



**Overview of project  
types in the 7th  
Framework Programme,  
including SME oriented  
projects**

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# FP7 structure: 4 'pillars'

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<p><b>Cooperation</b></p> <p>Collaborative Research in thematic Areas</p> <p><i>(SME participation possible)</i></p>	<p><b>Ideas</b></p> <p>Frontier Research</p> <p><i>(Mainly for RTD organisations)</i></p>	<p><b>People</b></p> <p>Human Potential</p> <p><i>Marie Curie Actions</i></p>	<p><b>Capacities</b></p> <p>Research Capacity: R&amp;D outsourcing</p> <p><i>(SME's or SME Associations)</i></p>

*3 different type of projects:*

- 1) Large scale integrating research projects
- 2) Small/medium scale targeted research
- 3) Collaborative projects targeted to SME's

→ *Stimulate the participation of SMEs*

→ *Research-intensive SMEs should play a major role in such projects*

→ *Requested EC contribution to participating SMEs must in all cases be substantial*

*Top down, focused approach:*

Proposals follow themes as presented in the  
Calls (1 to 2 Calls /year)

*Most recent Calls:*

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

## “Research for the benefit of SMEs”: Objectives

Strengthen the innovation capacities of SMEs to develop new products and markets by

**outsourcing of research:**

- Increase SME research effort
- Acquire technological know-how
- Extend their networks
- Improve the exploitation of research results

# Capacities: R&D outsourcing / Target Group

## Research for SMEs\*:

- Low to medium technology SMEs with little or no research capability
- Research intensive SMEs that need to outsource research to complement their core research capability

## Research for SME associations (Collective Research):

- SME associations representing their members and their common technical problems

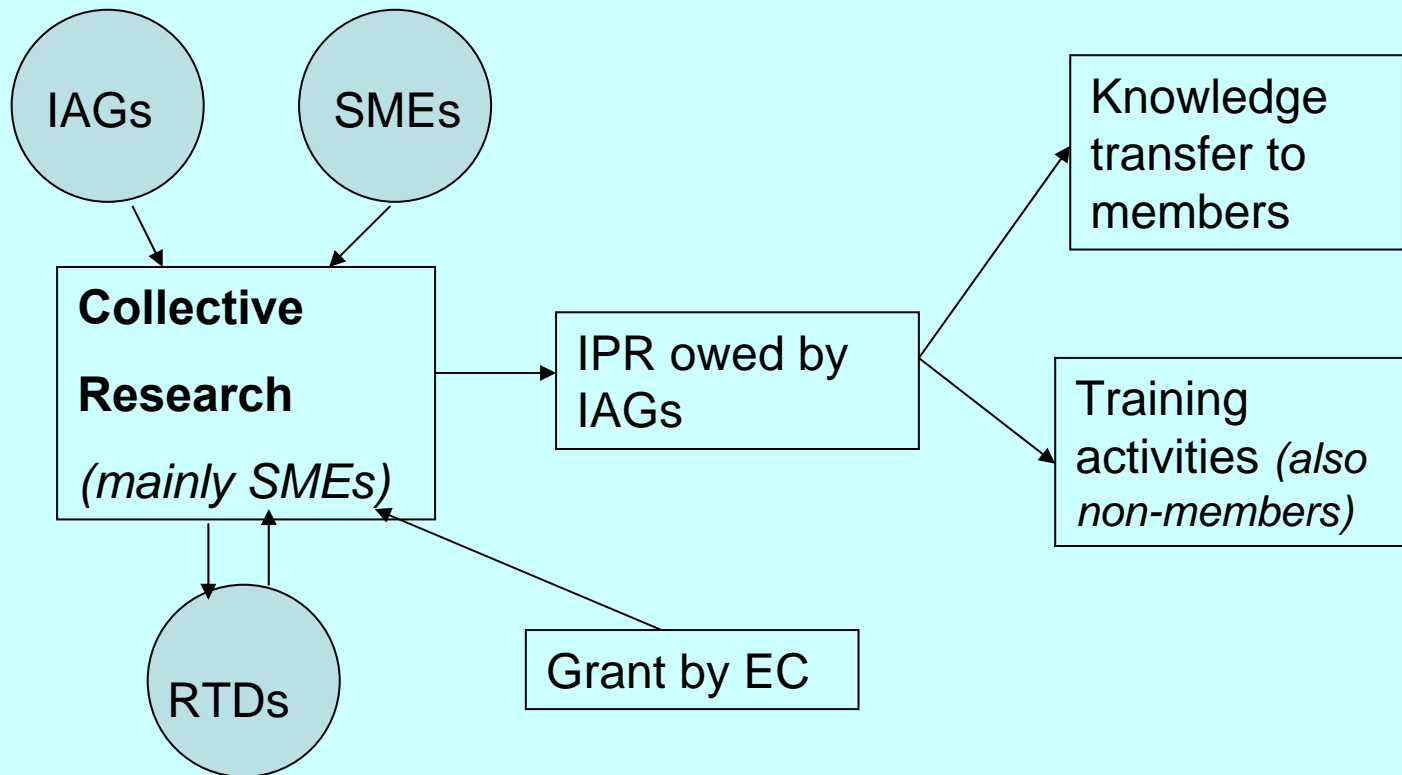
→ *bottom-up approach, no thematic focussing*

