

COMPETITIVE EUROPEAN REGIONS THROUGH RESEARCH AND INNOVATION



PRACTICAL GUIDE TO EU FUNDING OPPORTUNITIES FOR RESEARCH AND INNOVATION



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The purpose of the guide, and particularly the checklist and scorecard tools, is to simplify access to the relevant information on funding according to the needs of the potential beneficiary.

It does not commit the European Commission or any other body to provide financial support.

Potential beneficiaries are deemed to acknowledge and comply with the precise rules governing each form of financial support they may be interested in, relevant information on which can be found via the links in Annex 4.

A web-based presentation of the practical guide will be developed.

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INTRODUCTION

The knowledge economy – with its emphasis on education, research, technological development, innovation and entrepreneurship – is at the heart of the renewed Partnership for Growth and Jobs, a programme to develop Europe's economy and guarantee quality of life for its population.

In an open global economy, competitiveness lies in the capacity of businesses to create high value-added goods and services. A move towards innovation-based sustainable growth is therefore at the heart of the EU's response to globalisation. Research and innovation can also offer solutions to overcome the great challenges that face our continent and the whole world, challenges such as energy security, climate change, environmental degradation, exclusion of vulnerable groups, ageing population and disabilities, global health threats, and demographic developments.

At the Community level, the Union possesses three key funding instruments to support research and innovation: Cohesion policy which is funded through the Structural Funds and Cohesion Fund; the Research Framework Programme and the Competitiveness and Innovation Framework Programme. In 2007 the European Commission published its ideas on 'Competitive European Regions through Research and Innovation'¹ and called on Member States and regions to make more effective use of the available funding instruments. These issues cut across many domains of European Commission policy, such as economic affairs, employment policy, energy, transport, agriculture, environment and information society, going beyond the programmes under our responsibility. With all our colleagues, we hope that the ideas put forward will see a change in approach, with much greater attention to the optimal use and combination of the different EU funds. For this to happen, we rely on the active cooperation of the Member States and regions.

This Practical Guide was conceived in order to help potential beneficiaries of our programmes find their way through the three funding instruments and identify the most appropriate funding scheme for them. It provides a concise description of the three funding sources, explains how they can in practice be combined and provides policy makers with advice on setting up mechanisms at the national and regional levels to foster co-ordinated access to them.

It has been produced with the full collaboration and support of our fellow Commissioners Mrs Mariann Fisher Boel (Agriculture and rural development), Mrs Viviane Reding (Information Society and Media), Mr Andris Pielbags (Energy), Mr Joe Borg (Fisheries and maritime affairs), Mr Vladimír Špidla (Employment, Social Affairs and Equal Opportunities) and Mr Antonio Tajani (Transport), who are jointly responsible with us for the funding instruments covered by the guide. Together, we hope that this guide, above all else, proves to be practical and user-friendly. Its aim is to provide potential recipients of EU funding for research and innovation with the basic information they need to access this funding.

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¹ COM (2007) 474 of 16/08/2007

1. HOW DO I OBTAIN SUPPORT FOR MY RESEARCH, INNOVATION AND ENTREPRENEURIAL IDEAS?

- Are you a researcher with an idea for a research or innovation project?
- Do you need to upgrade the skills or the capacity of your research organisation?
- Are you an entrepreneur who would like to undertake research and innovation activities?
- Are you already engaged in commercial innovation activities whether or not arising from research and development?
- Are you a cluster manager who seeks to internationalise a cluster and make it more innovative?
- Are you a regional innovation policy-maker, information officer or research programme manager and want to exchange good practices with your peers from other EU Member States?

There may well be funding opportunities available at EU level that can help you implement your plans. The objective of this guide is to explain how to get to relevant information on funding opportunities ("getting through the maze") and make the best use of the possibilities offered by individual instruments or their combination.

1.1. Framework for developing your ideas

Clearly, the first step is up to you. You need to think your ideas through and develop a clear outline of your proposal. Remember, it is better that the process is driven by your idea rather than by the funding sources that happen to be available.

In general, your ideas will fall into three broad categories:

1. You wish to build up or enhance the research capacity of your organisation, including through training, or you intend to undertake research to generate new knowledge.
2. You are interested in innovation in the sense of technology transfer, access to venture capital or business and innovation support services. You wish to develop new or improved products and services or up-date your production processes/organisation/marketing strategy.
3. You wish to engage in enterprise development, for instance through setting-up an innovative company, the expansion or internationalisation of your existing business activities or the creation of new business and technology partnerships.

Framing your ideas in this way will help you to focus on your real needs and, the more clearly your needs are defined, the easier it is to identify the right instruments for you.

1.2. Instruments and Funding Options

When you have a clear understanding of what you want to achieve, you can proceed to consider whether the three main EU funding instruments – the 7th Framework Programme for Research, Technological Development and Demonstration activities and the 7th Euratom Framework Programme for Nuclear Research and Training Activities (FP7), the Competitiveness and Innovation Framework Programme (CIP) and the Structural Funds (SF) – might offer the support that you need. Furthermore support for innovative investments in agriculture, forestry, food industry in rural areas is provided by the European Agricultural Fund for Rural Development (EAFRD)², and in the field of fisheries by the European Fisheries Fund (EFF). Depending on the research/innovation activity to which your idea relates, one or more of these instruments may be available to you. In addition to funding, these instruments may also offer other types of benefits, such as possibilities for networking or making use of information and other services provided.

Research: 7th Framework Programme for Research, Technological Development and Demonstration activities and the 7th Euratom Framework Programme for Nuclear Research and Training Activities (FP7³)

EC FP7 with a total budget of over €50 billion for the period 2007-2013 is the EU instrument specifically targeted at supporting research and development. It provides funding to co-finance research, technological development and demonstration projects based on competitive calls and independent peer review of project proposals. Support is available for collaborative and individual research projects as well as for the development of research skills and capacity. Since the 1980s, the successive Research Framework Programmes have played a lead role in multidisciplinary research and cooperative trans-national R&D activities in Europe and beyond. Euratom FP7 (2007-2011) has a dedicated budget of € 2.75 billion for applied research and training activities in fusion energy and nuclear fission and radiation protection.

Innovation: Competitiveness and Innovation Framework Programme (CIP)

The Competitiveness and Innovation Framework Programme aims to foster the competitiveness of European enterprises and has a total budget of over €3.6 billion for the period 2007-2013. Specific CIP programmes promote innovation (including eco-innovation); foster business support services in the regions and better access to finance, with small and medium-sized enterprises (SMEs) as the main target; encourage a better take-up and use of information and communications technologies (ICT); help to develop the information society and promote the increased use of renewable energies and energy efficiency.

² The EAFRD's rules and mechanisms for providing support are similar to those of the Structural Funds.

³ For the purposes of this guide, FP7 will collectively refer to both Framework Programmes, whereas EC FP7 and Euratom FP7 will refer to each individually where necessary.

Cohesion Policy: Structural Funds and Cohesion Fund (SF)

The purpose of the Structural Funds (European Regional Development Fund – ERDF and European Social Fund - ESF) and the Cohesion Fund⁴ is to strengthen economic, social and territorial cohesion by reducing disparities in the level of development among regions and Member States. Each region or Member State has developed, in discussion with the Commission and in partnership with all relevant private and public stakeholders, operational programmes that cover the entire programming period 2007-2013. Many thematic areas are supported by the Structural Funds, including research, innovation and enterprise for which EU funding in the period 2007-2013 will be above €86 billion. The allocation of funds in a given Member State or region varies according to its level of development. However, most regions will have some funding available from the Structural Funds in support of Research, Technological Development and Innovation (RTDI). Unlike FP7 and CIP, the management of the Structural Funds is decentralised to regional or national bodies.

More detailed information on each of these funding sources can be found in Annexes 1 to 3 respectively. Depending on your level of knowledge of the funds, it may be helpful to study the information in the annexes first, before proceeding to read the rest of this guide.

1.3. Sources of advice

1.3.1. First step: our websites

Before seeking advice, you may find it useful to have a look at the main communication tools of the three programmes: their specific websites (see internet addresses in Annex 4). There you can get an overview of the different activities funded, examples of projects, etc.

1.3.2. Information centres

You can often get advice in information centres near you. There are two big networks of centres providing information in your own languages that can be found in the whole territory of the European Union and beyond: (a) the Enterprise Europe Network and (b) the National Contact Points. In addition, the Managing Authorities of the Structural Funds can advise you on questions related to Cohesion Policy funding (c).

- (a) To identify the innovation potential and business needs of your company and for advice on how to develop project ideas, the **Enterprise Europe Network** may help you. The Network centres are able to review your technology and business status, identify needs and explore technology transfer opportunities. They can also provide personalised advice and information to help apply for

⁴ In order to simplify the text of the guide, and as the differentiation is not generally relevant for the final beneficiaries, references in this guide to the Structural Funds should be understood as including the Cohesion Fund.

EU research funding, exploit technology opportunities or find business partners.

Consult the Enterprise Europe Network homepage to learn more about the assistance that it can provide and to find your local Enterprise Europe partner: http://www.enterprise-europe-network.ec.europa.eu/index_en.htm

- (b) The **National Contact Points** (NCPs) are national structures established and financed by governments of the 27 EU Member States and the states associated to FP7 and the CIP. In the case of the CIP, the NCPs deal only with the Intelligent Energy in Europe (IEE) and Information and Communication Technologies - Policy Support Programme (ICT-PSP) actions.

The NCPs provide personalised support, guidance, practical information and assistance on all aspects of participation in those programmes. This includes advice on technical and administrative questions concerning the calls for proposals, partner search, national priorities, and matching national co-financing possibilities, where applicable.

The NCP systems in the various countries have different structures, from highly centralised to decentralised networks, and a number of very different actors, from ministries to universities, research centres, special agencies and private consulting companies.

Find the Contact Points in your country in the following web pages:

- For FP7: http://cordis.europa.eu/fp7/get-support_en.html
- For the CIP:
 - NCPs for the CIP – IEE programme:
http://ec.europa.eu/energy/intelligent/contact/national_en.htm
 - NCPs for the CIP - ICT - PSP:
http://ec.europa.eu/information_society/activities/ict_psp/contacts/ncp/index_en.htm

- (c) The **Managing Authorities** of the Cohesion Policy funding programmes are national and regional authorities. They can help with questions related to the funding opportunities and procedures under the Structural Fund programme in their area. Contact details for your region or Member State: http://ec.europa.eu/regional_policy/atlas2007/index_en.htm and http://ec.europa.eu/employment_social/esf/index_en.htm.

2. A ROUTE TO THE RELEVANT FUNDING SOURCES ("GETTING THROUGH THE MAZE")

2.1. The aim of the guide:

Although plenty of information is available on the different EU funding sources, potential beneficiaries are often still confused, in particular when it comes to deciding which source of funding is most appropriate for a given activity. The aim of this guide is therefore to help potential applicants for EU funding for research and innovation to find their way to relevant information on funding opportunities ("getting through the maze") in order to identify the most suitable choices among the relevant EU programmes. Given the very wide range of activities that can be funded, the text of the guide cannot itself answer every question. However, it will direct the reader straight to the relevant source of information.

As the EU research, development and innovation system continues to evolve, an **on-line version of the guide** is planned that will be regularly up-dated.

2.2. The checklist

In order to determine which programme or funding source is the most relevant to support your idea, **6 key questions** have been identified that will guide you to the relevant funding opportunities:

1. Am I eligible for a given programme or funding source?
2. Is my type of research, innovation or enterprise development activity eligible?
3. What about my timeframe?
4. What type of financial support can I obtain?
5. Who else is involved in the project?
6. Can I apply for funding in my location?

For each of the three funding sources, the answers to these questions will vary. Therefore, we have developed the Checklist attached to this guide that provides – by funding source – both a brief answer to the question and links to numerous supplementary sources of information.

2.3. The scorecard

As you proceed through the Checklist and answer the six questions, you can fill the results in the Scorecard (Annex 5) by allocating a "+" for each positive response, a "?" for an intermediate response (Maybe, Limited, Sometimes) and a "-" for a negative response.

In order for your project idea to have a chance for funding under a specific programme or sub-programme, you need to have all "+" or "?" in the line of the scorecard for that programme or sub-programme. A "-" means that your project idea could not receive funding under the given programme or sub-programme.

The scores you note in the scorecard will indicate how your project idea could fit under one or more programmes. However, this does not mean that you will automatically receive funding or that it is efficient to apply for funding under all programmes that achieve high scores. A few general rules that need to be borne in mind are described below.

The EU funding schemes: some general rules

- **In the case of FP7 and CIP** (except for the Community Financial Instruments for SMEs)

The funding in the form of grants is normally allocated through the publication of "**calls for proposals**", meaning that project ideas have to be submitted by a certain deadline, comply with clearly defined themes and have the required partnership structure, usually trans-national. In other words, it is not possible simply to spontaneously apply to the Commission for assistance.

After the deadline, all proposals under a call will then be examined by a panel of evaluators to check their eligibility and to assess their quality. Funding will be awarded only for the best project proposals within the limits of the total available budget. In other words, even if a proposal meets the quality requirements, it might not get funding. In addition, under FP7, your project proposal might have to be modified (e.g. regarding its budget structure, types of actions, composition of the consortium) in the course of negotiation of the grant agreement. Please note that this is also the case for Intelligent Energy Europe and will be for CIP Eco-innovation.

Even though calls for proposal are the main tool to allocate funds, the Entrepreneurship and Innovation Programme of CIP provides an exception in this respect. Many of its measures are aimed at policy-support, for which SMEs benefit indirectly, and therefore the intervention mechanisms are not only calls for proposals but also tenders and other type of support. For the intervention mechanisms of the CIP Financial Instruments for SMEs, see Annex 2 for more detailed information.

- **In the case of the Structural Funds**

As the management of the Structural Funds is decentralised, each region or Member State has developed, in discussion with the Commission and all relevant private and public stakeholders, one or more operational programmes. These are tailored to the socio-economic challenges in the Member State or region, but may not use all the possible funding themes and models provided under the SF Regulations. The main point to note therefore is that, although the Checklist will indicate that most types of applicant, research/innovation activity, etc. have a positive score, not every region will be covered by an operational programme that supports the particular research or innovation activity you have in mind. You will need to check this with the Managing Authority in charge of the programme in question (see annex 4 for the list of Managing Authorities).

