



Aim Higher

EUROSTARS

Funding excellence
in innovation

Eligibility guidelines
for applications



July 2019
Version 5.0



This document provides applicants with an explanation of the eligibility criteria imposed on projects by Eurostars and the method of calculation.

© EUREKA Secretariat, 2017
No part of this document may be reproduced in whole or in part without the express written consent of the EUREKA Secretariat.

July 2019
Version 5.0

CONTENTS

Why are there eligibility criteria?	4
How are the criteria assessed?	4
If my situation changes, will it affect my eligibility?	4
Will I be informed about the result?	4
My project is ineligible. Is the result final?	4
Some general definitions:	5
FTE – Full Time Equivalent	5
SME	5
R&D-performing SME	5
Eurostars countries	6
What are the Eligibility criteria?	6
E1 The project leader is an R&D-performing SME	6
E2 The project leader is from a Eurostars Country; i.e. a Eurostars Participating state or a Eurostars Partner country	6
E3 The project contains at least two legal entities that are independent of one another	7
E4 The consortium is a partnership hosted by at least two different Eurostars countries (i.e. a Eurostars Participating state or a Eurostars Partner country), where at least one of the countries is an EUREKA Full Member Country or Partner Country.	7
E5 The budget (excluding subcontracting) of the R&D-performing SME(s) located in Eurostars Participating state(s) or Partner Country(ies) is equal to at least 50.00% of the total project budget	8
E6 No single entity is responsible for more than 75.00 % of the project budget	8
E7 The participant(s) from a given country may not be responsible for more than 75.00 % of the total project budget	9
E8 The project duration is 36.0 months or fewer	9
E9 Market introduction is within 24.0 months of the project's completion	9
E10 The project meets the EUREKA criteria and must have a civilian purpose	9
E11 Each of the participating organisations in the consortium is a legal entity in the host country	9
E12 None of the participating organisations have convictions for fraudulent behaviour, other financial irregularities or illegal business practices	10
E13 None of the participating organisations have been declared bankrupt or are in the process of being declared bankrupt	10

Why are there eligibility criteria?

Eurostars supports R&D-performing SMEs and their partners by funding collaborative innovation projects that will be rapidly commercialised. It encourages and assists the development of new products, processes and services by offering support and funding to help innovations to access regional, national and international markets. The eligibility criteria are in place to ensure that the applications respect this ambition.

How are the criteria assessed?

Eurostars applications must meet all eligibility criteria otherwise they will not be put forward for evaluation and will be excluded. Compliance with the criteria is assessed both electronically and manually. If a criterion cannot be definitely answered, ineligibility will be conferred.

A description of the assessment method for each criterion is provided later in this document.

If my situation changes, will it affect my eligibility?

Potentially. The application must comply with all eligibility criteria from the moment of submission until the signing of the final consortium agreement approximately 7 months later.

- Applicants are obliged to inform Eurostars of any new information which may affect eligibility.
- Eurostars is obliged to review the eligibility of applications should new information be presented or discovered.

It is possible that an application originally declared eligible is later removed from the evaluations.

Will I be informed about the result?

Yes. Applications which are deemed to be eligible will receive confirmation that they have passed the eligibility check and are under evaluation. Applications which have failed the eligibility check will be informed of their ineligibility. Only the first criterion to cause ineligibility will be identified.

My project is ineligible. Is the result final?

Requests for redress can only be based on procedural grounds, with clear evidence of the reasons for complaint. More information can be obtained in the Guidelines for Redress Procedure for Eurostars-2.

Some general definitions

FTE – Full Time Equivalent

FTE is a measure of worker involvement. One person working full-time is equal to 1.0 FTE. One person working for 50% of the time is equal to 0.5 FTE. EU documentation refers to Annual Work Units or AWU. AWU and FTE are equal and interchangeable.

SME

“SME” stands for small and medium-sized enterprises – as defined in EU law: EU recommendation 2003/361. The main factors determining whether a company is an SME are:

- 1/ Economic activity
- 2/ number of employees and
- 3/ either turnover or balance sheet total.

To qualify as an SME, an organisation must conform to the EC definition of an SME.
http://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition/index_en.htm

R&D-performing SME

To qualify as an R&D-performing SME an organisation must first comply with the EC definition of an SME. In addition, it must also meet the thresholds for dedicated R&D FTEs or turnover set by EUREKA.

