

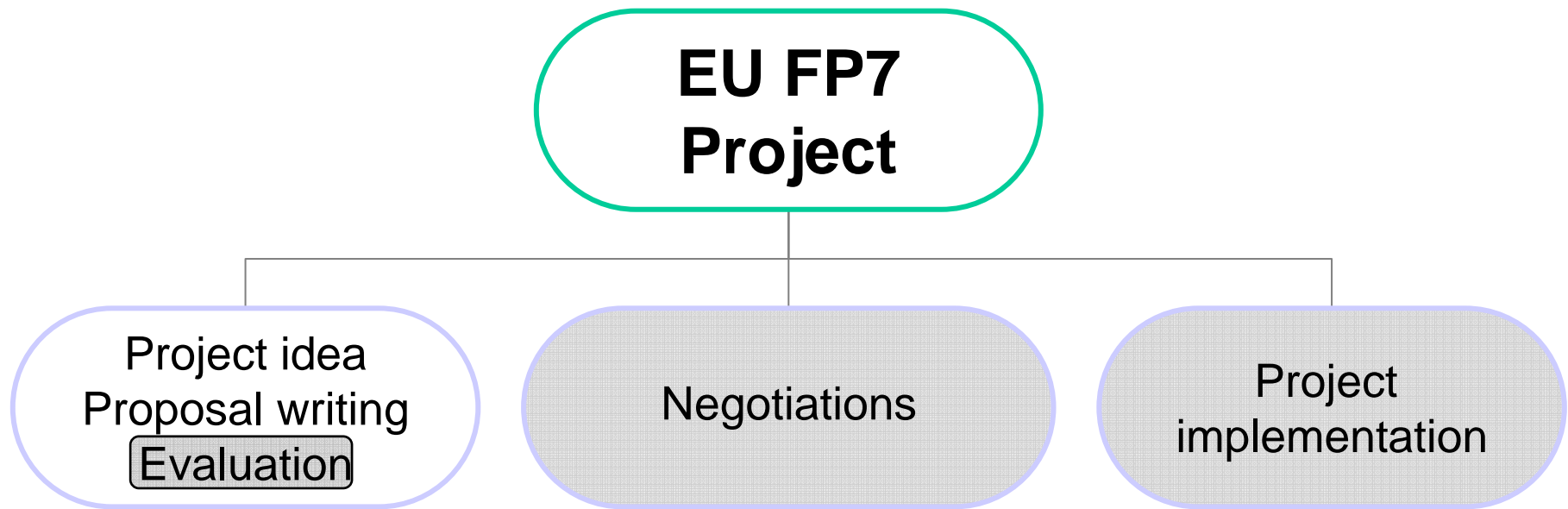


Biocircle

Project management in FP7

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The whole process...



Contact with partners after the evaluation

The coordinator should inform the partners on the good news and the bad news

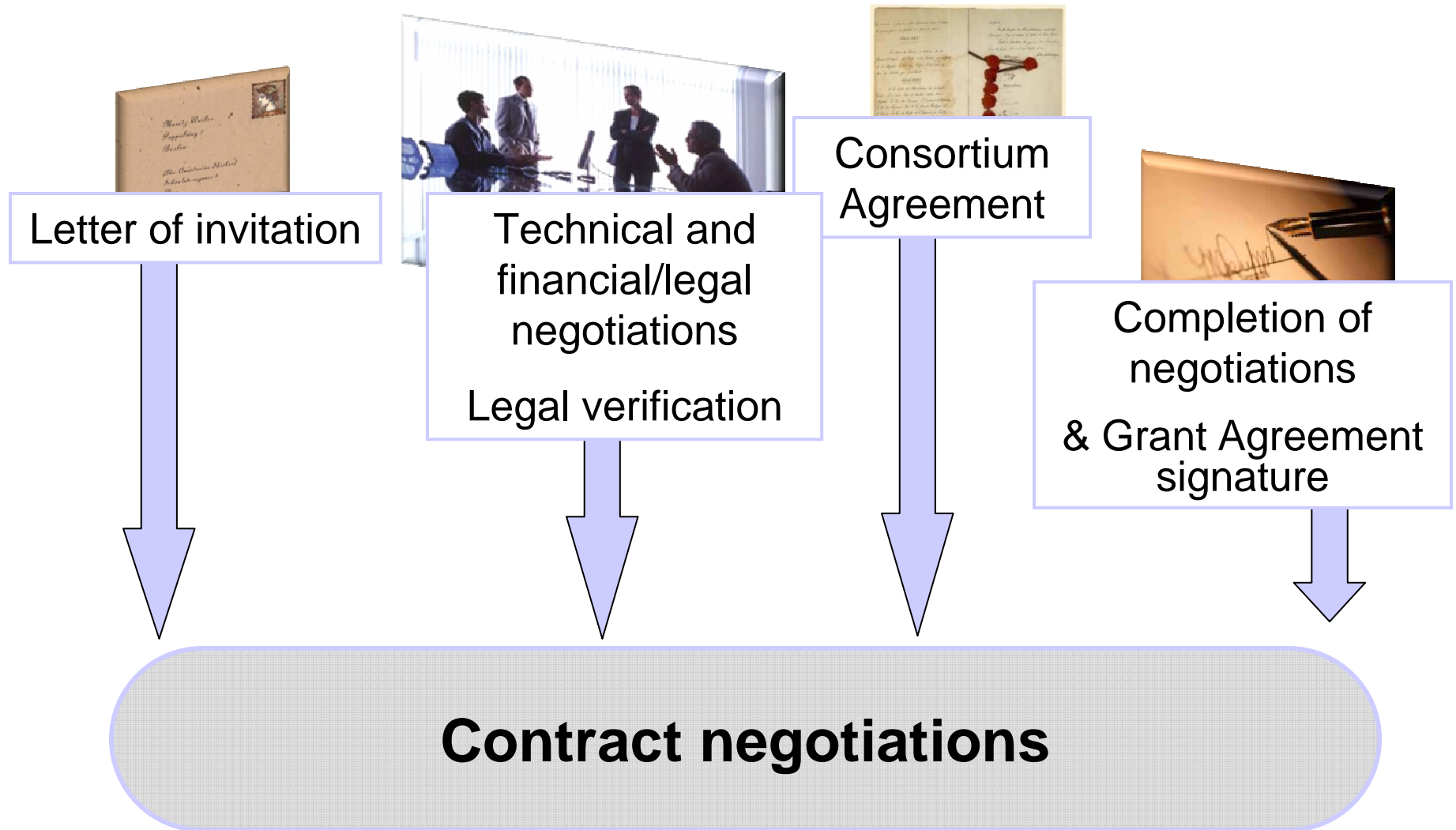
- e-mail message immediately
- sending the **Evaluation Summary Report** in attachment

