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

N**National Contact Points (NCP)**

Official representatives nominated by the national authorities to provide tailored information and advice on each theme of FP7, in the national language(s).

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.

Non-profit

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

P

Part A

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

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

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.

Participants

The members of a consortium in a proposal or project. These are legal entities, and have rights and obligations with regard to the Community.

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 Unique Registration Facility (see below), and to identify themselves in all transactions related to FP7 proposals and grants.

Programme committee

A group of official national representatives who assist the Commission in implementing the Framework Programme.

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

Public body

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

R

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.

Research organisation

A legal entity established as a *non-profit* organisation which carries out research or technological development as one of its main objectives.

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.

RTD

Research and Technological Development.

S

SME

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

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.

T

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.

Transitional flat rate

A 60% flat rate of the total direct costs (excluding the direct eligible costs for subcontracting and the costs of resources made available by third parties which are not used on the premises of the applicant) as indirect costs applying to grants awarded under calls for proposals closing before 1st January 2010. The 60% flat rate will apply for the whole duration of any grant agreement signed under any call closed before 1st January 2010 (**even if that grant agreement lasts beyond 2010**). After that date, this 60% flat rate will be revised.

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 which achieve the threshold on this are subject to a full evaluation on the remaining criteria.

U

Unique Registration Facility (URF)

A system that will allow organisations to register their details and status once and for all, obviating the need to provide the same information with each submission. The Web interface of the URF is found at <http://ec.europa.eu/research/participants/urf>. On this website you will also find a search tool to check if your organisation is already registered or not.

W

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 in annex 2 to this Guide.

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 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 that is set out further in this Guide, including the schedule and details of the calls for proposals, indicative budgets, and the evaluation procedure.

Annexes

- Annex 1 Timetable and specific information for this call
- Annex 2 Evaluation criteria and procedure
- Annex 3 Instructions for completing "Part A" of the proposal
- Annex 4 Instructions for drafting "Part B" of the proposal

Annex 1:

Timetable and specific information for this call

- The **work programme** provides the essential information for submitting a proposal to this call. It describes the content of the topics/activities to be addressed, and details on how it will be implemented. The work programme is available on the CORDIS call page. The part giving the basic data on implementation (deadline, budget, additional conditions etc) is also posted as a separate document ("call fiche"). You must consult these documents.

- Indicative timetable for this call**

Publication of call	3-09-2008
Deadline for submission of stage 1 proposals	18-12-2008
Deadline for submission of stage 2 proposals. (This is indicative only; the exact deadline will be confirmed after the evaluation of stage 1).	28-5-2009
Evaluation of stage 1 proposals	Week 6,7,8 Feb 2009
Evaluation of stage 2 proposals	Week 24 June 2009
Evaluation Summary Reports sent to proposal coordinators ("initial information letter") – stage 1 proposals	Week 10 Mar 2009
Evaluation Summary Reports sent to proposal coordinators ("initial information letter") – stage 2 proposals	Week 27 Jul 2009
Invitation letter to successful coordinators to launch grant agreement negotiations with Commission services	Week 35 Aug 2009
Letter to unsuccessful applicants	From Week 40 Sep 2009
Signature of first grant agreements	From Dec 2009

- Further information and help**

The CORDIS call page contains links to other sources that you may find useful in preparing and submitting your proposal. Direct links are also given where applicable.

Call information

CORDIS call page and work programme
 Evaluation forms

<http://cordis.europa.eu/fp7/dc/index.cfm>

General sources of help:

The Commission's FP7 Enquiry service	http://ec.europa.eu/research/enquiries
National Contact Points	http://cordis.europa.eu/fp7/ncp.htm
National Contact Points in third countries	http://cordis.europa.eu/fp7/third-countries_en.html

Specialised and technical assistance:

CORDIS help desk	http://cordis.europa.eu/guidance/helpdesk/home_en.html
EPSS Help desk	support@epss-fp7.org
IPR help desk	http://www.ipr-helpdesk.org
SME Techweb	http://ec.europa.eu/research/sme-techweb

You may also wish to consult the following documents that can be found at
http://cordis.europa.eu/fp7/find-doc_en.html

FP7 Legal basis documents generally applicable

- Decision on the Framework Programme
- Rules for Participation
- Specific Programmes
- Work Programmes

Legal documents for implementation

- Rules for submission, evaluation, selection, award
- Standard model grant agreement
- Rules on verification of existence, legal status, operational and financial capacity

Guidance documents

- Guidance Notes on Audit Certification Guide for beneficiaries Guide to Financial Issues
- Guide to IPR
- Checklist for the Consortium Agreement
- Negotiation Guidance Notes and Templates for Description of Work

Other supporting information

- Brochure "The FP7 in Brief"
- European Charter for researchers and the Code of Conduct for their recruitment
- International cooperation
- Risk Sharing Financing Facility and the European Investment Bank

Ethics Review

- Ethics check list
- Supporting documents

Annex 2:

Evaluation criteria and procedures to be applied for this call

1. General

The evaluation of proposals is carried out by the Commission with the assistance of independent experts.

Commission staff ensures that the process is fair, and in line with the principles contained in the Commission's rules¹.

Experts perform evaluations on a personal basis, not as representatives of their employer, their country or any other entity. They are expected to be independent, impartial and objective, and to behave throughout in a professional manner. They sign an appointment letter, including a declaration of confidentiality and absence of conflict of interest before beginning their work. Confidentiality rules must be adhered to at all times, before, during and after the evaluation.

In addition, an independent expert will be appointed by the Commission to observe the evaluation process from the point of view of its working and execution. The role of the observer is to give independent advice to the Commission on the conduct and fairness of the evaluation sessions, on the way in which the experts apply the evaluation criteria, and on ways in which the procedures could be improved. The observer will not express views on the proposals under examination or the experts' opinions on the proposals.

2. Before the evaluation

On receipt by the Commission, proposals are registered and acknowledged and their contents entered into a database to support the evaluation process. At each stage, eligibility criteria for each proposal are also checked by Commission staff before the evaluation begins. Proposals which do not fulfil these criteria will not be included in the evaluation.

For this call a proposal will only be considered eligible if it meets all of the following conditions:

The eligibility criteria below apply to both stage 1 and stage 2:

- It is received by the Commission before the deadline given in the call fiche
- It involves at least the minimum number of participants given in the call fiche
- It is complete (i.e. both the requested administrative forms and the proposal description are present)
- The content of the proposal relates to the activity, including any special conditions set out in the relevant parts of the work programme

¹ Rules for submission of proposals, and the related evaluation, selection and award procedures (posted on CORDIS).

Where maximum numbers of pages have been indicated for a section of the proposal, or for the proposal as a whole, the experts will be instructed to disregard any excess pages.

The Commission establishes a list of experts capable of evaluating the proposals that have been received. The list is drawn up to ensure:

- A high level of expertise;
- An appropriate range of competencies;

Provided that the above conditions can be satisfied, other factors are also taken into consideration:

- An appropriate balance between academic and industrial expertise and users;
- A reasonable gender balance;
- A reasonable distribution of geographical origins;
- Regular rotation of experts

In constituting the lists of experts, the Commission also takes account of their abilities to appreciate the industrial and/or societal dimension of the proposed work. Experts must also have the appropriate language skills required for the proposals to be evaluated.

Commission staff allocates proposals to individual experts according to fields of research and technological application, taking account of the fields of expertise of the experts, and avoiding conflicts of interest.

Where remote evaluation is used, proposals will be supplied to the experts only if they have signed and returned the confidentiality and conflict of interest declaration.

3. Evaluation of proposals

The evaluation will be conducted following a two-stage procedure. The evaluation of both stages will be carried out remotely on the experts' premises and/or in Brussels.

At the beginning of the evaluation, experts will be briefed by Commission staff, covering the evaluation procedure, the experts' responsibilities, the issues involved in the particular area/objective, and other relevant material (including the integration of the international cooperation dimension).

Each proposal will first be assessed independently by at least three experts.

The proposal will be evaluated against pre-determined evaluation criteria.

Stage 1 proposals will be evaluated only against those sub-criteria indicated in italics and bold.

Stage 2 proposals will be evaluated against all the sub-criteria.

<i>Evaluation criteria applicable to Research for the benefit of specific groups (in particular SMEs)</i>		
S/T QUALITY	IMPLEMENTATION	IMPACT
<p>“Scientific and/or technological excellence (relevant to the topics/activities addressed by the call)”</p>	<p>“Quality and efficiency of the implementation and the management”</p>	<p>“Potential impact through the development, dissemination and use of project results”</p>
<ul style="list-style-type: none"> • <i>Soundness of concept, and quality of objectives</i> • Innovative character in relation to the state-of-the-art • Contribution to advancement of knowledge/technological progress • Quality and effectiveness of the S/T methodology and associated work plan 	<ul style="list-style-type: none"> • Appropriateness of the management structure and procedures • Quality and relevant experience of the individual participants • Quality of the consortium as a whole (including complementarity, balance) • Appropriateness of the allocation and justification of the resources to be committed (budget, staff, equipment) 	<ul style="list-style-type: none"> • <i>Contribution, at the European [and/or international] level, to the expected impacts listed in the work programme under the relevant topic/activity</i> • <i>Appropriateness of measures for the dissemination and/or exploitation of project results, and management of intellectual property.</i>

Only those proposals achieving all thresholds at stage 1 will be invited to submit a full stage 2 proposal.

