



# **Technical Guidelines for Flagship Projects**

**Version 1.6**

## **Disclaimer**

Every effort has been made to ensure the accuracy of this translation. Nevertheless, the FFG cannot assume responsibility for any errors that may inadvertently have occurred. In the event of any discrepancy, the German version is to be taken as valid.

## Contents

<b>0</b>	<b>PREAMBLE</b> .....	<b>3</b>
<b>1</b>	<b>REQUIREMENTS AND FUNDING CONDITIONS</b> .....	<b>3</b>
1.1	What are Flagship Projects? .....	3
1.2	What demands are placed on the consortium? .....	4
1.3	What are the responsibilities of the consortium leader? .....	4
1.4	Who is eligible to receive funding and/or to participate? .....	5
1.4.1	Who may receive funding? .....	5
1.4.2	Who may participate but may not receive funding? .....	5
1.5	Can partners from outside Austria participate? .....	5
1.6	How much support is granted?.....	6
1.6.1	Can a single project combine both industrial research and experimental development? .....	7
1.7	Which costs are eligible?.....	8
1.8	What points should be considered in regulating the rights to the results? .....	8
1.9	What criteria are used to assess applications for funding? .....	8
1.10	Which documents are required for submission? .....	12
1.11	Is it necessary to mention other projects? .....	12
1.12	Scientific integrity .....	13
<b>2.</b>	<b>SUBMISSION PROCEDURE</b> .....	<b>14</b>
2.1	What is the procedure for submission? .....	14
2.2	How is the confidential handling of project data ensured?.....	14
<b>3.</b>	<b>PROJECT ASSESSMENT AND FUNDING DECISION</b> .....	<b>15</b>
3.1	What is the formal check? .....	15
3.2	What is the evaluation procedure and how are hearings organized?.....	15
3.3	Who takes the funding decision? .....	15
<b>4.</b>	<b>PROCEDURE AFTER THE FUNDING DECISION</b> .....	<b>16</b>
4.1	How is the funding contract concluded?.....	16
4.2	How should requirements and recommendations be taken into account? .....	16
4.3	How are the instalments of funding paid? .....	16
4.4	What reports and accounts are required?.....	17
4.5	How does a review take place? .....	17
4.6	How should changes to the project be communicated? .....	18
4.7	Can the period of support be extended? .....	18
4.8	What happens after the conclusion of the project? .....	19
<b>5.</b>	<b>Annex I: What are “Industrial Research” and “Experimental Development”?...</b> .....	<b>20</b>

## 0 PREAMBLE

The Technical Guidelines for Flagship Projects contain the fundamental **requirements, funding conditions and procedures** for the submission of Flagship Projects.

When a call for applications is published, the call announcement will present the specific details of the particular call, including its goals and priorities, the budget and the deadline for submissions.

## 1 REQUIREMENTS AND FUNDING CONDITIONS

### 1.1 What are Flagship Projects?

Flagship Projects are research and development projects that are **strategically and scientifically defined** and are of substantial size with regard to their scientific and financial **volume, the number of project partners and the running time**.

Flagship Projects aim at the **horizontal and/or vertical integration of the value chain** and thus at the technological feasibility of **systems solutions** with a **long-term potential for growth**.

Flagship Projects serve to **strengthen a sector or branch** or to generate model solutions to important challenges faced by society. Because of their specific and high-level importance, they create an awareness of the problem among the general public. Flagship Projects produce national and international **visibility** for Austrian technology.

Flagship Projects may be carried out in the research category **industrial research and/or experimental development**. The duration of a Flagship Project is **at least 2 and at most 4 years**. The **amount of funding requested** for the project in consideration of the terms of chapter 1.5 and 1.6 is at least **EUR 2 million**.

Before submission of an application for a Flagship Project, the requirements and specifications are to be clarified by means of **compulsory preliminary discussions** with the funding agency and the Austrian Research Promotion Agency (FFG). The discussions must take place at the latest one month before the deadline for submission of applications.

The selection of projects to be funded includes a **compulsory hearing** with the applicants. During the course of the project there will be at least one **compulsory review** with (external) experts.

The collaborative character of the project will be underlined by the requirement for the conclusion of a **Consortium Agreement**, in which the partners' rights and responsibilities are defined.

The consortium selects one partner as consortium leader. This partner submits the application for funding and serves as contact point for the FFG. The consortium lead can only be taken by a partner based in Austria.

