

PROJECTS FOR PREPARING R&D&I PROJECTS



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O PREFACE

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The FFG is your partner for research and development. These Guidelines are designed to support you in submitting your Exploratory Project. They explain:

- 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

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1.1 What are Exploratory Projects?

Exploratory projects are designed to provide preparatory work for research, development and innovation projects (R&D&I). Their focus is on assessing the viability of potential future R&D&I projects and supporting concept development for planned flagship projects and innovation laboratories.

Exploratory projects may assess and analyse the potential of a project with the aim to facilitate decision-making through an objective and rational presentation of strengths and weaknesses as well as associated opportunities and threats. Another aim is to determine what resources would be required for implementation and what prospects of success the project would have¹.

To a minor extent, this may also include the organisation of workshops, stakeholder consultations etc., if this is required to achieve the goals of the exploratory project. It is also possible to include open innovation processes² in exploratory projects, as long as this supports their objectives.

¹ Definition of feasibility studies according to the RTI Guidelines (*Themen-FTI-Richtlinie*), p. 56. https://www.ffg.at/sites/default/files/downloads/page/richtlinie_fti_2015_themen.pdf

² The term "open innovation" means opening the innovation process of organisations through active and strategic use of external sources in order to increase innovation potential. The open innovation concept describes the purposeful use of knowledge flows into and out of organisations using internal and external paths to market in order to generate innovation. [Chesbrough, H.W. (2003): Open Innovation: The new imperative for creating and profiting from technology, Boston: Harvard Business School Press, S. XXIV]



If an exploratory project is submitted by a consortium the rights and duties must be stipulated in a Declaration of Cooperation.

The following criteria must be met:

- Maximum duration: 12 monthsMaximum funding: 200,000 euros
- Exploratory projects may be submitted by individual applicants or as a collaborative project involving several consortium partners.

1.2 What demands are placed on the consortium?

A consortium for collaborative projects must consist of 2 or more partners that are independent³ of each other. It must include at least:

- 1 small or medium-sized enterprise (SME)⁴ or
- 1 research and knowledge dissemination organisation (research institution)⁵ or
- 1 partner from another EU member state or contracting party to the EEA Agreement

If the exploratory project serves for the preparation of a flagship project, at least 1 enterprise must be represented in the consortium.

Large enterprises may only participate as part of a consortium.

The following additional criteria must be met:

- The consortium leader must have a branch office in Austria
- The consortium leader submits the application for funding

The Declaration of Cooperation regulates the collaboration within the consortium. A sample <u>declaration of cooperation template</u>⁶ is available to help you in drawing up a Declaration of Cooperation.

The requirements to the consortium have to be fulfilled at all times after project start until the end of the project. Otherwise funding can be reclaimed.

https://www.ffg. at/sites/default/files/downloads/service/sondierungkooperationserklaerungvorlage.pdf

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**

⁴ <u>Details see SME definition</u>

⁵ See GBER 2014, L 187/24

⁶ Sample Declaration of Cooperation:



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
- you communicate any changes in due time
- you provide accounts and reports in accordance with the Funding Contract

Prior to payment of the 1st instalment, the consortium leader must confirm that a Declaration of Cooperation has been concluded.

In addition, the consortium leader confirms that:

- the costs charged can be clearly attributed to the project
- the project costs and content are in accordance with the approval

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
 - Universities⁷
 - 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 authorities⁸ and autonomous bodies
 - Non-profit making organisations such as NPOs⁹

⁷ The smallest organisational unit that can participate on behalf of the university is the university institute or a comparable organisational unit pursuant to Sec. 20 of the University Organisation Act (UOG 2002). The participating organisational unit (institute or comparable unit) must be duly authorised according to Sec. 27 of UOG 2002. Subordinate organisational units (e.g. working groups) may not participate as project partners.

⁸ Activities of local authorities falling within their statutory mandate are not eligible for funding.

⁹ "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 following may participate but may not receive funding:

- Subcontractors: they are not partners within the definition of a collaborative exploratory 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.

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
- 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**¹⁰ 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 exploratory project.

¹⁰ www.eurekanetwork.org or http://www.ffg.at/eureka



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 200,000** per project.

The funding rate varies depending on the type of partner:

- For enterprises the funding rate is based on the company size
- The funding rates specified in Table 1 apply to research institutions and other institutions, 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. ¹¹

Funding rates

Type of organisation	
Small enterprise	70 %
Medium-sized enterprise	60 %
Large enterprise	50 %
Research institutions (non-commercial activities)	80 %
Non-commercial institutions (non-commercial activities)	80 %

Table 1: Funding rates

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 transfer¹²

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

¹¹ AGVO: Verordnung (EU) Nr. 651/2014, ABI. L 187/48 -

https://www.ffg.at/sites/default/files/dok/anlage 1 amtsblatt agvo nr 651-2014.pdf

¹² Community framework for state aid for research and development and innovation (2014/C 198/8), 2.1.1, 19).



