

FP7 RULES FOR PARTICIPATION

The Commission's proposal for the Seventh Framework Programme (FP7), adopted on 6 April 2005, was accompanied by a Commission Staff working document "Simplification in the 7th Framework Programme" setting out 10 main measures to be implemented, and highlighting the importance of simplification as a "critical success factor". The Commission's proposal for the Rules for Participation for the European Community Seventh Framework Programme (EC) adopted on 23.12.05¹, provides the vehicle for implementing many aspects of that simplification and to build upon principles established in FP6. Stakeholders, Member States and Associated states have been consulted on the Commission proposal in seminars and via a consultation website. Further, the Sounding Board of smaller actors has been consulted on the proposals in order to ensure that the changes will not create particular disadvantages for such participants.

When adopted, the FP7 (EC) Rules will be a Regulation of the European Council and Parliament based on Article 167 of the European Community Treaty that foresees the adoption of rules to implement the Community multi-annual framework programme for research. They define the rights and obligations of legal entities wishing to take part in the framework programme and establish the principles for the use and dissemination of their work resulting from that participation.

The Commission proposal contains four chapters: **introductory provisions** (subject matter, definitions and confidentiality), **participation in indirect actions** (minimum conditions to participate, procedural aspects, including minimum numbers of participants, their place of establishment, proposal submission and evaluation, implementation and grant agreements, monitoring of projects and programmes, Community financial contribution: eligibility for funding and forms of grants, reimbursement rates, payment, distribution, recovery and guarantees), the **European Investment Bank**, and **rules for dissemination and use and access rights** (ownership, protection, publication, dissemination and use, and access rights to background and foreground).

The **minimum number of participants** and conditions of place of establishment of the participants is established according to the type of action. Legal entities established in Associated countries may participate on the same basis as those established in Member States.

The Rules identify the procedures for issuing **calls for proposals** and the exceptions to calls for proposals, for submission, evaluation, selection and award of procedures. In addition, they establish the procedures for the appointment of external experts. Further detailed rules to be established by the Commission will govern the procedures for submission, evaluation, selection and award of proposals and include provisions relating to the appointment of independent experts. Those rules will include special provisions for two-stage submission procedures (which is to be used to a greater extent where applicable, for example where high over-subscription is expected, for very large projects and in order to limit costs of preparing proposals that may never be funded, etc.) and for two-step evaluation (with single submission). The **evaluation process** developed over previous framework programmes and reflected in these internal rules will continue without substantial changes. Greater use will be made of remote evaluation where possible and continued improvements are being made to briefings of evaluators. The use of hearings will be rationalised. The evaluation criteria are now in the Specific Programmes rather than in the Rules and can be developed further in the work programmes (and calls for proposals).

Although not specified in the Rules it is proposed that full **electronic submission** will be the rule in FP7, as it has been well tested and used in FP6. Also the use of pre-filled forms/pre-registration using data from a central source and changes to the content and format of proposals should permit successful

¹ The Commission proposal to the Council for the FP7 Rules under the Euratom Treaty was adopted on 7.02.06. The structure and content of that proposal is based on the same principles as those in the FP7 Rules (EC) but with the appropriate and necessary differences required by the Euratom Treaty.

proposals to begin earlier. A single registration system comprising a common database for all Commission services should help significantly.

In order to ensure consistent assessment of the financial viability of the participants and related financial procedures, the Commission will adopt and publish internal rules for their application.

A model grant agreement will be established by the Commission that will establish the rights and obligations of participants vis-à-vis the Community and each other. The autonomy and flexibility of the consortium, in particular with respect to changes in its composition that were established in FP6 will be continued. The grant agreement will come into force upon signature by the coordinator and Commission authorising officer, as was the case in FP6. All participants must accede to the grant agreement in order to benefit from their rights and obligations under the project.

Participants will be required to conclude consortium agreements, except where exempted by the call for proposals, as they were in FP6. However, many of the new provisions relating to intellectual property should make these easier to establish and to adapt as necessary.

The Commission will monitor all indirect actions financed by the Community as well as the Seventh Framework Programme and its Specific Programmes, as and when necessary with the assistance of external experts.

The participants that are eligible for Community funding are identified in the subsection on Community financial contribution that also covers forms of grants, reimbursement rates, payment, distribution, recovery and guarantees.