## 1.2 What demands are placed on the consortium?

The consortium of a flagship project has to meet the following mandatory requirements:

1. The consortium is set up of **three** or more **partners**. The consortium requires **at least** the representation of:
  - **two commercial companies** based in Austria, of which at least one is an SME<sup>1</sup>, **and**
  - **one research institution** (universities, universities of applied sciences, non-university research establishments, or other science oriented organisations) based in Austria
2. The commercial **companies** have to be **independent**<sup>2</sup> of each other
3. No single company may claim more than **70 % of the eligible costs**. Shares of joint ventures are assigned to the respective company.
4. The **research institution(s)** cumulative cover(s) at least **10%** and maximum **50%** of the eligible **total project costs**.
5. The **research institution(s)** must have the **right to publish** the results of their work that has been conducted in the course of the project.
6. **Compulsory preliminary talk** at the latest one month before the deadline for submission of applications (clarification of the requirements and specifications).
7. **Compulsory hearing** with the applicants during the selection procedure.

## 1.3 What are the responsibilities of the consortium leader?

The consortium leader is responsible for project management and for communications with the funding agency and the project partners for the entire duration of the project. This includes checking the reports and financial accounts of all partners in the consortium on the basis of the data and information provided by the consortium partners. In doing so, the consortium leader confirms to the FFG that

- The costs included in the financial statements are relevant to the project, i.e. they may be clearly attributed to the project.
- With regard to the costs and the scientific direction, the project is fully in line with the work for which funding was approved or any alterations are declared in good time.
- The reports and financial accounts are complete and have been prepared in accordance with the funding guidelines and the programme guidelines.

---

<sup>1</sup> With regard to the size of companies, the current definitions of SMEs given in the EU competition law are applied.. (Definition of small and medium-sized enterprises and of independent businesses in accordance with recommendation 2003/361/EC of the Commission dated 6 May 2003, (ABl. L 124 of 20.5.2003, pp. 36-41) [http://ec.europa.eu/enterprise/policies/sme/files/sme\\_definition/sme\\_user\\_guide\\_en.pdf](http://ec.europa.eu/enterprise/policies/sme/files/sme_definition/sme_user_guide_en.pdf))

<sup>2</sup> Enterprises who are independent of each other are those who have a holding of less than 25% of the capital or voting rights (whichever is the higher) in one another. This rule is also valid for parent companies etc...( see SME definition)

## 1.4 Who is eligible to receive funding and/or to participate?

### 1.4.1 Who may receive funding?

**Legal bodies, private companies and sole traders** are eligible to receive funding provided they are not part of the federal administration.

The following list illustrates examples of legal forms eligible to receive funding.

legal bodies	private companies
<ul style="list-style-type: none"> <li>• Corporations, such as limited companies, joint stock companies;</li> <li>• Universities in accordance with § 6 of the 2002 Universities Act;</li> <li>• Private universities</li> <li>• Associations;</li> <li>• Autonomous bodies;</li> <li>• Juridical entities with partial legal capacity outsourced from the federal administration</li> <li>• Federal states and local authorities;</li> <li>• Legal bodies separate from the State as providers of FH degree programmes and universities of applied sciences (FHs);</li> <li>• European associations (SE)</li> <li>• European cooperative societies (SCE)</li> <li>• European economic interest groupings (EEIG)</li> </ul>	<ul style="list-style-type: none"> <li>• Open companies (OG);</li> <li>• Private limited partnerships (KG);</li> </ul> <p style="text-align: center;"><b>sole traders</b></p>

Organizations eligible to receive funding may take part in the call for applications as consortium leaders or as partners and receive a funding rate corresponding to the funding category and the type of organization (s. Chapter 1.6)

### 1.4.2 Who may participate but may not receive funding?

- **Natural persons** and **partners from outside Austria** that do not meet the criteria for funding (s. Chapter 1.5) are eligible to participate **as project partners** but will not receive any funding

Natural persons and partners from outside Austria may also be considered as **subcontractors**. However, subcontractors are not partners in the sense of a Cooperative R&D Project. They have no right to exploit project results but provide defined tasks for partners, which are listed under the heading of “third-party costs“.

## 1.5 Can partners from outside Austria participate?

**A consortium** may have **partners from outside Austria**. Non-Austrian partners may not have any financial links to Austrian companies in the consortium.

**Unless specifically excluded in a particular call for applications**, the **costs** incurred by the non-Austrian partners – whether or not they come from EU Member States – are eligible for funding under the following conditions:

- Non-Austrian partners create added value for the Austrian consortium and/or Austria as a location for business and research.
- The application for funding contains a detailed justification for paying support to the partner from outside Austria with regard to the resulting benefit to Austria as a location for business and/or research;
- Grants paid to the partner from outside Austria do not exceed 20% of the total funding for the project;
- The evaluation committee expressly recommends providing funding to the non-Austrian partner;
- Before the contract comes into force the partner from outside Austria proves its credit-worthiness and liquidity in accordance with the criteria applied to assess Austrian partners; and
- The non-Austrian partner accepts the FFG's obligation and entitlement to check the project's performance as specified in the funding contract and submits documentation in German or English in accordance with the requirements placed on Austrian partners.

