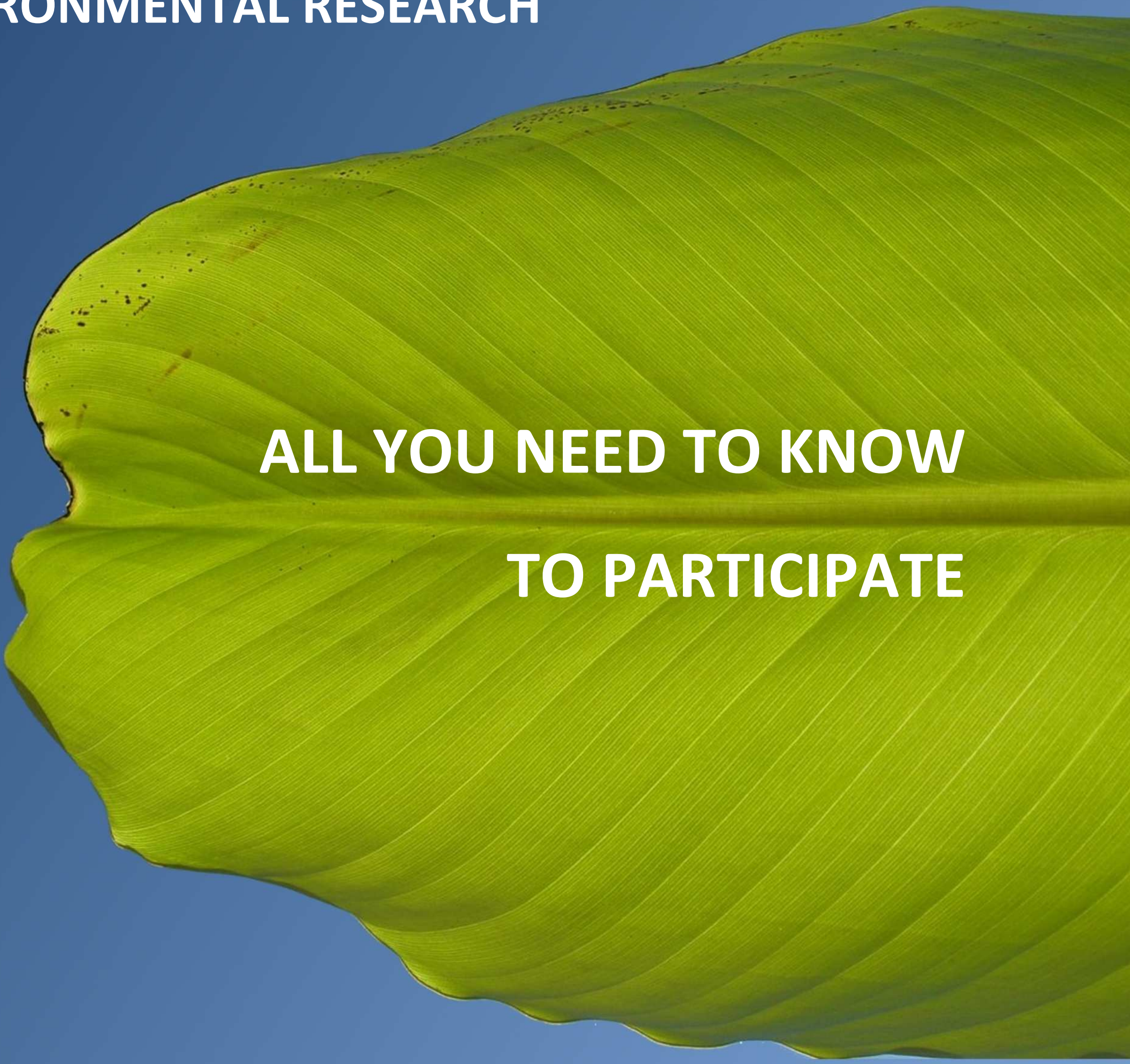
Seventh Framework Program

INTERNATIONAL COOPERATION IN ENVIRONMENTAL RESEARCH



ALL YOU NEED TO KNOW TO PARTICIPATE

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SIXTH FRAMEWORK PROGRAMME

SEVENTH FRAMEWORK PROGRAMME

INTERNATIONAL COOPERATION IN ENVIRONMENTAL RESEARCH

ALL YOU NEED TO KNOW TO PARTICIPATE

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FAQ 1: EUROPEAN UNION FUNDING FOR SCIENTIFIC INTERNATIONAL COOPERATION

Question 1.1. Why does the European Union (EU) support scientific international cooperation?

Since the beginning of the 21st century, research, development and innovation form the basis of European economic development. This is the motto of the EU **Lisbon strategy**, to make the EU "the most dynamic and competitive knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion, and respect for the environment”.

Considering these objectives, the European Union can benefit from strategic research partnerships with non-EU countries, in order to broaden its range of competences and enhance trade with these countries via technology transfers.

Moreover, international scientific cooperation is essential to tackle issues of mutual concern, like climate change or biodiversity protection.

Incidentally, international collaborative research can reinforce diplomatic ties and thus benefit the EU’s foreign and neighbourhood policy.

More insights on the Lisbon strategy and its monitoring:

http://europa.eu/legislation_summaries/employment_and_social_policy/growth_and_jobs/c11325_en.htm

Question 1.2. What are the EU’s priorities for environmental research?

Environment is a leading policy in Europe and every economic activity must take into account its own environmental impact. The EU adopted in 2002 the 6th Environment Action Programme (2002-2012). It identifies four key environmental priorities:

- Climate change
- Nature and biodiversity
- Environment and health
- Natural resources and waste

This programme is in line with international agreements such as the Kyoto protocol on greenhouse gases (GHG) emissions , the Long-range Trans-boundary Atmospheric Pollution protocol (LTAP) and the United Nations Millennium Development Goals (MDG).

Considering the complexity of these issues, research is essential not only to develop knowledge but also to find solutions to cope with major environmental threats.

In order to increase European competitiveness in this area the EU adopted in 2004 the 2nd Environmental Technologies Action Plan (ETAP), which aims to:

- Promote knowledge and technology transfer
- Improve market conditions to favour these technologies' take-up
- Promote environmental technologies in emerging and developing countries

With the objective of favouring research on sustainable development in EU and non-EU countries, the ETAP aims to reinforce international cooperation.