If the ESR is positive:

- project may be invited to **negotiations** with the European Commission
- partners will need to answer the ESR's comments (technical and financial)



Negotiations: Overview



Invitation to negotiation

„Letter of invitation to negotiations“ **contains:**

- **Negotiation Mandate**
 - contains requests for clarifications & changes, max. Community contribution, proposed duration
- **Evaluation Summary Report**
- **Ethical Review Report (if applicable)**
 - contains Requirements, Recommendations, Follow up
- **GPFs (Grant Agreement Preparation Forms)**

Deadlines for negotiations are given!

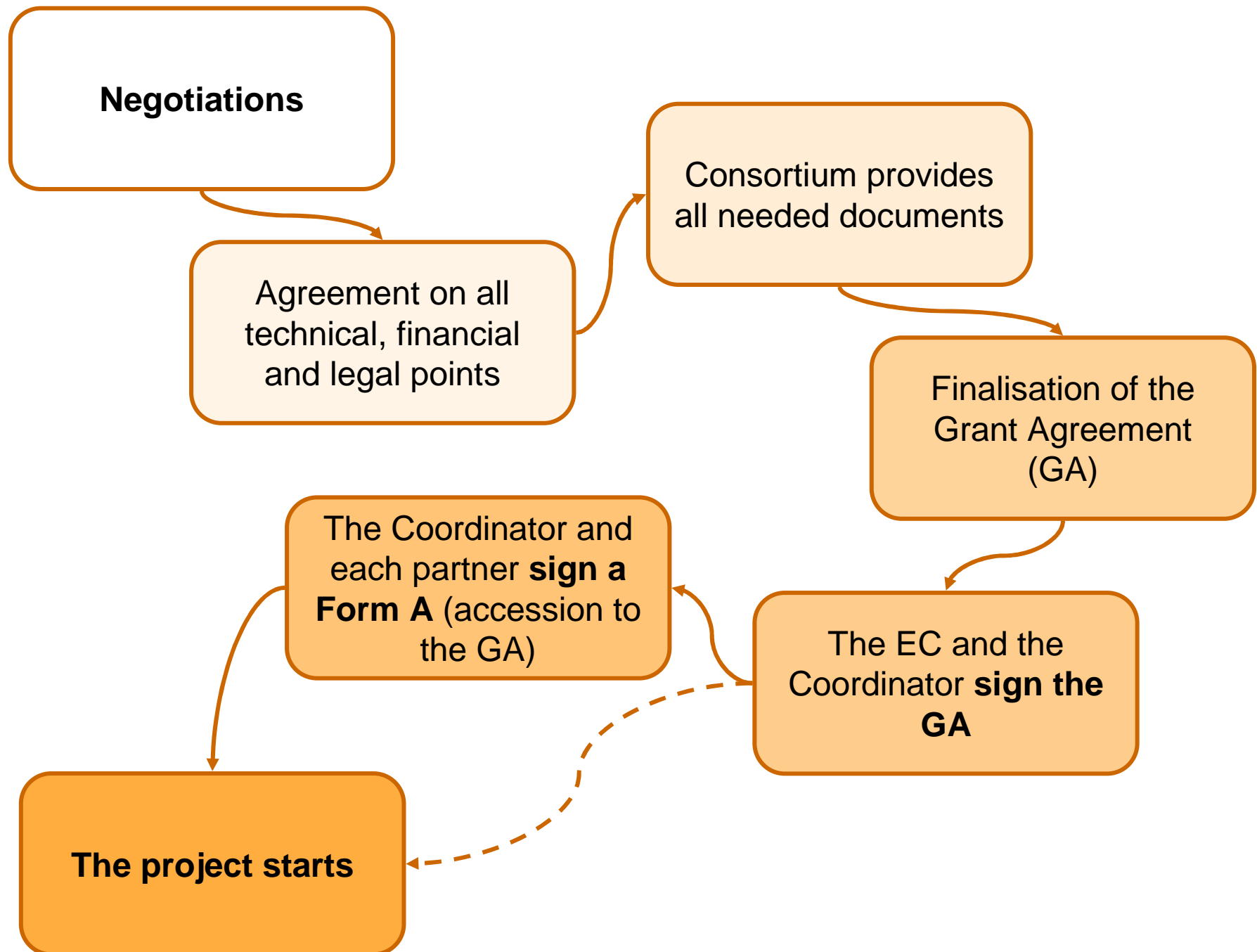
Content of negotiations

- **Technical**
 - Adapt work plan, deliverables, ...
 - Set or modify milestones or other indicators
- **Financial**
 - Review total funding and funding per partner and method for calculating indirect costs
 - Review subcontracting
 - Determine pre-financing
 - **Verify financial capacity**
- **Legal**
 - Determine special clauses
 - Agree on the start date of the project
 - **Verify the legal data per partner**



Consortium agreement (CA)

- It provides the legal basis for the **relationship and responsibilities between the partners** with regard to:
 - Technical management, allocation of tasks and deliverables
 - Organisation of the consortium, procedures, confidentiality
 - Budget and finances
 - **Intellectual property rights**
 - Settling disputes, change of the consortium, termination
- **Mandatory** in FP7, unless otherwise provided in the call
- Complements the Grant Agreement (but **does not** prevail over it)
- **It is a private** agreement, concluded between the participants (**not involving the EC**)



Tasks in project management

Communication

- Decision-making
- Project meetings
- Conflict management

Managing finances

- Understanding the concepts
- Monitoring expenses and cash-flows
- Reporting

Monitoring work

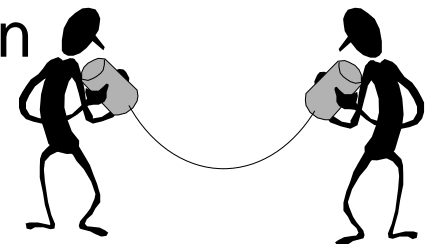
- Check work towards deliverables
- Reporting

IPR

- Optimise exploitation
- Apply the provisions of the CA

Communication within the consortium

- Good communication is essential for project success
- Types of communication:
 - Personal, through meetings
 - Remote, via e-mail, letters, web-software, etc.
- The project work is the focal point
- Potential obstacles:
 - Cultural differences
 - Misunderstandings in the work plan
 - Partner indifference
 - ...



Communication: Project meetings

They cost a lot **BUT** are necessary and effective!

They should be:

