



EUROPEAN
COMMISSION

Community Research



Negotiation Guidance Notes

FP7 Collaborative Projects, Networks of Excellence, Coordination and Support Actions, Research for the benefit of Specific Groups (in particular SMEs)

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Disclaimer

These guidance notes are aimed at assisting participants who are invited for project negotiation following the evaluation of their proposal. It outlines the information and procedures in the negotiation process. It is provided for information purposes only and its contents are not intended to replace consultation of any applicable legal sources or the necessary advice of a legal expert, where appropriate. Neither the Commission nor any person acting on its behalf can be held responsible for the use made of these guidance notes.

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1. INTRODUCTION

These guidance notes are provided for applicants who have been invited for project negotiation following the evaluation of proposals for Collaborative Projects, Networks of Excellence, and Coordination and Support Actions under the 7th Framework Programme of the European Community¹ as well as under Euratom².

The document outlines the information and procedures in the negotiation process.

2. OVERVIEW

Invitation to negotiations

Following the positive evaluation of a proposal and the Commission's definition of a maximum Community financial contribution for the work, the proposal coordinator is invited by letter to commence negotiations with the Commission for a grant agreement.

The letter of invitation to negotiations provides details on the results of the evaluation and any aspects to be reviewed during negotiation and a copy of the Negotiation Mandate (the layout of the negotiation mandate can be found in Appendix 1). The letter is accompanied by the independent experts' advice to the Commission in the form of the Evaluation Summary Report (ESR).

Proposals that have undergone an ethical review, also receive an Ethical Review Report, which may contain recommendations to be taken into account in the negotiations and in the description of work (for more details on the negotiation of ethical issues please refer to Appendix 2).

For proposals using or generating "Classified information", additional specific procedures should be addressed during the negotiations (for more details on the negotiation of sensitive projects involving "Classified information" please refer to Appendix 4).

The negotiation mandate will indicate requests for clarification and changes to the proposed project that will need to be addressed during negotiations together with the maximum Community contribution available for the project and the suggested duration of the project. The name and contact details of the Commission Project Officer(s) and Administrative

¹ Decision of the European Parliament and of the Council (EC) No 1982/2006 of 18 December 2006 concerning the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007-2013) - OJ L412 of 30.12.2006, p1.

² Decision of the Council (Euratom) No 970/2006 of 18 December 2006 concerning the Seventh Framework Programme of the European Atomic Energy Community (Euratom) or nuclear research and training activities (2007-2011) - OJ L400 of 30.12.2006, p60 as last modified by Corrigendum published in JO L54 of 22.02.2007, p21.

Officer(s) will also be indicated here. The Project Officer(s) may request one or more negotiation meetings to be held (normally in Brussels or Luxembourg). If any meetings are scheduled, then the negotiation mandate indicates their time schedule and location.

Verification by the Commission of legal status and existence of beneficiaries is one of the prerequisites for signing a grant agreement. For this purpose, a Central Validation Team has been created as part of the Unique Registration Facility and contacts with potential beneficiaries will be taken by the Team in order to establish their legal existence and status. Moreover, for beneficiaries (coordinators, beneficiaries requesting more than EUR 500,000 EC contribution) the financial viability has to be checked.

The letter of invitation and/or the negotiation mandate shall indicate:

- The deadline by which the consortium must provide the first drafts of Annex I (description of work) of the Grant Agreement (GA) and the Grant Agreement Preparation Forms (GPFs) including all supporting documents.
- The deadline by which negotiations must be completed.

The letter of invitation also points to web addresses for:

- A copy of these guidance notes
- The Model Grant Agreement and its annexes and any special conditions that could apply (http://cordis.europa.eu/fp7/calls-grant-agreement_en.html#standard_ga)
- The IT tool for the completion of grant agreement preparation forms and exchange of information between coordinator and project officer
- The Guide to Financial Issues relating to FP7 indirect actions (ftp://ftp.cordis.europa.eu/pub/fp7/docs/financialguide_en.pdf)
- The Rules to ensure consistent verification of the existence and legal status of participants, as well as their operational and financial capacities, in FP7 indirect actions (http://cordis.europa.eu/fp7/find-doc_en.html)
- The Checklist for a Consortium Agreement for FP7 projects (ftp://ftp.cordis.europa.eu/pub/fp7/docs/checklist_en.pdf)
- The Guide to Intellectual Property Rules for FP7 projects (ftp://ftp.cordis.europa.eu/pub/fp7/docs/ipr_en.pdf)
- The SME Tech Web (http://ec.europa.eu/research/sme-techweb/index_en.cfm)

The Model Grant Agreement³

Before beginning negotiation, applicants are invited to carefully read the Model Grant Agreement and its Annexes (http://cordis.europa.eu/fp7/calls-grant-agreement_en.html#standard_ga), which establish the legal framework for the project's funding and administration.

³ The model grant agreement in these guidance notes refers to all FP7 funding schemes, except ERC actions for frontier research and actions to promote human resources and mobility, for which there are specific model grant agreements.

The Guide to Financial Issues relating to indirect FP7 actions

Before beginning negotiation, applicants are also invited to carefully read the Guide for Financial Issues relating to indirect FP7 actions, whose purpose is to help them to understand the financial provisions of the grant agreement that they will have to sign.

What documents are needed during negotiations?

At the beginning of negotiations, applicants are invited to submit a draft Annex I (description of work) to the Grant Agreement (GA). This is largely an updated version of part B of the proposal, taking account of the comments made by the Commission in the negotiation mandate. Likewise the Grant Agreement Preparation Forms (GPFs) need to be provided.

Grant Preparation Form

The GPFs are standard forms that collect the information that the Commission needs in order to prepare the grant agreement and gather programme-wide statistical information. These forms are compatible with the forms used in the proposal submission, so that much of the proposal information may be directly transferred into the GPFs.

While all participants must sign the final version of the GPFs, signatures are not required on any draft versions.

Annex I to GA

Annex I to GA is the reference document for the work and the effort to be executed by the Consortium in carrying out the project. It forms part of the Grant Agreement, and must facilitate the implementation and meaningful monitoring of the project for both the Consortium and the Commission. The concrete goals and expected results must be clearly described (in a measurable way) and the research, technological development and demonstration to be undertaken must be clearly defined including its 'tangible' outcome.

The first drafts of Annex I to GA and of the GPFs are submitted to the Commission Project Officer within the deadline indicated in the letter of invitation to negotiations. Upon receipt, the Commission Project Officer will indicate changes or improvements which are required to which the consortium responds in an iterative process until agreement is reached. The entire process should be concluded before the deadline for completion of negotiations.

If not already registered in the Unique Registration Facility, beneficiaries have to provide supporting documents to enable the Commission to verify their legal existence and status.

In addition, coordinators and beneficiaries requesting more than EUR 500,000 EC contribution have to provide financial documents for financial viability checking.

Negotiation meetings

Depending on the size and nature of the project, meetings between the Consortium and the Commission may, or may not, be required. This will be decided by the Commission Project Officer in charge of the project negotiation and will be communicated to the Consortium in the letter of invitation to negotiations.

The coordinator normally attends all meetings, accompanied by a small number of the participants, as appropriate, and the Commission may be assisted by (an) external expert(s). This may be one or more of the experts who assisted the Commission in the evaluation of the proposal.

The cost of travel and subsistence of the Consortium members (including the coordinator) to negotiation meetings is not reimbursed.

The coordinator

The coordinator leads and represents the applicants in the negotiations with the Commission. Only one of the applicants can be coordinator. That legal entity will identify one of its staff as its representative to carry out the actions required of the coordinator. The representative of the coordinator is responsible for all contacts between the consortium and the Commission. If meetings are planned, he/she attends all meetings.

Once the grant agreement enters into force the coordinator has a legal obligation to act as the interface between the Commission services and the other members of the consortium. The coordinator must ensure that all beneficiaries accede to the grant agreement within the established timescale. The coordinator submits all documents to the Commission and ensures the liaison between the Consortium and the Commission. The coordinator will also be responsible for submitting the project's financial statements, will receive all payments from the Commission and will distribute them appropriately among the Consortium. The choice of the coordinator should therefore take into account the organisation's management capacities and its legal and financial stability. For a comprehensive description of the role of the coordinator please refer to [Article II.2.3 of GA](#).

The Consortium Agreement

The Consortium Agreement (please see Appendix 3) provides the legal basis for the details of the internal relationship and responsibilities between the beneficiaries, always consistent with the provisions of the Grant Agreement. The Consortium Agreement is mandatory for all projects unless specifically excluded by the terms of the call for proposals. Such agreements do not affect the rights of the Commission arising from the Grant Agreement and the corresponding obligations of the beneficiaries vis-à-vis the Commission.

It is highly advisable that the consortium agreement (in a first version that could be updated later) be finalised before the grant agreement is signed and each beneficiary should have entered into the consortium agreement when it accedes to the grant agreement (for "Research

for the benefit of specific groups" – as defined in the Capacities programme – please refer to specific provisions in Annex III to the Grant Agreement).

The checklist for a Consortium Agreement

Applicants are invited to read the checklist which establishes the list of issues that should be addressed in the Consortium Agreement.

Support during negotiations

The letter of invitation to negotiations specifies the name and contact details of Commission official in charge of the negotiations. This person will be able to assist with specific questions on the technical, legal and financial issues. Should applicants have general questions relating to the FP7 Model Grant Agreement, or to general legal and financial issues, they are advised to submit these by following the link <http://ec.europa.eu/research/enquiries/> and selecting the option '*Legal/Financial aspects of the Framework Programme*'

The intellectual property helpdesk

The IPR-Helpdesk is available to assist potential and current beneficiaries taking part in Community funded projects on intellectual property rights (IPR) issues. It operates a free helpline offering a first line assistance on IPR related issues. The helpline is run in English, French, Italian, German, Spanish and Polish. It can be contacted at: <http://www.ipr-helpdesk.org/>

Telephone +34 96 590 97 18
Telefax +34 96 590 97 15
E-mail ipr-helpdesk@ua.es

Intellectual properties issues

Applicants will find an overview of the FP7 intellectual property (IPR) provisions in the Guide to Intellectual Property Rules for FP7 projects. That document is intended to act as a guide to the various issues and pitfalls that participants may encounter.

3. THE WHY, WHAT AND HOW OF NEGOTIATIONS

The overall purpose of negotiations is to finalise the details of the work to be carried out under the grant agreement within the associated budget, as well as to establish the legal and financial information needed to establish the grant agreement.

The project negotiation process comprises two main aspects:

(i) Technical (*scientific*) negotiations

(ii) Financial and legal negotiations.

Technical negotiations

The aim of the technical negotiations is to agree on the final content of Annex I (description of work) to GA.

During this part of the negotiation process:

- The proposal may need to be adapted to meet the recommendations of the evaluation, as described in the negotiation mandate.
- The Commission will verify that the project objectives are 'SMART' (Specific, Measurable, Attainable, Realistic, Timely).
- The full work plan of the project will need to be defined in sufficient detail.
- The work to be carried out by each of the beneficiaries and any potential future expansion of the consortium will need to be defined in sufficient detail.
- Agreement will need to be reached on the list of deliverables and their content, timing and dissemination level.
- Agreement will need to be reached on the project milestones and their assessment criteria.
- An indicative time schedule needs to be established for the project reviews (if not pre-defined in the special conditions of the grant agreement) – which ideally should be synchronised with the reporting periods.

Financial and legal negotiations

Financial negotiations focus mainly on reaching agreement on budgetary matters such as the budget for the full duration of the project and the budget breakdown for the different project periods, as well as issues related to subcontracting and third parties. They will also cover the establishment of the amount of the initial pre-financing, timing of project periods and reviews.

Legal negotiations include the analysis and review of the legal status of each applicant and the final composition of the consortium, any special clauses required for the project, and other aspects such as the project start date.

During this part of the negotiation process:

- The total costs, total eligible costs and maximum Community financial contribution will be determined. Special attention should be given to the methodology to calculate the personnel costs and indirect costs.
- A table of the estimated breakdown of budget and Community financial contribution per activity to be carried out by each of the beneficiaries will be established.
- The amount of pre-financing is established.
- The start date and the duration of the project are agreed upon.

- The need for the inclusion in the grant agreement of any special clauses will be established.
- Where applicable, a 'road map' will be established for any planned competitive calls relating to the later addition of new project partners and the budget available for the consortium expansion agreed upon.
- The timing of the reporting periods will be established (normally every 12 months).
- Any subcontracting or third-party issues will be clarified.
- The legal status of each applicant will be reviewed.
- The financial viability of the coordinator and any other applicant with an EC contribution exceeding EUR 500,000 will be assessed, as outlined in the Rules to ensure consistent verification of the existence and legal status of participants, as well as their financial capacity.

At this stage the Commission will also assess whether the proposed coordinator has the required management skills, capabilities and experience to carry out the coordinator's tasks.

Additional financial information/documentation may be required if deemed necessary by the Commission services and for projects involving the use or production of classified information or requiring export licences or where a topic is subject to specific national or European security related legal restrictions (for more details, please refer to Appendix 4).

For details on the above points please refer to the Guide to financial Issues at ftp://ftp.cordis.europa.eu/pub/fp7/docs/financialguide_en.pdf.

Projects also have the opportunity, during negotiations, to consider any gender aspect that might be relevant to the project and include this as a work package or task within a work package. Projects should ensure an open and impartial selection procedure, as well as fair working conditions, to researchers recruited on projects funded under FP7. The Commission Recommendation of 11 March 2005 on the European Charter for Researchers and a Code of Conduct for the Recruitment of Researchers should be applied as a reference framework for recruitment (http://ec.europa.eu/eracareers/index_en.cfm).

Completion of negotiations

At the end of the negotiations, agreement should be reached on all technical, financial and legal issues related to the Grant Agreement and the Consortium should be in the position to prepare and send a final version of the relevant documents to the Commission Project Officer. Where paper copies are requested, as the case is for the GPFs, these should be unbound, on white paper, with original signatures.

When all the necessary legal and financial information required has been received and validated by the Commission, a grant agreement is drafted and sent to the coordinator for signature. A negotiation checklist is provided in Appendix 5 in order to assist applicants in the negotiation process.

Grant agreement signature

Upon receipt of the grant agreement, the authorised representative of the coordinator signs two originals of the grant agreement on behalf of its organisation and returns them to the Commission. The Commission will sign these once all its internal procedures have been successfully completed and will return one duly signed original to the coordinator.

