

Manual

EUREKA **Project Assessment Methodology** **[PAM]**



June 2003



Danish Chairmanship 2002/2003

Chairmanship Office

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Denmark

PAM Manual

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SECTION 1

Introduction to the PAM Manual

The PAM Manual

0. Preamble.

This manual is intended to provide guidance to all the EUREKA National Project Co-ordinators (the NPCs) on how to use the EUREKA Project Assessment Methodology (PAM) to execute their ex-ante assessment of new EUREKA projects before the projects are endorsed and awarded the EUREKA label.

At the same time, the manual will serve as a source of information for all parties interested in how the quality of a new EUREKA project is assessed.

The manual is publicly accessible through the homepage of the EUREKA website www.eureka.be

1. Background

The sustained success of the EUREKA Initiative is closely linked to the industrial relevance and to the maintenance of a high technical and innovative quality of the projects, which are awarded the EUREKA label.

To secure a continuous high quality of new EUREKA projects, the Hellenic Chairmanship (2001-2002) elaborated a first version of an ex-ante Project Assessment Methodology. This was approved for a one-year trial period at the Ministerial Conference in Thessaloniki at the end of the Hellenic Chairmanship.

During the trial period the following Danish Chairmanship continued the efforts for securing the quality of new EUREKA projects. This resulted in a revised version of the PAM, which was approved at the HLG meeting on 26 June 2003 in Copenhagen.

The final revised version includes a set of quality criteria and definitions, procedures and a support system, including an IT support system.

2. Goals for the PAM

The primary goal for the PAM system is to secure a high quality of all new EUREKA projects by using a transparent and uniform assessment method in all EUREKA members.

A significant supplementary goal is to support applicants and to encourage them to improve the quality of their projects. Many projects do not succeed due to poor project planning, which in many cases leads to divergences and communication problems between the partners, unforeseen management problems, etc. Many of these projects are subsequently withdrawn from the EUREKA portfolio.

Experience shows that well-planned projects have a much higher success rate and, by going through the described requirements for a good quality project, the NPCs or the applicants themselves can identify weaker points in the project plan and, by correcting these, improve the chances for success.

3. Description of the PAM system

The detailed description of the PAM system in this manual consists of the following three sections:

- The PAM Assessment Form
- PAM Criteria & Definitions
- Overview of Assessment Criteria, Maximum Points and Weights

3.1 The PAM Assessment Form

In this section, the assessment form used by the NPCs for their project assessments is shown. It covers 23 different assessment criteria, all with reference to the Hanover Declaration.

Of these criteria, 4 are *Basic EUREKA Eligibility Criteria*, and all projects have to meet these criteria. Otherwise the project cannot be awarded the EUREKA label.

The remaining 19 are the central assessment criteria. They all refer to areas of importance for the successful completion of an innovative, high technology project with a commercial impact.

Some of the criteria have to be assessed on the basis of information related to each individual partner, whereas others refer to the total project or the partnership and have to be assessed only at project level. In a supplement to the PAM Assessment Form, it is shown which criteria have to be assessed at partner level and which at project level.

The 19 central assessment criteria are grouped as follows:

- *Crucial Criteria*
- *Basic Assessment Criteria*
- *Technology and Innovation Criteria*
- *Market and Competitiveness Criteria*

The group *Crucial Criteria* contains only 2 criteria, but these have been identified to be of such significant importance for a successful result of the project that they have been separated in a special group and given the same impact on the final rating as each of the other 3 groups of criteria.

The group *Basic Assessment Criteria* contains 8 criteria divided into two main groups: Partnership and Partners, and Project Structure. These criteria deal with the complete project set up and the capabilities of the partners in relation to their tasks in the project. The group *Technology and Innovation Criteria* contains 4 criteria which all are related to the demands for a high technological advance.

The group *Market and Competitiveness Criteria* contains 5 criteria of which 3 are related to market and profitability and 2 to competitive advantages.

In the form, the points allocated to each criterion are registered and, in addition, it is possible to give supplementary general comments to groups of criteria.

3.2 The PAM Criteria and Definitions

This section contains, for each of the 19 criteria, a description of what is needed in an excellent project. It has not however been the intention to make an exhaustive definition of each criterion.

In addition to the description of the criteria this section also includes a guide on how to allocate points to each of the criteria. The guide gives examples of points allocation and it is the intention that the examples serve as background information and inspiration for the NPCs when they discuss the final points to be given to each criterion.