The stage 2 evaluation of the full proposal is an independent evaluation against each of the criteria for that submission. It is not a complementary evaluation. Scores achieved by the stage 1 proposal are not taken into account at the stage 2 evaluation.

Evaluation scores will be awarded for each of the three criteria, and not for the sub-criteria. The sub-criteria are issues which the expert should consider in the assessment of that criterion. They also act as reminders of issues to raise later during the discussions of the proposal.

The relevance of a proposal will be considered in relation to the activities of the work programme open in a given call, and to the objectives of a call. These aspects will be integrated in the application of the criterion "S/T quality", and the first sub-criterion under "Impact" respectively. When a proposal is partially relevant because it only marginally addresses the activities of the call, or if only part of the proposal addresses the topic(s), this condition will be reflected in the scoring of the first criterion. Proposals that are clearly not relevant to a call ("out of scope") will be rejected on eligibility grounds.

Each criterion will be scored out of 5. Half marks can be given.

The scores indicate the following with respect to the criterion under examination:

0 -	<i>The proposal fails to address the criterion under examination or cannot be judged due to missing or incomplete information</i>
1 -	<i>Poor. The criterion is addressed in an inadequate manner, or there are serious inherent weaknesses.</i>
2 -	<i>Fair. While the proposal broadly addresses the criterion, there are significant weaknesses.</i>
3 -	<i>Good. The proposal addresses the criterion well, although improvements would be necessary.</i>
4 -	<i>Very Good. The proposal addresses the criterion very well, although certain improvements are still possible.</i>
5 -	<i>Excellent. The proposal successfully addresses all relevant aspects of the criterion in question. Any shortcomings are minor.</i>

No weightings will be applied.

Thresholds will be applied to the scores as follows:

Evaluation criteria and **thresholds for stage 1** proposals:

	<i>Minimum threshold/Possible score</i>
S/T quality	3/5
Impact	4/5
Overall threshold required	8/10

Evaluation criteria and **thresholds for stage 2** proposals:

	<i>Minimum threshold/Possible score</i>
S/T quality	3/5
Implementation	3/5
Impact	4/5
Overall threshold required	11/15

Examples of the evaluation forms and reports that will be used by the experts in this call will be made available on CORDIS.

Conflicts of interest: Under the terms of the appointment letter, experts must declare beforehand any known conflicts of interest, and must immediately inform a Commission staff member if one becomes apparent during the course of the evaluation. The Commission will take whatever action is necessary to remove any conflict.

Confidentiality: The appointment letter also requires experts to maintain strict confidentiality with respect to the whole evaluation process. They must follow any instruction given by the Commission to ensure this. Under no circumstance may an expert attempt to contact an applicant on his own account, either during the evaluation or afterwards.

4. Individual evaluation

This part of the evaluation will be carried out on the premises of the experts concerned ("remotely").

At this first step the experts are acting individually; they do not discuss the proposal with each other, nor with any third party. The experts record their individual opinions in an Individual Evaluation Report (IER), giving scores and also comments against the evaluation criteria.

When scoring proposals, experts must *only* apply the above evaluation criteria.

Experts will assess and mark the proposal exactly as it is described and presented. They do not make any assumptions or interpretations about the project in addition to what is in the proposal.

Concise but explicit justifications will be given for each score. Recommendations for improvements to be discussed as part of a possible negotiation phase will be given, if needed.

The experts will also indicate whether, in their view, the proposal deals with sensitive ethical issues

Signature of the IER also entails a declaration that the expert has no conflict of interest in evaluating the particular proposal.

Scope of the call: It is possible that a proposal is found to be completely out of scope of the call during the course of the individual evaluation, and therefore not relevant. If an expert suspects that this may be the case, a Commission staff member will be informed immediately, and the views of the other experts will be sought.

If the consensus view is that the main part of the proposal is not relevant to the activity of the call, the proposal will be withdrawn from the evaluation, and the proposal will be deemed ineligible.

5. Consensus meeting

Once all the experts to whom a proposal has been assigned have completed their IER, the evaluation progresses to a consensus assessment, representing their common views.

This entails a consensus meeting to discuss the scores awarded and to prepare comments.

The consensus discussion is moderated by a representative of the Commission. The role of the moderator is to seek to arrive at a consensus between the individual views of experts without any prejudice for or against particular proposals or the organisations involved, and to ensure a confidential, fair and equitable evaluation of each proposal according to the required evaluation criteria.

The moderator for the group may designate an expert to be responsible for drafting the consensus report ("rapporteur"). The experts attempt to agree on a consensus score for each of the criteria that have been evaluated and suitable comments to justify the scores. Comments should be suitable for feedback to the proposal coordinator. Scores and comments are set out in a consensus report. They also come to a common view on the questions of scope, ethics

If during the consensus discussion it is found to be impossible to bring all the experts to a common point of view on any particular aspect of the proposal, the Commission may ask up to three additional experts to examine the proposal.

Ethical issues: If one or more experts have noted that there are ethical issues touched on by the proposal, the relevant box on the consensus report (CR) will be ticked and an Ethical Issues Report (EIR) completed, stating the nature of the ethical issues. Exceptionally for this issue, no consensus is required.

The EIR will be signed by the Commission moderator and one member of the consensus group (normally, the proposal rapporteur).

Outcome of consensus

The outcome of the consensus step is the consensus report. This will be signed/approved (either on paper, or electronically) by all experts, or as a minimum, by the "rapporteur" and the moderator. The moderator is responsible for ensuring that the consensus report reflects the consensus reached, expressed in scores and comments. In the case that it is impossible to reach a consensus, the report sets out the majority view of the experts but also records any dissenting views.

The Commission will take the necessary steps to assure the quality of the consensus reports, with particular attention given to clarity, consistency, and appropriate level of detail. If important changes are necessary, the reports will be referred back to the experts concerned.

The signing of the consensus report completes the consensus step.

Evaluation of a resubmitted proposal

In the case of proposals that have been submitted previously to the Commission for FP 7, the moderator gives the experts the previous evaluation summary report (see below) at the consensus stage. If necessary, the experts will be required to provide a clear justification for their scores and comments should these differ markedly from those awarded to the earlier proposal.

6. Panel review

This is the final step involving the independent experts. It allows them to formulate their recommendations to the Commission having had an overview of the results of the consensus step.

The main task of the panel is to examine and compare the consensus reports in a given area, to check on the consistency of the marks applied during the consensus discussions and, where necessary, propose a new set of scores.

The panel comprises experts involved at the consensus step. One panel will cover the whole call.

The tasks of the panel will also include:

- reviewing cases where a minority view was recorded in the consensus report
- recommending a priority order for proposals with the same consensus score;
- making recommendations on possible clustering or combination of proposals.

The panel is chaired by the Commission. The Commission will ensure fair and equal treatment of the proposals in the panel discussions. A panel rapporteur will be appointed to draft the panel's advice.

Priority order for proposals with the same score

As part of the evaluation by independent experts, a panel review will recommend one ranked list for the proposals under evaluation, following the scoring systems indicated above. The ranked list will be drawn up for the indicative budget shown in the call fiche.

If necessary, the panel will determine a priority order for proposals which have been awarded the same score within the ranked list. Whether or not such a prioritisation is carried out will depend on the available budget or other conditions set out in the call fiche. The following approach will be applied successively for every group of *ex aequo* proposals requiring prioritisation, starting with the highest scored group, and continuing in descending order:

(i) Proposals will themselves be prioritised according to the scores they have been awarded for the criterion *impact*. When these scores are equal, priority will be based on scores for the criterion *scientific and/or technological excellence*. If necessary, any further prioritisation will be based on other appropriate characteristics, to be decided by the panel, related to the contribution of the proposal to the European Research Area and/or general objectives mentioned in the work programme.

(ii) The method described in (i) will then be applied to the remaining *ex aequos* in the group.

The outcome of the panel meeting is a report recording, principally:

- An evaluation summary report (ESR) for each proposal, including, where relevant, a report of any ethical issues raised and any security considerations;
- A list of proposals passing all thresholds, along with a final score for each proposal passing the thresholds and the panel recommendations for priority order.
- A list of evaluated proposals having failed one or more thresholds;
- A list of any proposals having been found ineligible during the evaluation by experts;
- A summary of any deliberations of the panel;

The panel report is signed by at least three panel experts, including the panel rapporteur and the chairperson.

A further special ethical review of above-threshold proposals may be organised by the Commission.

Annex 3

Instructions for completing "Part A" of the proposal

Proposals in this call must be submitted electronically, using the Commission's Electronic Proposal Submission System (EPSS). The procedure is given in section 3 of this guide.

In Part A you will be asked for certain administrative details that will be used in the evaluation and further processing of your proposal. Part A forms an integral part of your proposal. Details of the work you intend to carry out will be described in Part B (annex 4).

