

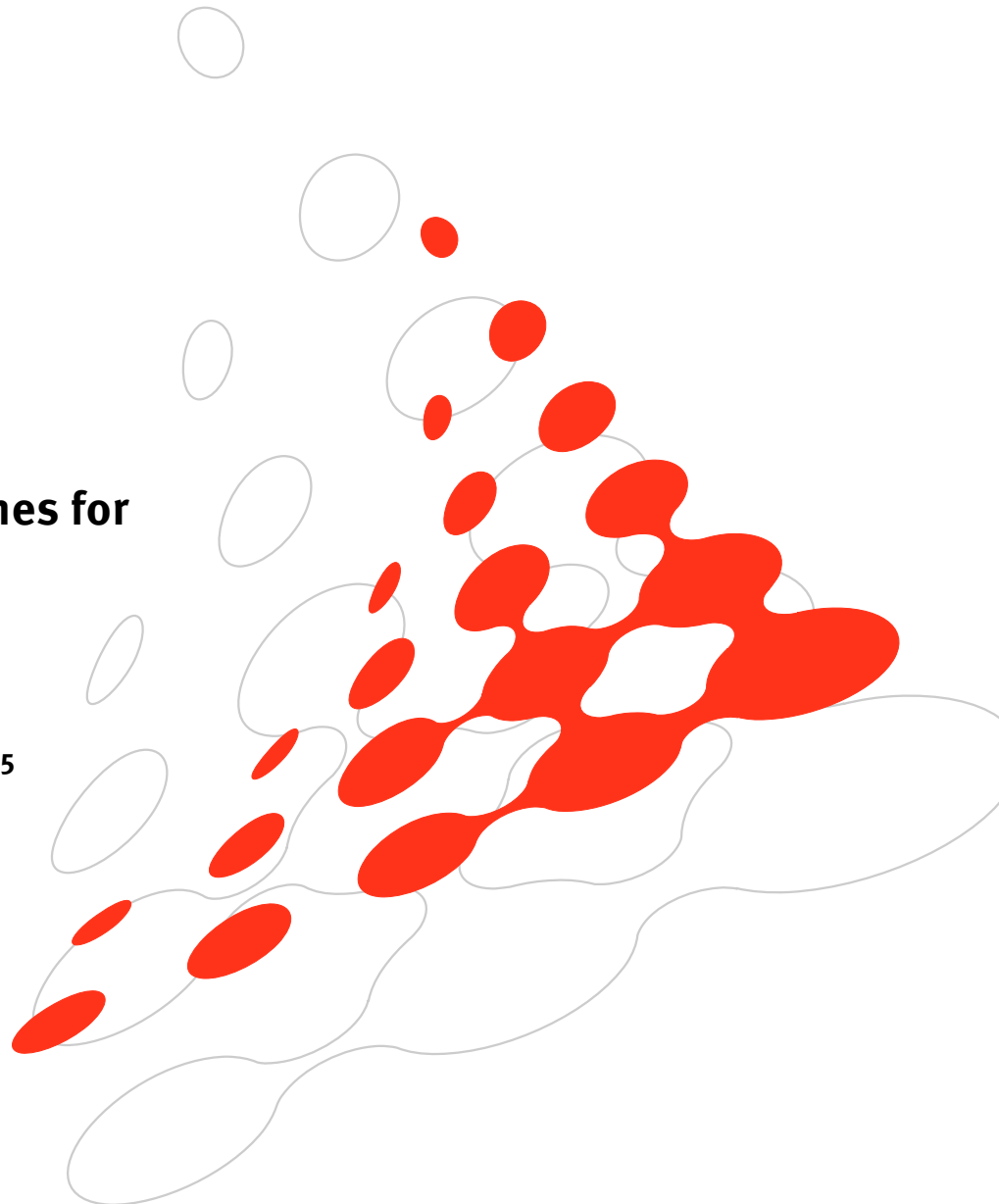


FFG

Technical Guidelines for Flagship Projects

Version 2.1

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Preface

The FFG is your partner for research and development. This guideline is designed to support you in submitting your Flagship Project. It describes:

- how to obtain funding
- what conditions must be met
- how the application process works

The goals and priorities, the budget and the submission deadlines that are relevant to your project are described in the corresponding Guide for Proposers.

