

## Call Title: Research for SME Associations Call 2

- **Call identifier:** FP7-SME-2008-2
- **Date of publication:** 3rd September 2008
- **Deadline:** 18 December 2008 (first stage) at 17.00.00 h (Brussels local time)
- **Indicative budget:** EUR 78.55 million<sup>1</sup>
- **Topics called:** call is open to all research fields

Activity/ Area	Topics called	Funding Scheme
<u>2.2 Research for SME Associations</u>	The call is open to all research fields <sup>2</sup>	Research for the benefit of specific groups (in particular SMEs)

- **Evaluation procedure:** 2-stage procedure. The first stage will consist of an outline proposal of not more than 12 pages providing the essential aspects of the proposed project<sup>3</sup>. For proposals which successfully pass the first stage, co-ordinators shall be requested to provide a full proposal. The closure date for the submission of the full proposal (stage 2) will be detailed in the request (indicative closure date: May 2009). Proposals will not be evaluated anonymously. The evaluation of the first stage proposals will be limited to the criteria "S&T quality" and "Impact" and may be carried out by a remote evaluation procedure.
- The evaluation criteria and sub-criteria (including weights and thresholds), together with the eligibility, selection and award criteria, for the different funding schemes are set out in Annex 2 to this work programme.

However, for this call, the threshold for the Potential impact criterion will be 4 (instead of 3). As a consequence, the overall threshold for stage 1 will be 8 (instead of 7) and for stage 2 will be 11 (instead of 10).

- **Indicative evaluation and contractual timetable:** results of stage 1 evaluation will be available within three months after closure date. Proposers of successful proposals post

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<sup>1</sup> Under the condition that the preliminary draft budget for 2009 is adopted without modifications by the budgetary authority. The final total budget attributed to this call, following the evaluation of projects, may vary by up to 10% of the total value of the call.

<sup>2</sup> Research proposals within the scope of Annex I of the EURATOM Treaty, namely those directed towards nuclear energy applications, should be submitted to relevant calls under the EURATOM 7th Framework Programme.

<sup>3</sup> The page limits that apply to proposals submitted under this call are given in the proposal part B template available through the EPSS (see also the Guide for Applicants, annex 4). The Commission will instruct the experts to disregard any pages in excess of these limits

first stage evaluation will be asked to submit a stage 2 proposal with a specified deadline around May 2009.

Grant agreement signature: it is estimated that the first grant agreements related to this call will come into force 12 months after the first stage closure date.

- **Consortium agreements**

The participants will be required to submit a signed consortium agreement before the signature of the grant agreement.

It addresses issues such as the internal organisation of the consortium, the management of the Community financial contribution, rules on dissemination and use, including intellectual property rights management, settlement of internal disputes. In particular, it should contain provisions related to the remuneration of the RTD-performers especially if different from the default regime, clearly indicating the ceiling for remuneration agreed within the consortium and the related consequences in terms of allocation of ownership and use and dissemination rights. This information is meant to be fully reflected in the Technical Annex to the grant agreement.

- **Particular requirements for participation, evaluation and implementation:**

- At least 3 independent SME association/groupings established in 3 MS or AC. An alternative to this is that there may be 1 European SME association/grouping established in a MS or an AC. This association/grouping must be made up of a minimum of 3 independent legal entities established in 3 MS or AC. SME associations/groupings are legal persons, composed mostly of and representing the interests of SMEs and/or physical persons having the same kind of activities.
- At least 2 participants, must be RTD performers (having the capacity to carry out research at the request of the association(s)/grouping(s)), independent from any other participant
- At least 2 participants must be SMEs (other enterprises or end-users) established in 2 MS or AC.

- See Annex 3 for the form of grant and maximum reimbursement rates

- A reserve list of proposals will be established

**WORK PROGRAMME 2008**

***CAPACITIES***

**PART 2**

***RESEARCH FOR THE BENEFIT OF SMES***

***2<sup>nd</sup> Revision***

***(European Commission C(2008)4566 of 26 August 2008)***

**Capacities Work Programme: Research for the Benefit of SMEs**

This second revision of the Work programme for 2008 is an updated with respect to the version adopted on 29<sup>th</sup> November 2007 and the version adopted on May 2008. It contains the following new elements:

- With relation to the 'Research for SME Associations' call':
  - The indication of the publication date: 3rd September 2008
  - The indication of the closure date: 18<sup>th</sup> December 2008
  - The indication of the budget allocated: EUR 78.55 million
  
- With relation to the 'Coordination and support action' call for 'exploratory awards':
  - The indication of the publication date: 3rd September 2008
  - The indication of the closure date: 30<sup>th</sup> September 2008
  - The indication of the budget allocated: EUR 20 million
  
- With relation to budget for expert evaluators and reviewers, this has been increased to EUR 2.25 million

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## **RESEARCH FOR THE BENEFIT OF SMEs**

### **Objectives:**

**Strengthening the innovation capacity of European SMEs and their contribution to the development of new technology based products and markets by helping them outsource research, increase their research efforts, extend their networks, better exploit research results and acquire technological know how, bridging the gap between research and innovation.**

## **I CONTEXT**

### **Policy context**

Innovative SMEs with little or no research capabilities are targeted by the specific programme 'Capacities' through its dedicated activity "Research for the benefit of SMEs".

A. To achieve the objectives, the following three groups of activities will be implemented:

#### **1. Supporting SMEs outsourcing research activities**

The activities in this section are the same as already described in the work programme for 2007.

The support aims at SMEs or SME associations in need of outsourcing research to research services providers ("RTD performers") such as universities, research centres or research performing SMEs. Other enterprises and end-users, which belong to the same value chains as the participating SMEs, can participate, if it is in the interest of the project.