Section A1 gives a snapshot of your proposal, section A2 concerns you and your organisation, while section A3 deals with money matters.

Please note:

At stage 1:

- At stage 1 of a 2-stage process, Part A input is required from all key participants (according to the eligibility criteria). However, input on the A1 and A3.1 form is required from the coordinator only.
- In form A3, only a single set of budget figures and the corresponding requested EU funding is required for the whole project. These figures should represent the total project budget for **all** partners and should be submitted against the coordinator. (See guidance in section A3 below). The figures should match the totals presented in the budget table in Part B of the stage 1 proposal.
- Subcontractors (other than RTD performers) shall not fill in section A2 and should not be listed separately in section A3.

At stage 2:

- The coordinator fills in sections A1 and A3.
- The participants already identified at the time of proposal submission (including the coordinator) each fill in their respective section A2.
- Subcontractors (other than RTD performers) shall not fill in section A2 and should not be listed separately in section A3.
- The estimated budget planned for any future participants (not yet identified at the time of the proposal) is not shown separately in form A3 but should be added to the coordinator's budget. Their role, profile and tasks are described in Part B of the proposal.

Check that your budget figures are correctly entered in Part A. Make sure that:

- *Numbers are always rounded to the nearest whole number*
- *All costs are given in Euros. Do not express your costs in thousands of Euros ("KEUROS") etc. This can affect decisions on the eligibility of your proposal*
- *You have inserted zeros ("0") if there are no costs, or if no funding is requested. Do not leave blanks*
- *Costs do not include value added tax.*

Note:

The following notes are for information only. They should assist you in completing Part A of your proposal. On-line guidance will also be available. The precise questions and options presented on EPSS may differ slightly from these below.

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Section A1: Summary	
Proposal Acronym	The short title or acronym will be used to identify your proposal efficiently in this call. It should be of <u>no more than 20 characters</u> (use standard alphabet and numbers only; no symbols or special characters please). The same acronym should appear on each page of Part B of your proposal.
Proposal Title	The title should be <u>no longer than 200 characters</u> and should be understandable to the non-specialist in your field.
Duration in months	Insert the estimated duration of the project in full months.
Call (part) identifier	[pre-filled] The call identifier is the reference number given in the call or part of the call you are addressing, as indicated in the publication of the call in the Official Journal of the European Union, and on the CORDIS call page. A call identifier looks like this: <i>FP7-KBBE-2008-1</i>
Activity code(s) most relevant to your proposal	Please insert the activity code for the sector addressed by your proposal (as indicated below). If you consider that your proposal aims at more than one sector, you can indicate up to two codes, starting with the most relevant one. 1- Aeronautics / Aerospace 2- Agriculture / Forestry 3- Aquaculture / Fisheries / Marine Technologies 4- Biotechnologies / Genomics 5- Chemical / Petrochemical 6- Construction / Building 7- Electronics / Electrical Industry 8- Energy 9- Environment / Waste 10- Food 11- Health care 12- Information and Communication Technologies 13- Machinery / Instruments / Sensors 14- Management Sciences 15- Materials processing 16- Measurements / Testing 17- Medical / Biomedical equipment 18- Nanotechnologies 19- Security 20- Textile / Leather / Wood 21- Transport 22- Other
Free Keywords (Industrial application)	Please enter a number of keywords that you consider sufficient to characterise the scope of your proposal. (At least three from generic to specific) There is a <u>limit of 100 characters</u> .
Free Keywords (S&T)	Please enter a number of keywords that you consider sufficient to characterise the scope of your proposal. . (At least three from generic to specific) There is a <u>limit of 100 characters</u> .
Abstract	The abstract should, at a glance, provide the reader with a clear understanding of the objectives of the proposal, how they will be achieved, and their relevance to the Work Programme. This summary will be used as the short description of the proposal in the evaluation process and in communications to the programme management committees and other interested parties. It must therefore be short and precise and should not contain confidential information. Please use plain typed text, avoiding formulae and other special characters. If the proposal is written

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	<p>in a language other than English, please include an English version of the proposal abstract in Part B.</p> <p>There is <u>a limit of 2000 characters</u>.</p>
<p>Similar proposals or signed contracts</p>	<p>A 'similar' proposal or contract is one that differs from the current one in minor ways, and in which some of the present consortium members are involved.</p>

Section A2/ Participants	
Stage 1	At stage 1 of a 2-stage process, Part A input is required from all key participants (according to the eligibility criteria). However, input on the A1 and A3.1 form is required from the coordinator only.
Participant number	The number allocated by the consortium to the participant for this proposal. The coordinator of a proposal is always number one .
Participant Identification Code	The Participant Identification Code (PIC) enables organisations to take advantage of the Unique Registration Facility. Organisations who have received a PIC from the Commission are encouraged to use it when submitting proposals. By entering a PIC, parts of section A2 will be filled in automatically.
Type of participant	SME AG: SME Association SMEP: SME participant RTD: RTD performer OTH: Other As specified in the work programme
Legal name	For Public Law Body , it is the name under which your organisation is registered in the Resolution text, Law, Decree/Decision establishing the Public Entity, or in any other document established at the constitution of the Public Law Body; For Private Law Body , it is the name under which your organisation is registered in the national Official Journal (or equivalent) or in the national company register. For a natural person , it is for e.g. Mr Adam JOHNSON, Mrs Anna KUZARA, and Ms Alicia DUPONT.
<u>Country</u>	Insert the name of your county as commonly used
Organisation Short Name	Choose an abbreviation of your Organisation Legal Name, only for use in this proposal and in all relating documents. This short name should not be more <u>than 20 characters</u> exclusive of special characters (./;...), for e.g. CNRS and not C.N.R.S. It should be preferably the one as commonly used, for e.g. IBM and not Int.Bus.Mac.
Legal address	For Public and Private Law Bodies, it is the address of the entity's Head Office. For Individuals it is the Official Address. If your address is specified by an indicator of location other than a street name and number, please insert this instead under the "street name" field and "N/A" under the "number" field.
Non-profit organisation	Non-profit organisation is a legal entity qualified as such when it is recognised by national or international law.
Public body	Public body means any legal entity established as such by national law and international organisations.
Research organisation	Research organisation means a legal entity established as a non-profit organisation which carries out research or technological development as one of its main objectives.
Higher or secondary education	Higher Education: organisations only or mainly established for higher education training, e.g.: universities, colleges.

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establishment	
IND	Industrial organisations private and public, both manufacturing and industrial services – such as engineering, industrial software, design, testing, quality assurance, safety, control, repair, maintenance— and with a clear intention to apply project results in their own core business.
SERV	Persons or organisations whose principal activity relates to non-technical services-such as business development, marketing and transfer of technology, proposal writing or building or transnational partnerships- without the clear intention to apply any project results in their own core business.
OTH	Organisations not fitting in one of the above categories.
NACE code	<p>NACE means "Nomenclature des Activités économiques dans la Communauté Européenne".</p> <p>Please select one activity from the list that best describes your professional and economic ventures. If you are involved in more than one economic activity, please select the one activity that is most relevant in the context of your contribution to the proposed project. For more information on the methodology, structure and full content of NACE (rev. 1.1) classification please consult EUROSTAT at:</p> <p>http://ec.europa.eu/eurostat/ramon/nomenclatures/index.cfm?TargetUrl=LST_CLS_DLD&StrNom=NACE_1_1&StrLanguageCode=EN&StrLayoutCode=HIERARCHIC .</p>
Economic Activity	Trade activity irrespective of a profit or non profit purpose.
Staff headcount	The figures should be given for the legal organisation as a whole and not just for the department carrying out the work. The contribution of part-time staff should be accounted as equivalent number of full-time staff – as full time equivalents.
Annual turnover	Indicate a code for the turnover (in Euro) of the most recent accounting year. The figures should be given for the legal organisation as a whole and not just for the department carrying out the work.
Annual balance sheet total	Indicate a code for the annual balance sheet total of the most recent accounting year. The figures should be given for the legal organisation as a whole and not just for the department carrying out the work.
Small and Medium-Sized Enterprises (SMEs)	<p>SMEs are micro, small and medium-sized enterprises within the meaning of Recommendation 2003/361/EC in the version of 6 May 2003. The full definition and a guidance booklet can be found at http://ec.europa.eu/enterprise/enterprise_policy/sme_definition/index_en.htm</p> <p>To find out if your organisation corresponds to the definition of an SME you can use the on-line tool at http://ec.europa.eu/research/sme-techweb/index_en.cfm</p>
Dependencies with (an) other participant(s)	<p>Two participants (legal entities) are dependent on each other where there is a controlling relationship between them:</p> <ul style="list-style-type: none"> – A legal entity is under the same direct or indirect control as another legal entity (SG); or – A legal entity directly or indirectly controls another legal entity (CLS); or – A legal entity is directly or indirectly controlled by another legal entity (CLB). <p>Control: Legal entity A controls legal entity B if:</p> <ul style="list-style-type: none"> – A, directly or indirectly, holds more than 50% of the nominal value of the issued share capital or a majority of the voting rights of the shareholders or associates of B, or – A, directly or indirectly, holds in fact or in law the decision-making powers in B. <p>The following relationships between legal entities shall not in themselves be deemed to constitute controlling relationships:</p>