More insights on the Environmental Action Programme:

http://europa.eu/legislation_summaries/agriculture/environment/l28027_en.htm

More insights on the ETAP:

http://ec.europa.eu/environment/etap/index_en.htm

Question 1.3. How does the EU finance scientific cooperation?

The EU's main institutions are the Council of the European Union, the European Parliament and the **European Commission (EC).** Inside the European Commission, **Directorate Generals** (DGs) are in charge of **implementing EU policies** and, to do so, they use various instruments: legislative, financial etc.

A **programme** is a financial instrument; it is used to fund specific actions in order to reach EU policy objectives, which are set out in an **action plan**.

EU research policy is mainly operated by the DG Research. This DG manages the **Research and Development Framework Programme** designed to support the activities carried out by European Research and Development (R&D) players and their partners in non-EU countries.

From 2007 and until 2013, the seventh version of this programme, the "Seventh Framework Programme" (FP7) will support the implementation of the EU research policy which consists in:

- Supporting exploratory research through the "Ideas" Programme (EUR 7 510 000)
- Favouring mobility and training of researchers through the "People" Programme (EUR 4 750 000)
- Enhancing R&D capacities of the public and private sector through the "Capacity" Programme (EUR 4 097 000)
- Enhancing collaborative research to reach EU's main policy objectives through the "Cooperation" Programme (EUR 32 413 000)
- The overall budget for FP7 is 30% larger than the budget for FP6 which covered the period 2000-2006, that proves the EU will to place R&D at the front of its competitiveness policy.

FROM PROGRAMME TO PROJECT

FP7 funding is distributed via specific procedures, the "calls for proposals". Through such procedures, the European Commission wish to stimulate European R&D players to carry out projects in line with its policy objectives.

As far as the Environment thematic is concerned, (see priorities in Question 1.4.) the projects outputs should have a positive impact on environment-related indicators, like the reduction of atmospheric pollution, the improvement of waste management, a better understanding of climate change mechanisms, etc.

More insights on the FP7:

A so-called FP7 funded project follows very specific features which are described in FAQ 2.

Cordis website is the official FP7 website; all information concerning calls for proposals and FP7 funded project can be found there:

http://cordis.europa.eu/fp7/home_en.html

Question 1.4. What are the environmental priorities funded under FP7 cooperation programme?

The FP7 Cooperation Programme includes **10 themes** among which the theme "Environment" (theme 6). The budget dedicated to the Environment theme is EUR 1 900 000 for the 2007–2013 period.

This theme supports several research **activities** which are in line with the Environmental Action Programme and with ETAP (see Question 1.2.):

- 6.1 Climate change, Pollution and Risks
- 6.1.1 Pressures on the environment and climate
- 6.1.2 Environment and health
- 6.1.3 Natural hazards
- 6.2 Sustainable Management of Resources
  - 6.2.1 Conservation and sustainable management of natural and man-made resources and biodiversity
  - 6.2.2 Management of marine environments
- 6.3 Environmental Technologies
  - 6.3.1 Environmental technologies for observation, simulation, prevention, mitigation, adaptation, remediation and restoration of the natural and man-made environment
  - 6.3.2 Protection, conservation and enhancement of cultural heritage, including human habitat improved damage assessment on cultural heritage
  - 6.3.3 Technology assessment, verification and testing
- 6.4 Earth Observation and Assessment Tools
  - 6.4.1 Earth and ocean observation systems and monitoring methods for the environment and sustainable development
  - 6.4.2 Forecasting methods and assessment tools for sustainable development taking into account differing scales of observation

More insights on the Environment theme on Cordis:

http://cordis.europa.eu/fp7/environment/home_en.html

Question 1.5. As a Newly Independent State/African research structure, is it possible to participate in an FP7 funded project?

FP7 was designed to be more efficient than its predecessors in encouraging non-EU countries to participate:

- By opening up most topics (see Question 4.2.) of FP7 Cooperation programme for their participation
- By offering the opportunity to organizations from these countries to coordinate FP projects and submit project proposals, **provided they include at least two organizations from EU countries** as members of the project consortium
- By proposing Specific International Cooperation Activities (SICAs) within the calls for proposals

SICAs are **activities dedicated to third countries** where there is mutual interest with the EU on the basis of both the scientific and technical (S&T) level and the needs of the countries concerned. At least **two SICA topics** are inserted in each call for proposals after consulting International Cooperation Partner Country (ICPC) stakeholders to determine research priorities for these countries. SICAs also aim to encourage the participation of countries which lack capacity to participate in other topics of the FP7 Cooperation programme. The participation of at least **two ICPCs** and at least **two EU states** is compulsory for a consortium wanting to carry out a SICA.

CONDITION FOR A NON-EU COUNTRY TO PARTICIPATE

The participation of Eastern European and Central Asia countries (EECA) and African states is subjected to the existence of an institutional agreement between a given country and the EU. A country which has signed such an agreement gains the International Cooperation Partner Country (ICPC) status.

More insights on the sub-Saharan Africa and EECA ICPCs: see Question 1.7

More insights on the ICPCs:

ftp://ftp.cordis.europa.eu/pub/fp7/docs/icpc-list.pdf

Question 1.6. What are the first steps to take to participate?

An ICPC research structure willing to carry out a project needs to find partners interested in the same topic and bringing the added value necessary to answer the FP7 requests. A Consortium Agreement (CA) is required for all projects financed under FP7.

Structures can be helped in this process by Cordis, the European Commission website on FP7. Cordis proposes a useful database of networks and it assists structures to join FP7 projects.

Moreover, National Information Points (NIPs) and National Contact Points (NCPs) have been created in some ICPCs to help structures through the various steps toward joining an FP7 project.

NIPs and NCPs are contact persons designated to guide FP7 participants with the specificities of the programme like choosing the right funding scheme, finding partners or checking the adequacy of their proposal. One NCP-NIP is designated for each thematic of the FP7.

More specifically, the **INT-ER-LINK** network aims to reinforce links between EU, EECA and Sub-Saharan African researchers, and encourage them to build projects together.