1 General Information

1.1 What are Flagship Projects?

Flagship Projects are large collaborative research and development projects which involve several consortium partners and have a substantial impact on one or several economic sectors.

Flagship Projects must meet certain requirements. A Flagship Project should:

- develop model solutions to important challenges faced by society;
- develop integrated solutions at system level;
- strengthen the competitiveness of one or several economic sectors taking into account horizontal and/or vertical integration of the value chain;
- create a long-term growth perspective for technologies, products, processes and services;
- increase the visibility of Austrian technologies, products, processes and services at national and international level;
- enhance awareness among the general public of the benefits the solutions bring.

Flagship Projects may be carried out in the research category Industrial Research and/or Experimental Development. The rights and duties are to be stipulated in a Consortium Agreement.

The following formal criteria must be met:

- Duration: minimum 2 years and maximum 4 years.
- Minimum funding amount: EUR 2 million.
- The consortium leader must be based in Austria.
- The consortium leader is the contact point for the FFG.
- The consortium leader submits the application for funding.
- Compulsory preliminary meeting with the funding provider and the Austrian Research Promotion Agency (FFG) at the latest one month before the submission deadline.
- Mandatory hearing with the applicant as part of the selection process.
- At least one mandatory review with (external) experts during the course of the project.

1.2 What demands are placed on the consortium?

The consortium must consist of 3 or more partners that are independent of each other. It must include:

- at least 2 companies based in Austria, of which 1 must be a small or medium-sized enterprise (SME)¹ and
- 1 research institution² based in Austria.

Additional criteria:

- Individual enterprises account for a maximum of 70% of the total eligible project costs; shares of affiliated companies³ will be added together and count as one enterprise.
- The research institutions together account for a minimum of 10% and a maximum of 50% of the total eligible project costs.
- Research institutions must have the right to publish the results they have obtained in the project.
- Contract research and the provision of research services are not considered as collaborations within the definition of a Flagship Project.

The Consortium Agreement regulates the collaboration within the consortium and the intellectual property rights (IPR) relating to the project results. A [sample Consortium Agreement](#) is available to help you in drawing up the agreement.

1.3 What are the responsibilities of the consortium leader?

The consortium leader has the following responsibilities throughout the project duration:

- project management
- communications with the funding agency and the project partners
- examining the reports and accounts provided by the consortium partners

In your capacity as consortium leader you confirm to:

- manage and distribute the funding you receive from FFG
- communicate any changes in due time
- provide accounts and reports in accordance with the Funding Contract
- that the costs charged can be clearly attributed to the project
- that the project costs and content are in accordance with the approved working and cost plan

¹ [Details see SME definition](#)

² See RTI Guideline 2015 ([Themen-FTI-Richtlinie 2015](#)), 12.1 Definition of terms

³ Enterprises that are independent of each other hold less than 25% of the capital or voting rights in one another. This rule also applies to shareholdings via parent companies. For more information see [SME definition](#)

1.4 Who is eligible to receive funding?

Legal entities, private companies and sole traders that are not part of the Austrian federal administration are eligible to receive funding.

The following are eligible for funding:

- Companies of any legal form
- Institutions of research and knowledge dissemination
 - Universities and universities of applied sciences
 - Non-university research institutions
 - Technology transfer institutions, innovation agents and other research-oriented organisations such as associations with a relevant purpose
- Other non-commercial institutions
 - Local authorities⁴ and autonomous bodies
 - Non-profit making organisations such as NPOs⁵

The following may participate but may not receive funding:

- Subcontractors: they are not partners within the definition of a Flagship Project. They provide defined tasks for partners which are listed under the cost category “third-party costs” and are not entitled to exploit the project results.
- Other participants: these are persons or institutions that do not receive funding, but are mentioned in the Funding Contract, including the scope of their participation. Their rights and duties are also stipulated by contract.

Their participation needs to be justified in the application. Potential “other participants” may also include persons or institutions of the Austrian federal administration.

1.5 Can partners from outside Austria participate?

A consortium may have partners from outside Austria, provided these are not affiliated with any of the Austrian companies in the consortium.

Partners from outside the EU may also receive funding unless this is specifically excluded in the relevant Guide for Proposers.

