



CIP ECO-INNOVATION FIRST APPLICATION AND MARKET REPLICATION PROJECTS: FREQUENTLY ASKED QUESTIONS CALL 2011 (VERSION 16 APRIL 2011)

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1. What is Eco-Innovation?

Eco-Innovation is defined as eco-innovative products, techniques, services or processes which aim at the prevention or the reduction of environmental impacts or which contribute to the optimal use of resources. Environmentally friendly innovations are expected to help reduce greenhouse gas emissions, to use resources such as water and raw material more efficiently, to increase the use of recycled materials, to produce quality products with less impact on the environment and to implement more environmentally friendly production processes and services. Eco-innovative solutions can be processes, techniques, services, products or technologies.

2. How does the Eco-Innovation initiative define "Exploitation" and "Market Replication"?

CIP Eco-innovation's emphasis on "Exploitation" aims to multiply the impacts of the projects' solutions and mobilise a wide market uptake, reaching a critical mass during the project and in the short to medium term. A clear business and exploitation plan should be part of every project.

At the time of the proposal, if you don't have the business plan fully developed, you need at least to explain how the exploitation and market will be tackled and how your business plan will be developed.

Concerning "Market Replication", there are many technological and business innovations already technically tested that can significantly benefit the environment. The challenge now is to provide new driving forces that will encourage the uptake of Eco-Innovation on a broader scale, maximising its economic and environmental benefits.

3. Which sectors are covered by the initiative?

The Eco-innovation initiative is a cross-cutting programme that supports eco-innovative projects in different sectors which aim at the prevention or the reduction of environmental impacts or which contribute to the optimal use of resources. Hence, all sectors and activities are potentially eligible for funding under the Eco-innovation initiative. However, more specific priorities have been set out based on their important environmental impacts and the European Commission's policy priorities. Current priority areas for the Eco-innovation 2011 Call include the field of material recycling, sustainable building products, the food & drink industry, the water sector and the area of green business.

4. What does "a life-cycle oriented approach" mean?

The Eco-innovation initiative encourages the submission of proposals that take into consideration the entire life-cycle of products, from production to disposal. Such an approach should cover the whole supply chain and not focus on a single domain i.e. water or energy consumption. However, it should be highlighted that it is not a legal requirement or a precondition for selection to conduct a full or simplified Life Cycle Assessment (LCA) study in order to demonstrate that your proposal takes a life-cycle oriented approach.

You could carry out a Life Cycle Assessment according to the International Reference Life Cycle Data System (ILCD) Handbook: http://lca.jrc.ec.europa.eu/EPLCA/Deliverables/ILCD_handbook.htm.

5. Does the Eco-innovation initiative fund research and technological development (RTD) projects?

The Eco-innovation initiative does not fund RTD projects. It aims to bridge the gap between RTD and commercialisation. It supports market uptake and encourages the spreading of innovative techniques,



processes, products or services on a broader scale. Therefore, actions that focus on prototype development and technological demonstration, or the set up for testing and further analysis, are not matching the objectives of CIP Eco-innovation.

Research and technology development, including demonstration projects at an early stage with a high technology risk or projects that develop prototypes, should be submitted to the 7th RTD programme (see <http://cordis.europa.eu/fp7/>).

6. Are projects focused on energy sources (e.g. solar, wind, biomass) and energy efficiency (including transport) supported by the initiative?

Projects that focus primarily on energy generation and energy efficiency (including projects on energy efficiency in industry and energy efficiency in transport) are not supported by the Eco-innovation initiative. In the Eco-innovation initiative we look for an integrated approach, covering various environmental aspects such as resource optimisation including water, energy and raw materials, improving recycling and removing harmful chemicals – taking into account a life-cycle approach.

Projects that focus on energy might be applicable for Intelligent Energy Europe, provided their main target is on dissemination and promotion. IEE also supports solutions that have already been successfully applied in Europe and are already available on the market, but due to non-technological barriers are not as wide-spread as expected. See IEE website for more information:

<http://ec.europa.eu/energy/intelligent/>.

7. Does the Eco-innovation initiative fund projects related to agriculture?

Actions covered by the Common Agricultural Policy (CAP) such as rural development are normally not supported under Eco-Innovation Call. Projects directly related to crop cultivation and livestock farming would not be eligible.

