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PICK-ME

Kick-off meeting

Political, scientific, contractual and financial aspects

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I. EU RESEARCH AND INNOVATION POLICY CONTEXT



New economic, social and political context

- Rising Asia
- Socio-ecological transition
- Europe 2020 strategy and Innovation Union
- Technological but also social, open and global innovation
- Service and knowledge-based economy



Europe 2020 Strategy

- Smart growth: developing an economy based on knowledge and innovation
- Sustainable growth: promoting a more resource efficient, greener and more competitive economy
- Inclusive growth: fostering a high-employment economy delivering social and territorial cohesion



The 7 EU flagship initiatives

- Innovation Union
- Youth on the move
- A digital agenda for Europe
- Resource efficient Europe
- An industrial policy for the globalisation era
- An Agenda for new skills for new jobs
- European Platform against poverty



Innovation Union

COM(2010)546

- Focusing on major societal challenges
- Pooling resources
- Reducing fragmentation
- RTD&I friendly regulatory frameworks
- Removing obstacles
- Enhancing mobility
- Both supply and demand instruments
- Technological and social innovation
- International cooperation



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European Innovation Partnerships COM(2010)546

- Active and healthy ageing
- Smart Cities
- Water-efficient Europe
- Sustainable supply of non-energy raw materials for a modern society
- Smart mobility for Europe's citizens and business
- Agricultural productivity and sustainability



European Research and Innovation Area

- First European Council on Innovation and Energy (4/2/2011)
- New aspects: Societal challenges
- European Research Area – Lisbon and Barcelona
- Freedom of knowledge: The fifth EU freedom
- RTD: Third EU policy in budgetary terms (after CAP and Structural funds)
- FP7: Major tool for incentivising European RTD collaboration
- More than EUR 50 billions for 2007-2013
- Preparation of the next Framework Programme



SSH specificity in relation to other FP7 themes

Support to EU Policies:

- Knowledge economy
- Sustainable Development
- Renewed Social Agenda
- Cohesion
- Security
- Cultural Interactions
- European Citizenship...



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More information

<http://ec.europa.eu/research/social-sciences/>

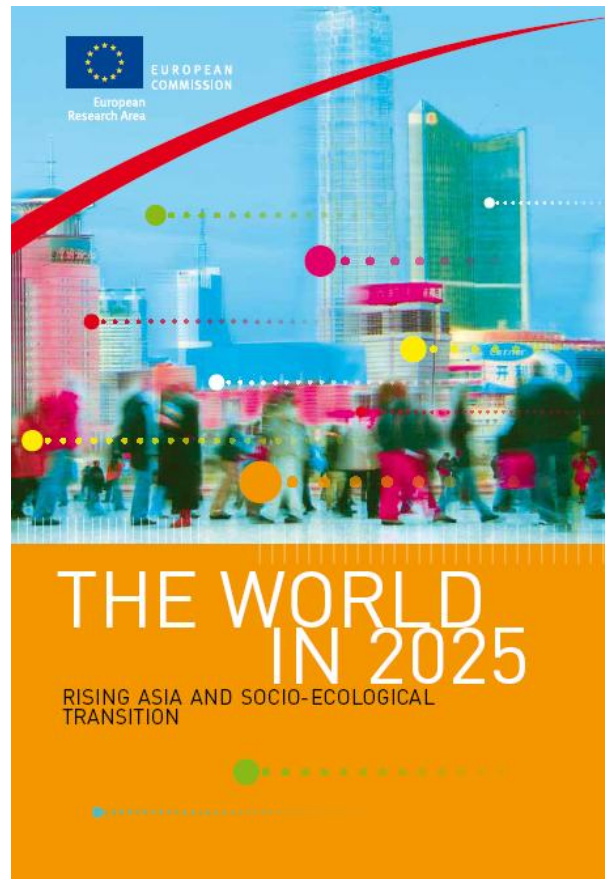
EUROPEAN COMMISSION / European Research Area / Socio-economic Sciences and Humanities

Innovation: Creating knowledge and jobs

Insights from European research in socio-economic sciences



STUDIES AND REPORTS



Scientific evidence for policy-making

SOCIO-ECONOMIC SCIENCES AND HUMANITIES



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II. EU RTD CONTRACTUAL AND FINANCIAL ASPECTS



Day to day contact

- **The Commission has only one interlocutor: the Coordinator**
- **All the partners should « transit » by the Coordinator for all the aspects related to the project:**
 - ✓ **Scientific**
 - ✓ **Administrative**
 - ✓ **Financial**



FP7 Grant Agreement

➤ **Structure:**

- ✓ **Core part: grant agreement terms**
- ✓ **Annex I: DoW**
- ✓ **Annex II: General conditions**
- ✓ **Annex III: Specific provisions for funding schemes**
- ✓ **Annex IV, V & VI: Forms A, B & C**
- ✓ **Annex VII :**
 - a. **Form D: Terms of reference for the certificate of costs**
 - b. **Form E: Certificate on the methodology (NEW)**

- **Consortium agreement mandatory (except if excluded by Call)**



Terms of reference: Certificate of costs

- **Certificate on financial statements (CFS)**
 - ✓ Mandatory for beneficiaries when their requested EC funding reaches **375,000 Euro**
 - ✓ Except for:
 - Project of 2 years or less: CFS submitted at the end
 - If a certification on the methodology is provided