The following conditions apply:

- The non-Austrian partners create benefit for the Austrian consortium partners and/or Austria as a business and research location;
- This benefit is explicitly indicated in the application for funding;
- Grants paid to partners from outside Austria **do not exceed 20% of the total funding amount;**

⁴ Activities of local authorities falling within their statutory mandate are not eligible for funding.

⁵ “Non-profit making organisations” do not distribute profits to their owners, members or other natural persons or legal entities in accordance with their legal status or articles of association.

- The evaluation committee recommends providing funding to the non-Austrian partner;
- The partner from outside Austria proves its credit-worthiness and liquidity in accordance with the criteria applied to Austrian partners before the funding contract is drawn up;
- The non-Austrian partner accepts the FFG's obligation and entitlement to review the project as specified in the Funding Contract and submits relevant documentary evidence in German or English.

Alternatively, non-Austrian organisations may cover their costs from own money and/or from funds provided by their home country. Collaborative agreements for joint funding are in place with several European and non-European countries.

The European **EUREKA**⁶ initiative, for example, provides funding support for cross-border collaborations across programmes. The call announcement will specify whether these collaborative agreements can be used for a specific Flagship Project.

Organisations from outside Austria may also be involved as subcontractors.

1.6 How much support is granted?

Support is paid in the form of non-repayable grants and amounts to a **minimum of EUR 2 million** per project.

The funding rate varies depending on the type of partner.

- The funding rate for enterprises is based on the research category and company size.
- The funding rate for research institutions and other institutions is based on the research category only, provided that the contribution involves a non-commercial activity.

If the contribution to the project involves a commercial activity the funding rates are the same as those for enterprises.

- It has to be stated in the application if additional funding is granted by any other funding institution. If multiple funding is gained the cumulative funding must not exceed the European funding limit.⁷

⁶ www.eurekanetwork.org or <http://www.ffg.at/en/eureka>

⁷ AGVO: Verordnung (EU) Nr. 651/2014, ABl. L 187/48 – https://www.ffg.at/sites/default/files/dok/anlage_1_amtsblatt_agvo_nr_651-2014.pdf

Table 1 Funding rates

Type of organisation	Research category	
	Industrial Research	Experimental Development
Small enterprise	80 %	60 %
Medium-sized enterprise	70 %	50 %
Large enterprise	55 %	35 %
Research institutions (non-commercial activities)	85 %	60 %
Other institutions (non-commercial activities)	80 %	60 %

Non-commercial activities of research institutions include:

- primary activities such as education;
- research and development, independent or as part of an effective collaboration;
- knowledge dissemination and transfer⁸.

Non-commercial activities of other institutions include contributions to R&D projects related to the development of products, services and systems, where they act, e.g., as public agencies.

The company size is to be determined according to the SME definition as specified by EU competition law: [information on SME definition](#)⁹.

The research category must be clearly specified to be able to determine the permissible funding rate. A distinction is made between experimental development and industrial research.

Experimental development (ED)

Experimental development involves developing something new from something that already exists and/or improving something that already exists. This includes:

- acquiring existing knowledge and skills
- combining existing knowledge and skills
- shaping existing knowledge and skills
- using existing knowledge and skills

Irrespective of whether the project involves scientific, technical, economic or other knowledge and skills – the aim is to develop new or improved products, processes or services.

⁸ [Community framework for state aid for research and development and innovation](#) (2014/C 198/8), 2.1.1, 19).

⁹ Information SME Definition: https://www.ffg.at/recht-finanzen/rechtliches_service_KMU

Experimental development does not include routine or regular adaptations, even if these modifications would represent improvements¹⁰.

Industrial research (IR)

Industrial research has the following characteristics:

- The focus is on planned research or critical investigation to acquire new knowledge and skills.
- Industrial research takes place mainly in the laboratory or at laboratory scale.
- The development risk is higher than for experimental development.
- The technology readiness level is lower.
- The time horizon for market introduction is longer.

For details on both research categories see the [Annex](#).

May a Flagship Project involve both industrial research and experimental development?

Flagship Projects may involve both industrial research and experimental development. In this case the content and costs of the individual work packages must be clearly allocated to the relevant category (industrial research and experimental development) in the application. The relevant funding rates will then apply to the individual work packages. However, the corresponding funding decision is dependent on the clear allocation of work packages and the confirmation by the evaluation committee.