In parallel, the coordinator must distribute a copy of the grant agreement to the other beneficiaries, along with Form A – the form for the other beneficiaries to accede to the grant agreement. All beneficiaries must sign Form A to accede to the grant agreement. Three duly completed originals of Form A are signed by each beneficiary and returned to the coordinator for the coordinator's signature. When the coordinator has signed all the A forms he/she sends one original of the A Form to each beneficiary and one original to the Commission, keeping one for its records.

The Commission Grant Agreement covers the project as a whole and binds each individual beneficiary that has acceded to it. This has a number of important consequences:

- If one potential beneficiary fails to accede to the grant agreement, it is up to those beneficiaries who have acceded to the grant agreement to propose an acceptable solution to the Commission; either by reallocating the work of the missing beneficiary among them or by the accession to the grant agreement of a new beneficiary. The Commission may terminate the grant agreement if it considers that due to this change the project is no longer viable or has been fundamentally changed, compared to the negotiated proposal.
- If a beneficiary subsequently withdraws from the grant agreement, the others remain responsible for the completion of the work, including the part allocated to the withdrawn beneficiary (technical collective responsibility).

Start of the project

The relevant provisions of the grant agreement will determine the start date of the project. This may be the first day of the month following the entry into force of the grant agreement, or a specific fixed date as negotiated. Where the Consortium requires a specific fixed start date for the project that precedes the entry into force of the grant agreement, full details regarding the justification for the request should be made in writing to the Project Officer prior to the finalisation of Annex 1 to GA and of the GPFs. The Commission may refuse this request if no sufficient and acceptable justification is provided.

Costs can be incurred from the start date of the project but not before. Where the start date of the project precedes the entry into force of the grant agreement, future beneficiaries take the risk that the grant agreement might not be signed. In such a case costs will not be reimbursed by the Commission.

Pre-financing

Once the grant agreement is in force, the Commission can make the pre-financing payment to the coordinator. The amount will be established during the negotiations and is intended to provide the beneficiaries with sufficient cash flow to carry out the first part of the project.

As an indication, for projects with more than two reporting periods, the pre-financing amount could be around 160% of the average funding per period (Average = total EC contribution / nr of periods).

The pre-financing amount specified in the grant agreement includes the beneficiaries' contribution to the Participants' Guarantee Fund (PGF). This represents 5% of the requested total EC contribution and is transferred directly to the PGF by the Commission.

The coordinator can only distribute the pre-financing to the other beneficiaries, once the minimum number of beneficiaries (as specified in the work programme related to the call) has acceded to the grant agreement and then only to those beneficiaries that have signed Form A and acceded to the grant agreement. More information is provided in the Guide to Financial Issues.

What is the Participants' Guarantee Fund (PGF) ?

The Participants' Guarantee Fund (PGF) is a mutual benefit instrument establishing solidarity among beneficiaries in indirect actions at the level of the Framework Programme. It aims primarily at covering the financial risks incurred by the Community and the beneficiaries during the implementation of the indirect actions of FP7. The PGF's capital and interests constitute a performance security.

But moreover, it allows the Community to exempt beneficiaries from *ex-ante* financial viability controls (except in a limited number of cases) and from the imposition of any sort of financial securities, including bank guarantees or retention of pre-financing.

It will therefore ease the implementation of FP7 actions for the Commission and participants, by reducing time to signature to the grant agreement and paperwork and allow small actors such as SMEs to accede Community funding under the same conditions as major research stakeholders.

All beneficiaries to indirect actions taking the form of a grant must contribute to the PGF for the duration of the action. When transferring the initial pre-financing to a consortium, the Commission will deduct the relevant PGF contribution and transfer it to the holding bank. This deduction will be equal to 5% of the total Community financial contribution foreseen in the Article 5 of the Grant Agreement. At the time of the final payment, beneficiaries will recover their capital unless the PGF has incurred losses. In such a case, the Commission will deduct a maximum of 1% of the grant owed to them, with the exception of public bodies, legal entities whose participation in the grant agreement is guaranteed by a Member State or an associated country, and higher and secondary education establishments.

Frequently Asked negotiation Questions (FAQs)

A regularly updated list of FAQs on participation and Grant Agreement issues is available and beneficiaries should consult this periodically, as this will assist them in their negotiations (<http://ec.europa.eu/research/faq>).

A list of commonly-occurring issues which may arise during the negotiations is described below.

Project preparation/negotiation costs: The Commission does not fund costs related to proposal preparation or to conducting negotiations even if the fixed start date of the project is prior to the date that the grant agreement enters into force. This means also that the Commission will not reimburse the cost of travel and subsistence of the Consortium members to negotiation meetings.

Bank account: The coordinator should establish a bank account in EUR to allow that the Community financial contribution and related interest are identified.

Withdrawing applicants: If one or more of the organisations that participated in the proposal wish to withdraw while the project is under negotiation, the Commission will judge, in the light of the evaluators' reports, whether the withdrawing participant(s) was/were not essential to the success of the proposed project (in which case negotiations may continue) or vital to the proposed project (in which case negotiations might be terminated and the proposal rejected, or may be suspended pending the Consortium's finding of an acceptable substitute). If a beneficiary identified in the grant agreement does not sign the grant agreement, the Commission may stop negotiations, or later terminate the grant agreement, unless the other members of the Consortium propose, and the Commission accepts, an alternative solution.

Conflicts within the Consortium: It is expected that during negotiations any potential conflict between two or more applicants within the Consortium will be resolved internally. If an agreement cannot be arrived at, the Commission may decide to intervene and consider the termination of negotiations.

Legal establishment prerequisite for grant agreement: The Commission can only negotiate with, and offer grant agreements to, existing entities and the legal existence of a participant must pre-date the grant agreement signature or accession to the grant agreement. This implies that applicants should be legally established by the time of the signature of the grant agreement.

Consortium Agreements: Consortia need to give the highest possible priority to completing the internal consortium agreements before signing the grant agreement and certain provisions relating to intellectual property must be agreed before signing the EC grant agreement.

Changes in consortium/work plan: During the negotiation a consortium may find it necessary to propose changes in the work plan or the Consortium as a consequence of events which have occurred since they prepared the proposal. Changes may also be required as a consequence of the evaluation results. The Commission will consider these, but the evaluation result must be respected. If the revised work plan or consortium differs to the

extent that the evaluation might have yielded a different result, the Commission will refuse the changes, or, ultimately, terminate negotiations.

Change of coordinator: The applicants have to identify from within the Consortium the organisation (and the person from that organisation) that will act as their coordinator and propose this to the Commission. He/she will lead the negotiation on the applicants' side. Most often this will be the organisation and the person who co-ordinated the proposal writing and submission, but another applicant may take on the role if the Consortium members so agree. In any case, the Commission needs to agree to any coordinator chosen by the Consortium; in case the Commission has reasons to question the requested management and coordination capabilities or the financial stability of the chosen organisation, the Commission may request the Consortium to choose a different coordinator from within the Consortium.

Reduction of human resources: The evaluation result of the proposal is based on a certain level of human resources and the level of funding is essentially linked to this. If during the negotiations the Consortium changes the human resources requirements (or any other significant cost), the Commission funding offer may change but will not be increased.

Estimation of costs: The GPFs and Annex 1 to GA require the applicants to estimate essential details of costs over the lifetime of the project in order for the Commission to establish the maximum Community financial contribution and calculate its pre-financing. Interim and final payments are based on the eligible costs actually incurred and accepted by the Commission; for personnel they can also be based on averages or estimates, as set out in the grant agreement.

Subcontracts: Beneficiaries should have the capacity to perform the tasks required by the project. Exceptionally, some limited tasks may be carried out by third parties. The beneficiary must ensure that work subcontracted does not affect its rights with regard to the use and dissemination of knowledge that are the beneficiary's property and the rights of the consortium. In addition, the beneficiary must ensure that work is performed at a reasonable cost and justify the reasons for subcontracting. Based on these elements, the Commission might require that a proposed subcontractor becomes a beneficiary. In addition, the need for the continued presence of a beneficiary - who intends to subcontract significant parts of the work - may be questioned by the Commission, since this puts into question the beneficiary's capacity to perform the tasks required by the project. Subcontracts must be awarded according to the principles of best value for money, transparency and equal treatment. More details on subcontracting under FP7 are available in Appendix 7 to these guidance notes and the [Guide to Financial Issues](#).

Subcontracting to RTD performers (Research for the Benefit of SMEs): Subcontracting to RTD performers covers the remuneration of the resources of RTD performers for "research and technological development activities" and/or "demonstration activities". The subcontracting will be considered as eligible costs for the SME participants (and, if relevant, for the other enterprises and end-users) and will be reimbursed at the funding rate applicable for "research and technological development activities" and/or "demonstration activities".

Cost models: Unlike previous framework programmes there is no cost reporting model under FP7, but different types of organisation have different reimbursement rates for eligible costs and there are different possibilities to calculate and present indirect costs. Details on the rates

of reimbursement are available in the FP7 Guide to Financial Issues relating to FP7 indirect actions and the Model Grant Agreement.

Classified information and export licences: For projects involving the use or production of classified information or requiring export licences or where a topic is subject to specific national or European security related legal restrictions, a Security Aspect Letter will be required in the grant agreement (for details, please refer to Appendix 4)

Pre-financing: The Commission will make a pre-financing payment within 45 days following the date of entry into force of the grant agreement, except where a special clause provides otherwise.

Amendments: The Commission (with the possible assistance of external experts, e.g. in the case of significant changes) will consider requests for reasonable amendments to the grant agreement, provided they do not change the essential character of the project. Significant changes to the technical content of the work require the approval of the Commission. Amendments at the request of the consortium must be made in writing by the coordinator on behalf of the Consortium and be signed by an authorised representative of the coordinating organisation.

Costs of methodology certification for indirect costs and average personnel rate certification: In addition to periodic certificates on financial statements, FP7 allows beneficiaries in multiple projects to submit a certificate on the methodology for the calculation of costs (relating to both personnel and indirect costs). This allows these beneficiaries to submit a certificate on the methodology that they will use for the identification of personnel and indirect costs (not for the other costs) for the whole duration of FP7. This certificate on the methodology allows the Commission services to have reasonable assurance on the reliability of the beneficiaries' costing methodology for the preparation of future cost claims with regard to personnel and indirect costs, and the related control systems. As a consequence, those beneficiaries are granted derogations in the periodicity of submission of periodic certificates on financial statements. This certificate must obtain approval in advance by the Commission services.

The FP7 model grant agreement provides that the cost of this methodology certificate, which, unlike periodic certificates on financial statements, is not linked to a specific project as such, are an eligible cost. In order to avoid that this type of costs disproportionately weigh on the available EU funding of individual projects under which they are submitted, it is however important that consortium partners anticipate their intention to provide such certification and identify already at the proposal stage and again at the negotiation stage the estimated costs. As such this can be foreseen in due time in the project budget.

Costs of methodology certification for calculation of average personnel costs: All those beneficiaries who intent to use average rates to claim personnel costs are required to submit a certificate on the methodology for calculation of average personnel costs that they will use for the identification of personnel costs (not for the other costs) for the whole duration of FP7.

This certificate on the methodology allows the Commission services to have reasonable assurance on the reliability of the beneficiaries' costing methodology for the preparation of future cost claims with regard to personnel costs. As a consequence, those beneficiaries are

allowed to use average personnel costs in their financial statements. In absence of this certificate, beneficiaries may only charge actual personnel costs. This certificate must obtain approval in advance by the Commission services.

The FP7 model grant agreement provides that the cost of this methodology certificate for calculation of average personnel costs is an eligible cost. Here also, in order to avoid that this cost disproportionately weighs on the available EU funding of individual projects under which they are submitted, it is important that consortium partners anticipate their intention to provide such certification and identify already at the proposal stage and again at the negotiation stage the estimated costs. As such this can be foreseen in due time in the project budget.

Some important points to remember

- An invitation to start negotiation does not, under any circumstance, guarantee the funding of a project or the offer of a grant agreement.
- The funding of the proposal may depend on the Consortium's acceptance of changes requested by the Commission services in the Negotiation Mandate.
- The maximum amount of funding for a project is fixed in the negotiation mandate.
- Funding is conditional upon compliance with the Model Grant Agreement.
- In some cases the Commission may not be able to enter into a grant agreement with certain legal entities because of financial insecurity, other limitations imposed by the Commission Financial Regulation or for reasons of irregularity or violation of fundamental ethical principles. In such cases, the Consortium may be offered the possibility to start the project either with a reduced number of participants or to replace an ineligible participant.
- If the Commission cannot obtain reasonable assurance that the project participants have the necessary financial and human resources to carry out the proposed work, it is possible that the negotiations are terminated or that a change in the consortium is requested.
- The Commission aims at shortening the time to grant (i.e. the time between deadline of the call for proposals and the signature of the grant agreement). As a result, the letter of invitation to a negotiation specifies a time limit for negotiations. If negotiations are not completed within the given time limit, the Commission may terminate negotiations.
- For projects involving the use or production of 'Classified information' or requiring export licences or where a topic is subject to specific national or European security related legal restrictions, the funding of the proposal may depend on the Consortium's ability to manage the relevant security issues (please refer to Appendix 4 for more details).

4. GRANT AGREEMENT PREPARATION FORMS (GPFs)

Completing the GPFs

The Grant Agreement Preparation Forms have to be completed in an IT tool. The details of access to the tool will be given in the letter of invitation to negotiations. The paper version in Appendix 9 (including a full set of explanatory notes) are just for information. The actual layout in the IT tool will be different.

The forms should be completed by **all** applicants (including those not requesting any funding).

The GPFs have sections for each individual applicant, and also a section to be completed by the coordinator for the project as a whole.

The use of the IT tool for completing GPFs is mandatory. It allows the coordinator to establish a complete set of GPFs for all applicants in the project and to exchange several versions with the Commission in an iterative process of negotiation.

Why GPFs?

The GPF's have been designed to facilitate the project negotiations and the production of the grant agreement. Essentially the forms are used to identify the beneficiaries that will sign the grant agreement and to determine the eligible costs and Community contribution. The forms also include a standard declaration to be signed by each participating organisation.

Certain details, principally from forms A1 and A2, are used to generate a Project Fact Sheet (see following Chapter). The budget forms and the project summary form are included as part of Annex I to GA. The GPFs may also be used as a reference base by the Commission when receiving financial statements during the lifetime of the project.

Thus, although the GPFs are not part of the Grant Agreement (except for the budget forms and the project summary form, as mentioned above), it is important that the information in the forms is exact.

Where to send the GPFs?

