

Category: Financial issues

Regarding the calculation of costs, where have the travel costs to be put?

The travel costs (for workshops, meetings, etc. within the frame of the project) have to be put under "other direct costs". If the client uses a flat rate model it is correct to calculate the indirect costs of these direct costs. However, if the client uses the "actual indirect costs" method for calculating the indirect costs, the client has to use the method "normally applied within the organisation" (which means for 99% of the cases that indirect costs are only calculated for personnel costs).

If the travel costs occur within the transnational access (for the user groups) they must be put under "Access costs" in "other direct costs".

Can a client applying for a Support Action get funding to provide cover of costs for user access?

No. Access costs can be claimed only in I3 projects. Moreover, each I3 project must include 3 elements: networking, access, research. The Grant Agreement of CSA does not allow for access costs.

Which maximum budget can be requested for a proposal under an e-Infrastructures topic?

Limits can be applied for each call. Please check the Work Programme.

How do the "Transnational access and/or service" activities of the I3 model work and what costs are covered under this scheme?

User fees (i.e. Unit costs) do not include travel and subsistence costs of the users. These have to be put into "other direct costs" (in column where also the Access costs are filled in). Consortia have more options of whom to give the money:

- Each Infrastructure providing access gets a share of the travel budget and distributes it to the visiting research groups (users)
- The Coordinator gets the budget in trust and the research groups submit the according receipts to the coordinator
- A "Transnational Access Coordinator" holds the travel budget

The travel costs have to be estimated according to the amount of access provided and some average costs.

According to special clause 17, "Community financial support for access costs shall not exceed 20% of the operating costs incurred by the installation providing the access over the duration of the project": How is this percentage determined?

There is on one hand the total cost for operating the "installation" as part of the RI. On the other hand there are the calculated access costs to be financed via the RI project. Within the time frame where access is provided the cumulated access costs may not exceed 20% of the total operating costs. So if an installation has running costs of 1 Mio. Euro per year and access is provided for three years, the reimbursed access costs cannot be higher than $(1 \text{ Mio. Euro} * 3 \text{ years} * 20\%) = 600.000 \text{ Euro}$

Annex III "SPECIFIC PROVISIONS FOR TRANSNATIONAL ACCESS ACTIVITIES" indicates under III.9 that "The direct costs shall exclude all contributions to the capital investments of the infrastructure". What is the definition of "capital investments"?

Capital investments are all investments that go beyond normal maintenance and holding your equipment up-to-date (for example in the e-Infrastructures projects standard upgrading of connections and server hardware is NO major investment whereas building a new server farm would be). As in most cases, there is no sharp definition from the EC side.

Are the annual rental costs for the buildings in the facilities eligible as direct costs?

No. Rental costs for buildings are not eligible as direct costs. Rental payments for buildings are normally included in the indirect costs. If an organisation declares "real indirect costs" as indirect cost calculation method but does not include building rental in that calculation, there is no possibility for funding within RI.

Can capital equipment be funded in I3 projects?

Usually any investment in capital equipment is not funded, but in the case of the joint research it might be that a milestone in one of the research activities which is necessary to continue with further activities to improve the installation could be "minor capital investment". The consortium has to prove that this kind of result derives directly from the consortium's research activities and that users will directly benefit from that result within the scope of the project. The investment can only be minor in relation to the capital investment of the installation itself.

Does the issue of capital investment (which is normally not allowed for funding) involve the equipment depreciation as well?

In the form to calculate the unit cost it is clearly stated that all contributions to capital investment of the infrastructure are not eligible for funding. This also excludes the depreciation of equipment from being eligible.

Is there a calculator or excel template for calculating the costs in I3 project proposals?

The templates for the calculation of transnational access or services as well as other relevant information are available on the website: http://cordis.europa.eu/fp7/capacities/research-infrastructures-highlights_en.html

Regarding the access cost file "Calculation of the Unit Cost for Transnational Access":

- **What is the definition of "maintenance, utilities"? Do they differ from indirect costs?**
- **What is the "total estimated quantity of access provided to all normal users of the infrastructure within the project life-time" (E) and what is the difference with "quantity of access offered under the proposal" (H)?**
- **What is the fraction of the unit cost to be charged to the proposal (F)?**

- There is no special definition for "maintenance" or "utilities", given great diversity of RIs and specific requirements for each. In general, this encompasses all material items necessary for the functioning of an infrastructure, cost of special power sources, conservation, calibration, chemicals, etc. But normally, for the researchers involved, this should be clear. They differ from indirect costs of an institution as they refer specifically to the experiment costs.

- "Total estimated quantity of access provided to all normal users of the infrastructure within the project life-time" is understood as for example 1000 experiment hours in 2 years, undertaken by 200 researchers coming from different countries and financed from all possible sources. Whereas "quantity of access offered under the proposal" means e.g. 400 experiment hours undertaken by 60 researchers financed from the I3 project budget in question.

