The Eurostars™ Programme
Funding excellence in innovation

Guidelines for
Eurostars Eligibility Check
For
Eurostars Cut-Offs 9 and 10

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Version 1.91

The Eurostars Programme is a joint initiative of EUREKA and the European Community
This document provides the Eurostars Project Officers and National Project Coordinators with guidelines on the eligibility criteria of a Eurostars Project.

This document is for internal purposes only and must not be distributed to persons or organisations outside of the EUREKA-Eurostars network.

Further information on the submitted Eurostars Project Applications is available at:
http://npc.eurostars-eureka.eu

Other Important websites:
EUREKA contacts :
http://www.eurekanetwork.org/in-your-country

Adobe Reader:
http://www.adobe.com/
Eligibility of the Project

The rules for assessing ineligibility or the grounds for exclusion of a participant, and thereby the entire project, should be clear, understandable and definitive. Eligibility criteria are conclusive and not subjective, leading to an absolute status regarding project eligibility.

**Eligibility of the Project: E1-9**

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E1: Does the project meet the EUREKA Criteria? (Section 2.1 of application form)
According to EUREKA criteria, a Eurostars 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.

If the project is aimed at the development of a new civilian product, process or service then E1) must be answered ‘yes’. If not, the answer is ‘no’.

E2: Is the consortium leading SME an R&D performing SME? (Section 3.3 of application form)
According to the EU definition, an R&D performing small and medium-sized enterprise invests 10% or more of their turnover or their full-time equivalent (FTE) personnel in research and development activities.

FTE is a measure of worker involvement. One person working full-time scores an FTE of 1.0. One person working for half of the time gets a score of 0.5.

A company of 80 full-time employees has an FTE score of 80. If eight members of staff work full-time on the project, the company scores a 10% FTE contribution.

A second company with 80 staff, 40 of who work part-time, has an FTE score of 60 (40x1.0 + 40x0.5). This company requires 6 full-time staff or as many as 12 part-time staff to work on the project to fulfil its 10% FTE requirement.

If the leading SME invests 10% or more of their FTE personnel in R&D then E2) must be answered ‘yes’. Or...
If the leading SME dedicates 10% of its turnover to R&D then E2) must be answered ‘yes’.

If neither of these situations is true, the answer is ‘no’.

E3: Do all the SMEs fulfil the EU-adopted definition of an SME? (Section 4.3 of application form)
To be eligible, all SME participants must fulfil the EU-adopted definition of an SME. Guidelines for this definition can be found at the website of the European Commission; SMEs must have a turnover or FTE of greater than zero to be eligible.
http://ec.europa.eu/enterprise/enterprise_policy/sme_definition/index_en.htm

If all SMEs involved in the project fulfil the EU definition then E3) must be answered ‘yes’. If not, the answer is ‘no’.
**E4:** Is the leading R&D SME based in a Eurostars member state?  
(Section 3.1 of application form)  
To be eligible, the leading R&D SME based must be based in either Austria, Belgium, Bulgaria, 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, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey or the United Kingdom.

If the leading SME is from a Eurostars country then E4) must be answered ‘yes’. If not, the answer is ‘no’.

**E5:** Is there at least one other participant from another Eurostars country?  
(Section 4.1 of application form)  
To be eligible, one other participant from the consortium must be based in a second Eurostars participating country.

If another participant is from a Eurostars country then E5) must be answered ‘yes’. If not, the answer is ‘no’.

**E6:** Is the combined R&D-performing SME contribution 50 % or more of the total project cost?  
(Section 1 of application form)  
To be eligible, the contribution of a sole R&D SME involved in the project must be 50 % or more of the total project cost. Conversely, if there are multiple R&D SMEs, their combined contribution must equal 50 % or more of the total project costs.

If the R&D-performing SME contribution to R&D is 50 % or more of the total costs then E6) must be answered ‘yes’. If not, the answer is ‘no’.