Also, application procedures (e.g. ongoing applications and project selection, calls for proposals on specific topics or competitions with fixed deadlines, etc.) and types of funding (grant, service/supply contract, financial instrument) are decided by the Managing Authority for the operational programme in question, depending on what is most appropriate for the activities envisaged. Project selection criteria are agreed by each operational programme's Monitoring Committee and are published (e.g. on Managing Authority websites). Projects will be evaluated according to these criteria.

Bear in mind in addition that a research or innovation project submitted to a Structural Funds programme will be judged on its likely contribution to the economic development of the Member State or region as well as on its scientific or technological quality.

3. HOW TO COMBINE THE DIFFERENT INSTRUMENTS

3.1. Mixing EU funding sources: the rules of the game

The three EU funding sources (FP7, CIP and Structural Funds), when operating individually, provide significant support for research, development and innovation. However, their value can be further enhanced by combining them. How can this be done?

When considering how the funding sources can be combined, a clear distinction must be made between, on the one hand, co-financing, and, on the other hand, complementary financing.

Co-financing

Although the EU can in some circumstances provide 100% of the eligible costs of the financing for a programme or project, the general rule is that the beneficiary (whether a public authority, SME or research entity) also contributes to the cost. This is called co-financing. The Structural Funds, FP7 and CIP each have their specific rules on the required level of co-financing. The question arises whether an applicant, faced with the need to provide a contribution to a project under one of the three instruments, could use funds it has received from one of the other instruments to cover the cost.

In the case of the applicant's contribution to a project financed with the Structural Funds, the answer is a definite no. Structural Funds must be co-financed by national and regional public and private funds. This means that funds received from another Community programme, like FP7 or CIP, cannot be used to provide the required national contribution to a Structural Funds programme and such action would indeed be illegal. The same prohibition applies in the other direction to the use of Structural Funds to cover the applicant's contribution to a project funded by FP7 or the CIP.

<p>The provision of the Structural Funds Regulations for 2007-2013 that prohibits co-financing by another Community instrument is Article 54(5) of Council Regulation No. 1083/2006. Article 54(5) provides that "<i>an expenditure co-financed by the Funds shall not receive assistance from another Community financial instrument</i>".</p>

In the case of FP7 or the CIP, using one of these funds to cover the cost of the applicant's contribution to a project under the other fund is in practical terms impossible, given the system of calls for proposals with specific subjects, eligibility and selection criteria

However, funds from the European Investment Bank Group (EIB and EIF) can be used to finance the national or regional contribution to a project under FP7, CIP or the Structural Funds. Finally, in all cases, the maximum level of public support for a project is subject to respect of the state aid rules and the maximum contribution rate for each of the funds.

Complementary financing

While co-financing the same project by different EU funds is either prohibited or not practically possible, it is possible to combine the resources of the Structural Funds, FP7 and CIP in a complementary way. This means using different funds for different actions (with separate cost statements/bills), which are carried out in a related or consecutive manner.

No 'double financing'

What is double financing? It is a polite way to describe submitting the same item of expenditure (i.e. a specific cost) to different sources separately (either EU, national or regional) in order to obtain financial support from all of them. In other words, it is a fraudulent abuse of public money and clearly prohibited.

Thus, the Financial Regulation (Council Regulation (EC, Euratom) No 1605/2002) states at Article 111 that *in no circumstance shall the same costs be financed twice by the EU budget.*

3.2. Scenarios for complementary financing

Opportunities for complementary financing may arise in a number of different circumstances.

- Separate but related activities or parts of a project can be funded at the same time by the Structural Funds, FP7 and the CIP.

Examples of complementary financing for related activities

1. A region is involved in the development of a major research infrastructure (e.g. a synchrotron). Under the Research Infrastructures action of the FP7 Capacities Specific Programme, it receives funding for the design phase and for certain preparatory work (legal, technical, etc). However, FP7 cannot finance the actual construction of the facility. This is where the Structural Funds can step in. If the region is eligible for the Convergence Objective, the Structural Funds can provide support for the construction and fitting out of the facility.

2. A university is engaged in upgrading the skills of its staff, with transnational actions (such as international fellowships) covered by the People Programme of FP7 while the European Social Fund under the Structural Funds at the same time supports advanced training within the region.

3. An SME may be receiving support for an innovative business project in the form of a loan guaranteed by a financial intermediary approved under CIP's SME Guarantee Facility, while other related but distinct activities, for example training to up-grade the skills of the staff to be able to develop and implement the new business idea, can be in receipt of Structural Funds (under the European Social Fund).

- An activity could first be supported by FP7 or the CIP, and its follow-up later by the Structural Funds, or the other way round. Equally, the different funding sources may support different phases of the development of a technology over time, starting from basic research, to applied research, to demonstration or to pre-competitive market introduction.

➤ ***Structural Funds first, followed by FP7 or CIP***

It is often the case that funding is available to a research organisation or company under the Structural Funds in order to take the first tentative steps in research or in developing an

innovative technology or product. The conditions for granting such funding are usually generous and flexible, especially in the least-developed regions. This allows the research organisation or company to grow to the point where it can enter the more competitive environment of FP7 for research activities and the development of technology or the CIP for broader innovative activities.

Examples of support under the Structural Funds being followed by FP7 or CIP

1. A research organisation in the domain of biotechnology has received funding from an Operational Programme under the Structural Funds. This has allowed the development of a new research idea in which research organisations in other countries have expressed interest. The area of activity is covered by a forthcoming call for proposals under the Cooperation Specific Programme of FP7. The research organisation leads a consortium that successfully applies for funding under the call. The research and development results of the FP7 project lead to a business idea and trigger the creation of a company. This start-up company can benefit from the CIP through loan guarantees or grants for pilot and market replication projects. It can also benefit from the CIP by receiving business support services delivered by the Enterprise Europe Network.

2. An SME is in receipt of grant funding under a business support priority of a Structural Funds programme in its region. It is interested in accessing other financial instruments such as venture capital for the further development of its activities. It applies for an investment by a Venture Capital Fund approved under CIP's High Growth and Innovative SME Facility and receives funding from this source.

➤ *FP7 or CIP first, followed by Structural Funds*

It may be that, during the lifetime of an FP7 or CIP project, funding needs are identified in order to continue the activity. However, there is no guarantee that a further application for funding under FP7 or the CIP would be possible, as there may be no relevant call open, or successful, given the very competitive nature of the process. However, if a Structural Funds Operational Programme in the region covers the research, technology or innovation in question, it may be able to provide the necessary funding to sustain the activity.

Examples of support under FP7 or CIP being followed by the Structural Funds

1. A research organisation in the domain of road transport forms part of a transnational consortium that has implemented a project under FP7. The research organisation has further research ideas arising from the project that it wishes to pursue itself. The region in which it is located is eligible for an Operational Programme under the Structural Funds in the domain of transport that includes a measure for the promotion of transport research. The research organisation applies for and secures funding for the related project under the Operational Programme.

2. An SME forms part of a consortium that has received funding through the Research for SMEs action under the FP7 Capacities Specific Programme. This has provided it with support to outsource certain research needs, and receive training for its own staff. As a result, it is now ready to undertake future research activities itself. It successfully applies for funding for capital expenditure to build its research capacity under the research and business priorities of a Structural Funds Operational Programme in its region or for assistance under the JEREMIE facility (see Annex 3).

3.3. How to identify and seize an opportunity for complementary funding

If you have received, or intend to apply for, funding under FP7 or the CIP and you wish to find out about opportunities for complementary funding in your region under the Structural Funds, you simply consult the Operational Programmes for which the region is eligible. If these programmes support the same type of activity as your FP7 or CIP project, you may be able to seek complementary funding according to the programme rules.

If however you have received, or intend to apply for, funding under the Structural Funds and you wish to find out about opportunities for complementary funding in your region under the CIP or FP7, the situation is different. This is because there are no fixed FP7 or CIP allocations per region.

The appropriate course of action then is to examine the current funding opportunities under these instruments and apply according to the rules for participation. It needs to be recognised however that, even if the CIP or FP7 can fund the same type of activity as your Structural Funds project, it will not always be the case that a complementary funding opportunity will exist through a call for proposals at a particular moment.

4. THE ROLE OF NATIONAL AND REGIONAL AUTHORITIES

The implementation of the three funding instruments usually involves different administrative levels and authorities. The responsibility for the implementation of the Structural Funds often lies with regional authorities, while participation in the programming and monitoring for FP7 and the CIP lies with the national/central/federal authorities. In addition to this multi-level governance structure, the responsibilities are often spread over different departments: for the Structural Funds and the CIP it is often the economics/enterprise/industry administrations that are in charge, while for FP7 it is normally the research/science administrations.

National and regional policy makers and administrations have a central role in ensuring the effective exploitation of the potential for synergies between FP7, the CIP and the Structural Funds through the establishment of mechanisms for these authorities to act in a co-ordinated manner.

The Commission therefore strongly encourages Member States to improve the arrangements for cross-departmental and vertically co-ordinated preparation and use of Community instruments to support research, innovation and cohesion at the national and regional levels. The recommendations made in the Communication "Competitive European Regions through Research and Innovation", mentioned in the Introduction to this Guide, are essential for the creation of the necessary synergies on the ground.

Although it is always necessary, when discussing the three funding sources, to bear in mind their different policy objectives⁵, the conditions are at the moment very favourable for their complementary use, due to the fact that:

- With the new 2007-2013 programming period the **time frame of the three funding schemes is the same**, although the budget, methods and timing for allocating the funds to concrete implementing measures differ substantially.
- **The Structural Funds are increasingly emphasising the role of research and innovation** as a crucial factor for regional development. With the Lisbon strategy and the strategic guidelines on cohesion⁶ this emphasis has been reinforced. The importance of innovation is also highlighted in the Community strategic guidelines for rural development for the period 2007-2013⁷.
- **FP7 and CIP have been increasingly taking the role of the national and regional levels into account.** In FP7, the regional dimension is more important compared to

⁵ As explained in Annexes 1 to 3.

⁶ Council decision of 6 October 2006 on Community Strategic Guidelines on cohesion (2006/702/EC)

⁷ Council decision of 20 February 2006 on Community Strategic guidelines for rural development 2007-2013 (2006/144/EC)

FP6. Under the CIP, key actors from all EU regions are involved in projects and in the new Enterprise Europe Network, which provides business and innovation support services to enterprises.

- In comparison to the previous programming period, the **new Structural Fund Operational Programmes are more strategic and open to experimenting with new funding methods** that make it possible to set up within the approved programme priorities new innovation support schemes for enterprises and researchers, beyond the more infrastructure-oriented investments in the previous funding period.
- **Economic exploitation of research results.** Activities supported by FP7 and its predecessors lead to the production of knowledge and successful projects offer potential for commercial exploitation. There is an obvious possibility for using the Structural Funds, as well as some CIP instruments, for financing the development phase of successful research projects that have been financed under FP7.
- **Trans-national cooperation.** While transnational cooperation is one of the core ideas in the CIP and FP7, the bulk of Structural Funds spending is within specific Member States and regions. Nevertheless, Cohesion policy also provides opportunities to contribute to trans-national cooperation, notably through the European Territorial Cooperation Objective (previously known as INTERREG), a particular part of the Structural Funds that supports the development of cross-border, inter-regional or trans-national cooperation, in particular through networking. Such possibilities are also offered by rural development policy, especially in the area of the Leader initiative⁸.

Transnational and interregional actions are now also well embedded within the 2007-2013 national and regional Operational Programmes of the European Social Fund (ESF)⁹ which provide support for transnational exchange and cooperation:

- in all policy areas identified for ESF interventions, such as adaptability, labour market policies, social inclusion, human capital and strengthening public administration;
- for all types (strategic stakeholders such as social partners, NGOs, training and regional development organisations, public administrations, ESF management bodies, beneficiaries, participants in projects) and levels of actors, and
- for all types of exchange and cooperation (joint projects; events; focus groups and networks; mobility and exchange of people).

As a result, Member States and regions, in their Operational Programmes under the ESF 2007-2013, plan to use 2 % (€ 3 bn) of the budgets of their Operational Programmes for transnational cooperation.

⁸ See http://ec.europa.eu/agriculture/rur/leaderplus/index_en.htm

⁹ See Art. 8 of Regulation No 1081/2006 of 5 July 2006. For further information see http://ec.europa.eu/employment_social/esf/fields/transnational_en.htm and www.transnationality.eu.

One of the innovations in the 2007-2013 programming period is the creation of a new legal entity. The 'European Grouping of Territorial Cooperation' (EGTC) facilitates cooperation between regions and enhances their capabilities to develop and implement common projects focusing on growth and competitiveness. Besides providing a legal personality for the management body of trans-national Structural Fund projects, it can also be used for instance for managing multi-country research infrastructures.

In practical terms, communication and information are the most important preconditions for fostering the complementary use of the different funding instruments. In effect, the necessary synergies can only be achieved if the different administrative actors delivering FP7, the CIP and the Structural Funds know about the opportunities offered by the other instruments.

Thus, policy makers and those involved in implementation or dissemination of information must know each other. As a next step, answers to basic questions of the type "What support can FP7/CIP/ Structural Funds offer my region/area of activity?" must be widely and readily available. Databases of projects financed by the different funding sources should also be available to all concerned. In addition, the formal monitoring structures for the different instruments (Monitoring Committees for the Structural Funds and Programme Committees for FP and CIP) should establish regular and up-to-date information flows. This means that the relevant authorities should ensure that the national representatives in the FP7/CIP Programme Committees regularly provide information to the Structural Funds Monitoring Committees of their countries, and vice-versa.¹⁰

Finally, it is of course the particular responsibility of the Member States and regional authorities to prevent irregularities such as double financing and unauthorised co-financing with another Community instrument. When such abuses are discovered, it is normal to proceed with financial penalties.

¹⁰ See Commission Communication "Competitive European Regions through Research and Innovation" COM(2007)474

CHECKLIST FOR EU INNOVATION AND RESEARCH FUNDING

Step 1: Am I eligible for a given programme or funding source?

Options:

- Companies
- Research organisation/university, including private sector research organisations
- Individual researcher/PhD student/expert
- NGO/business or research association/chamber of commerce
- Public authority

- **Companies** (micro, small, medium, large – profit/non-profit making, private-public partnership, service provider, project coordinator, etc.) other than research organisations

FP7: Yes. Companies can participate in almost all FP7 activities and are encouraged to do so. In addition, under the **FP7-PEOPLE** Programme there is a specific Marie Curie Action for commercial enterprises and the **FP7- Capacities** Programme has specific schemes for research relating to SMEs.