1.7 Which costs are eligible?

Eligible costs must be allocable directly to the project. This means that:

- they are incurred additionally to the normal operating costs during the funding period,
- they are in accordance with the Funding Contract,
- they can be evidenced by receipts.

The earliest possible date for the start of the project is after submission of the application for funding.

For details on the eligibility of costs see the Cost Guidelines:

https://www.ffg.at/sites/default/files/dok/cost_guideline_v_2_0.pdf

Special provisions for Flagship Projects:

Third-party costs are limited to 20% of the total costs per partner. Any excess must be justified in the Project Description.

¹⁰ See RTI Guidelines 2015 ([Themen-FTI-Richtlinie 2015](#)), 12.1 Definition of Terms.

1.8 What about intellectual property rights?

Intellectual property rights relating to the project results belong to the consortium. The provisions of the [Community framework for state aid for research and development and innovation¹¹](#), 2014/C 198/11, apply to collaborations between commercial companies and research institutions.

This document stipulates that the intellectual property rights are to be allocated to the research institutions in a manner which adequately reflects their work, contributions and interests. If the rights are assigned to the companies involved, the research institutions shall receive compensation equivalent to the market price.

1.9 What criteria are used to assess applications for funding?

Applications for funding are evaluated according to 4 criteria:

1. Quality of the project
2. Suitability of the applicant / project partners
3. Benefit and exploitation
4. Relevance to the call

The table below shows the relevant sub-criteria. In the course of the assessment, points will be assigned to each criterion. In addition, there is a threshold value for each criterion.

¹¹ Unionsrahmen:

https://www.ffg.at/sites/default/files/dok/anlage_2_amtsblatt_f_e_i_unionsrahmen.pdf



Table 2 Funding criteria

Quality of the project	Points	Threshold
	30	18
1.1. How well are the state of the art (level of knowledge/technology) and/or the commercially available products and services described and how plausible is their assessment?		
1.2. What is the level of innovation beyond the state of the art and/or existing products and services and how high is the associated risk?		
1.3. What is the quality of planning based on the following criteria? <ul style="list-style-type: none"> • Transparent structure of work packages • Transparent presentation of costs • Transparent description of work packages according to the scope of work • Adequate relationship between costs and work plan • Adequate scope of project management • Provisions for risk management • Realistic and viable project plan (duration, deadlines, milestones, results) • Clarity and coherence of cooperative relationships • Efficient distribution of tasks among the consortium partners 		
1.4. If the project relates to people ¹² : To what extent have gender-specific topics been taken into account in project planning? <ul style="list-style-type: none"> • Quality of the analysis of gender-specific topics • Integration in the methodical approach of the project 		
Suitability of the applicant / project partners	20	12
2.1. Does the consortium have the scientific, technical, economic and management skills required to achieve the project goals?		
2.2. To what extent do the consortium partners have the required qualifications and resources to ensure successful implementation of the cooperative project?		
2.3. Is the composition of the project team gender-balanced?		
Benefit and exploitation	30	18
3.1. What is the benefit for those applying the project results and the exploitation potential? Different dimensions are relevant depending on the research category: <ul style="list-style-type: none"> ○ Knowledge increase in the relevant scientific-technical target group (IR) ○ Planned communication of benefits to the relevant target group is described in a transparent manner (IR, ED) ○ Benefits, advantages or USPs have been described quantitatively and qualitatively and are plausible (IR, ED) ○ Users, markets and market segments have been specified and substantiated by turnover figures (ED) ○ Turnover potential of the innovation or added value of market growth in relation to the planned project costs (ED) ○ Resources required to bring the results to the market (ED) 		

¹² If (groups of) persons are the research object or persons will be affected by the research results, this must be reflected in the research design. Projects without gender relevance will score full points in this subcategory.



