

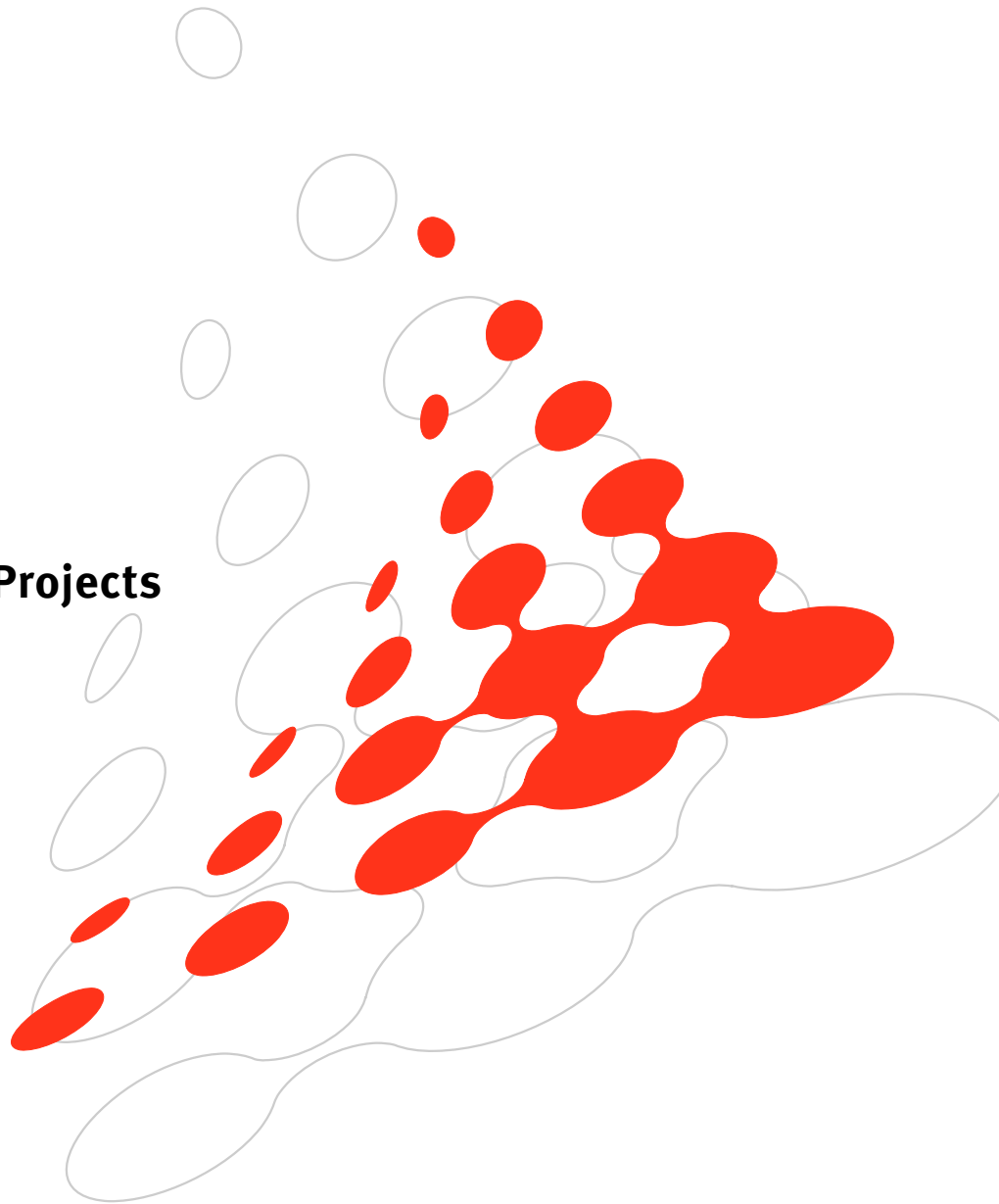


**FFG**

# **Guidelines for Cooperative R&D Projects**

**Version 2.1**

**Valid as of 20 October 2015**



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## Preface

The FFG is your partner for research and development. These Guidelines are designed to support you in submitting your Cooperative Research and Development Project (R&D 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 call announcement.

## 1 General Information

### 1.1 What are Cooperative R&D Projects?

Cooperative Research and Development Projects are collaborations of several consortium partners working together on a common project with defined R&D goals. The rights and duties are stipulated in a Consortium Agreement.

The following criteria must be met:

- Maximum duration 3 years
- Funding amounts between approx. 100,000 and max. 2 million euros
- 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

### 1.2 What demands are placed on the consortium?

The consortium must consist of 2 or more partners that are independent of each other. It must include:

- at least 1 small or medium-sized enterprise (SME)<sup>1</sup> or
- 1 research institution<sup>2</sup> or
- 1 partner from another EU member state or contracting party to the EEA Agreement

Both collaborations between enterprises and collaborations between enterprises and research institutions are possible.

In any case, at least 1 enterprise must be represented in the consortium.