CIP: Yes. Companies may benefit from the CIP Financial Instruments if they are SMEs and subject to being accepted by financial intermediaries approved under these instruments. SMEs in search of finance should contact a financial intermediary located in their country or region. The list of financial intermediaries, and information on eligibility criteria and application procedures, can be found at: <http://www.access2finance.eu/>.

Pilot and market replication projects are also addressed to companies, independent of their size, although CIP Eco-innovation mainly targets SMEs.

Grants for networking projects are in most cases addressed to public bodies or business organisations only or through public-private partnerships.

SF: Yes. The Structural Funds offer many funding possibilities for companies (in particular SMEs). Conditions and topics vary across programmes, so it is necessary to consult the operational programmes in each Member State or region for details¹¹.

See also:

- **SME portal** for information on EU policies and initiatives which provide direct or indirect support to SMEs: http://ec.europa.eu/enterprise/sme/index_en.htm

- **Enterprise Europe Network.** A network of over 550 regional actors covering more than 40 countries and delivering business and innovation support services such as information on EU matters, business and technology cooperation, exploitation and transfer of research results or participation in EU funded RTDI and other schemes.

¹¹ Links to operational programme summaries and to lists of managing authorities can be found in the Structural Funds section of Annex 4.

Services from the Network are particularly designed for SMEs, but are also available to all businesses, research centres and Universities across Europe.

http://www.enterprise-europe-network.ec.europa.eu/index_en.htm

• **SME-TECHWEB** provides easy to understand information on participation in FP7 for SMEs http://ec.europa.eu/research/sme-techweb/index_en.cfm

• **MARIE CURIE ACTIONS: Industry-Academia Partnerships and Pathways (IAPP)** provides funding for research performing commercial enterprises to collaborate on a research project with public research institutions. In addition, commercial enterprises can receive funding as members of an **Initial Training Network (ITN)**. For more details see <http://ec.europa.eu/mariecurieactions>.

Please note: Besides receiving grants to carry out research and innovation activities, companies (including consultancies) can be funded as project coordinators. They can also participate in calls for tender to deliver analytical or organisational services related to the implementation of the programmes or for providing expertise. See under Step 2.

○ **Research organisation/university, including private sector research organisations**

FP7: Yes for all strands of FP7.

CIP: **Sometimes.** Research organisations and universities can participate in certain projects and networking activities, depending on the conditions described in the respective call for proposal. Opportunities exist in particular in the programmes addressing **information technology, intelligent energy and environmental technologies**. They can also apply for procurement contracts for analytical or organisational services. Research organisations and universities may, in the context of technology transfer, benefit from the **Community Financial Instruments**. These research organisations should contact a financial intermediary located in their country or region for information on eligibility criteria and application procedures. (See Annex 2, Point 6.1 “How to apply”)

SF: **Yes.** The ERDF (European Regional Development Fund – see Annex 3) can support a range of activities of public and private research organisations and universities. The ESF (European Social Fund – see Annex 3) can support, among others, networking activities between higher education institutions, research and technological centres and enterprises. Conditions and topics depend on the relevant national/regional programme, so it is necessary to consult the operational programmes in each Member State or region for details.

○ **Individual researcher/PhD student / expert**

FP7: **Yes** for **FP7-People**¹²: Researchers can apply either to a call for proposals for individual fellowships or directly to Marie Curie funded projects. Funding is available for researchers at all stages of their career and projects are in all areas of research (except

¹² Legally speaking, a physical person can participate in any project supported by the FP7 taking the form of a grant, except if the work programme or the specific programme forbids it. However, FP7-People is the only programme mainly designed for individual researchers.

Euratom) in both the public and commercial sectors. Vacancies can be accessed from the Marie Curie Actions website. Individual researchers may also apply as Principal Investigators for funding from the European Research Council under **FP7-Ideas**. Experts may also be hired under a service contract as evaluators of FP7 proposals or reviewers of FP7 projects.

CIP: No, except in the framework of calls for tender to deliver analytical services or as an external evaluator in the framework of certain calls for proposals.

SF: Yes. Under the ESF (European Social Fund – see Annex 3), the development of human potential in research and innovation can be supported, notably through post graduate studies and the training of researchers. For details and conditions, please contact your regional/national ESF managing authority. For the ERDF, certain support measures for individual researchers may be possible, provided they are included in the relevant operational programme.

Also ask in your university about the **Erasmus scholarships** to study abroad under the EU life-long learning programme: http://ec.europa.eu/education/index_en.html

o **NGO/business or research association/chamber of commerce**

FP7: Yes, if engaged in activities that are relevant for a given call for proposals.

CIP: Yes, if set out in the relevant call for proposals, to carry out pilot and market replication projects or networking activities.

SF: Yes. Conditions and topics depend on the national/regional programme, so please consult the operational programmes in each Member State or region for details.

o **Public authority - local, regional, national government, regional/local development and/or innovation agency, intermediate body (which acts under the responsibility of a managing or certifying authority, or carries out duties on behalf of such an authority), or any other body governed by public law**

For the definition of public bodies see: Annex III of Directive 2004/18/EC of 31 March 2004 <http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2004:134:0114:0240:EN:PDF>)

FP7: Yes. Public bodies that carry out research can be part of **FP7-Cooperation** and **FP7-PEOPLE** projects, in particular in the public-private partnerships that are set up in certain key sectors as large scale multinational research activities in areas of major interest to European industrial competitiveness and issues of high societal relevance. These partnerships are set up through Joint Undertakings and Joint Technology Initiatives (JTIs). For details see http://cordis.europa.eu/fp7/jtis/home_en.html and <http://www.sesarju.eu>. Public bodies are also key participants in ERA-NETs.

National research ministries and agencies are in particular invited to participate in the 'Research Infrastructures', 'Regions of Knowledge' and 'Support for the coherent development of research policies' actions under **FP7-Capacities**. Regional authorities are also key participants in the research-driven clusters under 'Regions of Knowledge'.

Finally, national and regional authorities have an important role to play in the follow up of projects supporting research entities that are funded in the Convergence Regions through the 'Research Potential' action under **FP7-Capacities**.

CIP: Yes. Public bodies can apply for most of the CIP calls for proposals related to networking, innovation policy development, intelligent energy and ICT.

SF: Yes. Public bodies can directly benefit from funding. The ERDF (European Regional Development Fund – see Annex 3) can support the activities of public bodies to reinforce economic and social cohesion by redressing the main regional imbalances, including infrastructure measures and technical assistance. Under the ESF (European Social Fund – see Annex 3) the strengthening of institutional capacity and the efficiency of public services at national, regional and local level can be financed. Also, in the case of economically less well-developed regions (under the 'Convergence' objective – see Step 6 below), there is a special emphasis on capacity building, which includes training as well as networking measures, in particular as regards adaptability of workers and enterprises. Please consult the operational programmes in each Member State or region for details.

Step 2: Is my type of research, innovation or enterprise development activity eligible?

Options

- Basic (individual) research
- Applied & Collaborative research by higher education institutions, research centres and enterprises (including SMEs)
- Preparatory activities for pan-European research infrastructure projects
- Upgrade the capacity of your research facilities
- Large scale industry – research collaborations
- Research fellowship/PhD studies abroad / company placements
- Technology transfer, exploitation and protection (through intellectual property rights - IPR)
- Non-technological innovation/innovation management advice (analysing the innovation potential and gaps of your organisation and define a strategy for the necessary technological, organisational, etc. changes)
- Commercialisation/market oriented activities/business expansion
- Policy analysis/strategy development (statistics, surveys, studies for public policy development)
- Networking activities/programme coordination among policy-makers, coordination among research programmes, enterprise associations, research organisations, exchange of good practices
- Upgrade/improve the skills of your staff or recruit researchers/innovators to be able to adopt innovative technologies, methods or management
- Improve environmental performance, reduce emissions of production or products, renewable energy, develop bio-based products, recycling
- Improve ICT use in my organisation/develop better digital content/ICT services

○ Basic (individual) research

FP7: Yes under **FP-7-Ideas** and **FP7-PEOPLE**: The European Research Council (ERC) manages the FP7 strand for fundamental research (individual investigator-driven research) in all scientific and technological fields, including social sciences and humanities. The Marie Curie Actions are 'bottom-up' and applications are invited from all fields of research for any research project from basic research to advanced development. Basic research may also arise in projects funded under **FP7-Cooperation**.

CIP: No.

SF: No.

○ **Applied & Collaborative research by higher education institutions, research centres and enterprises (including SMEs)**

FP7: Yes under **FP7-Cooperation**, provided the research is in a field covered by FP7: health, food, agriculture and biotechnology, information and communication technologies; nano-sciences, nanotechnologies, materials and new production technologies, energy, environment (including climate change), transport (including aeronautics), socio-economic sciences and the humanities, security and space,. Also, research services for SMEs in the 'Research for the Benefit of SMEs' actions under **FP7-Capacities** and in the Marie Curie Actions under **FP7-People**.

CIP: No.

SF: Yes, Research & Technological Development (R&TD) activities in research centres in all research fields or assistance to R&TD, particularly in SMEs (including access to R&TD services in research centres) can be supported. Conditions and topics depend on the strategy and priorities agreed for each national/regional operational programme. You can consult the published programme or contact the managing authority for the operational programme for further details (see Annex 4).

○ **Preparatory activities for pan-European research infrastructure projects**

FP7: Yes under the **FP7-Capacities** 'Research Infrastructures' action, that can support integration activities of and for major research infrastructures of pan-European interest.

CIP: No.

SF: Yes. Various types of preparatory activity, including feasibility studies for infrastructures can be supported through the operational programmes. In addition, JASPERS (Joint Assistance in Supporting Projects in European Regions) (http://ec.europa.eu/regional_policy/atlas2007/fiche_index_en.htm) can provide Managing Authorities in "Convergence regions" that request it with technical assistance to prepare major projects for submission to the Commission. See: www.jaspers.europa.eu

Also see: **European Strategy Forum for Research Infrastructures (ESFRI)**, which provides a platform to support a coherent approach to policy-making on research infrastructures in Europe, and to act as an incubator for international negotiations about concrete initiatives: <http://cordis.europa.eu/esfri/>

○ **Upgrade the capacity of your research facilities**

FP7: Yes, in 'Research Infrastructures' under **FP7-Capacities** through the integrating activities (I3). Also, in 'Research Potential' under **FP7-Capacities** but to a limited extent and **only** in the less developed Convergence regions. In addition SMEs can receive funding for equipment in the Marie Curie Actions IAPP scheme under **FP7-People**. See http://ec.europa.eu/research/fp7/understanding/marie-curieinbrief/research-business_en.html

CIP: No.

SF: Yes, R&TD infrastructure (including physical plant, instrumentation and high-speed computer networks linking research centres) and centres of competence in a specific technology can be funded, particularly in Convergence regions, but the conditions and

themes depend on the strategy and priorities of the programmes for your Member State or region. Please contact the relevant managing authority.

○ Large scale industry – research collaborations

FP7: Yes under **FP7-Cooperation**: Joint Undertakings and Joint Technology Initiatives (JTI) bring together EU-funded projects and major industrial stakeholders. JTIs are in the process of being set up in the following fields: ICT (Embedded Systems, Nano-electronics), Fuel Cells and Hydrogen, aeronautics & aerospace and innovative medicines. For details see http://cordis.europa.eu/fp7/jtis/home_en.html and <http://www.sesarju.eu>.

CIP: No.

SF: Maybe, depending on the strategy and priorities of the national/regional programme. Major projects and aid schemes (i.e. of total cost that exceeds €25 million in the case of the environment and €50 million in other fields) are normally listed in the operational programmes. Unlike most Structural Fund projects, such major projects have to be submitted, including a cost-benefit-analysis and proof of compliance with EU environmental and other standards, to the European Commission for approval.

○ Research fellowship/PhD studies abroad/company placements

FP7: Yes under **FP7-People**, that provides for the Marie Curie Industry-Academia partnerships and pathways, Initial Training Networks and for fellowship schemes.

See: <http://ec.europa.eu/mariecurieactions/>

CIP: No.

SF: Yes, under the European Social Fund company placements can be funded, depending on strategy and priorities of the Structural Funds programme for your Member State or region.

The EURAXESS portal (http://ec.europa.eu/euraxess/index_en.cfm) contains information on trans-national mobility of researchers, such as vacancy notices, information on rights and support for organising stays abroad.

○ Technology transfer, exploitation and protection (through intellectual property rights -IPR)

FP7: Yes (but with some exceptions). These activities can be part of a research-focused project under **FP7-Cooperation**, **FP7-People** and **FP7-Capacities**.

CIP: Yes. Networking, pilot and market replication projects can address these issues. The High Growth and Innovative SME Facility under CIP also cover technology transfer activities.

SF: Yes. Technology transfer and improvement of cooperation between SMEs, between SMEs and other businesses and universities, post-secondary education establishments, regional authorities, research centres and scientific and technological poles (scientific and technological parks, technopoles, etc.) can be funded. The managing authority responsible for the relevant operational programme in your Member State or region will be able to provide details of the support available.

• Please also note the direct support offered by the CIP **Enterprise Europe Network** that offers technology audits for your enterprise and organises brokering events and bi-lateral technology transfer partner-finding:

www.enterprise-europe-network.ec.europa.eu/index_en.htm

- See also the assistance offered by **the IPR Helpdesk** in IPR issues related to FP7 and technology transfer: www.ipr-helpdesk.org
- **ProTon Europe** the pan-European network of Knowledge Transfer Offices (KTOs) has more than 250 members in 28 European countries: <http://www.protoneurope.org/>

○ **Non-technological innovation/innovation management advice (analysing the innovation potential and gaps of your organisation and defining a strategy for the necessary technological, organisational, etc. changes)**

FP7: Maybe. Such activities may arise, for example, in the 'Research for the benefit of SMEs' actions under **FP7-Capacities**.

CIP: Yes. Innovation is considered under CIP in a broad sense. Networking, pilot and market replication projects can be funded among public and private innovation stakeholders (including policy-makers, innovation support providers, cluster managers, technology-transfer and research organisations, financial sector, and enterprise associations) to share experience and develop new policy approaches and tools for non-technological innovation.

Please see in particular the online platform and self-assessment tools for SMEs on innovation management developed by **IMP³rove project** under the Europe INNOVA initiative: <https://www.improve-innovation.eu>

SF: Yes. Advanced support services for firms and groups of firms can be funded by the European Regional Development Fund. Design and dissemination of innovative and more productive ways of organising work can be funded under the European Social Fund. The managing authority responsible for the relevant operational programme in your Member State or region will be able to provide details of the support available.

