

**FIFTH FRAMEWORK PROGRAMME OF THE EUROPEAN COMMUNITY
FOR RESEARCH, TECHNOLOGICAL DEVELOPMENT
AND DEMONSTRATION ACTIVITIES**

PROPOSAL FOR FINANCIAL SUPPORT FROM THE EC FOR

SME Specific Measures

Exploratory Awards (Step 1)

CALL SME 1999/1

Contents:

- Exploratory Award summary
- General conditions
- Evaluation criteria
- Specific contractual conditions
- Eligibility checklist
- Acknowledgement of receipt form
- Application forms
- Proposal description

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EXPLORATORY AWARD SUMMARY

Exploratory Awards are granted to SMEs to cover part of the costs of preparing a complete Step 2 proposal for submission to one of the European Community's Research and Technological Development (RTD) programmes.

EC contribution

- Maximum total eligible cost which may be submitted (*see Glossary*) is 30 000 euro
- EC contribution is 75% of the total eligible cost, thus the maximum grant is 22 500 euro



Proposals where the submitted total eligible costs are above 30 000 euro will be regarded as ineligible for funding and will not be evaluated.

Duration

Maximum 12 months

Participants

Two participants are required which :

- are non-affiliated eligible SMEs¹ (*See Glossary*), and
- come from different Member States (or from at least one Member State and an Associated State (*see Glossary*)), and
- have not previously received an Exploratory Award under the Fifth EC RTD Framework Programme (1998-2002)

SME Co-ordinator (*see Glossary*)

Must be an *Eligible SME* (*See Glossary*)

Calls

Continuously open call²; regular evaluations by batch until 18 April 2001

Thematic priorities

In line with the general objectives and priorities of at least one thematic programme under the Fifth EC RTD Framework Programme (1998-2002):

- *Quality of life and management of living resources*
- *User-friendly information society*
- *Competitive and sustainable growth*
- *Energy, environment and sustainable development*

Types of Step 2 proposals which can be prepared with an Exploratory Award²

- [a] *Cooperative research (CRAFT)*
- [b] *RTD projects (collaborative research)*
- [c] *Demonstration projects*
- [d] *Combined R&D and demonstration projects*
- [e] *Innovation projects*

¹ In the thematic priorities related to biomedicine (QOL-1. to QOL-4. and QOL-6. to QOL-13.), an end user (*see Glossary*) which is not an eligible SME may submit an Exploratory Award proposal together with an eligible SME. In this case the two partners must not be affiliated to each other, and the end user is expected to play a critical role in the development of the project and exploitation of the results. The end user will sign the contract but will not receive any EC contribution.

² For more information, see the inside cover of this information brochure or the web file "Practical information on the SME Specific Measures....".

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| GENERAL CONDITIONS |
|---------------------------|

By participating in an Exploratory Award project, the participants must intend to submit a complete Step 2 proposal. The Step 1 outline proposal must clearly justify the need for an award.

Activities related to the preparation of a Step 2 proposal which can be funded with an Exploratory Award:

- *Detailed project planning and writing of the Step 2 proposal,*
- *Feasibility check* – Use desk studies, literature survey, risk analysis, not technical research to determine if the project is realisable,
- *Market analysis* to assess possible exploitation,
- *Novelty verification* – Including a mandatory world-wide patent search³,
- *Search for additional participants.*

The Exploratory Award will cover 75% of the total eligible cost (see Glossary) of the (Step 1) proposal. The total eligible cost will depend on the justified request of the participants and on the recommendations of the evaluators. These eligible costs should mainly consist of : personnel costs, subcontracting, travel and subsistence, computing, overhead costs (Cfr. Part B3 in the proposal description for more details).

Maximum total eligible cost: 30 000 euro; maximum EC contribution: 22 500 euro.

For participants intending to submit a cooperative research proposal at Step 2:

- The SMEs must intend to subcontract at least 40% of the research foreseen in Step 2 to third parties (RTD performers).
- The SMEs may have inadequate R&D means of their own to carry out the intended research.
- The Step 1 outline proposal must clearly indicate that the intended research project is centred on the needs of the SMEs and that they are directly interested in exploiting the research results.
- The objectives of the Step 2 proposal must be in line with the general objectives of at least one thematic programme.

For participants intending to submit a RTD (collaborative research), demonstration, combined R&D and demonstration, or innovation project proposal at Step 2:

- In particular for RTD projects (collaborative research), the SMEs must have adequate R&D means to carry out the intended research.
- The Step 1 outline proposal must clearly indicate that the SME proposers intend to play a leading or major role both in the research work/demonstration work and in the exploitation of the research results.
- The objectives of the Step 2 proposal must be in line with those of the call envisaged for submitting the proposal (See <http://www.cordis.lu/fp5> for details).