3.3 Overview of Assessment Criteria, Maximum Points and Weights

This section gives a one-page overview of the total assessment system and how the overall rating is calculated.

The calculation system allows an allocation of a maximum of 10 points to each criterion using a running scale from 0 to 10. However, when the project rating is calculated, a weighting system ensures that each of the 4 main groups of criteria can have a maximum of 100 points. This reflects that the crucial criteria, the technological aspects, the market aspects and the basic project conditions are considered of equal importance for a good EUREKA project.

The total maximum score for a project is 400 points. The final rating is defined as the total weighted points divided by 400.

4. The PAM procedures

The PAM assessment for a given project has to be carried out in close co-operation between the NPCs involved in that specific project. However, the main NPC holds the final responsibility.

An interactive technical support system has been developed for the filling in of the PAM Assessment Form and the exchange of information between the NPCs during the assessment. All information exchanged before the final assessment is approved by the involved NPCs is accessible only by the NPCs involved in a given project. The final assessment is registered on the restricted EUREKA website and will thus be accessible to the whole NPC group.

The result of the PAM assessment is not revealed to the public but applicants can be provided with the result of the assessment of their projects from their national NPC.

SECTION 2

PAM Assessment Form

PAM Manual

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EX-ANTE PROJECT ASSESSMENT METHODOLOGY (PAM)*
PAM Assessment Form - Hanover Declaration Requirements (HDR)

| |
|-----------|
| $\Sigma!$ |
|-----------|

| | | |
|-----------------|--|-------------------------------|
| Project Title : | | ACRONYM |
| Main Member | | Contact Person at Main Member |
| | | DATE COMPLETED |
| | | |

INDIVIDUAL PARTICIPANTS - Registered names

| | |
|---------------|--|
| Participant 1 | |
| Participant 2 | |
| Participant 3 | |
| Participant 4 | |
| Participant 5 | |
| Participant 6 | |
| Participant 7 | |
| Participant 8 | |

**Note : The PAM does not apply to Clusters/sub-Clusters or Umbrellas*

Basic EUREKA Eligibility Criteria

| Criteria | Yes / No | Comments |
|---|----------|----------|
| B.0.1 Does the project have a civilian purpose? | | |
| B.0.2 Does the project have participation from more than one EUREKA member? | | |
| B.0.3 Is the project directed at a product, process or service? | | |
| B.0.4 Does the project represent co-operation in the form of a specific project ? | | |

CRUCIAL CRITERIA (C)

| | POINTS (0-10) | Comments |
|--|------------------|----------|
| <i>C.1.1 Financial capacity of all partners</i> | | |
| <i>C.2.1 Formal agreement between partners</i> | | |

BASIC ASSESSMENT (B)

| B.1 Partnership and Partners | | POINTS (0-10) | Comments |
|------------------------------|--|------------------|----------|
| Partnership analysis | B.1.1 Well balanced partnership | | |
| | B.1.2 Added value through cooperation | | |
| Partner analyses | B.1.3 Technological capacity of all partners | | |
| | B.1.4 Managerial capacity of all partners | | |

| B.2 Project Structure | | POINTS (0-10) | Comments |
|--|--|------------------|----------|
| Project plan | B.2.1 Methodology and planning approach | | |
| | B.2.2 Milestones and deliverables | | |
| Project costs, financing & commitment | B.2.3 Cost and financing structure | | |
| | B.2.4 Financial commitment of each partner | | |

TECHNOLOGY & INNOVATION (T)

| T.1 Technological advance | POINTS (0-10) | Comments |
|---|------------------|----------|
| T.1.1 Degree of technological maturity and risk | | |
| T.1.2 Technological achievements | | |

| T.2 Innovation | POINTS (0-10) | Comments |
|--------------------------------------|------------------|----------|
| T.2.1 Degree of innovation | | |
| T.2.2 Geographical / sectoral impact | | |

MARKET & COMPETITIVENESS (M)

| M.1 Market and Profitability | POINTS (0-10) | Comments |
|-------------------------------------|--------------------------|-----------------|
| M.1.1 Market size | | |
| M.1.2 Market access and risk | | |
| M.1.3 Return on investment | | |

| M.2 Competitive advantages | POINTS (0-10) | Comments |
|--|--------------------------|-----------------|
| M.2.1 Strategic importance of the project | | |
| M.2.2 Enhanced capabilities and visibility | | |