More insights on NIPs and NCPs:

http://cordis.europa.eu/fp7/ncp_en.html

http://cordis.europa.eu/fp7/third-countries_en.html

More insights on the Interlink network:

http://www.interlink-fp6.com/

More insights on the procedure to join a project: **See Question 4.1.**

Question 1.7. Is my country an ICPC?

Cooperation with third countries in FP7 is notably targeted towards the Western Balkan countries (WBC), Eastern European and Central Asian countries (EECA) and Sub-Saharan African countries.

The Table 1 below presents the EECA and African countries which are registered as ICPCs. The "Europe and Central Asia" group contains both WBC and EECA.

In this table, ICPCs are classified according to three income groups.

- low-income country;
- lower-middle-income country;
- upper-middle-income country.

This classification will be important when dealing with financial issues of an FP7 project (see FAQ 3).

Table 1: ICPC Countries in Sub-Saharan and in Eastern Europe and Central Asia

	Upper middle income	Lower middle income	Low income
Sub-Saharan Africa	Botswana (BWA) Equatorial Guinea (GNQ) Gabon (GAB) Mauritius (MUS) Libya (LBY) Seychelles (SYC) South Africa (ZAF)	Angola (AGO) Cameroon (CMR) Cape Verde (CPV) Congo, Rep. (COG) Lesotho (LSO) Namibia (NAM) Swaziland (SWZ)	Benin (BEN), Burkina Faso (BFA), Burundi (BDI), Central African Republic (CAF), Chad (TCD), Comoros (COM), Congo, Dem. Rep. (ZAR), Côte d'Ivoire (CIV), Gambia, The (GMB), Ghana (GHA), Guinea (GIN) Guinea-Bissau (GNB), Kenya (KEN), Madagascar (MDG), Malawi (MWI), Mali (MLI), Mauritania (MRT), Mozambique (MOZ), Niger (NER), Nigeria (NGA), Rwanda (RWA), Sao Tome and Principe (STP), Senegal (SEN), Sierra Leone (SLE), Somalia (SOM), Sudan (SDN), Tanzania (TZA), Togo (TGO) Uganda (UGA), Zambia (ZMB), Zimbabwe (ZWE)
Europe & Central Asia	Russian Federation (RUS)	Albania (ALB) Armenia (ARM) Azerbaijan (AZE) Belarus (BLR) Bosnia and Herzegovina (BIH) Georgia (GEO) Kazakhstan (KAZ) Moldova (MDA) Turkmenistan (TKM) Ukraine (UKR)	Kyrgyz Republic (KGZ) Tajikistan (TJK) Uzbekistan (UZB)

FAQ 2: FEATURES OF AN FP7 FUNDED PROJECT

Question 2.1. What is a European research project?

An EU research project is a way to structure research activities funded by FP7. There are some important keywords to understand.

PROJECT OBJECTIVES IN LINE WITH THE EU POLICY

The programmes are developed to fit the objectives of the European Commission. As such, EU projects must show that their objectives are in line with the implementation of an EU policy. Concerning Environment, each annual call for proposals launched by the Commission reflects the current EU environmental priorities and projects are thus selected upon the ability to both justify their link with the EU environmental priorities, and to specifically address one given topic listed in the **work programme of the call** (see Question 4.2.).

In a project proposal, the objectives can be scientific, technical, socio-economical, etc. but in any case **their relevance to the environmental policy** must be clearly stated.

PARTNERSHIP AND CONSORTIUM

An EU project is rarely carried out by a single legal entity; concerning the cooperation programme of FP7, it requires a consortium of at least three partners from three different states. It supports partnership amongst:

- Different types of entities: research labs, companies (groups or SMEs), NGOs, etc
- Different countries: EU member states, associated states (Israel, Turkey, Croatia, Norway, Switzerland, Iceland, Macedonia, Serbia, Montenegro, Liechtenstein, Bosnia Herzegovina and Albania), ICPCs

To be eligible for participation in the project, each entity must demonstrate its added value to the project objectives but it does not necessarily need to be a research-oriented organisation in itself.

TASKS AND WORK PACKAGES

In an EU project, objectives are reached through the implementation of a sequence of Tasks organised in “**Work Packages**”. They have to be described in detail in the project proposal and must be relevant to the purpose of the project. Tasks and Work Package implementation must be distributed among partners into the description of work. The corresponding workload must be estimated as precisely as possible in the project proposal.

DEADLINES

Objectives are reached through different identifiable **steps**, which have to be defined and **scheduled** on a **timetable** in the project’s description. The EC can hold unjustified delays against the Consortium and can potentially withdraw funding pledges.

Important steps which mark the end of a phase in the project, thus enabling it to move forth, or turning points at which decisions are needed, are called **Milestones**.

Milestones can be:

- Receiving equipment
- Sending off samples to be studied
- Supplying a partner or a sub-contractor with equipment or raw materials
- Conception of a prototype, receiving or sending it off to a partner or a sub-contractor
- Demonstrating a hypothesis (so it can be confirmed or put aside)
- Finishing a website and publishing it

CONCRETE RESULTS

FP projects must provide concrete outputs which are called **deliverables**. Deliverables must be tangible, since they have to prove that the related task has been carried out.

Deliverables can be:

- Experimental results
- Prototypes
- Scientific articles
- Conference or workshop proceedings
- Websites

As the Seventh Framework Programme is funded with public funds, a reasonable number of non-confidential deliverables, suitable for publication, should be foreseen.

BUDGET AND EUROPEAN COMMISSION CONTRIBUTION

According to the work plan and related workload, each partner has to estimate the budget necessary for his costs. Building up from each partner budget, the coordinator defines the overall budget for the project and the corresponding European contribution (More insights on financial issues in FAQ 3).

SCIENCE AND MANAGEMENT

An EU project has two aspects: a scientific aspect and a managerial one; the scientific and technical work plan is formalized with a legal document which binds the partnership and the Commission.

Therefore, when joining an EU project, a partner should be aware that he will have some managerial duties in addition to his scientific tasks which of course must remain the core of the project.

More insights:

A database of projects funded under FP6 is available on Cordis:

http://cordis.europa.eu/fp6/projects.htm

A database of international cooperation projects on environmental issues is available on the Interlink website:

http://www.interlink-fp6.com/story.asp

Question 2.2. What type of activity can be included in an FP7 project?