SMEs with a headcount of 100 FTE employees or fewer must:
 have at least 5.0 FTEs dedicated to R&D activities
 or dedicate at least 10.00% of their FTE to R&D activities
 or dedicate at least 10.00% of their turnover to R&D activities

SMEs with a headcount of more than 100 FTE employees must:
 have at least 10.0 FTEs dedicated to R&D activities
 or dedicate at least 10.00% of their FTE to R&D activities
 or dedicate at least 10.00% of their turnover to R&D activities.

SME Headcount (where X is the number of FTE)	Minimum number of FTEs dedicated to R&D	or	Minimum % of FTEs dedicated to R&D	or	Minimum % of Turnover dedicated to R&D
	whichever is fewer				
$0 < X \leq 100$	5.0	or	10.00 %	or	10.00 %
$100 < X < 250$	10.0	or	10.00 %	or	10.00 %

Eurostars countries

The Eurostars countries are listed on the website:

<http://www.eurostars-eureka.eu/applicationInformation>

Organisations which are legal entities in any other country may participate (as a third country) subject to the fulfilment of all eligibility criteria listed within this document, with particular attention being given to E2, E4, E5 and E11.

What are the Eligibility criteria?

E1: The project leader is an R&D-performing SME

To be eligible, the organisation undertaking the role of project leader must comply with the requirements for being an R&D-performing SME.

E2: The project leader is from a Eurostars Country; i.e. a Eurostars Participating state or a Eurostars Partner country

To be eligible, the organisation undertaking the role of project leader must be legally and operationally based in a Eurostars country (i.e. a Eurostars Participating state or a Eurostars Partner country).

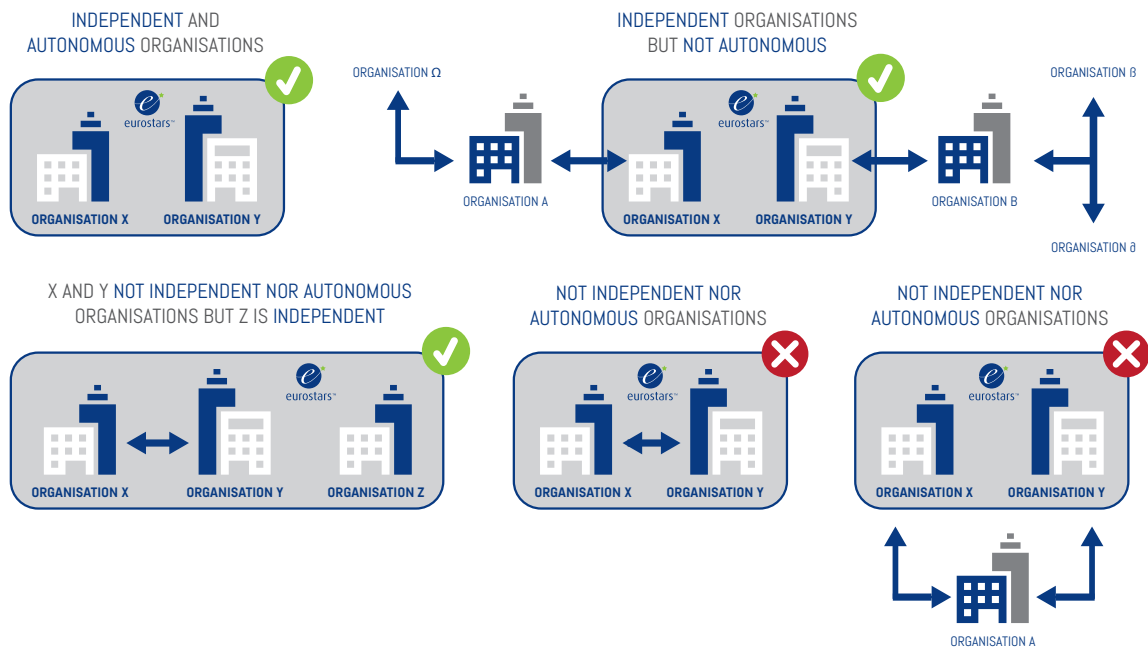
Eurostars Participating state (33): Austria, Belgium, Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey and the United Kingdom.

Eurostars Partner country (3): Canada, South Africa and South Korea

E3: The project contains at least two legal entities that are independent of one another

To be eligible, the partnership must include at least two legal entities independent of each other, meaning that neither is under the direct or indirect control of the other or under the same direct or indirect control as the other.

Specifically for this criteria:



E4: The consortium is a partnership hosted by at least two different Eurostars countries (i.e. a Eurostars Participating state or a Eurostars Partner country), where at least one of the countries is an EUREKA Full Member or Partner Country.