The financial support will be implemented through 2 distinct schemes:

- 'Research for SMEs' targets mainly low to medium technology SMEs with little or no research capability, but also research performing SMEs who need to complement their core research capability. Projects aim at creating new knowledge or achieving results with a clear exploitation potential to improve or develop new products, processes or services which meet the needs of the participating SMEs. This scheme is not a suitable instrument to solve short-term technological problems, but can assist companies in acquiring technological know-how and accessing international networks for their medium to long-term business development.
- 'Research for SME Associations' targets SME associations which act on behalf of their members to identify and address common technical problems and to promote the effective dissemination and take-up of the research results. Projects in this activity may address e.g. pre-normative research issues, technological problems related to the development and implementation of legislation, and technological problems of industrial sectors that cannot be addressed by the 'Research for SMEs' scheme and which meet the needs of the SME members of the SME associations.

Both schemes follow a bottom-up approach, meaning that they can be carried out in the entire field of science and technology. In addition to research, technological development and

demonstration activities, projects are encouraged to include other activities such as training, to facilitate the dissemination and exploitation of results.

The two schemes provide financial support to SMEs or SME associations to outsource research and technological development, with the view of acquiring intellectual property rights, preferably ownership, of the project results. It contrasts with collaborative projects (in the Cooperation programme) where participants cooperate on equal terms with regard to the research undertaken and with the same access rights to the knowledge each of them generates.

The relationship between SMEs or SME associations and RTD-performers under this Programme is a “customer-seller” relationship. To further develop their activities, SMEs or SME associations buy knowledge from RTD performers, who sell their expertise and work. Specific research and development activities undertaken by SMEs or SME associations with their own resources are essentially focussed on initial specifications and on the validation and testing of the acquired knowledge.

In this context, the real investment or cost incurred by SMEs or SME associations includes a price they pay for the know-how they wish to acquire: i.e. the intellectual property rights and knowledge developed during the project.

The funding model developed reflects the economic nature of this relationship.

- From an SME/ SME association perspective it is important that it is well verified and justified how the proposed research investment fits into the overall business strategy of the SMEs (industrial sectors) involved. Although the level of public funding provided is substantial, it will never cover all the costs, shortfalls will have to be covered by the participating companies or associations themselves.
- Strong emphasis is put on the outsourcing character of the actions: ‘research and technological development activities’ of the RTD performers should form the bulk of the project, assessed in terms of the level of activities and resources deployed.
- Flexibility is given to the consortium in establishing an agreement on intellectual property rights. The default regime is full ownership of all project results by the SMEs or SME associations. The consortium may however reach a different agreement in their own best interests, as long as the SMEs and SME associations are provided with all the rights that are required for their intended use and dissemination of the project results.
- The financial support of the Community in accordance with Article 33 of the Rules for participation will be capped at a value not exceeding 110% of the estimated price to be invoiced by RTD providers to SMEs or SMEs associations and/or other enterprises and end users as agreed amongst them prior to grant agreement signature in compliance with Article 120 of the Financial Regulation. Within this limit, the effective reimbursement of eligible costs will be subject to the applicable rates of the various activities (see Annex 3). Should the actual invoices be lower than the initially estimated price, the financial support of the Community will not exceed 110% of their actual value.
- RTD performers will be protected against the legal impossibility for an SME or SME association and/or other enterprises and end-users to honour the financial commitment towards them. RTD performers may be authorised to charge their eligible costs related to unpaid invoices for direct reimbursement by the Community. This reimbursement shall be subject to the funding rates applicable for ‘research and technological development

activities' and/or 'demonstration activities' in accordance with Article 33 of the Rules for participation and within the above-mentioned cap.

Further detail on how to prepare a project proposal and apply the funding scheme is presented in the brochure "Research for SMEs & Research for SME Associations at a glance" which can be consulted at [http://ec.europa.eu/research/sme-techweb/index\\_en.cfm?pg=publications](http://ec.europa.eu/research/sme-techweb/index_en.cfm?pg=publications) on the SMETechWeb: [http://ec.europa.eu/research/sme-techweb/index\\_en.cfm](http://ec.europa.eu/research/sme-techweb/index_en.cfm).

## 2. Developing and coordinating support to SMEs at national level

The following actions are foreseen:

- a) The Community will grant a financial support to national and/or regional schemes providing financial means ("exploratory awards") to SMEs or SME associations to prepare proposals for actions under and supported by this Programme. The major objective of the support is to establish durable schemes and services to increase the number of awards provided by the national and/or regional schemes. A major objective of these schemes should be to assist SMEs and SME associations to make a better informed decision on the need for the research, the choice of partnership, the choice of funding scheme etc. and to improve the quality of proposals.

A first preparatory Coordination and Support Action of about EUR 0.5 million has been awarded in 2007. It creates a network with representative organisations of the Member States or Associated countries in charge of such schemes or which may have an interest to develop such schemes. It is specifically dedicated to the development of implementation modalities for this subsequent Coordination and Support Action to support national and/ or regional schemes.

- b) A Coordination and Support Action of a value of EUR 171 000 will be awarded<sup>1</sup> for the organisation of a conference under the French Presidency on the opportunities offered to SMEs by Research and Innovation programmes in Europe and their expected economic impact, to take place in the second half of 2008 in France.

The grant for the organisation of this conference will be awarded to the French Public Agency OSEO<sup>2</sup>, Avenue du Général Leclerc, 94710 Maisons-Alfort Cedex.

Maximum possible rate of co-financing: the Commission shall finance up to 50% of the total eligible costs, up to EUR 171 000.

- c) A financial support has been proposed<sup>3</sup> in favour of the programme "EUROSTARS" jointly undertaken by Members States and Associated Countries to support R&D performing SMEs. This activity will be implemented by a separate mechanism (Article 169 of the Treaty).

