



Eurostars eligibility guidelines

This document explains Eurostars eligibility criteria for Eurostars projects and how we calculate your eligibility.

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Why are there eligibility criteria?

Eurostars supports innovative SMEs and their partners (large companies, universities, research institutes and any other types of organisations) by funding international collaborative R&D and innovation projects. Projects should result in the creation of new products, processes and services that can be rapidly commercialised in European and global markets.

We have eligibility criteria to ensure that project applications support this ambition. **To apply, you must fulfil seven eligibility criteria:**

1. The project consortium is led by an innovative SME from a Eurostars¹ country.
2. The project consortium is composed of at least two entities that are independent from one another.
3. The project consortium is composed of entities from at least two Eurostars countries with at least one organisation coming from an EU or Horizon Europe Associated Country^{2,3}.
4. The budget of the SMEs from a Eurostars country, excluding subcontracting, is 50% or more of the total project cost.
5. No single participant or country is responsible for more than 70% of the budget of the project.
6. The project duration is 36 months or less⁴.
7. The project has an exclusive focus on civil applications.

*In parallel to the Eurostars-3 call, calls coordinated by countries not participating to the Innovative SMEs partnership will be launched between SMEs from Switzerland, the Republic of Korea, Canada, and Singapore. More information about these calls can be found on the following websites:

Canada: <https://nrc.canada.ca/en>

Republic of Korea: www.kiat.or.kr/eng/user/main.do

Singapore: www.enterprisesg.gov.sg

Switzerland: <https://www.innosuisse.ch/inno/en/home.html>

¹ **Eurostars countries:** Austria, Belgium, Bulgaria, Canada, 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, Singapore, Slovakia, Slovenia, South Africa, South Korea, Spain, Sweden, Switzerland, Turkey, and the United Kingdom.

² **EU and Horizon Europe Associated countries that participate in Eurostars:** 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, Slovakia, Slovenia, Spain, Sweden, Turkey, and the United Kingdom.

³ projects with one participant from Switzerland or Republic of Korea not involving at least one organisation coming from an EU or Horizon Europe Associated Country are not part of this call co-funded by Horizon Europe and will be operated in a parallel call.

⁴ Possible extensions if justified and approved after the project has started.

How are the criteria assessed?

Your Eurostars project application must meet all eligibility criteria, or it will be rejected.

We check the eligibility of your project application within one week of the Eurostars application deadline. If your project application is ineligible, you will be disqualified from the process. If your project application is eligible, it will be evaluated.

We must review your project application's eligibility if we receive or discover new information in the next evaluation stages. For example, if the legal and financial viability check reveals that the main project partner is not an SME, or the entities in the application are not independent of one another, your project application is no longer eligible (see first criterion) and will be disqualified.

If my situation changes, will it affect my eligibility?

Yes. **Your project application must comply with all eligibility criteria from when you submit your application until when you sign your consortium agreement** (approximately five to six months later).

You must inform us of any new information that may affect your eligibility, and we must review the eligibility of your project application if we receive or discover new information.

An eligible project application could be removed from the evaluation process at a later stage if it is no longer eligible.

Will I be informed about the result?

Yes. We will confirm your project application status (eligible or ineligible) within one week of the Eurostars application deadline. If your project application is eligible, it will progress to the next evaluation stage.

My project is eligible. Does that mean all participants and project costs can be funded?

No. The eligibility criteria ensure that your project is in line with Eurostars objectives. However, the level of public funding that each participant or project activity may receive does not depend on your project fulfilling eligibility criteria.

Funding for Eurostars participants is managed at national level by national funding bodies. If a project is successful, each participant in a consortium will receive Eurostars funding from their own national funding body **based on rules specific to their country.**

National rules establish which types of organisations can receive funds, the level of funding available and which project activities can be funded. Rules differ from country to country. This

means that, for example, the same type of organisation may receive different public support depending on whether it is based in country A or country B.⁵

It is important that each project partner is aware of funding rules in their own country **before applying to Eurostars**. Consult [our website](#) and contact your national funding body using the contact form.

My project is ineligible. Is the result final?

You can request redress on procedural grounds with clear evidence for the reasons for your complaint. Find more information in our [redress request guidelines](#).

Some definitions

SME

SME stands for small and medium-sized enterprise as defined in European Union law ([EU recommendation 2003/361](#)). The main factors that determine whether a company is an SME are:

- economic activity,
- number of employees and
- revenue or balance sheet total.

To be an SME, your company must fit the [European Commission definition of an SME](#).

Innovative SME

We define an innovative SME as any SME with the ambition to collaborate on R&D⁶ and innovation⁷ with international partners to develop new products, processes and services for European and global markets. Innovative SMEs do not need a proven track record of R&D activities.