However, innovative products used in agriculture, such as the production of a fertiliser out of waste or by-products which has substantial environmental benefits could be in line with the Eco-Innovation initiative.

8. Is Eco-innovation a promotional or marketing programme?

No, Eco-innovation is not a promotional or marketing programme. CIP Eco-innovation should go beyond pure commercialisation of products, dissemination and show-casing.

The Eco-innovation initiative aims to support, for example, innovative, creative products in order to move from the prototype phase to the production phase. This support could also include commercialisation activities but only if instrumental to furthering the market uptake of the product itself and not for promotional activities and marketing purposes.

9. Does the Eco-innovation initiative support the organisation of conferences, events or forums on eco-innovation?

No. The organisation of conferences, events or forums is not financially supported under the Eco-innovation initiative as such. However, events, fairs and workshops important for the project success and for the dissemination of the results may be eligible.

10. Do you support dissemination, training and educational activities?

Dissemination activities, as the main activities in your project and as an objective in itself, are generally not eligible for funding within our initiative, while they might be relevant parts to achieve the desired

replication potential. Projects aiming at education and training do not match the objectives of our work programme.

11. Do you support the development of tools?

In the Call, it is mentioned that in its aim of market replication, CIP Eco-innovation should go beyond the development of software and design tools. Therefore the development of tools, including management tools as main content of the project will not be funded.

12. Does the Eco-innovation initiative support the set-up of networks?

No. The creation of networks are not financially supported under the Eco-innovation initiative. For more information please consult the Enterprise Europe Network
http://www.enterprise-europe-network.ec.europa.eu/index_en.htm

13. Do you fund actions related to EMAS?

From 2010, projects that go beyond current EMAS are no longer mentioned in the priority on Green Business. Projects going beyond EMAS III and including a Cluster approach, could be fundable by the LIFE+ programme. For more information, see: <http://ec.europa.eu/environment/life/funding/lifeplus.htm>

14. Is there an overlap between the Eco-innovation initiative and other Commission programmes?

The Eco-innovation initiative aims to support the first application and further market uptake of some of the best eco-innovative techniques, processes, products or services in Europe, and helps overcome those critical barriers that still hamper their commercial success. However, there are sometimes borderline areas between the objectives of the Eco-innovation initiative and other Commission funding programmes. Some boundaries that help clarify those areas of overlap between the Eco-innovation initiative and other funding programmes are:

- Projects oriented to public authorities should be presented to LIFE+
<http://ec.europa.eu/environment/life/index.htm>
- Projects at research stage with high technology risks should be presented to DG RTD (FP7)
http://cordis.europa.eu/fp7/home_en.html
- Projects focusing on energy efficiency or renewable energy sources should be presented to Intelligent Energy Europe programme
http://ec.europa.eu/energy/intelligent/index_en.html
- Projects focusing on land-use and urban planning should be presented to LIFE+ or DG RTD.

15. How many partners should be involved in an Eco-innovation project?

The Eco-innovation initiative does not restrict the number of partners or countries involved. Even one partner from one country can submit a project proposal.

However, the notion of "European added value" implies that the benefits of the project on a European scale must be demonstrated (see award criterion 5 of the Call for Proposals). For example, it must be clear why this project should receive European funding as opposed to being funded by local, national or regional resources. Also, the level of European cooperation will be assessed.

Furthermore, award criterion 3 implies an assessment of the impact on target audience, on replication and on the impact on the market. It is important to bear this in mind while setting up a consortium. Of course,



the contribution of each partner should be thought through. The bigger a consortium gets, the more difficult it is to manage.

16. Which countries are eligible? Are partners outside of Europe eligible?

All participants must be legal persons from the following countries:

- The 27 member states of the EU
- Iceland, Norway and Liechtenstein
- Albania
- Croatia
- Former Yugoslav Republic of Macedonia
- Montenegro
- Israel
- Serbia
- Turkey
- Other non-EU countries provided they have the appropriate agreement in force.

Please check the website for the latest information.

Any organisation participating in an Eco-innovation project must be based in one of the above mentioned eligible countries, otherwise they are not eligible. If your organisation is not based in one of the eligible countries, you may want to contact the Delegation of the European Commission to the respective country in order to get more information on other funding possibilities:

http://ec.europa.eu/external_relations/delegations/web_en.htm.