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<sup>1</sup> Details see SME definition: [https://www.ffg.at/recht-finanzen/rechtliches\\_service\\_KMU](https://www.ffg.at/recht-finanzen/rechtliches_service_KMU)

<sup>2</sup> See RTI Guidelines 2015 ([Themen-FTI-Richtlinie 2015](#)), 12.1 Definition of terms

Additional criteria:

- Individual enterprises account for a maximum of 70% of the eligible project costs with shares of affiliated companies<sup>3</sup> counting as one enterprise.
- The research institutions together account for a maximum of 70% of the 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 Cooperative R&D 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](#)<sup>4</sup> is available to help you in drawing up a Consortium 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 us that:

- you manage and distribute the funding yourself
- the costs charged can be clearly attributed to the project
- the project costs and content are in accordance with the approval
- you communicate any changes in due time
- you provide accounts and reports in accordance with the Funding Contract

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<sup>3</sup> 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](#)

<sup>4</sup> Sample Consortium agreement: <https://www.ffg.at/konsortialvertrag>

## 1.4 Who is eligible to receive funding?

Legal entities, partnerships 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 authorities<sup>5</sup> and autonomous bodies
  - Non-profit making organisations such as NPOs<sup>6</sup>

### The following may participate but may not receive funding:

- Subcontractors: they are not partners within the definition of a Cooperative R&D 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 call.

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;

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<sup>5</sup> Activities of local authorities falling within their statutory mandate are not eligible for funding.

<sup>6</sup> “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.

- Grants paid to partners from outside Austria do not exceed 20% of the total funding amount;
- 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 prior to contract formation;
- 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 funds 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**<sup>7</sup> 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 Cooperative R&D 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 is limited to a **maximum 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.<sup>8</sup>

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<sup>7</sup> [www.eurekanetwork.org](http://www.eurekanetwork.org) or <http://www.ffg.at/eureka>

<sup>8</sup> 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](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 transfer<sup>9</sup>

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](#)<sup>10</sup>.

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.

<sup>9</sup> [Community framework for state aid for research and development and innovation](#) (2014/C 198/8), 2.1.1, 19).

<sup>10</sup> Information SME Definition: [https://www.ffg.at/recht-finanzen/rechtliches\\_service\\_KMU](https://www.ffg.at/recht-finanzen/rechtliches_service_KMU)

## Experimental development

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

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

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

Experimental development does not include routine or regular adaptations, even if these modifications would represent improvements<sup>11</sup>.

## Industrial research

Industrial research has the following characteristics:

- The focus is on planned research or critical investigation to acquire new knowledge and abilities
- 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](#).

The evaluation committee decides to which research category the project belongs. A project may also be predominantly assigned to industrial research if more than half of the eligible project costs are incurred for activities of this category.

## 1.7 What 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/recht-finanzen/kostenleitfaden/version-2>

### Special provisions for Cooperative R&D Projects:

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<sup>11</sup> See RTI Guidelines 2015 ([Themen-FTI-Richtlinie 2015](#)), 12.1 Definition of Terms.



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

## 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 innovation](#), 2014/C 198/11, apply to collaborations between commercial companies and research institutions<sup>12</sup>.

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:

- Quality of the project
- Suitability of the applicant / project partners
- Benefit and exploitation
- 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.

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<sup>12</sup> [Unionsrahmen:  
https://www.ffg.at/sites/default/files/dok/anlage\\_2\\_amtsblatt\\_f\\_e\\_i\\_unionsrahmen.pdf](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 the 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"> <li>○ Transparent structure of work packages</li> <li>○ Transparent presentation of costs</li> <li>○ Transparent description of work packages according to the scope of work</li> <li>○ Adequate relationship between costs and work plan</li> <li>○ Adequate scope of project management</li> <li>○ Provisions for risk management</li> <li>○ Realistic implementation of plan (duration, deadlines, milestones, results)</li> <li>○ Clarity and coherence of cooperative relationships</li> <li>○ Efficient distribution of tasks among the consortium partners</li> </ul>		
1.4. If the project relates to people <sup>13</sup> : To what extent have gender-specific topics been taken into account in project planning? <ul style="list-style-type: none"> <li>○ Quality of the analysis of gender-specific topics</li> <li>○ Integration in the methodical approach of the project</li> </ul>		
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?		

<sup>13</sup> 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.