SUMMARY RATING

| <i>Group of criteria</i> | <i>Maximum weighted points</i> | <i>Maximum points per criterion</i> | <i>N (Number of criteria)</i> | <i>Weight (100) (Nx10)</i> | | <i>Actual weighted points</i> | <i>Final Rating</i> |
|---|--------------------------------|-------------------------------------|-----------------------------------|--|--|-------------------------------|---------------------|
| <i>Crucial Criteria (C)</i> | 100 | 10 | 2 | 5 | | WW | WW/100 |
| <i>Basic Assessment (B)</i> | 100 | 10 | 8 | 1.25 | | XX | XX / 100 |
| <i>Technology & Innovation (T)</i> | 100 | 10 | 4 | 2.5 | | YY | YY / 100 |
| <i>Market & Competitiveness (M)</i> | 100 | 10 | 5 | 2 | | ZZ | ZZ / 100 |
| <i>Overall ex-ante assessment</i> | | | | | | Σ WW-ZZ | Σ / 400 |

Overview of Assessment Levels for Each Criterion

| Criteria No | Criteria | Partner Level | Project Level |
|--------------|--|---------------|---------------|
| | | | |
| | BASIC EUREKA ELIGIBILITY CRITERIA | | |
| B.0.1 | <i>Does the project have a civilian purpose ?</i> | | X |
| B.0.2 | <i>Does the project have participation from more than one EUREKA member ?</i> | | X |
| B.0.3 | <i>Is the project directed at a product, process or service ?</i> | | X |
| B.0.4 | <i>Does the project represent co-operation in the form of a specific project ?</i> | | X |
| | | | |
| | CRUCIAL CRITERIA | | |
| C.1.1 | <i>Financial capacity of all partners</i> | X | |
| C.2.1 | <i>Formal agreement between partners</i> | | X |
| | | | |
| | BASIC ASSESSMENT | | |
| B.1.1 | <i>Well-balanced partnership</i> | | X |
| B.1.2 | <i>Added value through co-operation</i> | | X |
| B.1.3 | <i>Technological capacity of all partners</i> | X | |
| B.1.4 | <i>Managerial capacity of all partners</i> | X | |
| | | | |
| B.2.1 | <i>Methodology and planning approach</i> | | X |
| B.2.2 | <i>Milestones and deliverables</i> | | X |
| B.2.3 | <i>Cost and financing structure</i> | X | |
| B.2.4 | <i>Financial commitment of each participant</i> | X | |
| | | | |
| | TECHNOLOGY & INNOVATION | | |
| T.1.1 | <i>Degree of technological maturity and risk</i> | | X |
| T.1.2 | <i>Technological achievements</i> | | X |
| | | | |
| T.2.1 | <i>Degree of innovation</i> | X | |
| T.2.2 | <i>Geographical / sectoral impact</i> | X | |
| | | | |
| | MARKET & COMPETITIVENESS | | |
| M.1.1 | <i>Market size</i> | X | |
| M.1.2 | <i>Market access and risk</i> | X | |
| M.1.3 | <i>Return on investment</i> | X | |
| | | | |
| M.2.1 | <i>Strategic importance of the project</i> | X | |
| M.2.2 | <i>Enhanced capabilities and visibility</i> | X | |

SECTION 3

PAM Criteria and Definitions



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PAM Criteria and Definitions*

BASIC EUREKA ELIGIBILITY CRITERIA

| No. | Criteria | Yes / No |
|------------|--|-----------------|
| B.0.1 | <i>Does the project have a civilian purpose ?</i> | |
| B.0.2 | <i>Does the project have participation from more than one EUREKA member ?</i> | |
| B.0.3 | <i>Is the project directed at a product, process or service ?</i> | |
| B.0.4 | <i>Does the project represent co-operation in the form of a specific project ?</i> | |

Answering yes to all these criteria is an absolute condition for further evaluation and to obtain the EUREKA Label

