



**GUIDELINES**  
**FOR THE PREPARATION OF**  
**eTEN GRANT AGREEMENTS**

**Call 2006**

**Market Validation and Deployment**  
**Projects**

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Council and Parliament Decisions relevant to the  
eTEN Action, to the Call for Proposals published in the Official Journal C40 of  
17/2/2006 and in the Grant Agreements.**

**VERSION 1.1**

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## 1 OVERVIEW

### 1.1 INTRODUCTION

This document describes the process for the negotiation and preparation of a Grant Agreement for an eTEN cost-share instrument leading to a Market Validation, or an Initial Deployment Project. It is intended to be used by the Consortium who, once their proposal has been selected for funding, is invited to enter into the negotiation phase in view of signing a Grant Agreement with the European Commission<sup>1</sup>. The eTEN cost-share Programme is open to all legal entities established in one of the Member States of the European Union.

### 1.2 WHAT ARE THE OBJECTIVES OF THE PROJECT NEGOTIATION?

The main purpose of the negotiations is to come to an agreement between the Consortium and the European Commission on the work to be carried out in a given time frame and the budget necessary to achieve the set goals and objectives under the agreement. The negotiations will take place on the basis of the evaluated proposal, taking due account of the recommendations for adjustments provided in the “Evaluation Summary Report” (ESR)<sup>2</sup>.

Prior to entry in to negotiation all legal and financial information, necessary to establish the agreement and ensure that all beneficiaries are entitled to and capable of entering into a cost-share Grant Agreement with the Commission, must have been provided to the Commission and duly analysed and accepted.

All **financial and legal information** must be returned to the Commission by the Consortium partners **through the Project Co-ordinator**. **This is critical information which should be provided as quickly as possible.**

In order to successfully achieve the negotiations, all partners must agree on a detailed planning of the activities (“Description of Work”) to reach the goals and objectives of the project, on clear indicators of achievement which will be used for the monitoring of the project’s progress; and on the appropriate distribution of resources (personnel and financial).

The objectives of the Project Negotiation are:

- To align the initial proposal work plan with the recommendations made at the evaluation;
- To develop the briefly described proposed Work Plan into a contractually binding detailed Description of Work, budget and timing for the project;
- To clearly define the work to be carried out by the partners (beneficiaries and members), as well as subcontractors, task by task, for each Work Package;

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<sup>1</sup> The European Commission will be referred to as the Commission in the present document.

<sup>2</sup> ESR = “Evaluation Summary Report”, which is produced by the Commission and sent by letter to the Consortium.

- To ensure the legal and financial viability of the Consortium's beneficiaries for the entire duration of the project as per Art. 173 of the implementing rules of the Commission's Financial Regulations<sup>3</sup>;
- To determine the eligible costs and the total budget of the project;
- To distribute the eligible budget per partner in view of their involvement in each work package using the GPF;
- To adjust the Community's financial contribution to the needs.

During the negotiation process, the Consortium must provide all clarifications, additional information and supporting documents that the European Commission may request.

### 1.3 WHEN TO USE THE “NEGOTIATIONS GUIDELINES”?

Once a proposal has been evaluated positively, it is ranked according to its merit. Hence the level of competition, eTEN is only able to co-finance the highest ranked proposals up to a full consumption of its budget. Thus a ranked proposal will either be part of a list of proposals **recommended** for funding as projects, or included in a reserve list<sup>4</sup>. A recommendation for funding a project is **not a guarantee** that the project **will** be funded, as the negotiation phase may fail. However, it triggers **an official invitation** for the Consortium **to negotiate** with the Commission the conditions of a Grant Agreement. Therefore, the objectives of the original proposal may need to be modified to meet the contractual requirements and the recommendations from the evaluation. Nevertheless, the project goals, the project “Work Programme” and the Consortium composition **must** remain in line with the original proposal evaluated.

**Note:**

**Before starting the negotiation, the Consortium partners must carefully read the “Negotiations Guidelines” (this document), the appropriate “Model Grant Agreement” and its Annexes. They describe in detail the way in which the project will be funded and administered.**

### 1.4 ROADMAP FOR THE GRANT NEGOTIATION AND PREPARATION PROCESS

**Five main phases** from the proposal evaluation, through negotiations and to the Grant preparation, can be identified as described below:

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<sup>3</sup> “Financial Regulations” can be found on the eTEN website : <http://ec.europa.eu/eten>

<sup>4</sup> Proposals on a reserve list may only get a possibility of funding if a recommended proposal for funding fails at the negotiation phase.