- arranged well in advance
- have a clear agenda and clear objectives
- well attended by all partners, if possible
- having adequate time for discussion (and sufficient breaks!)
- properly chaired and minuted

The **kick-off** meeting is particularly important!

The **Project Officer** from the EC may attend...



Communication: Decision making

**Everyone taking part
in every decision**



**Problems and delays
in taking decisions**

**Partner excluded
from decision-making**



**Lack of commitment
to the project**

**The consortium should use a balanced and
efficient decision-making process**

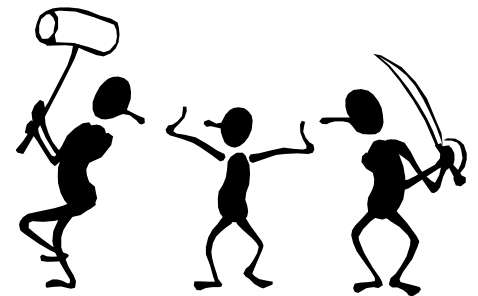
Communication: Conflict management

Prevention:

- Set and protect democratic structures
- Clarify each partner`s position („*Silence is not agreement*“)

Measures:

- Depersonalize the problem, clarify the basis
- Coordinator as mediator
- Discussion with concerned parties in private
- Discussion at the Project Meeting
- If everything else fails, refer to the CA



Problems and conflicts

Frequently encountered:

- Serious delays on deadline
- Overspending
- Low quality of personnel competences/ low quality of work
- Conflicts about intellectual property rights
- Change of personnel/ loss of contractor

Special cases:

- Inadequate effort
- Change of interest

Solutions:

Discussion,
diplomacy

Termination of the contact,
Change of partners



Discussion,
consortium-wide



Finances: Key concepts

- The EC reimburses actual **eligible costs**
- The eligible costs are **direct + indirect**
- Partners can report indirect cost as:
 - Actual indirect cost [available to all]
 - Flat rate: a percentage of direct costs (*excluding* subcontracting):
 - Transitional flat rate (60%) [non-profit public bodies, secondary and higher education establishments, research organisations, SMEs – unable to identify the real indirect cost for the project]
 - Standard flat rate (20%) [available to all]
- Partners from ICPC can opt for **Lump sum** amounts

Conditions may be set in the Work Programme/ call for proposals

Lump sum budgeting

Lump sum contribution per country income group

Economy of the ICPC	Contribution (EUR/researcher/year)
low-income	8,000
lower middle income	9,800
upper middle income	20,700

- These amounts must be multiplied by the total number of person-years for the project requested by the ICPC legal entity.
- The lump sum is deemed to cover **all costs** of a participant from an ICPC country (personnel, travel, equipment, consumables, subcontracts and indirect costs).