** The PAM Criteria and Definitions do not apply for Clusters and Umbrellas*



PAM Criteria and Definitions

CRUCIAL CRITERIA (C)

| No. | Criteria | Definition of the excellent project | Guide to points allocation | Points |
|-------|--|--|---|-----------------------------------|
| C.1.1 | <i>Financial capacity of all partners</i> | ❖ Each partner documents a financial situation that leaves no doubt of the financial capacity needed to implement the project | <ul style="list-style-type: none"> Each partner has demonstrated its financial capacity to participate Each partner is in the near term expected to have the financial capacity to participate in the project One or more partners are unlikely to be able to finance its participation | 10 5 0 ↑ Running Scale ↓ |
| C.2.1 | <i>Formal agreement between partners</i> | ❖ The partners have signed a formal co-operation agreement amongst themselves ❖ The agreement settles the obligations and rights of each partner and covers all items relevant for project implementation and exploitation of results, e.g. IPR, withdrawal, budget and financial commitment, payments, TAR – Time / Activities / Resources, competition etc. It also deals with possible divergent interests | <ul style="list-style-type: none"> A formal co-operation agreement settling all obligations and rights of each partner as well as covering project implementation and exploitation has been concluded The partners have reached agreement on the main obligations and rights, but some key issues (e.g. IPR) are not yet dealt with adequately. Obligations and rights within the partnership have not been settled. | 10 5 0 ↑ Running Scale ↓ |



PAM Criteria and Definitions

BASIC ASSESSMENT (B)

| No. | Criteria | Definition of the excellent project | Guide to points allocation | Points |
|------------|---|---|--|-------------------------------------|
| B.1 | Partnership and Partners | | | |
| | Partnership analysis | | | |
| B.1.1 | <i>Well-balanced partnership</i> | <ul style="list-style-type: none"> ❖ The partners possess necessary and complementary key qualifications to meet project objective and results ❖ All participants have strategic and/or commercial interests in achieving the results ❖ Successful completion of the project requires contribution from all partners ❖ Each participant has a natural company-related and well defined role in the project and there are no overlapping activities ❖ Potential commercial conflicts between the participating companies are dealt with | <ul style="list-style-type: none"> • All partners possess key, complementary qualifications and have strong strategic or commercial interest to implement the project and to achieve the results • The partners have reasonable qualifications to reach project targets but the participants are capable of improvement • The partnership lacks sufficient expertise overall to carry out the project. There is a risk of conflicting goals | 10 ↑ ↓ 5 0 ↓ Running Scale |
| B.1.2 | <i>Added value through co-operation</i> | <ul style="list-style-type: none"> ❖ Project demonstrates clear sharing of risks, of costs, of know-how, of benefits ❖ Project objectives and results give synergy to the partnership ❖ Participation supports and expands qualifications and knowledge of each partner beyond project results e.g. admittance to a new market, new technology and new skills | <ul style="list-style-type: none"> • The partnership creates much synergy and adds considerably to the qualifications of each partner. There is potentially extensive exchange of knowledge between the partners • The partnership creates a degree of synergy and at least some partners should raise their competencies • The partnership will create no synergy and there are no prospects for knowledge exchange / added qualifications | 10 ↑ ↓ 5 0 ↓ Running Scale |



PAM Criteria and Definitions

| No. | Criteria | Definition of the excellent project | Guide to points allocation | Points |
|-------|--|--|---|--|
| | Partner analysis | | | |
| B.1.3 | <i>Technological capacity of all partners</i> | <ul style="list-style-type: none"> ❖ Each partner has sufficient, qualified technical personnel to participate as planned ❖ Each partner possesses adequate systems and equipment to participate in the activities | <ul style="list-style-type: none"> • Each partner has sufficient, qualified personnel available for the project. All partners have well-proven systems and facilities • Each partner has broadly qualified personnel available for the project, but use of subcontracting may be needed. Partners have adequate systems and facilities. • Staff qualifications and/or systems and facilities are inadequate | <div style="display: flex; align-items: center;"> <div style="text-align: center; margin-right: 10px;"> 10 5 0 </div> <div style="font-size: 2em; line-height: 1;">↕</div> <div style="writing-mode: vertical-rl; transform: rotate(180deg);">Running Scale</div> </div> |
| B.1.4 | <i>Managerial capacity of all partners</i> | <ul style="list-style-type: none"> ❖ The main partner and project manager has all the relevant experience, including experience of multi-partner projects ❖ The project manager demonstrate enthusiasm, capability to inspire project staff and to communicate in a convincing way ❖ The proposed staffs from each partner have adequate managerially skills for implementing the project and all activities ❖ The partners include managerial capacity to exploit the results | <ul style="list-style-type: none"> • A project manager with a proven track record will lead the project. Very substantial managerial / coordination skills are available throughout the partnership • Adequate experience in project management is available within the partnership but the overall managerial resources are limited. At least one partner has managerial skills to exploit results • The overall project manager has no relevant track record or experience. There is no overall coordinated structure within the partnership | <div style="display: flex; align-items: center;"> <div style="text-align: center; margin-right: 10px;"> 10 5 0 </div> <div style="font-size: 2em; line-height: 1;">↕</div> <div style="writing-mode: vertical-rl; transform: rotate(180deg);">Running Scale</div> </div> |