An FP7 project can include various **activities**. In order to achieve good results and optimize each partner's area of expertise, each activity will generally be carried out by the most appropriate partner(s).

Activities are divided into three categories:

1. Research and technological development activities (RTD):

Activities directly aimed at creating:

- New knowledge
- New technology and products
- ”Scientific coordination” is also considered as RTD

2. Demonstration activities:

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 products such as prototypes).

3. Other activities:

Those which are not covered by the two types of activities mentioned above. These activities are necessary to support the research process and the project management:

- **Management activities:** for example the coordination of the consortium, the organization of a call or a tender to choose a beneficiary or subcontractor. This type of activity is mainly attributed to the Coordinator
- **Dissemination:** e.g. the establishment of a website, the presentation of the project during conferences or workshops, the drafting of a scientific publication
- **Networking activities:** e.g. the organisation of a seminar for networking
- **Studies on the socio-economic impact:** e.g. assessment of the expected socioeconomic impact of the project
- **Training activities**, for which EC co-financing may cover the salary cost of those providing the training, but not the salary costs of those being trained
- **Intellectual property (IP) related activities:** e.g. the filing and processing of patent applications, patent searches, legal advice, or the payment of royalties to a **third party** (an entity which is not part of the Consortium) for IP rights which are needed to implement the project
- **Promotion of the IP:** e.g. feasibility studies for the creation of spin-offs, or "take up" activities regarding the process of validation for technologies and solutions which are not yet commercially established

FUNDING SCHEMES

In FP7, a combination of these three types of activities (RTD, Demonstration and Other activities) leads to different types of projects identified as “**funding schemes”** by the Commission.

The four types of **funding schemes** in the **Cooperation Programme** are:

- **Collaborative projects:** any project aiming at developing new knowledge, new technology or new products. This also includes demonstration activities. Collaborative projects can range from small scale to large scale depending on their scope, number of partners involved, expected impact and estimated budget
- **Networks of Excellence:** a Network of Excellence is an instrument for strengthening excellence by tackling the fragmentation of European research, where the main deliverable is a durable structuring and shaping of the way that research is carried out on the topic of the network. In this funding scheme, research organisations integrate their activities in a given field of research in order to promote a perennial scientific cooperation.
- **Coordination and support actions:** activities aimed at coordinating or supporting research activities and policies, for example achieving a technological roadmap for future research activities.
- **Research for the benefit of specific groups:** research projects where most of the research and technological development are outsourced to research and technical development performers for the benefit of specific groups, in particular Small and Medium sized Enterprises (SMEs) or non Governmental Organizations (NGOs). RTD performers can be public or private research organisms or even High Tech SMEs.

In a given call for proposals, the Commission specifies the funding scheme to be used for **each given topic** in the work programme (see Question 4.2.).

The National Information Points (NIPs) and National Contact Points (NCPs) can help researchers with these funding schemes and their specificities.

More insights on NCPs and NIPs: see Question 1.6.

List of National Information Points in the third countries:

http://cordis.europa.eu/fp7/third-countries_en.html

More insights on the Funding schemes:

http://cordis.europa.eu/fp7/what_en.html

Question 2.3. As an International Cooperation Partner Country, what role can I play in an EU project?

When dealing with issues of global interest, such as water supply or impact of climate change, scientists and engineers from ICPC are integrated into a consortium for their scientific added value (just like EU partners). Therefore, the main role expected from an ICPC member is to carry out a scientific task according to the work plan defined prior to the project course. He will be referred as a “**partner**”.

In a project targeting a specific geographical area, ICPC structures can be the **coordinator**, bringing their knowledge and expertise on local environmental problems specific to the area which has specific geological or meteorological conditions.

ORGANIZATION OF AN FP7 PROJECT

The work in a FP7 project is always organised in the same way: the tasks are grouped into thematic work packages. For instance the communication is a specific work package, as well as the management. Research can be separated into several work packages also. A partner can choose to coordinate one work package to ensure that all the tasks defined are carried over properly. These partners are the Work package leaders.

Task or Work Package Leaders

A consortium partner can also coordinate specific tasks. He will be referred to as a "**Task leader**".

In the case of multiple ICPC partners integrated in a project, one of them can also coordinate the scientific or technical tasks to be implemented at the local level. This can facilitate the communication with EU partners and with the coordinator of the project. He will be referred to as a "**Task leader**" or "**Work Package leader**".

These roles have the advantage of enhancing the visibility of the partner involved within the consortium which can be sometimes very large (up to 30 – 40 partners for large scale collaborative projects). However, they entail extra time-demanding management duties and responsibilities which have to be estimated beforehand.

FAQ 3: FUNDING ICPC PARTNERS OF FP7 PROJECTS

Question 3.1. What are the payment mechanisms in FP7 for ICPC structures?

To get funded by the Commission, ICPC beneficiaries participating in FP7 projects have the choice between two payment modalities:

- Being reimbursed on the basis of **actual costs**
- Being reimbursed on the basis of **lump-sums** (the lump-sum option is a new feature of FP7)

Question 3.2. How does the "lump-sum" mechanism work?

The lump-sum option was designed by the Commission in order to facilitate the participation of ICPC partners to EU projects. Indeed, reimbursement of actual costs, which is the most common payment mechanism compulsory for all EU and associated countries, can be a relatively heavy procedure (see Question 3.5.).

ICPC structures are free to choose between actual cost model and lump-sum model. **The maximum contribution from the EC remains the same for both payment mechanisms.** Each system has, of course, its advantages and its drawbacks (see Question 3.7.).

The Commission has defined three categories of ICPCs according to the average income level of the countries (to know which countries belong to each category, see Question 1.7.).

- Low-income countries
- Lower middle income countries
- Upper middle income countries

A **reference lump-sum**, corresponding to a researcher **yearly full-time job**, has been defined by the Commission for each group of ICPCs.

Table 2: Average lump-sum amount by countries' income category

Country's Income category	Average lump-sum for a full-time activity (€/year)
Low-income	8,000 €/year
Lower middle income	9,800 €/year
Upper middle income	20,700 €/year

This average lump-sum is used to evaluate the global budget which can be spent by an ICPC structure in a given project.