Activities financed in FP7 projects

- **Research and technological development** activities
- **Demonstration activities**, designed to prove the viability of new technologies that offer a potential economic advantage
- **Management activities** linking together all the project components and maintaining communications with the Commission
- Any **other activities** such as: dissemination, support, coordination of research, training

Maximum funding rates

In “Cooperation” projects

Activity		Organisation	
		Public non profit, research, education and SMEs	others
	Research	75 %	50 %
	Demonstration	50 %	50 %
	Training	100 %	100 %
	Management	100 %	100 %
	Others	100 %	100 %



Maximum reimbursement rates of eligible costs	Research and technological development (*)	Demonstration activities	Training activities	Management of the consortium activities	Other activities (**)
Network of excellence				100%	100%
Collaborative project	50% 75% (***)	50%	100%	100%	100%
Research project for the benefit of specific groups (SMEs)	50% 75% (***)	50%	100%	100%	100%
Coordination and support action			100% (****)	100% (****)	100% (****)

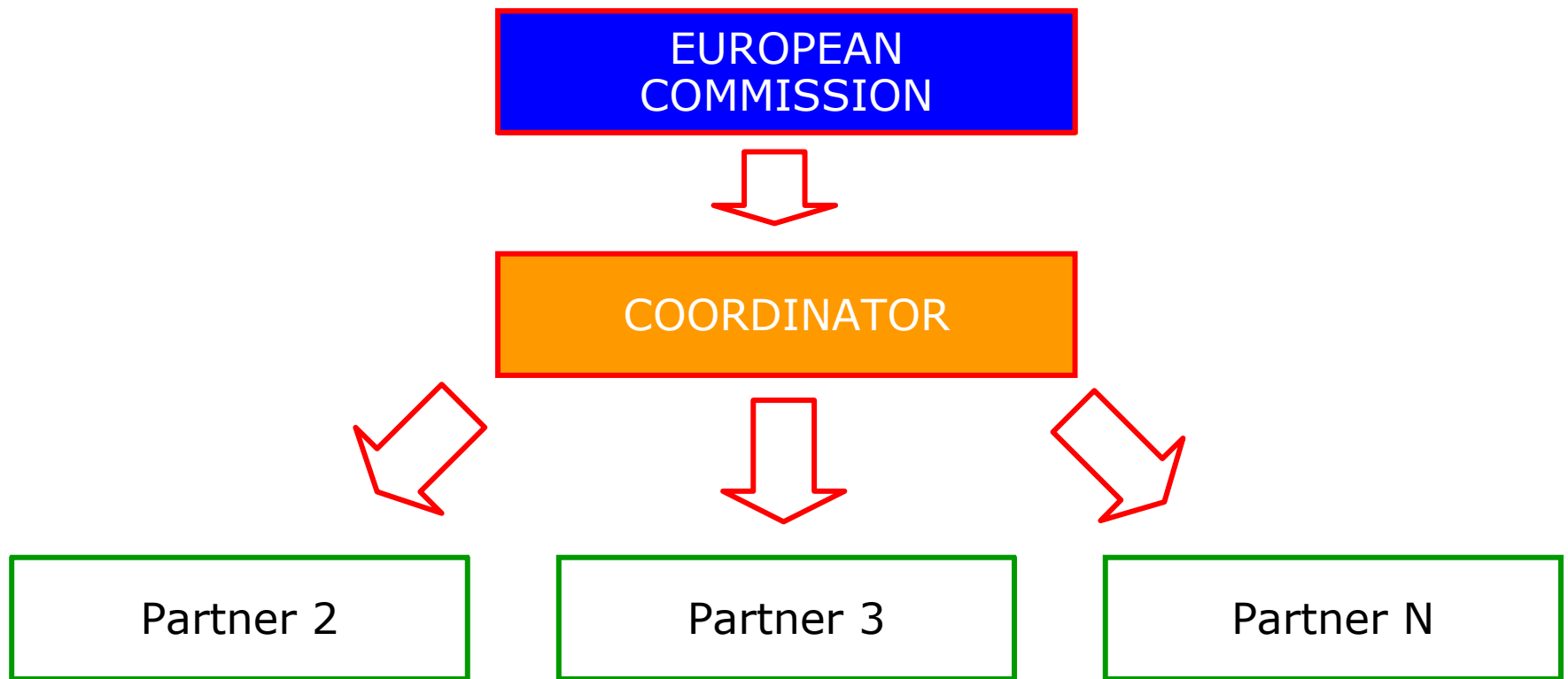
(*) Research and technological development includes operational activities directly related to the protection of foreground and coordination of research activities.

(**) Other activities means any "specific activity" covered by Annex I.