**Alternatively**, non-Austrian organizations may cover their costs by means of **their own money and/or from support from the country in question**. There are **collaborative agreements** in place with some European and non-European countries and these **permit the joint administration of funding**. Whether these collaborative agreements may be used to cover Cooperative R&D Projects submitted under a call for applications will be **announced** in the call announcement.

Organizations from outside Austria may be involved as subcontractors.

## 1.6 How much support is granted?

The maximum level of support per Flagship Project is defined in the call announcement, based on the available budget and the number of Flagship Projects to be supported.

Support is paid in the form of **non-repayable grants**.

The **funding rate for each partner is based on the research category** to which the project is allocated **and on the type of organization in question**.

Research category	Small enterprise	Medium-sized enterprise	Large enterprise	Research institution
<b>Industrial research</b>	80 %	70 %	55 %	80%
<b>Experimental development</b>	60 %	50 %	35 %	60%

Applicants for support are essentially divided into two groups: commercial enterprises and research establishments.

**Micro-enterprises** are treated as if they are small enterprises.

**Universities, universities of applied sciences (Fachhochschulen), non-university research institutions and other scientifically oriented organizations** (e.g. associations with an appropriate purpose) are considered to be research establishments.

**Federal states and local authorities** are considered to be large enterprises. Other **public agencies and non-scientifically oriented associations** (according to the association articles) are treated according to the current definition of SMEs in the EU competition law.

If there is no information on a business available in the commercial register based Austrian Business Compass (“Firmen-Compass”, e.g. for associations, start-ups, sole traders, companies from outside Austria), a Declaration of SME Status must be made when the application is submitted. In the draft provided by the FFG – the applicant (as far as possible) has to come up with a categorization of the last three years according to the SME definition<sup>3</sup>. The draft for the Declaration of SME Status will be provided in the download centre of the respective call.

If a company is not registered in the Austrian Business Compass (“Firmen-Compass” but intends to submit as an SME, the Declaration of SME Status has to be attached to the electronic application via eCall.

### 1.6.1 Can a single project combine both industrial research and experimental development?

Flagship Projects may contain work packages of both project types, industrial research and experimental development. In such cases the individual work packages must be clearly allocated, both scientifically and financially, to the appropriate project type – industrial research or experimental development. The corresponding funding rates should be applied to the various work packages. Funding decisions of this kind may only be taken if there is a clear separation and if the applications present it accordingly;

---

<sup>3</sup> [http://ec.europa.eu/enterprise/policies/sme/files/sme\\_definition/sme\\_user\\_guide\\_en.pdf](http://ec.europa.eu/enterprise/policies/sme/files/sme_definition/sme_user_guide_en.pdf)

furthermore, the allocation must be confirmed by the members of the evaluation committee.

## 1.7 Which costs are eligible?

All costs attributed to the project are eligible provided they result directly, actually and additionally (to the normal operational costs) during the duration of the research activity being supported.

The earliest possible date for the start of the project is following submission of the application for funding. The period when **costs may be recognized** corresponds to the **project's running time, as specified in the contract** – this commences with the date the project starts and ends with the date when the project finishes.

**Detailed information on eligible and non-eligible costs** are given in the “Guidelines for the Accounting of Project Costs in Funding Applications and Reports” – known in brief as the Cost Guidelines, which may be found under the Internet address [www.ffg.at/kostenleitfaden](http://www.ffg.at/kostenleitfaden).

**For Cooperative R&D Projects, it is additionally specified that**

- **Partners** may **not simultaneously** be listed as subcontractors in the cost category “third-party costs”.
- **Third-party costs** should **not exceed 20%** of the total costs for the partner in question. Any excess should be justified in the written application (project description).

## 1.8 What points should be considered in regulating the rights to the results?

Intellectual property rights relating to the project results belong to the consortium. Before the first instalment of funding is paid, a **consortium agreement** must be duly executed and deposited with the consortium leader. The consortium agreement **regulates** the collaboration and especially the **intellectual property rights relating to the project results**.

In the case of collaborations between commercial companies and research institutions, the research institutions are also entitled to take up intellectual property rights (use, licence fees etc.). The companies must thus pay a consideration at normal market rates to the research establishments for their share of the IPR if they intend to exploit the results commercially. In all cases the provisions of the Community framework for state aid for research and development and innovation (2006/C 323/01) relating to the collaboration between research establishments and commercial companies must be observed.