○ **Commercialisation/market oriented activities/business expansion**

FP7: No.

CIP: Yes. The programme facilitates access to finance for SMEs through financial instruments and provides support to commercialisation or business expansion through pilot and market replication projects.

SF: Yes. In particular assistance to SMEs for the promotion of environmentally-friendly products can be funded, depending on the programmes in the Member States and regions concerned. The same applies to investment in firms, in particular investment directly linked to research and innovation (innovative technologies, establishment of new firms by universities, existing RTD centres and firms, etc.). The managing authority responsible for the relevant operational programme in your Member State/region will be able to provide details of the support available.

○ **Policy analysis/strategy development (statistics, surveys, studies for public policy development)**

FP7: Yes under **FP7-Capacities**, which funds policy analysis and networking among research policy-makers and programme managers at national and regional level in the framework of the 'Research Infrastructures', 'Regions of Knowledge', 'Research for the benefit of SMEs' and 'Support for the coherent development of research policies' actions. Also, service contracts for analytical support to the Commission's activities are possible.

CIP: Yes. Networking projects among innovation policy-makers and other innovation actors (programme managers, innovation support organisations, etc.) that jointly develop

strategies or conduct policy analysis activities are possible. The same goes for service contracts for analytical support the Commission's activities.

SF: Yes, provided this is foreseen in the regional or national programme and within the limits of Article 46 of the General SF Regulation. Such policy development activities can also include experimentation with new programme or funding approaches. The managing authority responsible for the relevant operational programme in your Member State/region will be able to provide details.

[http://ec.europa.eu/regional_policy/sources/docoffic/official/regulation/pdf/2007/general/ce_1083\(2006\)_en.pdf](http://ec.europa.eu/regional_policy/sources/docoffic/official/regulation/pdf/2007/general/ce_1083(2006)_en.pdf)

Service contracts for analytical support for the Commission's activities (in DG Regional Policy and DG Employment) may also be available, though these do not form part of the national or regional SF programmes. Details will be published by the Commission as the need arises. See under Step 4 below for more information.

o **Networking activities, (including programme coordination among policy-makers, and programme managers) coordination among research programmes, enterprise associations, research organisations, exchange of good practices**

FP7: Yes. Almost all actions under **FP7-Capacities** provide support for networking: "Regions of Knowledge" (regional research driven clusters associating closely universities, research centres and enterprises); 'Research for the benefit of SMEs' (developing and coordinating support for SMEs); 'Research Infrastructures' (wider and more efficient access to, and use of, research infrastructures); 'Support for the coherent development of research policies' (OMC-Nets for research policy-makers) and 'International Cooperation' (support for the coordination of national programmes on international scientific cooperation).

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

Under **FP7-Cooperation**, networking is promoted through the 'ERA-Nets' (to develop and strengthen the coordination of national and regional research programmes: http://cordis.europa.eu/fp7/coordination/eranet_en.html). Networking opportunities also exist under **FP7-People**.

Also, 'Art.169-instruments' support the integration of national research programmes by means of participation in research and development programmes undertaken by several EU Member States (http://cordis.europa.eu/fp7/art169_en.html). This includes EUROSTARS, a joint research programme for SMEs and their partners (<http://www.eurostars-eureka.eu/home.do>). Finally, there are "European Technology Platforms" (ETPs) that have been set up to bring together stakeholders, under industrial leadership, to define and implement a Strategic Research Agenda (SRA) in a number of areas: http://cordis.europa.eu/technology-platforms/home_en.html

CIP: Yes. Networking projects among public and private innovation stakeholders (including policy-makers, providers of business support services, cluster managers, technology-transfer and research organisations, financial sector, and enterprise associations) to share experience and develop new policy approaches and tools can be funded in all CIP specific programmes.

On-going networking activities in the field of innovation are promoted through:

-**PRO INNO Europe** (www.proinno-europe.eu) which contributes to closer cooperation between innovation policy makers at different levels. The "INNO-Nets" encourage in

particular regional and national innovation policy actors responsible for innovation to work more closely together with a view to fostering trans-national cooperation at programme level on support for innovation;
- **Europe INNOVA** (www.europe-innova.org) is an initiative for innovation professionals to design and test new and better tools in support for innovation;

SF: Yes. Networking projects among public and/or private actors (e.g. businesses along the supply chain or in a cluster) in your region can be eligible for funding. The support available will depend on the strategy and priorities set out in the relevant **regional/national operational programme**.

In addition, **transnational and interregional** cooperation projects as well as networking and exchange of experience among public actors is funded under the different "European territorial co-operation" programmes.

- Cross-border cooperation covers cooperation in neighbouring nearby land or maritime border regions (e.g. Germany-Poland or France-UK – see: http://ec.europa.eu/regional_policy/atlas2007/crossborder/index_en.htm);
- transnational cooperation covers cooperation in neighbouring large scale areas (e.g. Baltic Sea area, Alpine Space area, South West Europe – see: http://ec.europa.eu/regional_policy/atlas2007/transnat/index_en.htm);
- interregional cooperation covers networking and exchange of experience throughout the European Community through two programmes: "INTERREG IV C" (concrete interregional cooperation projects – see: www.interreg4c.eu) and "URBACT" (networking and exchange of experience linked to integrated urban development, see: <http://urbact.eu>).

Please note in particular the "fast track" option for selected INTERREG IV C and URBACT networks, which is part of the "**Regions for Economic Change**" initiative. It aims to support and promote these networks actively through the Commission services and to foster the take-up of good practices in operational programmes through contacts with Managing Authorities. See: http://ec.europa.eu/regional_policy/cooperation/interregional/ecochange/themes_en.cfm?nmenu=3

Practical hint: For a large-scale cooperation activity inside the European Community, the setting up of a stable structure with legal personality might be useful for managing it. In that case, please consider using the format of a "**European Grouping for Territorial Cooperation**" (http://ec.europa.eu/regional_policy/funds/gect/index_en.htm).

○ **Upgrade/improve the skills of your staff or recruit researchers/innovators to be able to adopt innovative technologies, methods or management**

FP7: Yes, the Marie Curie Actions under **FP7-People** provide funding for the acquisition of new skills and technologies for staff and for the recruitment of researchers. In addition funding is possible as a small integral part of a research project under FP7-Cooperation

CIP: No.

SF: Yes, mainly under the European Social Fund (ESF, see annex 3), the development of life-long learning systems and strategies in firms, training and services for employees to

step up their adaptability to change can be funded, depending on strategy and priorities of the SF programme for your Member State or region. The same goes for the design, introduction and implementation of reforms in education and training systems, updating skills of training personnel with a view to innovation and a knowledge based economy, developing human potential in the field of research and innovation, in particular through post-graduate studies and training of researchers, and networking activities between universities, research centres and businesses. Please check for details in the relevant national operational programme and get in touch with the managing authority: http://ec.europa.eu/employment_social/esf/index_en.htm

○ **Improve environmental performance, reduce emissions of production or products, renewable energy, develop bio-based products, recycling**

FP7: Yes, in **FP7-Cooperation** under the relevant themes (environment, transport, energy and materials and new production technologies). In addition, as a 'bottom up' scheme, all the Marie Curie Actions under **FP7-People** invite applications from all areas of research. In **FP7-Capacities**, such actions may be supported under 'Research for the benefit of SMEs'.

CIP: Yes. Eco-innovation is a horizontal priority in CIP. Networking and pilot and market replication projects in the field of energy efficiency and renewable energies can be funded under the **IEE programme** (http://ec.europa.eu/energy/intelligent/index_en.html). Other economic sectors should be directed towards the **eco-innovation part of EIP programme** (http://ec.europa.eu/environment/etap/ecoinnovation/index_en.htm). Please also note that a specific budget has been earmarked for eco-innovation activities under the **CIP Financial Instruments** for SMEs.

SF: Yes. Renewable energy projects (wind, solar, biomass, hydroelectric, geothermal and other), energy efficiency, co-generation, energy management projects as well as assistance to SMEs for the promotion of environmentally-friendly products and production processes (introduction of effective environment managing system, adoption and use of pollution prevention technologies, integration of clean technologies into firm production) can be funded, depending on the strategy and priorities of the SF programme for your Member State or region. The managing authority responsible for the relevant operational programme in your Member State/region will be able to provide details.

○ **Improve ICT use in my organisation/develop better digital content/ICT services**

FP7: Yes, under **FP7-Cooperation** in themes such as: Cognitive systems, interaction and robotics, digital libraries and content, sustainable and personalised healthcare, mobility, accessible ICT and assistive technologies, environmental sustainability and energy efficiency and independent living and inclusion as well as future and emerging technologies. The themes are in line with the main ICT policy priorities as defined in the i2010 initiative:

http://ec.europa.eu/information_society/eeurope/i2010/index_en.htm.

Possibilities also exist under in **FP7-People** and **FP-7 Capacities** (research infrastructures, SME-related actions).

CIP: Yes, under the **ICT programme** of CIP - Pilot and market replication actions that aim at testing and validating, in real settings, the use of innovative ICT solutions to address societal and economic challenges (in particular in areas of public interest such as health, transport, e-Government, inclusion, ageing, improvement of the quality of life of disadvantaged groups, including people with disabilities or elderly people, environment,

energy efficiency, safety and security), as well as networking projects of stakeholders can be supported.

See http://ec.europa.eu/ict_psp

SF: Yes. Information and communication technologies (access, safety, security, interoperability, accessibility for people with disabilities, risk-prevention, research, innovation, e-content, etc.) or services and applications for the citizen (e-health, e-government, e-learning, e-inclusion, etc.) or services and applications for SMEs (e-commerce, education and training, networking, etc.) and other measures for improving access to and efficient use of ICT by SMEs can be funded, depending on the strategy and priorities of the operational programmes for your Member State or region.

Important:

A number of other EU programmes offer funding for innovation-related activities, for instance:

- **European Institute of Innovation and Technology (EIT)** excellence-driven innovation partnerships to translate R&D results into business opportunities (under construction) (<http://ec.europa.eu/eit/>)
- **European Fisheries Fund (EFF)**
(http://ec.europa.eu/fisheries/cfp/structural_measures/arrangements_2007_2013_en.htm)
- **European Agricultural Fund for Rural Development (EAFRD)**
(http://ec.europa.eu/agriculture/rurdev/index_en.htm)
- **LIFE+ programme** for environmental and nature conservation
(<http://ec.europa.eu/environment/life/index.htm>)
- **Marco Polo** for intermodal transport and freight logistics
(http://ec.europa.eu/transport/marcopolo/index_en.htm)
- **Life-Long Learning** programme for education and training
(http://ec.europa.eu/education/programmes/programmes_en.html)
- **eContentplus** programme to make digital content in Europe more accessible, usable and exploitable (only until 2008):
http://ec.europa.eu/information_society/activities/econtentplus/index_en.htm
- **eParticipation** Preparatory Action (until 2008): promotes the use of ICT in legislative and decision-making processes within parliamentary and government environments
http://ec.europa.eu/information_society/activities/egovernment/policy/eparticipation/index_en.htm
- **Trans-European Transport and Energy Networks Programme** for the development of an efficient trans-European network in the sectors of transport, energy and telecommunications
(http://ec.europa.eu/ten/index_en.html)

There are also **European level research-related initiatives** that do not depend on the Community budget, for instance:

EUREKA: a non-EU-dependent pan-European network for market-oriented, industrial R&D created as an intergovernmental initiative. It supports businesses, research centres and universities who carry out pan-European projects to develop innovative products, processes and services. (www.eureka.be)

COST (European Cooperation in the field of Scientific and Technical Research) has 34 European member countries and enables scientists to collaborate in a wide spectrum of activities grouped under nine key scientific domains. It also aims to maximise European Synergy and added value in non-competitive and pre-normative research. (www.cost.esf.org)

Step 3: What about my timeframe?

Options

- Can I apply now?
- Will I get a quick funding decision?
- Can I decide myself the how long my project will last?

o Can I apply now?

FP7: Maybe: There are only certain time-frames for the submission of project proposals under each specific "calls for proposals". In many cases such calls are only published every one to two years and then not necessarily for all the possible themes. (See: <http://cordis.europa.eu/fp7/dc/index.cfm> for the list of calls open at this time).

CIP: Maybe: There are only certain time-frames for the submission of projects as defined for each specific "call for proposals" (See: <http://ec.europa.eu/cip>). In many cases such calls are only published every one to two years and then not necessarily for all the possible themes.

SF: Maybe. This depends on the Structural Funds programme relevant for your region and type of activity. Please contact the relevant managing authority for more information (see Annex 4).

o Will I get a quick funding decision?

FP7: No. FP7 projects have to undergo an evaluation and approval process, followed by a period of contract negotiations. Therefore, from the date of submission of the proposal to the signature of the contract, frequently a 9 month time span or more must be foreseen and the first payments will only be made thereafter.

However, a more rapid decision can be expected for the award of service contracts and individual fellowships under **FP7-People**.

CIP: Unlikely, in case of projects, for similar reasons as for FP7. **Yes for the Community Financial Instruments** for SMEs subject to one or more financial intermediaries having been approved under CIP. SME in search of loans supported by the European Union should visit this page: <http://www.access2finance.eu>. They will find here the eligibility criteria and application procedures and the list of national financial intermediaries participating in the CIP.

SF: Maybe, depending on the national or regional operational programme. Please contact the managing authority for your region for details.

○ **Can I decide myself how long my project will last?**

FP7: Yes, however within certain limits, which are normally indicated in the work programme. Typically, the length of medium to large scale projects will be in a range from 2 to 4 years, while smaller projects may last 1 year or occasionally even less.

CIP: Yes, however within certain limits: the work programme indicates the maximum project length. Typically, the length of medium to large scale projects will be in a range from 1.5 to 4 years, while smaller projects may last 1 year or occasionally even less.

SF: Yes, however within certain limits. The duration of a project **depends** on the Structural Fund programme relevant for your region and type of activity. In any case, the funding cannot continue beyond 2015. Please also note that there is a 3 to 5 years minimum time during which an investment or jobs created by SMEs have to be maintained after the end of the SF support and cannot undergo substantial modifications affecting its nature or its implementation conditions (see Article 57 of the General Regulation (EC) no. 1083/2006).

Please contact the relevant managing authority for more information (see Annex 4).

Step 4: What type of financial support can I obtain?