<p>3.2. What is the impact or strategic significance of the project results for the organisations involved? For example by:</p> <ul style="list-style-type: none">○ increasing R&D capacities on a long-term basis○ securing or extending their R&D activities in Austria○ expanding existing R&D activities to include new fields of application○ developing R&D platforms○ opening up new business fields etc.
<p>3.3. How complete and transparent is the exploitation strategy based on the following criteria?</p> <ul style="list-style-type: none">○ Quality of exploitation and dissemination strategy for the scientific results○ Quality of exploitation strategy for the economically relevant results○ If people are concerned: gender-fair exploitation of economic potential○ Adequate protection strategy or strategy for ensuring a competitive edge○ Exploitation skills – either in house or via existing contacts and collaborations in relation to:<ul style="list-style-type: none">▪ dissemination and exploitation of project results (IR)▪ marketing to the planned users (ED)
<p style="text-align: center;">Relevance to the Call</p> <p style="text-align: right;">20</p> <p style="text-align: right;">12</p>
<p>4.1. To what extent does the project address the call topics?</p>
<p>4.2. To what extent does the project contribute to achieving the goals of the call?</p>
<p>4.3. To what extent does the funding influence the project positively in one or more of the following dimensions?</p> <ul style="list-style-type: none">○ Implementation: only funding enables the project to be implemented○ Acceleration: the funding accelerates implementation○ Scope: the funding increases the scope of the project○ Range: the funding makes the project more ambitious through:<ul style="list-style-type: none">▪ a more radical innovation approach▪ higher risk▪ new or extended collaborations▪ long-term strategic orientation
<p>4.4 To what extent does the project meet the requirements of a Flagship Project? A Flagship Project should:</p> <ul style="list-style-type: none">○ develop model solutions to important challenges faced by society;○ develop integrated solutions at system level;○ strengthen the competitiveness of one or several economic sectors taking into account horizontal and/or vertical integration of the value chain;○ create a long-term growth perspective for technologies, products, processes and services;○ increase the visibility of Austrian technologies, products, processes and services at national and international level;○ enhance awareness among the general public of the benefits the solutions bring.



1.10 Which documents are required for submission?

For the submission of a Flagship Project a **compulsory preliminary meeting** is required.

- Contact the programme management in good time to arrange an appointment. Have in mind that the meeting has to take place at the latest one month before the submission deadline.
- Send a project outline to the programme management via email prior to the meeting.
- A **template for the project outline** is available in the download centre of the relevant call.

Project applications may only be submitted electronically via eCall: <https://ecall.ffg.at>

eCall Online-Cost-Plan



Project Description: descriptive part – upload as pdf file

Attachments to the electronic application:

- Annual statement of accounts (balance sheet, profit and loss account) from the past 2 financial years
- [Declaration of SME Status](#) for associations, sole traders and non-Austrian companies

If any additional documents or attachments are required, this will be specified in the application form.

If the project involves partners outside Austria, collaborative agreements with European or non-European countries may require the submission of documents that cannot be uploaded via eCall. The relevant information will be given in the Guide for Proposers. In individual cases additional supporting documents may be requested.

The Guide for Proposers also specifies the language in which applications are to be submitted, which is usually German and/or English.

1.11 Is it necessary to mention other projects?

To support the assessment of the content of the project, the application for funding must list those projects that have been or are being publicly funded by Austrian authorities and/or EU grants, provided these are:

- Pre-projects which deliver results for this project
- Ongoing or finished projects (of the last 3 years) related to the applied project

The multiple acceptance of already funded costs or part of costs is not possible. The proposed project must be clearly distinguished from projects that have already received funding.

1.12 Is scientific integrity ensured?

Funding may only be granted to applicants who demonstrate high scientific quality during application and project execution.

The FFG is a member of the Austrian Agency for Scientific Integrity – OeAWI (<http://www.oeawi.at/en/statutes.html>) and is thus committed to safeguarding good scientific practice.

If we suspect a lack of scientific quality or misconduct in the course of the formal checks, we may forward the relevant documents to the OeAWI's Commission for Scientific Integrity. The OeAWI will then decide whether to initiate an independent investigation procedure and, if necessary, will undertake the necessary investigations.

If the investigation reveals a lack of scientific quality or misconduct (e.g. plagiarism), we must request a revision of the application or reject it for formal reasons. If funding has already been granted, the funding will be reduced, retained or reclaimed.

2 Submission Procedure

2.1 What is the procedure for submission?

Applications must be electronically submitted via **eCall** (<https://ecall.ffg.at>) before the submission deadline.

The funding application may not be submitted until all partners have submitted their partner applications via eCall.