PAM Criteria and Definitions

| No. | Criteria | Definition of the excellent project | Guide to points allocation | Points |
|------------|---|---|---|--|
| B.2 | Project Structure | | | |
| | Project plan | | | |
| B.2.1 | <i>Methodology and planning approach</i> | <ul style="list-style-type: none"> ❖ Adoption of a problem-solving approach ❖ From the outset, key issues to be addressed and project objective(s) are fully identified and precisely formulated ❖ The project activities are logically set out, well-described and are relevant to the expected results ❖ Resources and costs related to each activity are identified ❖ The assumptions and risks are identified and the methods to handle them are specified ❖ The total project organisation is well defined and is appropriate to managing resources and activities in a successful way ❖ An in-depth analysis of the potential market is included in the project proposal | <ul style="list-style-type: none"> • The methodology is precisely formulated and all key aspects of the project planning have been taken account of • A satisfactory methodology has been outlined, but not all aspects have been rigorously demonstrated. Project organisation, breakdown of cost and resources to activity level, market analysis as well as assumptions and risks are part of the planning but not at a fully satisfactory level. Considerations concerning exploitation and marketing are adequate and have the potential to be strengthened during the project • The methodology is incoherent, and / or unrealistic, and / or incomplete | <div style="display: flex; align-items: center; justify-content: center;"> <div style="text-align: center; margin-right: 10px;"> 10 5 0 </div> <div style="text-align: center; margin-right: 10px;"> ↑ Running Scale ↓ </div> </div> |
| B.2.2 | <i>Milestones and deliverables</i> | <ul style="list-style-type: none"> ❖ The project plan includes clearly defined activities with natural and well-defined milestones and deliverables ❖ The project plan includes a realistic time schedule in relation to available resources and costs ❖ Monitoring indicators are identified, if possible as quantitative measures that facilitate verification of progress during project implementation | <ul style="list-style-type: none"> • The relevant milestones and deliverables are clearly identified and realistic and quantitative indicators will be available to fully assess progress of the project • Milestones, deliverables and time schedule are included but some aspects are open to questions (realism, clarity, etc). The project progress can be monitored but only at a general level • The proposal lacks milestones and deliverables or these are unachievable within the constraints of the partnership | <div style="display: flex; align-items: center; justify-content: center;"> <div style="text-align: center; margin-right: 10px;"> 10 5 0 </div> <div style="text-align: center; margin-right: 10px;"> ↑ Running Scale ↓ </div> </div> |



PAM Criteria and Definitions

| No. | Criteria | Definition of the excellent project | Guide to points allocation | Points |
|--|--|--|--|--|
| Project costs, financing and commitment | | | | |
| B.2.3 | <i>Cost and financing structure</i> | <ul style="list-style-type: none"> ❖ The cost breakdown is well-structured and corresponds to the activities to be implemented by each partner ❖ The financing is broken down in sufficient detail to identify own contributions / external support for each participant ❖ External funding, if required, has been secured | <ul style="list-style-type: none"> • A clear breakdown of the budget is provided and evidence of own and external funding is clearly demonstrated. The budget is fully coherent with project activities and allocated resources • The budget does not fully correspond to project activities and allocated resources. Partners' own financial contribution and any external funding is not yet fully secured but is highly probable for the project period • No breakdown of the project budget and financing has been provided | <div style="display: flex; align-items: center;"> <div style="margin-right: 10px;">10 5 0</div> <div style="text-align: center;"> <div style="border-left: 1px solid black; height: 100px; position: relative;"> <div style="position: absolute; top: 0; right: 0; transform: rotate(90deg);">Running Scale</div> </div> </div> </div> |
| B.2.4 | <i>Financial commitment of each partner</i> | <ul style="list-style-type: none"> ❖ Each partner has accepted a commitment to its own financial contribution and the commitment has been signed by an authorized person ❖ Each partner clearly demonstrates that it has financial resources to meet its own project activities ❖ The own financial contribution of each partner is significant in relation to the overall financial contribution of that partner | <ul style="list-style-type: none"> • All the partners have demonstrated financial resources and real commitment through their own, significant and duly signed, financial contribution • Some partners have not yet fully demonstrated adequate financial resources and/or full commitment through their own financial contribution but these are highly probable • There is no evidence of financial commitment of one or more partners and/or financial symmetry is totally lacking | <div style="display: flex; align-items: center;"> <div style="margin-right: 10px;">10 5 0</div> <div style="text-align: center;"> <div style="border-left: 1px solid black; height: 100px; position: relative;"> <div style="position: absolute; top: 0; right: 0; transform: rotate(90deg);">Running Scale</div> </div> </div> </div> |