When the researcher is not working full-time on the project, this amount must be reduced proportionately. This amount includes **every type of costs** (More on the types of costs usually taken into account in an FP7 project in Question 3.5.).

EXAMPLE:

An SME from Benin (categorized in low-income country group) developed a 3-year collaborative project with 6 researchers working on the project full-time and 3 working part-time at 50%.

The SME has chosen a lump-sum option. The total "Personnel effort" of the SME on the project is:

Total personnel effort = 3 years x (6+3 x 50%) persons = 22.5 person.year

Total budget estimated by the EC with the lump-sum mechanism:

Total budget = 22.5 person.year x € 8,000 person/year = €180,000

Conclusion: the SME from Benin is considered as spending an overall maximum budget of €180,000 to carry out the tasks described in the project proposal.

CALCULATION OF THE EC CONTRIBUTION WITH THE LUMP-SUM OPTION

Once the maximum overall budget has been estimated, the maximum EC contribution that will be attributed to the ICPC structure is calculated depending on:

- The type of legal entity of the ICPC partner
- The funding scheme the ICPC partner is involved in (See Question 2.2.)

The European Commission has defined the **maximum** funding rates depending on these two criteria.

Table 3: FP7 projects funding rates for lump-sum mechanism

Funding Scheme	Non profit public bodies, secondary and higher education establishments, research organizations and SMEs	All other legal entities
Collaborative project	75%	50%
Network of Excellence	75%	50%
Coordination and support action	100%	100%
Research for the benefit of specific groups (e.g. SMEs, NGOs)	75%	50%

These funding rates are an upper limit and can be reduced if the ICPC partner does not justify the actual personnel effort during the course of the project.

More insights on time sheets: See Question 3.8.

EXAMPLE:

The same SME from Benin involved in a collaborative project has an overall maximum budget of €180,000 to carry out the tasks planned in the project.

Referring to the table above, 75% of this budget is eligible for reimbursement by the EC, which represents a funding of:

€ 180,000 x 0.75 = € 135,000

A maximum EC funding of €135,000 will be provisioned in the Grant Agreement for this partner. This amount will be allocated if the partner reports an actual personnel effort of at least 22.5 person.year in the researchers' time sheets.

Question 3.3. How does the "actual costs" mechanism work?

The **reimbursement of actual costs** answers to the following general rules:

- The maximum grant is based on an estimation of the eligible costs prepared by the partners and negotiated with the Commission, to which a reimbursement rate is applied **according to the activity and type of the legal entity participating**
- Supporting documents proving the payment of the costs by the beneficiaries must be kept **for all costs** and **for up to five years after the end of the project**
- EC services and other entities authorized by the Grant Agreement may **carry out audits on the premises of the beneficiary** to verify its compliance with this requirement
- The EC contribution cannot give rise to any profit for any beneficiary

To be considered eligible, costs must be:

- Proven to be **necessary in achieving the objectives** set out for the project
- **Actually** incurred. This means they must be **real and not estimated**, **budgeted or imputed**. They are referred to as "**actual costs**"
- Generated only once the project has **officially started**

EC CONTRIBUTION CALCULATION FOR THE REIMBURSEMENT OF ACTUAL COSTS

In the actual cost mechanism the EC contribution which will be attributed to a partner depends on the type of activities he is carrying out **within the project** (See Question 2.2.) and on its type of legal entity.

Table 4: FP7 projects funding rates for actual costs mechanism

LEGAL ENTITY / ACTIVITY	Non-profit public bodies, secondary and higher education establishments, research organizations and SMEs	All other organizations
Research and technological development activities (RTD)	75%	50%
Demonstration activities (DEMO)	50%	50%
Coordination and support activities (CS)	100%	100%
Other activities (OTHER)	100%	100%

In the actual costs mechanism, research or demonstration activities are subjected to different co-financing rates.

For each partner, the sum of EC contributions for each activity carried out determines the total EC contribution for the partner:

(Rate RTD x Cost RTD)
+ (Rate DEMO x Costs DEMO)
+ Costs CS
+ Costs OTHER
--
= EC contribution

Question 3.4. How are actual costs calculated?

Two main categories of costs are distinguished:

DIRECT COSTS WHICH CAN BE DIRECTLY ATTRIBUTED TO THE PROJECT

Direct costs cover:

- Personnel wages (for both technical and management activities): these wages must be calculated precisely for each person involved in the project according to the personnel effort reported in **time sheets** (see Question 3.8.)
- Travel costs upon justification (e.g. boarding pass, bus or train ticket with the dates of travel)
- Durable equipment specific to the project
- Consumables
- Costs which satisfy the criteria detailed in the **Grant Agreement**
- Subcontracting (upon justification of invoices)

Focus on the Travel cost category

These travel costs include travel (plane, train, or bus ticket) and subsistence (lodging, food and other trip expenses) allowances during the trip. The way these allowances are calculated remains up to each contractor depending on its usual accounting procedures.

Another method for claiming subsistence costs is by claiming a daily forfeit ("per diem") which covers all subsistence expenses. For each country the EC has defined a maximum amount to the daily forfeit.

To retrieve the Per Diem values in each country, visit the following webpage:

http://ec.europa.eu/europeaid/work/procedures/implementation/per_diems/index_en.htm

The per diem are actually calculated per night spent at a foreign place. For example a person travelling to Brussels for an FP7 project will be able to claim costs for:

- Trip from his home to Brussels airport or train station
- One Belgian per diem per night spent in Brussels

However, the EC requires proofs of the trip. Make sure to keep all boarding passes and lodging bills.

Calculation of global direct costs

Usually, in a partner's budget direct costs are calculated as shown below:

	Personnel Costs
+	**Travel Costs**
+	**Subcontracting**
+	**Other Costs (consumable, equipment, other specification)**
=	**Direct Costs**

INDIRECT COSTS

Indirect costs, also called **overheads**, are all the structural and support costs of an administrative, technical and logistical nature which are cross-cutting for the operation of the partner's organism.