A first draft of the GPFs must be completed and sent electronically to the Commission Project Officer before the first negotiation round or meeting. The final agreed version of the GPFs should be submitted to the Project Officer as soon as agreement is achieved, in one unbound copy on white paper with original signatures, and in electronic format using the GPF-editor application. Any required supporting documentation should be provided in one copy, if not requested differently by the Project Officer.

5. THE DESCRIPTION OF WORK – ANNEX I TO THE GRANT AGREEMENT

The structure of Annex I to GA (description of work) is similar for all funding schemes; however, in certain parts it is funding scheme specific. The following sections provide an annotated structure of Annex I for Collaborative Projects, Networks of Excellence and Coordination and Support Actions.

For the other funding schemes, the subsequent sections only explain those parts of Annex I to GA which are specific for the funding scheme in question.

Annotated Structure of Annex I to GA – Collaborative Projects

Annex I to GA (description of work) consists of two parts: Part A (budget breakdown and summary) and Part B (description of work). All pages must be numbered and each page should be headed with the project acronym, proposal number and actual drafting date.

Part A of Annex I to GA is comprised of the list of participants, the budget breakdown and project summary forms.

Part B of Annex I to GA is based on information from Part B of the proposal. However, during the negotiation stage several sections of the original proposal need to be updated and the Consortium may be requested to shorten certain sections of the proposal and elaborate on others.

A template (see Appendix 6) sets out the layout and numbering that must be used when drafting Annex I to GA. This is shown below for Collaborative Projects.

Structure of Annex I to GA for Collaborative Projects

PART A

- A1. Budget breakdown and project summary
 - A.1 Overall budget breakdown for the project
 - A.2 Project summary
 - A.3 List of beneficiaries

PART B

- B1. Concept and objectives, progress beyond state-of-the-art, S/T methodology and work plan

- B.1.1 Concept and project objective(s)
- B.1.2 Progress beyond the state of the art
- B.1.3 S/T methodology and associated work plan
 - B.1.3.1 Overall strategy and general description
 - B.1.3.2 Timing of work packages and their components
 - B.1.3.3 Work package list /overview
 - B.1.3.4 Deliverables list
 - B.1.3.5 Work package descriptions
 - B.1.3.6 Efforts for the full duration of the project
 - B.1.3.7 List of milestones and planning of reviews

- B2. Implementation

- B.2.1 Management structure and procedures
- B.2.2 Beneficiaries
- B.2.3 Consortium as a whole
 - If applicable* [Sub-contracting]
 - If applicable* [Funding for beneficiaries from third countries]
 - If applicable* [Additional beneficiaries / Competitive calls]
 - If applicable* [Third parties]
- B.2.4 Resources to be committed

- B3. Potential impact

- B.3.1 Strategic impact
- B.3.2 Plan for the use and dissemination of foreground
 - If applicable* [Contributions to standards]
 - [Contribution to policy developments]
 - [Risk assessment and related communication strategy]

[B4. Ethical issues] *if applicable*

[B5. Consideration of gender aspects] *optional*

Where applicable, the text below indicates for the different headings and subheadings of Annex I where a change compared to the original proposal is expected and/or requested.

Cover Page

The Cover Page of Annex I to GA is based on proposal information and the project acronym used in the proposal should not be changed (please see Appendix 6).

Contents page

The table of contents should include page numbering.

PART A

Budget breakdown and project summary

Part A is comprised of 2 forms taken from the GPFs.

- Budget breakdown form (copy of A3.2 form of the GPFs).
- Project summary form (copy of A1 form of the GPFs).
- List of beneficiaries

PART B

Part B of Annex I to GA is based on Part B of the proposal.

B1. Concept and objectives, progress beyond state-of-the-art, S/T methodology and work plan

B 1.1 Concept and project objective(s)

This section should be based on Part B section 1.1 of the original proposal.

Explain the concepts of your project. What are the main ideas that lead you to propose this work? Describe the objectives of the project in detail, in particular in a **measurable** and **verifiable** form. Objectives should be achievable within the project (not through subsequent developments); they should be specific and timed (e.g. by which date/milestone the objectives will be achieved), well in line with the milestones that will be indicated under section 1.3 below.

B 1.2 Progress beyond the state of the art

This section should be based on Part B section 1.2 of the original proposal, but the description of the state-of-the-art should be shorter while the 'baseline' descriptions and a description of the performance / research indicators have to be added.

Describe briefly the state-of-the art in the area concerned, and the advance that the project will bring about. Include also a part which clearly describes the "baseline" of the project in terms of "where does the project work start", and 'the baseline data' against which the project will measure its progress and the results the project aims to achieve (e.g. advances over the state of the art, increase of innovation /exploitation potential, etc.). The Consortium should in particular include the definition of criteria

and "performance/ research indicators" for the project along which results, progress and impact of the project will be measured in later reviews and assessments.

B 1.3 S/T Methodology and associated work plan

This section is based on Part B section 1.3 of the proposal. It describes the scientific and technical (S&T) approach and provides in detail the work planned, over the full duration of the project, to achieve the objectives.

A detailed work plan should be presented broken down into work packages (WPs) which should follow the logical phases of the project implementation. It must include consortium management and assessment of progress and results (Please note that your overall approach to management will be described later, in section 2 of Annex I).

If appropriate, the work plan should also include a separate work package for dissemination and use/exploitation planning. Overall, the work plan should be sufficiently detailed to justify the proposed effort and allow progress monitoring by the Commission.

Essential elements of this section are:

B 1.3.1 Overall strategy and general description: This section should outline the strategy for the work plan, provide a general description of the structure of the work plan and explain how it will lead the participants to achieve the objectives of the project. It should also identify any significant risks and describe contingency plans.

B 1.3.2 Timing of work packages and their components: Include a graphic representation, e.g. GANTT chart or similar, of the planned timing of the different work packages and their components. Timing should be relative, expressed in months (e.g. project month 3, project month 18 etc.). Month 1 is the month that starts at the start date of your grant agreement.

B 1.3.3 Work package list / overview: Each work package must relate to one and only one specific activity type, allowed by the chosen funding scheme⁴: e.g. research, technological development and innovation related activities, demonstration management of the Consortium activities, training activities, etc. Large, long-duration work packages make the job of monitoring technical progress difficult and should be avoided. For the work package list, use the same form as in the proposal. See template in Appendix 6.

⁴ "types of activities" allowed per scheme are as follows:
RTD = Research and technological development including scientific coordination – applicable for collaborative projects and NoEs,
DEM = Demonstration – applicable for collaborative projects
OTHER = Other activities (including management) – applicable for collaborative projects, NoEs, and CSA
MGT = Management of the consortium – applicable for all funding schemes
COORD = Coordination activities – applicable only for CAs
SUPP = Support activities – applicable only for SAs

B 1.3.4 Deliverables list: Insert a tabular listing of deliverables⁵ indicating deliverable number and title, brief verifiable description of the deliverable, work package reference number, participant leading production of deliverable, estimated number of person-months attributed to the production of the deliverable, nature of deliverable, security rating of deliverable, date to be delivered to Commission. See template in Appendix 6.

Each significant element of the project should conclude with a deliverable which is the concrete output and evidence of the work. A small work package may produce just one deliverable whereas larger work packages may produce several deliverables.

Deliverables should be limited in number, and be specific and verifiable. All listed deliverables must be quality controlled and sent to the Commission for review and approval, on behalf of the Consortium, by the project coordinator.

Deliverables should be described in clear words explaining what can be expected in terms of content and detail. A deliverable may be a report, or an action such as the construction of a prototype, the production of a demonstrator (both together with a brief report describing the achievement), the organisation of a conference with the production of related proceedings, the publication of a book, the completion of a specification, etc.

As deliverables provide valuable information on the progress of work, a regular schedule should be planned without lengthy gaps. Delivery dates should be planned throughout the project lifecycle and may also be closely linked to the timing of project reviews.

As the Seventh Framework Programme is funded with public funds, a reasonable number of non-confidential deliverables, suitable for publication, should be foreseen.

There is also a number of compulsory reports / deliverables that are described in section 6 of these guidance notes.

B 1.3.5 Work package descriptions: Each work package should represent a major sub-division of the project and have a verifiable end-point (normally a deliverable or an important milestone in the overall project).

Each work package should have an associated precise, clear and quantified description using the same format as in the proposal. A template is also given in Appendix 6.

B 1.3.6 Efforts for the full duration of the project: Include here two Project Effort Forms which show the person-months per beneficiary associated with each activity for the full duration of the project. Templates are given in Appendix 6.

The first form to be used here is the same as the one used in the proposal; the second form is an extended version with a breakdown to 'activity type'- level per participant.

⁵ For projects involving the use of classified information, please use security sensitive tabular list (Appendix 4)

This is required for the correct calculation of the requested EC contribution, as different reimbursement rates apply for the different activity types.

B 1.3.7 List of milestones and planning of reviews: Each milestone needs to be described in terms of expected results and achievements. Milestones are points where major results have been achieved as the basis for the next phase of work, or are control points at which decisions are needed; for example a milestone may occur when a major result has been achieved, if its successful attainment is a pre-requisite for the next phase of work. Another example would be a point when a choice between several technologies will be adopted as the basis for the next phase of the project.

In addition, a summarised overview of the milestones should be given in an extended version of the format in the proposal. The section should also include an indicative time schedule of the planned project reviews. A review may be planned after the most important milestones, ideally in line with the end of the identified project reporting periods. Templates for both tables are given in Appendix 6.

B2. Implementation

B 2.1 Management structure and procedures

This section describes the project's organisational structure and high-level decision-making mechanisms. It should describe how the project management will enable the project to achieve its goals. If the addition of beneficiaries during the lifetime of the project is foreseen, describe how the management structure will adapt for this.

B 2.2 Beneficiaries

This section should be based on section 2.2 of part B of the proposal but possibly in a reduced format, if requested by the project Officer. Upon request of the Commission you may be asked to include a full description in an Appendix to your Annex I.

For each beneficiary provide a brief description of the organisation (including names of key persons to be involved), the main tasks attributed to them in the project, and the previous experience relevant to those tasks. Provide also a short profile of the personnel who will be undertaking the work. If the named key persons do not in fact take part in the work, or are substituted by other persons without the knowledge of the Commission, this could be seen as beneficiaries not fulfilling their obligations towards the technical quality of the work. This could lead to a more in-depth review of the project.

B 2.3 Consortium as a whole

This section is based on Part B section 2.3 of the proposal.

Describe how the beneficiaries collectively constitute a consortium capable of achieving the project objectives, and how they are suited and committed to the tasks assigned to them. Show complementarities between beneficiaries. Explain how the

composition of the consortium is well balanced in relation to the objectives of the project.

If appropriate, describe the industrial/commercial involvement foreseen to ensure exploitation of the results. Show how the opportunity of involving SMEs has been addressed.

Further, if relevant; explain the following items

Sub-contracting⁶: If any part of the work is foreseen to be sub-contracted by a participant, describe the work involved and an estimation of the costs, explain why a sub-contract is needed and how the selection will be performed. Please note that there are special conditions for subcontracting for the funding scheme 'Research for the benefit of specific groups (in particular SMEs).

Third parties (other than subcontractors): If any part of the work is foreseen to be carried out using financial resources or resources in kind provided by third parties, identify and describe these third parties and the amount involved and their relation to the respective beneficiaries.

Funding for beneficiaries from "third" countries: If one or more of the beneficiaries requesting EU funding are based outside of the EU Member and Associated states and is not in the list of 'International Cooperation Partner Countries', explain in terms of the project's objectives why such funding would be essential.

Additional beneficiaries / Competitive calls: If there are as-yet-unidentified beneficiaries in the project, the expected competences, the role of the potential beneficiaries and their integration into the running project should be described. If any 'competitive calls' for new beneficiaries are planned, describe the timing, expected budget, purpose, scope and procedure for publication and evaluation of the call.

B 2.4 Resources to be committed

This section is based on section 2.4 of the original proposal part B, but may require more details than provided in the proposal.

In addition to the budget breakdown form (part A) and the overviews of staff effort broken down to work package level in section 1.3, please provide a management level description of resources and budget identifying personnel and any other major costs. Describe here the resources which are needed to carry out the project (personnel, indirect costs, equipment, etc. for each of the beneficiaries). The description should show that the project will mobilise the resources necessary to carry out the work for the overall duration, including those resources that will complement the EC contribution. It should also show how the resources will be integrated and used to form a coherent project within the overall financial plan.

⁶ Other than subcontracting to RTD performers (Research for the Benefit of SMEs)

B3. Impact

B 3.1 Strategic impact

This section is based on Part B section 3.1 of the proposal.

Describe how your project will contribute to the expected impacts listed in the work programme in relation to the topic(s) in question. Mention the steps that will be needed to bring about these impacts, for example in reinforcing competitiveness or in solving societal problems or addressing specific problems. If possible, identify specific areas in which the project results can have a genuine influence. Explain why this contribution requires a European (rather than a national) approach. Indicate how account is taken of other national or international research activities. Mention any assumptions and external factors that may determine whether the impacts will be achieved.

B 3.2 Plan for the use and dissemination of foreground

This section is based on section 3.2 of the original proposal. If appropriate, a separate work package should be designed with the relevant activities to accomplish this task.

Appropriate measures should be planned and implemented to ensure the optimal dissemination and use / exploitation of project results. The description should cover the Consortium's strategy and measures regarding:

- The management of knowledge and intellectual property
- The plan for the use of results (e.g. further research or commercial exploitation) and for the dissemination of the foreground (knowledge generated during the project) beyond the Consortium; both during the lifetime of the project and afterwards.

A plan for the use and dissemination of foreground is mandatory for all projects for the final report and form part of the compulsory deliverables. A basic version of the dissemination and use plan can be prepared in the first phase of the project (or at mid-term), and foreseen in Annex 1. A project website is strongly recommended.

If applicable this section should also include:

Contributions to standards: Contributions to national or international standards, which may be made by the project, if any should be described.

Contribution to policy developments: Any significant impacts the project may have on research or research-based policy development at regional, national or European level should be described together with a description, if relevant, of the policy process in which the project is embedded.

Risk assessment and related communication strategy: Any potential risks (real or perceived) for society/citizens associated with the project and the communication strategy adopted in this regard should be fully described.

B4. Ethical issues (*if applicable*)

If in the proposal you have answered some of the questions in the ethical issues table with 'YES' or if your evaluation summary report mentions that ethical issues need to be addressed, then repeat your section 4 of the proposal here and address any issues which may be requested in the Evaluation Summary Report or the separate ethical issues review report (<ftp://ftp.cordis.europa.eu/pub/fp7/docs/fp7-ethics-eir.doc>), if any. Please see Appendix 2 for the negotiation of ethical issues.