How does it work?

- Download application form via eCall and fill in
- Fill in the online calculation – the system verifies, if the funding requirements are met (e.g. max. funding, cooperation criteria)
- Upload the required documents
- Finalise application in eCall and click “Submit application” (“*Einreichung abschicken*”)
- Upon successful submission, an acknowledgement will be sent automatically by email
- Not necessary: additional postal submission of duly executed copy

It is not possible:

- to add or modify individual parts of the application form
- to revise the application after submission
- to submit additional information during the meeting of the evaluation committee as part of the hearing. The hearing only serves to explain the project proposal submitted.

The application documents are to be submitted by the consortium leader or by a duly authorised representative. We may request evidence that this person is authorised to represent the consortium. If you are unable to provide such evidence we reserve the right to reject the application for formal reasons.

An eCall tutorial is available at: <https://ecall.ffg.at/Cockpit/Help.aspx>.

2.2 What about the security of confidential project data?

The FFG is under a legal obligation to maintain secrecy concerning company and project information pursuant to Sec. 9 para 4 of the Austrian Research Promotion Agency Act (FFG-G, Federal Law Gazette BGBl. I No. 73/2004). External experts who are involved in the assessment of individual projects are also subject to confidentiality obligations.

Project contents and results may only be published with the consent of the funding recipient.

We may use personal data in accordance with Secs. 7 to 11 of the Data Protection Act (DSG 2000 Federal Law Gazette, BGBl. I No. 165/1999):

- for the conclusion and performance of the funding contract
- for fulfilling our statutory mandate
- for control purposes

This use may mean that the data must be transferred or disclosed in particular to bodies and authorised representatives of the Federal Audit Office, the Federal Minister of Finance and the EU.

Further information about privacy during the duration of the project is available in the eCall tutorial.

3 Assessment and Decision

3.1 What is the formal check?

In the formal check we examine the application for formal correctness and completeness, but not for thematic content.

You will be notified of the result of the formal check within 4 weeks via an eCall message.

- If the formal criteria are not met and the deficiencies cannot be rectified, the application for funding will not enter the subsequent steps of the procedure.
- If the deficiencies can be rectified, you may rectify these problems within a reasonable period of time.

Should it transpire after the formal check that incorrect information has been given, the funding application may also be excluded from consideration at a subsequent point in the procedure.

The **checklist for the formal check** can be found in the Project Description template.

3.2 How is the evaluation procedure and how are hearings organised?

The documents submitted will be reviewed by national and international experts based on the criteria given in Chapter 1.9.

An additional **hearing** will be organised by the funding agency. The hearing **does not** supplement or replace the submitted written documents. It serves solely to enable the members of the evaluation committee to raise questions.

An evaluation committee will make a recommendation on funding taking into account the written reviews and the results of the hearing.

It is possible to exclude reviewers (individuals or staff of particular organisations) in justified cases. eCall contains an entry field for this purpose.

FFG experts will check the financial potential (credit rating and liquidity) of the participating enterprises. It is not possible to provide funding to undertakings in difficulty¹³.

3.3 Who takes the funding decision?

The funding decision is taken by the responsible Federal Ministers on the basis of the funding recommendation made by the evaluation committee.

4 Funding Procedure

4.1 How is the Funding Contract concluded?

If funding is granted, we will send the consortium an offer of funding in the form of a draft contract, which must be accepted within a specified time.

If the consortium accepts the offer within the specified period of time, a Funding Contract will be prepared.

The Funding Contract includes the following information:

- funding recipients
- project title
- level of eligible costs
- amount of funding granted
- funding period
- payment modalities
- reporting requirements and any additional obligations and conditions.

The consortium must sign and stamp the Funding Contract and return the duly executed original to the FFG.

4.2 How are requirements and recommendations taken into account?

Recommendations or binding requirements may be formulated in the course of the assessment of the funding application.

¹³ Undertakings in difficulty as defined in the General block exemption Regulation (EU) N°651/2014 of 17 June 2014

Requirements must be met prior to the conclusion of the funding contract. This may also include conditions to be met by the consortium during the course of the project.

Prior to payment of the 1st instalment, the consortium leader must confirm that a Consortium Agreement has been duly signed by all partners.