Options

- Grant
- Loans/guarantees/venture capital
- Service contracts awarded through procurement procedures

○ **Grant (non-repayable state aid and/or funding from the EC, normally complemented by co-funding from other sources)**

FP7: Yes the main instrument of support under the Framework Programme is grants. See for currently open calls for proposals: <http://cordis.europa.eu/fp7/dc/index.cfm>. In the case of the Marie Curie Actions, 100% funding is provided for researcher costs, including employers costs and costs associated with mobility. Loans available through the Risk Sharing Finance Facility (see below) are an exception.

CIP: Yes through **calls for proposals**. The open calls for proposal are announced in the CIP website (<http://ec.europa.eu/cip>) and on the web pages of the specific CIP programmes:

- Entrepreneurship and Innovation Programme (EIP)- eco-innovation calls

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

- Information and Communication Technologies (ICT-PSP): http://ec.europa.eu/ict_psp

- Intelligent Energy Europe (IEE): http://ec.europa.eu/energy/intelligent/index_en.html

To know about the main themes or actions to be funded under future calls, you may want to consult the CIP webpage: http://ec.europa.eu/cip/index_en.htm

SF: Yes. The procedures for the allocation of Structural Funds to projects differ depending on the relevant national or regional programme. Application procedures (e.g. ongoing application and project selection, calls for proposals or competitions with fixed deadlines) are decided by the Managing Authority, depending on what is most appropriate for the

activities in question. Project selection criteria are agreed by each programme's Monitoring Committee and are published (e.g. on managing authority websites).

Please note the **limits for state aid** may vary according to company size, sector, and type of activity or geographic location, etc. The thresholds for public co-funding defined in the SF, FP7 and CIP take account of them, but in case you receive several grants, it must be ensured that the maximum amounts and percentages for the relevant time spans are not exceeded when adding up the different grants.

See: http://ec.europa.eu/comm/competition/state_aid/overview/index_en.cfm

o **Loans/guarantees/venture capital**

FP7: Yes. The Risk-sharing Finance Facility (RSFF) aims to enhance backing for private investors in research projects by improving access to loans from the European Investment Bank (EIB) for participants in large European research actions. See <http://www.eib.org/products/loans/special/rsff/index.htm> and http://ec.europa.eu/invest-in-research/funding/funding02_en.htm

CIP: Yes, but only for **Community Financial Instruments for SMEs**, which are managed by the European Investment Fund (EIF) on behalf of the European Commission, and include:

- a SME Guarantee Facility, which provides loan guarantees to encourage banks to make more debt finance available to SMEs.
- a High Growth and Innovative SME Facility, which provides venture capital for SMEs;

Please note that SMEs cannot obtain finance directly from EIF. SMEs in search of finance should contact a national financial intermediary. See: <http://www.access2finance.eu/>

More information about how to benefit from those instruments is provided in Annex 2 point 6.

SF: Yes. Most national/regional SF programmes include financial engineering measures. Many regions also use the JEREMIE (Joint European Resources for Micro to medium Enterprises) format to promote increased access to finance for the development of micro, small and medium-sized enterprises. JEREMIE funds are not issued directly to SMEs. They should therefore not apply to EIF or the Commission for financial support. In due course, a **list of financial intermediaries** (see: www.eif.org/jeremie) will be provided as and when the JEREMIE initiative becomes active in Member States and regions. See: http://ec.europa.eu/regional_policy/funds/2007/jjj/jeremie_en.htm.

o **Service contracts (awarded through procurement procedures)**

FP7: Yes. The most frequent type of service contracts awarded by the Commission are those for independent experts for the evaluation of FP7 proposals and for preparing studies, as well as support services such as the organisation of conferences. In addition, certain activities under research projects can be sub-contracted by the project coordinators (no direct applications to the Commission).

CIP: Yes. Mostly study, expert and organisational support contracts.

SF: Yes. Mostly study, expert and organisational support contracts. Most of these contracts are awarded through the managing authorities as part of their technical assistance

allocations, but also DG Regional Policy and DG Employment, Social Affairs and Equal Opportunities conduct calls for tender for service contracts.

See for **open calls for tender** (for contracts for amounts larger than €137,000 and less than €211 000 for certain research service contracts): <http://ted.europa.eu>

To be considered for **restricted calls for tender** (for amounts less than the thresholds above) or **negotiated procedures** (for amounts less than €60 000), it is advised to register in the different expert lists that are established on the basis of "**calls for expression of interest**" in the web-sites of the different Commission Directorate Generals (http://ec.europa.eu/dgs_en.htm) and to check there for "**calls for tender**" announcements: for instance:

- DG Research: http://ec.europa.eu/dgs/research/tenders/open_en.html
- DG Information Society and Media: http://ec.europa.eu/information_society/newsroom/cf/news.cfm?item_type=fo&item_subtype=tenders
- DG Enterprise and Industry: <http://ec.europa.eu/enterprise/calls/calls.html>
- DG Environment: http://ec.europa.eu/environment/funding/calls_en.htm
- DG Regional Policy: http://ec.europa.eu/regional_policy/tender/tender_en.htm
- DG Employment, Social Affairs and Equal Opportunities: http://ec.europa.eu/employment_social/emplweb/tenders/index_en.cfm
- DG Energy & Transport: http://ec.europa.eu/dgs/energy_transport/tenders/index_en.htm

Step 5: Who else is involved in the project?

Options

- Nobody (apart from one main contractor/beneficiary)
- Partners only in my region or country
- Partners in other EU Member States or from the European Economic Area (EEA)
- Partners from non-EU Member States

○ Nobody (apart from one main contractor/beneficiary)

FP7: Yes for **FP7-Ideas** (fundamental research) and some of the Marie Curie Actions under **FP7-People** or part of **FP7-Capacities** (Research Potential). Also service/expert contracts could be relevant.

CIP: Yes for **Community Financial Instruments for SMEs**, and for service or expert contracts. It might also be possible for pilot and market replication projects if the relevant call for proposals so allow.

SF: Yes. An individual person, company or organization can obtain SF support. Conditions and topics depend on the national/regional programme, so please consult the operational programmes in your Member State or region for details.

○ Partners only in my region or country

FP7: No, except for FP7-Ideas and the emergence of research-driven clusters in 'Regions of Knowledge' under FP7-Capacities. Joint Undertakings and JTIs may have specific rules on participation of entities from non-EU Members States.

CIP: No, except for **Community Financial Instruments for SMEs** and service contracts. It might also be possible for pilot and market replication projects if the relevant call for proposals so allow.

SF: Yes. Projects involving only partners from the same Member State or region are the norm under the Structural Funds.

○ Partners required in other EU Member States, European Economic Area (EEA) and Associated Countries

FP7: Yes. Transnational partnerships from at least 3 different EU Member States/EEA/Associated countries are the norm for FP7, except for **FP7-Ideas** and **FP7-People** (in **Initial Training Networks** with 3 or more partners at least 3 different EU Member States/EEA/Associated countries are required). Joint Undertakings and JTIs may have specific rules on participation of entities from non-EU Members States.

CIP: **Maybe.** Transnational partnerships in the EU countries are the general rule for projects and networks. Exception: Financial instruments do not require further partners in the funded project.

SF: **Maybe.** There is a clear distinction between programmes under the "Convergence" and "Regional competitiveness and employment" objectives, on one hand, and under the "European territorial cooperation" objective, on the other.

- Operational programmes under the first two objectives cover only one region or several regions in one single Member State. You can cooperate with partners outside the area covered by your **national or regional SF programme**. However, only you will receive project financing from that SF programme, whereas your partners outside the programme area (in adjacent EU regions) will in general not receive co-financing from that SF programme. They might receive SF funding under the programme covering their own area.

It should be noted however that cooperation outside the programme area is very much the exception under the 'Convergence' and 'Regional competitiveness and Employment' objectives, as only a few programmes opted to specifically earmark part of the budget for actions involving such interregional cooperation with at least one regional or local authority of another Member State.

- Funding for projects presented jointly by partners from at least two Member States is available through EU **territorial co-operation programmes** of the ERDF (see Annex 3) in which public actors cooperate either on bilateral basis across a border (cross-border cooperation) or on a multi-lateral basis in larger areas (transnational cooperation). Finally, projects presented jointly by partners from different regions throughout the whole European Community are covered by the programme for interregional cooperation ("INTERREG IV C" on innovation, knowledge economy, environment and risk prevention) or by the programme for cooperation networks and exchange of experience on integrated urban development issues (URBACT). See Step 6 below for more details.

Concerning cross-border cooperation programmes, expenditure incurred by partners located outside the programme area can be eligible to a certain extent in duly justified cases, if the project would have difficulty in achieving its objectives without that partner's participation.

Concerning transnational cooperation programmes, the expenditure incurred by partners located outside the programme area can be eligible to a certain extent in duly justified cases, where such expenditure is for the benefit of the regions in the cooperation objective area.

- Also, the ESF (European Social Fund – see Annex 3) supports transnational and interregional actions (within the EU Member States), in particular through the sharing of information, experiences, results and good practices, as well as through developing complementary approaches and coordinated joint action. Member States and regions that have established a specific transnational priority axis within an Operational Programme have been granted a bonus of an intervention rate increased by 10% (See Regulation (EC) 1083/2006 of 5 July 2006 on the European Social Fund).
- Partners from the EEA that are not EU Member States are not eligible for funding from the Structural Funds, but can participate in networks or cooperation projects on own expenses.
- For rural areas, the EAFRD also provides support for transnational partnership, which is mostly conducted via the bottom-up approach of the Leader initiative. The networking between Local Action Groups (LAGs) is strongly enforced in the new programming period. Additional sharing of experience, results and good practices will be done in the framework of the European Rural Development Network.

○ Partners possible from non-EU Member States

FP7: Yes for theme-oriented international cooperation actions under **FP7-Cooperation**, provided that there are also partners from at least 3 different EU / EEA Member States involved. Joint Undertakings and JTIs may have specific rules on participation of entities from non-EU Members States. Under **FP7-People** the international dimension contributes to the life-long training and career development of EU-researchers, attracting research talent from outside Europe and fostering mutually beneficial research collaboration with research actors from outside Europe. The 'INCO' activities under **FP7-Capacities** are specifically designed for international cooperation and the 'Research Infrastructures' actions are also open for international cooperation. See for details: http://cordis.europa.eu/fp7/public_en.html Participation of partners from non-EU countries is also possible under 'Research for the benefit of SMEs' in **FP7-Capacities**.

CIP: Yes for certain countries.

In accordance with Article 4 of the CIP Decision, the CIP is open for the participation of EEA countries, candidates and Western Balkans countries, as well as other third countries when agreements and procedures so allow.

See the list of countries that participate in CIP: <http://ec.europa.eu/cip/questions.htm#9>

SF: No, as far as programmes under the "Convergence" and "Regional competitiveness and employment" objectives are concerned.

Concerning programmes under the "European territorial cooperation" objective, up to the limit of 10% of the amount of the ERDF-contribution to the programme concerned expenditure incurred in implementing projects on the territory of countries outside the European Community can be eligible, where the projects are for the benefit of the regions of the Community.

Please note: For the EU Candidate Countries a specific scheme exists, the "**Instrument for Pre-Accession Assistance**" (IPA). For details see **Step 6 → Non-EU countries**.

If your partners in the project are not yet defined, please consult the

- **FP7 partner-finding service:** http://cordis.europa.eu/fp7/partners_en.html
- Partner finding tools and technology brokerage events at the **Enterprise Europe Network:** www.enterprise-europe-network.ec.europa.eu/index_en.htm
- **PRO INNO Who is Who:** <http://www.proinno-europe.eu/index.cfm?fuseaction=page.display&topicID=91&parentID=0>

Important: in case you plan a project with a team/consortium, please consult the IPR and knowledge-sharing rules for FP7 projects, which impose certain disclosure obligations regarding **intellectual property rights** that stem from FP7 funded projects: http://cordis.europa.eu/fp7/how_en.html#ipr

Detailed information and individual support can be obtained from the **IPR Helpdesk:** www.ipr-helpdesk.org

Step 6: Can I apply for funding in my location?

Options

- EU Member States
- Non-EU countries (EEA, candidate countries, ACP, etc.)

o EU Member States

FP7: Yes. Organisations and researchers **from all EU regions** can apply for FP7 funding.

The only **exception** for FP7 is the **FP7-Capacities 'Research Potential'** action, which is only open to participants in the 'Convergence' regions (see below under SF for definition and list) and the Outermost Regions (list at http://europa.eu/scadplus/glossary/outermost_regions_en.htm).

CIP: Yes. Organisations **from all EU regions** can apply for CIP funding.

SF: Yes. **All EU regions** are in principle eligible for some funding under the Structural Funds. The topics and co-funding amounts/percentages depend, however, on the programme in your Member State or region.

The co-funding rates can be higher and a wider scope of activities can be funded in less well-off regions, the so called '**Convergence**' regions with a GDP per inhabitant of less than 75% of the Community average.

All the other regions in the EU are the so-called '**Regional competitiveness and employment**' regions. They have a GDP per inhabitant of at least 75% of the Community average. For them the co-funding rates might be lower and the range of eligible activities will be narrower than in Convergence regions (e.g. support for major research infrastructures should normally be limited to the Convergence" regions).

The eligibility for cross-border programmes under the '**European territorial cooperation**' objective also depends on the location of the different partner regions, whereas the whole territory of the European Community is eligible under the interregional and cooperation networks and exchange of experience programmes.

All these classifications of regions are listed and described at http://ec.europa.eu/regional_policy/policy/region/index_en.htm

In any case, **please address yourself to the managing authorities** in charge of your region/Member State's SF programmes. They will provide you with details on the conditions that apply to your region (see contacts in annex 4).

If you are seeking support for promoting innovation in the agriculture, food and forestry sectors in a region that is rural or depends on fisheries, you may also contact the authorities in your Member State which are responsible for managing the Community programmes specifically focused on rural development and fisheries:

- **European Fisheries Fund**
http://ec.europa.eu/fisheries/cfp/structural_measures/addresses_en.pdf
- **European Agricultural Fund for Rural Development**
http://ec.europa.eu/agriculture/rurdev/countries/index_en.htm

○ **Non-EU countries (EEA, candidate countries, ACP, etc.)**

FP7: Yes, applications are possible for theme-oriented international cooperation actions under **FP7-Cooperation**, provided that there are also partners from at least 3 different EU / EEA Member States involved. Joint Undertakings and JTI's may have specific participation rules for entities from non-EU Members States. There are specially designed International actions under **FP7-People** to contribute to the life-long training and career development of EU-researchers, attract research talent from outside Europe and foster mutually beneficial research collaboration with research actors from outside Europe. The '**INCO**' activities under **FP7-Capacities** are specifically designed for international cooperation. See for details: http://cordis.europa.eu/fp7/public_en.html Participation of partners from non-EU countries is also possible under 'Research for the benefit of SMEs' in **FP7-Capacities**.