B5. Gender aspects (*optional*)

The Consortium or individual beneficiaries have the option to give an indication of the type of actions that will be undertaken during the course of the project to promote gender equality in the project, or in the specific research field.

Relevant activities might include actions related to the project consortium (e.g. improving the gender balance in the project consortium, measures to help reconcile work and private life, awareness raising within the Consortium) or, where appropriate, actions aimed at a wider public (e.g. events organised in schools or universities)

The gender dimension of the research content should also be considered.

Gender Aspects should be addressed in a work package or task within a work package. See Appendix 8 for more details.

Annotated Structure of Annex I to GA – Networks of Excellence

The structure of Annex I to GA for Networks of Excellence is similar to the one for Collaborative projects, except for the sections described below.

B1. Concept and objectives, long term integration, Joint Programme of Activities

B 1.2 Long term integration

This section should be based on section 1.2 of part B of the proposal.

Indicate in this section how the research domain addressed by the network will benefit from the long term integration of the beneficiaries activities and capacities, how the implementation of the Joint Programme of Activities (JPA) will contribute to the creation of a 'virtual centre of excellence' and how the JPA entails for its implementation the combination and complementary use of a significant volume of resources from the beneficiaries.

B 1.3 Joint Programme of Activities

This section should be based on section 1.3 of part B of the proposal.

Here, you should describe, in detail, the work planned to achieve the objectives of the project - for the full duration of the project. The Joint Programme of Activities (JPA) comprises all activities carried out jointly by the beneficiaries. It should entail, for example, mutual access to infrastructure, equipment, material, data and knowledge; exchanges of researchers, managers, technicians; redesign of the research portfolios and the research priorities, and reallocation of resources. The JPA should be designed in a way that increases the number and the quality of the results produced, while optimising the use of the beneficiaries.

A detailed work plan should be presented, broken down into work packages which include consortium management and assessment and progress of results. (Please note that the overall approach to management will be described later in section 2).

B 1.3.1 Overall strategy and general description: This section should outline the strategy for the JPA, provide a general description of the structure of the JPA and explain how it will lead the participants to achieve the objectives of the project. It should also identify any significant risks and describe contingency plans.

B 3.2 Spreading excellence, exploiting results, disseminating knowledge

This section outlines how the project intends to achieve the envisaged benefits through engagement with stakeholders outside the network and public at large. It is based on section 3.2 of part B of the proposal

Annotated Structure of Annex I to GA – Coordination Actions

The structure of Annex I to GA for Coordination Actions is similar to the one for collaborative projects, except for the sections described below.

B1. Concept and objectives, contribution to the coordination of high quality research, quality and effectiveness of the coordination mechanism and associated work plan

B 1.2 Contribution to the coordination of high quality research

This section is based on section 1.2 of part B of the proposal.

Indicate how the area addressed by the project will benefit from the coordination (including networking) that you propose.

B 1.3 Quality and effectiveness of the coordination mechanisms and associated work plan

All the comments for collaborative projects in the section above apply also here, only the wording of the heading is slightly different. This section is based on section 1.3 of part B of the proposal.

B 3.2 Spreading excellence, exploiting results, disseminating knowledge

This section is based on section 3.2 of part B of the proposal. It outlines how the project intends to achieve the envisaged benefits through engagement with stakeholders outside the coordination action, and the public at large.

Annotated Structure of Annex I to GA – Support Actions

The structure of Annex I to GA for Support Actions is similar to the one for collaborative projects, except for the sections described below.

B1. Concept and objectives, quality and effectiveness of the support mechanisms and associated work plan

B 1.2 Quality and effectiveness of the support mechanisms and associated work Plan

This section is based on section 1.2 of part B of the proposal.

All the comments under heading 1.3 of collaborative projects apply also here.

B 3.2 Spreading excellence, exploiting results, disseminating knowledge

This section is based on section 3.2 of part B of the proposal. It outlines how the project intends to achieve the envisaged benefits through engagement with stakeholders outside the support action, and the public at large.

6. PROJECT MONITORING AND FOLLOW-UP

For the follow-up and monitoring of a project, the Commission will, if possible, appoint the same official(s) who acted as Project Officer(s) during the negotiation as Project Officer(s) for the project, so as to take advantage of the in-depth knowledge of the project's work gained during the negotiation phase. He/she is the project's key link to the Commission throughout the execution of the work.

Certain tasks concerning project management, financial statements or legal and financial matters may be handled by specialist staff within the Commission who communicates directly with the Project Officer(s) or the coordinator.

Project Fact Sheet

As the FP7 programmes are funded with public funds, a public database of basic information concerning the projects is maintained. Information for this database is captured principally from forms A1 and A2 of the final GPFs, forming part of a Project Fact Sheet of non-confidential information such as project acronym, objectives, project summary, project beneficiaries, Community funding etc. It also includes contact details for the project coordinator.

As this Project Fact Sheet is prepared by the Commission, no additional input is required from the project participants, though by arrangement with the negotiating Project Officer the project may substitute a revised version of their A1 and A2 text specifically for the Project Fact Sheet.

Compulsory deliverables

According to the Grant Agreement all projects are obliged to submit periodic reports as well as a Final Report to the Commission.

All Projects are also obliged to include a 'Final plan for the use and dissemination of foreground, in their deliverables list (please refer to Appendix 6).

All projects have to report on horizontal project related issues (including gender and science & society related aspects) at the end of the project under the heading 'awareness and wider societal implications'.

Projects are requested to include, if appropriate, the setting up of a project webpage in their deliverables list which they will update on a regular basis.

Technical audits and reviews

Based on the projects reports and deliverables, and possibly also with the support of presentations made by Consortium members, the Commission may conduct reviews of project progress with the assistance of independent experts. These are used by the Commission to assess the project's progress and to decide if Community financial support for the project should be continued. In the event of a negative outcome of a review, the Commission may decide to suspend the project - pending corrective action, or to terminate the grant agreement.

The review may also lead the Consortium, or the Commission, to require changes to the work plan (to reflect evolving circumstances in the marketplace, for example). In these cases, the Consortium will be required to revise Annex I.

A schedule for any planned reviews may be included in Annex I to GA (description of work).

Financial Statements

Beneficiaries, via the coordinator, will be required to submit financial statements (cost claims) during the course of their work. The frequency and format of these (and the cases where they need to be certified by an independent auditor) are defined in the grant agreement. The financial statements form the basis for any payments made by the Commission.

7. APPENDICES

Appendix 1 – Layout of Negotiation Mandate

1. Proposal No <funding scheme>
2. Strategic objective /Theme: <number> ,<title>, <call x>
3. Project Officer (to whom all documents must be returned):

.....	Tel : 32-2 29.....
European Commission	Fax : 32-2 29.....
DG-.....	E-mail :
Office ...	
B - 1049 Brussels	

 [Administrative Officer (from whom clarifications on grant agreement preparation forms should be requested):

.....	Tel : +32-2-29.....
European Commission	Fax : +32-2-29.....
DG-.....	E-mail :
Office ...	
B - 1049 Brussels]	
4. Date and time of first negotiation meeting⁷: ../.-.... athours
 Address for the first negotiation meeting:

 Brussels/Luxembourg

 [The meeting is planned to last hours and will have the following draft agenda:

]
5. EC financial contribution:

<u>Maximum financial EC contribution</u> ⁸	EUR
---	-------	------------

 [Suggested breakdown of contribution per partner:

.....	EUR
.....	EUR
.....	EUR
.....	EUR]
6. Duration of the project **months**
7. Changes in technical content (please redraft the description of work on the basis of the specifications provided in the *Negotiation Guidance Notes for coordinators*. If applicable, please take into consideration the recommendations contained in the evaluation summary report and the following additional comments):

7. Timetable for negotiation

<u><date> Deadline for the first version of the description of work (Annex I) and the GPFs</u>
<u><date> Deadline for the second version of the description of work</u>
<u><date> Negotiation meeting in Brussels/Luxembourg.</u>
<u><date> End of negotiations</u>

⁷ Subject to confirmation by the consortium

⁸ This is an estimate of the maximum possible funding and does not take into account any possibly required changes (e.g. changes in form of the grant, detailed consequences of any recommended technical adaptations).

Appendix 2 – Negotiation of ethical issues

http://ec.europa.eu/research/science-society/page_en.cfm?id=3198

Ethics is important throughout the project lifecycle, from concept to dissemination of results.

If there are ethical issues associated with a project the applicants must describe how these will be dealt with in Annex I to GA.

Ethical issues are to be addressed by project proposals that involve experimentation with humans (including clinical trials), human tissue, the collection or processing of personal information, the development of security technologies that could cause potential loss of privacy or infringement of liberties, experimentation with animals, genetic information etc

Proposals with serious ethical issues together with those that did not address ethical issues adequately will have been identified by the scientific evaluation as needing additional attention by an ethical review panel.

If a project has been subject to ethical review, grant agreement negotiation can not be concluded without taking full account of the ethics review report which should also form part of the technical annex to the grant agreement.

The ethical review within FP7 has two important functions:

1. To ensure that the EU can be confident that it is not funding any research that is ethically unsound.
2. To continually raise awareness amongst researchers of ethical issues that may be raised by their research and enable them to adequately address these. This is particularly important for new and developing areas of research and technology (Genomics, IT, Nanotechnology and Security Technologies for example), which previously may have had little need to address ethical issues in research projects but where new developments are leading to innovative research in areas where ethical considerations become important.

Normally an ethics review will have been carried out and the Ethics Review Report will be available by the time grant agreement negotiations begin. However, for some proposals requiring an ethical review this may not be the case. In this event, the co-ordinator should be informed that an ethical review is still in progress and that the outcome of the ethical review will need to be taken into account and may change or may add to the final result of the scientific evaluation.

If the proposal contravenes the fundamental ethical rules of FP7 and this is unable to be resolved, the project may be stopped at any point in the evaluation/negotiation/award procedure⁹.

⁹ REGULATION (EC) No 1906/2006 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 December 2006 laying down the rules for the participation of undertakings, research centers and universities in actions under the Seventh Framework Programme and for the dissemination of research results (2007-2013) – OJ L391 of 30.12.2006.p.1, Article 15.2

COUNCIL REGULATION (EURATOM) No 1908/2006 of 19 December 2006 laying down the rules for the participation of undertakings, research centers and universities in actions under the Seventh Framework Programme of the European Atomic Energy Community and for the dissemination of research results (2007-FP7 Negotiation Guidance Notes – Collaborative projects, Networks of Excellence, Coordination and Support Actions, Version 10 September 2007

Management

Where ethical issues are addressed by the project proposal, appropriate management of these issues should be guaranteed in the overall project management. This can be done in different ways, such as by involving one or more ethicist in the management board, by creating a separate management board for the ethical issues, by adding a work package to analyse in depth the important ethical issues involved or by working on an ethical impact assessment of the project. Sometime it might be advisable to choose a mixture of these measures.

Reporting

The annual report should devote a section to describing the handling of the ethical aspects of the project.

The ethical review report in Grant Agreement negotiation

The ethical review report has three elements that have to be taken into account in the negotiation of Annex I to GA.

Requirements

These conditions have been identified as necessary in order to fulfil FP7 ethical rules. The requirements will refer to the individual WPs in which they must be incorporated. Annex I must demonstrate that these conditions have been accepted and are followed by the Consortium.

Where additional information is required such as the approval of a national authority or a local ethics committee, **the co-ordinator** must ensure these are obtained prior to starting the relevant experiments. In order to avoid 'micro management' and over burdening the Scientific Officers the majority of such approvals can be retrospectively checked in each progress report.

However, it is essential that national approvals relating to use of embryo / human embryonic stem cells (ESC), are checked by the Scientific Officer and other Commission Staff *prior* to the commencement of any work. A special clause needs to be inserted in the grant agreement relating to embryo / hESC use.

If other requirements have been identified the annual report will have to report on these issues.

Recommendations

Recommendations from the Ethical Report panel for improving the ethical soundness of the project should be subject to the negotiation process.

2011), – OJ L400 of 30.12.2006.p.1, Regulation as last amended by Corrigendum OJ L54 of 22.02.2007, p4 - Article 14.2

Follow Up

Identification of any aspects of the project where ethical issues may need to be considered or reconsidered at a later stage.

Appendix 3 – Consortium Agreement

A Consortium Agreement is obligatory in most projects financed under FP7. If a Consortium Agreement is not obligatory this will be indicated in the call for proposals. The Consortium Agreement is a legally binding agreement between the beneficiaries of the project. The consortium must decide on terms and conditions of their consortium agreement (including the applicable law) that suits its members and their interest. The contents are their sole responsibility. The Commission is not party to the Consortium Agreement (unless the Joint Research Centre of the European Commission is a participant in the Consortium) and the Commission does NOT verify or check the content of the Consortium Agreement.

The terms of the Consortium Agreement cannot contradict or attempt to negate the provisions of the EC Grant Agreement. They may further develop those provisions or clarify details, specify the organisation of the work to be carried out and establish decision-making / technical management of the project, and dispute settlement procedures for the Consortium. In addition, the Consortium agreement is important for determining the provisions for distribution of the EC financial contribution including the pre-financing, and it can be used to identify the particular provisions relating to terms of the EC Grant Agreement (such as the terms and conditions of: protection or intellectual property rights; provisions for confidentiality and treatment of information; access rights to background or foreground for carrying out the project or for use of a beneficiary's own foreground; background to be brought to the project including any provisions relating to its limited or temporary exclusion).

A checklist of issues that can be addressed in the Consortium Agreement is available at: ftp://ftp.cordis.europa.eu/pub/fp7/docs/checklist_en.pdf.

Information and guidance on the content of a consortium agreement relating to Intellectual Property Rights (IPR) is also available from the IPR help-desk: <http://cordis.europa.eu/ipr-helpdesk>

Appendix 4 – Additional requirements for sensitive projects involving classified information

In FP7, the use or production of classified information in a project is possible¹⁰ but requires additional specific procedures.

Security research has certain specificities relating to its sensitive nature and the particular capability gaps that need to be addressed to protect Europe's citizens. Therefore, the classification of information and the application of strict rules on confidentiality can be essential to the success of research activities. In addition, the Commission supported by the Programme Committee needs to ensure that necessary provisions for the exchange of sensitive material subject to transfer- or export-licensing or projects addressing a topic subject to specific national or international legal restrictions are foreseen by the beneficiaries.