17. Can a large enterprise participate in the programme?

Yes, the Eco-innovation initiative is open to all legal persons that are based in eligible countries. Large enterprises are therefore eligible for the CIP Eco-innovation initiative, but the priority will be given to Small- and Medium-Sized Enterprises (SMEs, see also award criterion 1).

18. Can research and technological institutes apply for funding under the Eco-innovation initiative?

Yes, the Eco-innovation initiative is open to all legal persons that are based in eligible countries. As the initiative is not a research programme but comes in after research and technological demonstration, the roles and contributions of research institutes have of course to be carefully considered and explained in the proposal.

19. I have a project with many potential partners. Should all of them be part of the project consortium?

The active involvement of important partners in an Eco-innovation project is strongly encouraged. At the same time, the solidity, manageability and credibility of the consortium (in terms of partners, countries, etc.) will be assessed during the evaluation phase. It is up to you to choose the consortium structure that you feel is more appropriate to achieve the objectives of your project. Involvement can be demonstrated in different ways, for instance:

- a full partner
- being a subcontractor (attention: see question 24 concerning subcontracting)
- providing letters of commitment



20. How can I find potential project partners?

Guidance and information on finding potential project partners can be provided through different channels:

- Business networks such as the Enterprise Europe Network (http://www.enterprise-europe-network.ec.europa.eu/index_en.htm)
- Local/regional organisations such as Chambers of Commerce and SME associations
- EC websites such as the CORDIS Partners service to find partners for commercial collaboration at <http://partners-service.cordis.lu/> or the ManagEnergy online partner search facility (<http://www.managenergy.net/submenu/Sps.htm>).
- You can also promote an invention through the Technology Marketplace established as part of the European Commission's Research and Development Information Service. For this service you can submit information directly via an on-line entry form at <http://www.cordis.lu/marketplace/>

21. I am a start up company, how can I prove financial stability?

When a private organisation has been recently established, the simplified financial statement (balance sheet and profit & loss account) will be normally empty at the time of the proposal submission. At that point in time, no financial data would be available, except for a **business plan**. The business plan for the financial year in course needs to be sent to the Agency

In addition to that, after the signature of the grant agreement, the Agency will ask for a **financial guarantee** for the first pre-financing payment (i.e. 30% of the EC contribution), when the pre-financing of the start-up partner will be higher than 50.000€.

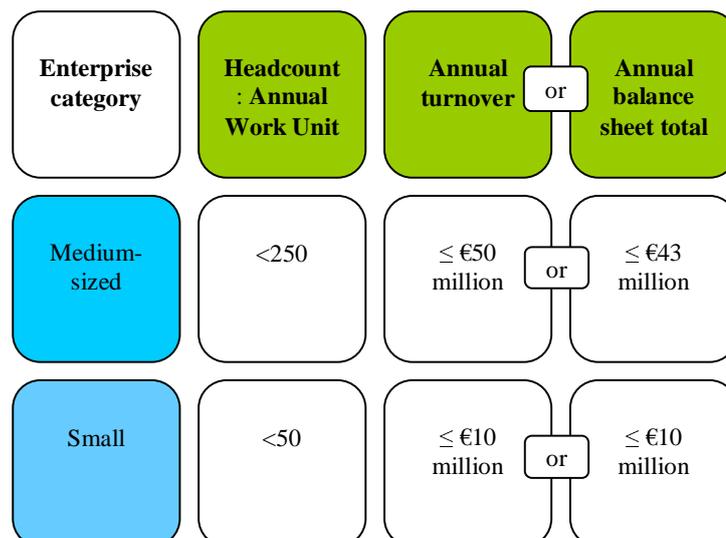
22. What's an SME ?

In CIP Eco-innovation, we apply the European definition as laid down in the EC Recommendation (2003/361/EC). A related user guide "The new SME definition - User guide and model declaration" explains all aspects, exceptions and the way to calculate the criteria.

Both documents can be found at:

http://ec.europa.eu/enterprise/enterprise_policy/sme_definition/index_en.htm.

For a brief overview, please see the following graph:





23. Does the Eco-innovation initiative fund construction of prototypes?

The construction of prototypes is not eligible under the Eco-innovation initiative. The initiative aims, in particular, to support projects concerned with the first application or market replication of eco-innovative techniques, processes, materials, products or services.