## 1.9 What criteria are used to assess applications for funding?

The evaluation of applications for funding is based on the following **four main criteria**:

- The project's relevance to the call for applications



- The quality of the project
- The suitability of the applicant / project partners
- Economic potential and exploitation

The following table provides the relevant **sub-criteria** and the questions used to assess them. In the course of the assessment, marks are assigned to each criterion. In addition, there is a threshold value for each criterion. Projects are only funded if the marks reach the threshold value for each criterion and if the total number of marks is at least 60.

The project's assignment to a **research category** will be checked during the assessment procedure, which may lead to a reduction in the funding rate.

Funding criteria – explanations	marks	threshold
<b>1. Relevance to the call</b>	20	12
The project's relevance to the call	<ul style="list-style-type: none"> <li>• To what extent does the project address one or more of the call topics and contribute to reaching the goals of the call?</li> </ul>	
Effect of the support (added value)	<ul style="list-style-type: none"> <li>• What effect can the support be expected to have?</li> <li>• Is it expected that the project may only be realized as the result of the support requested?</li> <li>• Could the project be accomplished more quickly or to a greater extent as a result of the support?</li> </ul>	
The project's contribution to gender aspects and to societal/ethical and environmental considerations	<ul style="list-style-type: none"> <li>• Have gender aspects been taken into account in the research design and project planning? Can positive consequences be expected? [This applies particularly to projects in which persons or groups of persons are the research object or persons are affected by the application of the research results. The assessment will also consider the information provided in the chapter "Quality of the project" in the project description.]</li> <li>• Have societal/ethical and environmental considerations been taken into account in the project planning and can positive consequences be expected? [This point includes in particular consequences on the occupation, quality of work, working conditions and the environment, as well as the ethical and societal implications of the projects. These aspects should be considered as and when they arise.]</li> </ul>	
<b>2. Quality of the project</b>	40	24
Presentation of the state of the art	<ul style="list-style-type: none"> <li>• Is the state of the art (level of knowledge/technology) presented sufficiently and understandably?</li> </ul>	
Technical and scientific quality	<ul style="list-style-type: none"> <li>• How high is the level of innovation/invention in relation to the state of the art?</li> <li>• How risky is the development? [Development risk is to be viewed positively in this context. Nevertheless, it is a precondition that the project is at the cutting edge of knowledge in the field and that the methods are sound. Projects that are risky because they have been poorly conceived should not be rewarded.]</li> <li>• Are the planned methods and/or the scientific and technical approach appropriate to reach the goals and to produce the desired results?</li> </ul>	
Quality of the planning	<ul style="list-style-type: none"> <li>• Are the time plan and the working programme well structured, transparent and realistic?</li> <li>• Are the project partners well integrated with regard to their capacity and their expertise?</li> <li>• Is/are the financial planning and/or the planned costs transparent and appropriate?</li> </ul>	

<b>3. Suitability of the applicant/ project partners</b>		<b>20</b>	<b>10</b>
Scientific/ technical ability	<ul style="list-style-type: none"> <li>• Does the application make clear that the consortium possesses the scientific and/or technological expertise required for the project?</li> <li>• Does the consortium include the scientific, technical and organizational expertise required for the project?</li> </ul>		
Potential of the consortium and/or the applicant to realize the project	<ul style="list-style-type: none"> <li>• How can the consortium's (economic) potential to realize the project and to achieve the project's goals be assessed?</li> <li>• Is the composition of the consortium appropriate with a view to achieving the project's goals?</li> </ul>		
Management ability and capacity	<ul style="list-style-type: none"> <li>• Does the consortium have the required managerial ability, capacity and structure to perform the project?</li> </ul>		
Composition of the project team in terms of gender mainstreaming	<ul style="list-style-type: none"> <li>• Is the composition of the project team balanced in terms of gender mainstreaming?</li> <li>• Are there improvements to the gender ratios normal for the field? [The gender-specific balance should be taken into account equally for men and for women.]</li> </ul>		
<b>4. Economic potential and exploitation</b>		<b>20</b>	<b>10</b>
Client orientation/ client use and unique selling proposition/ leadership in the area	<ul style="list-style-type: none"> <li>• Is the description of the client orientation, the client value and/or unique selling proposition/ leadership in the area reasonable and realistic?</li> <li>• If appropriate, have gender aspects been taken into account with regard to client orientation and/or client use of the expected results?</li> </ul>		
Knowledge of the market (target markets, market potential and competitors)	<ul style="list-style-type: none"> <li>• Does the application make clear that the consortium and/or the applicant have appropriate knowledge of the market?</li> <li>• Is the description of the target markets and the market potential sufficient and reasonable?</li> <li>• Are the competitors and their market positions known?</li> <li>• Is there sufficient market potential?</li> </ul>		
Marketing strategy (incl. IPR)	<ul style="list-style-type: none"> <li>• Is the description of the marketing strategy reasonable and realistic?</li> <li>• Is the planned protection strategy (IPR) sufficiently presented, reasonable and adequate?</li> <li>• Which economic advantages would result for the project participants (cost-effectiveness, synergies with other products etc.)?</li> </ul>		
<b>Total</b>		<b>100</b>	<b>60</b>