PAM Criteria and Definitions

TECHNOLOGY & INNOVATION (T)

| No. | Criteria | Definition of the excellent project | Guide to points allocation | Points |
|------------|--|---|--|--|
| T.1 | Technological advance <i>Assessment of the technology itself</i> | | | |
| T.1.1 | <i>Degree of technological maturity and risk</i> | <ul style="list-style-type: none"> ❖ The central technology to be developed in the project represents a potential breakthrough in an emerging technology with expected high impact on the future development of the industry ❖ The associated technological risk is high but, within the partnership, there is a proven track record of expertise at the forefront of the technological area concerned | <ul style="list-style-type: none"> • The technology concerned represents a potential breakthrough in an emerging technology with potential high impact. The technological risk is high, but among the project partners there is a considerable forefront expertise regarding the technology area in question • The technology concerned represents mature technology with a high or moderate development impact on the industry. The technological risk is moderate. Some participants have a proven experience within the technology area. Projects may also further develop existing technologies where R&D is needed for use in new industrial sectors • The technology concerned represents base (old) technology with no or very small development impact on the industry. The technological risk is minor or non-existent. Generic implementations of the technology are well known | <div style="text-align: center;"> 10 ↑ 5 ↓ 0 </div> <div style="text-align: center;">Running Scale</div> |
| T.1.2 | <i>Technological achievements</i> | <ul style="list-style-type: none"> ❖ The R&D activities in the project will contribute to important leaps in the performance of the technology itself ❖ The technological results represent one or more fundamentally new solutions, a base for new generations of industries or transformation of current infrastructures ❖ The technology brings the partners to the forefront of the technological area in question and thus well beyond the present state-of-the-art | <ul style="list-style-type: none"> • The technological achievements represent important leaps and fundamental new solution(s). The achievements form the basis for new industries or a step change in the current infrastructure. Exploitation of the project should reach the frontiers of the technological area in question • The technological achievements represent a limited advance to the state-of-the-art. The project achievements ensure that the relevant project partners improve their technology in order to retain their status within the technological area • The technological achievements will make only a minor contribution in the area in question and/or no participant will improve its technological status | <div style="text-align: center;"> 10 ↑ 5 ↓ 0 </div> <div style="text-align: center;">Running Scale</div> |



PAM Criteria and Definitions

| No. | Criteria | Definition of the excellent project | Guide to points allocation | Points |
|------------|---|---|--|-----------------------------------|
| T.2 | Innovation <i>Assessment of the <u>application</u> of the technology – the innovation results in new products, processes, services or systems or combinations or leads to other significant improvements of the existing commercial use of the technologies</i> | | | |
| T.2.1 | <i>Degree of innovation</i> | <ul style="list-style-type: none"> ❖ The product, process or service developed in the project represent a radically new application of existing technology or of the technology developed in the project ❖ The innovation leads to a product, process or service which is superior to alternative solutions which could meet the same market opportunities ❖ The innovation forms a basis for the generation of new industries ❖ The innovation evolves from using the results of R&D at the cutting edge of technology | <ul style="list-style-type: none"> • The innovation is based on the latest research results and technological developments, is radically new and is superior to comparable solutions. New, or vastly improved, industries are likely to be generated • The innovation should result in a product, process or service that is better than comparable solutions and it brings visible development to existing industry or introduces minor new niches • The innovation is unlikely to lead to a new or significantly improved product, process or service | 10 ↑ 5 0 ↓ Running Scale |
| T.2.2 | <i>Geographical / sectoral impact</i> | <ul style="list-style-type: none"> ❖ The product, process or service to be developed is entirely novel at a global level ❖ The new product, process or service to be developed has the potential to be exploited on a worldwide market for one or more of the partners | <ul style="list-style-type: none"> • A global market impact is expected from the exploitation of the project, especially by one or more of the partners • The resulting product, process or service is new but only exploitable in a limited number of countries • The market for the product, process or service has no prospects of being exploited beyond the local level | 10 ↑ 5 0 ↓ Running Scale |