In addition, a number of **non-EU countries are associated** and thus fully participating in FP7 under the same conditions as EU countries. Therefore legal entities established in Switzerland, Israel, Norway, Iceland, Liechtenstein, Turkey, Croatia, the Former Yugoslav Republic of Macedonia, Serbia, Albania or Montenegro are able to receive Community contributions for FP7 contracts/grant agreements (see: http://cordis.europa.eu/fp7/who_en.html#countries)

CIP: Maybe. In accordance with Article 4 of the CIP Decision, the CIP is open for the participation of EEA countries and candidates countries. In addition, the CIP is open for Western Balkans countries, as well as other third countries when agreements and procedures so allow.

See the list of countries that participate in CIP: <http://ec.europa.eu/cip/questions.htm#9>

SF: No. You cannot apply for SF funding in your own right if your organisation is established outside the EU. For non-EU resident partners see Step 5. However, this is exceptional and limited to the "European territorial cooperation" objective.

Please note: For the **EU Candidate countries** a specific scheme exists, the "**Instrument for Pre-Accession Assistance**" (IPA), which can support candidate countries (at present: Croatia, Turkey and the Former Yugoslav Republic of Macedonia) in **enhancing regional competitiveness and productive environment or human resources development and rural development**. In particular Turkey and Croatia have allocated a significant share of IPA resources to financing regional competitiveness programmes, under which SME-oriented innovation and research activities can be funded (no grant financing for SMEs, they can only receive support in kind). IPA can also fund under its cross-border cooperation component the participation of certain (mostly public) actors in cross-border or transnational activities between certain (neighbouring) Member States and all candidate countries and/or all potential candidate countries (Albania and the rest of former Yugoslavia) or between the IPA beneficiary countries.

Programmes under the **regional competitiveness component** or those between the Member States and the IPA beneficiary countries under the **cross-border cooperation component** are under the responsibility of the Directorate-General for Regional Policy, programmes under the **human resources development component** are under the responsibility of the Directorate-General for Employment, Social Affairs and Equal Opportunities, whereas programmes under the **cross-border cooperation component** between the IPA beneficiary countries are under the responsibility of the Directorate-General for Enlargement. Programmes under the **rural development component** are under the responsibility of the Directorate-General for Agriculture and Rural Development.

See http://ec.europa.eu/regional_policy/funds/ipa/index_en.htm or

http://ec.europa.eu/enlargement/financial_assistance/ipa/index_en.htm or

http://ec.europa.eu/agriculture/enlargement/assistance/index_en.htm

ANNEX 1: 7TH RESEARCH FRAMEWORK PROGRAMME

1. In a nutshell: what it is

Research Framework Programmes are the main instrument at EU level aimed specifically at supporting research and development. They have two major strategic objectives: strengthening the scientific and technological base of European industry and encouraging its international competitiveness, through research that supports EU policies.

The *7th Framework Programme for Research, Technological Development and Demonstration Activities* (EC FP7) will last from 2007 until 2013 and has a total budget of over €50 billion. The money will (for the most part) be spent on grants to research actors all over Europe and beyond, in order to co-finance research, technological development and demonstration projects. Grants are determined on the basis of calls for proposals and a peer review process, which is highly competitive. Thus, a key characteristic of FP7, and one that differentiates it from the Structural Funds, is that there are no fixed national or regional allocations.

The *7th Euratom Framework Programme for Nuclear Research and Training Activities* (Euratom FP7) will last from 2007 until 2011 and has a total budget of €2.75 billion. There are a number of legal and practical differences between the EC and Euratom FPs, and these will be highlighted where important for the purposes of the present guide. In particular, the Euratom fusion activities are implemented largely using specialised funding schemes and not via calls for proposals.

In order to complement national research programmes, activities funded from FP7 must have a “European added value”. One key aspect of the European added value is the trans-national nature of many actions: research projects are carried out by consortia which include participants from different European (and other) countries while research fellowships in FP7 require mobility over national borders. Indeed, many research challenges (e.g. major research infrastructures), are so complex that they can only be addressed at European level. However, there are also opportunities for individual teams with no obligation for trans-national cooperation. In this case, the “European added value” lies in raising the competition between scientists in “frontier” research from the national to the European level.

2. How is it structured?

The major building blocks of FP7 are the Specific Programmes: Cooperation, Ideas, People, Capacities and Euratom.

Cooperation	Fostering collaboration in and between industry and academia to gain leadership in key technology areas.
Ideas	Supporting basic research at the frontiers of science (implemented by the European Research Council).
People	Supporting mobility and career development for researchers both within and outside Europe.
Capacities	Helping develop the capacities that Europe needs to be a thriving knowledge-based economy.
Euratom	Supporting European research in fusion energy and in nuclear fission and radiation protection.

A detailed description of the structure and coverage of FP7 is presented below. It should be noted that because of their nature, Joint Undertakings and Joint Technology Initiatives may have their own specific participation rules.

The structure and coverage of FP7

Cooperation programme – the core of FP7

The core of FP7 and its largest component by far, the *Cooperation programme* fosters collaborative research across Europe and other partner countries in a number of key thematic areas. These themes are health; food, agriculture and fisheries; biotechnology; information and communications technologies; nano-sciences, nanotechnologies, materials and new production technologies; energy; environment (including climate change); transport (including aeronautics); socio-economic sciences and the humanities; space and security.

This programme also includes the new *Joint Technology Initiatives* (http://cordis.europa.eu/fp7/jtis/home_en.html) and *Joint Undertakings*, which are industry driven, large-scale multi-financed actions, supported in certain cases by a mix of public and private funding. Other highlights of this programme include Coordination of non-community research programmes, which aims to bring European national and regional research programmes closer together (e.g. ERA-NET http://cordis.europa.eu/fp7/coordination/eranet_en.html), and the Risk-sharing Finance Facility (RSFF) (http://ec.europa.eu/invest-in-research/funding/funding02_en.htm).

Special attention is also being paid to multi-disciplinary and cross-theme research, including joint calls for proposals between themes.

Ideas programme – and the European Research Council (ERC)

The *Ideas programme* is the first time an EU Research Framework Programme is funding investigator-driven research at the frontiers of science and technology, independently of thematic priorities. As well as bringing such research closer to the conceptual source, this flagship FP7 programme is recognition of the value of frontier research to society's economic and social welfare.

The Ideas programme is uniquely flexible in its approach to EU research, in that proposed research projects are decided solely on the basis of their excellence, as judged by peer review. It is being implemented by the new *European Research Council* (ERC – <http://erc.europa.eu>).

Research may be carried out in any area of science or technology, including engineering, socio-economic sciences and the humanities. Particular emphasis is being placed on emerging and fast-growing fields at the frontiers of knowledge, and on cross-disciplinary research. Unlike the Cooperation programme, there is no obligation for cross-border partnerships.

People programme – boosting European research careers

The *People programme* provides significant support for research mobility and career development, both for researchers inside the European Union and externally. It is being implemented via a coherent set of Marie Curie actions, designed to help researchers build their skills and competences throughout their careers.

The programme includes activities such as initial researcher training, support for lifelong training and development, transfer of knowledge and networking via actions including trans-national European fellowships, initial training of researchers, and industry/academia partnerships. An international dimension with partners outside the EU aims to further develop the careers of EU researchers, by creating international outgoing and incoming fellowships to foster collaboration with research groups outside Europe.

Capacities programme – building the knowledge economy

The *Capacities programme* is designed to help strengthen and optimise the knowledge capacities that Europe needs if it is to become a thriving knowledge-based economy. By strengthening research abilities, innovation capacity and European competitiveness, the programme is stimulating Europe's full research potential and knowledge resources.

The programme embraces six specific knowledge areas, including Research Infrastructures, Research for the benefit of SMEs, Regions of Knowledge, Research Potential, Science in Society and International Cooperation activities.

Euratom programme – dedicate to applied nuclear research and training

The Euratom programme, under the research provisions of the Euratom Treaty, supports the development of peaceful uses of nuclear science and technology through fostering collaborative research across Europe. Its main themes are research on fusion energy, including support to ITER, and support for fission-related activities such as research on management of radioactive waste, safety of nuclear installations, advanced reactor technology and radiation protection. Owing to the legally distinct nature of the Euratom Treaty, many of the activities and services in the four EC Specific Programmes above are not available under Euratom (e.g. RSFF) or cannot be readily accessed if the research is considered to fall predominantly under the scope of the Euratom Treaty (e.g. Marie Curie actions and schemes under the Capacities programme). Important differences also exist regarding international cooperation and possible access to Euratom funding by 3rd countries.

For more details on all these programmes see: http://cordis.europa.eu/fp7/home_en.html

3. Funding schemes

These are the types of projects through which FP7 is implemented and they operate "horizontally" across the Specific Programmes. They include:

Collaborative projects

Collaborative projects are focused research projects with clearly defined scientific and technological objectives and specific expected results (such as developing new knowledge or technology to improve European competitiveness). They are carried out by consortia made up of participants from different countries, and from industry and academia.

Networks of excellence

The Networks of Excellence are designed for research institutions willing to combine and functionally integrate a substantial part of their activities and capacities in a given field, in order to create a European "virtual research centre" in this field. This is achieved through a "Joint Programme of Activities" based on the integrated and complementary use of resources from entire research units, departments, laboratories or large teams.

Coordination and support actions

These are actions that cover not the research itself, but the coordination and networking of projects, programmes and policies. This includes, for example:

- coordination and networking activities, dissemination and use of knowledge
- studies or expert groups assisting the implementation of the Framework Programme
- support for transnational access to major research infrastructures
- actions to stimulate the participation of SMEs, civil society and their networks

Individual projects

Projects carried out by individual national or multinational research teams, led by a "principal investigator", funded by the European Research Council (ERC).

Support for training and career development of researchers

Training and career development for researchers from across the European Union and its research partners, through a range of support actions named after Marie Curie (People Programme: Marie Curie Actions).

Research for the benefit of specific groups - in particular SMEs

Research and technological development projects where the bulk of the research is carried out by actors such as universities, research centres or other legal entities, for the benefit of specific groups, in particular SMEs, or for civil society organisations and their networks.

4. How much funding?

The programme has a total budget of over €50 billion for the period 2007-2013. The largest part is earmarked for cooperation research projects (€32 billion). Fundamental research will receive € 7.5 billion, the People Programme will provide funding of € 4.75 billion, the Capacities programme has €4 billion and Euratom €2.7 billion. FP7 will contribute in total up to a maximum of € 1 billion to the Risk-sharing Finance Facility (€0.8 bn from the Cooperation and €0.2 bn from the Capacities (research infrastructures) parts of FP7), which will be matched by the same amount from the EIB.

Concerning individual projects, the basic principle of funding in FP7 is co-financing. This means that, in general, the Commission does not "purchase" research services by placing contracts and paying a price. Rather, it gives grants to projects, thus contributing a certain percentage to the overall costs. The exception is the Marie Curie Actions which provide 100% funding for researcher costs: the Community financial contribution combines the reimbursement of the eligible costs with flat rates, including scale of unit costs and lump sums.

The maximum reimbursement rates for the costs of a project depend on the funding scheme, the legal status of the participants and the type of activity.

- The standard reimbursement rate for research and technological development activities is 50% of the eligible costs. Certain legal entities can receive up to 75% of the eligible costs (non-profit public bodies, SMEs, research organisations, higher education establishments). For demonstration activities, the reimbursement rate may reach 50% of the eligible costs.
- For other activities (consortium management, networking, training, coordination, dissemination etc.), the reimbursement rate can be up to 100% of the eligible costs. The 100% rate applies also to frontier research actions under the European Research Council as well as to all actions of the People programme.

5. Who can apply?

Participation in FP7 is open to a wide range of organisations and individuals. Universities, research centres, multinational corporations, SMEs, public administrations, funding bodies, even individuals – all have the opportunity to participate in FP7.

As a general principle, FP7 is open to participation from any country in the world. However, the procedures for participation and the funding possibilities vary for different groups of countries. The EU Member States enjoy the broadest rights and access to funding. However, the same conditions as apply to Member States apply also to countries associated to FP7 through a variety of legal instruments (S&T agreement, EEA agreement and Memoranda of Understanding)¹³

¹³ From 1 January 2007, EC FP7 agreements with Switzerland, Israel, Norway, Iceland, Liechtenstein, Turkey, Croatia, Former Yugoslav Republic of Macedonia and Serbia are in force. From 1 January 2008, agreements with Albania and Montenegro are in force). The only country currently associated to Euratom FP7 is Switzerland.

Another important group are the International Cooperation Partner Countries (e.g. Russia and other Eastern European and Central Asian states, developing countries, Mediterranean partner countries, Western Balkans countries). Participants from these countries are entitled to funding under the same conditions as EU Member States. The only restriction for them is that consortia must first have the required minimum number of participants from Member States or associated countries. Participation from industrialised high-income countries is also possible on a self-financing basis, with EU funding granted only in exceptional cases.

Cooperation with “third countries” is explicitly encouraged in FP7 with the key objectives of supporting European competitiveness in selected fields through strategic partnerships with third countries; encouraging the best third-country scientists to work in and with Europe and addressing specific problems that either have a global character or are commonly faced by third countries, on the basis of mutual interest and mutual benefit. Finally, FP7 also provides for international outgoing and incoming fellowships for third countries in order to foster collaboration with research groups outside Europe.

For a very large part of FP7, grants are not provided to individual researchers or firms but rather to transnational partnerships. Specifically, transnational partnerships are the norm for the **Cooperation** and **Capacities** Specific Programmes and some of the **People** Programme Actions will also fund transnational partnerships (ITN and IAPP). Individual researchers and research organisations are eligible to apply under the **Ideas** and **People** programmes as well as parts of the **Capacities programme**.

FP7 FUNDING FOR COMPANIES

It is important to underline that FP7 is not just for researchers in research entities or the education sector. Across the range of activities supported by FP7, companies may also participate (see: http://cordis.europa.eu/fp7/sme_en.html). The Marie Curie IAPP scheme is specifically designed for commercial enterprises. Enterprises are also the main players in the European Technology Platforms (ETP - http://cordis.europa.eu/technology-platforms/home_en.html) and Joint Technology Initiatives (JTI - http://ec.europa.eu/information_society/tl/research/priv_invest/jti/index_en.htm).