As stated in documents "Rules on submission of proposals, and the related, evaluation, selection and award procedures" and the "Guide for Applicants", a Security Aspect Letter, describing all relevant procedures and information has been required in the proposal. A definitive version of the Security Aspect Letter will be annexed to the grant agreement and must be worked out during negotiations. National security authorities will be consulted during the negotiations through their representatives in the Programme Committee(s). They will have the possibility to make recommendations regarding "Classified information" issues.

For projects based on proposals which did not contain Security Aspect Letter but that have been flagged¹¹ during evaluation as potentially sensitive regarding security, a Security Aspect Letter could be required during the negotiations.

Export control or transfer licences

Any project requiring export control or transfer licences would be subject to the same procedures as projects involving classified information.

The **Security Aspect Letter (SAL)** will cover:

- The level of classification of background and foreground
- The requirement to have export or transfer licences
- Which participant will have access to what information
- A statement on the clearances (or clearances requests)
- A copy of export or transfer licences (or requests)
- The compliance to specific national or international legal restrictions

Subcontracting:

If the beneficiaries have to negotiate classified subcontracts they are responsible for ensuring that all subcontracting activities are undertaken in accordance with the common minimum

¹⁰ See Commission Decision (2001/844/EC, ECSC, Euratom) on security, amended by Decisions --- (2006/548/EC, Euratom and 2005/94/CE, Euratom)
See dedicated procedure for flagging sensitive projects regarding security in "Rules on submission of proposals, and the related, evaluation, selection and award procedures"

standards contained in the Grant Agreement. However, beneficiaries must not transmit EU classified information or material to a subcontractor without the prior written consent of the originator.

If any classified subcontract is foreseen, it should be clearly mentioned and a SAL should be part of the subcontract and submitted to the Commission for approval prior to the signature of the subcontract.

Levels of classification

EU TOP SECRET: This classification shall be applied only to information and material the unauthorised disclosure of which could cause exceptionally grave prejudice to the essential interests of the European Union or of one or more of its Member States. **There will be no EU TOP SECRET classified information in an FP7 action.**

SECRET UE: This classification shall be applied only to information and material the unauthorised disclosure of which could seriously harm the essential interests of the European Union or of one or more of its Member States.

CONFIDENTIEL UE: This classification shall be applied to information and material the unauthorised disclosure of which could harm the essential interests of the European Union or of one or more of its Member States.

RESTREINT UE: This classification shall be applied to information and material the unauthorised disclosure of which could be disadvantageous to the interests of the European Union or of one or more of its Member States.

In addition, the following template for the List of deliverables has to be used for project involving classified information (including the extended set of deliverables codes):

**List of Deliverables – to be submitted for review to EC
– including those with 'classified information' -**

Del. no. ¹²	Deliverable name	WP no.	Lead participant	<i>Estimated indicative person-months</i>	Nature ¹³	Dissemination level ¹⁴	Delivery date ¹⁵ (proj. month)
TOTAL							

¹² Deliverable numbers in order of delivery dates: D1 – Dn

¹³ Please indicate the nature of the deliverable using one of the following codes:

R = Report, **P** = Prototype, **D** = Demonstrator, **O** = Other

¹⁴ Please indicate the dissemination level using one of the following codes:

PU = Public

PP = Restricted to other programme participants (including the Commission Services).

RE = Restricted to a group specified by the consortium (including the Commission Services).

CO = Confidential, only for members of the consortium (including the Commission Services).

CL restraint UE = Classified with the mention of the classification level “Restreint UE”

CL confidential UE = Classified with the mention of the classification level “Confidentiel UE”

CL secret UE = Classified with the mention of the classification level “Secret UE”

¹⁵ Month in which the deliverables will be available. Month 1 marking the start date of the project, and all delivery dates being relative to this start date.

SECURITY ASPECT LETTER (SAL) TEMPLATE

This template should be filled in for all sensitive projects and will be part of the grant agreement

USE of classified Background						
Subject	Classification level	Owner <i>(Name+country)</i>	Beneficiaries wanting to access			Comments including purpose of the access and planned use
			Name <i>(+country)</i>	Clearance	Date of access	
PRODUCTION of classified Foreground						
Subject	Classification level	Owner <i>(Name+country)</i>	Beneficiaries involved in production or wanting to access			Comments including purpose of the access and planned use
			Name <i>(+country)</i>	Clearance	Date of production	

Exchange of sensitive material subject to export or transfer licence						
Subject	Type of material	Owner (<i>Name+ country</i>)	Beneficiaries requiring access to sensitive material			Comments including purpose of the export or transfer
			Name (<i>+country</i>)	Licence ref	Date of transfer	
Topic submitted to legal restrictions						
Subject	Restrictions description	Ref to national or international legislation	Beneficiaries subject to restrictions			Comments
			Name (<i>+country</i>)	Action taken	Date of action	

Appendix 5 – Negotiation checklist template

The following template is designed to ensure that all information necessary to issue a grant agreement is discussed and delivered to the Commission Services.

Although the first negotiation meeting (or contact by phone /email, in case no meeting is planned) will mainly concentrate on the Annex I to GA (description of work), it will also touch financial and legal issues. The Consortium should therefore have prepared for discussion all the issues in the checklist for the first meeting. Indeed in some cases the Commission Project Officer will indicate in advance that he/she would like to tackle both aspects of discussion in a single meeting / contact.

CHECK LIST FOR PROJECT NEGOTIATIONS

<u>Prior to first contact</u>	
Agree coordinator	
Agree other beneficiaries' roles	
(If not already done) Confirm need for subcontracting, or any other third party, competitive calls, etc	
Establish Consortium Agreement	
Clarify each beneficiary's status for identifying the correct reimbursement rate per legal entity and the method used for determining indirect costs	
Complete first draft of Annex I and any appendices	
Complete first draft of GPFs, including bank account information	
Collect necessary supporting information / documents for GPFs (financial and legal information)	
Dispatch Annex I and GPFs to Commission Project Officer	

<u>Meeting / Contact</u>	
Discuss issues in draft Annex I :	
Those addressed by ESR	
Those indicated by 'Negotiation Mandate' and arising during meeting/contact	
Those related to individual headings in Annex I 'table of contents'	
Clarify financial/grant agreement issues :	
Acceptability of form of grant used by participants	
Confirm resources that make up the counterpart funding for the project - clarify extent of participants' other involvement in FP7/other EU programmes	
Confirm agreement on draft GPFs :	
Proposal abstract	
Budget breakdown summaries (including receipts)	
Management costs	

Beneficiaries' direct/indirect costs	
Subcontracts and other third parties	
Set/agree date for submission of revised/final Annex I and GPFs	
[Set/agree date and time of next meeting/contact, if necessary]	
Estimate costs of methodology certification and/or average personnel rate certification	

<u>Final submission</u>	
Submit agreed final Annex I	
Submit agreed final GPFs	
Submit any annexes	

Appendix 6 – Templates for Annex I

Template: Cover page

SEVENTH FRAMEWORK PROGRAMME
THEME [#]
[Theme Title]

Grant agreement for: <Funding Scheme>¹⁶

Annex I - “Description of Work”

Project acronym: *(same as proposal acronym)*

Project full title:

Grant agreement no.: *(same as proposal no)*

Date of preparation of Annex I (latest version):

Date of approval of Annex I by Commission: *(to be completed by Commission)*

List of Beneficiaries

Beneficiary Number *	Beneficiary name	Beneficiary short name	Country	Date enter project**	Date exit project**
1 (coordinator)					
2					
3					
4					

* Please use the same beneficiary numbering as that used in the Grant Agreement Preparation Forms

** Normally insert “month 1 (start of project)” and “month n (end of project)”

¹⁶ The following funding schemes are distinguished: Collaborative Project (if a distinction is made in the call please state which type of Collaborative project is referred to: (i) Small of medium-scale focused research project, (ii) Large-scale integrating project, , (iii) Project targeted to special groups such as SMEs and other smaller actors), Network of Excellence, Coordination Action, Support Action.

Template: Milestones List and planned reviews

Milestones are points where major results have successfully been achieved as the basis for the next phase of work, or are control points at which decisions are needed; for example a milestone may occur when a major result has been achieved, if its successful attainment is a pre-requisite for the next phase of work. Another example would be a point when a choice between several technologies will be adopted as the basis for the next phase of the project.

List and schedule of milestones					
Milestone no.	Milestone name	WPs no's.	Lead beneficiary	Delivery date from Annex I ¹⁷	Comments

Reviews should ideally be synchronised with ends of project reporting periods – which may coincide with the major milestones of the project. A tentative planning has to be indicated using the following template table:

Tentative schedule of project reviews			
Review no.	Tentative timing, i.e. after month X = end of a reporting period ¹⁸	planned venue of review	Comments , if any
1	After project month: X		
2	After project month: X		
3	After project month: X		
...		

Note: This is a new table which was not included in the proposal.

¹⁷ Month in which the milestone will be achieved. Month 1 marking the start date of the project, and all delivery dates being relative to this start date.

¹⁸ Month after which the review will take place. Month 1 marking the start date of the project, and all dates being relative to this start date.

Template: Work package list

Work package list

Work package No ¹⁹	Work package title	Type of activity ²⁰	Lead beneficiary No ²¹	Person-months ²²	Start month ²³	End month ²⁴
	TOTAL					

¹⁹ Workpackage number: WP 1 – WP n.

²⁰ Insert one of the following 'types of activities' per WP (only if applicable for the chosen funding scheme – must correspond to the GPF Forms):

RTD = Research and technological development including scientific coordination applicable for collaborative projects and NoEs

DEM = Demonstration - applicable for collaborative projects

OTHER = Other activities (including management) applicable for collaborative projects, NoEs, and CSA

MGT = Management of the consortium - applicable for all funding schemes

COORD = Coordination activities – applicable only for CAs

SUPP = Support activities – applicable only for SAs

²¹ Number of the beneficiary leading the work in this work package.

²² The total number of person-months allocated to each work package.

²³ Relative start date for the work in the specific work packages, month 1 marking the start date of the project, and all other start dates being relative to this start date.

²⁴ Relative end date, month 1 marking the start date of the project, and all end dates being relative to this start date.

Template: Deliverables list

List of Deliverables – to be submitted for review to EC²⁵

Del. no. ²⁶	Deliverable name	WP no.	Lead beneficiary	<i>Estimated indicative person-months</i>	Nature ²⁷	Dissemination level ²⁸	Delivery date ²⁹ (proj. month)
TOTAL							

²⁵ In a project which uses ‘Classified information²⁵’ as background or which produces this as foreground the template for the deliverables list in Annex 7 has to be used

²⁶ Deliverable numbers in order of delivery dates: D1 – Dn

²⁷ Please indicate the nature of the deliverable using one of the following codes:

R = Report, **P** = Prototype, **D** = Demonstrator, **O** = Other

²⁸ Please indicate the dissemination level using one of the following codes:

PU = Public

PP = Restricted to other programme participants (including the Commission Services)

RE = Restricted to a group specified by the consortium (including the Commission Services)

CO = Confidential, only for members of the consortium (including the Commission Services)

²⁹ Month in which the deliverables will be available. Month 1 marking the start date of the project, and all delivery dates being relative to this start date.

Template: Project Effort Form 1 - Indicative efforts per beneficiary per WP

Project number (acronym) :

<i>Workpackage</i> ³⁰	WP1	WP2	WP3	...	TOTAL per Beneficiary
Beneficiary 1 short name					
Beneficiary 2 short name					
Beneficiary 3 short name					
....					
.....					
.....					
.....					
.....					
TOTAL					

Note: This is the same table format as in part B of the proposal.

³⁰ Please indicate in the table the number of person months over the whole duration for the planned work , for each work package by each beneficiary

Template: Project Effort Form 2 - indicative efforts per activity type per beneficiary³¹

Project number (acronym) :

<i>Activity Type</i>	Beneficiary 1 short name	Beneficiary 2 short name	Beneficiary 3 short name	Beneficiary 4 short name	Beneficiary 5 short name	etc	TOTAL ACTIVITIES
RTD/Innovation activities							
WP name							
WP name							
Etc							
Total 'research'							
Demonstration activities							
WP name							
WP name							
Etc							
Total 'demonstration'							
Consortium management activities							
WP name							
Etc							
Total 'management'							
Other activities							
WP name							
Etc							
Total 'other'							
TOTAL BENEFICIARIES							

Note: This is a new table, with a breakdown of efforts per beneficiary to activity type level, which was not requested in the proposal

³¹ Please indicate in the table the number of person months over the whole duration for the planned work , for each work package, for each activity type by each beneficiary

Template: Workpackage description

Work package description

Work package number		Start date or starting event:	
Work package title			
Activity Type³²			
Participant id			
Person-months per beneficiary:			

Objectives

Description of work (possibly broken down into tasks)

Deliverables (brief description)

³² For all FP7 Projects each workpackage must relate to one (and only one) of the following possible Activity Types
RTD = Research and technological development including scientific coordination applicable for collaborative projects and NoEs
DEM = Demonstration - applicable for collaborative projects
OTHER = Other activities (including management) applicable for collaborative projects, NoEs, and CSA
MGT = Management of the consortium - applicable for all funding schemes
COORD = Coordination activities – applicable only for CAs
SUPP = Support activities – applicable only for SAs

Appendix 7 – Subcontracting in FP7³³

What subcontracting may be carried out under FP7 projects and when?

The EC Model Grant Agreement indicates that *Beneficiaries* shall ensure that the work to be performed, as identified in Annex I, can be carried out by them. However, where it is necessary to subcontract certain elements of the work to be carried out, this should be clearly identified in Annex I.

Subcontracting may concern only certain parts of the project, as the implementation of the project lies with the participants. Therefore, the subcontracted parts should in principle not be "core" parts of the project work. In cases where it is proposed to subcontract substantial/core parts of the work, this question should be carefully discussed with and approved by the Commission and those tasks identified in this chapter of Annex I. In some cases, the intended subcontractor should instead become a beneficiary, or the consortium should find another beneficiary able to perform that part of the work.

During the implementation of the *project*, beneficiaries may subcontract other minor support services, which do not represent core elements of the *project* work. Coordination tasks of the coordinator such as the distribution of funds, the review and collection of reports and others tasks mentioned under Article II.2.3 cannot be subcontracted. Other project management activities could be subcontracted under the conditions established for subcontracting.