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<sup>1</sup> In accordance with Article 14.a of the Rules of Participation

<sup>2</sup> OSEO head structure is a holding with public status. It reports to both the Ministry for Economy, Finance and Industry, and Ministry for Higher Education and Research Its mission is to provide assistance and financial support to French SMEs in the most decisive phases of their life cycle

Building on EUREKA, EUROSTARS will integrate resources of national programmes for the benefit of R&D performing SMEs, with the objective to boost their research and innovation capability. Activities shall take the form of trans-national research and development projects driven by SMEs, which are expected to contribute substantially to the research and innovation activities.

This initiative complements the actions described in this work programme in favour of SMEs with little or no research capacity by specifically targeting R&D performing SMEs.

### 3. Enhancing the impact of SME participation in European Research

The implementation of the SME -specific actions under “Research for the benefit of SMEs” is part of a comprehensive strategy to optimise SMEs participation in and benefit from Community research framework programmes. This should lead to research programmes which are better adapted to the economic needs of SMEs, helping them to innovate and to better prepare for the exploitation of results.

- a) A call for tender will be organised for a study assessing the socio-economic impact of SME-participation in the actions undertaken under the Priority Thematic Areas of FP6 and the Thematic Programmes of FP5. The study should focus on identifying the profile of the participating SMEs, the economic impact including the management and exploitation of IPR resulting from the research, the expectations from the SMEs participating in the research programme and the extent to which these were fulfilled.

One service contract of EUR 1 million is foreseen for a call opening in the first-quarter of 2008 and closing in 2008.

- b) A call for tender will be organised for a study assessing the socio-economic impact on SMEs participating in European research programmes – in particular Cooperative and Collective research in FP6 and FP5 - for the outsourcing of research. It will aim at the identification of the economic impact, and good practices for the dissemination and the exploitation of results.

One service contract of EUR 0.5 million is foreseen for a call expected to be open in the last-quarter of 2007 and closing in 2008.

The above initiatives are covered by an ad-hoc financing decision taken in September 2007, therefore the related calls are not described in details under this Work programme.

In addition, a *Coordination and support action – expert contracts*<sup>4</sup> will be awarded to fund the activities of an Expert Group, the Sounding Board.

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<sup>3</sup> Proposal for a decision of the European Parliament and of the Council on the participation by the Community in a research and development programme aimed at supporting research and development performing SMEs undertaken by several Member state. COM(2007)514 of 12.09.2007

<sup>4</sup> In accordance with Articles 14(c), 17 and 27(5) of Regulation (EC) No 1906/2006 of 18 December 2006 laying down the rules for the participation of undertakings, research centres and universities in actions under the Seventh Framework Programme and for the dissemination of research results (2007-2013)

An advisory group, the Sounding Board, was established in 2005 to incorporate the views of research-intensive SME, SME associations and some other experienced stakeholders in the development of procedures for the implementation of the 7th Framework Programme. The Sounding Board is composed of high-level independent experts representing those SMEs and SME associations as well as some smaller research centres and institutions. The Sounding Board was already foreseen in WP2007 and its mandate is extended for the year 2008. The Sounding Board shall assist the Commission and provide recommendations to the Commission in order to improve and facilitate the participation of SMEs and other small actors in FP7 and make efforts with regard to simplification.

The total funding necessary is estimated at a maximum of EUR 77 600

B. Furthermore,

the Commission will appoint **independent experts** to assist with the evaluations of proposals in accordance with article 17 of the Rules for Participation. In addition independent experts will be appointed to assist the Commission and the participants to indirect actions financed under FP7 and previous framework programmes with the review of running actions.

An indicative budget of EUR 2.25 million has been earmarked for this purpose.

## II CONTENT OF CALLS IN 2008

### Activity: 2.1 Research for SMEs

#### **Technical content/ scope**

Research for SMEs supports innovative SMEs to solve common or complementary technological problems. Projects must be centred on the innovation needs of the SMEs which outsource research to RTD performers and must demonstrate a clear exploitation potential for the SMEs concerned.

#### **Topics**

Research for SMEs is a bottom-up scheme: the projects may address any research topic across the entire field of science and technology<sup>5</sup>.

#### **Participants**

Research for SMEs projects require participants from the following two categories of participants:

##### **1. SME participants:**

At least three independent SME participants, established in three different Member States (MS) or Associated countries (AC).

They must be SMEs as defined by Recommendation 2003/361/EC ( [http://europa.eu/eur-lex/pri/en/oj/dat/2003/l\\_124/l\\_12420030520en00360041.pdf](http://europa.eu/eur-lex/pri/en/oj/dat/2003/l_124/l_12420030520en00360041.pdf) ).

However, SMEs that are research centres, research institutes, contract research organisations or consultancy firms are not eligible as SME participants.

SMEs are the direct beneficiaries of the scheme: they outsource part of their research need by investing in research activities carried out by the RTD performers. The grant will cover only part of this investment. The SME participants normally retain the full right of use and dissemination of any project results ("foreground"). Projects are centred around the economic interest of the SME participants who will take an active role by defining their specific technological needs and will ensure that the research performed complies with their requirements. No decision in the consortium shall be taken against the collective interest of the SME participants. They will provide input and will contribute to the research activities where appropriate and will be directly involved in the take-up and exploitation of the research results to their own best advantage.

##### **2. RTD performers:**

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<sup>5</sup> Research proposals within the scope of Annex I of the EURATOM Treaty, namely those directed towards nuclear energy applications, should be submitted to relevant calls under the EURATOM 7th Framework Programme.

At least two RTD performers independent from any other participant.

RTD performers are legal entities carrying out research and technological development activities for the benefit of SME participants. Examples of RTD performers are universities, research organisations and industrial companies, including research performing SMEs.

In addition, **other enterprises and end-users** may participate by making a particular contribution to the project and in solving specific problems or needs of the SME participants involved, though not in a dominant role. They must be independent from any other participant.