Certificate on the methodology

Certificate on the methodology (NEW)

- Certification on the methodology of calculating personnel costs (average) and overhead rates
- Valid throughout FP7, on a voluntary basis, must be accepted by EC
- Particularly aimed at legal entities with multiple participation

Consequences:

- Waives the obligation of providing certificates for interim payments
- Simplified certificate for final payments



Third parties

Third parties, i.e. that does not sign the GA, carrying part of the work

- **Subcontracts: tasks to be indicated in Annex I**
 - ✓ awarded according to best value for money
 - ✓ external support services may be used for assistance in minor tasks (not to be indicated in Annex I)
- **Specific cases: EEIG, JRU, affiliates carrying out part of the work (special clause)**

Third parties making available resources

- **“Third parties”**: to be indicated in Annex I
 - ✓ costs may be claimed by the beneficiary
 - ✓ resources “free of charge” may be considered receipts



Collective responsibility

- No financial collective responsibility in FP7
- Instead, the establishment of a:
 - **Guarantee Fund** to cover risks
 - **5% of the total EC contribution** to be deducted in favour of the Fund from the pre-financing
- However, there is “scientific responsibility” to carry out the project jointly and severally vis-à-vis the Commission.



Payment modalities

- One **pre-financing** for the whole duration of the project upon its entry into force
- **Interim payments** based on reports and financial statements
- Retention (10%)
- **Final payment**



Periodic reports

➔ To be submitted within 60 days

- A **periodic report** containing:
 - ✓ an overview of the progress of the work towards the objectives of the project, including a publishable summary report
 - ✓ An explanation of the use of resources
 - ✓ A financial statement (FORM C) from each beneficiary
- A **Certificate on the financial statement** when the reimbursement of costs is equal or superior to 375,000€ (cumulated with all previous payments)
- Any **supplementary reports** and **deliverables** required by Annex I to the Grant
- Regular **Policy briefs**



Final reports

Final reports to be submitted by coordinator **60 days** after end of project:

- **publishable summary report**, results, conclusions and socio-economic impact
- **report covering wider societal implications**, including gender actions, ethical issues, efforts to involve other actors and a plan on use and dissemination of foreground
- **distribution of the EC contributions** (30 days after reception of final payment)



Analysis and approval of reports

- **After reception of reports, the Commission may:**
 - ✓ **Approve**
 - ✓ **Suspend the time-limit requesting revision/completion**
 - ✓ **Reject them giving justification, possible termination**
 - ✓ **Suspend the payment**

- **Commission has 105 days to evaluate and execute the corresponding payment**
 - ✓ **No tacit approval of reports**
 - ✓ **Automatic payment of interests (NEW)**



Upper funding limits

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

(*) Research and technological development includes scientific coordination.

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

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

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



Eligible costs

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

- **Non-eligible**
 - ✓ **identifiable indirect taxes including VAT...**

(*) **Average personnel costs accepted** if they:

- **are consistent with the management principles and accounting practices**
- **are identified according to a methodology approved by the Commission (NEW)**
- **they do not significantly differ from actual personnel costs**



Indirect costs

- **Actual overheads**
- **A simplified method (certificate on the methodology)**
- **A Flat rate of 20% of direct costs (minus subcontracting and 3rd parties not used on the premises of the beneficiary)**
 - For Non-profit Public Bodies, Secondary and Higher Education establishments, Research Organisations and SMEs unable to identify real indirect costs, may apply for a flat rate of 60% for funding schemes with RTD until 31/1/2009.
- **For CSA limit of 7% of direct costs**



Receipts

Principle: EU contract can not provide profits

- **Three kinds of receipts must be taken into consideration in order to avoid any possibility of profit:**
 - ✓ Financial transfers or their equivalent to the contractor from third parties
 - ✓ Contributions in kind from third parties
 - ✓ Income generated by the project



Amendments

Amendments shall be in writing

- **Request made by the coordinator on behalf of all beneficiaries**
- **Proof of the agreement by the consortium**
- **When: changes of consortium, Annex I, etc**
- **Commission may reject the request**



Grant suspension Termination

- **The Commission can:**
 - ✓ Suspend or terminate the grant
 - ✓ Terminate the participation of a beneficiary
 - **The Consortium can (ask for):**
 - ✓ Suspend or terminate the grant
 - ✓ Terminate the participation of a beneficiary
 - **A beneficiary can (with the agreement of the Consortium and the Commission) :**
 - ✓ Terminate his participation to the contractor
- ➡ **The grant defines clear rules for all these events**



Audits and sanctions

Audits:

➤ Technical audits

- ✓ to verify that the project is being or has been carried out in accordance with the conditions indicated by the beneficiaries

➤ Financial audits

- ✓ to verify any aspect of the financial implementation of the project

Sanctions:

➤ Financial penalties, liquidated damages

- ✓ In case of overstatement of amounts, false declarations



Reference documents and information

Grant agreement:

http://cordis.europa.eu/fp7/calls-grant-agreement_en.html

General documents:

http://cordis.europa.eu/fp7/find-doc_en.html

Helpdesk:

<http://ec.europa.eu/research/index.cfm?pg=enquiries>