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	<p>(a) the same public investment corporation, institutional investor or venture-capital company has a direct or indirect holding of more than 50 % of the nominal value of the issued share capital or a majority of voting rights of the shareholders or associates;</p> <p>(b) the legal entities concerned are owned or supervised by the same public body.</p>
Character of dependence	<p>According to the explanation above mentioned, please insert the appropriate abbreviation according to the list below to characterise the relation between your organisation and the other participant(s) you are related with:</p> <ul style="list-style-type: none"> • SG: Same group: if your organisation and the other participant are controlled by the same third party; • CLS: Controls: if your organisation controls the other participant; • CLB: Controlled by: if your organisation is controlled by the other participant.
Contact point	<p>It is the main scientist or team leader in charge of the proposal for the participant. For participant number 1 (the coordinator), this will be the person the Commission will contact concerning this proposal (e.g. for additional information, invitation to hearings, sending of evaluation results, convocation to negotiations).</p>
Title	<p>Please choose one of the following: Prof., Dr., Mr., Mrs, Ms.</p>
Sex	<p>This information is required for statistical and mailing purposes. Indicate F or M as appropriate.</p>
Phone and fax numbers	<p>Please insert the full numbers including country and city/area code. Example +32-2-2991111.</p>
Section A3/Budget	
Stage 1 of a two-stage process	<p>A simplified version of the budget is all that needs to be submitted here at stage 1 of a two-stage process.</p> <p>This simplified version summarises the totals and the requested EU funding which are also presented in the budget table in Part B of the stage 1 submission.</p> <p>For each Type of Activity, enter the total anticipated costs against the first cost heading (i.e. Coordinator's "Personnel Costs"). It is not necessary at stage 1 to make any entry against "Subcontracting", "Other direct" or "Indirect Costs". For each Type of Activity, enter the Requested EU Contribution for the full proposal.</p> <p>The following instructions in this table elaborate the requirements for completing Section A3 of a stage 2 proposal.</p>
Indirect Costs	<p>Indirect costs 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. They may not include any eligible direct costs.</p>

<p>Method of calculating indirect costs</p>	<p>Summary description (as displayed on EPSS)</p> <ul style="list-style-type: none"> Participants who have an analytical accounting system that can identify and group their indirect costs in accordance with the eligibility criteria (e.g. exclude non-eligible costs) must report their actual indirect costs (or choose the 20% flat rate option referred to below). For the purpose of calculating the actual indirect costs, a participant is allowed to use a simplified method of calculation of its full indirect eligible costs. Optionally, participants may opt for a flat rate for indirect costs of 20% of the direct costs (minus subcontracting and third party costs not incurred on the premises of the participant). A specific flat rate of 60% of the direct costs is foreseen for non-profit public bodies, secondary and higher education establishments, research organisations and SMEs, which are unable to identify with certainty their real indirect costs for the project when participating in funding schemes which include research and technological development and demonstration activities. The 60% flat rate will apply for grants awarded under calls for proposals closing before 1st January 2010; for grants awarded under calls closing after 31 December 2009, an appropriate level of flat rate which should be an approximation of the real indirect costs concerned but not lower than 40% of the direct costs will apply. <p>Further guidance</p> <p>In FP7 all departments, faculties or institutes which are part of the same legal entity must use the same system of cost calculation (unless a special clause foreseeing a derogation for a particular department/institute is included in the grant agreement). Under FP7, there are no cost reporting models.</p> <p>1. Participants which have an analytical accounting system that can identify and group their indirect costs (pool of costs) in accordance with the eligibility criteria (e.g. exclude non-eligible costs) must report their actual indirect costs (or choose the 20% flat rate option under 2. below). This method is the same as the "full cost" model used in previous Framework Programmes..</p> <p>For the purpose of calculating the actual indirect costs, a participant is allowed to use a simplified method of calculation of its full indirect eligible costs. The simplified method is a way of declaring indirect costs which applies to organisations which do not aggregate their indirect costs at a detailed level (centre, department), but can aggregate their indirect costs at the level of the legal entity.</p> <p>The simplified method can be used if the organisation does not have an accounting system with a detailed cost allocation. The method has to be in accordance with their usual accounting and management principles and practices; it does not involve necessarily the introduction of a new method just for FP7 purposes. Participants are allowed to use it, provided this simplified approach is based on actual costs derived from the financial accounts of the last closed accounting year.</p> <p>There is no "standard model"; each legal entity will use its own system. The minimum requirements for it to be considered a simplified method for FP7 purposes are the following:</p> <ul style="list-style-type: none"> - the system must allow the participant to identify and remove its direct ineligible costs (VAT, etc.); - it must at least allow for the allocation of the overheads at the level of the legal entity to the individual projects by using a fair "driver" (e.g. total productive hours); - the system applied and the costs declared according to it should follow the normal accounting principles and practices of the participant. Therefore, if the system used by a participant is more "refined" than the "minimum" requirements mentioned here, it is that system which should be used when declaring costs. <p><i>Example: if a participant's accounting system distinguishes between different overheads rates according to the type of activity (research, teaching...), then the overheads declared in an FP7 grant agreement should follow this practice and refer only to the concerned activities (research, demonstration...)</i></p> <p>The simplified method does not require previous registration or certification by the Commission.</p> <p>2. Optionally, participants may opt to declare their actual direct costs plus a flat rate for indirect costs of 20% of the direct costs (minus subcontracting and third party costs not incurred on the premises of the participant). This flat rate is open to any participant whatever the accounting system it uses. Accordingly, when this option is chosen, there is no need for certification of the indirect costs, only of the direct ones.</p> <p>3. Also, a transitional flat rate is foreseen for certain types of organisations. This flat rate is called a "transitional flat rate" because it will apply to grants awarded under calls for proposals closing before 1st January 2010. This means that the 60% flat rate will apply for the whole duration of any grant agreement signed under any call closed before 1st January 2010 (even if that grant agreement lasts beyond 2010). The objective is to help the organisations during the transition from a flat rate calculation of their overheads (organisations using the "additional cost" cost basis in previous Framework Programmes) to an actual cost calculation. After that date, this 60% flat rate will be revised, the Commission shall establish an appropriate level of flat rate which should be an approximation of the real indirect costs concerned but not lower than 40%. At that moment, a special clause will be adopted and inserted in subsequent grant agreement. The use of this flat rate is subject to three cumulative conditions :</p> <p>(i) Status of the organisation</p>
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The flat rate is reserved to:

- non-profit public bodies
- secondary and higher education establishments
- research organisations
- SMEs

If these participants change their status during the life of the project, *"this flat rate shall be applicable up to the moment they lose their status"*. Therefore, from that moment on, they will not be able to use the 60% flat rate in subsequent financial statements. From then on, the indirect costs will have to be declared either on the basis of actual costs or using the 20% flat rate choice for indirect costs.

(ii) Accounting system of the organisation

The flat rate is foreseen for the organisations which are unable to identify with certainty their real indirect costs for the project. How will it be proved that an organisation is unable to identify with certainty their real indirect costs for the project? The participant (for example, an SME) does not have to change its accounting system or its usual accounting principles. If its accounting system can identify overall overheads but does not allocate them to project costs, then the participant can use this flat rate if the other conditions are fulfilled.

Example:

A University, which in FP6 has used the "additional cost" basis because its accounting system did not allow for the share of their direct and indirect costs to the project to be distinguished may under FP7:

- *either opt for the 60% flat rate, knowing that it will be revised at the end of 2009, or*
- *introduce a cost accounting system "simplified method" by which a basic allocation per project of the overhead costs of the legal entity will be established, or*
- *introduce a full analytical accounting system.*

Following this, an organisation which used the "full cost" model under the Sixth Framework Programme is presumed to be in a situation to be able to identify the real indirect costs and allocate them to the projects. Accordingly, this organisation would not in principle be able to opt for the 60% flat rate for FP7.

An organisation which can identify the real indirect costs but does not have a system to allocate these indirect costs can opt for this 60% flat rate. The choice of this transitional flat rate lies within the responsibility of the participant. If a subsequent audit shows that the above-mentioned cumulative conditions are not fulfilled, all projects where this participant is involved might be reviewed.

(iii) Type of funding scheme

The flat rate is reserved to funding schemes which include research and technological development and demonstration activities: Network of Excellence and Collaborative projects (including research for the benefit of specific groups – in particular SMEs). The basis for the calculation of the flat rate excludes the costs for subcontracting and the costs of resources made available by third parties which are not used on the premises of the participant because in these two cases, the indirect costs are not incurred by the participant but by the subcontractor or the third party. When a participant opts 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. This change does not affect previous grant agreement. After this change, this organisation cannot opt again for a flat rate system (either 60% or 20% flat rate).