Since autumn 2011 the evaluation also takes gender aspects into account via specifically designed criteria. From a research funding point of view this is relevant for the following reasons: (i) good research design (research questions, methodologies, ...) integrates gender aspects if they are relevant for the content of the project; (ii) the participation of women and men in research helps to recruit the brightest minds,

enhances the quality of research in terms of diversity and provides a contribution to equal opportunities.

### 1.10 Which documents are required for submission?

For submission of Flagship Projects **compulsory preliminary discussions** must be held. The form “Project Sketch – Flagship Projects” must be submitted in advance of the discussions.

- Application form **Project Sketch – Flagship Projects** – sent by e-mail to the programme management
- It is the applicants’ responsibility to arrange an appointment with the programme management.

Project applications may only be submitted electronically via **eCall** at the Internet address <https://ecall.ffg.at>. As **part of the electronic application**, the following documents must be attached **by means of the eCall upload function**:

- project description: **scientific application** – upload as pdf document
- financial plan: **tabular part of the application** – upload as Excel document

#### **Attachments to the electronic application:**

- The annual statement of accounts (balance sheet, profit and loss account) from the past two financial years
- Declaration of SME Status (if no data are available in the Austrian Business Compass)

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

If the project involves partners outside Austria, the individual collaborative agreements with European or non-European countries may require documents that are not to be submitted via eCall. The relevant information will be given in the call announcement.

In individual cases additional supporting documents may be requested.

The **language** in which applications are to be submitted will be specified in the call announcement.

### 1.11 Is it necessary to mention other projects?

The application for funding must list those projects that have been or are being supported from the public purse in Austria and/or by EU grants. All current projects must be listed, as well as all projects that have been concluded within the past five years and all projects for which funding has been requested if their content is related to the call for applications or to the application currently being submitted. This requirement serves to ensure that the current project is clearly separated from other projects that have already been funded or that are underway or for which funding has been requested.

The complete and comprehensive presentation of all support in the field of the proposal that has either been previously received or is currently being requested does not decrease the chance of receiving funding in the framework of the current call. However, it serves both to prevent the risk that the same project might be funded twice and to prove the consortium's expertise in the area.

These projects must be mentioned in the scientific part of the project application.

## **1.12 Scientific integrity**

Funding may only be granted to applicants who show high scientific quality by means of their applications and during the course of their projects. To ensure that the scientific quality is appropriate, the FFG is a member of the Austrian Agency for Scientific Integrity – OeAWI (<http://www.oeawi.at/de/statuten.html>).

By its membership, the FFG supports the observance of the rules of good scientific practice. During the formal checks on applications and in the event of suspected scientific misconduct the FFG may forward details and any necessary supporting documents to the OeAWI's Commission for Scientific Integrity. The OeAWI will decide whether to initiate an independent investigation and, if necessary, will undertake the investigation.

If the investigation reveals details that prove that the scientific quality of the project is insufficient or that scientific misconduct (e.g. plagiarism) has taken place, the FFG may decide to request a revision of the application for funding or may reject it for formal reasons. In the case of projects that have been granted support, such cases may lead to the reduction, retention or reclaiming of financial support that has been granted and/or already transferred.

## 2. SUBMISSION PROCEDURE

### 2.1 What is the procedure for submission?

Project applications may only be submitted electronically via **eCall** at the Internet address <https://ecall.ffg.at>. Applications must be **complete** and submitted **on time**, before the deadline for submission.

The application forms for the call for applications are to be used without exception (s. Chapter 1.10). These will be made available for downloading via eCall.

The application for funding may not be submitted until **all partners** have **completed and submitted** partner applications in eCall.

An application is considered to have been submitted when **it is finalized in eCall** and “Submit application” (“*Einreichung abschicken*”) has been clicked. When an application is received, an **acknowledgement** will be sent automatically by e-mail. It is **not possible** to submit **additional documents** or to resubmit parts of the application form. Once an application has been submitted, it is no longer possible to revise it once the deadline for submissions has passed. It is also not possible to submit additional information in the course of the hearing, which is part of the session of the evaluation committee. The hearing only serves to explain the flagship proposal.

It is not necessary to submit the application for funding by post, duly executed. The online submission is sufficient.