PAM Criteria and Definitions

MARKET & COMPETITIVENESS (M)

| No. | Criteria | Definition of the excellent project | Guide to points allocation | Points |
|------------|---|--|--|-----------------------------------|
| M.1 | Market and Profitability <i>A combined assessment of the market as such and of the partners' potential to get access to this market</i> | | | |
| M.1.1 | Market size | <ul style="list-style-type: none"> ❖ The global market for the product, process or service is potentially very large or ❖ The product, process or service will be dominating in a global niche market ❖ The market is a growth market with limited competition in the near-term | <ul style="list-style-type: none"> • The product, process or service has a potentially very large and growing market with only limited near-term competition. This includes domination of a global niche market • The product, process or service has moderate market prospects in the near to medium-term but the market will not expand subsequently and/or is open to competition • It is unlikely that a profitable market for the developed products, processes or services exists | 10 ↑ Running Scale 5 0 ↓ |
| M.1.2 | Market access and risk | <ul style="list-style-type: none"> ❖ One or more partners are qualified to break into the global market or, preferably, has already established a position on it ❖ The partners expect to be active on the global market ❖ The proposal has identified barriers to the market and / or included important customers, or in other ways reduced the time and costs to market ❖ The risk of competitors reaching the market earlier has been judged to be at its lowest level | <ul style="list-style-type: none"> • The project partners are already present on the relevant global market or are qualified to break into it. The market barriers for access are clearly identified and specific measures to reduce risk have been taken. The exploiting partners has the potential to be the first on the market • The project partners are only capable of accessing the market in a limited number of countries. Some barriers to the market have been identified and some specific measures to reduce risk have been taken. Competitors may launch a related product on the market at the same time • Prospects to access the market are limited | 10 ↑ Running Scale 5 0 ↓ |



PAM Criteria and Definitions

| No. | Criteria | Definition of the excellent project | Guide to points allocation | Points |
|-------|------------------------------------|---|--|---|
| M.1.3 | <i>Return on investment</i> | ❖ The relevant market for the product, process or service is at a level that promises a very high profitability for each partner in the project | <ul style="list-style-type: none"> • The potential and realistic market for the product, process or service is at a level that promises very high rates of return for the exploiting parties • The potential and realistic market for the product, process or service is at a level that indicates an average profitability for at least one partner but there are indirect commercial benefits for the other project partners • Exploitation of the product, process or service is unlikely to be profitable | <div> <div>10</div> <div>5</div> <div>0</div> <div>Running Scale</div> </div> |



PAM Criteria and Definitions

| No. | Criteria | Definition of the excellent project | Guide to points allocation | Points |
|------------|---|---|--|--|
| M.2 | Competitive advantages <i>An assessment of the project's contribution to the long term competitive position of the participants</i> | | | |
| M.2.1 | <i>Strategic importance of the project</i> | <ul style="list-style-type: none"> ❖ The near-term achievements of the project will lead to a world-class competitive position for one or more of the partners and might result in a long-lasting enhancement of the competitive position(s) ❖ The project results will create an opening in areas of vital strategic importance for the participants ❖ The project supports sales of existing major products in areas with strong competition ❖ The project opens the way for creation of new product families/ improvements that extends the total cycle time of the existing product, process or service | <ul style="list-style-type: none"> • The near-term achievements of the project should lead to a long lasting, world-class competitive position in vital, strategic business areas for one or more of the partners. The achievements support competitiveness of existing key products or new related products. The project activities give access to highly important collaboration in the value chain • The near-term achievements of the project should lead to an increase in competitiveness in strategic business areas for one or more of the partners. The achievements support to some extent the sale of existing products or form the basis for an extension of the total life cycle of these. The project will create new opportunities in the value chain for some of the partners • The results of the project will have little influence on the competitive position of the partners | <div style="text-align: center;"> 10 ↑ Running Scale 5 0 ↓ </div> |
| M.2.2 | <i>Enhanced capabilities and visibility</i> | <ul style="list-style-type: none"> ❖ The project creates through co-operative R&D activities a strong foundation for sustainable competitiveness ❖ Cooperative activities in the project will result in an enhancement of the skills and knowledge levels of the partners ❖ The project gives access to networks of commercial, scientific/technological and/ or organizational character of importance for the growth and competitiveness of the partners ❖ The project opens the way for good-will and image creation that could not be obtained in traditional ways | <ul style="list-style-type: none"> • The project generates for all participants vital, tangible and intangible outcomes that beside the project achievements are of essential importance and lead to improved competences, competitiveness and good-will • The project is expected to generate some tangible and intangible outcomes that beside the project achievements are of importance to most of the participants' and are expected to lead to improved competences and competitiveness. At least one of the partners will gain from image improvements vis-à-vis important stakeholders • The project is unlikely to lead to any important tangible or intangible outcome in addition to the main project achievements | <div style="text-align: center;"> 10 ↑ Running Scale 5 0 ↓ </div> |