Co-ordination tasks may not be subcontracted. The organisation acting as coordinator must have the necessary capacity and competence to ensure effectively the coordination tasks. Whilst the co-ordinator of a Research for SMEs project should normally be one of the SME participants or RTD performers, this role may be entrusted by the SMEs in duly justified cases to an organisation specialised in professional project management and participating to the project under the category “other enterprises and end-users” in support to the SMEs.

### **Type of activities**

Research and technological development activities form the core of the project and the RTD performers should perform the bulk of these. SMEs should focus on initial specifications, and on testing and validation of project results and the preparatory stages for further use. Knowledge management and IPR protection should support the SMEs in protecting and using the research results to their best advantage, leading to a clear economic impact.

Demonstration activities are designed to prove the viability of new technologies that offer a potential economic advantage, but which cannot be commercialised directly (e.g. testing of product-like prototypes).

Other activities to facilitate the take-up of results by the SMEs, in particular training and dissemination:

- Training activities are performed in general by the RTD performers and are aimed at technical and managerial staff from the participating SMEs. Training should focus on results/technologies generated by the projects. Training activities should normally not exceed 10% of the total eligible project costs.
- Dissemination activities may include conferences, publications, workshops or web-based initiatives.

Management activities, over and above the technical management of individual work packages, provide an appropriate framework bringing together all project components and maintaining regular communications with the Commission.

### **Resources and duration**

Indicative budget: EUR 92.72 million from the 2008 budget.

The size of the consortium should typically be between 5 and 10 participants.

The overall budget of the project should typically be between EUR 500 000 to EUR 1 500 000 and the duration of the project should normally be between 1 and 2 years.

**Funding Scheme that applies:**

**‘Research for the benefit of specific groups (in particular SMEs)’**

The calculation of the Community contribution for projects is built upon the reimbursement, in whole or in part, of eligible costs (based on maximum rates of reimbursement specified in the grant agreement for different types of activities within the project) and shall not exceed the maximum Community contribution determined by the rules for participation.

In addition, for actions under “Research for SMEs”, the reimbursement of eligible costs is in line with the applicable reimbursement rates according to Article 33 of the Rules for participation. However the overall financial support will be limited to a maximum value not exceeding 110% of the total amount invoiced by the RTD performers for RTD and demonstration activities.

RTD performers will charge eligible costs only under ‘management activities’ and ‘other activities’ (including training and dissemination). Resources they use for ‘research and technological development activities’ and/or ‘demonstration activities’ will be invoiced to SMEs at an agreed price. The price and payment modalities agreed between RTD performers and SMEs should reflect the value of the intellectual property rights and knowledge acquired: the price of a licence should normally be lower than the price for ownership.

SMEs and other enterprises or end-users will charge eligible costs under the various available activities to the project. The payment of RTD performers’ invoices will be considered as eligible cost and be reimbursed at the funding rate applicable for ‘research and technological development activities’ and/or ‘demonstration activities’.

The RTD performers offer a research service for which they must be remunerated by the SME participants and/or other enterprises and end-users. In return the SME participants receive rights to the "foreground" (including intellectual property) generated in the project. All participants must agree on the appropriate conditions with respect to remuneration of the RTD-performers and rights relinquished to the SME-participants, and in the best interest of the SME-participants, before submitting the proposal.

By default, the preferred option is that the SME-participants retain the full ownership of the Foreground and the RTD-performers are remunerated accordingly. However, the SMEs may agree on other conditions with the RTD-performers. It is e.g. conceivable that the SMEs do not require property rights on "foreground" but that their economic interest is fully satisfied by a (non)-exclusive license. In such a situation, the RTD-performer could retain ownership of the IPR and certain use rights to valorise and get a return on its own investment. This in turn will affect the level of remuneration paid by the SMEs for the research services delivered.

**Expected impact**

Projects under 'Research for SMEs' aim at strengthening the competitiveness of SME participants and contribute at programme level to improving industrial competitiveness across the European Union. The proposed Science & Technology approach should take into account the state of the art in the technology domain and demonstrate the capability and commitment of the consortium to implement a tangible RTD work plan at a high quality level.

The expected outcome post project includes new/improved products, processes or services with a distinct market potential: they should demonstrate a clear economic impact for the SME participants, improving their competitiveness by creating new or expanding existing markets. Collaboration and networking at EU level should enhance their access to markets and customers.

The expected impact should be clearly described both at qualitative and quantitative level, providing where possible an indication of the economic impact, e.g. on turnover, employment or target markets as well as expected patent applications or licence agreements. A dedicated strategy for the use of the research results is expected to ensure optimal and rapid innovation impact.

Projects follow basic ethical principles and include provisions for communication and dissemination of results. They should highlight any relevance to EU policies (i.e. environment, energy, health, etc), encourage gender equality initiatives (i.e. gender action plans according to the size of the project), foster dialogue beyond the research community, explore wider societal issues and address possible synergies with education.

## **Activity: 2.2 Research for SME Associations**

### **Technical content/scope**

Research for SME Associations supports SME associations to develop technical solutions to problems common to a large number of SMEs in specific industrial sectors or segments of the value chain through research, for example, to develop or conform to European norms and standards, and to meet regulatory requirements in areas such as health, safety, environmental protection and energy efficiency. Projects must be driven by the SME associations which outsource research to RTD performers for the benefit of their members and must involve a number of individual SMEs.

Evaluation of proposals under 'Research for SME Associations' will follow a two-stage submission procedure.

### **Topics**

Research for SME Associations is a bottom-up scheme: the projects may address any research topic across the entire field of science and technology<sup>6</sup>.

### **Participants**

Research for SME Associations projects require participants from the following three categories of participants:

#### **1. SME associations/groupings (SME-AGs):**

At least three independent SME association/groupings, established in three different Member States (MS) or Associated countries (AC), or one European SME association/grouping established in a Member State or Associated country according to its national law and which is made up of a minimum of three independent legal entities, established in three different Member States or Associated countries.