The actual submission should be undertaken by the consortium leader or by a duly authorised person. Proof that this person is entitled to represent the consortium leader must be provided to the FFG at any time on demand. If this cannot be done, the FFG reserves the right to reject the applications in question for formal reasons.

A **detailed tutorial** on eCall is located at the Internet address <https://ecall.ffg.at/Cockpit/Help.aspx>.

### 2.2 How is the confidential handling of project data ensured?

The FFG is under a legal obligation to maintain secrecy concerning information provided by the funding applicant pursuant to Sec. 9 para 4 of the Austrian Research Promotion Agency Act (FFG-G, Federal Law Gazette BGBl. I No. 73/2004 ) and is therefore obliged to treat as confidential any company and project information received in connection with its activity. The FFG may therefore publish project contents and results only with the consent of the funding recipient. External experts who are involved in the assessment of individual projects are also subject to confidentiality obligations.

The names of the funding recipients, the amount of aid, the aid intensity and the industrial sectors in which the funded projects are carried out will be reported to the EU in compliance with the relevant reporting obligations.

Please note that all personal data obtained in connection with the initiation and performance of the contract the use of which is an essential prerequisite for the FFG to fulfil its legal mandate or is permitted in accordance with Secs. 7 to 11 of the Data Protection Act (DSG 2000), may be used by the FFG for the conclusion and performance of the funding contract, for fulfilling its legal mandate and for control purposes. This 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.

### 3. PROJECT ASSESSMENT AND FUNDING DECISION

#### 3.1 What is the formal check?

During the formal check, the application is checked for **formal correctness and completeness**. The information contained in the application is not examined during the formal check; this takes place during the assessment procedure. 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 **result** of the formal check will be communicated within **four weeks by means of an eCall message**.

**If the formal criteria are not met and the problem(s) cannot be rectified, the application for funding will fail the formal check and will not enter the subsequent steps of the procedure.**

A **“Checklist of formal requirements”** is given in the corresponding application form.

#### 3.2 What is the evaluation procedure and how are hearings organized?

The scientific assessment is based on the criteria given in Chapter 1.9. It is undertaken by **national and/or international experts** on the basis of the documents that have been submitted and on an additional hearing with the applicants.

The **hearing** is organized by the organization managing the call. During the hearing the applicants present the project to the members of the evaluation committee. The members of the evaluation committee then have the possibility to discuss open questions with the applicants. The hearing **cannot** supplement or replace the need for the written documents that have been submitted. It serves solely to enable the members of the evaluation committee to raise questions.

After the initial review, an **evaluation committee** will make a recommendation on funding based on the defined assessment criteria and taking into account the written reviews and the results of the hearing.

It is possible to **exclude reviewers** (individuals or staff of particular organizations) is possible, provided doing so is justified. eCall contains an entry field to enable this..

Subsequently, internal experts at the FFG undertake a **check of the financial potential** (credit rating and liquidity) of the participating commercial partners. It is on no account possible to support enterprises that are insolvent.

#### 3.3 Who takes the funding decision?

The funding decision is the responsibility of the responsible **Federal Minister** and will be taken **on the basis of the funding recommendation made by the evaluation committee**.

## 4. PROCEDURE AFTER THE FUNDING DECISION

### 4.1 How is the funding contract concluded?

If funding is granted, the FFG sends the consortium an **offer of funding**, which must be taken up within a certain time. If the consortium accepts the offer, together with any terms and conditions that may be imposed, within the period of time given in the funding offer, a funding contract will be prepared.

The **funding contract** specifies, among other points, the funding recipients, the title of the project, the level of eligible costs, the amount of support approved, the period during which support is granted, the payment of the support, the reporting requirements and any additional terms and conditions.

The funding contract must be duly executed and the original returned to the FFG.

Until the funding contract has been concluded, the applicants have no legal right to receive support.

### 4.2 How should requirements and recommendations be taken into account?

During the assessment of the application, recommendations or binding requirements may be formulated. Requirements may be preconditions for the conclusion of the funding contract or may represent conditions to be met during the course of the project.

The consortium leader of the Flagship Project has to confirm in the first interim report (prior to payment of the second instalment) that a **Consortium Agreement** duly signed by all partners has been deposited with the consortium leader. The **Consortium Agreement** must meet all requirements of the call. If no interim report must be provided, this confirmation must be made in the final report.

Help in the preparation of a Consortium Agreement is available in the form of a **sample Consortium Agreement**, which is to be found at the Internet address <http://www.ffg.at/konsortialvertrag>.

In the case of Flagship Projects, 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?

After signature of the funding contract and when any necessary preconditions have been met, the first instalment is paid.