The company size is to be determined according to the SME definition as specified by EU competition law: <u>information on SME definition</u>¹³.

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

Special provisions for Exploratory Projects:

Third-party costs are limited to 50% of the total project costs, or the total costs per partner for collaborative exploratory projects. Any excess must be justified in the Project Description. This limit does not apply to services provided by affiliated companies which are shown as third-party costs.

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 institutions¹⁴.

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. Please note in this context that expenditure for the protection of intellectual property (IPR) is eligible for funding. This includes costs for patent applications and patent searches. Patent maintenance costs are not eligible for funding.

¹³ Information SME Definition: https://www.ffg.at/recht-finanzen/rechtliches_service_KMU

¹⁴ Unionsrahmen: https://www.ffg.at/sites/default/files/dok/anlage 2 amtsblatt f e i unionsrahmen.pdf



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. Reaching zero points in one of the subcriteria of the 4th criteria "Relevance to the Call" the project will be rejected.

Evaluation criteria

1. Quality of the project	threshold 18	max. Points 30
1.1. How well are the state of the art (current level of knowledge/technology) and/or the commercially availab and services described and how plausible is the assessment	•	6
1.2. To what extent does the complexity of the problem or the innovation goal justify carrying out an exploratory project	_	15
1.3. What is the quality of planning based on the following cr	iteria?	
Transparent structure of work packages		
 Transparent presentation of costs 		
 Transparent description of work packages according to the work 	scope of	
 Adequate relationship between costs and work plan 		6
 Adequate scope of project management 		
 Provisions for risk management 		
 Realistic implementation of plan (duration, deadlines, mile results) 	estones,	
 Clarity and coherence of cooperative relationships (if app 	licable)	



 1.4. If the project relates to people¹⁵: To what extent have gender-specific topics been taken into account in project planning? Quality of the analysis of gender-specific topics Integration in the methodical approach of the project 	3
2. Suitability of the applicant / project partners 12	20
2.1. To what extent does the applicant / the consortium have the scientific, technical, economic and management skills required to achieve the project goals?	8,5
2.2. To what extent does the applicant / do the consortium partners have the required qualifications and resources to ensure successful implementation of the (cooperative) project?	8
2.3. Does the composition of the project team reflect the aim to improve the gender balance in the sector?	3,5
3. Benefit and exploitation 18	30
The state of the s	30
 3.1. In what way do the planned results of the exploratory project support decision making for further RDI projects in the following dimensions: strength-weakness analysis of the innovation approach opportunities and threats necessary resources 	16
 3.1. In what way do the planned results of the exploratory project support decision making for further RDI projects in the following dimensions: strength-weakness analysis of the innovation approach opportunities and threats 	

¹⁵ 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 whose content and focus have no gender relevance according to this analysis will score full points in this subcategory.



4.1. To what extent does the project address the call topics?	8
4.2. To what extent does the project contribute to achieving the goals of the call?	8
 4.3. To what extent does the funding influence the project positively in one or more of the following dimensions? Implementation: the funding enables the project to be implemented in the first Acceleration: the funding accelerates implementation Scope: the funding increases the scope of the project Range: the funding makes the project more ambitious through: a more radical innovation approach higher risk new or extended collaborations long-term strategic orientation 	4

Table 2: Evaluation criteria

1.10 What documents are required for submission?

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

- Online Cost-Plan (eCall)
- Project Description: descriptive part- upload as pdf file

Attachments to the electronic application:

- Annual statements of accounts (balance sheet, profit and loss account) from the past 2 financial years
- <u>Declaration of SME Status</u> for associations, start-ups, 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 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 integrity during application and project execution.

The FFG is a member of the Austrian Agency for Scientific Integrity – OeAWI (http://www.oeawi.at/de/statutenvoll.asp) and is thus committed to safeguarding good scientific practice.

If we suspect a lack of scientific integrity or misconduct in the course of the formal checks or of the proposal check, therelevant documents may be forwarded 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 integrity or misconduct (e.g. plagiarism), the application has to be rejected due to formal reasons. If funding has already been granted, the funding must be reduced, retained or reclaimed.

2 SUBMISSION PROCEDURE

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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 forms via eCall and fill it 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 resubmit or modify individual parts of the application form
- to revise the application after submission

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

An eCall tutorial is available at: https://ecall.ffg.at/tutorial.