Collaborative and frontier research, training and career development

In the case of the Cooperation Programme, themes that would be of particular interest to researchers in companies would include ICT, Industrial technologies (NMP), Food, agriculture and biotechnology, Transport (including aeronautics), Energy and Space. In the case of frontier research under the Ideas Programme, projects will be funded on the basis of the excellence of the research, irrespective of whether from the public or private sectors while, under the People Programme, the participation of industry and SMEs is foreseen through all Marie Curie actions. In addition, FP7 contains a range of actions that are specifically aimed at addressing the needs of companies.

SMEs

In the case of SMEs, a specific action under the Capacities Programme allows them to strengthen their overall position through networking and relationship building with international partners, access to research centres of excellence and development of research.

It is implemented through two funding schemes where the key component is the outsourcing of research to RTD performers:

Research for SMEs will support small groups of innovative SMEs in solving common or complementary technological problems.

Research of SME associations will support SME associations and groupings in developing solutions to problems common to large numbers of SMEs in specific sectors.

(see: http://cordis.europa.eu/fp7/capacities/research-sme_en.html)

Regions of Knowledge

FP7 is establishing new Regions of Knowledge that bring together the various research partners within a region to develop research-driven clusters. An obligatory partner in a research driven cluster is an enterprise (including SMEs), along with a research entity and a regional or local authority. The aim of support under Regions of Knowledge is to allow the elements of the cluster to link up and strengthen their research abilities and potential (see: http://cordis.europa.eu/fp7/capacities/regions-knowledge_en.html).

Risk-Sharing Finance Facility

Improving access to loans for RTD actions requires public support to overcome market deficiencies for the financing of riskier actions. In order to address this problem, a new Risk-sharing Finance Facility (RSFF) aims to enhance backing for private investors in research projects, improving access to loans from the European Investment Bank (EIB) for large European research actions. Progressively RSFF will be offered in each of the Members States and FP7 Associated Countries in order to allow access for smaller projects and beneficiaries (like SMEs). (see: http://ec.europa.eu/invest-in-research/funding/funding02_en.htm ; <http://www.eib.org/products/loans/special/rsff/index.htm>)

6. How to apply?

Unfortunately, it is not simply a case of writing in and asking for a grant. There are a number of steps that must be followed.

Eligible activities

Clearly, the activity for which you require support must fall within the range of activities funded by under FP7. Normally, this is not such a serious hurdle. As indicated above, the range of activities across the Specific Programmes is very wide. However, different participation rules apply depending on the research initiative in question. Going through the questions in the Checklist will help you identify for which FP7 strand you might be eligible.

'Work programmes' and 'Calls for Proposals'

Given that FP7 covers such a wide range of activities it is not realistic that each activity is open for funding at all times. The concrete plans for implementing the Specific Programmes are announced by the European Commission in annual 'Work Programmes'. These work programmes include the schedule of 'Calls for Proposals', commonly known just as 'Calls', to be published during the year. Each Call usually covers a specific research area. In order for your idea to be considered for funding at a particular moment, a relevant Call must be open.

Publication of Calls

All Calls are announced in the EU's Official Journal (which is the official source of EU documents). The annual work programmes and the full texts of the Calls are published on the FP7 section of CORDIS (http://cordis.europa.eu/fp7/home_en.html), the web site dedicated to EU-supported research. CORDIS is continually updated with the latest information on Calls for proposals, as well as other information and services related to Community research.

Submitting a proposal

You respond to a Call by submitting your proposal. Proposals may be submitted at any time after a Call opens for submissions, up until the deadline (which is strictly applied). The Guide for Applicants for the Call in question (also published on CORDIS) will guide you through the process, and point you towards other useful documents. A Web-based online tool called EPSS ('Electronic Proposal Submission Service') is the obligatory channel for the submission of proposals.

Evaluation of proposals

After the deadline for the Call, all the proposals submitted are evaluated by a panel of independent evaluators, who are recognized specialists in the relevant fields. The panel will check the proposals against a published set of criteria to see if the quality of research proposed is worthy of funding. The key criteria used for this evaluation are explained in the Guide for Applicants.¹⁴

Negotiation and approval

¹⁴ You can also apply to become an evaluator yourself, although you will never be invited to evaluate a proposal in which you have a conflict of interest. Go to www.cordis.europa.eu/emmp7 for more details.

For successful proposals, the European Commission enters into financial and scientific/technical negotiations with you and/or your consortium on the details of the project. Finally, a grant agreement between each participant and the Commission is drawn up. This sets out the rights and obligations of the beneficiaries and the European Community, including the EU's financial contribution to your research costs.

For additional information on all issues related to Calls (including step-by-step advice on how to submit a proposal, eligibility criteria, evaluations, Intellectual Property issues, etc.), always refer to the Guide for Applicants.

ANNEX 2: THE COMPETITIVENESS AND INNOVATION FRAMEWORK PROGRAMME

1. In a nutshell: what it is

The Competitiveness and Innovation Framework Programme (CIP) aims to encourage the competitiveness of European enterprises. With small and medium-sized enterprises (SMEs) as its main target, the programme will support innovation activities (including eco-innovation), provide better access to finance and deliver business support services in the regions. It will encourage a better take-up and use of information and communications technologies (ICT) and help to develop the information society. It will also promote the increased use of renewable energies and energy efficiency.

CIP will last from 2007 until 2013 and has a total budget of over €3.6 billion. While the Entrepreneurship and Innovation Programme (EIP) of the CIP makes use of several different schemes and intervention mechanisms, in other areas of the CIP a considerable part of the money will be spent on grants to business and public actors all over Europe and beyond, in order to co-finance pilot and market replication projects, as well as best-practice exchange and networking. To this end, grants are determined on the basis of calls for proposals and evaluation procedures, which are highly competitive. CIP, like FP7, has no fixed national or regional allocations.

In order to complement national programmes, activities funded from CIP must have a “European added value”. This European added value is the clear demonstration of benefits of the project at a European level. For example, it must be clear why this project should receive European funding as opposed to being funded by local, national or regional resources. Therefore you may need to demonstrate in your application the EU dimension of the market barriers to be tackled, justify the benefits of addressing the subject of the proposal at European level or explain contributions of project to improve the competitiveness of EU economy. This European added value may also be demonstrated by the trans-national nature of many actions, which are to be carried out by consortia including participants from different European (and other) countries. However, there are also opportunities for individual applicants with no obligation for trans-national cooperation, to facilitate the emergence of innovative solutions of interest for the whole of Europe.

2. How is it structured?

The CIP is structured in the following three specific programmes, each of which has its own governance structure and annual work programmes:

Entrepreneurship and Innovation Programme (EIP)

The EIP focuses on facilitating access to finance for the start-up and growth of SMEs and encourages investment in innovation activities, creating an environment favourable to SME cross-border cooperation, promoting all forms of innovation in enterprises and fostering an entrepreneurship and innovation culture.

The EIP aims to achieve its objectives through the following schemes:

- better access to finance for SMEs through "CIP financial instruments", particularly venture capital investments and loan guarantee schemes;
- the Enterprise Europe Network, a network of regional centres delivering business and innovation support services to RTDI actors, particularly SMEs;

- support to encourage trans-national networking of innovative companies and all other actors in the innovation process, including benchmarking initiatives and the exchange of best practice;
- support to eco-innovation, thus making sustainable development become a business reality;
- support for policy-making that encourages entrepreneurship and innovation.

Information Communication Technologies Policy Support Programme (ICT-PSP)

The ICT-PSP focuses on developing a single European information space, strengthening the European internal market for ICT and ICT-based products and services, stimulating innovation through the wider adoption of and investment in ICT and developing an inclusive information society and more efficient and effective services in areas of public interest, and improving quality of life.

The ICT-PSP aims to foster innovation and competitiveness through the wider uptake and best use of ICT by citizens, governments and businesses and in particular SMEs. To this end, it will support best practice exchange, networking and policy analysis.

Intelligent Energy Europe Programme (IEE)

The IEE programme focuses on fostering energy efficiency and the rational use of energy sources, promoting new and renewable energy sources and energy diversification, and promoting energy efficiency and new energy sources in transport. The IEE programme aims to improve market conditions for untapped opportunities to save energy and encourage the use of renewable energy sources, therefore moving towards a more energy intelligent Europe.

In this context, it will support pilot and market replication projects and promotion and dissemination projects to fund capacity building, development and spreading of know-how, skills and methods, exchanges of experience, development of market and intelligence, policy input, awareness raising and information provision, and education and training.

3. Main funding schemes

The main funding schemes under the CIP are the following:

3.1. Community financial instruments for SMEs

The financial instruments aim to cover market gaps in the supply of debt and equity finance to SMEs. These instruments are managed by the European Investment Fund (EIF) on behalf of the European Commission and implemented via financial intermediaries or specialised funds (<http://www.access2finance.eu>)

The financial instruments cover the different needs of SMEs according to the stage in their life-cycle:

- a. SME Guarantee Facility guarantees loans to SMEs, including micro-credit and mezzanine finance. These guarantees are given to financial intermediaries who provide the finance to SMEs.
- b. High Growth and Innovative SME Facility (GIF) which provides venture capital for innovative SMEs in their early stages (GIF1) and in their expansion phase (GIF2)

- c. Capacity Building Scheme which helps reinforce the capacity of financial intermediaries to support SMEs (please note that this instrument is available **only** to financial intermediaries, not to SMEs)

3.2. *Pilot and Market Replication projects*

The CIP will provide support to projects concerned with the first applications or market replication of innovative or eco-innovative techniques, processes, products or practices of European relevance, which have already been technically demonstrated with success but which, owing to residual risk, have not yet significantly penetrated the market. These shall be designed to promote broader utilisation of such techniques, products or practices and facilitate their market uptake.

3.3. *Policy analysis, development, coordination, twinning, best practice exchange and thematic networks*

- a. Studies, data collection, surveys and publications;
- b. Twinning and meetings of experts, including experts from public institutions, experts sent by SMEs and other interested parties, conferences and other events;
- c. Awareness raising, networking and other relevant activities;
- d. Benchmarking of national and regional performances, and work on good practices, including their dissemination and implementation; and
- e. Best practice actions to spread knowledge and share experience across Europe, which will be linked to thematic networks bringing together a variety of stakeholders around a given objective so as to facilitate coordination activities and the transfer of knowledge.

The basic principle of funding in CIP funding schemes 3.2 and 3.3 is co-financing. This means that the Commission gives grants to projects, thus contributing a certain percentage (which is defined for each specific call) to the overall costs. The maximum reimbursement rates to the costs of a project depend on the funding scheme, the legal status of the participants and the type of activity. In some cases the Commission may choose to purchase services under the CIP by placing contracts and paying a price.

4. **How much funding?**

The CIP has a total budget of over €3.6 billion for the period 2007-2013

- €2 170 million for EIP (of which more than €1 100 million for financial instruments and €430 million for promoting eco-innovation)
- €730 million for the ICT-PSP
- €730 million for the IEE programme.
-

5. **Who can apply?**

Participation in the CIP is open to a wide range of organisations and individuals. However, eligibility criteria differ from one funding scheme to the other. Going through the questions in the Checklist will help you identify for which CIP scheme you might be eligible.

Regarding geographical coverage, all entities established in Member States of the European Union can participate in the CIP. The CIP is also open to other third countries, when Agreements and procedures so allow. If you want to consult the list of countries currently participate in CIP, please visit: <http://ec.europa.eu/cip/questions.htm#9>

6. How to apply

6.1 CIP financial instruments

SMEs wishing to apply for the debt finance or venture capital referred to in sections 3.1 a. and 3.1.b. should consult the page <http://www.access2finance.eu>, where they can find out if they are eligible and can see the list of financial intermediaries in their country.

Please note that the Commission does not provide direct financial support to SMEs but works only via these intermediaries.

6.2 Grants for projects and other implementing measures

- Calls for proposals:

The IEE programme and the ICT-PSP programme allocate their funds mainly through calls for proposals. There are Calls for proposals also in the EIP programme (concerning eco-innovation, innovation, etc), while this programme also has other types of intervention mechanisms.

- Calls for tenders

Under the EIP, also calls for tenders are used to provide support to the activities mentioned in point 3.3.

How to know when there is a call open?

Both kinds of calls are published on the CIP website (http://ec.europa.eu/cip/index_en.htm) and on the pages of the specific CIP programmes (EIP, IEE and ICT-PSP). Internet addresses for those programmes are provided in Annex 4.

ANNEX 3: THE STRUCTURAL FUNDS – COHESION POLICY

1. In a nutshell: what it is

Cohesion policy aims – via the Structural Funds – to reinforce economic and social cohesion by redressing the main regional imbalances through support for the development and structural adjustment of regional economies. In so doing, it supports the priorities of the Community and in particular the need to strengthen competitiveness and innovation. In other words, RTD and innovation support are only the means to an end, not objectives in themselves.

The other fundamental difference between Cohesion policy and FP7 and CIP is that its management and programming is decentralised, i.e. the implementation and allocation of funds to projects is not handled by the Commission, but by Managing Authorities.

Cohesion policy contributes substantially to raising the EU's long-term research and innovation performance, both through its focus on investments which promote economic development and through the policy-making, implementation and evaluation methods which it promotes. Cohesion policy enables public authorities to implement medium and long-term programmes, based on a strategic approach, partnership with key stakeholders, organised learning from one another, and coherent actions in line with the Lisbon reform agenda. This approach allows the provision of integrated support for different aspects of economic and social modernisation (including bringing entrepreneurial and research measures under one roof), while however tailoring each operational programme to the needs and opportunities of the region concerned.

It supports experimentation with innovative approaches and the exchange of experience across the EU, which facilitates and promotes learning and social innovations in administrations, organisations, and enterprises. The way in which cohesion policy programmes are designed and managed also fosters partnership between different levels of government, between public and private actors and between governmental and non-governmental bodies.

Cohesion policy also targets the regional level, which makes its programmes a particularly effective vehicle for fostering innovation, since this level provides the proximity essential to stimulating interaction between producers, users and mediators of knowledge.