Benefit and exploitation	30	18
<p>3.1. What is the benefit for those applying the project results and the exploitation potential? Different dimensions are relevant depending on the project category:</p> <ul style="list-style-type: none"> <li>a. Knowledge increase in the relevant scientific-technical target group (IR)</li> <li>b. Planned communication of benefits to the relevant target group has been documented in a transparent manner (IR, ED)</li> <li>c. Benefits, advantages or USPs have been described quantitatively and qualitatively and are plausible (IR, ED)</li> <li>d. Users, markets and market segments have been specified and substantiated by turnover figures (ED)</li> <li>e. Turnover potential of the innovation or added value of market growth in relation to the planned project costs (ED)</li> <li>f. Resources required to bring the results to the market (ED)</li> </ul>		
<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"> <li>a. increasing R&amp;D capacities on a long-term basis</li> <li>b. securing or extending their R&amp;D position</li> <li>c. expanding existing R&amp;D activities to include new fields of application</li> <li>d. development of R&amp;D platforms</li> <li>e. opening up new business fields etc.</li> </ul>		
<p>3.3. How complete and transparent is the exploitation strategy based on the following criteria?</p> <ul style="list-style-type: none"> <li>a. Quality of exploitation and dissemination strategy for the scientific results</li> <li>b. Quality of exploitation strategy for the economically relevant results</li> <li>c. If persons are concerned: gender-fair exploitation of economic potential</li> <li>d. Adequate protection strategy or strategy for ensuring a competitive edge</li> <li>e. Exploitation skills – either in house or via existing contacts and collaborations in relation to             <ul style="list-style-type: none"> <li>i. dissemination and exploitation of project results (IR)</li> <li>ii. marketing to the planned users (ED)</li> </ul> </li> </ul>		
Relevance to the Call	20	12
<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"> <li>a. Implementation: the funding enables the project to be implemented in the first place</li> <li>b. Acceleration: the funding accelerates implementation</li> <li>c. Scope: the funding increases the scope of the project</li> <li>d. Range: the funding makes the project more ambitious through:             <ul style="list-style-type: none"> <li>i. a more radical innovation approach</li> <li>ii. higher risk</li> <li>iii. new or extended collaborations</li> <li>iv. long-term strategic orientation</li> </ul> </li> </ul>		

## 1.10 What documents are required for submission?

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

Please upload the following documents via the eCall upload function:

- eCall Online Cost-Plan (Kostenplan)
-  Project Description: descriptive part of the application (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 form for the project description (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 call announcement. In individual cases additional supporting documents may be requested.

The call announcement 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 must 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 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 it
- Fill in the online calculation – the system verifies, if the funding requirements are met (e.g. max. funding, max. size of the project)
- 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

Not possible:

- Resubmission or modification of individual parts of the application form
- Revision after submission

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 leader. 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 corrected, the application for funding will not enter the subsequent steps of the procedure.
- If the deficiencies can be corrected, 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 removed from consideration at a subsequent point in the procedure.

The relevant **checklist** can be found in the Project Description template.

### 3.2 How is the evaluation procedure organised?

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

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

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 difficulty<sup>14</sup>.

### **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.

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<sup>14</sup> Undertakings in difficulty as defined in the General block exemption Regulation (EU) N°651/2014 of 17 June 2014

## 4.2 How are requirements and recommendations taken into account?

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

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 1<sup>st</sup> 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.

## 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<sup>15</sup>](#).

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	0 - 18	19 - 30	31 - 36
<b>Number of reports</b> (interim reports and final report)	2	2	3
<b>1<sup>st</sup> instalment</b> in % of funding amount	50 %	50 %	30 %
<b>2<sup>nd</sup> instalment</b> up to % of funding amount	30 %	40 %	30 %
<b>3<sup>rd</sup> instalment</b> up to % of funding amount			30 %
<b>Final instalment</b> up to % of funding amount	20 %	10 %	10 %

<sup>15</sup> Sample Consortium agreement: <https://www.ffg.at/konsortialvertrag>



#### 4.4 What 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**. Projects with duration of more than 18 months do not require the submission of interim accounts.
- Within 3 months of the conclusion of the project a **final report** and the **final accounts** must be presented, 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 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 should 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 table<sup>16</sup>.

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<sup>16</sup> Details for cost reallocation: <https://www.ffg.at/Kostenumschichtungen>

## 4.6 Can the funding period be extended?

If the project goals have not 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

## 4.7 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 will establish the final level of 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 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/recht-finanzen/kostenleitfaden/version-2>

## 5 Annex

### 5.1 Research Category - Industrial Research

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

**The aims of industrial research:**

- develop new products, procedures or services
- significantly improve existing products, procedures or services
- develop complex systems in a laboratory environment
- build prototypes in a laboratory environment or with simulated interfaces to existing systems
- build pilot lines required for industrial research and the validation of technological fundamentals

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, procedures or services?
- Does the project involve planned research with the aim to significantly improve existing products, procedures 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, procedure 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, technical, economic or other knowledge and abilities. The aim is to develop new or improved products, procedures or services.

Other examples of experimental development include:

- Design, planning and documentation of new products, procedures and 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.
- Commercially usable prototypes and pilot projects if the developed product would be too expensive for demonstration and validation purposes alone.

Experimental development does not include routine or regular adaptations, even if the modifications 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, procedures 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 abilities?
- Does the project involve provisions or concepts for new, substantially modified or improved products, procedures 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 demonstrated in operational environment.

Exception: commercially usable prototypes and pilot projects if the developed product would be too expensive for demonstration and validation purposes alone. 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 Levels<sup>17</sup>), the following definitions apply:

**Table 4 Technology Readiness Levels**

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

<sup>17</sup> 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 funding rate), in German