Examples of Indirect Costs:

- Hiring or depreciation of buildings and plants
- Water/gas/electricity invoices
- Insurance
- Communication and connection costs, postage, etc.
- Costs connected with horizontal services such as administrative and financial management, human resources, training, legal advice, documentation

Calculation of Indirect Costs

Evaluating real indirect costs is not, in general, an easy task. For ICPC partners who opted for the reimbursement of actual costs, the most common method to calculate indirect costs is the 20% flat rate method. Based on the total amount of direct costs, minus the subcontracting, the overall indirect costs are calculated as shown below:

Indirect Costs = 0.20 × (Direct Costs – Subcontracting)

There are also other solutions to calculate indirect costs but, the one shown above is the easiest and most applicable to any partner.

More insights on eligible costs and indirect costs: see the FP7 financial guidelines available at the following address:

ftp://ftp.cordis.europa.eu/pub/fp7/docs/financialguide_en.pdf

Question 3.5. What are the advantages and drawbacks of the lump- sum mechanism for ICPC?

How to choose between lump-sum and actual costs funding? Each method has its advantages and drawbacks; here are some hints from the lump-sum point of view.

ADVANTAGES:

With the lump-sum method the beneficiary of a European contribution:

- Has no obligation to submit certificates on financial statements, even if the European contribution is above the threshold of € 375,000 (generic rule for actual costs)
- Does not need to separate **direct** costs from **indirect** costs
- Does not need to separate **eligible** from **non-eligible** costs

This method is definitely lighter than the reimbursement of actual costs.

DRAWBACKS:

- EC contribution taking the form of a lump-sum is merely based on the time a team of researchers spends on a project and not on other specific costs (such as travel or equipment) and on the estimated average wages.
- This method does not take into account the different level of wages among the team.

Therefore, this mechanism can substantially underestimate the actual overall budget of the partner.

NOTE:

Whether a partner opts for lump-sum or actual costs, unforeseen costs for carrying out the project may arise if provisional budgeting has been insufficient.

It is important to evaluate very precisely the project budget since the European Commission never provides extra funding after the Grant Agreement has been signed.

Question 3.6. What is a time sheet? What does it look like?

The time sheet is one of the most important and compulsory administrative document that any partner has to fill in carefully regardless of the funding mechanism for which the partner opted.

In the time sheet the partner registers, day after day, the working hours he has been devoting to the project. The time sheet is used to justify the costs requested to the EC. It must be as precise as possible in order to facilitate the periodic reporting towards the Work Package leader and the Coordinator.

This document can be requested by the Commission or external auditors during and after the project course.

An example of time sheet is suggested below.

Table 5: Example of a time-sheet

TIME-SHEET

NAME OF EXPERT :

NAME OF COMPANY :

CONTRACT NUMBER :

NAME OF PROJECT :

MONTH (*) : ***YEAR :*** 2008

Please fill time spent on the project

DAYS	WORK PACKAGE AND TASK	DAYS WORKED WP1-3 (**)	DAYS WORKED WP4 (**)	ACTIVITY TYPE	PER DIEM (**)	PLACE OF PERFORMANCE
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
TOTAL						

Date **Date**

Name of expert **Name of coordina**

Signature **Signature**

(*) Use one time-sheet per month
(**) Please tick

Question 3.7. When do partners receive the funding?

AT THE START OF THE PROJECT

The pre-financing will be received by the coordinator at the beginning of the project and in any case within 45 days of the entry into force of the Grant Agreement (unless a special clause stipulates otherwise). The purpose of this pre-financing is to make it possible for the beneficiaries to have a **positive cash-flow** during most of the project.

As an indicative general rule, for projects with **one or two reporting periods,** pre-financing is equivalent to **60-80%** of the **average EU funding per period;** for projects with **more than two reporting periods**[1], pre-financing is equivalent to **160%** of the **average EU funding per period.**

The coordinator must distribute the prepayment to the other beneficiaries within 45 days of receipt on his bank account. The **Grant Agreement** is the contracting document enabling a partner to receive EU funding and which details the payment schedule and modalities.

DURING THE PROJECT

Interim payments will follow after approval of the **periodic reports**. The Commission shall evaluate project reports and deliverables. If the report is approved, the Commission will transfer the corresponding **interim payments** within **105** days of their receipt.

Interim payments will be calculated according to lump-sum modalities or on the basis of the accepted actual costs and their corresponding reimbursement rates. **Interim payments and pre-financing are limited to 90% of the maximum and total European contribution.**

AT THE END OF THE PROJECT

The final payment will be transferred after the approval of the final reports and consists of the difference between the calculated total European funding and the amounts already paid.

Question 3.8. What is the Guarantee Fund?

The Guarantee Fund (GF) covers both the European Commission and the Consortium's financial risks during the implementation of EU projects. It functions as an insurance contract by the beneficiaries to guarantee the financial losses of the projects. The Guarantee Fund is the property of all the beneficiaries. The sums are transferred into the GF by the Commission, in the name of the beneficiaries, and will be subtracted from the **pre-financing**. The Guarantee Fund will totalise 5% of the maximum and total EC contribution to the project.

More insights on the Guarantee Fund in the FP7 financial guidelines:

ftp://ftp.cordis.europa.eu/pub/fp7/docs/financialguide_en.pdf

[1] In FP7 projects, reports must be handed in to the Commission every year, hence the term "reporting period" which in general means one year.

FAQ 4: PARTICIPATING TO AN FP7 PROJECT

Question 4.1. What are the basic requirements to join an FP7 project?

It is necessary to distinguish between requirements which are **compulsory** to be allowed into a consortium and requirements which are **strongly recommended** and which will ease the participation to the project.

An FP7 partner must be a legal entity (compulsory)

To join an FP7 cooperation project, a candidate must be a 'legal entity', meaning any natural or legal person which has legal personality and may, acting in its own name, exercise rights and be subject to obligations. It may have been created either:

- Under the national law of its place of establishment
- Under EU law
- Under international law

An FP7 partner must prove its financial viability (compulsory)

In order to be financially viable, a legal entity must be:

- **Liquid**: able to cover its short-term commitments
- **Solvent**: able to cover its medium and long-term commitments
- **Profitable or self-sufficient**: generating profits, or able to prove its self-financing capacity

The Commission uses two financial ratios in order to check the applicant's financial viability.

