



Contractual Aspects

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<http://europa.eu.int/eten>

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Contractual Aspects

- Grant Agreement
- Amendments to Grant Agreement
- Grant Agreement Closure
- Grant Agreement termination

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Contractual Aspects

From Negotiation to Grant Agreement Signature

- Documents required:
 - Legal
 - Financial
 - GPFs
 - Technical Annex
 - Others (financial guarantees, mandates, membership agreements)



Contractual Aspects

Step-by-step Procedure

- Negotiation
- Grant Agreement production
- Commitment
- Draft Grant Agreement (consortium signature)
- Grant Agreement (Commission's signature)
- Pre-financing

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Contractual Aspects

Amendments to Grant Agreement

- **Art. 7 of the eTEN Grant Agreement:**
 - Modifications to the grant agreement in writing.
 - At least 2 months before the end of the project.
 - ! Exception: pure administrative changes to the grant agreement before the final payment.
- **End of the project (Art. 2.1 of the GA) vs end of the Grant Agreement (Art. 2.2 of the GA)**

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Contractual Aspects

Types of Amendments

- Full Grant Agreement Amendment
- Amendment Letter
- Budget Transfers

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Contractual Aspects

Full Grant Agreement Amendment

- In response to a written request from consortium.
- Procedure identical to the signature of a grant agreement.
- Signature of a new modified grant agreement by all beneficiaries and by the authorized representative of the Commission.
- Substantial modifications.

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Contractual Aspects

Amendment Letter

- In response to a written request of the consortium.
- Amendment Letter signed on behalf of the Commission agreeing to the modifications.
- Non-substantial modifications.

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Contractual Aspects

Budget Transfers

Art. 13.7 of Annex II to the Grant Agreement

- **Transfers below 20 %:**
 - Commission acknowledges transfer with a letter.
 - Request via cost claims: implicit acknowledgment from the Commission.
 - Subcontracting cannot be increased.
- **Transfers exceeding 20%:**
 - Commission agrees on transfer with a letter.

! Protection of knowledge cannot be transferred.





Contractual Aspects

Budget Transfers

- The 20% limit refers to :
 - Transfers between beneficiaries: the total budget of the beneficiary (i.e. the beneficiary receiving the budget).
 - Transfers between cost categories of the same beneficiary: the total budget of this beneficiary.
 - ! Protection of knowledge cannot be transferred.

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Contractual Aspects

Closure of eTEN Grant Agreement

- Consortium has successfully performed the work described in the Technical Annex.
 - Procedure of final payment.
 - ! Some provisions continue to apply.



Contractual Aspects

Termination of eTEN Grant Agreement

- Consortium has failed to/cannot fulfill its contractual obligations (Art. 7 of Annex II)
 - At the initiative of the Commission
 - At the initiative of the consortium
 - For one beneficiary or for the grant agreement.

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Contractual Aspects

Termination of eTEN Grant Agreement

- **At the initiative of the Commission**
 - Technical reasons (no commencement, NON-PERFORMANCE)
 - Legal and financial reasons (change of control, BANKRUPTCY, financial irregularity)

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Contractual Aspects

Termination of eTEN Grant Agreement

- **Termination of grant agreement for non-performance of contractual obligations**
 - Formal written request to rectify non-performance: consortium has one month to react.
 - Formal communication of termination of grant agreement: effective from the day of receipt of the letter.

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Contractual Aspects

Termination of eTEN Grant Agreement

- **At the initiative of the consortium**
 - Technical or economic reasons substantially affecting the project.
 - Use potential of the results of the project diminishes.

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Contractual Aspects

Termination of eTEN Grant Agreement

- **At the initiative of the consortium**
 - Formal written request from the consortium to terminate: needs to be duly motivated.
 - Formal approval by the Commission within one month: effective from the date of the acceptance letter.

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Contractual Aspects

Termination of eTEN Grant Agreement

- **Acceptation of the costs**
 - At the initiative of the Commission: payment or recovery according to the results of work carried out.
 - At the initiative of the consortium: payment or recovery according to deliverables accepted plus reasonable costs incurred before termination.

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Contractual Aspects

- **Support Documentation and Guidelines: eTEN Website**

[http://europa.eu.int/information_society/activities/eten/library/index_en.htm#preparing_grant_agreement.](http://europa.eu.int/information_society/activities/eten/library/index_en.htm#preparing_grant_agreement)

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