(***) For *beneficiaries* that are non profit public bodies, secondary and higher education establishments, research organisations and SMEs

(****) The reimbursement of indirect eligible costs, in the case of coordination and support actions, may reach a maximum 7% of the direct eligible costs, excluding the direct eligible costs for subcontracting and the costs of reimbursement of resources made available by third parties which are not used on the premises of the beneficiary.

Project funding



Prefinancing

- **One prefinancing:** 160% of the average EC funding per period → transferred to Coordinator 45 days after entry into force of the GA
- Coordinator distributes prefinancing:
 - once minimum number of beneficiaries have signed Form A
 - only to those who have signed and returned Form A
- 5% of EC total grant is transferred to **Guarantee Fund** – it is kept aside (risk limiting mechanism) and will be recovered at the end of the project

Further payments

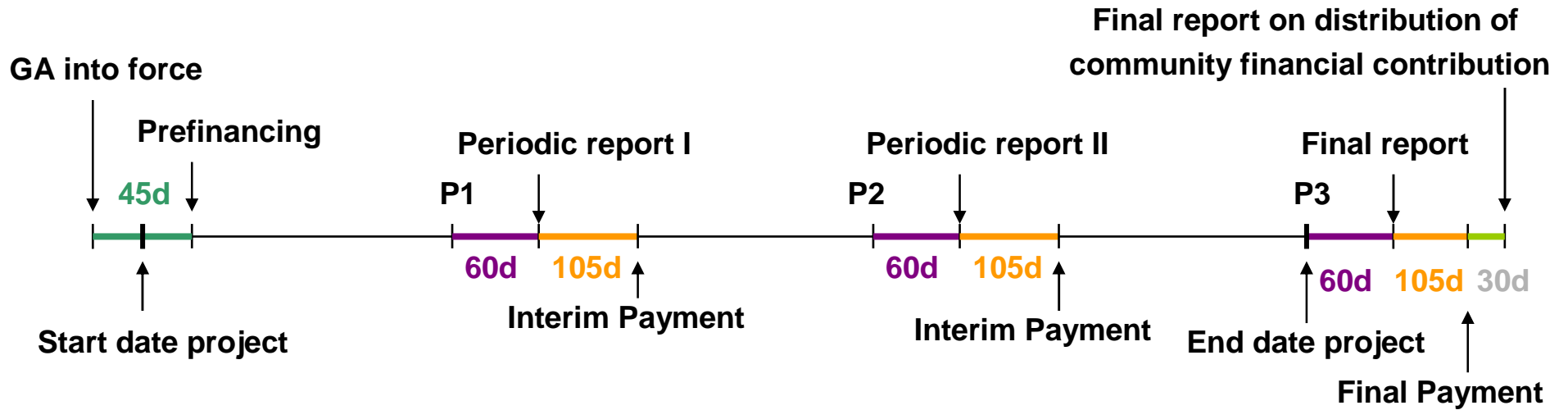
Interim payments

- Transferred by EC after approval of submitted periodic reports (max. 105 days from the end of the period)
- Calculated on the basis of declared costs and on reimbursement rates
- 10% of EC total grant withheld until the approval of the final report