Eurostars countries

Eurostars has 37 participating countries, 32 of which are EU Members or countries Associated to Horizon Europe: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic,

⁵ All EU Member States and Horizon Europe Associated Countries have to comply with EU state aid rules (Framework for state aid for research and development and innovation (2014/C 198/01)) and block exemption regulations for state aid (COMMISSION REGULATIONS (EU) No 651/2014 of 17 June 2014 and 2020/972 of 2 July 2020)

⁶ "Research and experimental development (R&D) comprise creative and systematic work undertaken in order to increase the stock of knowledge – including knowledge of humankind, culture and society – and to devise new applications of available knowledge." (OECD Frascati Manual 2015, p. 44)

⁷ "a new or improved product or process (or combination thereof) that differs significantly from the unit's previous products or processes and that has been made available to potential users (product) or brought into use by the unit (process)." (OECD Oslo Manual 2018, p. 20)

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, Turkey, and the United Kingdom.

In addition, other countries also participating in Eurostars are:

Eureka full member and partner countries not Associated to Horizon Europe: South Korea, Switzerland.

Eureka Associated countries not Associated to Horizon Europe: Canada, South Africa, Singapore.

Eureka associated countries participating in Eurostars: Canada, Singapore, South Africa

Organisations in any other country may participate if the project application meets all eligibility criteria.

What are the eligibility criteria?

1: YOUR CONSORTIUM IS LED BY AN INNOVATIVE SME FROM A EUROSTARS COUNTRY

To be eligible, the main partner in your consortium must meet the requirements for being a small and medium-sized enterprise (SME) and must be legally and operationally based in a Eurostars country.

SMEs are defined in the [EU recommendation 2003/361](#). The main factors determining whether a company is an SME are staff headcount and either turnover or balance sheet total.

Company category	Staff headcount	Turnover	OR	Balance sheet total
Medium-sized	< 250	≤ € 50 m		≤ € 43 m
Small	< 50	≤ € 10 m		≤ € 10 m
Micro	< 10	≤ € 2 m		≤ € 2 m

A company that is part of a larger group may need to include staff headcount, turnover and balance sheet data from that group too.

To understand the definition of SME we strongly recommend you read the European Commission's [user guide to the SME definition](#) and contact your national funding body using the contact form on our website.

The lead innovative SME must have the ambition to collaborate in an R&D and innovation project with international partners, to develop a new product, process or service that can be rapidly commercialised. The lead innovative SME does not need a proven track record of R&D activities.

2: YOUR CONSORTIUM INCLUDES AT LEAST TWO ENTITIES THAT ARE INDEPENDENT OF ONE ANOTHER

Your consortium must include at least two legal entities that are 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.

Control may take either of the following forms:

- (a) the direct or indirect holding of more than 50% of the nominal value of the issued share capital in the legal entity concerned, or of a majority of the voting rights of the shareholders or associates of that entity;
- (b) the direct or indirect holding, in fact or in law, of decision-making powers in the legal entity concerned.

The following relationships between legal entities are not considered to be controlling:

- (a) the same public investment corporation, institutional investor or venture-capital company has a direct or indirect holding of more than 50% of the nominal value of the issued share capital or a majority of voting rights of the shareholders or associates;
- (b) the legal entities are owned or supervised by the same public body.

3: THE PROJECT CONSORTIUM IS COMPOSED BY ENTITIES FROM AT LEAST TWO PARTICIPATING COUNTRIES WITH AT LEAST ONE ORGANISATION COMING FROM A EU OR HORIZON EUROPE ASSOCIATED COUNTRY.

The consortium must include at least two legal entities based in different Eurostars countries with at least one organisation from a EU or Horizon Europe Associated Country.

EU or Horizon Europe Associated Countries participating in Eurostars: 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, Slovakia, Slovenia, Spain, Sweden, Turkey, and the United Kingdom.

Eureka full members or partner countries not Associated to Horizon Europe but participating in Eurostars: South Korea, Switzerland.

Eureka Associated countries not Associated to Horizon Europe but participating in Eurostars are: Canada, Singapore, South Africa.

An example of an eligible consortium is one made up of entities A and B:

- A is based in Turkey and B is based in South Africa.
- A and B are legally independent from each other.
- The consortium is eligible because it includes at least two independent entities from two different Eurostars countries (both Turkey and South Africa are Eurostars countries), where at least one country (Turkey) is also a Horizon Europe Associated country.

A second example of an eligible consortium is a consortium made up of entities A, B and C:

- A is based in the United Kingdom, B is based in South Korea, and C is based in the USA.
- B and C are not independent from each other, but they are independent from A.
- Criterion 3 is fulfilled because the consortium includes at least two independent entities (entity A with entity B-C) and it involves at least two Eurostars countries (the United Kingdom and South Korea), and at least one of them (United Kingdom) is Horizon Europe Associated country

A third example of an eligible consortium is one made up of A, B and C:

- A is based in Sweden and B is based in Norway. A and B are linked.