Three **forms of grants** are proposed for the Community financial contribution: reimbursement of eligible costs, lump sums, and flat-rate financing (the latter can be based on scale of unit costs but also includes flat rates for indirect costs). These may be used to cover the entire Community financial contribution for a funding scheme or in combination. For most funding schemes, reimbursement of eligible costs will be the preferred method, particularly at the beginning of FP7. The use of lump sum and flat rate financing will be introduced gradually and if successful will be used more extensively.

For frontier research actions, the European Research Council's Scientific Council will propose appropriate funding modalities within the terms established by the Rules for Participation and the Financial Regulation. The Commission will provide any necessary assistance to the Scientific Council to enable it to arrive at the best possible approach.

The definition of eligible costs has been simplified and the three **cost reporting models** used in previous Framework Programmes are abandoned. This means that participants can charge all their direct and indirect costs and have the option of a flat rate for indirect costs. Costs will be determined according to the usual accounting and management principles of the participants to achieve the project objectives based on principles of economy, efficiency and effectiveness.

The **Community financial contribution** will cover a maximum of 50% of eligible costs minus receipts both for research and for demonstration activities. For SMEs, public bodies, secondary and higher education establishments and non-profit research organisations, there will be a top up of a maximum of 25% for research activities. Frontier research actions would be reimbursed at 100% for all entities. All other activities, including those relating to coordination and support actions, and actions for the training and career development of researchers, would be reimbursed at up to 100% for all entities.

The maxima indicated above are applied to all eligible costs of such entities even where part of the reimbursement of costs is based on lump sums or flat rates. The maxima also apply to such entities participating in projects where flat rate financing and, where appropriate, when lump sum financing is used for the whole project.

For Networks of Excellence, a special **lump sum** is proposed. The amount of the lump sum is established by the Rules as a fixed amount per researcher and per year. Periodic payments of portions

of the lump sum would be paid according to the attainment of indicators showing progressive implementation of the Joint Programme of Activities (JPA).

Public bodies, non-profit research organisations, and higher and secondary education establishments would be permitted to provide an audit certificate established by a competent public officer. The number of **audit certificates** per grant agreement and participant would be reduced and reports and reporting periods are to be rationalised.

As in FP6, participants in a consortium will have the responsibility to fully carry out the tasks entrusted to them even if one of the participants fails to comply with assigned tasks. However, the principle of financial collective responsibility established in FP6 is not continued in order to remove barriers of participation, in particular for SMEs. This should also accelerate procedures and be more cost-effective. Depending on an assessment of the risks inherent in European Research funding to the Community budget, a mechanism may be introduced to cover the **financial risk** of a participant's failure to reimburse any amount due to the Community. This mechanism would be financed by a small contribution from undertakings and other participants that are not public bodies, secondary and higher education establishments, or whose participation is not guaranteed by their Member State or Associated country.

With respect to the **dissemination and use and access rights** (ownership, protection, publication, dissemination and use, and access rights to background and foreground) the objective was to keep as much continuity as possible with FP6 with improvements/fine-tuning based on necessary changes that were identified during the implementation of FP6. The main changes are a) remove most of the obligations for participants to finalise conditions prior to their accession to the EC contract and b) remove most obligations to request prior approval from the Commission for publication, transfers of ownership and provision of access rights to third parties, where all other partners agree.

These changes should allow more flexibility to participants as their projects progress. Changes to the definitions are: "background" replaces "pre-existing know-how" and no longer includes side-ground and, as a consequence, "foreground" replaces "knowledge". The possibility to exclude background and to define terms and conditions other than those established by the Rules continues but in a manner that is much more flexible and permits adjustments by participants as their project progresses. For joint ownership a default regime for use of the results is introduced in order to facilitate the exploitation of jointly owned results in the absence of a clear agreement between parties. Where a participant does not wish to protect knowledge it can offer the other participants the option to take over ownership before offering this option to the Commission. In addition, it will be possible for a participant to offer exclusive access rights to a third party if all the other participants agree to waive their rights to access. The coherence of dissemination and publication requirements has been improved. Prior notification of the Commission for publication of results is eliminated. Additional or different provisions are included for specific actions with special requirements (e.g. for frontier research actions, security research, research for the benefit of specific groups etc.). The table provides a summary of the changes to the dissemination, use and access rights provisions proposed.