Table 6: EC financial ratios

Purpose	Indicators	Ratios
Liquidity	Quick ratio	Current patrimony (*) + annual revenues(**) / Short-term debt (bank and non-bank) (***)
Solvency	Solvency	Total of debts (***) / Patrimony (*)

(*) as indicated in the declaration of patrimony

(**) as indicated in the income tax declaration

(***) as indicated in the list(s) of debts certified by creditors

An FP7 partner should be fluent in English (strongly recommended)

English is nearly always the common language used in consortia and many Commission documents are not translated in other languages. It is highly recommended that candidates can speak, understand, write and read English so that communication is possible within the consortium. Interpreters can be hired but their costs will not be considered as eligible costs by the Commission.

An FP7 partner should have easy access to information and communication technology equipment (strongly recommended)

The communication between the members of the consortium is a strong factor for success. Just as English mastering, it is highly recommended that the candidate is equipped with a reliable internet connection and a reliable telephone line.

Question 4.2. What are the first steps to take to benefit from FP7 funding?

FP7 funding is distributed through a series of calls for proposals. For Environmental projects, there is one call for proposals per year.

A call for proposals is characterized by:

- A launch date and a closure date
- An overall budget
- A work programme
- Information on the evaluation procedures

THE WORK PROGRAMME

On the launch date, the list of topics which are eligible for funding is officially released. It is called “the work programme”. One topic addresses one specific RTD issue. The topics enclosed are also structured in a precise way and specify:

- The Content and scope of the projects expected in the propositions
- The funding scheme (see Question 2.2) which will be applied to the propositions
- The expected impact the project must reach
- Other information: whether the topic is targeted as a **SICA** or if **participation of a given ICPC** is requested or recommended for the topic.

Two examples of **topics** in the 2008 work programme are presented in the Table 7 below.

Table 7: Examples of SICA topics in 2009 ENV work programme, sub-activity 6.1.1.

ACTIVITY 6.1. CLIMATE CHANGE, POLLUTION AND RISKS		
Sub-activity 6.1.1. Pressures on environment and climate (EUR 42 million)		
ACTIVITY/ AREA	**TOPICS CALLED**	**APPLICABLE FUNDING SCHEMES**
1.1.1.	ENV.2008.1.1.1.1 Sea-Level Rise: Trends in contributions from continental ice, processes and links to climate change	Collaborative project (large-scale integrating project)
1.1.2.	ENV.2008.1.1.2.1 Climate-chemistry interactions in the stratosphere related to ozone depletion	Collaborative projects (small or medium-scale focused research projects)

To take a first step into the FP7 process:

- Check the launch date of an annual call for proposals
- Retrieve the annual work programme.
- Search for a topic relevant to your research activities.
- Search for an existing consortium initiating a proposal for the topic (See Question 4.3.) or initiate one with an EU coordinator or yourself.

You can also prepare for the next calls. Orientations for calls to come over the next years are usually given at the end of each annual work programme document.

To stay updated of the calls for proposals, you can visit regularly the calls page in Cordis:

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

Remember to check also with your National Information Points (NIPs) or National Contact Point (NCPs):

http://cordis.europa.eu/fp7/third-countries_en.html

The work programmes are given at:

http://cordis.europa.eu/fp7/wp_en.html

Check them to identify topics relevant to your field of research.

Question 4.3. How can an ICPC structure proceed to find a consortium?

It is usually upon the launching of a call for proposals that the coordinator, or project initiator, is looking for partners. If an ICPC researcher has identified a relevant topic for his research activities in a given work programme, he should start searching for on-going initiatives.

In order to join an FP7 project, an ICPC researcher should:

- **Draft his scientific profile** in accordance with the objectives of the topic he has identified in the work programme. This profile should be as clear as possible concerning the activities that the ICPC researcher could carry out in a future project
- **Disseminate this profile** to whom could be interested. An FP7 project involves several partners and requires complementary expertise
- **Disseminate this profile** towards his professional contacts (networks) located in European countries and other ICPC and to anyone else who could be interested
- Register this profile in the Cordis partner search database (see below the useful links)

In addition:

- National Contact Points (NCP) and National Information Points (NIP) can also help find a coordinator and partners

There are several initiatives aiming at reinforcing cooperation between EU and ICPC researchers. These can be a good relay for your partner search. Examples of such initiatives are Interlink and Caast-net.

More insights on PARTNER SEARCH:

Interlink Contacts in Sub Saharan Africa:

Ms Renee Le Roux, NRF (ZA) :
renee@nrf.ac.za

Dr Andrew Enow, ICSU (ZA):
a.enow@icsu-africa.org

Pr. Pius Yanda, University of Dar Es Salaam (TZ): yanda@ira.udsm.ac.tz

Dr Paul Vermande, Agence Universitaire de la Francophonie (AUF):
vermandepaul@wanadoo.fr

Caast-net web site :
http://www.caast-net.org

Interlink partner search service:
http://www.interlink-fp6.com/partnersearch.asp

Cordis partner service:
http://cordis.europa.eu/partners-service/

FP7 National Contact Points and National Information Points are registered in a Cordis database; they can be helpful to link ICPC researchers with EU researchers. Find out more about their role and contact details on the dedicated web pages:

http://cordis.europa.eu/fp7/ncp_en.html

http://cordis.europa.eu/fp7/third-countries_en.html

Question 4.4. What information does an ICPC partner need to provide when taking part in a proposal?

At the submission phase, a proposal consists of 3 main parts:

- A technical description of work
- A financial proposal coherent with the description of work
- Administrative information concerning each partner

Each part is prepared cooperatively between all partners: coordinator, EU partners and ICPC partners.

Scientific information must be relevant to the project proposal

In order to submit a successful proposal, the technical description of work must be as convincing as possible regarding the topic addressed in the work programme. The proposal draft should demonstrate that the project will undoubtedly improve existing state of the art and aim to establish new best available technologies.

Therefore, the list of work packages and tasks must be described accurately and must be proven coherent with the proposal overall objectives. Moreover, the expertise of each partner based on his scientific background, in carrying out his tasks should also be demonstrated. No one, but the partner himself, is able to provide the necessary scientific arguments to make his part of the proposal a convincing one. These arguments will determine the amount of the European contribution during the negotiation phase. It is decisive for the consortium to obtain a contribution sufficient for every partner to carry out his tasks as described in the description of work.

Thus, all partners, ICPC partners included, should support the Coordinator of the proposal in the drafting process by sending him as many information as possible on their scientific activities and expertise relevant to the project.