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Indirect Costs - Decision Tree	
<p>Do either of these conditions apply? (1) your organisation possesses an analytical accounting system, or (2) you will declare overhead rates using a simplified method</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>YES</p> <p>↓</p> <div style="border: 1px solid black; padding: 5px; width: 80%; margin: 0 auto;"> <p>Real indirect costs or costs calculated using a simplified method</p> </div> <p>or</p> <div style="border: 1px solid black; padding: 5px; width: 80%; margin: 0 auto;"> <p>20% of total direct eligible costs (1)</p> </div> <p>or</p> <div style="border: 1px solid black; padding: 5px; width: 80%; margin: 0 auto;"> <p>60% of total direct eligible costs (1)(2), for :</p> <ul style="list-style-type: none"> - Non-profit public bodies, secondary and higher education establishments, research organisations and SMEs - When participating in funding schemes which include research and technological development </div> </div> <div style="text-align: center;"> <p>No</p> <p>↓</p> </div> </div> <div style="border: 1px solid black; padding: 5px; width: 80%; margin: 10px auto;"> <p>Coordination and support actions : In any case Maximum 7% of the direct eligible costs (1)</p> </div> <p><small>(1) excluding 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</small></p> <p><small>(2): This flat rate can be used for any proposal submitted under calls for proposals closing before 1 January 2010. The Commission shall establish for grants awarded under calls closing after 31 December 2009, an appropriate level of flat rate which should</small></p>	
<p>International Cooperation Partner Country (ICPC)</p>	<p>International Cooperation Partner Country means a third country which the Commission classifies as a low-income, lower-middle income or upper-middle-income country and which is identified as such in Annex I to the work programmes.</p>
<p>Lump sum funding method</p>	<p>Legal entities established in an ICPC may opt for lump sums. In that case the contribution is based on the amounts shown below, multiplied by the total number of person-years for the project requested by the ICPC legal entity.</p> <ul style="list-style-type: none"> • Low-income ICPC: 8,000 Euro/researcher/year • Lower middle income ICPC: 9,800 Euro/researcher/year • Upper middle income ICPC 20,700 Euro/researcher/year <p>The maximum EC contribution is calculated by applying the normal upper funding limits shown under "requested EC contribution". This amount is all inclusive, covering support towards both the direct and the indirect costs.</p> <p>More information on ICPC lump sums can be found in the section II.18 of the "Guide to financial issues" http://cordis.europa.eu/fp7/find-doc_en.html</p>

<p>Type of Activity</p>	<ul style="list-style-type: none"> • RTD activities means activities directly aimed at creating new knowledge, new technology, and products including scientific coordination. • Demonstration activities means activities designed to prove the viability of new technologies that offer a potential economic advantage, but which cannot be commercialised directly (e.g. testing of product like prototypes). • Other activities means any specific activities not covered by the above mentioned types of activity such as training, coordination, networking and dissemination (including publications). These activities should be specified in the proposal Part B. <p>Management activities are part of the other activities. They include the maintenance of the consortium agreement, if it is obligatory, the overall legal, ethical, financial and administrative management including for each of the participants obtaining the certificates on the financial statements or on the methodology, the implementation of competitive calls by the consortium for the participation of new participants and, any other management activities foreseen in the proposal except coordination of research and technological development activities.</p>
<p>Personnel costs</p>	<p>Personnel costs are only the costs of the actual hours worked by the persons directly carrying out work under the project and shall reflect the total remuneration: salaries plus social security charges (holiday pay, pension contribution, health insurance, etc.) and other statutory costs included in the remuneration. Such persons must:</p> <ul style="list-style-type: none"> – be directly hired by the participant in accordance with its national legislation, – be working under the sole technical supervision and responsibility of the latter, and – be remunerated in accordance with the normal practices of the participant. <p>Participants may opt to declare average personnel costs if certified in accordance with a methodology approved by the Commission and consistent with the management principles and usual accounting practices of the participant. Average personnel costs charged by a participant having provided a certification on the methodology are deemed not to significantly differ from actual personnel costs.</p>
<p>Subcontracting (to RTD performers)</p>	<p>Subcontracting to RTD performers covers the remuneration of the resources of RTD performers for 'research and technological development activities' and/or 'demonstration activities'.</p>
<p>Other Sub-contracting</p>	<p>A subcontractor is a third party which has entered into an agreement on business conditions with one or more participants, in order to carry out part of the work of the project without the direct supervision of the participant and without a relationship of subordination.</p> <p>Where it is necessary for the participants to subcontract certain elements of the work to be carried out, the following conditions must be fulfilled:</p> <ul style="list-style-type: none"> - subcontracts may only cover the execution of a limited part of the project; - recourse to the award of subcontracts must be duly justified in Part B of the proposal having regard to the nature of the project and what is necessary for its implementation; - recourse to the award of subcontract by a participant may not affect the rights and obligations of the participants regarding background and foreground; - - Part B of the proposal must indicate the task to be subcontracted and an estimation of the costs; <p>Any subcontract, the costs of which are to be claimed as an eligible cost, must be awarded according to the principles of best value for money (best price-quality ratio), transparency and equal treatment. Framework contracts between a participant and a subcontractor, entered into prior to the beginning of the project that are according to the participant's usual management principles may also be accepted.</p> <p>Participants may use external support services for assistance with minor tasks that do not represent per se project tasks as identified in Part B of the proposal.</p>
<p>Other direct costs</p>	<p>Means direct costs not covered by the above mentioned categories of costs.</p>

<p>Total Budget</p>	<p><i>Note: The "total budget" is not the requested EC contribution.</i></p> <p>A sum of all the eligible costs, under the respective types of activity.</p>
<p>Requested EC contribution</p>	<p>The requested EC contribution shall be determined by applying the upper funding limits indicated below, per activity and per participant to the costs accepted by the Commission, or to the flat rates or lump sums.</p> <p>Maximum reimbursement rates of eligible costs</p> <ul style="list-style-type: none"> • Research and technological development = 50% or 75%* • Demonstration activities = 50% • Other activities (including management) = 100% <p>(*) For participants that are non profit public bodies, secondary and higher education establishments, research organisations and SMEs.</p>
<p>Total Receipts</p>	<p><i>Note: The term "receipts" is not the requested EC contribution.</i></p> <p>Receipts of the project may arise from:</p> <p>a) Financial transfers or contributions in kind free of charge to the participant from third parties:</p> <ol style="list-style-type: none"> i. shall be considered a receipt of the project if they have been contributed by the third party specifically to be used on the project. ii. shall <u>not</u> be considered a receipt of the project if their use is at the management discretion of the participant. <p>b) Income generated by the project:</p> <ol style="list-style-type: none"> i. shall be considered receipts for the participant when generated by actions undertaken in carrying out the project and from the sale of assets purchased under the grant agreement up to the value of the cost initially charged to the project by the participant; ii. shall <u>not</u> be considered a receipt for the participant when generated from the use of foreground resulting from the project. <p>The Community financial contribution may not have the purpose or effect of producing a profit for the participants. For this reason, the total requested EC funding plus receipts cannot exceed the total eligible costs.</p>

Annex 4

Instructions for drafting "Part B" of the proposal

Research for SME associations (two-stage submission process)

A description of this funding scheme is given in section 2 of this Guide for Applicants. Please examine this carefully before preparing your proposal.

This annex provides a template to help you structure your proposal. It will help you present important aspects of your planned work in a way that will enable the experts to make an effective assessment against the evaluation criteria (see annex 2). Sections 1, 2 and 3 each correspond to an evaluation criterion. The sub-sections (1.1, 1.2 etc.) correspond to the sub-criteria.

Page limits: The first stage will consist of an outline proposal of not more than 12 pages providing the essential aspects of the proposed project. At stage 2, remember to keep to maximum page lengths where these are specified.

The minimum font size allowed is 11 points. All margins (top, bottom, left and right) should be at least 15 mm (not including any footers or headers).

The Commission will instruct the experts to disregard any excess pages.

Even where no page limits are given, or where limits are only recommended, it is in your interest to keep your text concise since over-long proposals are rarely viewed in a positive light by experts.

Cover Page

Stage 1 proposal / Stage 2 proposal

Proposal full title:

Proposal acronym:

Type of funding scheme:

Research for SME associations

Name of the coordinating person:

List of participants:

List as many of the expected members of your consortium as possible. At least the minimum number of participants needed to satisfy the eligibility conditions must be named, otherwise your proposal will be considered ineligible.

Participant no.	Participant legal name	Country	Organisation type*
1 (Coordinator)			
2			
3			
....			

* For example, SME end-user, multi-national industrial etc.

Please indicate the estimated budget for the proposed work as accurately as possible. The figures entered here will be checked against any eligibility criteria appropriate to stage 1 (see annex 2).

Estimated budget					
Participant no.	RTD activities	Demonstration	Management	Other activities	Total
Total eligible costs:					
Requested EC contribution :					

The totals appearing in the final two rows of this table should be submitted as the Coordinator's costs in Form A3 of the submission (see annex 3, section A3).

Table of Contents

Note: The cover page, the above tables, and the table of contents do not count toward the page limits specified for stage 1.

Proposal

Projects under "Research for SME associations" are targeted at large groups of SMEs and aim at solving technological problems that could not be addressed under "Research for SMEs". Proposals must demonstrate a clear distinction to "Research for SMEs" on how the activities for dissemination and use will ensure that large communities of SMEs benefit economically from the project results.