Tasks to be performed by a subcontractor including a financial estimation of the costs, should be identified in this part of Annex I. It is not necessary to identify the subcontractor, except where the subcontractor has already been identified following the procedures described below.

The monetary value of the services is normally not sufficient to determine whether these conditions are met. As a general rule, subcontracting does not occur between beneficiaries.

What are the conditions under which subcontracting may be carried out under FP7 projects?

Article II.7.2 of GA requires beneficiaries to ensure that transparent bidding procedures are used before selecting a subcontractor.

"Any subcontract, the costs of which are to be claimed as an eligible cost, must be awarded to the bid offering best value for money (best price-quality ratio), under conditions of transparency and equal treatment."

However, this does not mean that a full tendering procedure has to be launched for every subcontract³⁴. Many organisations have framework contracts with a third party to carry out

³³ Other than subcontracting to RTD performers (Research for the Benefit of SMEs)

³⁴ **For public entities**, the award procedure must comply with any national legislation applicable to them. For subcontracts exceeding certain amounts, the Directive on public procurement of services applies and the publication of a call for tenders is mandatory. For subcontracts below those thresholds, the beneficiary should follow internal procedures, assuming that they comply with the terms of the EC contract. However, they should in any case comply with the terms of the GA.

routine and repetitive tasks. They have been established before the beginning of the project, and are the usual practice of the beneficiaries for a given type of task. These frameworks contracts can be used to carry out tasks necessary for implementing the EC project provided they have been established on the basis of the principles of best value for money and transparency mentioned above.

Public entities must follow the procurement principles established by their national authorities; however, they should in any case comply with the terms of the GA.

Also subcontracting cannot be used to avoid the rules for participation (ie to provide financing to a legal entity that would not otherwise have been eligible for funding under the Framework Programme).

What other conditions does the beneficiary have to meet when subcontracting?

The beneficiary remains responsible for all its rights and obligations under the EC Grant Agreement, also for the tasks carried out by a subcontractor. The beneficiary must ensure that the intellectual property that may be generated by a subcontractor reverts to the beneficiary so that it can meet its obligations under the EC Grant Agreement. In addition, the EC Grant Agreement requires that the beneficiary impose a certain number of conditions in its subcontract with the subcontractor, these include aspects relating to audits by the Commission and the Court of Auditors etc.

What rights and obligations does a subcontractor have?

A subcontractor is paid in full for the work carried out. The work that a subcontractor carries out under the project belongs to the beneficiary in the EC Grant Agreement. A subcontractor has no rights or obligations vis-à-vis the Commission or the other beneficiaries to the EC Grant Agreement as it is a third party. However, as mentioned above, the beneficiary must ensure that the subcontractor can be audited by the Commission or the Court of Auditors.

Is a freelance expert a subcontractor or a temporary employee?

The use of freelance experts either as in-house consultants or as external consultants may be considered to be subcontracts or a form of personnel costs depending on the terms and conditions of the agreement between the expert and the beneficiary. For more explanations see Article II.14 in the [Guide to Financial Issues](#).

Private legal entities follow their internal rules which they apply for the normal selection of procurement contracts (typically a minimum of three offers). The publication of a call for tenders is normally not necessary for private legal entities.

At the request of the Commission and especially in the event of an audit, beneficiaries must be able to demonstrate that they have respected the conditions of transparency and equal treatment in selecting a subcontractor. The selection criteria must be based on the best value for money given the quality of the service proposed (best price-quality ratio).

Subcontracting vs. durable equipment / consumables

Sometimes the purchase of equipment or consumables is associated with the provision of a service. Depending on the nature of the services provided, they may be considered subcontracts or part of the equipment purchase. If the service is part of the "package" of equipment purchase then it will be considered to be part of the equipment purchase.

Subcontracting can also include the costs, such as renting a room for a conference, catering for a conference, printing conference materials, etc.

Subcontracting certificates

The provisions applying to subcontractors apply also to external auditors. When the beneficiary uses its usual external auditor it is considered that it has been chosen by transparent means according to the provisions of the EC grant agreement (Article II.7).

The cost of a certificate is an eligible cost under the management activities, under subcontract costs. VAT charged by the auditor is not an eligible cost.

A certificate for the subcontractor's costs is not needed. The costs of the subcontractor will be covered by the beneficiary's certificate.

Subcontracting in projects involving the use or production of "Classified information"

Subcontracting in projects involving the use or production of "Classified information" is subject to restrictions as described in Appendix 7 of these guidance notes.

Other third parties

A third party, is, by definition, any legal entity which does not sign the GA. A subcontractor is a type of third party, but not the only one. As the implementation of the project is the responsibility of the beneficiaries (who **do sign** the GA), as a general rule beneficiaries should have the capacity to carry out the work themselves. Therefore the rule is that the costs eligible in a project must be incurred by the beneficiaries (the signatories to the GA).

However, in some circumstances the GA accepts some third parties whose costs may be eligible.

A third party may contribute to the project in two possible ways:

- **making available its resources to a beneficiary (in order for the beneficiary to be able to carry out part of the work)**
- **carrying out part of the work themselves.**

These costs may be eligible under certain conditions:

- The third party, the tasks to be performed, and the resources allocated to the project by a third party must be identified during the negotiations and mentioned in this part of Annex I (and in some cases also in a special clause in the grant agreement).

- In the case of **third parties carrying out part of the work** which are not subcontractors, the beneficiaries will be entitled to charge their costs only in the cases covered by a special clause. It is essential therefore to discuss these cases during the negotiations, and if they are accepted, to include the relevant special clause in the grant agreement.

Appendix 8 – How to consider Gender Aspects in projects

The European Commission attaches considerable importance to gender equality. Articles 2, 3, 13, 137 and 141 of the EC treaty endorse the principles of equal treatment in all activities including research and technological development. Furthermore, in April 2005, the Competitive Council invited the Commission to continue improving the participation of women in all areas of research and to further develop the Gender Watch System. The Commission has set targets to have a 40% representation of both sexes on all groups, panels and committees including those associated with the Research Framework programmes.

The lack of women's participation in scientific research, especially at high level, has been documented for many scientific fields. All projects are encouraged to have a balanced participation of women and men in their research activities and to raise awareness on combating gender prejudices and stereotypes.

Sex and / or gender are relevant variables in many research fields and generally referred to as the gender dimension of the research content. When human beings are involved as research subjects or users, and in training or dissemination activities, gender differences may exist. These must be addressed as an integral part of the research to ensure the highest level of scientific quality. The Work Programmes of the different themes may indicate specific topics where gender aspects should be given specific attention. It is easy to understand that sex and gender are variables that must be addressed when considering health research but it might be less easy to understand that gender could also be an important factor in, for example, aeronautical or energy research. As a guideline, wherever human beings are involved in the research, for example as consumers, users and patients, or in trials, gender will be an issue and should be considered and addressed.

The Commission will inform the coordinator, during grant negotiation, of the importance of having a good gender balance within the project. The Commission will also inform the coordinator on whether it considers the gender dimension of the research content an area that should be addressed within the project.

Beneficiaries should note that, in FP7, parental leave costs are reimbursable.

Consideration of Gender Aspects for Collaborative Projects and Networks of Excellence

As indicated in Part B of the Guide for Applicants, beneficiaries will be invited, during grant negotiation, to consider how best to promote gender equality during the lifetime of their projects both in terms of a balanced participation of men and women and in terms of the gender dimension of the scientific research.

Beneficiaries opting to promote gender equality within the project should submit either a dedicated work package or a task within a work package indicating the actions they intend to carry out. These will form part of the grant agreement and will be assessed during subsequent reporting periods, as defined in the Grant Agreement.

The following list gives examples of possible actions that might be considered to promote the higher participation of women in scientific research and FP7 projects. The list is not exhaustive and any other action proposed by the Consortium is welcome.

ACTIONS TO ACHIEVE GENDER BALANCE WITHIN THE WORKFORCE

- Survey the position and the needs of women staff
- Design and implement equal opportunities policy
- Positive actions for women scientists re-entering professional life
- Set targets to achieve gender balance in decision-making positions
- Design and implement mentoring schemes for women
- Promote women's participation in Consortium research activities
- Promote women's participation in committees and working groups
- Design and implement gender awareness training for HR Managers
- Family friendly working conditions

MONITORING ACTIONS

- Appoint gender equality officer
- Create an equal opportunities commission
- Collect sex-disaggregated data on workforce regularly
- Collect data on women's participation in research activities
- Monitor impact of family friendly working conditions
- Disseminate data collection results within workforce
- Studies or analysis of attitudes / priorities of research personnel in the scientific field of the project

ACTIONS TO RAISE GENDER AWARENESS

- Organise conferences, seminars, lectures with gender experts
- Set up a gender awareness group
- Develop information tools (newsletters, websites, etc)
- Network with women's organisations or equal opportunities bodies

ACTIONS TO PROMOTE WOMEN IN SCIENCE

- Organise outreach activities in the school system
- Invite students to visit the research laboratories
- Organise girls' days
- Deliver lectures in universities/higher education institutions
- Offer traineeships to women students

Appendix 9 – Grant Agreement Preparation Forms – GPFs



EUROPEAN
COMMISSION

Community Research



Grant Agreement Preparation Forms

FP7 Collaborative Projects, Networks of Excellence, Coordination and Support Actions, Research for the benefit of Specific Groups (in particular SMEs)

Version 03 - 21/6/2007

INTRODUCTION

Grant Agreement Preparation Forms (GPF's) have been designed to facilitate the project negotiations and the production of the grant agreement. It is a main communication instruments between the co-ordinator representing the Consortium and the Commission's Project Officer. Essentially the forms are used to identify the beneficiaries that will sign/accede to the grant agreement, to determine the eligible costs and Community contribution and to electronically capture structured information on work packages, efforts, milestones and deliverables. The forms also include a standard declaration to be signed by each participating organisation.

To assist the filling in of the GPF's the following is made available:

- Annotations – these are attached to the standard forms and should be read carefully
- Pre-filled legal information (see below)
- A GPF tool - to be used by the co-ordinator and the beneficiaries

Legal information is held in the A2.1 form. This information is pre-filled by the Commission services using either information taken from the Commission database or from the proposal. Depending on the validity of this information, the organisation concerned may have to supply to the Commission with a so called "identification fiche" and supporting legal documents. For instructions on this, see the annotations to the A2.1 form.

The budget table (A3.2) is to be used in Part A of Annex I of the grant agreement. The B-forms capture essential data to be used in Part B of Annex I of the grant agreement.

The GPF's also include in Appendix I simplified accounts that may be requested as part of the financial viability checking.

Grant agreement Preparation Forms



EUROPEAN COMMISSION
7th Framework Programme on
Research, Technological
Development and Demonstration

All Schemes

A1: Our Project

Project Number¹

Project Acronym²

ONE FORM PER PROJECT

GENERAL INFORMATION

Project Title³

Starting date⁴

Duration in months⁵

Call (part) identifier⁶

Activity code(s) most
relevant to your topic⁷

Free keywords⁸

Abstract⁹ (max. 2000 char.)

Grant agreement Preparation Forms



EUROPEAN COMMISSION
7th Framework Programme on
Research, Technological
Development and Demonstration

All Schemes

A2.1: Who we are

Project Number ¹	Project Acronym ²	Participant number in this project ¹⁰	Participant short name ¹¹
-----------------------------	------------------------------	--	--------------------------------------

ONE FORM PER PARTICIPANT

LEGAL DATA

If your organisation has already registered for FP7, enter your Participant Identity Code ¹²	
Participant Legal name ¹³	
Participant Short name ¹¹	
Status of validation ¹⁴	

Legal address of the participant	
Street name ¹⁵	Number ¹⁵
Town ¹⁵	
Postal Code / Cedex ¹⁵	
Country ¹⁶	
Internet homepage (optional)	

Registration data of the participant	
Legal registration number ¹⁷	
Place of registration ¹⁷	
Date of registration ¹⁷	
VAT Number ¹⁸	
Legal form ¹⁹	

Contact person for legal information ²⁰			
Family name		First name(s)	
Phone 1 ²¹		Phone 2 ²¹	
E-mail		Fax ²¹	

If the legal information is not validated or has the status of validated but is not correct, supporting documents will have to be provided to the Commission. Legal supporting documents include an Identification Fiche and depending on your legal status, supporting documents (see http://ec.europa.eu/budget/execution/legal_entities_fr.htm)

Grant agreement Preparation Forms



EUROPEAN COMMISSION
7th Framework Programme on
Research, Technological
Development and Demonstration

All Schemes

A2.2: Who we are

Project Number ¹	Project Acronym ²	Participant number in this project ¹⁰	Participant short name ¹¹
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ONE FORM PER PARTICIPANT

STATUS OF YOUR ORGANISATION

Certain types of organisations benefit from special conditions under FP7 participation rules. If you are one of these, please tick the appropriate box(es) below. ²²

Your organisation is:

<input type="checkbox"/>	Natural person ²³	
<input type="checkbox"/>	Public body ²⁴	
<input type="checkbox"/>	• Non profit public body ²⁵	
<input type="checkbox"/>	• Profit public body ²⁶	
<input type="checkbox"/>	• International organisation of European interest ²⁷	
<input type="checkbox"/>	• International organisation – other ²⁸	
<input type="checkbox"/>	Secondary and higher education establishment ²⁹	
<input type="checkbox"/>	Non-Profit Research organisation ³⁰	
<input type="checkbox"/>	Enterprise ³¹	
<input type="checkbox"/>	• SME ³²	
<input type="checkbox"/>	• Non-SME ³³	
<input type="checkbox"/>	None of the above	Please specify

In addition to the questions above, a user-friendly electronic decision tree related to the validation of SME status will be presented in the IT tool for completing the grant agreement preparation forms.