2. How is it structured?

The three main funds under which research and innovation activities can be supported are the:

- European Regional Development Fund (ERDF): for strengthening competitiveness through helping regions to anticipate and promote economic change through innovation and the promotion of the knowledge society, entrepreneurship, the protection of the environment, and the improvement of their accessibility. It also supports cross-border co-operation through joint local and regional initiatives, trans-national co-operation aiming at integrated territorial development, and interregional co-operation and exchange of experience.
- Cohesion Fund: for the least-developed Member States and regions, i.e. Member States whose GNI (Gross National Income) is lower than 90% of the EU average can benefit from the Cohesion Fund. Assistance from the Cohesion Fund shall be given to actions in the areas of trans-European transport networks and the environment within the priorities assigned to the Community environmental protection policy under the policy and action

programme on the environment (including energy efficiency and renewable energy, rail, river and sea transport, intermodal transport systems and their interoperability, management of road, sea and air traffic, clean urban transport and public transport). Formally speaking, the Cohesion Fund is not a "Structural Fund", but as the programming is since 2007 done in an integrated manner with the ERDF, the distinction is not very relevant for beneficiaries.

- European Social Fund (ESF): strengthening competitiveness and employment by helping Member States and regions to adapt the workforce, their enterprises and entrepreneurs with a view to improving the anticipation and positive management of economic change, in particular by promoting lifelong learning and increased investment in human resources, the development of qualifications and competences, the dissemination of information and communication technologies, e-learning, eco-friendly technologies as well as the promotion of innovation and business start-ups.

These three funds contribute to **three objectives**: Convergence, Regional Competitiveness and Employment, and European Territorial Cooperation:

- The rationale of the **Convergence objective** is to promote growth-enhancing conditions and factors leading to real convergence for the least-developed EU Member States and regions. This objective concerns 84 regions (within 17 Member States) with a total population of 154 million, and per capita GDP at less than 75 % of the Community average and, on a "phasing-out" basis, another 16 regions with a total of 16.4 million inhabitants and a GDP only slightly above the threshold. The amount available under the Convergence objective is €282.8 billion, representing 81.5 % of the total.
- Outside the Convergence regions, the **Regional Competitiveness and Employment objective** aims at strengthening competitiveness and attractiveness, as well as employment, through a two-fold approach. First, development programmes will help regions to anticipate and promote economic change through innovation and the promotion of the knowledge society, entrepreneurship, the protection of the environment, and the improvement of their accessibility. Second, more and better jobs will be supported by adapting the workforce and by investing in human resources. A total of 168 regions in the EU Member States will be eligible, representing 314 million inhabitants. Within these, 13 regions which are home to a total of 19 million inhabitants represent so-called "phasing-in" areas and are subject to special financial allocations due to their former status as "Objective 1" regions. The amount available of €55 billion – of which €11.4 billion is for the "phasing-in" regions – represents just below 16% of the total allocation. Regions in 19 EU Member States are concerned with this objective.
- The **European Territorial Co-operation objective** will strengthen cross-border co-operation through joint local and regional initiatives, trans-national co-operation aiming at integrated territorial development, and interregional co-operation and exchange of experience. This objective is based on the experience drawn from the former Community initiative - INTERREG.
 - Cross-border cooperation covers cooperation in neighbouring small-scale land or maritime border regions (e.g. Germany-Poland or France-UK – see: http://ec.europa.eu/regional_policy/atlas2007/crossborder/index_en.htm).

- transnational cooperation covers cooperation in neighbouring large scale areas (e.g. Baltic Sea area, Alpine Space area, South West Europe – see: http://ec.europa.eu/regional_policy/atlas2007/transnat/index_en.htm)
- interregional cooperation, networking and exchange of experience throughout the European Community are funded through two SF programmes: "INTERREG IV C" (concrete interregional cooperation projects – see: www.interreg4c.eu) and "URBACT" (networking and exchange of experience linked to integrated urban development, see: <http://urbact.eu>).

For the individual enterprise or researcher looking for funding opportunities, these differentiations between the objectives and funds are not very relevant. It was relevant for the negotiations between the Commission and the Member States/regions to design the operational programmes with its priorities and funding conditions. What counts to find out about the detailed conditions and modalities for funding is the **content of the operational programme(s)** that cover the region in which the applicant is resident.

3. How much funding?

Based on the information provided by the Managing Authorities of the Member States and regions during the planning phase of the programming period 2007-2013 the EU investment for innovation and research in 2007-2013 will be around €6 billion¹⁵, which corresponds to almost 25% of the total new envelope for the 27 Member States. Of this amount

- €0 billion are allocated to **R&D and innovation in the narrow sense**, including €10.2 billion to RTD infrastructure and centres of competence, €9 billion for investment in firms directly linked to research, €5.8 for R&TD activities in research centres, €5.7 billion for assistance to R&TD, particularly in SMEs, €5.6 billion for technology transfer and the improvement of cooperation of networks, €4.9 billion in developing human potential in the field of research and innovation and €2.6 billion to assistance to SMEs for the promotion of environmentally-friendly products and production processes,
- €3.3 billion to **entrepreneurship**, including €5.2 billion for advanced support services for firms and €3.2 billion to support self-employment and business start-up (in addition to this, some €3.6 billion are planned for other, not necessarily innovative, investments in firms),
- €3.2 billion to innovative **information and communication technologies** to foster the demand side of ICT, in particular €5.2 billion for services and applications for citizens (e-health, e-government, e-learning, e-inclusion, traffic management, etc.) and €2.1 billion for Services and applications for SMEs (e-commerce, education and training, networking, etc.) and

¹⁵ The spending categories for R&D and innovation under the Structural Funds are explained in the Commission Staff Working Document "Regions delivering Innovation through Cohesion Policy" (SEC(2007)1547 (http://ec.europa.eu/regional_policy/sources/docoffic/working/doc/SEC-2007-1547.pdf)). The amounts mentioned above may shift slightly depending on the actual implementation over the programming period.

- €14.5 billion to **human capital**, including €9.7 billion for the development of life-long learning systems and strategies in firms; training and services for employees to step up their adaptability to change, promoting entrepreneurship and change, €2.8 billion for the development of special services for employment, training and support in connection with restructuring and development of systems anticipating future skills needs and €1.9 billion for the design and dissemination of innovative and more productive ways of organising work.

More than €2 billion or 27% of the total available budget for territorial cooperation will go into research and innovation related activities.

The resources are distributed among the Member State by a fixed key. The Commission proceeds by giving indicative annual sums per Member State. From the operational programmes of the Member States and regions, it is clear that substantial national and regional budgets will be mobilised in addition to the Community financing, triggering important private sector investments in innovation. For example, in line with the State Aid Framework for Research, Development and Innovation, the combined European and national subsidies can reach up to 35% for investments in process and organisational innovation in small enterprises¹⁶. This could lead to the doubling of national/regional financing available.

A particular mention should be made to the JEREMIE initiative aimed at improving access to finance for SMEs at regional level. JEREMIE is a pre-defined mechanism for using the budget from the European Regional Development Fund (ERDF) effectively for SME finance. This mechanism helps to move from grants towards more sustainable financial products for SMEs. Under the scheme, the EIF helps the regions to transform funding into financial products like venture capital, guarantees, and microfinance. The use of the JEREMIE initiative is optional and not all regions and Member States have introduced it in their programmes.

4. Who can apply?

Virtually all research and innovation actors (enterprises, universities, technology transfer bodies, cluster organisations, higher education institutes, etc.) can apply, depending on the programmes and initiatives that the Member States and regions provide for the relevant area and type of applicant.

5. How to apply?

Please do not send any Structural Funds funding applications directly to the Commission!

The way in which Structural Funds are spent is through a decentralised system of shared responsibility between the European Commission and Member States. The Commission negotiates and approves the operational programmes proposed by the Member States and allocates resources. The Member States and their regions manage the programmes, implement them by selecting projects, control and assess them. For each operational programme, the Member State appoints a **Managing Authority** (a national, regional or local public authority or public/private body). Links to operational programme summaries and to lists of Managing Authorities can be found in the Structural Funds section of Annex 4.

¹⁶ Point 5.5 of the Community Framework for State Aid for Research and Development and Innovation (2006/C 323/01), OJ C 323 of 30.12.2006

To apply for SF funding, you will need to contact the relevant Managing Authority or find out on their web-sites about their calls for proposals/or tender, as well as the eligibility and funding conditions and award procedures (e.g. ongoing application and project selection, calls for proposals on specific topics or competitions with fixed deadlines ...).

The project selection criteria are agreed by each operational programme's Monitoring Committee and are published (e.g. on Managing Authority websites). Projects will be evaluated according to these criteria. Bear in mind in addition that a research or innovation project submitted to a Structural Funds programme will be judged on its likely contribution to the economic development of the Member State or region as well as on its scientific or technological quality.

Also the JEREMIE financial instruments are not issued directly to small businesses (SMEs). SMEs should therefore not apply to EIF or the EC for financial support under JEREMIE. In due course, SMEs interested in obtaining finance will be able to identify and contact financial intermediaries in their countries (see: www.eif.org/jeremie), which will be provided as and when the JEREMIE initiative becomes active in Member States and regions.

ANNEX 4: USEFUL SOURCES FOR INFORMATION

FP7 activities: http://cordis.europa.eu/fp7/home_en.html

- **CORDIS:** The official entry point to Europe’s **Seventh Framework Programme for research and technology development (FP7)**, its specific programmes, activities, themes and latest developments.
[http://cordis.europa.eu/fp7/home_en.html/](http://cordis.europa.eu/fp7/home_en.html)
- Research Executive Agency (REA) will manage FP7-People, FP7-Capacities for SME-targeted projects and the FP7-Cooperation strands for “Space” and “Security”:
<http://ec.europa.eu/research/rea/>
 - Most of the activities of the People Programme are implemented through the Marie Curie Actions: <http://ec.europa.eu/mariecurieactions>
- JTI and Joint Undertakings
 - ARTEMIS: <https://www.artemis-ju.eu/>
 - CLEAN SKY: <http://www.cleansky.eu/>
 - ENIAC: <http://www.eniac.eu/>
 - IMI: <http://www.imi-europe.org/>
 - Fuel Cells and Hydrogen
 - SESAR: <http://www.sesarju.eu/>
- European Research Council (ERC) manages FP7-Ideas: <http://erc.europa.eu>
- FP7 National Contact Points: http://cordis.europa.eu/fp7/ncp_en.html
- FP7 Helpdesk: <http://ec.europa.eu/research/index.cfm?pg=enquiries>
- SME service: http://ec.europa.eu/research/sme-techweb/index_en.cfm
- Risk-sharing Finance Facility (RSFF): http://ec.europa.eu/invest-in-research/funding/funding02_en.htm and <http://www.eib.org/products/loans/special/rsff/index.htm>

CIP activities: <http://ec.europa.eu/cip>

- Financial instruments. If you are an SME looking for finance under these instruments, this site will help you:
 - <http://www.access2finance.eu>
- Eco-innovation:
 - <http://ec.europa.eu/environment/etap/econnovation/>
- Intelligent Energy Europe:
 - <http://ec.europa.eu/energy/intelligent/>
- ICT-PSP
 - http://ec.europa.eu/ict_psp

CIP and FP7 information centres in your region:

➤ Enterprise Europe Network:

- www.enterprise-europe-network.ec.europa.eu/index_en.htm

Structural Funds: http://ec.europa.eu/regional_policy/index_en.htm

- Summaries of operational programmes and financial allocations: http://ec.europa.eu/regional_policy/atlas2007/index_en.htm
- European Regional Development Fund (ERDF) - Managing authorities: http://ec.europa.eu/regional_policy/manage/authority/authority_en.cfm
- European Social Fund (ESF) - Summaries of operational programmes and Managing authorities: http://ec.europa.eu/employment_social/esf/index_en.htm
- **Regional Policy** web-site: http://ec.europa.eu/regional_policy/index_en.htm
 - Regulations: http://ec.europa.eu/regional_policy/sources/docoffic/official/regulation/newregl0713_en.htm
 - Individual links to the some 50 different cross-border and 13 transnational cooperation programmes under the "European territorial cooperation" objectives): http://ec.europa.eu/regional_policy/atlas2007/crossborder/index_en.htm and http://ec.europa.eu/regional_policy/atlas2007/transnat/index_en.htm
 - INTERREG IV C (for multi-lateral interregional cooperation of public actors on innovation, knowledge economy, environment and risk prevention issues, including "fast track" networks): www.interreg4c.net
 - URBACT (exchanges of experience between European cities and the actors, in order to find the most efficient solutions to common problems): <http://urbact.eu>
 - Regions for Economic Change initiative: http://ec.europa.eu/regional_policy/cooperation/interregional/ecochange/index_en.cfm
 - Information on Structural Funds' actions in the field of research and innovation: http://ec.europa.eu/regional_policy/themes/resear_en.htm
 - Innovative Actions Programme, including networks (2000-2006): http://ec.europa.eu/regional_policy/innovation/index_en.htm
 - JEREMIE (Joint European Resources for Micro to medium Enterprises): http://ec.europa.eu/regional_policy/funds/2007/jjj/jeremie_en.htm
- **European Social Fund website:** http://ec.europa.eu/employment_social/esf/index_en.htm
 - Transnational projects and networks: http://ec.europa.eu/employment_social/esf/fields/transnational_en.htm
 - EQUAL website: http://ec.europa.eu/employment_social/equal/index_en.cfm

Information on national and regional research and innovation programmes

- ERAWATCH provides information on national research policies, structures, programmes and organisations: <http://cordis.europa.eu/erawatch/>
- INNO Policy TrendChart describes and analyses major innovation policy trends at national and regional levels across Europe, including information on programmes: <http://www.proinno-europe.eu/index.cfm?fuseaction=page.display&topicID=52&parentID=52>
- Links to official web-sites of the Member States and regions: http://ec.europa.eu/regional_policy/country/gateway/index_en.cfm

ANNEX 5: SCORECARD

Programme ¹⁷	Strand / sub-programme	Step						Score / comment	
		1	2	3	4	5	6		
FP7	Cooperation: trans-national research partnerships, ETP, JU/JTI, Art. 169, ERA-Net								
	Ideas: fundamental research (ERC)								
	People: (Marie Curie Actions)								
	Capacities	Research infrastructures							
		Research potential							
		Regions or Knowledge							
		Support for the coherent development of research policies							
		SME							
		INCO: International cooperation							
Euratom: Nuclear research and training									
CIP	Financial instruments								
	Innovation: networking, analysis, pilot and market replication projects								
	ICT and information society: networking, analysis, pilot and market replication projects								
	Renewable energy: networking, analysis, pilot and market replication projects								
Structural Funds	Regional / national programmes								
	Territorial Cooperation programmes (Cross-border, Transnational, inter-regional)								

¹⁷ See Annex 1 and 2 for detailed descriptions of the CIP and FP7 programmes