SME associations/groupings are legal persons, composed mostly of and representing the interests of SMEs and/or physical persons having the same kind of activities. Examples of these are sectoral industrial associations, national or regional industrial associations and chambers of industry and commerce.

Projects are centred around the economic interest of the SME members of the SME AGs. The SME-AGs take an active role by defining the specific technological needs and ensuring that the research performed complies with their requirements. They provide input and contribute to the research activities where appropriate. The SME-AGs are the direct beneficiaries of the scheme by investing in research activities carried out by the RTD performers. The grant will cover only part of this investment. The SME-AGs normally retain the ownership of any project results ("foreground"). No decision in the

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<sup>6</sup> Research proposals within the scope of Annex I of the EURATOM Treaty, namely those directed towards nuclear energy applications, should be submitted to relevant calls under the EURATOM 7th Framework Programme.

consortium shall be taken against the collective interest of the SME-AGs. They ensure the broad use and dissemination of the research results by their SME members to their best advantage.

**2. RTD performers:**

At least two RTD performers independent from any other participant.

RTD performers are legal entities carrying out research and technological development activities for the benefit of the SME-AGs and in the interest of their SME members. Examples of RTD performers are universities, research organisations and industrial companies, including research performing SMEs.

**3. Other enterprises and end-users (including SMEs):**

A limited number of individual SMEs (2-5) from at least two different Member States or Associated countries must participate under this category to ensure that the results of the project address SME needs and can be used by a large number of SMEs. The scope of their activity will be focused on validation, take-up, training and dissemination activities, but not on research activities.

In addition, other enterprises and end-users (including SMEs) may participate by making a particular contribution to the project and in solving specific problems or needs of the SME-AGs involved and the SMEs they represent, though not in a dominant role. They must be independent from any other participant.

Co-ordination tasks may not be subcontracted. The organisation acting as coordinator must have the necessary capacity and competence to ensure effectively the coordination tasks. Whilst the co-ordinator of a Research for SME Associations project should normally be one of the SME-AGs or RTD performers, this role may be entrusted in duly justified cases to an organisation specialised in professional project management and participating in the project under the category “other enterprises and end-users” in support to SME-AGs.

**Type of activities**

Research and technological development activities form the core of the project and the RTD performers should perform the bulk of these. SME-AGs and their SME members should focus on testing and validation of project results and the preparatory stages for further use. Knowledge management and IPR protection should support the SME-AGs in protecting and using the research results to the best advantage of their members, leading to a clear positive economic impact for the SME-AGs members.

Demonstration activities are designed to prove the viability of new technologies that offer a potential economic advantage, but which cannot be commercialised directly (e.g. testing of product-like prototypes).

Other activities as appropriate and directly related to the project’s objectives that facilitate the take-up of results by the SMEs, in particular training, dissemination and networking:

- Training activities contribute to the professional development of the persons concerned, in particular technical and managerial staff from the participating SME-AG and their

(SME) members. They aim at fostering the take-up and use of project results in larger groups of SMEs concerned. Training activities focus on results/technologies generated by the projects and can be carried out by:

- RTD performers towards SME-AG technical and managerial staff ("Train the Trainer" formula) and/ or towards SMEs,
- SME-AG staff towards technical and managerial staff of SME members.

Training activities should normally not exceed 15% of the total eligible project costs.

- Dissemination activities may include conferences, publications, workshops, web-based initiatives.

Projects include activities to effectively disseminate the research results to the members of the SME associations, and if appropriate, more widely. Furthermore, dissemination to policy makers, including standardisation bodies, is encouraged to facilitate the use of policy relevant results by the appropriate bodies at international, European, national or regional levels.

Management activities, over and above the technical management of individual work packages, provide an appropriate framework bringing together all project components and maintaining regular communications with the Commission.

### **Resources and duration**

Indicative budget<sup>7</sup>: EUR 78.55 million from the 2009 budget.

An amount of EUR 45.7 million from the 2008 budget has been used to fund the 1<sup>st</sup> call of Research for SME Associations of the 2007 work programme which had a total budget of EUR 58 million.

The size of the consortium in FP7 should typically be between 10 and 15 participants; in addition, the SME end users group should be limited to 2 to 5 members necessary to achieve the objectives.

The overall budget of the project should typically be between EUR 1 500 000 to EUR 4 000 000 and the duration of the project should normally be between 2 and 3 years.

### **Funding Scheme that applies:**

#### **‘Research for the benefit of specific groups (in particular SMEs)’**

The calculation of the Community contribution for projects is built upon the reimbursement, in whole or in part, of eligible costs (based on maximum rates of reimbursement specified in the grant agreement for different types of activities within the project) and shall not exceed the maximum Community contribution determined by the rules for participation.

In addition, for actions under “Research for SME Associations”, the reimbursement of eligible costs is in line with the applicable reimbursement rates according to Article 33 of the Rules for participation. However, the overall financial support will be limited to a maximum value not

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<sup>7</sup> Budget provided in the current work programme for information purposes only.

exceeding 110% of the total amount invoiced by the RTD performers for RTD and demonstration activities.

RTD performers will charge eligible costs only under 'management activities' and 'other activities' (including training and dissemination). Resources they use for 'research and technological development activities' and/or 'demonstration activities' will be invoiced at an agreed price. The price and payment modalities agreed between RTD performers and the SME-AGs should reflect the value of the intellectual property rights and knowledge acquired: the price of a licence should normally be lower than the price for ownership.

SME associations and other enterprises or end-users will charge eligible costs under the various available activities to the project. Subject to an agreement between SME-AGs and their SME members, the payment of RTD performers' invoices by SME members will be considered as eligible costs for them and be reimbursed at the funding rate applicable for 'research and technological development activities' and/or 'demonstration activities'.