- The fraction of the unit cost to be charged to the proposal means: It may happen that the unit cost equals e.g. 450 Euro but only 400 Euro are charged to the I3 project. In that case it is possible to take into account other funding sources like basic financing of the infrastructure by a national body.

What do "connectivity services" refer to in the sentence of the Guide for Applicants: "Funding of connectivity services will be limited to a maximum of 50% of the eligible costs"?

Connectivity services in the frame of e-Infrastructure Calls mean the Internet connection (in the majority of the cases). This passage states that upgrading of bandwidth or the installation of new server connections etc. is only funded with 50% of the total eligible costs.

Is there a rule concerning budget breakdown (limitation/maximum proportion of the subvention) between partners in the consortium?

Concerning the breakdown between partners there is no recommendation from the EC. Normally, partners offering Transnational Access or Services receive more money than partners active only in Joint Research Activities and Networking Activities. It depends on the project's needs as well as on common sense, the scientific area, the scientific community who uses the infrastructure, etc.

New Category: Financial issues – RSFF
(please rename the existing financial category into: Financial issues – general)

What is the RSFF?

RSFF = Risk-Sharing Finance Facility

RSFF is a new and innovative instrument supported by FP7 to provide loans for riskier but creditworthy R&D projects by risk-sharing between the EC and the European Investment Bank (EIB).

The EC and EIB contributions will be up to 1 billion Euros each during the course of FP7. RSFF is managed by the EIB and monitored by the EC in terms of eligibility of projects and budget allocation out of FP7. If demand for RSFF supported loans is lower than projected, the unused part of the EC contribution will be used for grants under FP7.

RSFF concerns institutions or projects mature enough to demonstrate capacity to repay and service debt on the basis of a credible business plan.

Do all projects get the loans from the EIB directly?

No. Projects with lower budget get cheaper loans via their personal ("house") bank. Only projects with bigger budget (>35mio Euro) get the loan directly from the EIB. Research Infrastructures projects included in the ESFRI Roadmap are automatically eligible for RSFF financing from the EIB.

What is the political and economic rationale for RSFF?

Investment in R&D is crucial for Europe's competitiveness and growth potential. Despite increased FP7 budget for 2007–2013 (€ 54,6 billion), there is a lack of funding for excellent and top quality R&D projects at EU level. Financial institutions are traditionally reluctant to invest in R&D projects. This is due to the fact that there is a higher uncertainty/risk for R&D projects, compared to more traditional business projects. Developing new sources of private sector R&D financing is one of the key elements of the new Lisbon Agenda cycle. A new

mechanism for more investments in R&D was specifically called for by the European Council in its decision on the financial perspectives for 2007-2013.

What are the objectives of the RSFF (Risk-Sharing Finance Facility)?

- Enhance further investment in Research, Development & Innovation in Europe, especially in the private sector
- Improve access to debt financing for promoters of research and innovation investments
- Allow for a larger volume of EIB (European Investment Bank) lending and guarantee operations for a certain level of risk, and the financing of riskier European RTI actions
- Foster increased private investment in research by improving access to loan finance

How can RSFF be used?

RSFF financing can be used complementary to an FP7 grant, instead of an FP7 grant or for projects not involved in FP7 but contributing to the FP7 objectives.

What are the eligibility criteria to use RSFF?

- Higher risk projects in the area of RDI, including:
 - Innovation investments
 - RTD activities, including those outside the scope of FP7 themes
 - Research infrastructures, including those without direct *European interest*
- Eligibility criteria for using EU funds from SP COOPERATION: RTD activities, within scope of FP7 themes
- Eligibility criteria for using EU funds from SP CAPACITIES: Research infrastructures of *European interest*

Which projects costs are eligible for RSFF?

Eligible are project capital expenditures intangible assets.
Intangible assets are:

- Research staff cost
- Incremental working capital requirements
- Acquisition of Intellectual Property Rights

Who are the beneficiaries to use RSFF?

The RSFF targets private and public European research-intensive entities including SMEs and research infrastructures, larger companies, universities and research organisations, irrespective of size and ownership, which contribute to the objectives of FP7. The financing may be provided either to entities or to individual research-related projects, often at a demonstration stage, especially to projects resulting from European research initiatives, such as Research Infrastructures, European Technology Platforms, Joint Technology Initiatives and Eureka.

Loans or guarantees can be given to projects (if they create a dedicated legal entity) and/or to innovative institutions of any size and ownership in all MS and AC:

- Mid and large corporates (typically unrated / sub investment grade / turnaround situations)
- SMEs
- Research Institutes (public and private)
- Universities (public and private)

- Special PPP
- Research Infrastructure promoters
→ Any size and ownership!

purpose / Project companies,

Can every project benefit from RSFF?

No. RSFF concentrates on good projects that have a sound financial profile – it is not a response to every financial need in research.

Are there special conditions for Research Infrastructure projects to use RSFF?

Yes. Research Infrastructures included in the ESFRI Roadmap are automatically eligible for RSFF financing and are regarded as priority projects under the RSFF.

Who are the contact points for RSFF in case of questions?