Additional instalments are transferred **according to progress on the project**, after checking the interim reports (incl. interim accounts) specified in the funding contract, after any scheduled reviews and, if applicable, after any further requirements resulting from the FFG's instalment scheme have been satisfied.

The **payment of financial support** during the course of the project does **not** imply **approval of the costs**.



Before payment of the final instalment, the final report and the final project accounts are checked. The **costs are only approved upon final approval** of the project following the auditing by the FFG's Project Controlling & Audit Division.

<b>FFG instalment scheme</b>			
<b>Project duration in months</b>	<b>24 - 30</b>	<b>31 - 42</b>	<b>43 - 48</b>
<b>Number of reports (interim reports and final report)</b>	2	3	4
<b>1st instalment</b> in % of the funding under the contract	50	30	30
<b>2nd instalment</b> up to % of the funding under the contract	40	30	20
<b>3rd instalment</b> up to % of the funding under the contract		30	20
<b>4th instalment</b> up to % of the funding under the contract			20
<b>Final instalment</b> up to % of the funding under the contract	10	10	10

#### 4.4 What reports and accounts are required?

Within a month after the reporting deadlines specified in the funding contract, an **interim scientific report** and an **interim financial account** must be submitted **via the eCall system's reporting function**.

Within three months of the project's conclusion a **final scientific report** and the **final accounts** must be presented, again **via the eCall system's reporting function**.

All reports and accounts must include the activities and associated costs of **all partners in the consortium** for which support is paid by the FFG.

The **templates** in eCall are to be used in the preparation of the reports.

**Detailed information** on eligible and non-eligible costs are set out in the "Guidelines for the Accounting of Project Costs in Funding Applications and Reports", obtainable at the Internet address [www.ffg.at/Kostenleitfaden](http://www.ffg.at/Kostenleitfaden).

In addition, the funding recipient undertakes to work together with the FFG and the responsible instances to support PR work, as and when required. This relates in particular to the making available of non-confidential information and images for electronic dissemination portals and other media purposes.

#### 4.5 How does a review take place?

During the course of a Flagship Project, at least one **compulsory review** by (external) experts takes place. The review is organized by the institution managing the programme.

A review includes:

- A preliminary evaluation of interim or final reports by (external) experts

- Presentation by the funding recipient of the project's overall strategy and the results and milestones to date
- Discussions of the project's progress
- Concluding evaluation of the project's progress, including the formulation of any requirements or recommendations that may be made

#### 4.6 How should changes to the project be communicated?

The FFG must be informed of **substantial changes to the project** or of **changes to the partners in the consortium** (e.g. changes in ownership, bankruptcy proceedings) immediately after they become known.

Any **changes to points specified in the contract** (project contents, partners in the consortium, costs, timing, funding period etc.) shall require a justified request to and **approval by the FFG**.

The **request** for such a change, together with an appropriate description and justification, is to be placed via an **eCall message or via the reports**. Any necessary supporting documentation should be uploaded as an attachment to the eCall message or sent by post.

It is possible to reallocate costs (e. g. material costs to personnel costs), if required even between partners.

**Minor cost reallocations** should be justified in a report. Minor cost reallocations **within the cost categories of a particular partner** are taken to mean the reallocation of amounts below 15 % of the partner's total costs or below EUR 15,000. Minor cost reallocations **between partners** are taken to mean the reallocation of amounts below 10 % of the total project costs and below EUR 100,000.

**Larger cost reallocations** are all reallocations that cannot be considered as minor. Larger cost reallocations must be requested in advance by means of the cost reallocation table ([FFG template](#)) and a detailed explanation and justification. In the event of larger cost reallocations between partners, the consent of the partners in question must be submitted in the form of a duly signed letter, scanned and attached to the eCall message.

#### 4.7 Can the period of support be extended?

If the project's goals have not been reached at the end of the period of support and if the approved level of costs has not been exceeded, the period of support may be extended **without the payment of additional support for up to a maximum of one year**.

The **preconditions** for extension are that the funding recipient is not responsible for the project's delay and that the project is still worthy of funding.

In such cases, an **application for extension to the period of support** must be placed by means of an eCall message **within the period of time for which support has been approved**.

#### 4.8 What happens after the conclusion of the project?

After **the check of the final scientific report and the final accounts and any second review of a Flagship Project at the end of the project**, the FFG's Project Controlling & Audit Division will undertake an audit to establish whether the support has been used in accordance with the regulations. During the course of the **audit** the **final level of eligible costs will be established**.

The **result** of the audit **will be communicated in writing to the funding recipients**. If the checks of the project are positive, the FFG will confirm that the support has been used in accordance with its regulations; in the event of a **negative** result, procedures may be initiated to secure **repayment** of support.