³ It is strongly recommended that participants perform a novelty and state-of-the-art search within their Exploratory Award, preferably by the European or National Patent Offices or any other professional search organisation. More information on why to undertake patent searches, how it can be done and what can be obtained through different type and level of searches can be found on the "Quick Scan" page at the SME website (<http://www.cordis.lu/sme/src/helptool.htm>). Such a search can also be helpful to find RTD partners and determine the competitive position of the proposal.

EVALUATION CRITERIA

For Exploratory Awards, the evaluation criteria relate to:

[i.] The intended research, innovation or demonstration activities to be undertaken under Step 2 (see Part B1 in the proposal description)

- Scientific/Technological quality and innovation (i.e. quality of research proposed, degree of novelty, pertinence and importance of proposed project)
- Community added value and contribution to EU policies (i.e. the European dimension of the problem, European added value for the consortium, contribution to the implementation of EU policies)
- Contribution to Community social objectives (i.e. improving quality of life and health, improving employment, preserving the environment)
- Economic development and Scientific/Technological prospects (i.e. potential usefulness and application of envisaged results, strategic impact of project for the participants, exploitation and/or dissemination strategies for the foreseen results)
- Management, partnership and resources (i.e. quality of management proposed, quality of partnership, appropriateness of resources foreseen)

[ii.] The effort foreseen during the Exploratory phase to prepare a complete Step 2 proposal (i.e. detailed project planning and proposal writing, feasibility check, market analysis, novelty verification, search for additional participants).
(see Part B2 in the proposal description)

- Extent to which EC financial support is needed and justified to prepare a complete Step 2 proposal
- Quality of the work foreseen in the Exploratory Phase

SPECIFIC CONTRACTUAL CONDITIONS

For proposals selected to receive an Exploratory Award, a contract is established between the Commission on the one hand and on the other hand, the SME Co-ordinator and the second participant (i.e. SME Proposer or end user).



Any payment will be made only after submission of an eligible Step 2 proposal and a payment request. No payment will be made if the Step 2 proposal submitted is ineligible.

ELIGIBILITY CHECKLIST

If your Exploratory Award proposal is to be accepted as eligible, you **must** be able to answer yes to **all** of the following questions.

Put a check (✓) in the box if the answer is yes.

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|--|--------------------------|----------------------------|
| 1. Have you and your partner(s) duly completed and signed the application forms (part A)? | <input type="checkbox"/> | |
| 2. Did you complete the proposal description (part B) according to the instructions provided? | <input type="checkbox"/> | |
| 3. Is the intended Step 2 proposal clearly indicated? | <input type="checkbox"/> | |
| 4. Do at least the SME Co-ordinator and the second participant satisfy each of the following criteria* : | SME Co-ordinator | Second participant |
| i. not affiliated to each other | <input type="checkbox"/> | <input type="checkbox"/> |
| ii. from two different Member States (or from at least one Member State and an Associated State) | <input type="checkbox"/> | <input type="checkbox"/> |
| iii. never received an Exploratory Award under the Fifth Framework Programme of EU RTD | <input type="checkbox"/> | <input type="checkbox"/> |
| iv. less than 250 employees | <input type="checkbox"/> | <input type="checkbox"/> * |
| v. no more than EUR 40 million annual turnover or no more than EUR 27 million annual balance sheet total | <input type="checkbox"/> | <input type="checkbox"/> * |
| vi. less than 25% of the capital or voting rights is owned by one enterprise or jointly by several enterprises falling outside the definition of SME (except public investment corporations, venture capital companies and institutional investors, provided no control is exercised either individually or jointly) | <input type="checkbox"/> | <input type="checkbox"/> * |
| vii. is not a research centre, research institute, contract research organisation or a consultant (<i>see Glossary</i>) | <input type="checkbox"/> | <input type="checkbox"/> * |
| 5. Does your Exploratory Award meet these conditions : | | |
| i. total eligible cost, max. EUR 30 000 | | <input type="checkbox"/> |
| ii. EC contribution limits, max. EUR 22 500 | | <input type="checkbox"/> |
| iii. time limits ≤ 12 months. | | <input type="checkbox"/> |

* *If one of the participants is an end user, it is sufficient that the SME Co-ordinator is an eligible SME, i.e. satisfies the criteria 4.iv, 4.v, 4.vi and 4.vii. However, both the SME Co-ordinator and the end user still have to satisfy the criteria 4.i, 4.ii and 4.iii. This exception applies only to the thematic priorities related to biomedicine (QOL-1. to QOL-4. and QOL-6. to QOL-13.).*

If the answer to any of the above questions is no, the proposal is ineligible.