Furthermore the SME associations have the possibility to find tailor-made solutions to organise the ownership of project results and its dissemination and use in a way that takes into account the needs, interests and capabilities of the SME-AGs and their members, of the Other enterprises and end-users involved in the project as well as the RTD performers. The arrangement should address transfer of ownership, licences or any other form of rights for the dissemination and use of results generated by the project.

1. Scientific and/or technological excellence, relevant to the topics/activities addressed by the call

1.1 Sound concept and quality of objectives

Describe the extent to which the proposed project addresses a specific scientific and/or technological problems or needs of large communities of SMEs and how the SME associations/groupings (SME-AGs) tackle this by outsourcing research activities to RTD performers. Provide a conclusive analysis of the needs of the sector (meeting regulatory requirements, influencing norms and standards, replying to a competitive threat) and specify clearly how the proposed work will enable the members of the SME-AGs to gain a competitive advantage. SME-AGs, their members and/or Other enterprises and end-users should contribute by carrying out research and/or demonstration activities to validate and exploit the research results provided by the RTD performers.

Describe in detail the proposed project's S&T objectives. Show the soundness of the concept: the objectives should be realistic and their achievement verifiable within the project, as the progress of the project work will be measured against these goals.

Describe how the proposed project reflects the concept of "Research for SME associations" by offering a solution to SME-AGs and their members and the respective sectors by outsourcing research and development activities.

1.2 Innovative character in relation to the state-of-the-art

Describe the international state-of-the-art on which the project's approach is based, by means of a documentary study including, for example, literature, publications, patents, standards and data-base searches. Briefly describe the technical limitations of existing products /processes /services and include comments on competing techniques.

1.3 Contribution to advancement of knowledge / technological progress

Describe the innovative character of the project and how the proposed project will enhance significantly the state-of-the-art in that area.

"Research for SME associations" aims at offering technological solutions to large SMEs communities. Hence, with regard to innovation it is not a requirement to develop cutting edge technology at world class level. The adoption of existing technologies to new applications in a concrete SME business case is also worth considering here. In that sense

'State-of-the-art' is to be understood as advancement to knowledge or technological progress including a comprehensive description.

1.4 Quality and effectiveness of S/T methodology and associated work plan

At Stage1, only an outline of the workplan to be adopted should be proposed. The tables proposed for this subsection should not be submitted at stage 1. Details provided in this section will only be evaluated in so far as it reinforces the proposed S&T quality or impact of the proposal.

At Stage 2, a detailed work plan should be presented, broken down into work packages¹ (WPs) which should follow the logical phases of the implementation of the project, and include consortium management and assessment of progress and results. (Please note that your overall approach to management will be described later, in section 2).

Please present your plans as follows:

- i) Describe the overall strategy of the work plan and address the following activities in order to achieve the project's objectives:
 - **Research, technological development and innovation activities:** Explain how the research/innovation effort of the project is comprised of a number of different components (major elements or blocks of work). Describe each of these components; identify who will carry out each. Show the relevance and contribution of each to the project as a whole. Show contingency plans for unexpected outcomes of the research work.
 - **Demonstration activities:** In case demonstration activities are foreseen they should be typically linked to the validation of the RTD results. Describe each demonstration activity and identify who will carry out each. Show the relevance and contribution of each to the research work elements of the project on which these demonstrations are fully or partly based.
 - **Other activities:**

Other activities facilitate the take-up of results by the SME-AGs and their members, in particular by training, dissemination, knowledge management and IPR protection. The workplan should include these activities and should clearly demonstrate credible added value for the participating SME-AGs and their members and coherence with the outcome of the proposed RTD work.

 - Training activities focus on results/technologies generated by the projects and can be carried out by (a) RTD performers towards SME-AG technical and managerial staff ("Train the Trainer" formula) and/ or towards SMEs, and/or (b) SME-AG staff towards technical and managerial staff of SME members. Demonstrate how training activities contribute to the professional development of those concerned, in particular technical and managerial staff from the participating SME-AG and their members. Explain how the training activities foster the take-up and use of project results in larger groups of SMEs concerned. Training activities should normally not exceed 15% of the total eligible project costs.
 - Projects include activities to effectively disseminate the research results to the members of the SME associations, and if appropriate, more widely. Furthermore, dissemination to policy makers, including standardisation bodies, is encouraged to

¹ A work package is a major sub-division of the proposed project with a verifiable end-point - normally a deliverable and/or a milestone in the overall project.

- facilitate the use of policy relevant results by the appropriate bodies at international, European, national or regional levels.
- Knowledge management and IPR protection should support the participating SME-AGs in using the research results to their best advantage and the benefit of their members, leading to a clear economic impact.
- ii) Show the timing of the different WPs and their components (Gantt chart or similar).
- iii) Provide a detailed work description broken down into work packages:
- Work package list (please use table 1.3a);
 - Deliverables list (please use table 1.3b);
 - Description of each work package, and summary (please use table 1.3c)
 - Summary effort table (please use table 1.3d)
 - List of milestones (please use table 1.3e)
- iv) Provide a graphical presentation of the components showing their interdependencies (Pert diagram or similar)

Note:

- The number of work packages used must be appropriate to the complexity of the work and the overall value of the proposed project. The planning should be sufficiently detailed to justify the proposed effort and allow progress monitoring by the Commission.
- Any significant risks should be identified, and contingency plans described.

(Stage 2: maximum length for the whole of Section 1 – 15 pages, plus the tables)

Table 1.3 b: Deliverables List

Del. no. ¹	Deliverable Title	WP no.	Nature ²	Dissemination level ³	Delivery date ⁴

1 Deliverable numbers in order of delivery dates. Please use the numbering convention <WP number>.<number of deliverable within that WP>. For example, deliverable 4.2 would be the second deliverable from work package 4.

2 Please indicate the nature of the deliverable using one of the following codes:

R = Report, **P** = Prototype, **D** = Demonstrator, **O** = Other

3 Please indicate the dissemination level using one of the following codes:

PU = Public

PP = Restricted to other programme participants (including the Commission Services).

RE = Restricted to a group specified by the consortium (including the Commission Services).

CO = Confidential, only for members of the consortium (including the Commission Services).

4 Measured in months from the project start date (month 1).

Table 1.3 c: Work package description

For each work package:

Work package number		Start date or starting event:	
Work package title			
Activity Type¹			
Participant number			
Person-months per participant:			

Objectives

Description of work (possibly broken down into tasks), and role of participants

Deliverables (brief description and month of delivery)

¹ Please indicate one activity per work package:
 RTD = Research and technological development (including any activities to prepare for the dissemination and/or exploitation of project results, and coordination activities); DEM = Demonstration;
 MGT = Management of the consortium; OTHER = Other specific activities, if applicable.

Table 1.3d Summary of staff effort

A summary of the staff effort is useful for the evaluators. Please indicate in the table the number of person months over the whole duration of the planned work for each participant and for each work package (if deemed appropriate also tasks within a workpackage). Identify the work-package leader for each WP by showing the relevant person-month figure in bold.

Participant no. & short name	Part.1	Part.2	Part.3	Part. ...	Part. ...	Part. ...	Total SME-Ags	Total RTDP	Total OTHER	Total all Partners
Research & innovation activities - total										
WP1										
WP2										
WP3										
...										
Demonstration activities - total										
...										
...										
Other activities - total										
...										
...										
...										
Management activities - total										
...										
TOTAL ACTIVITIES										

Table 1.3e List of milestones

Milestones are control points where decisions are needed with regard to the next stage of the project. For example, a milestone may occur when a major result has been achieved, if its successful attainment is required for the next phase of work. Another example would be a point when the consortium must decide which of several technologies to adopt for further development.

Milestone number	Milestone Description	Work package(s) involved	Expected date ¹	Means of verification ²

¹ Measured in months from the project start date (month 1).

² Show how you will confirm that the milestone has been attained. Refer to indicators if appropriate. For example: a laboratory prototype completed and running flawlessly; software released and validated by a user group; field survey complete and data quality validated.

2. Implementation

Implementation will not be evaluated at Stage 1. Detailed completion of this section is therefore not required at Stage 1. Nevertheless a brief outline of the proposed consortium and management may be provided at Stage 1 to reinforce the proposed quality and impact of the project.

At Stage 2, this section should be completed in detail as follows, within the proposed limits.

2.1 Quality of the consortium as a whole

2.1.1 Description of project management structure and procedures (*max 4 pages*)

Show how the project organisational structure and decision-making mechanisms are directly related to the complexity of the project and to the degree of integration required. Show how the project management will enable the project to achieve its goals and the SME-AGS an execution of the project according to their needs and requirements. Demonstrate that there is a satisfactory plan for the management of knowledge, of intellectual property and of other innovation-related activities arising from the project.

In the proposal the consortium is expected to outline the decision making mechanisms and clearly state the responsibilities of each individual partner. The management and decision making approach should be tailored to the real needs of the project in terms of scale and complexity. Particular attention should be paid to conflict resolution mechanisms and contingency planning. The decision making approach has to ensure that no decision in the consortium will adversely effect the collective interest of the SME-AGs.