EC:

Directorate B – European Research Area: Research programmes and capacities
Unit B.04 – Regions of Knowledge and Research Potential
RSFF Sector

- Jean-David MALO, Head of Unit, (02 299 38 42)
- Martin KOCH
- Marie-Cécile ROUILLON

RSFF@ec.europa.eu

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

EIB:

Directorate for Operations in the European Union and Candidate Countries
Division: Action for Growth Instruments
Innovation 2010 Initiative (i2i)

- Heinz OLBERS
- Pavla RANDOVA : + 352 4379 7307

RDI@eib.org

<http://www.eib.org/rsff>

Category: Consortium “building”

What is the difference between ICPC and third countries? Is there a different possibility to apply for these two categories?

A third country is a state that is neither a Member State NOR an associated country. The list of International Cooperation Partner Countries (ICPC) can be found in Annex 1 of the Work Programme. Whereas all third countries are allowed to participate in FP7 projects (if the minimum criteria are met and justification for participation is given) only ICPC are likely to also receive funding from the European Commission. ICPC are lower / middle income countries (see definition in section “Consortium building”).

Can a UK registered non-profit organisation apply in the next I3 Call, if the actual infrastructure (a research vessel) is based in Hong Kong?

The minimum conditions for participation in this funding scheme are: At least 3 independent legal entities, each of which is established in a Member State (MS) or associated country (AC), and no two of which are established in the same MS or AC. So the essential question concerns the legal status of the organisation: is the institution a legal entity established in the

UK and is it owner
case the institution is eligible to participate.

of the research vessel? If this is the

In addition to the eligibility of the institution, the eligibility of the costs of the institution has to be considered: employees should be on the pay-roll of the institution and equipment should be owned by the institution. Otherwise it will be subcontracting, or the consortium has to include the organisation owning the equipment taking into account the minimum criteria.

Is there an average size of a consortium, based on an empirical value?

The European Commission gave presentations regarding the Integrating Activities (I3-projects) in FP6. An overview of the funded projects shows an average number of contractors of 19 of which 7 are offering access. Proposals should therefore reasonably have at least some 10 partners. The number of partners as such is not a criterion and largely depends on the subject and character of a project. There is hardly any "golden key" regarding consortium size. However, only partners who are necessary to conduct the work proposed should be included in the consortium. Expert panels or similar should be integrated with an appropriate association mechanism.

Can a consortium have 2 partners from the same country, or is only 1 partner per country allowed?

Yes, two or more partners from the same country can participate in a project, provided the minimum criteria are met. The legally binding documents (Rules for Participation and Work Programme) state the rule of "at least 3 independent legal entities, each of which is established in a MS or AC, and no two of which are established in the same MS or AC". This does not mean that only 1 partner per country can participate. However, as always, only partners who are necessary to conduct the work proposed should be included in the consortium.

Category: I3 model

In a typical combination of collaborative project and coordination and support action: How is the ratio (=proportion) between research, coordination and support?

There is no formal prescription. The overview of funded I3-projects in FP6 from the Commission shows an average EC contribution of 10 mio Euro divided into:

- Management 6 % (5-10%)
- Networking 20 % (15-20%)
- Access 29 % (23-35%)
- Joint research 45 % (35-45%)

This is not a recommendation and it only concerns I3-projects funded by DG Research. It is absolutely not applicable for DG Info. So the presented distribution may only give a hint on how a successful RI project could be set up. As always, the actual set-up has to meet the need of the given project.

Is there a minimum time for Transnational Access?

No. There is no overall minimum or maximum time for Transnational Access. Limitation is that Community financial support should never exceed 20% of the annual operating costs of the infrastructure to prevent it from becoming dependent on the Community contribution. Another aspect is that in the Work Package description for Transnational Access you have to provide an implementation plan which also shows the minimum quantity of access to be provided (see Guide for Applicants). TA is the main purpose of a project and must be explicitly integrated in a project.

One has to differentiate between TA-time for the whole project on one hand and TA-time for access of one user group on the other hand:

- Whole project: the access should be provided during an essential part of the project in order to gain significant impact on the target research community.

One could advise for a project of four years that access should be provided during ca. three years;

- Single access: here there is no formal minimum access time. This is due to the fact that the needs of the RIs differ widely. So in one RI access can be done in 2 days including all preparations, whereas the experiments in another RI may take e.g. 10 days.

Do only core partners who are involved in the grant agreement offer transnational access to their facilities to external researchers?

Yes. The external researchers or research groups are not beneficiaries of the grant. So it doesn't matter if they host any other researchers (in the frame of other projects or programmes) at their facility. Important for getting access to a facility of the Integrating Activity is that the proposed research meets the criteria of transnationality and quality and that they do not have the possibility to carry out the proposed tasks at their home organisation. So the answer is yes, only the core partners offer access to their facility under the EC grant. It is not obligatory that all of the beneficiaries offer this access.

Category: Further Links

RSFF:

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

<http://www.eib.org/rsff>