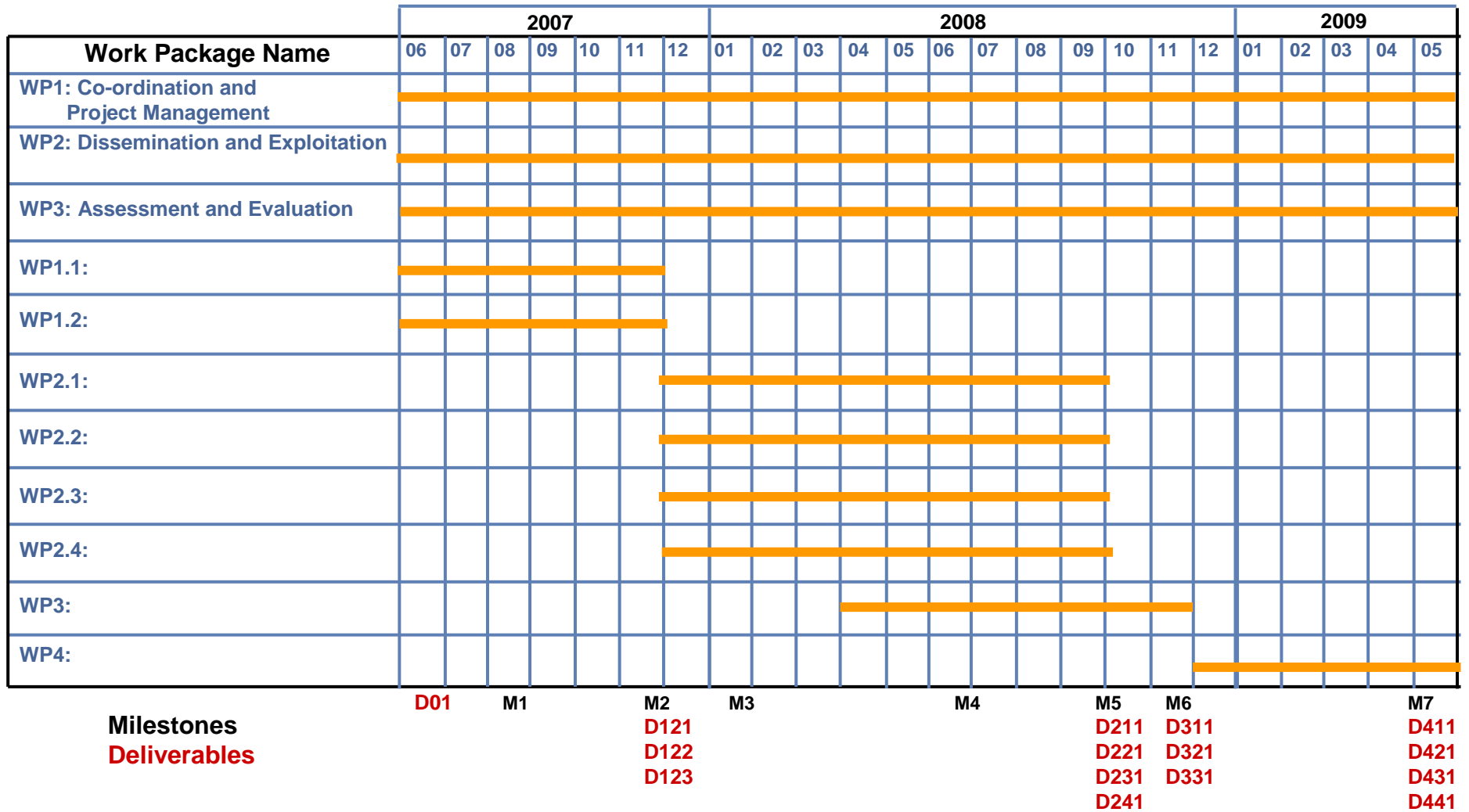
Final payment

- after approval of final reports
- difference between total EC contribution and amounts already paid