To be eligible a consortium should include at least two different Eurostars countries (i.e. a Eurostars Participating state or a Eurostars Partner country) which can be found in this link, where at least one of these countries must be a EUREKA Full Member or Partner Country.

EUREKA Full Member or Partner Country which are Eurostars Participating state or a Eurostars Partner country (34): Austria, Bulgaria, Belgium, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Latvia, Lithuania, Luxembourg, Malta, The Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom, South Korea.

Consideration:

Organisations which are not full participants within the project (e.g. subcontractors) are not considered.

E5: The budget (excluding subcontracting) of the R&D-performing SME(s) located in Eurostars Participating state(s) or Partner Country(ies) is equal to at least 50.00% of the total project budget.

To be eligible, the participant budget (minus subcontracting costs) of the sole R&D-performing SME involved in the application must be equal to at least 50.00 % of the total project budget. If there are multiple R&D-performing SMEs, their combined total participant budget (minus subcontracting costs) must equal at least 50.00 % of the total project budget.

In either case, the 50.00% budget threshold must be met by R&D-performing SME(s) located in Eurostars Participating state(s) or Partner Country(ies).

Calculation:

% R&D-performing SME contribution is calculated as:

$$\frac{\sum \text{participant budget}_{R\&D \text{ performing SME}} - \sum \text{Subcontracting cost}_{R\&D \text{ performing SME}}}{\text{Total project budget}} \times 100$$

Where the R&D-performing SME(s) is/are in Eurostars Participating state(s) or Partner Country(ies).

Consideration:

Subcontracting by the R&D-performing SMEs is allowed but it is reiterated that the calculation subtracts the accumulated cost of the subcontracting by the R&D-performing SME(s) from the combined budget of the R&D-performing SMEs. The accumulated subcontracting cost is not subtracted from the total project budget.

E6: No single entity is responsible for more than 75.00 % of the project budget.

To be eligible, the project must be spread across different international partners. No single entity may be responsible for more than 75.00 % of the total project budget.

Calculation:

The individual budget of each participant is calculated (inclusive of any subcontracting costs) and is divided by the total budget of the project.

Where the participating organisations are not independent from one another, the sum of their individual participant budgets (inclusive of any subcontracting costs) is divided by the total budget of the project.

E7: The participant(s) from a given country may not be responsible for more than 75.00 % of the total project budget.

To be eligible, the participant(s) from a given country may not be responsible for more than 75.00 % of the total project budget.

Calculation:

The budget of the organisations from each of the represented countries is calculated. The sum of the individual participant budgets for each country (inclusive of any subcontracting costs) is divided by the total budget of the project.

E8: The project duration is 36.0 months or fewer.

To be eligible, the project must be completed in 36.0 months or fewer.

E9: Market introduction is within 24.0 months of the project's completion.

To be eligible, the market introduction of the major project result (the main product/process/service proposed in the application) is planned to occur within 24.0 months of the completion of the project.

In the case of biotechnology, biomedical or medical projects, the start of clinical trials is planned to occur within 24.0 months of project completion.

Calculation:

The time difference between the planned end of the project and planned market entry of the main product/process/service (as mentioned within the application) is calculated.

Consideration:

This will also form part of the evaluation, with the quoted figure in the application being evaluated with respect to its feasibility.

E10: The project meets the EUREKA criteria and must have a civilian purpose.

To be eligible, the project can address any technology area, but must have a civilian purpose and be aimed at the development of a new product, process or service.

E11: Each of the participating organisations in the consortium is a legal entity in the host country.

To be eligible, each participant must be a legal entity, as defined by the legislation of the country where it is hosted. Being a legal entity elsewhere within the EU or in another Eurostars country is not sufficient. Ineligibility of a single participant will lead to the ineligibility and rejection of the project.

E12: None of the participating organisations have convictions for fraudulent behaviour, other financial irregularities or illegal business practices.

Fraudulent behaviour is grounds for exclusion as it endangers the project, the interests of other participants and ultimately the tax payer. Exclusion may be on the basis of, but not limited to, fraudulent behaviour, criminal convictions, or the receipt of an administrative penalty. Exclusion of a single participant will lead to the ineligibility and rejection of the project.

E13: None of the participating organisations have been declared bankrupt or are in the process of being declared bankrupt.

- In the process of being declared bankrupt but still trading,
- Legally declared bankrupt

Bankruptcy (or the process of bankruptcy) is grounds for exclusion as it endangers the project, the interests of other participants and ultimately the tax payer. Exclusion of a single participant will lead to the ineligibility and rejection of the project.