The organisation structure should reveal an adequate representation of the needs of the SME-AGs and demonstrate their role in the "driver's seat" of the project. Distinct responsibilities should be defined for both strategic and daily business matters. The establishment of steering committees and advisory boards is worth considering, but should be appropriate and not render the project management overly complex. Handling of IPR matters should be reflected in the decision making process.

Demonstrate that the coordinator is experienced and qualified for a demanding and complex management task. Provide a clear justification if the SME-AGs entrust the coordination to another partner in the consortium specialised in professional project management and explain how this organisation will ensure that it is acting in the interest of the SME-AGs.

2.1.2 Description of the consortium (*max. 3 pages plus ½ pages per partner*)

Present a profile of each participant: organisation name, type, size, full range of business activities, contractual role, role in the project, degree of involvement and qualifications for these roles. For each individual participant, outline the consistency between its business activities, its intended role in the project and the benefits it expects to derive from participating. It should be clear that the SME-AGs and the Other enterprises and end users should be well suited and committed to the tasks assigned to them in the project and to exploit the results. For the RTD performers, explain why they were selected to carry out the work, describe their competence in the appropriate field and identify the principal research personnel who will be involved.

For the participants in the category "Other enterprises or end users" describe their relevance to the project and how their participation is in the interest of the SME-AGs.

Describe the participants in the proposed project and the main tasks attributed to them. Describe how the participants collectively constitute a consortium capable of achieving the

project objectives, and how they are suited and are committed to the tasks assigned to them. Show complementarities between participants, if appropriate, describe the industrial/commercial involvement foreseen to ensure exploitation of the results. Show how the opportunity of involving SMEs beyond the consortium will be addressed.

Demonstrate the quality and relevant experience of the individual participants (including "track record" and commitment towards dissemination / exploitation of results where appropriate) and show that the partners include managerial capacity to exploit results. Demonstrate that all partners possess the necessary and complementary key qualifications to meet project objectives and results.

Demonstrate the quality of the consortium as a whole (including complementary balance). The SME-AGs shall be the real driving force for the project with each having an active role in the consortium. The RTD performers must demonstrate a high level of scientific excellence and complement each other.

Demonstrate the natural company-related and well defined interest of all participating companies in the project. All SME-AGs should have a clear strategic or commercial interest in achieving results for the benefit of their members and the respective sectors. If there are potential commercial conflicts between partners, clearly demonstrate how they will deal with this problem.

2.2 Appropriate allocation and justification of the resources to be committed

(max 4 pages)

Describe the appropriate allocation and justification of the resources to be committed (budget, staff, equipment). Demonstrate how the project will mobilise the critical mass of resources necessary for success; how the resources will be integrated to form a coherent project, and show that the overall financial plan for the project is adequate.

Show that the proposal allocates and justifies appropriate resources in terms of personnel, equipment and materials in line with the workplan and for the successful conduct of the project. There must be a coherent integration of finance, resources (personnel, others), workplan and partnership from a global point of view. The cost breakdown must be well structured and it has to correspond to activities to be implemented by each partner.

Make clear that the SME-AGs¹, their members and Other enterprises and end-users take into account the remuneration ("invoices") for the subcontracting to the RTD performers. Table 2.2 shows, as an example, a possible breakdown of the cost items to be reimbursed by the SME-AGs (and, if applicable, by their members and/or by Other Enterprises and end-users) to RTD performers.

The way SME-AGs and RTD performers choose to arrange for the remuneration should take into account the nature of the transaction, the IPR arrangements and/or the legal status of the SME-AGs and may be based e.g. on invoices or grant agreements between SME-AGs and RTD performers. Each participant has to make sure that they carry out the transaction and remuneration in accordance with the applicable national laws.

Demonstrate how the SME-AGs and their members are going to provide the resources necessary for the execution of the project and its further exploitation. Explain, if applicable, how the members of the SME-AGs will invest in the project.

¹ Any SME Association may charge costs incurred by its members in carrying out the project, in accordance with the provisions of the grant agreement. These costs shall not be considered as receipts of the project.

Show how the consortium intends to distribute the EC contribution among all partners and how the EC contribution to Other enterprises and end-users will be used by the consortium. Explain how the RTD performers will co-invest in the project in case they retain ownership of foreground.

Demonstrate that the SME-AGs and their members have the necessary resources to exploit the project results after the project is finished.

If appropriate, the following issues should also be addressed within this section:

i) Sub-contracting other than "Subcontracting to RTD performers": If any part of the work is to be sub-contracted by the participant responsible for it, describe the work involved and explain why a sub-contract approach has been chosen for it¹.

ii) Other countries: If one or more of the participants requesting EU funding is based in a country that is outside the EU, and is neither an Associated country nor on the list of International Cooperation Partner Countries², explain in terms of the project's objectives why such funding would be essential.

¹ This does not apply for the RTD and demonstration activities outsourced to the RTD performers.

² See CORDIS web-site, and annex 1 of the work programme.

Table 2.2. Indicative breakdown of the offer from the RTD performers to the SME-AGs¹.

Name of RTD Performer	Number of Person/Month	Personnel Costs	Durable Equipment	Consumables	Computing	Overhead Costs	Other Costs	Total by RTD	Project Results (No **)	Workpackage No (***)
Total Receipts(*)										

(*) This Total must be equal to the figure estimated in Form A3.1
 (**) Same Number as in table 3.2.2 (Multiple combination is possible)
 (***) Multiple combination is possible

¹ And, if applicable, to their members and/or Other Enterprises and end-users

3. Impact. The potential impact through the development, dissemination and use of project results

3.1 Contribution, at the European [and/or international level], to the expected impacts listed in the work programme under the relevant activity

Projects under 'Research for SME associations' develop technical solutions to problems common to a large number of SMEs in specific industrial sectors or segments of the value chain through research, for example, to develop or conform to European norms and standards, and to meet regulatory requirements in areas such as health, safety and environmental protection. The expected outcome should demonstrate a clear economic impact for the SME-AGs and their members and/or the sectors concerned.

Explain how the results of the project will improve the competitiveness of the members of the SME-AGs and the sectors. Provide economic justification for the proposed research, i.e. its cost effectiveness, taking into account the overall cost of the project in relation to its potential direct economic benefits for the members of the SME-AGs and the respective sectors. Describe, if relevant, the extent to which the proposed project will develop European norms and standards, meet regulatory requirements in areas such as health, safety and environmental protection or solve technological problems common for larger groups of SMEs. Give the estimated time-to-market/adoption and indicate any further technical development or demonstration activities required after the completion of the research project.

The impact on the members of the SME-AGs and their sectors should be clearly addressed in terms of implications concerning compliance with regulatory requirements, but also economic impact, e.g. on turnover, employment or target markets as well as expected patent applications or licence agreements.

Indicate the contribution of the project in addressing Community societal objectives (quality of life, health, safety, working conditions, employment, environment, contribution to standards, etc.).

Justify the transnational approach and explain how the project will increase transnational technological cooperation amongst SME-AGs and between SME-AGs and research organisations or other organisations at the European level

3.2 Appropriateness of measures envisaged for the dissemination and/or exploitation of project results, and management of intellectual property

The details required for this subsection are optional at stage 1. Details provided will only be evaluated in so far as they reinforce the overall impact claimed for the proposal.

3.2.1 Project results and IPR

Provide a clear and adequate description of how the participants will organise IPR (intellectual property rights) ownership and user rights (e.g. licences, royalties) among themselves.

Consortia have the possibility to find tailor-made solutions to organise the ownership of project results and its dissemination and use in a way that takes into account the needs, interests and capabilities of the SME-AGs and their members, of the Other enterprises and end-users involved in the project as well as the RTD performers. The arrangement should

address transfer of ownership, licences or any other form of rights for the dissemination and use of results generated by the project.

By default, the SME-AGs retain the full ownership of all project results ("foreground") and the RTD-performers are remunerated accordingly. The consortium may however reach a different agreement in their own best interests, as long as the SME-AGs are provided with all the rights that are required for their intended use and dissemination of the project results including ensuring that a large group of SMEs benefit from the results post project completion.

If the consortium decides to follow the default approach it has to ensure that the RTD performers provide SME-AGs with the full ownership and exploitation rights of all the results generated by the project. Describe adequately and clearly the intended process and measures for the exploitation and/or protection of project results by the participating SME-AGs. The proposal should clearly outline how the consortium intends to protect, share, manage and exploit IPR.

If the consortium agrees that the RTD performers keep part ownership or the entire foreground the consortium has to describe clearly:

- How it is ensured that the SME-AGs are provided with all the rights that are required for their intended use and dissemination of the project results.
- How this is reflected in the value of the transaction (remuneration of the RTD performers).
- How the RTD performers are going to exploit the IPR.

Furthermore the consortium may foresee that members of the SME-AGs and/or Other Enterprises and end-users invest in the project and receive in return licences or any other form of rights for the dissemination and use of results generated by the project. This has to be described clearly and furthermore has to be fully reflected in the part 2.2 (allocation of resources, remuneration of RTD performers).