If the checks are **positive** and if the level of cost initially envisioned has been reached, the final instalment given in the funding contract will be transferred. If **the project is underspent** the level of support will be **reduced accordingly**.

The level of support paid may also be reduced for scientific reasons, as well as on formal and legal grounds.

## 5. Annex I: What are “Industrial Research” and “Experimental Development”?

The research category “Industrial Research” is distinguished from “Experimental Development” by:

- Especially high degree of innovation
- Increased development risk
- Following on from the research category “Basic Research”
- Distance from the market

### Industrial Research

“Industrial Research” denotes planned research or critical investigation to acquire new knowledge and abilities with the goal of developing new products, procedures or services or to effect significant improvements to existing products, procedures or services. It includes the creation of parts of complex systems necessary for industrial research and in particular for the validation of the technological basis, with the exception of prototypes, which fall under the research category “Experimental Development”

The following questions may be **helpful in the allocation** of the project category “Industrial Research”:

- Can the level of innovation be assessed as particularly high?
- Will the new knowledge and abilities serve to develop new products, procedures or services?
- Will the new knowledge and abilities contribute to effecting significant improvements to existing products, procedures or services?
- Does the project exclude the production of a prototype?
- Does the project exclude a direct commercial application of the results?
- Is there (presently) no commercial market for the results at which the project is aiming?
- Will a high proportion of the costs be allocated to research institutions?

### Experimental Development

“Experimental Development” denotes the acquisition, the combination, the formulation and the use of **available** scientific, technical, economic and other relevant knowledge and abilities in the **development of plans and preparations or concepts for new, amended or improved products, procedures or services**. It includes also, for example, other activities for the definition, planning and documentation of new products, procedures and services as well as the preparation of drafts, sketches, plans and other documentary material, provided these are not intended for commercial purposes.

The development of commercially applicable **prototypes** and pilot projects is also included, if the prototype of necessity represents the final commercial product and its production for demonstration and testing purposes alone would be too expensive.

The **experimental production and testing of products, procedures and services** is similarly eligible for support, **so long as it cannot be used in industrial applications or commercially and cannot be adapted for such purposes**. Experimental Development does not include routine or regular adaptations to products, production lines, production procedures, existing services or other current operational processes, even if the changes would represent improvements.

Experimental Development also includes demonstration projects.

The following questions may be **helpful in the allocation** of the project category “Experimental Development”:

- Does the project address the development of technologies and components for a given application and/or the testing of developments at the pilot stage?
- Does the work build on existing scientific, technical, economic or other knowledge and abilities?
- Will plans be produced, preparations made or concepts developed for new, amended or improved products, procedures or services? (This includes also, for example, other activities for the definition, planning and documentation of new products, procedures and services as well as the preparation of drafts, sketches, plans and other documentary material, provided these are not intended for commercial purposes.)
- Will a prototype be produced in the course of the work?
- Is a commercial application of the results planned?
- Is there a commercial market for the results at which the project is aiming?
- Does the project represent a non-routine or irregular adaptation to products, production lines, production procedures, existing services or other current operational processes?

## Annex II: Why gender in the selection process?

Gender budgeting has been introduced in Austria as a result of the budget reform (Federal Budget Act 2013). The principle of impact orientation with the aim of achieving effective gender equality for women and men entered into effect on 1 January 2013 as one of the new principles of federal budgeting (Art. 51 para. 8 of Federal Constitutional Law (B-VG), Art. 51 para. 9 (1)).

The allocation of public funds can be used to achieve an impact in this respect at two levels:

- 1) impact at project level, including the exploitation of project results
- 2) impact at the individual level

ad 1) ***Public funds are to be invested in projects of high quality designed to enhance the scientific and economic performance of Austria.***

Appropriate consideration of gender in research contributes to the **quality of research projects**: If, e.g. (groups of) persons are the research object and/or persons will use, apply or be affected by the research results, this must be reflected in the research design (research topics, methodology etc.).

These aspects are included in the assessment criterion “Relevance of the Project”. Applicants are required to provide information about the state-of-the-art, research topics and methods in the chapter “Quality of the project” in the Project Description, considering gender aspects if relevant to the project.

Appropriate consideration of gender aspects in the market perspective will enhance the **exploitation potential of the project results**. This is taken into account in the assessment of the economic and exploitation potential (“Customer orientation/customer benefits”).

ad 2) ***Public funds are to be allocated in a way to achieve equality of women and men in research and contribute to attracting the brightest minds to research.***

The criterion “Qualification of the Consortium” assesses the balanced composition of the project team in terms of gender mainstreaming. This issue must be addressed in chapter 3 “Qualifications of applicants/project participants” of the Project Description.

- The data on the composition of the project team are subsequently recorded in the project reports in the course of gender monitoring.