Eurostars - A Cross-Border Programme for innovative SMEs

The mission of Eureka’s Eurostars-3 programme is to support innovative SMEs to develop products, processes and services and bring them to the market through funding market-led, cross-border, R&D&I collaborative projects and connecting to accompanying measures enabling:

- Access to new knowledge, and high quality, mutually beneficial collaborations;
- Faster time to market;
- Access to new markets or value chains, leading to improved market share and sales for Eurostars SMEs;
- Business growth and scale-up, leading to increased employment and turnover.

Eurostars will mainly focus on innovative SMEs with the ambition to actively pursuing collaboration activities that result in business innovation for the benefit of the SMEs.

According to the EU definition\(^1\), any entity engaged in an economic activity, irrespective of its legal form, is considered a SME, if it employs less than 250 full-time-equivalent persons and has an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million. The Oslo Manual\(^2\) definition for innovation will be applied: a business innovation is a new or improved product or business process (or combination thereof) that differs significantly from the firm's previous products or business processes and that has been introduced on the market or brought into use by the firm.

The programme follows a market-driven approach and has the ambition to introduce R&D results to the market or clinical trials latest two years after project completion.

Today 40 countries are members of Eurostars and provide a total funding of 873 million Euro for the period of 2021-2027. The European Union contributes additional funding of 225 million Euro from the Horizon Europe Programme.

1 Eurostars Eligibility Criteria:

The formal eligibility criteria are:

1. The project is led by an SME from a Eurostars country.
2. A consortium includes at least two independent entities from two different countries.
3. At least 50% of the total project budget should be incurred on the part of the involved SMEs, excluding subcontracting.
4. No single participant or country is responsible for more than 70% of the project budget.
5. The project duration is 36 months or less.

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6. The project has an exclusively civilian purpose.

2 Application and evaluation procedure:

A single application must be submitted per project, including all contributions from partners of the different countries before the published cut-off date (submission deadline). The application is evaluated centrally by Eureka experts with the adequate area of expertise and ranked by the Independent Evaluation Panel (IEP).

The evaluation criteria include: Quality of the consortium and methodology, added value through cooperation, excellence in innovation, time-to-market and return on investment, contribution to sustainable development.

Generally, 3 months after the cut-off date the result of the evaluation (ranking list and expert evaluations) is communicated to the applicants by the Eureka Secretariat.

The projects are funded by the national funding bodies following the order of the ranking list. Projects are funded, if all involved countries have the necessary financial resources to cover the cost of the parties originating from their country. Generally, 4 months after the cut-off date the funding decision is communicated to the applicants by the Eureka Secretariat.

The negotiations for the funding contracts with the national funding bodies and for final Consortium Agreement between project partners should lead to an overall \textit{time to contract} of less than 7 months.

3 Funding Conditions for Swiss Eurostars participants

Innosuisse represents Switzerland in EUREKA’s Eurostars programme and reimburses eligible costs of Swiss project partners as follows:

<table>
<thead>
<tr>
<th>Funding rate for</th>
<th>max. 50 % of eligible costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>SME, Universities and R+D institutions</td>
<td>max. 25 % of eligible costs</td>
</tr>
<tr>
<td>Large Companies</td>
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</tbody>
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4 Eligible costs

Of all costs, which are budgeted in the Eurostars Application Form, only eligible costs are taken into consideration to determine the maximum funding contribution of Innosuisse. Eligible costs are costs necessary for the execution of the project and are defined in the Ordinance of 20 January, 2021 on the measures for the participation of Switzerland in the Programmes of the European Union in the field of research and innovation (FIPBV, SR 420.126 and AS 2021 72, admin.ch) and in the present document. Only costs documented by employment contracts of Swiss project partners or invoices to Swiss project partners will be re-imbursed.
4.1 Salaries

- Effective salary costs (gross salary costs plus social costs) of universities, universities of applied science, institutions of the ETH domain and other research organizations are eligible.