In both cases the partners should already present a breakdown on how to share different elements of IPR proportional to their work in the project and in line with their business strategy or position in the supply chain. Describe clearly, if applicable, any allocation of rights for the dissemination and use to Other Enterprises and end-users.

It is furthermore recommendable to build on an inquiry of already existing IPR, in particular patents, existing knowledge inside the consortium ("background") and outside the consortium. The expected IPR emanating from the project (foreground) needs to be specified as clearly as possible and should take into account the options of either protecting an integrated system / result / product or distinct modules that can be related to individual work packages and partners. The approach to protect the foreground should be indicated e.g. use of patenting, licensing, royalties and the eventual role of implicit or other knowledge or any consideration of non-protection.

The handling of IPR should be embedded in a wider knowledge management approach. It is advisable to insert a dedicated task in the work plan and in the "other activities".

3.2.2 Dissemination and Use

Projects under "Research for SME associations" address issues common for larger groups of SMEs that could not be addressed under "Research for SMEs". A dedicated dissemination and exploitation strategy is therefore crucial to ensure that a large group of SMEs benefits from the results post project completion.

The description of the innovation components should in particular include a preliminary "plan for the use and dissemination of the foreground" explaining how knowledge and intellectual property issues will be managed within the consortium, and what are its preliminary intentions regarding dissemination and (especially) the actual use (exploitation, by consortium members or by third parties) of the expected project results.

Describe the industrial or commercial routes envisaged for the exploitation of the results by the SME-AGs and/or their members. Describe the steps that are foreseen to ensure that the SME-AGs will be able to assimilate and exploit the results of the project with the necessary resources required. Specify in particular the role of each SME-AG, its members as well as Other enterprises and end-users and the tasks to be implemented during the project to validate the technology and facilitate the absorption of results.

Identify the project results (including knowledge), how these results are going to be exploited by the SME-AGs and/or their members and the amount to be reimbursed to the RTD performers in order to create the new knowledge and/or achieve the results (see table 3.2.2)

Describe, if relevant, the scope, any intended measures and time scale for dissemination of the results and transfer of technology to other organisations, especially if any rights for the dissemination and use are allocated to Other Enterprises and end-users.

(Stage 2: maximum length for the whole of Section 3 without tables – ten pages)

Table 3.2.2. Project Results (including knowledge) to be acquired by the SME-AGs¹.

Project Result (No)	Project Result (Description)	SME-AG (Partici. No)		SME-AG (Partici. No)		SME-AG (Partici. No)	
		Type of Exploitation (*)	Remuneration (€)	Type of Exploitation (*)	Remuneration (€)	Type of Exploitation (*)	Remuneration (€)
Subtotal remuneration							
Total remunerations**							

(*) Ownership, Patenting, Licensing, other IPR protection, etc
 (**)This Total must be equal to the figure estimated in Form A3.2

¹ And, if applicable, by their members and/or Other Enterprises and end-users.

4. Ethical Issues

Describe any ethical issues that may arise in their proposal. In particular, you should explain the benefit and burden of their experiments and the effects it may have on the research subject.

The following special issues should be taken into account:

Informed consent: When describing issues relating to informed consent, it will be necessary to illustrate an appropriate level of ethical sensitivity, and consider issues of insurance, incidental findings and the consequences of leaving the study.

Data protection issues: Avoid the unnecessary collection and use of personal data. Identify the source of the data, describing whether it is collected as part of the research or is previously collected data being used. Consider issues of informed consent for any data being used. Describe how personal identify of the data is protected.

Use of animals: Where animals are used in research the application of the 3Rs (Replace, Reduce, Refine) must be convincingly addressed. Numbers of animals should be specified. Describe what happens to the animals after the research experiments.

Human embryonic stem cells: Research proposals that will involve human embryonic stem cells (hESC) will have to address all the following specific points:

- the applicants should demonstrate that the project serves important research aims to advance scientific knowledge in basic research or to increase medical knowledge for the development of diagnostic, preventive or therapeutic methods to be applied to humans.
- the necessity to use hESC in order to achieve the scientific objectives set forth in the proposal. In particular, applicants must document that appropriate validated alternatives (in particular, stem cells from other sources or origins) are not suitable and/or available to achieve the expected goals of the proposal. This latter provision does not apply to research comparing hESC with other human stem cells.
- the applicants should take into account the legislation, regulations, ethical rules and/or codes of conduct in place in the country(ies) where the research using hESC is to take place, including the procedures for obtaining informed consent;
- the applicants should ensure that for all hESC lines to be used in the project were derived from embryo's
 - of which the donor(s)' express, written and informed consent was provided freely, in accordance with national legislation prior to the procurement of the cells.
 - that result from medically-assisted *in vitro* fertilisation designed to induce pregnancy, and were no longer to be used for that purpose.
 - of which the measures to protect personal data and privacy of donor(s), including genetic data, are in place during the procurement and for any use thereafter. Researchers must accordingly present all data in such a way as to ensure donor anonymity;
 - of which the conditions of donation are adequate, and namely that no pressure was put on the donor(s) at any stage, that no financial inducement was offered to donation for research at any stage and that the infertility treatment and research activities were kept appropriately separate;

Identify the countries where research will be undertaken and which ethical committees and regulatory organisations will need to be approached during the life of the project.

Include the Ethical issues table below. If you indicate YES to any issue, please identify the pages in the proposal where this ethical issue is described. Answering 'YES' to some of these boxes does not automatically lead to an ethical review. It enables the independent experts to decide if an ethical review is required. If you are sure that none of the issues apply to your proposal, simply tick the YES box in the last row.

(No maximum length for Section 4: Depends on the number of such issues involved)

Note:

Only in exceptional cases will additional information be sought for clarification, which means that any ethical review will be performed solely on the basis of the information available in the proposal. Projects raising specific ethical issues such as research intervention on human beings¹; research on human embryos and human embryonic stem cells and non-human primates are automatically submitted for ethical review.

To ensure compliance with ethical principles, the Commission Services will undertake ethics audit(s) of selected projects at its discretion. A web site is being prepared aiming to provide clear, helpful information on ethical issues.

¹ Such as clinical trials, and research involving invasive techniques on persons (e.g. taking of tissue samples, examinations of the brain).

ETHICAL ISSUES TABLE

(Note: Research involving activities marked with an asterisk * in the left column in the table below will be referred automatically to Ethical Review)

Research on Human Embryo/ Foetus		YES	Page
*	Does the proposed research involve human Embryos?		
*	Does the proposed research involve human Foetal Tissues/ Cells?		
*	Does the proposed research involve human Embryonic Stem Cells (hESCs)?		
*	Does the proposed research on human Embryonic Stem Cells involve cells in culture?		
*	Does the proposed research on Human Embryonic Stem Cells involve the derivation of cells from Embryos?		
	I CONFIRM THAT NONE OF THE ABOVE ISSUES APPLY TO MY PROPOSAL		

Research on Humans		YES	Page
*	Does the proposed research involve children?		
*	Does the proposed research involve patients?		
*	Does the proposed research involve persons not able to give consent?		
*	Does the proposed research involve adult healthy volunteers?		
	Does the proposed research involve Human genetic material?		
	Does the proposed research involve Human biological samples?		
	Does the proposed research involve Human data collection?		
	I CONFIRM THAT NONE OF THE ABOVE ISSUES APPLY TO MY PROPOSAL		

Privacy		YES	Page
	Does the proposed research involve processing of genetic information or personal data (e.g. health, sexual lifestyle, ethnicity, political opinion, religious or philosophical conviction)?		
	Does the proposed research involve tracking the location or observation of people?		
	I CONFIRM THAT NONE OF THE ABOVE ISSUES APPLY TO MY PROPOSAL		

Research on Animals		YES	Page
	Does the proposed research involve research on animals?		
	Are those animals transgenic small laboratory animals?		
	Are those animals transgenic farm animals?		
*	Are those animals non-human primates?		
	Are those animals cloned farm animals?		
	I CONFIRM THAT NONE OF THE ABOVE ISSUES APPLY TO MY PROPOSAL		

Research Involving Developing Countries		YES	Page
	Does the proposed research involve the use of local resources (genetic, animal, plant, etc)?		
	Is the proposed research of benefit to local communities (e.g. capacity building, access to healthcare, education, etc)?		
	I CONFIRM THAT NONE OF THE ABOVE ISSUES APPLY TO MY PROPOSAL		

	Dual Use	YES	Page
	Research having direct military use		
	Research having the potential for terrorist abuse I CONFIRM THAT NONE OF THE ABOVE ISSUES APPLY TO MY PROPOSAL		

5. Consideration of gender aspects

You may give an indication of the sort of actions that would be undertaken during the course of the project to promote gender equality in your project, or in your field of research. (These will not be evaluated, but will be discussed during negotiations should your proposal be successful).

These could include actions related to the project consortium (e.g. improving the gender balance in the project consortium, measures to help reconcile work and private life, awareness raising within the consortium) or, where appropriate, actions aimed at a wider public (e.g. events organised in schools or universities)

(Maximum length for section 5 – one page)