#### **1.4.1 LEGAL REGISTRATION AND FINANCIAL INFORMATION (ELIGIBILITY)**

All potential beneficiaries of a Grant Agreement must provide a proof of the legal existence of their company/organization<sup>5</sup> and of their financial capacity (financing and co-financing) to carry out the task set for them in the project. This information will be used to guarantee all the specific legal and financial data provided for in the GPFs.

#### **Important !**

- **Legal registration:** The Commission can **only** negotiate with and offer grants to **currently existing entities**: the legal existence of an organization **must pre-date** the Grant Agreement signature/accession to the agreement.
- Negotiation phase will only begin **after** the Project Officer (PO) has analyzed and **accepted** the requested legal and financial information.

#### **1.4.2 INVITATION TO NEGOTIATE**

Upon receiving the formal invitation letter, the negotiation process as such may begin. This letter includes the name of the Project Officer (PO), who will be negotiating on behalf of the Commission, and the date by which negotiations must be completed.

The recommendations made by the evaluators of the proposal in the Evaluation Summary Report must be used in the description of the work to be done. The Consortium is expected to analyse these recommendations and to **prepare a response**<sup>6</sup>.

The formal invitation to negotiate also contains a roadmap with key dates and deadlines of the negotiation process.

#### **Note:**

**Financing and co-financing capacity check:** In the course of the negotiations, the Commission seeks assurance that the project beneficiaries do have the necessary financial and human resources to carry out the proposed work and that they can generate enough revenues to finance their share in the project. **If the Commission cannot have reasonable guarantees on these points, no grant will be offered.**

#### **1.4.3 PREPARATION PROCESS: CO-ORDINATOR'S WORKSHOP**

A Co-ordinator's Workshop is organised by the eTEN programme before the negotiation meetings in order to provide advice on all steps of the negotiation process, explain the documents and forms to be submitted as well as contractual and financial issues. The Co-ordinators are expected to have sent the legal and financial information referred to above **before** this workshop.

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<sup>5</sup> See [http://ec.europa.eu/comm/budget/execution/legal\\_entities\\_en.htm](http://ec.europa.eu/comm/budget/execution/legal_entities_en.htm)

<sup>6</sup> The response must be presented as a table showing the "ESR Recommendations" in regard to the consortium solutions.

During the workshop, the following documents (or its Internet links to download them) are provided:

- A copy of the present document (“Negotiation Guidelines”)<sup>7</sup>,
- The “Model Grant Agreement” including its ”Standard Annexes II and III”<sup>8</sup>(“General Conditions” and “Special Conditions”),
- The “Grant Agreement Preparation Forms” (GPFs) and supporting notes<sup>9</sup>.

Shortly after the workshop, the Project Officer will provide the consortium with a feedback of the analysis of the legal and financial documents provided. He will state weaknesses and/or request additional information.

When all legal and financial issues are solved, the Co-ordinator should be in a position to send to the Commission the following documents:

- A draft Technical Annex (which is the contractual “Description of Work”),
- All required “**Grant Preparation Forms**” (GPFs) which contain more detailed financial and legal information on each beneficiary, **duly signed and stamped by their “Authorized Representative(s)”**. These GPFs are complementary to the above-mentioned required official legal and financial documents.

A more detailed review of the required documents is provided in Section 2.

#### **1.4.4 NEGOTIATION MEETINGS**

Following the analysis of the required information, negotiation meetings will take place. The PO may decide to conduct one or more meetings, if specific issues in the negotiation do so require. In the interest of all parties involved, the number of meetings will be restricted to the minimum. **Whatever the number of meetings, the overall deadline for completion of negotiations remains unchanged**, unless otherwise agreed. The Project Co-ordinator will be notified of this deadline in the letter inviting the Consortium to begin negotiations.

The collection by the Consortium of all required documents prior to the first negotiation meeting is the responsibility of the Co-ordinator, who must check their accuracy **BEFORE** sending them to the Commission

#### **Reminder!**

The first draft of the detailed “Work Description” and of the Grant Preparation Forms (GPFs) must be received by the Commission **at least 10 working days** prior to the first negotiation meeting. Should the information **not** be received on time, the meeting will be postponed and the negotiation of the given project will no longer be treated in

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<sup>7</sup> See [http://ec.europa.eu/information\\_society/activities/eten/how\\_prepare\\_grant\\_agreement/index\\_en.htm](http://ec.europa.eu/information_society/activities/eten/how_prepare_grant_agreement/index_en.htm)

<sup>8</sup> The e-TEN Model Grant Agreement can be downloaded from:

[http://ec.europa.eu/information\\_society/activities/eten/howto/prepare\\_grant\\_agreement/index\\_en.htm](http://ec.europa.eu/information_society/activities/eten/howto/prepare_grant_agreement/index_en.htm)

<sup>9</sup>

[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)

priority. **Any set-back in the scheduling of the negotiation process will not move the negotiation-ending deadline.**

The Consortium's representatives meet with the allocated Commission's PO to discuss all possible issues which need to be solved. The first (may also be the last) meeting takes place in Brussels, during which the Technical Annex, the cost distribution (GPF) and financial position of the beneficiaries are discussed together with the PO in charge of negotiating the project, seconded by an accompanying Commission Official.