**E7:** Is the consortium well balanced, such that no single participant or country is responsible for more than 75 % of the total project costs?  
(Section 1 of application form)  
To be eligible, the project must be spread across different partners, such that no single entity or country is responsible for more than 75 % of the total project costs.

If each entity and country is responsible for less than 75 % of the total costs then E7) must be answered ‘yes’. If not, the answer is ‘no’.
E8: Is the project duration 36 months or fewer? (Section 1 of application form)
The duration of the project must be limited to 36 months or fewer to be eligible.

If the project duration is 36 months or fewer then E8) must be answered ‘yes’. If not, the answer is ‘no’.

E9: Is market introduction* foreseen within 2 years of the project’s end? (Section 3.7/4.7 of application form)
To be eligible, the market introduction of project results must occur within 2 years of the end of the project.

*In the case of biotechnology, biomedical or medical projects, clinical trials must start within 2 years of project completion.

If the market introduction is foreseen within 2 years then E9) must be answered ‘yes’. If not, the answer is ‘no’.
Eligibility of Participants

This does not provide a basis for cancelling a project or participant through a ‘national veto’. Only clear cases of fraud, illegal practices or impending or declared bankruptcy can be used to exclude a participant. Documents must be supplied to substantiate a declaration of ineligibility.

Any concern which cannot be substantiated causes the project to remain eligible. These concerns can then only be expressed as an opinion within the cover note.

Eligibility of Participants: E10-11

Participant: XXX

<table>
<thead>
<tr>
<th>E10</th>
<th>Is this participant is a legal entity in the host country?</th>
<th>☐ yes ☐ no</th>
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<tbody>
<tr>
<td>E11</td>
<td>Serious doubts as to the finances and practices of the entity:</td>
<td></td>
</tr>
<tr>
<td>a</td>
<td>This participant has not been convicted for fraudulent behaviour?</td>
<td>☐ yes ☐ no</td>
</tr>
<tr>
<td>b</td>
<td>This participant is not bankrupt or in the process of being declared bankrupt?</td>
<td>☐ yes ☐ no</td>
</tr>
</tbody>
</table>

Mandatory explanation when a negative answer results:

E10: Is this participant is a legal entity in the host country?

To be eligible, the participant must be a legal entity, as defined by the national legislation of the country where it is hosted. Being a legal entity elsewhere within the EU or in another Eurostars member country is not sufficient.

If the participant is a legal entity in the host country then E10) must be answered ‘yes’. If not, the answer is ‘no’.
E11: Serious doubts as to the finances and practices of the entity:

A) This participant has not been convicted for fraudulent behaviour?
Fraudulent behaviour is grounds for exclusion as it endangers the project, the interests of other participants and ultimately the tax payer. If a company has committed illegal acts, the participant should be banned altogether and should not even be able to receive alternative funding. In the case of exclusion on the basis of fraudulent behaviour (criminal convictions, blacklisting by government authorities, or in receipt of an administrative penalty) the potential participant should receive confirmation from his contact NPC. Exclusion of a participant will lead to ineligibility of the project.

If the participant has been convicted of fraudulent behaviour then E11a) must be answered ‘no’, and the project becomes ineligible. If not, the answer is ‘yes’ and the project remains eligible.

B) This participant is not bankrupt or in the process of being declared bankrupt?
- In the process of being declared bankrupt but still trading,
- Legally declared bankrupt
The reason for this is that the whole project, the financial and other interests of the other participants and the tax payer are threatened. However if this cannot be substantiated in the national eligibility check the company remains eligible and the suspicions must be put forward in the cover note.

If there is clear evidence that the participant is bankrupt or in the process of being declared bankrupt then E11b) must be answered ‘no’, and the project becomes ineligible. If not, the answer is ‘yes’ and the project remains eligible.

Should the answer to E11 result in rejection, the Project Officer is required to provide an explanation why ineligible status has been conferred. Where there is a statement detailing fraudulent behaviour, ongoing bankruptcy proceedings or legally declared bankruptcy, documentary proof is required by the ESE.