The Consortium Agreement must meet all requirements of the call.

Additional requirements and recommendations may be included in the Funding Contract on the basis of reviews during the course of the project.

4.3 How are the instalments of funding paid?

The first instalment will be paid once the requirements have been met and the Funding Contract has been signed. Payments are made to the bank account specified by the consortium leader. For more information, see the [sample Consortium Agreement](#).

Subsequent instalments will be paid in accordance with the progress of the project:

- once the interim reports and interim accounts have been approved
- (where necessary) once additional requirements have been met
- according to the FFG instalment scheme

The payment of funding during the course of the project does not imply approval of the costs.

Table 3 FFG instalment scheme

Project duration in months	24 - 30	31 - 42	43 - 48
Number of reports (interim reports and final report)	2	3	4
1st instalment in % of funding amount	50 %	30 %	30 %
2nd instalment up to % of funding amount	40 %	30 %	20 %
3rd instalment up to % of funding amount		30 %	20 %
4th instalment up to % of funding amount			20 %
Final instalment up to % of funding amount	10 %	10 %	10 %

4.4 Which reports and accounts are required?

- Within 1 month after the reporting deadlines specified in the Funding Contract, an interim report and interim accounts must be submitted via the eCall reporting function.
- Within 3 months of the conclusion of the project a final report and the final accounts must be submitted, again via the eCall reporting function.

The reports and accounts must meet the following requirement:

- They contain the activities and costs of all consortium partners who are mentioned in the funding contract.
- Reports must be prepared using the eCall templates.

Support of public relations: The funding recipients agree to work together with the FFG and the responsible ministries to support PR work, if required. This includes in particular the provision of non-confidential project information and images for electronic dissemination portals and other media purposes.

4.5 How is a review conducted?

At least one **compulsory review** by (external) experts will be conducted during the course of a Flagship Project. The review is organised by the funding agency.

A review includes:

- A preliminary evaluation of interim or final reports by (external) experts;
- Presentation by the funding recipients of the project's overall strategy and the results and milestones achieved to date;
- Discussion of the project's progress;
- Concluding evaluation of the project's progress by the external experts, including requirements or recommendations, if any.

4.6 How should changes to the project be communicated?

Any changes to contractual points such as project content, consortium partners, costs, deadlines or funding period must be substantiated and submitted for approval:

- via eCall message
- in the interim or final report

All relevant documents should be uploaded as an attachment to the eCall message or sent by post. Any modifications to the contract parameters require the approval of the FFG.

Immediate notification is required for:

- substantial changes to the project
- changes to consortium partners such as new ownership structure or insolvency proceedings

The following changes have to be communicated in the interim or final report:

- cost reallocations between cost categories, e. g. material costs to personnel costs
- cost reallocations between partners

Substantial cost reallocations must be justified and requested by completing the cost reallocation table¹⁴.

4.7 Can the funding period be extended?

If the project goals have not yet been achieved and the approved level of costs has not been exceeded, the funding period may be extended for up to one year on a cost-neutral basis.

The following requirements must be met:

- the funding recipients are not responsible for the delay;
- the project is still eligible for funding;
- an eCall application for extension has been submitted within the approved funding period.

4.8 What happens after the conclusion of the project?

The consortium submits a final report and final accounts after the end of the project. The FFG Project Controlling & Audit Division will examine whether the funding has been used appropriately. The audit determines the final eligible costs.

You will receive the result of the audit in writing:

- In the event of a positive result, the appropriate use of the funding will be confirmed.
- In the event of a negative result, procedures may be initiated to secure repayment of funding.

Funding details: The final instalment defined in the funding contract will be transferred once the specified cost has been reached. If the project is underspent the level of funding will be reduced accordingly. The funding amount may also be reduced for scientific reasons, as well as on formal and legal grounds.

For more information about eligible costs, see the Cost Guidelines:

https://www.ffg.at/sites/default/files/dok/cost_guideline_v_2_0.pdf

¹⁴ Details for cost reallocation: <https://www.ffg.at/Kostenumschichtungen>

5 Annex

5.1 Research Category – Industrial Research

Planned research or critical investigation to acquire **new** knowledge and skills.