2.2 How will confidential project data be used?

The FFG processes the personal data of funding applicants and funding recipients provided by the data subjects as part of the application for funding, data collected by the FFG for the purpose of concluding the funding contract, and data generated by searches in the transparency portal according to Sec. 32 (5) of the Transparency Database Act (TDBG 2012) for the following purposes:

- Processing of the funding application and assessment of whether the general and specific funding requirements have been met,
- Conclusion of the funding contract and (if a funding contract has been concluded) compliance with the relevant contractual obligations, including but not limited to administration of the funding payments and monitoring of compliance with funding requirements,
- Compliance with statutory obligations, including but not limited to reporting obligations and control purposes in order to avoid double funding (i.e. Sec. 38 in conjunction with 18, 27, 28 ARR, as well as Sec. 12 FTFG and Sec. 9 FFG-G).

The legal basis of processing is therefore Art. 6 (1) (b) GDPR, i.e. performance of a contract, and Art 6 (1) (c) GDPR, i.e. compliance with legal obligations. The personal data will be disclosed to the following institutions in compliance with legal obligations:



- the federal ministries as owners of the FFG, other contracting authorities for the management of funding measures (e.g. other federal ministries, regional governments, KLIEN)
- third parties, which may include the Court of Audit, EU bodies, and other federal or regional funding agencies.

External experts may be commissioned to evaluate projects in individual cases. Such experts act as processors on behalf of the FFG and are required to take technical and organisational measures to ensure data security and data confidentiality.

Project content and results may only be published (e.g. on the website or in social media forums) with the consent of the funding recipient (Art 6 (1) (a) GDPR) unless the FFG has a legal obligation to do so.

The FFG must also obtain the consent of the data subject for any other data use exceeding these provisions.

The FFG is under a legal obligation to maintain secrecy concerning company and project information pursuant to Sec. 9 (4) of the Austrian Research Promotion Agency Act (FFG-G, Federal Law Gazette BGBl. I No. 73/2004).

The FFG will ensure a level of security appropriate to the risk in terms of confidentiality, integrity, availability and resilience of the systems by implementing technical and organisational measures within the meaning of Art. 32 GDPR that are sufficient and appropriate for protecting the data against accidental or unlawful destruction, loss and unauthorised access.

Further information about ensuring the confidentiality and security of personal data during the course of the project is available in the eCall tutorial.

3 ASSESSMENT AND DECISION

3.1 What is the formal check?

In the formal check the application is examined for formal correctness and completeness.

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 **checklist for the formal check** 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 difficulty¹⁶.

Additional recommendations and requirements may be formulated in the course of the assessment. Recommendations are non-binding remarks of the evaluation committee, which should support the consortium in the implementation of the project.

Requirements are binding, see Chapter Fehler! Verweisquelle konnte nicht gefunden werden.

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.

¹⁶ Undertakings in difficulty as defined in the General block exemption Regulation (EU) №651/2014 of 17 June 2014



4 FUNDING PROCEDURE

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4.1 How is the funding contract concluded?

If funding is granted, the FFG 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 taken into account?

Binding requirements may be formulated in the course of the assessment of the funding application

Two types of additional requirements are possible:

- Requirements that must be met prior to the conclusion of a funding contract
- Requirements that must be met by the consortium during the course of the project

These requirements shall form an integral part of the contract.

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 for collaborative exploratory projects are made to the bank account specified by the consortium leader.



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

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

If the interim reports indicate a delay in project progress or if the costs are below budget the instalment can be reduced.

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

FFG instalment scheme

Project duration in months	max. 12	
Number of reports (final report)	1	
1st instalment in % of funding amount at contract conclusion	50 %	
Final instalment up to % of funding amount	50 %	

Table 3: FFG instalment scheme

4.4 What reports and accounts are required?

- Within 3 months of the conclusion of the project a final report, a (publishable) brief summary¹⁷ and the final accounts must be presented, again via the eCall reporting function.
- If the project is aborted during the project term the consortium must submit a final report and final accounts. The FFG is entitled to reclaim money if the funding already paid exceeds the eligible costs.

The reports and accounts must meet the following requirement:

- They contain the description of activities and in addition the cost statements of all consortium partners who are mentioned in the funding contract
- Reports must be prepared using the eCall templates

¹⁷ The summary may not be published if this is incompatible with commercial exploitation, confidentiality obligations for security reasons or data protection regulations.



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 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 final report:

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

4.6 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 for exploratory projects may, in exceptional cases, be extended for up to 6 months 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?

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



5 CALL MILESTONES (UP TO FIRST INSTALMENT)