This first meeting will be followed by as many meetings and exchanges of information as may be needed in order to come to a suitable agreement. Meanwhile, the beneficiaries are to provide through the coordinating entity the additional information which may be requested by the Commission's PO. In some cases, the Commission may request a financial guarantee or alternative instruments to reduce financial and co-financing risks.

The negotiation stage ends when all parties agree on the detailed "Description of Work", the capacity of all Consortium beneficiaries to achieve the set goals and objectives, the required budget to do so and the timing and duration of the project. Only then, can parties proceed with the Grant preparation. The normal duration of the negotiation phase is of 2 months after the first negotiation meeting with the PO.

**Important!**

A Grant Agreement number will be provided by the Commission for the project. If not available, the Grant Agreement number should be requested from your Project Officer. **All materials sent to the Commission must contain a clear reference to the Project Acronym and agreement number.**

**1.4.5 GRANT PREPARATION**

Preparing the Grant Agreement and getting it signed. When all parties are in agreement and the Commission has obtained all the information and documents needed, the Commission drafts a Grant Agreement based on the negotiated terms. The Grant Agreement is then sent to the Co-ordinator for him to get it reviewed and signed by all required beneficiaries before it is returned to the Commission for final signature. **The Grant Agreement becomes effective when all required parties (including the Commission) have signed it.** Upon the signature of all parties, the project may start as of the 1<sup>st</sup> of the month following the Commission's signature date, unless a specific date has been agreed upon. If, on an **exceptional basis only**, an earlier specific date is requested, the Co-ordinator must provide a substantiated letter to the PO.

Each one of these stages is discussed in more detail later in this document (See below Par. 1.5 and following) and an overview of the key steps can be found in the diagram in page 10.

## 1.5 OVERVIEW OF THE INFORMATION REQUIRED BY THE COMMISSION

See the Overview Workflow diagram on page 10.

### **1.5.1 LFV CHECK**

The e-TEN LFV (“Legal and Financial Viability”) check is done using a tool aiming at assessing the financial and co-financing capacity of each beneficiary to protect the financial interests of the Commission in the funding of e-TEN projects. It is a standardised, Internet-based evaluation procedure, which the Consortium has used during the proposal making phase.

**Standard accounting ratios are used** to examine the financial viability of the company. The information is presented in four indicative categories: **liquidity, financial autonomy, profitability and solvency**. The ratios used are the Quick ratio, the Interest/Gross Operating Profit ratio, the Gross Operating Profit/Turnover ratio, the Net Operating Profit/Turnover ratio and the Total Debt/Equity ratio. Each ratio, depending on the values resulting from our analysis and compared with the basic test, will receive a grade. In the best case, a score of 2 will be determined, in an acceptable case depending on other surrounding information a score of 1, and in a weak case the score will be equal to 0. At the end, all grades will be added to receive a total score, which in the best case, will be 10.

The co-financing companies are measured against two indicators: the Cash-Flow indicator<sup>10</sup> and the Net Operating Profit (NOP) indicator<sup>11</sup>. These indicators will show the company’s ability to pay its part of the project costs. Again, these indicators are graded.

The tool takes into account financial information provided from the potential beneficiaries (Balance Sheet and Profit & Loss from the “Grant Agreement Preparation Forms”) and from information stored in the Commission databases. The financial data used in the tool should be the most up to date available and relate to the Certified Accounts of the organization. A **“Financial Statement” should not be older than 18 months**.

### **1.5.2 RESPONSE TO THE EVALUATION SUMMARY**

The results of the Evaluation are contained in the “Evaluation Summary Report” (ESR) which has been sent to the Consortium, following the evaluation phase.

As a response to the evaluation recommendations, a single recommendation document should be completed by the Consortium. The layout should comprise two parts: a list of the recommendations from the evaluation and the outline of how each of the recommendations will be implemented in the “Technical Annex” or in the financial or administrative distribution (new partner, shift in budget, new Work Package, etc). This is an important starting point for the PO in the negotiation of the Grant Agreement.

