Guidelines for

Exploratory Projects for Preparing R&D&I Projects

Version 2.2

Valid as of 1 September 2016

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Preface

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

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 have[1].

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 processes[2] in exploratory projects, as long as this supports their objectives.

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

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[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]

1.2 What demands are placed on the consortium?

A consortium for collaborative projects must consist of 2 or more partners that are independent[3] of each other. It must include:

- at least 1 small or medium-sized enterprise (SME)[4] or
- 1 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 is the contact point for the FFG
- The consortium leader submits the application for funding

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

Before payment of the 1st funding rate, the consortium leader confirms that before the start of the project the conditions are determined in a Declaration of Cooperation.

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

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[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] Details see SME definition

[5] See RTI Guideline 2015 (*Themen-FTI-Richtlinie 2015*), 12.1 Definition of terms

1.4 Who is eligible to receive funding?

Legal entities, partnerships and sole traders that are not part of the Austrian federal administration are eligible to receive funding.

The following are eligible for funding:

- Companies of any legal form
- Institutions of research and knowledge dissemination
  - Universities and universities of applied sciences
  - Non-university research institutions
  - Technology transfer institutions, innovation agents and other research-oriented organisations such as associations with a relevant purpose
- Other non-commercial institutions
  - Local authorities[6] and autonomous bodies
  - Non-profit making organisations such as NPOs[7]

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 provided these are not affiliated with any of the Austrian companies in the consortium.

Partners from outside the EU may also receive funding unless this is specifically excluded in the relevant call.

[6] **Activities of local authorities falling within their statutory mandate are not eligible for funding.**

[7] "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 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**[8] 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.

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.

- The funding rate for enterprises 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. [9]

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[8] www.eurekanetwork.org or http://www.ffg.at/eureka

[9] AGVO: Verordnung (EU) Nr. 651/2014, ABl. L 187/48 – https://www.ffg.at/sites/default/files/dok/anlage_1_amtsblatt_agvo_nr_651-2014.pdf

Table 1 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 %

Non-commercial activities of research institutions include:

- primary activities such as education
- research and development, independent or as part of an effective collaboration
- knowledge dissemination and transfer[10]

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.

The company size is to be determined according to the SME definition as specified by EU competition law: information on SME definition[11].

1.7 What costs are eligible?

Eligible costs must be allocable directly to the project. This means that:

- they are incurred additionally to the normal operating costs during the funding period
- they are in accordance with the Funding Contract
- they can be evidenced by receipts

The earliest possible date for the start of the project is after submission of the application for funding.

For details on the eligibility of costs see the Cost Guidelines: https://www.ffg.at/recht-finanzen/kostenleitfaden/version-2

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

[11] Information SME Definition: https://www.ffg.at/recht-finanzen/rechtliches_service_KMU

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.

1.8 What about intellectual property rights?

Intellectual property rights relating to the project results belong to the consortium. The provisions of the Community framework for state aid for research and development and innovation, 2014/C 198/11, apply to collaborations between commercial companies and research institutions[12].

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.

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.

[12] Unionsrahmen: https://www.ffg.at/sites/default/files/dok/anlage_2_amtsblatt_f_e_i_unionsrahmen.pdf

Table 2 Evaluation criteria

Quality of the project	threshold 18	Points 30
1.1. How well are the state of the art (current level of knowledge/technology) and/or the commercially available products and services described and how plausible is the assessment?		6
1.2. To what extent does the complexity of the problem or the envisaged innovation goal justify carrying out an exploratory project?		15
1.3. What is the quality of planning based on the following criteria? o Transparent structure of work packages o Transparent presentation of costs o Transparent description of work packages according to the scope of work o Adequate relationship between costs and work plan o Adequate scope of project management o Provisions for risk management o Realistic implementation of plan (duration, deadlines, milestones, results) o Clarity and coherence of cooperative relationships (if applicable)		6
1.4. If the project relates to people[13]: To what extent have gender-specific topics been taken into account in project planning? o Quality of the analysis of gender-specific topics o Integration in the methodical approach of the project		3
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

[13] 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.