Timeline of reporting and payments



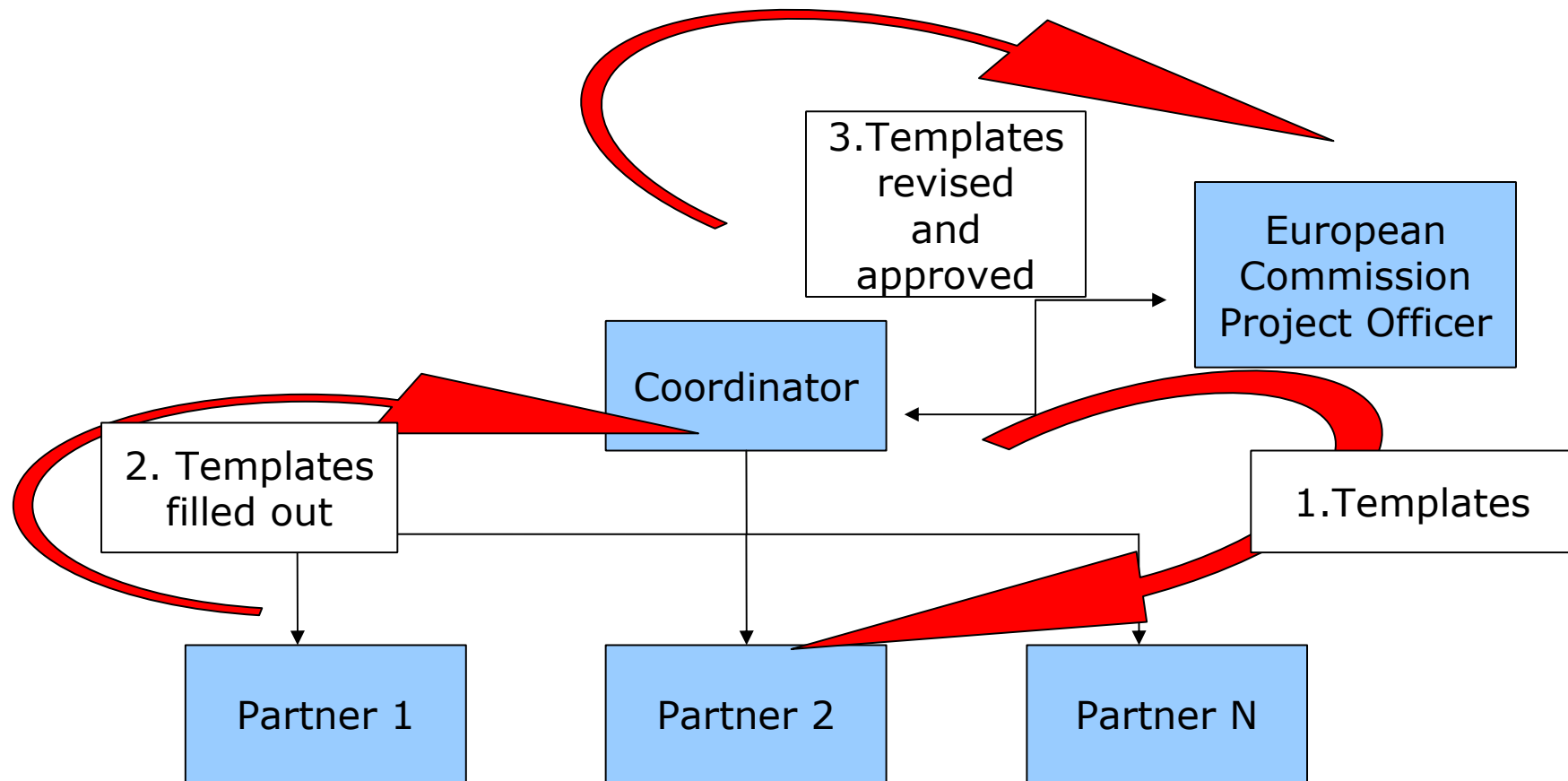
Timeline of workflow



Reporting

- At the end of each period:
Technical report + Management (financial) report
- Guidelines for reporting:
ftp://ftp.cordis.europa.eu/pub/fp7/docs/project_reporting_en.pdf
- **Financial report should be completed in €**
=>conversion rate available at
www.ecb.int/stats/eurofxref/ (date: first day of the month after the end of the period)
- **Certificate on financial statement** required to certify costs incurred in the frame of the project each time if the added-up EC contribution > 375 000€

Scheme of reporting



FORM C – part of periodic report

Form C - Model of Financial Statement (to be filled in by each beneficiary)			
Project nr	nnnnnn	Funding scheme	Coordination and Support Action
Project Acronym	xxxxxxxxxxxxxxxxxxxx		
Period from	dd/mm/aa	Is this an adjustment to a previous statement ?	Yes/No
To	dd/mm/aa		
Legal Name			
Organisation short Name		Beneficiary nr	nn
Funding % for RTD activities (A)		If flat rate for indirect costs, specify %	%

1. Declaration of eligible costs/lump sum/flat-rate/scale of unit (in €)

	Type of Activity				TOTAL (C+D)
	RTD (A)	Demonstration (B)	Management (C)	Other (D)	
Personnel costs					
Subcontracting					
Other direct costs					
Indirect costs					
Lump sum/flat-rate/scale of unit declared					
Total					
Maximum EC contribution					
Requested EC contribution					

2. Declaration of receipts

Did you receive any financial transfers or contributions in kind, free of charge from third parties or did the project generate any income which could be considered a receipt according to Art. II.17 of the Grant Agreement ?
If yes, please mention the amount (in €)

Yes/No

3. Declaration of interest yielded by the pre-financing (to be completed only by the coordinator)

Did the pre-financing you received generate any interest according to Art. II.19 ?

Yes/No

4. Certificate on the methodology

Do you declare average personnel costs according to Art. II.14.1 ?

Yes/No

Is there a certificate on the methodology provided by an independent auditor and accepted by the Commission according to Art. II.4.4 ?

Yes/No

Name of the auditor		Cost of the certificate (in €), if charged under this project	
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5. Certificate on the financial statements

Is there a certificate on the financial statements provided by an independent auditor attached to this financial statement according to Art. II.4.4 ?

Yes/No

Name of the auditor		Cost of the certificate (in €)	
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6. Beneficiary's Certificate

We certify that:

- the costs declared above are directly related to the resources used to attain the objectives of the project and fall within the definition of eligible costs specified in Articles II.14 and II.15 of the grant agreement, and, if relevant, Annex III and Article 9 (special clauses) of the grant agreement ;

- the receipts declared above are the only financial transfers or contributions in kind, free of charge, from third parties and the only income generated by the project which could be considered as receipts according to Art. II.17 of the Grant Agreement;

- the interest declared above is the only interest yielded by the pre-financing which falls within the definition of Art. II.19 of the grant agreement ;

- there is full supporting documentation to justify the information hereby declared. It will be made available at the request of the Commission and in the event of an audit by the Commission and/or by the Court of Auditors and/or their authorised representatives.

Beneficiary's Stamp	Name of the Person(s) Authorised to sign this Financial Statement
	Date & signature

FORM C – how to fill in?

1- Declaration of eligible costs/lump sum/flat rate/scale of unit (in €)

	Type of Activity				TOTAL (A+B+C+D)
	RTD (A)	Demonstration (B)	Management (C)	Other (D)	
Personnel costs					
Subcontracting					
Other direct costs					
Indirect costs					
Lump sum/flat rate/scale of unit declared					
Total					
Maximum EC contribution					
Requested EC contribution					

2- Declaration of receipts

Did you receive any financial transfers or contributions in kind, free of charge from third parties or did the project generate any income which could be considered a receipt according to Art.II.17 of the grant agreement ?

If yes, please mention the amount (in €)

Yes/No

3- Declaration of interest yielded by the pre-financing (to be completed only by the coordinator)

Did the pre-financing you received generate any interest according to Art. II.19 ?

If yes, please mention the amount (in €)

Yes/No

4. Certificate on the methodology

Do you declare average personnel costs according to Art. II.14.1 ?