SECTION 4

Overview of Assessment Criteria, Maximum Points and Weights

PAM - Overview of Assessment Criteria, Maximum Points and Weights

| No. | Criteria | Points | Weight | Weighted Points |
|-------------------------------------|--|----------------|-------------|--------------------------|
| CRUCIAL CRITERIA | | | | |
| C.1.1 | <i>Financial capacity of all partners</i> | <i>Max. 10</i> | | |
| C.2.1 | <i>Formal agreement between partners</i> | <i>Max. 10</i> | | |
| | Total Crucial criteria | Max.20 | 5 | Max.100 |
| BASIC ASSESSMENT | | | | |
| | Partnership and Partners | | | |
| B.1.1 | <i>Well-balanced partnership</i> | <i>Max. 10</i> | | |
| B.1.2 | <i>Added value through co-operation</i> | <i>Max. 10</i> | | |
| B.1.3 | <i>Technological capacity of all partners</i> | <i>Max. 10</i> | | |
| B.1.4 | <i>Managerial capacity of all partners</i> | <i>Max. 10</i> | | |
| | Total B.1 | Max. 40 | | |
| | Project Structure | | | |
| B.2.1 | <i>Methodology and planning approach</i> | <i>Max. 10</i> | | |
| B.2.2 | <i>Milestones and deliverables</i> | <i>Max. 10</i> | | |
| B.2.3 | <i>Cost and financing structure</i> | <i>Max. 10</i> | | |
| B.2.4 | <i>Financial commitment of each partner</i> | <i>Max. 10</i> | | |
| | Total B.2 | Max. 40 | | |
| | Total Basic Assessment criteria | Max.80 | 1,25 | Max.100 |
| TECHNOLOGY & INNOVATION | | | | |
| | Technological advance | | | |
| T.1.1 | <i>Degree of technological maturity and risk</i> | <i>Max. 10</i> | | |
| T.1.2 | <i>Technological achievements</i> | <i>Max. 10</i> | | |
| | Total T.1 | Max.20 | | |
| | Innovation | | | |
| T.2.1 | <i>Degree of innovation</i> | <i>Max. 10</i> | | |
| T.2.2 | <i>Geographical / sectoral impact</i> | <i>Max. 10</i> | | |
| | Total T.2 | Max.20 | | |
| | Total Technology & Innovation criteria | Max. 40 | 2,5 | Max.100 |
| MARKET & COMPETITIVENESS | | | | |
| | Market and Profitability | | | |
| M.1.1 | <i>Market size</i> | <i>Max. 10</i> | | |
| M.1.2 | <i>Market access and risk</i> | <i>Max. 10</i> | | |
| M.1.3 | <i>Return on investment</i> | <i>Max. 10</i> | | |
| | Total M.1 | Max. 30 | | |
| | Competitive advantages | | | |
| M.2.1 | <i>Strategic importance of the project</i> | <i>Max. 10</i> | | |
| M.2.2 | <i>Enhanced capabilities and visibility</i> | <i>Max. 10</i> | | |
| | Total M.2 | Max. 20 | | |
| | Total Market & Competitiveness criteria | Max. 50 | 2 | Max.100 |
| | Grand total, weighted points | | | Max. 400 |
| | Overall ex-ante assessment rating | | | Grand total / 400 |