Benefit and exploitation	18	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
3.2. What potential positive impact will the planned results of the exploratory project have in the organisations involved and beyond, for example by: ○ expanding existing R&D activities to include new fields of application ○ opening up new business fields etc. ○ creating a benefit for the relevant target group ○ if people are affected by the exploitation of the project results: Consideration of gender-specific issues in exploiting the economic potential		14
Relevance to the Call	**12**	**20**
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 place ○ 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

1.10 What documents are required for submission?

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

eCall Online Cost-Plan

Please upload the following documents via the eCall upload function:

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
- Declaration of SME Status 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/en/statutes.html) 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

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/Cockpit/Help.aspx.

2.2 What about the security of confidential project data?

The FFG is under a legal obligation to maintain secrecy concerning company and project information pursuant to Sec. 9 para 4 of the Austrian Research Promotion Agency Act

(FFG-G, Federal Law Gazette BGBl. I No. 73/2004). External experts who are involved in the assessment of individual projects are also subject to confidentiality obligations.

Project contents and results may only be published with the consent of the funding recipient.

The FFG may use personal data in accordance with Secs. 7 to 11 of the Data Protection Act (DSG 2000 Federal Law Gazette, BGBl. I No. 165/1999):

- for the conclusion and performance of the funding contract
- for fulfilling our statutory mandate
- for control purposes

This use may mean that the data must be transferred or disclosed in particular to bodies and authorised representatives of the Federal Audit Office, the Federal Minister of Finance and the EU. There is also the possibility to obtain information from the transparency portal according to Sec. 32 (5) of the Transparency Database Act (TDBG 2012).

The FFG shall obtain a declaration of consent for any use of such data going beyond this provision.

Further information about privacy during the duration of the project is available in the eCall tutorial.

3 Assessment and Decision

3.1 What is the formal check?

In the formal check 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 difficulty[14].

3.3 Who takes the funding decision?

The funding decision is taken by the responsible Federal Ministers on the basis of the funding recommendation made by the evaluation committee.

4 Funding Procedure

4.1 How is the Funding Contract concluded?

If funding is granted, 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 and recommendations taken into account?

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

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

These may include requirements to be met prior to the conclusion of the funding contract or conditions to be met by the consortium during the course of the project.

Prior to payment of the 1st instalment, the consortium leader must confirm that a Declaration of Cooperation has been duly signed by all partners.

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

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

Table 3 FFG instalment scheme

Project duration in months	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 %

4.4 What reports and accounts are required?

Within 3 months of the conclusion of the project a final report and the final accounts must be submitted via the eCall reporting function.

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.

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

Substantial cost reallocations must be justified and requested by completing the cost reallocation table.

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?

The consortium submits a final report and final accounts after the end of the project. The FFG Project Controlling & Audit Division will examine whether the funding has been used appropriately. The audit will establish the final level of eligible costs.

You will receive the result of the audit in writing:

- In the event of a positive result, the appropriate use of the funding will be confirmed.
- In the event of a negative result, procedures may be initiated to secure repayment of funding.

Funding details: The final instalment will be transferred once the specified cost has been reached. If the project is underspent the level of funding will be reduced accordingly. The funding amount may also be reduced for scientific reasons, as well as on formal and legal grounds.

For more information about eligible costs, see the Cost Guidelines: https://www.ffg.at/recht-finanzen/kostenleitfaden/version-2

5 Call milestones (up to first instalment)

Opening of call

Submission via eCall

Submission deadline

You receive the **result of the formal check**

Formal check by FFG

Peer reviews by national/international experts

FFG checks **financial potential**

Funding recommendation to responsible Federal Minister(s)

Funding decision by responsible Federal Minister(s)

FFG notifies **funding applicants** of decision

Approval:

You receive a contract proposal or

Rejection:

You receive a letter of rejection

Acceptance of draft contract

Compliance with obligations prior to contract

Funding Contract

- Funding period
- Type and amount of funding
- Eligible costs
- Project-specific conditions and obligations
- Reporting obligations
- Signed by FFG and all project partners

Acceptance of funding contract by returning a copy duly signed by all project partners

Compliance with obligations prior to first instalment

First instalment & start of project