- C is based in Sweden and is independent from A and B.
- Criterion 3 is fulfilled because there are at least two independent entities (entity A-B with entity C) and at least two different Eurostars countries involved, both EU or Horizon Europe Associated Country.

An example of an ineligible consortium is one made up of entities A and B:

- A is based in Canada and B is based in Singapore.
- A and B are independent from each other.
- The consortium is not eligible, because although it includes at least two independent entities and at least two Eurostars countries, neither of the countries are EU members or Associated to Horizon Europe.

Another example of an ineligible consortium is one made up of entities A and B:

- A is based in Sweden and is linked with B, which is based in Turkey.
- Criterion 3 is fulfilled but criterion 2 is not because, although there are two Eurostars countries involved, the two entities are not independent from each other.

In parallel to the Innovative SMEs Partnership call for projects, Switzerland and the Republic of Korea fund projects with at least one additional partner from a different country namely: Canada, Singapore, Switzerland, Republic of Korea

An example of a project that can be evaluated under this parallel call one made up of A and B

- A is based in Switzerland and B is based in Canada.
 - A and B are legally independent from each other.
- In this case, please contact your National Funding Body for additional information.

The table below shows the possible consortium combinations with the minimum requirement of two partners, where Y means eligible N means not eligible, and "Parallel call" means that it will be evaluated outside the Partnership Scheme

	EU or Horizon Europe Associated Country	Eureka full member or partner country not Associated to Horizon Europe (South Korea, Switzerland)	Eureka associated countries not Associated to Horizon Europe (Canada, Singapore, South Africa)
EU or Horizon Europe Associated Country	Y	Y	Y
Eureka full member or partner country not Associated to Horizon Europe (South Korea, Switzerland)	Y	Parallel call	Parallel call
Eureka associated country not Associated to Horizon Europe (Canada, Singapore, South Africa)	Y	Parallel call	N

See the full list of Eurostars countries [above](#).

4: THE BUDGET OF THE SME(S) FROM A EUROSTARS COUNTRY, EXCLUDING SUBCONTRACTING, IS 50% OR MORE OF THE TOTAL PROJECT COST.

If there is one SME in your consortium, its budget (minus subtracting costs) must equal at least 50% of the total project budget. If there are multiple SMEs in your consortium, their combined budget (minus subcontracting costs) must equal at least 50% of the total project budget.

This 50% budget threshold must be met by SME(s) based in Eurostars countries.

Calculation:

$$\frac{(\text{Eurostars}) \text{ SME(s) budget} - (\text{Eurostars}) \text{ SME(s) subcontracting costs}}{\text{Total project budget}} \times 100$$

Please note: The calculation must subtract the accumulated cost of the subcontracting by the SME(s) based in Eurostars countries from their combined budgets. The accumulated subcontracting cost is not subtracted from the total project budget.



Remember: Subcontracting amongst project partners is not allowed. This rule is valid for all project partners, irrespective of the type of organisation.

5: NO SINGLE ENTITY OR COUNTRY IS RESPONSIBLE FOR MORE THAN 70% OF THE PROJECT BUDGET

Your project budget must be shared across the international partners.

- No single entity may be responsible for more than 70% of the total project budget.

Calculation: the individual budget (including subcontracting costs) of each project partner is divided by the total project budget; multiply by 100. For organisations that are not independent from one another, the sum of their individual budgets (including subcontracting costs) must be divided by the total project budget; multiply by 100.

- Entity(ies) from a single country cannot be responsible for more than 70% of the total project budget.

Calculation: combine the budgets of the entities based in the same country (including any subcontracting costs) and divide the sum by the total project budget; multiply by 100.

6: THE PROJECT DURATION IS 36 MONTHS OR FEWER

Your project must be completed in 36 months or fewer.

7: THE PROJECT HAS AN EXCLUSIVELY CIVILIAN PURPOSE

Your project can address any technology area, but it must have a civilian purpose and aim to develop a new product, process or service.

Eurostars only funds projects with an exclusively civilian purpose. This does not rule out the participation of military partners or the development of project results that may meet the needs of both civil and military end-users (known as dual-use goods or technologies⁸), provided that the project itself has a clear focus on civil applications.

⁸ Items, including software and technology, which can be used for both civil and military purposes, and shall include all goods which can be used for both nonexplosive uses and assisting in any way in the manufacture of nuclear weapons or other nuclear explosive devices. (Article 2 of [Council Regulation \(EC\) No 428/2009](#). A list of dual-use items can be found in Annex I of the same regulation)