- For companies effective gross salary costs up to the maximum rates defined in the table below are eligible. The gross hourly rates correspond to an annual full-time equivalent of 2100 hours including 13.5% holiday and public holiday compensation. On top of the gross salary rates, the effective social costs are eligible.

<table>
<thead>
<tr>
<th>Employee category</th>
<th>Gross hourly rate</th>
<th>Gross annual salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project coordinator, deputy project coordinator,</td>
<td>max. CHF 119/h</td>
<td>max. CHF 220'500</td>
</tr>
<tr>
<td>experienced researcher</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research assistant, scientific collaborator</td>
<td>max. CHF 68/h</td>
<td>max. CHF 126'000</td>
</tr>
<tr>
<td>Technician, Programme</td>
<td>max. CHF 61/h</td>
<td>max. CHF 113'400</td>
</tr>
<tr>
<td>Postgraduate, Assistant</td>
<td>max. CHF 46/h</td>
<td>max. CHF 85'100</td>
</tr>
</tbody>
</table>

Collaborators without a regular employment are considered as subcontractors (see chapter 4.5)

4.2 Fixed assets

Depreciation of fixed assets necessary for the execution of the project are eligible costs, unless the asset in question is fully depreciated or procured using third-party funds specifically earmarked for this purpose. The depreciation rates for equipment are determined in accordance with the internal accounting rules. If the equipment is not used exclusively for the project, the respective actual share of use in the project may be taken into account. The proportion of use of the equipment must be verifiable (e.g. by means of laboratory records) and auditable. Companies without a specific internal accounting rule, calculate depreciation costs as follows:

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\text{fixed asset depreciation cost} = \frac{\text{purchase price}}{\text{lifetime}} \times \text{time fixed asset is reserved for project}
\]

4.3 Consumables

Project expenses like consumables (fully depreciated on the project), which are necessary for the execution of the project are eligible costs.

4.4 Travel costs

Travel costs within Switzerland are not eligible for funding.

Internationals travel costs, which are necessary for the execution of the project, are eligible costs. Travel costs for conferences abroad are only eligible for funding, if participation is linked directly to the Eurostars project and the partner makes an active contribution to the conference (presentation, poster, paper, booth). All expenses must be specified and documented in detail.
4.5 **Subcontracting**

Subcontracting costs are eligible for funding if they are not amongst project partners. Their necessity for the execution of the project must be duly justified and complement the participants’ own contribution to the project in a suitable way.

4.6 **Overhead costs**

Overhead costs are applied to all eligible cost categories. Overheads correspond to the Innosuisse rate of 15%.

4.7 **Non-eligible costs**

Costs, which are not essential for the execution of the project are not eligible for funding and will not be considered for the calculation of the funding contribution. Examples of such costs are: certifications of products (CE labelling), work related to securing a patent, publication costs, services and consultant fees, etc.

5 **Payment of the funding contribution**

In case Switzerland is associated to Horizon Europe, Innosuisse will manage the EU contribution. Innosuisse reimburses the EU contribution to the project partners in Euro. To minimize any loss of funding related to currency exchange, Innosuisse will pay its own contribution in CHF as upfront payment and the EU contribution in Euro as final payment after the completion of the project.

If Switzerland is not associated to Horizon Europe, the whole funding contribution will be paid in CHF. If this is the case, the upfront payment will cover 50%, the mid-term payment 30% and the final payment 20% of the total funding contribution.

6 **Contacts**

It is recommend to the Swiss participants to contact Innosuisse for a formal check before the submission of a project. The contact persons are:

Mr. Janique Siffert, Eurostars Project Officer  
Phone: 058 466 70 70  
Email: janique.siffert@innosuisse.ch

Ms. Colette John-Grant, EUREKA National project coordinator  
Phone: 058 466 77 32  
Email: colette.john@innosuisse.ch