Budget information should be estimated in accordance with the work load.

Each partner must also provide an accurate estimation of the costs which will be tied up for the implementation of the project. These costs will relate to:

- The work load (in person-month): to be estimated on the basis of the tasks to be implemented
- The numbers of trips planned
- The necessary equipment
- Etc.

For more information on financial aspects, please refer to FAQ 2

Administrative information will commit the ICPC organisation to the proposal

In order to officially take part in a proposal, any partner must provide the Commission with basic administrative and legal data:

- Its legal name
- Its legal address
- Its legal registration number
- Its Value Added Tax number

ELECTRONIC SUBMISSION

All the requested information is provided through a web platform also called “Electronic Proposal Submission Service (EPSS)”.

The Coordinator of the proposal is responsible for providing all partners with login and password so that everyone can fill in the online administrative forms.

At the submission stage, no supporting documents will be requested.

More information can be found in the « Guide for Applicants » which is released upon launching of each call. This guide is available with the information package published for each call. Check the Cordis call page:

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

For additional information, an Electronic Proposal Submission Service PDF user guide as well as an EPSS helpdesk can be found on the Cordis website:

http://cordis.europa.eu/fp7/dc/index.cfm?fuseaction=UserSite.FP7SubmitProposalPage

Question 4.5. What are the evaluation criteria?

The evaluation phase starts after the deadline for submitting project proposals is reached (closure date of the call).

The evaluation is performed by groups of 4 to 5 independent experts who appreciate proposals according to the following criteria:

- Scientific and technical excellence (score /5)
- Expected impact (score /5)
- Quality of the management (score /5)

In the case of a proposal addressing a SICA the relevance of the ICPC partners and of their role within the consortium will be major assets to get the highest score possible.

In some cases non-SICA topics also mention that including partners from a given ICPC is an asset or compulsory.

Question 4.6. If the project is selected for funding, when does it start?

On average, an FP7 project starts about one year after the project proposal is submitted to the Commission.

If a proposal is selected, then the negotiation phase with the Commission begins.

During this phase, the partners will have to provide the Coordinator with extra data and documents to prepare the Grant Agreement requested by the Commission services in the Negotiation Mandate.

At this stage, the Commission will also verify that partners within the consortium have sufficient financial and human resources to carry out their tasks. The Commission may ask the coordinator to reassess these estimates.

After the negotiation phase, the Grant Agreement can be signed between the Commission and the consortium and the project can start.

Note: no costs will be eligible for funding if spent before the official project's start date given in the Grant Agreement (usually the day the Grant agreement has been signed).

More insights on the negotiation phase:

ftp://ftp.cordis.europa.eu/pub/fp7/docs/negotiation_en.pdf

All INTERLINK partners participated to the redaction of this brochure:

Academy of Science of Moldova – ASM
Contact: Pr Mihail IOVU
www.asm.md

French Environment and Energy Management Agency – ADEME
Contact: Ms. Armelle de Bohan & Mrs Nadege Austin
www.ademe.fr

Agence Universitaire de la Francophonie – AUF
Contact: Mr. Paul Vermande
www.auf.org

Archimedes Foundation
Contact: Ms. Maria Habicht
www.archimedes.ee

Austrian Research Promotion Agency – FFG
Contact: Ms. Andrea Hoffmann
www.energyagency.at

Belarusian Institute of System Analysis and Information - BelISA
Contact: Ms. Olga Meerovskaya
www.belisa.org.by

Beta Technology Ltd
Contact: Mr. Tom Hudson
www.betatechnology.co.uk

Forschungszentrum Julich GmbH –FZJ
Contact: Dr. Jean-Francois Renault
www.fz-juelich.de

InExCB-Kz
Contact: Dr. Kamila Magzieva
www.increast.eu

INNOVA
Contact: Ms. Antje Klaesener
www.innova-eu.net

Instytut Podstawowych Problemow Techniki - IPPT PA
Contact: Dr. Maria Antosiewicz
www.ippt.gov.pl

International Council for Science, Regional Office of Africa – ICSU RoA
Contact: Dr. Andrew Achuo ENOW
www.icsu-africa.org

Kyiv State Centre for Scientific, Technical and Economic Information
Contact: Dr. Vadym Yashenko
www.fp6-nip.kiev.ua

Malta Council for Science and Technology – MCST
Contact: Ms. Moira Dillon
www.mcst.gov.mt

Ministry of Science, Education and Sports – MZOS
Contact: Dr. Gordana Prutki-Pecnik
http://public.mzos.hr/

National Authority for Scientific Research – ANCS
Contact: Dr. Viorel Vulturescu
www.mct.ro

National Institute of Meteorology and Hydrology - NIMH
Contact: Pr Staytcho Kolev
www.meteo.bg

National Research Foundation – NRF
Contact: Ms. Renee le Roux
www.nrf.ac.za

Research Promotion Foundation – RPF
Contact: Mr. Marianos Portokallides
www.research.org.cy

SenterNovem
Contact: Dr. Ashna Raghoebarsing
www.senternovem.nl

SPIE BALTIC
Contact: Mr Andis Zilans
http://home.lanet.lv/~asi/spiebalt.htm

Technical University in Zvolen – TUZVO
Contact: Mr Rudolf Kropil
www.tuzvo.sk

The Israel-Europe R&D Directorate for FP – ISERD
Contact: Ms Yael Gilead
www.iserd.org.il

The Scientific and Technological Research Council - TUBITAK
Contact: Ms. Asli Vural
www.tubitak.gov.tr/

Université de Technologie de Compiègne – UTC
Contact: Stephane Poinsart
www.utc.fr

University of Dar Es Salaam - Pan African START Secretariat
Contact: Pr Madaka Tumbo
www.pass-africa.org

University of National and World Economy - UNWE
Contact: Pr Plamen Mishev
www.unwe.acad.bg

INTERLINK is a network of European and Third Countries contact points built in order to promote International Cooperation on the Environment theme of the Seventh Framework Programme. INTERLINK is a two-year project funded by the European Commission under the Sixth Framework Programme. The consortium gathers 27 partners and is coordinated by the French Environment and Energy Management Agency. More info on **www.interlink-fp6.org**.