24. Does the Eco-innovation initiative fund the construction of new installations?

Yes. The Eco-innovation initiative funds limited "hardware" type of investments, such as new recycling installations and infrastructure. Such "hardware" type of investments must be at the stage of being already technically demonstrated with success but not having yet penetrated the market. However, only the portion of the equipment's depreciation corresponding to the duration of the action and the actual usage rate for the purpose of the action may be taken into account as eligible costs. Additionally, only the costs for equipment or infrastructure directly linked with the innovative action are eligible for funding. For example, the construction of a new recycling plant would not be completely eligible (e.g. classical warehouse cannot be claimed), but those components in the production process or parts of the plant which are needed to produce the innovative recycled material may be eligible.

25. Can project management costs or other core project tasks be subcontracted?

Core project tasks (including project management) should be carried out by the consortium partners. However, you could subcontract services related to the project (up to a maximum of 35% of total eligibility cost) to external partners provided that they are unique specialists who can offer the service in question. Subcontracting relates exclusively to purchases of services, not of goods. Furthermore, subcontracts must be awarded in accordance with the conditions set out in the general conditions of the grant agreement. In summary, this means that subcontractors should be selected on transparent grounds, to the best offer, taking into consideration price and quality ("best value for money").

26. What is the rate for indirect costs (overheads)?

Indirect costs (sometimes called "overheads") are intended to cover costs which are needed to employ, manage, accommodate and support directly or indirectly the personnel working on the project (e.g. room rental, secretariat, PCs, printers, electricity, gas etc.). They shall be eligible for a flat-rate funding of 7 % of the total amount of eligible direct costs for the Eco-innovation projects.

You can also refer to the information in the Guide for Proposers, related to indirect eligible costs.

27. What are the restrictions for funding from other external sources ?

Any aid granted by the State or through State resources to the project covered by the grant agreement must comply with the rules laid down in Articles 87 and 88 of the EC Treaty.

Please note also the European Union guidelines on State aid for environmental protection: (see <http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2001:037:0003:0015:EN:PDF>).

28. What is the grant agreement?

"Grant agreement" is the official name of the contract that you will sign in case your project is selected for funding. It lays down responsibilities, obligations and rights of the signing parties.

You find the model grant agreement on our website.



29. How do I ensure that my know-how is not unduly used or communicated to any third parties?

There are several aspects to be considered:

- You are required to provide technical information to EACI, both in the proposal and the project deliverables, but EACI and the project evaluators will treat these documents as confidential.
- The Eco-innovation initiative requests you to share information and disseminate project results as long as this does not conflict with Intellectual Property Rights (IPR). This is crucial to ensuring a wide replication potential of your project via the promotion and the sharing of best practices. Apart from that you will grant the EACI the right to make free use of the results of the action as it sees fit, provided the EACI does not thereby breach its confidentiality obligations or existing industrial and intellectual property rights.
- To ensure a safe and secure exchange of information and know-how, it is recommended to set up a consortium agreement, an agreement between the project participants which aims at supplementing the grant agreement (see articles II.3 and II.4 of the grant agreement on the ownership/use of results and on the general confidentiality obligations). It can cover management issues relating to the project, with particular reference to IPR (further developing ownership, IPR management, protection issues and access rights). Other specific agreements may be signed to identify more precisely to which know-how access will be granted, to define the purposes for which it may be employed and to establish specific or stricter confidentiality obligations. They will normally take the form of a licence, a material transfer agreement, or a simple confidentiality agreement.

You can have a free service from the Commission's IPR helpdesk:
<http://www.iprhelpdesk.eu/>

30. Which documents will be translated into other languages?

The Call for Proposals is available in English, French and German. The application forms and the Guide for proposers are only available in English.

PPT-presentations held at national info days on funding areas and with some tips on how to apply for funding will also be available in different languages at the website (http://ec.europa.eu/environment/eco-innovation/events_en.htm).

31. Do you offer pre-screening checks for my project proposal?

You may send us a short description (max 2 pages) of your project in order to receive feedback and comments until 2 weeks before the call closes (so until 25 August 2011). Note that we cannot comment on second/revised versions of a project sketch, considering our limited resources and our duty to ensure a fair and equal treatment of all requests.

Please send your request to the enquiries mailbox EACI-ECO-INNOVATION-ENQUIRIES@ec.europa.eu