The RTD performers offer a research service for which they must be remunerated by the SME-AGs and/or other enterprises and end-users. In return the SME-AGs receive rights on "foreground" (including the intellectual property rights) generated in the project. All participants must agree on the appropriate conditions with respect to remuneration of the RTD-performers and rights relinquished to the SME-participants, and in the best interest of the SME-AGs and their SME-members, before submitting the proposal.

By default, the preferred option is that the SME-AGs retain the full ownership of the foreground and the RTD-performers are remunerated accordingly. However, the SME-AGs may agree on other conditions with the RTD-performers. It is e.g. conceivable that the SME-AGs do not require property rights on Foreground but that their economic interest is fully satisfied by a (non)-exclusive license. In such a situation, the RTD-performer could retain ownership of the IPR and certain use rights to valorise and get a return on its own investment. This in turn will affect the level of remuneration paid by the SME-AGs for the research services delivered.

### **Expected impact**

Projects under "Research for SME Associations" aim at developing new or conforming to existing European norms and standards, meeting regulatory requirements and policy objectives in areas such as health, safety and environmental protection or solving technological problems common for larger groups of SMEs that could not be addressed under "Research for SMEs". The proposed Science & Technology approach should take into account the state of the art in the targeted technology domain and demonstrate the capability of the consortium to implement a tangible RTD work plan at a high quality level. Projects should lead to a clear economic impact for the SME members of the SME-AGs involved in the project, thus contributing at programme level to improving industrial competitiveness across the European Union.

The readiness to meet regulatory requirements and/or to influence norms and standards will give SME-AGs and their SME-members a competitive advantage in creating new or expanding existing markets. Collaboration and networking at EU level is expected to enhance their access to markets and customers geographically and sectorally.

The expected impact should be clearly described both at qualitative and quantitative level, providing an indication of the expected consequences for the SMEs concerned. This should cover the implications concerning compliance with regulatory requirements, but also economic

impact, e.g. on turnover, employment or target markets as well as expected patent applications or licence agreements. A dedicated dissemination and exploitation strategy is expected to ensure that a large group of SMEs benefit from the results post project completion.

Projects ensure respect basic ethical principles and include provisions for communication and dissemination of results. They should highlight any relevance to EU policies (i.e. environment, energy, health, etc), encourage gender equality initiatives (i.e. gender action plans according to the size of the project), foster dialogue beyond the research community, explore wider societal issues and address possible synergies with education.

## Activity: 2.3 Coordination and Support Activities

### **Technical content/scope**

A financial support will be granted to national and/or regional schemes providing financial means ("exploratory awards") to SMEs or SME associations to prepare proposals for actions under and supported by this SME Programme. The major objective of the support is to establish durable schemes and services to increase the number of awards provided by the national and/or regional schemes. A major objective of these schemes should be to assist SMEs and SME associations to make a better informed decision on the need for the research, the choice of partnership, the choice of funding scheme etc. and to improve the quality of proposals. The participants should be representative organisations, ideally one per Member State or Associated country, in charge of "exploratory awards" type schemes or which may have an interest to develop such schemes.

This activity is a follow-up action of the preparatory Coordination and Support Action financed under 2007 work programme on 'Support to national schemes providing financial support to SMEs or SME associations to prepare proposals for actions under 'Research for the Benefit of SMEs' (exploratory awards)'. This action has been awarded to a network with representative organisations of the Member States or Associated countries in charge of such schemes or which may have an interest to develop such schemes. Its main task is to develop the implementation modalities for this Coordination and Support Action to support national and/ or regional schemes, including work programmes and necessary budget allocations for this action.

In accordance with the Decisions concerning the Framework Programme<sup>8</sup> and the Capacities Specific Programme<sup>9</sup>, the provisions of Article 120(2) of the Financial Regulation applicable to the general budget of the European Communities<sup>10</sup> and Article 184a of the Commission Regulation laying down detailed rules for the Council Regulation on the Financial Regulation applicable to the general budget of the European Communities<sup>11</sup>, shall not be applicable with regard to the financial support provided by the participants in the above action to third parties participating in projects selected following calls for proposals launched (under this action).

Indicative budget<sup>12</sup>: EUR 20 million from the 2009 budget

### **Funding schemes that apply**

- Coordination and Support Actions aiming at coordinating research activities.

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<sup>8</sup> OJ L 412, 30.12.2006, p. 1 Decision No 1982/2006/EC of the European Parliament and of the Council of 18 December 2006

<sup>9</sup> OJ L 400, 30.12.2006, p. 101

<sup>10</sup> OJ L 248, 16.09.2002, p.1; Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p.1).

<sup>11</sup> OJ L 357, 31.12.2002, p.1; Regulation as last amended by Regulation (EC, Euratom) No 478/2007 (OJ L 111, 28.4.2007, p. 13).

<sup>12</sup> Budget provided in the current work programme for information purposes only.

**Expected impact**

The support to national schemes providing financial support to SMEs or SME associations to prepare proposals for actions under 'Research for the Benefit of SMEs' is expected to result in more coherent and effective national assistance schemes for SMEs intending to participate in transnational research programmes. This in turn should lead to the SMEs making better informed decisions on their investment and participation in European research actions.

In addition, an SME Conference will be directly supported, in accordance to ART 14.a of the rules for participation, under the French Presidency (see on page 6).