Grant agreement Preparation Forms



EUROPEAN COMMISSION
7th Framework Programme on
Research, Technological
Development and Demonstration

All Schemes

A2.3: Authorised Representatives

Project Number ¹		Project Acronym ²		Participant number in this project ¹⁰		Participant short name ¹¹	
-----------------------------	--	------------------------------	--	--	--	--------------------------------------	--

ONE FORM PER PARTICIPANT

AUTHORISED REPRESENTATIVES FOR THIS PROJECT

Authorised representative to sign the grant agreement or to commit the organisation for this project			
Family name		First name(s)	
Title ³⁴		Gender ³⁵ (Female – F / Male – M)	
Position in the organisation ³⁶			
Department/Faculty/Institute/Laboratory name/ ... ³⁷			
Address (if different from the legal address) ¹²			
Street name ¹⁵		Number ¹⁵	
Town ¹⁵			
Postal Code / Cedex ¹⁵			
Country ¹⁶			
Phone 1 ²¹		Phone 2 ²¹	
E-mail		Fax ²¹	

Authorised representative to sign the grant agreement or to commit the organisation for this project			
Family name		First name(s)	
Title ³⁴		Gender ³⁵ (Female – F / Male – M)	
Position in the organisation ³⁶			
Department/Faculty/Institute/Laboratory name/ ... ³⁷			
Address (if different from the legal address) ¹²			
Street name ¹⁵		Number ¹⁵	
Town ¹⁵			
Postal Code / Cedex ¹⁵			
Country ¹⁶			
Phone 1 ²¹		Phone 2 ²¹	
E-mail		Fax ²¹	

Grant agreement Preparation Forms



EUROPEAN COMMISSION
7th Framework Programme on
Research, Technological
Development and Demonstration

All Schemes

A2.4: How to contact us

Project Number ¹		Project Acronym ²		Participant number in this project ¹⁰		Participant short name ¹¹	
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ONE FORM PER PARTICIPANT

CONTACT PERSONS FOR THIS PROJECT

Person in charge of administrative, legal and financial aspects in this project			
Family name		First name(s)	
Title ³⁴		Gender ³⁵ (Female – F / Male – M)	
Position in the organisation ³⁶			
Department/Faculty/Institute/Laboratory name/ ... ³⁷			
Address (if different from the legal address) ¹²			
Street name ¹⁵		Number ¹⁵	
Town ¹⁵			
Postal Code / Cedex ¹⁵			
Country ¹⁶			
Phone 1 ²¹		Phone 2 ²¹	
E-mail		Fax ²¹	

Person in charge of scientific and technical/technological aspects in this project			
Family name		First name(s)	
Title ³⁴		Gender ³⁵ (Female – F / Male – M)	
Position in the organisation ³⁶			
Department/Faculty/Institute/Laboratory name/ ... ³⁷			
Address (if different from the legal address) ¹²			
Street name ¹⁵		Number ¹⁵	
Town ¹⁵			
Postal Code / Cedex ¹⁵			
Country ¹⁶			
Phone 1 ²¹		Phone 2 ²¹	
E-mail		Fax ²¹	

Grant agreement Preparation Forms



EUROPEAN COMMISSION
7th Framework Programme on
Research, Technological
Development and Demonstration

All Schemes

A2.5: Our commitment

Project Number ¹		Project Acronym ²		Participant number in this project ¹⁰		Participant short name ¹¹	
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ONE FORM PER PARTICIPANT

Certified Declaration

1- As an authorised representative to sign the grant agreement or to commit the abovementioned organisation, I am fully aware that a grant agreement may not be awarded to an applicant who is, at the time of a grant award procedure, in one of the situations referred to in Articles 93(1), 94 and 96(2)(a) of the Council Regulation (EC, Euratom) N° 1955/2006 of 13 December 2006 on the Financial Regulation applicable to the general budget of the European Communities [OJ L 390, 30/12/2006, p1].

As a consequence, I certify that:

- In compliance with article 93(1) of the abovementioned Regulation, none of the following cases apply to our organisation:
 - a) it is bankrupt or being wound up, is having its affairs administered by the courts, has entered into an arrangement with creditors, has suspended business activities, is the subject of proceedings concerning those matters, or is in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
 - b) it has been convicted of an offence concerning its professional conduct by a judgment which has the force of *res judicata*;
 - c) it has been guilty of grave professional misconduct proven by any means which the contracting authority can justify;
 - d) it has not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which it is established or with those of the country of the contracting authority or those of the country where the contract is to be performed;
 - e) it has been the subject of a judgment which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Communities' financial interests;
 - f) it is currently subject to an administrative penalty referred to in Article 96(1) of the above-mentioned regulation.
- In compliance with article 94 of the abovementioned Regulation, and as far as the current grant award procedure is concerned, our organisation:
 - g) is not subject to a conflict of interest;
 - h) has not made false declarations in supplying the information required by the Commission as a condition of participation in the grant award procedure or does not fail to supply this information;
 - i) is not in one of the situations of exclusion, referred to in the abovementioned points a) to f).

2- As an authorised representative to sign the grant agreement or to commit the abovementioned organisation, I also certify that our organisation:

- is committed to participate in the abovementioned project;
- has stable and sufficient sources of funding to maintain its activity throughout its participation in the abovementioned project and to provide any counterpart funding necessary;
- has or will have the necessary resources as and when needed to carry out its involvement in the abovementioned project.

Grant agreement Preparation Forms



EUROPEAN COMMISSION

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Research, Technological
Development and Demonstration

All Schemes

A2.5: Our commitment

3- As an authorised representative to sign the grant agreement or to commit the abovementioned organisation, I finally certify that all the information relating to our organisation set out in the different Grant Agreement Preparation Forms are complete, accurate and correct; and that the estimated costs meet the criteria for eligible costs for FP7 projects – as established by the EC model grant agreement – are notably based on our usual accounting and management principles and practices, and reflect the costs expected to be incurred in carrying out the foreseen work described in Annex I (description of work).

4- Our organisation is fully aware that the Commission may impose administrative or financial penalties on legal entities who are guilty of misrepresentation in supplying the information required by the Commission as a condition of participation in the grant award procedure or fail to supply this information; have been declared to be in serious breach of their obligations under any contract/grant agreement covered by the budget of the Community. Such penalties shall be proportionate to the importance of the contract/grant agreement and the seriousness of the misconduct, and may consist in their exclusion from the contracts and grants financed by the budget of the Commission for a maximum period of ten years and payment of financial penalties.

5- As an authorised representative I certify that the information given in the form A2.2 is correct.

<i>Participant Legal Name</i> ¹³			
<i>Family name of authorised representative</i>		<i>First Name(s)</i>	
<i>Date DD/MM/YYYY</i>		<i>Signature of the authorised representative to sign the grant agreement or to commit the organisation</i> ³⁸	
<i>Family name of authorised representative</i>		<i>First Name(s)</i>	
<i>Date DD/MM/YYYY</i>		<i>Signature of the authorised representative to sign the grant agreement or to commit the organisation</i> ³⁸	

Grant agreement preparation Forms



EUROPEAN COMMISSION

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Research, Technological
Development and Demonstration

All Schemes

A2.6: Data Protection & coordination role

Project Number ¹		Project Acronym ²		Participant number in this project ¹⁰		Participant short name ¹¹	
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SIGNED ONLY BY THE COORDINATOR – PARTICIPANT N° 1

Certified Declaration

As co-ordinator on behalf of all proposers I take note of the following statement:

"All personal data (such as names, addresses, CVs, etc.) will be processed in accordance with Regulation (EC) No. 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data (Official Journal L 8, 12.01.2001). Such data will be processed solely in connection with the assessment of the project by the Commission department responsible for FP7. On request, proposers may obtain access to their personal data and correct or complete them. Any questions relating to the processing of these data can be addressed to the project officer. Proposers may lodge a complaint against the processing of their personal data with the European Data Protection Supervisor at any time."

Any sensitive information or material used as background or produced as foreground in this project is covered by a Security Aspect Letter (SAL) ³⁹ which is provided. If sensitive information or material is found to be required at a later stage of the project, amendment to the grant agreement will be requested and a SAL will be provided.

I also certify that our organisation is committed to act as the coordinator of this project.

Participant Legal Name ¹³ of the coordinator			
Family name of authorised representative		First Name(s)	
Date DD/MM/YYYY		Signature of the authorised representative to sign the grant agreement or to commit the organisation ³⁸	
Family name of authorised representative		First Name(s)	
Date DD/MM/YYYY		Signature of the authorised representative to sign the grant agreement or to commit the organisation ³⁸	

Grant agreement Preparation Forms



EUROPEAN COMMISSION

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Research, Technological
Development and Demonstration

Collaborative Project

A3.1: What it costs

Project Number ¹	Project Acronym ²	Participant number in this project ¹⁰	Participant short name ¹¹
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ONE FORM PER PARTICIPANT

Funding % for RTD/Innovation activities (A) ⁴⁰	50% or 75%
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Indirect costs ⁴¹

- Actual indirect costs ⁴²
- Simplified method ⁴³
- Standard flat rate ⁴⁴
- Special transitional flat rate ⁴⁵

My legal entity is established in an ICPC ⁴⁶ and I shall use the lump sum funding method: YES NO

Type of Activity

	RTD / Innovation (A)	Demonstration (B)	Management (C)	Other (D)	TOTAL A+B+C+D
Personnel costs					
Subcontracting					
Other direct costs					
Indirect costs					
Lump sum, flat-rate or scale-of-unit (option only for ICPC)					
Total costs					
Maximum allowable EC contribution					
Requested EC contribution					
Receipts					

Grant agreement Preparation Forms



EUROPEAN COMMISSION

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Coordination and Support Action

A3.1: What it costs

Project Number ¹	Project Acronym ²	Participant number in this project ¹⁰	Participant short name ¹¹
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ONE FORM PER PARTICIPANT

Funding % for Coordination and Support Actions ⁴⁷

Indirect costs ⁴¹

- Actual indirect costs ⁴²
 Simplified method ⁴³
 Standard flat rate ⁴⁴
 Special transitional flat rate ⁴⁵

My legal entity is established in an ICPC ⁴⁶ and I shall use the lump sum funding method: YES NO

Type of Activity

	Coordination/ Support (A)	Management (B)	Other (C)	TOTAL A+B+C
Personnel costs				
Subcontracting				
Other direct costs				
Indirect costs				
Maximum reimbursement indirect costs ⁴⁸				
Lump sum, flat-rate or scale-of-unit (option only for ICPC)				
Total costs				
Maximum allowable EC contribution				
Requested EC contribution				
Receipts				

Grant agreement Preparation Forms



EUROPEAN COMMISSION

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Network of Excellence

A3.1: What it costs

Project Number ¹	Project Acronym ²	Participant number in this project ¹⁰	Participant short name ¹¹
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ONE FORM PER PARTICIPANT

Funding % for RTD ⁴⁹	50% or 75%
---------------------------------	------------

Indirect costs ⁴¹

- Actual indirect costs ⁴²
- Simplified method ⁴³
- Standard flat rate ⁴⁴
- Special transitional flat rate ⁴⁵

My legal entity is established in an ICPC ⁴⁶ and I shall use the lump sum funding method: YES NO

Type of Activity

	RTD (A)	Management (B)	Other (C)	TOTAL A+B+C
Personnel costs				
Subcontracting				
Other direct costs				
Indirect costs				
Lump sum, flat-rate or scale-of-unit (option only for ICPC)				
Total costs				
Maximum allowable EC contribution				
Requested EC contribution				
Receipts				

Grant agreement preparation Forms



EUROPEAN COMMISSION

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Development and Demonstration

Network of Excellence

A3.2: What it costs

Project Number ¹		Project Acronym ²	
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ONE FORM PER PROJECT

Participant number in this project	Participant short name	Estimated eligible costs (whole duration of the project)				Total receipts	Requested EC contribution
		RTD (A)	Management (B)	Other (C)	TOTAL A+B+C		
Total							

Grant agreement Preparation Forms



EUROPEAN COMMISSION
7th Framework Programme for
Research, Technological
Development and Demonstration

Combination of Collaborative Project and Coordination and Support Actions

A3.1: What it costs

Project Number ¹	Project Acronym ²	Participant number in this project ¹⁰	Participant short name ¹¹
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ONE FORM PER PARTICIPANT

Funding % for RTD 50% or 75%

Indirect costs ⁴¹

- Actual indirect costs ⁴²
- Simplified method ⁴³
- Standard flat rate ⁴⁴
- Special transitional flat rate ⁴⁵

My legal entity is established in an ICPC ⁴⁶ and I shall use the lump sum funding method: YES NO

Type of Activity

	RTD (A)	Coordination (B)	Support (C)	Management (D)	Other (E)	TOTAL A+B+C+D+E
Personnel costs						
Subcontracting						
Other direct costs						
Indirect costs						
Lump sum, flat-rate or scale-of-unit (option only for ICPC)						
Total costs						
Maximum allowable EC contribution						
Requested EU contribution						
Receipts						

Grant agreement Preparation Forms



EUROPEAN COMMISSION
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Development and Demonstration

All Schemes

A4: Bank account

Project Number ¹		Project Acronym ²	
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CO-ORDINATOR'S BANKING INFORMATION			
Account name ⁵⁰			
Full address of account			
PO Box ¹⁵		Postal Code/Cedex ¹⁵	
Street name and number ¹⁵			
Town		Country ¹⁶	
Contact person for the account			
Name		First name(s)	
Phone ²¹		Fax ²¹	
e-mail			

Bank name			
Branch address (full address – PO box not accepted)			
Postal Code/Cedex ¹⁵			
Street name and number ¹⁵			
Town		Country ¹⁶	

Details of bank account	
IBAN ⁵¹	<input type="text"/>
or	
ACCOUNT NUMBER	<input type="text"/>

Remarks:	
-----------------	------------------

We certify that above information declared is complete and true.