The aims of industrial research are to:

- develop new products, processes or services
- significantly improve existing products, processes or services

This may also include:

- the creation of components parts of complex systems in a laboratory environment
- the construction of prototypes in a laboratory environment or in an environment with simulated interfaces to existing systems
- pilot lines, when necessary for the industrial research and notably for generic technology validation

The following questions may help you to allocate your project to the appropriate category. If the answers to most of these questions are yes the project is to be allocated to industrial research:

- Does the project involve planned research with the aim to develop new products, processes or services?
- Does the project involve planned research with the aim to significantly improve existing products, processes or services?
- Do the research activities mainly take place in the laboratory or at laboratory scale?
- Is it plausible that the technological development risk is higher than for experimental development?
- Are the comparably low levels of technological maturity or integration plausible according to the defined Technology Readiness Levels?
- Does the project have a comparably long time horizon in terms of market readiness and have sector-specific differences been taken into account?
- Is the research character reflected in the roles of the research institutions involved?
- Does the project exclude the development of a prototype whose form, shape, scale, function, operation and manufacture are largely similar to the final product?
- Does the project exclude the presentation of a product, process or service specification at the start of the project?
- Does the project exclude the direct commercial exploitation of the results?

Industrial research does not extend further than the functional demonstration stage in the form of a “functional model”.

5.2 Research Category – Experimental Development

Experimental development involves developing something new based on something that already exists and/or improving something that already exists. This includes:

- acquiring
- combining
- shaping
- using

scientific, technological, economic and other relevant knowledge and skills. The aim is to develop new or improved products, processes or services.

This also includes, for example:

- Activities aiming at the conceptual definition, planning and documentation of new products, processes or services. .
- Prototypes, demonstration and pilot projects and/or new or improved products, procedures and services that are tested and validated in a real-world environment. The main aim is to improve developments that are not yet mature.
- Development of a commercially usable prototype or pilot which is necessarily the final commercial product and which is too expensive to produce for it to be used only for demonstration and validation purposes.

Experimental development does not include routine or regular adaptations made to existing products, production lines, manufacturing processes, services and other operations in progress, even if the modification would represent improvements.

The following questions may help you to allocate your project to the appropriate category. If the answers to most of these questions are yes the project is to be allocated to experimental development:

- Does the project involve the development of new or improved products, processes or services?
- Does the project involve the development of technologies and components for a given application and/or the testing of developments at the pilot stage?
- Does the project build on existing scientific, technical, economic or other relevant knowledge and skills?
- Does the project involve provisions or concepts for new, substantially modified or improved products, processes or services?
- Is it clear that the project is not aimed at routine or regular modifications to products, production lines, production processes, existing services or other ongoing operational processes?
- Does the project exclude the direct commercial exploitation of the results?
Exception: commercially usable prototypes and pilot projects.
- Does the project explicitly exclude activities aimed at series production?
- Does the project explicitly exclude activities aimed at market introduction?

Experimental development does not extend further than Technology Readiness Level (TRL) 7: System prototype demonstration in operational environment.

Exception: commercially usable prototypes and pilot projects if the production for the developed product would be too expensive for demonstration and validation purpose

only. In justified exceptional cases funding may be provided up to Technology Readiness Level (TRL) 8.

5.3 Technology Readiness Levels

Where a call refers to the TRL scheme (Technology Readiness Levels¹⁵), the following definitions apply:

Table 4 Technology Readiness Levels

Research category	Technology Readiness Level
Oriented basic research	TRL 1 Basic principles observed
Industrial research	TRL 2 (Technology) concept formulated
	TRL 3 Experimental proof of (technology) concept at component level
	TRL 4 Technology validated in lab (on lab scale) at system level
Experimental development	TRL 5 Technology validated in relevant environment (industrially relevant environment in the case of key enabling technologies)
	TRL 6 Technology demonstrated in relevant environment (industrially relevant environment in the case of key enabling technologies)
	TRL 7 System prototype demonstration in operational environment
	TRL 8 System complete and qualified
Market introduction	TRL 9 System proven in operational environment (competitive manufacturing in the case of key enabling technologies)

¹⁵ Communication from the Commission: A European strategy for Key Enabling Technologies – A bridge to growth and jobs’: p 18: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2012:0341:FIN:EN:PDF>

5.4 Milestones of the Call (until first instalment rate), in German