**Indicative budget for the "Research for the benefit of SMEs" for the 2007-2008 Work Programmes**

<b>Actions 2007 Work programme</b>	<b>2007 budget (EUR million)</b>	<b>2008 budget (EUR million)</b>	<b>Total for each call</b>
<b>Research for SMEs</b>			
<i>FP7-SME-2007-1</i>	<i>100</i>		<i>100</i>
<b>Research for SME Associations</b>			
<i>FP7-SME-2007-2</i>	<i>10*</i>	<i>48*</i>	<i>58</i>
<b>Coordination and support actions call 1</b>			
<i>FP7-SME-2007-3</i>	<i>2</i>		<i>2</i>
<b>Support to national schemes providing financial means ("exploratory awards") to SMEs</b>			
<i>Preparatory action</i>	<i>0.50</i>		<i>0.50</i>
<b>Support for the prolongation of ERA-NET projects "ERA-SME" and "CORNET"</b>	<i>4</i>		<i>4</i>
<b>Support to the network of NCPs for 'Research for the Benefit of SMEs'</b>	<i>3</i>		<i>3</i>
<b>Sounding Board</b>	<i>0.075</i>		<i>0.075</i>
<b>Evaluations (expert evaluators)</b>	<i>1.44</i>		<i>1.4</i>
<b>Estimated total 2007 budget allocation</b>	<i>121.015</i>		
<b>Estimated total 2008 budget allocation</b>		<i>48</i>	

\*The repartition between 2007 and 2008 has changed. However the overall amount of the call remains the same (EUR 58 million). The amount for 2007 has become EUR 12.3 million, therefore the amount for 2008 has become EUR 45.7 million.

<b>Actions 2008 Work Programme</b>	<b>2008 budget (EUR million)</b>	<b>2009 budget<sup>13</sup> (EUR million)</b>	<b>Total</b>
<b>Research for SMEs</b>			
FP7-SME-2008-1	92.72		92.72
<b>Research for SME Associations</b>			
FP7-SME-2008-2		78.55	78.55
<b>Support to national schemes providing financial means ("exploratory awards") to SMEs</b>			
FP7-SME-2008-3		20	20
<b>French Presidency Conference</b>	0.17		0.17
<b>Sounding Board</b>	0.08		0.08
<b>Evaluations (expert evaluators)</b>	1.25	1	2.25
<b>Estimated total 2008 budget allocation</b>	<b>94.22</b>		
<b>Estimated total 2009 budget allocation</b>		<b>99.55</b>	
<b>Estimated total budget allocated to WP2008 activities</b>			<b>193.77</b>

### **Budget figures in this work programme**

All budgetary figures given in this work programme are indicative.

Following the evaluation of proposals the final budget awarded to actions implemented through calls for proposals may vary:

- by up to 10% of the total value of the indicated budget for each call, and
- any repartition of the call budget may also vary by up to 10% of the total value of the indicated budget for the call.

The final budgets for evaluation, monitoring and review may vary by up to 20% of the indicated budgets for these actions. The final budget awarded for all other actions not implemented through calls for proposals may vary by up to 10% of the indicated budgets for these actions.

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<sup>13</sup> Indicative amount - under the condition that the preliminary draft budget for 2009 is adopted without modifications by the budgetary authority. Budget provided in the current work programme for information purposes only.

### III IMPLEMENTATION OF CALLS

#### Call title: Research for SMEs Call 2

- **Call identifier:** FP7-SME-2008-1
- **Date of publication:** 30 November 2007
- **Deadline:** 11 April 2008, at 17.00.00 h (Brussels local time)
- **Indicative budget<sup>14</sup>:** EUR 92.72 million
- **Topics:** the call is open to all research fields

Activity/ Area	Topics called	Funding Scheme
<u>2.1 Research for SMEs</u>	The call is open to all research fields <sup>15</sup>	Research for the benefit of specific groups (in particular SMEs)

- **Evaluation procedure:** the evaluation will follow a single stage procedure; proposals will not be evaluated anonymously.
- The evaluation criteria and sub-criteria (including weights and thresholds), together with the eligibility, selection and award criteria, for the different funding schemes are set out in Annex 2 to this work programme.

However, for this call, the threshold for the Potential impact criterion will be 4 (instead of 3) and, as a consequence, the overall threshold will be 11 (instead of 10).

- **Indicative evaluation and contractual timetable:** evaluation results estimated to be available 3 months after closure date.  
Grant agreement signature: it is estimated that the first grant agreements related to the call will come into force 8 months after the closure date.
- **Consortium agreements**

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<sup>14</sup> The final budget awarded to this call, following the evaluation of projects, may vary by up to 10% of the total value of the call.

<sup>15</sup> Research proposals within the scope of Annex I of the EURATOM Treaty, namely those directed towards nuclear energy applications, should be submitted to relevant calls under the EURATOM 7th Framework Programme.

The participants will be required to submit a signed consortium agreement before the signature of the grant agreement.

It addresses issues such as the internal organisation of the consortium, the management of the Community financial contribution, rules on dissemination and use, including intellectual property rights management, settlement of internal disputes. In particular, it should contain provisions related to the remuneration of the RTD-performers especially if different from the default regime, clearly indicating the ceiling for remuneration agreed within the consortium and the related consequences in terms of allocation of ownership and use and dissemination rights. This information is meant to be fully reflected in the Technical Annex to the grant agreement.

- **Particular requirements for participation, evaluation and implementation:**
  - At least 3 participants must be independent SMEs established in at least 3 MS or AC.
  - At least 2 participants must be RTD performers (having the capacity to carry out research at the request of SMEs), independent from any other participant.
  - Other legal entities, such as other enterprises or end-users that make a particular contribution to the project and to solving specific problems or needs of SMEs may participate, though not in a dominant role. These other enterprises and end-users must be independent from the SME participants and the RTD performers.
- See Annex 3 for the form of grant and maximum reimbursement rates
- A reserve list of proposals will be established

### **Call title: Research for SME Associations Call 2**

- **Call identifier:** FP7-SME-2008-2
- **Date of publication:** 3rd September 2008<sup>16</sup>
- **Deadline:** 18 December 2008 (first stage) at 17.00.00 h (Brussels local time)<sup>17</sup>
- **Indicative budget:** EUR 78.55 million<sup>18</sup>

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<sup>16</sup> The Director-General responsible for the call may publish it up to one month prior to or after the envisaged date of publication.

<sup>17</sup> At the time of the publication of the call, the Director-General responsible may delay this deadline by up to two months.