Yes/No

It is a web-based tool to edit and submit Forms C

Services:

- Preparation of **FORMS C** with updated and correct contract/grant information of each beneficiary participating in the project/grant
- The coordinator can check Forms C before submission
- Printing of **Forms C**
- Electronic submission of **FORMS C** to the Commission (signed paper version to be sent afterwards)
- Correction of **Forms C** after refusal by Commission

The EC can audit any organisation during or after the end of the grant agreement

Project duration + 2 years:

upon request, EC has to be informed about the foreground of the project

Project duration + 5 years:

- financial, technical audits as well as ethics audits can be arranged
- confidential information has to be kept confidential
- data for review, impact assessments and evaluations can be requested

What is IPR?

Intellectual Property Rights

= legal instruments to protect someone's intangible assets (non-physical assets)

Converting Intellectual Assets into Property



By granting a legal title which entitles the owner the right **to prevent others from exploiting** it (reward for the inventors!)

IPR – a strategic factor in a successful FP7 project

Before Project

- Proposal preparation, incl. “potential impact”
- Defining project-related know-how
- Defining IP-protected areas
- **Negotiating a CA**
- Negotiating with the EC

During Project

- Strategy for protection & management of foreground
- Granting of access rights

After Project

- Protection of generated IP
- Exploitation of the results
- Dissemination

AT ALL STAGES

Provisions on IPR aspects in FP7

- **Rules for participation**
- **EC Grant Agreement (and related Annexes, Annex II in particular)** – it does not regulate everything and provides for the possibility of further specifications
- **Consortium Agreement** - fundamental for Intellectual Property Management; it is compatible with the Grant Agreement, which prevails in case of contradiction

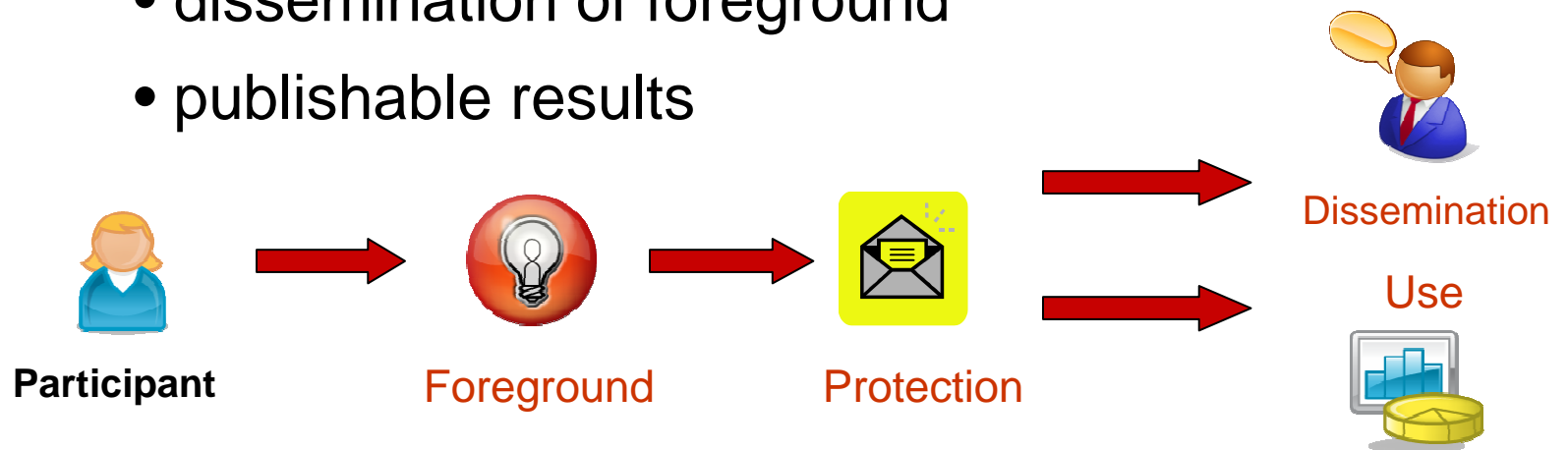
- **Background:** information, know-how and IPR (granted or applied) before signature of the EC grant agreement
- **Foreground:** Results generated by the project and any IPR attached to these results
- **Use:** Direct or indirect utilisation of foreground in further research or commercial activities
- **Access rights:** Licences and user rights to foreground and background for the execution of the project or the use of the foreground

Plan for the use and the dissemination of foreground (PUDF)

It summarises the strategy and the concrete actions of a consortium for the protection, exploitation and dissemination of the results.

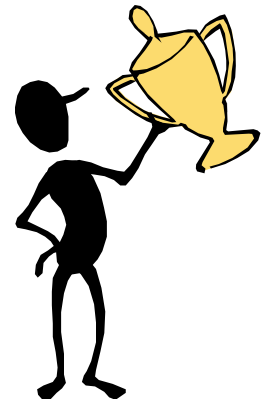
It must contain information on:

- exploitable foreground and its use
- dissemination of foreground
- publishable results



Is it easy to manage FP7 projects?

- The requirements are detailed in the support documents
- Good communication and good faith within the consortium is essential
- Experienced partners can help a lot
- A well designed CA can help when things go really wrong
- The Project Officer can offer support
- **Usually, everybody wants an FP7 project to succeed!**



Thank you for your attention !