\* In FP....5,6 called CRAFT

# Capacities: R&D outsourcing

- \* Outsourcing to RTD organisations and/or large companies.
- \* Outsourced RTD work is paid 100%, but IPR is with SME group or SME associations (called: IAG)

# IAG Business model adopted by FP7 in Collective Research



# Capacities: R&D outsourcing

- EC contribution: **Grant to the project** (and not to individual participants) which covers only part of the total investment:

‘ceiling of 110% of outsourced RTD’

Note: Collective leadership of the SMEs\* in the project

\* incl. the associations

# New in FP7: Maximum Reimbursement Rates

	Non-profit public bodies, secondary and higher education establishments, research organisations and SMEs	All other organisations
<b>Research and technological development activities</b>	75%	50%
<b>Demonstration activities</b>	50%	50%
<b>Coordination and support actions</b>	100%	100%
<b>Management, incl. audit costs</b>	100%	100%

## Only **Full Cost basis (FC)**

**Indirect costs:** real, or calculated using a simplified method

or

fixed: 20% of total direct, eligible costs

or

fixed: 60% of total direct, eligible costs for

- Non-profit public bodies, secondary/higher education organisations, research organisations and SME's
- When participating in funding schemes which include RTD work

# Funding scheme – simplified example

## Case of Research for SME project

	Costs (in k€)	EC contribution
<b>Activities SMEs</b>		
RTD (Funding rate 75%)	130	97.5
Subcontracted RTD (Invoice of RTD performer) (50-75%)	650	487.5
Demonstration activities (50%)	50	25
Other (100%)	100	100
Management (100%)	0	0
<b>Subtotal SME's</b>	<b>930</b>	<b>710</b>
<b>Activities RTD Performers</b>		
Other (100%)	50	50
Management (100%)	70	70
<b>Subtotal RTDP</b>	<b>120</b>	<b>120</b>
<b>TOTAL</b>	<b>1050</b>	<b>830</b>
Total EC contribution: <b>110%</b> of subcontracted to RTDP excl. VAT		<b>715</b>
<b>FINAL EC Contribution</b>		<b>715</b>
OWN Contribution SMEs	<b>335</b>	

# Number of Partners

## Research for SMEs

- At least 3 independent SMEs, in 3 different countries (Member states, associated)
- At least 2 RTD performers
- Other enterprises and end-users optional

## Research for SME Associations

- At least 3 independent SME association/groupings, established in 3 different Member States or Associated countries, or one **European** SME association/grouping.
- At least two RTD performers
- Other enterprises and end-users with at least two SMEs.

## **Research for SMEs Call 1**

- Closure date: 4 September 2007
- Indicative budget: € 100 Million

## **Research for SMEs Associations Call 1**

- Closure date: 1 June 2007 (first stage)
- Indicative closure date second stage: November 2007
- Indicative budget: € 10 Million [€ 58 Million]

## **Coordination and Support Activities**

- Closure date: 10 May 2007
- Indicative budget: € 2 Million

## **Cooperation**

- Closure date depending on Programme (NMP, ICT, ....)

# Evaluation criteria

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

# What could be reasons not to participate?

- Your project idea does not (completely) fit into the work programme as described in the Call
- Your project planning does not comply with the FP7 planning (note that after submission of a proposal it may take 8 or more months before you can really start)
- Time-to-market does not match
- You do not want to share IPR

# To co-ordinate or not?

- **Benefits of being co-ordinator:**
  - Overall control of project direction and budget
  - Appointment of project manager
  - Direct contact with EC and their staff
  - Chairing op project management committee
  - Preferential position w.r.t. exploitation and rights
  - Better visibility and publicity
- **Disadvantages: requires**
  - More resources for management and administration
  - A corresponding executive level commitment
  - Better knowledge and experience of procedures and rules

# Time-consuming and specialized work

- **Time-consuming:**
  - Preparation of proposal (~6 months):
    - In advance of Call (check existing projects, prepare Core Group, contact NCP, look for co-ordinator, ....)
    - After Call (writing proposal, structure of work, final consortium, IPR issues, ....)
  - Evaluation after submission (~3 months)
  - Negotiations with EC (~3-4 months)
  - Signing of contract and first payment (~1-2 months)
- **Costly:**
  - co-ordinating partner spends ~ 3 person months for proposal preparation
  - success rate of proposals is not high



# Be prepared!

We can help you.....

We wish you success!