<sup>18</sup> Under the condition that the preliminary draft budget for 2009 is adopted without modifications by the budgetary authority. The final total budget attributed to this call, following the evaluation of projects, may vary by up to 10% of the total value of the call.

- **Topics called:** call is open to all research fields

Activity/ Area	Topics called	Funding Scheme
<b><u>2.2 Research for SME Associations</u></b>	<b>The call is open to all research fields<sup>19</sup></b>	<b>Research for the benefit of specific groups (in particular SMEs)</b>

- **Evaluation procedure:** 2-stage procedure. The first stage will consist of an outline proposal of not more than 12 pages providing the essential aspects of the proposed project<sup>20</sup>. For proposals which successfully pass the first stage, co-ordinators shall be requested to provide a full proposal. The closure date for the submission of the full proposal (stage 2) will be detailed in the request (indicative closure date: May 2009). Proposals will not be evaluated anonymously. The evaluation of the first stage proposals will be limited to the criteria "S&T quality" and "Impact" and may be carried out by a remote evaluation procedure.
- The evaluation criteria and sub-criteria (including weights and thresholds), together with the eligibility, selection and award criteria, for the different funding schemes are set out in Annex 2 to this work programme.

However, for this call, the threshold for the Potential impact criterion will be 4 (instead of 3). As a consequence, the overall threshold for stage 1 will be 8 (instead of 7) and for stage 2 will be 11 (instead of 10).

Furthermore, the procedure for establishing the priority order for proposals with the same score for this call will differ from Annex 2 as follows: the first step (point 'i') making reference to topics is suppressed, and point "ii" (now point 'i') indicates that the proposals will be prioritised first according to the scores for the criterion *impact* and, when these scores are equal, according to the scores for the criterion *scientific and technological excellence* (ref. Guide for Applicants).

- **Indicative evaluation and contractual timetable:** results of stage 1 evaluation will be available within three months after closure date. Proposers of successful proposals post first stage evaluation will be asked to submit a stage 2 proposal with a specified deadline around May 2009.

Grant agreement signature: it is estimated that the first grant agreements related to this call will come into force 12 months after the first stage closure date.

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<sup>19</sup> Research proposals within the scope of Annex I of the EURATOM Treaty, namely those directed towards nuclear energy applications, should be submitted to relevant calls under the EURATOM 7th Framework Programme.

<sup>20</sup> The page limits that apply to proposals submitted under this call are given in the proposal part B template available through the EPSS (see also the Guide for Applicants, annex 4). The Commission will instruct the experts to disregard any pages in excess of these limits

- **Consortium agreements**

The participants will be required to submit a signed consortium agreement before the signature of the grant agreement.

It addresses issues such as the internal organisation of the consortium, the management of the Community financial contribution, rules on dissemination and use, including intellectual property rights management, settlement of internal disputes. In particular, it should contain provisions related to the remuneration of the RTD-performers especially if different from the default regime, clearly indicating the ceiling for remuneration agreed within the consortium and the related consequences in terms of allocation of ownership and use and dissemination rights. This information is meant to be fully reflected in the Technical Annex to the grant agreement.

- **Particular requirements for participation, evaluation and implementation:**

- At least 3 independent SME association/groupings established in 3 MS or AC. An alternative to this is that there may be 1 European SME association/grouping established in a MS or an AC. This association/grouping must be made up of a minimum of 3 independent legal entities established in 3 MS or AC. SME associations/groupings are legal persons, composed mostly of and representing the interests of SMEs and/or physical persons having the same kind of activities.
- At least 2 participants, must be RTD performers (having the capacity to carry out research at the request of the association(s)/grouping(s)), independent from any other participant
- At least 2 participants must be SMEs (other enterprises or end-users) established in 2 MS or AC.

- See Annex 3 for the form of grant and maximum reimbursement rates

- A reserve list of proposals will be established

**Call title: Support to national schemes providing financial means ('exploratory awards') to SMEs**

- **Call identifier:** FP7-SME-2008-3
- **Date of publication:** 3rd September 2008<sup>21</sup>
- **Deadline:** 30 September 2008 at 17.00.00 h (Brussels local time)<sup>22</sup>

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<sup>21</sup> The Director-General responsible for the call may publish it up to one month prior to or after the envisaged date of publication.

<sup>22</sup> At the time of the publication of the call, the Director-General responsible may delay this deadline by up to two months.

- **Indicative budget:** EUR 20 million <sup>23</sup>
- **Topics:**

Activity/ Area	Topics called	Funding Scheme
<u>2.3 Coordination and Support Activity</u>	<b>Support to national schemes providing financial means ('exploratory awards') to SMEs</b>	CSA

- **Evaluation procedure:** the evaluation will follow a single stage procedure; proposals will not be evaluated anonymously.
- The evaluation criteria and sub-criteria (including weights and thresholds), together with the eligibility, selection and award criteria, for the different funding schemes are set out in Annex 2 to this work programme.
- **Indicative evaluation and contractual timetable:** evaluation results estimated to be available 2 months after closure date.  
Grant agreement signature: it is estimated that the first grant agreements related to the call will come into force 4 months after the closure date.
- **Particular requirements for participation, evaluation and implementation:**
  - The minimum conditions for participation are set out in Article 5 of the FP7 Rules for participation. In the case of sole participants, Article 10 of the FP7 Rules for participation applies.
- See Annex 3 for the form of grant and maximum reimbursement rates
- A reserve list of proposals will be established

#### IV INDICATIVE PRIORITIES FOR FUTURE CALLS

The current planning foresees one call or more per year for one or more of the following activities: 'Research for SMEs', 'Research for SME Associations', 'Coordination and Support activities'.

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<sup>23</sup> Under the condition that the preliminary draft budget for 2009 is adopted without modifications by the budgetary authority. The final total budget attributed to this call, following the evaluation of projects, may vary by up to 10% of the total value of the call.