BANK STAMP + SIGNATURE BANK REPRESENTATIVE⁵²	DATE + SIGNATURE ACCOUNT HOLDER
(both obligatory)	(Obligatory)

Grant agreement Preparation Forms



EUROPEAN COMMISSION

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Appendix 1: Simplified accounts

Project Number¹

Project Acronym²

Participant number in
this project⁹

RESTRUCTURED SIMPLIFIED ACCOUNTING BALANCE SHEETS & PROFIT AND LOSS ACCOUNTS

	Year N	Year N-1
Closing date (dd/mm/yyyy)		
Duration (in months)		
Currency		

Accounting Balance Sheet(s)

		Year N	Year N-1
ASSETS	1- Subscribed capital unpaid		
	2- Fixed assets (2.1+2.2+2.3)	0,00	0,00
	2.1- Intangible fixed assets		
	2.2- Tangible fixed assets		
	2.3- Financial assets		
	3- Current assets (3.1+3.2.1+3.2.2+3.3+3.4)	0,00	0,00
	3.1- Stocks		
	3.2.1- Debtors due within one year		
	3.2.2- Debtors due after one year		
	3.3- Cash at bank and in hand		
3.4- Other current assets			
Total assets (1+2+3)	0,00	0,00	

		Year N	Year N-1
LIABILITIES	4. Capital and reserves (4.1+4.2+4.3+4.4)	0,00	0,00
	4.1- Subscribed capital		
	4.2- Reserves		
	4.3- Profit and loss brought forward from the previous years		
	4.4- Profit and loss brought forward for the financial year		
	5. Creditors (5.1.1+5.1.2+5.2.1+5.2.2)	0,00	0,00
	5.1.1- Long term non-bank debt		
	5.1.2- Long term bank debt		
	5.2.1- Short term non-bank debt		
	5.2.2- Short term bank debt		
Total liabilities (4+5)	0,00	0,00	

Grant agreement Preparation Forms



EUROPEAN COMMISSION

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Development and Demonstration

Appendix 1: Simplified accounts

Profit and Loss Account(s)

		Year N	Year N-1
	Turnover		
+	Variation in stocks ⁽¹⁾		
+	Other operating income		
=	Operating income (OI)	0,00	0,00
-	Cost of materials and consumables		
-	Other operating charges		
-	Remuneration and charges (<i>staff costs</i>)		
=	Gross Operating Profit or Loss (GOP/GOL)	0,00	0,00
-	Depreciation and value adjustments on non-financial assets		
=	Net Operating Profit or Loss (NOP/NOL)	0,00	0,00
+	Financial income and value adjustments on financial assets		
-	Interest paid		
-	Similar charges		
=	Profit or Loss on ordinary activities	0,00	0,00
+	Extraordinary income		
-	Extraordinary charges		
-	Taxes on profits		
=	Profit or Loss for the financial year (Net result)	0,00	0,00

(1) Positive or negative amount

22 Main categories of applicants/beneficiaries and their key rights and obligations

	Automatic right to be funded			Maximum level of EC financial contribution for RTD activities = 75% (1)	Verification of the financial capacity	Possibility to use a competent public officer to establish a certificate on financial statement(s)	Possibility of deduction on the return amount initially paid to the Participants' Guarantee Fund (5)
	MS	AC	ICPC				
Natural person	Public body		Yes if the minimum participation of MS and/or AC is reached	No / Yes	No(2) / Yes(3)	No	Yes
	Profit	Non profit public body					
	International organisation	Profit public body Of European interest Other					
Legal person	Secondary and higher education establishment		Yes if the minimum participation of MS and/or AC is reached	Yes	No	Yes	No
	Research organisation(6)						
	Enterprises	SME					
	Legal entity guaranteed by a Member State or an Associated Country						
Other				No	No(4) / Yes(3)	No	Yes

- (1)- For security-related research and technological development activities, it may reach a maximum of 75 % for any type of legal entities (natural and legal persons) in the case of the development of capabilities in domains with very limited market size and a risk of "market failure" and for accelerated equipment development in response to new threats.
- (2)- If it is in receipt of a scholarship ; or it applies for a Community financial contribution in the relating FP7 indirect action inferior or equal EUR 500,000, and it is not the coordinator, and according to information already available to the Commission services, there are not justified grounds to doubt the financial capacity of this participant.
- (3)- If it applies for a Community financial contribution in the relating FP7 indirect action superior to EUR 500,000; or if it is the coordinator ; or, in exceptional circumstances, if, according to information already available to the Commission services, there are justified grounds to doubt the financial capacity of this participant.
- (4)- If it applies for a Community financial contribution in the relating FP7 indirect action inferior or equal EUR 500,000, and it is not the coordinator, and according to information already available to the Commission services, there are not justified grounds to doubt the financial capacity of this participant.
- (5)- Provided the amount of eligible costs and relating EC contribution is sufficient.
- (6)- "Research organisation" means a legal entity established as a non-profit organisation which carries out research or technological development as one of its main objectives.
- (7)- In the case of a participating international organisation, other than an international European interest organisation, or a legal entity established in a third country other than an associated country or international cooperation partner country, a Community financial contribution may be granted provided that at least one of the following conditions is satisfied:
- provision is made to that effect in the specific programmes or in the relevant work programme;
 - the contribution is essential for carrying out the indirect action;
 - such funding is provided for in a bilateral scientific and technological agreement or any other arrangement between the Community and the country in which the legal entity is established.

1 Project Number

The project number has been assigned by the Commission as the unique identifier for your project. It cannot be changed. The project number **should appear on each page of the grant agreement preparation documents (part A and part B)** to prevent errors during its handling.

2 Project acronym

Use the project acronym as given in the submitted proposal. It cannot be changed unless agreed so during the negotiations. The same acronym **should appear on each page of the grant agreement preparation documents (part A and part B)** to prevent errors during its handling.

3 Project Title

Use the title (no longer than 200 characters) as given in the submitted proposal. Minor corrections are possible if agreed during the negotiations. The title should be understandable to the non-specialist.

4 Starting date

In case a specific starting date is requested, insert this starting date of the project. The coordinator should present during the negotiations a written justification for the requested starting date. This starting date must be after the submission of the proposal and normally two months after the end of the negotiations.

5 Duration

Insert the estimated duration of the project in full months. Deviations from the duration in the original proposal must be justified in part B.

6 Call (part) identifier

The Call (part) identifier is the reference number given in the call or part of the call you were addressing, as indicated in the publication of the call in the Official Journal of the European Union. You have to use the identifier given by the Commission in the letter opening the negotiation.

7 Activity code(s) most relevant to your topic

Use as the first activity code the one set out in the letter opening the negotiation followed by the code(s) given in your proposal – if any. Changes are possible in case of material errors (for the list see <http://www.cordis.lu/fp6/activitycodes>).

8 Free keywords

Use the free keywords from your original proposal; changes and additions are possible. (maximum 100 characters including spaces, commas etc.).

9 Abstract

Use the abstract from your original proposal and amend to take account of the following: you should not use more than 2,000 characters, the abstract should, at a glance, provide the reader with a

clear understanding of the objectives of the project and how the objectives will be achieved, and their relevance in the context of the objectives of the specific programme and the work programme. This summary will be used as the short description of the project for the public following signature of the grant agreement and in communications to the programme management committees and other interested parties. It must therefore be short and precise and should not contain confidential information. Please use plain typed text, avoiding formulae and other special characters. If the project is written in a language other than English, please include an English version of the abstract in part B.

10 Participant number

The number allocated by the Consortium to the participant for this project. The coordinator of a project is always number one.

11 Participant short name

The short name chosen by the participant. This should normally not be more than 20 characters and the same short name should be used for the participant in all documents relating to the project.

12 Participant identity code

To be completed when Unique Registration Facility will be operational.

13 Participant legal name

Official name of participant organisation. If applicable, name under which the participant is registered in the official trade registers.

14 Status of validation

If the status of validation of the participant is **VALIDATED**, this means the data provided in A2.1 has been validated by the Commission and this validated information is given in the A2.1 form.

If the information that is provided is **VALIDATED** but is incorrect you should provide to the Commission an identification fiche and recent (not older than 6 months) supporting legal documents (see http://ec.europa.eu/budget/execution/legal_entities_fr.htm).

If the information that is provided is **VALIDATED** but refers to another legal entity and has no relation to your organisation you should contact the Project Officer assigned to your project.

If the status of validation is **NOT VALIDATED**, you should provide the Commission an identification fiche and recent (not older than 6 months) supporting legal documents (see http://ec.europa.eu/budget/execution/legal_entities_fr.htm).

15 Address data

Only the fields forming the complete postal address need to be completed.

16 Country

The name of the country as commonly used.

17 Legal registration number, place and date of registration

If applicable, the organisation's legal national registration number.

18 VAT number

If applicable, the organisation's Value Added Tax (VAT) number from the VAT register.

19 Legal form

Indicate whether the organisation is Ltd, PLC, SA, GmbH, ...

²⁰ Contact person for legal information

The contact point of the organisation with respect to legal information on the organisation.

This person can be contacted by the Commission's Legal Validation Team to provide legal documentation and maintain up-to-date legal information on the organisation.

21 Phone and fax numbers

Please insert the full numbers including country and city/area code. Example +32-2-2991111.

22 Main categories of applicants/beneficiaries and their key rights and obligations

See table before endnotes

23 Natural person

Natural person refers to a physical person. The place of establishment refers in this case to the habitual residence of the person.

24 Public body

Public body means any legal entity established as such by national law and international organisations.

25 Non profit public body

Non profit organisation is an organisation considered as such by national law or international law. Public body – see above.

26 Profit public body

A public body that is not considered non profit - see above.

27 International organisation of European interest

An international organisation, the majority of whose members are Member States or Associated Countries and whose principal objective is to promote scientific and technological cooperation in Europe.

28 International organisation – other

International organisation means an intergovernmental organisation other than the Community which has legal personality under international public law, as well as any specialised agency set up by such an international organisation.

29 Secondary and higher education establishment

Organisations that deliver diplomas recognised by a country (typically universities).

30 Research organisation

Research organisation means a legal entity established as a non-profit organisation that carries out research or technological development as one of its main objectives.

31 Enterprise

Any entity engaged in an economic activity, irrespective of its legal form.

32 SME

SME means micro, small and medium sized enterprise within the meaning of Recommendation 2003/361/EC in the version of 6 May 2003

(see http://ec.europa.eu/enterprise/enterprise_policy/sme_definition/index_en.htm).

An enterprise is considered as an SME, taking into account its partner enterprises and/or linked enterprises (please see the above mentioned recommendation for an explanation of these notions and their impact on the definition), if it:

- employs fewer than 250 persons
- has an annual turnover not exceeding EUR 50 million, and/or
- an annual balance sheet total not exceeding EUR 43 million
- is autonomous

Please note that some additional requirements have to be fulfilled (see http://ec.europa.eu/enterprise/enterprise_policy/sme_definition/index_en.htm).

The headcount corresponds to the number of annual work units (AWU), i.e. the number of persons who worked full-time within the enterprise in question or on its behalf during the entire reference year under consideration. The work of persons who have not worked the full year, the work of those who have worked part-time, regardless of duration, and the work of seasonal workers are counted as fractions of AWU. The staff consists of:

- (a) employees;
- (b) persons working for the enterprise being subordinated to it and deemed to be employees under national law;
- (c) owner-managers;
- (d) partners engaging in a regular activity in the enterprise and benefiting from financial advantages from the enterprise.

ATTENTION: Apprentices or students engaged in vocational training with an apprenticeship or vocational training contract can not be included as staff. The duration of maternity or parental leaves is also not counted.

The data to apply to the financial amounts (e.g. turnover and balance sheet), as well as to the headcount of staff, are those relating to the latest approved accounting period and calculated on an annual basis. They are taken into account from the date of closure of the accounts. The amount selected for the turnover is calculated excluding value added tax (VAT) and other indirect taxes.

In the case of newly-established enterprises whose accounts have not yet been approved, the data to apply is to be derived from a bona fide estimate made in the course of the financial year. These organisations must insert "N/A" for the two questions relating to the duration and the closing date of their last approved accounting period.

33 Non-SME

An enterprise that is not an SME.

34 Title

Please choose one of the following: Prof., Dr., Mr., Ms.

35 Gender

This information is required for statistical purposes. Please indicate with an F for female or an M for male as appropriate.

36 Position

Please indicate the position in your organisation e.g. Rector, President, Chief Executive Officer, Director etc.

37 Department/faculty/institute/laboratory name/...

Please indicate here the postal address for contact purposes.

38 Signature

The A2.5-form needs to be signed by at least one of the authorised representatives indicated in the A2.3-form.

39 Security Aspect Letter

See Appendix 4 of the Negotiation Guidance Notes.

40 Funding % for RTD/Innovation activities

For research and technological development activities, the Community financial contribution may reach a maximum of 50% of the total eligible costs.

However, for beneficiaries that are non-profit public bodies, secondary and higher education establishments, research organisations and SMEs, the rate may reach a maximum of 75% of the total eligible costs. If these beneficiaries change their status during the life of the project, this reimbursement rate shall be applicable up to the moment they lose their status.

41 Indirect costs

Indirect costs are all those eligible costs which cannot be identified by the beneficiary as being directly attributed to the project, but which can be identified and justified by its accounting system as being incurred in direct relationship with the eligible direct costs attributed to the project. They may not include any eligible costs.

42 Actual indirect costs

Beneficiaries who have an analytical accounting system to identify their indirect costs are allowed to claim actual indirect costs.

43 Simplified method

If it is in accordance with its usual accounting and management principles and practices, a *beneficiary* is allowed to use a simplified method of calculation of its full indirect eligible cost at the level of its legal entity. Use of such a method is only acceptable where the lack of analytical accounting or the legal requirement to use a form of cash-based accounting prevents detailed cost allocation. The simplified approach must be based on actual costs derived from the financial accounts of the period in question.

44 Standard flat rate

A beneficiary may opt for a flat rate of 20% of its total eligible costs excluding the costs for subcontracting and the costs of reimbursement of resources made available by third parties that are not used on the premises of the beneficiary.

45 Special transitional flat rate

Non-profit public bodies, secondary and higher education establishments, and *research organisations* and *SMEs*, which are – due to the lack of analytical accounting – unable to identify with certainty their real indirect costs for the project, when participating in funding schemes which include research and technological development and demonstration activities, as referred to in the table of Article II.16 of the grant agreement, may opt for a flat-rate of 60% of the total direct eligible costs excluding costs for subcontracting and the costs of reimbursement of resources made available by third parties which are not used on the premises of the *beneficiary*. If these *beneficiaries* change their status during the life of the *project*, this flat rate shall be applicable up to the moment they lose their status.

46 ICPC

If you are participating from an International Cooperation Partner Country (ICPC), you can opt for lump sum funding instead of reimbursement of eligible costs.

47 Funding % for Coordination/Support activities

The Community financial contribution may reach a maximum of 100% of the total eligible costs.

48 Maximum reimbursement of indirect costs

In the case of coordination and support actions, reimbursement of indirect eligible costs for every beneficiary may reach a maximum of 7% of the direct eligible costs, excluding the direct eligible costs for subcontracting and the costs of reimbursement of resources made available by third parties which are not used on the premises of the beneficiary.

49 Funding % for RTD

For research and technological development activities, the Community financial contribution may reach a maximum of 50% of the total eligible costs.

However, for beneficiaries that are non-profit public bodies, secondary and higher education establishments, research organisations and SMEs, the rate may reach a maximum of 75% of the total eligible costs. If these beneficiaries change their status during the life of the project, this reimbursement rate shall be applicable up to the moment they lose their status.

50 Account name

The name or title under which the account has been opened and not the name of the authorised agent.

51 IBAN

If the IBAN code (International Bank Account Number) is applied in the country where your bank is situated.

52 Bank stamp + signature bank representative

The bank stamp and signature of its representative are not required if this form is accompanied by a copy of a bank statement.