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<sup>10</sup> Cash Flow indicator = (Cash Flow x Total Duration of the project) / (Project Costs – EC contribution)  
Where Cash Flow is defined as: (Gross Operating Profit + Financial Income) - (Interest Paid + Similar Charges)

<sup>11</sup> Net Operating Indicator = (NOP x Duration of the project)/(Project Costs – EC Contribution)

### **1.5.3 “TECHNICAL ANNEX” OR “DESCRIPTION OF WORK”**

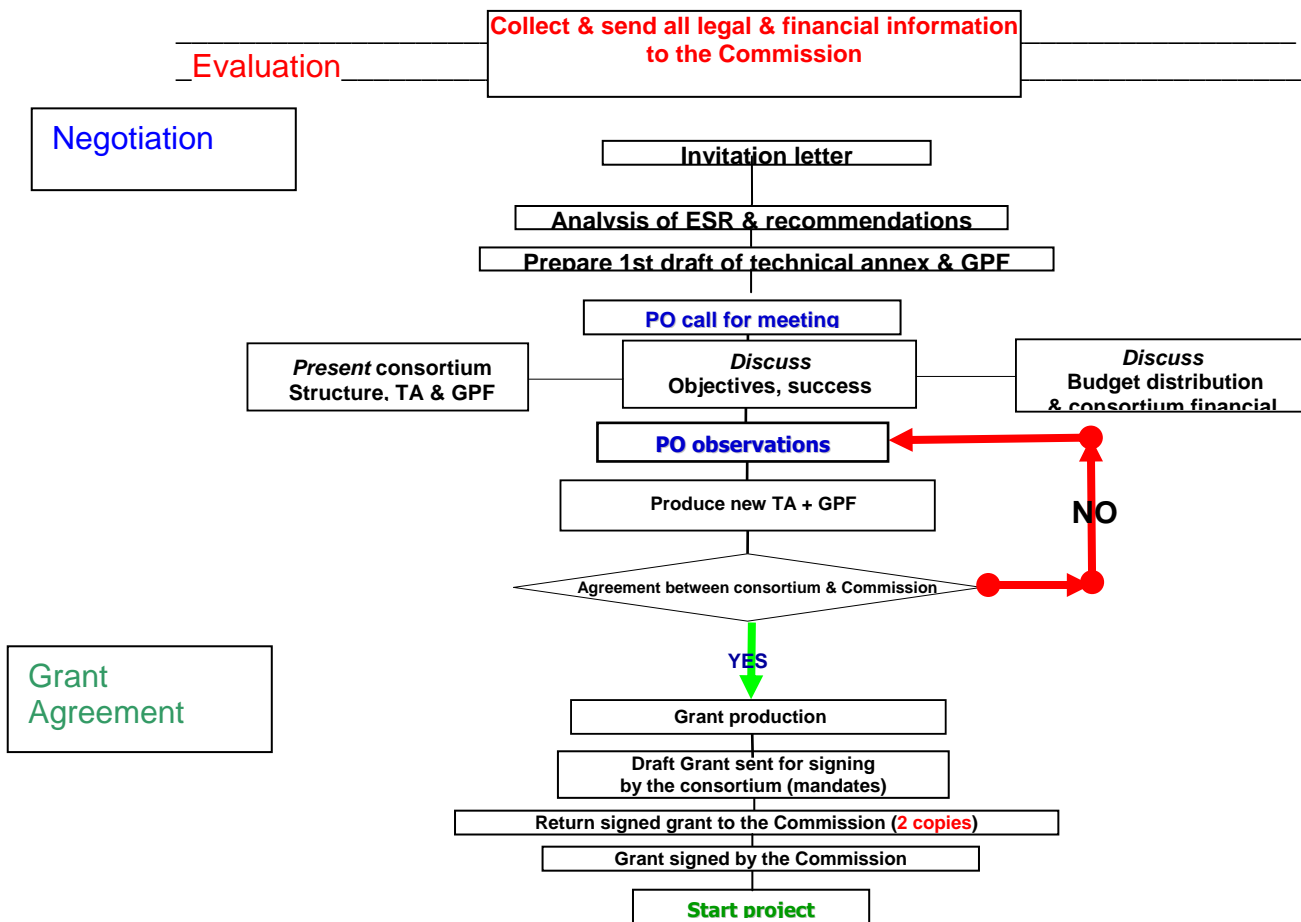
Besides the core part of the Agreement drafted by the Commission, a specific part sets out the goals and steps to achieve the objectives in a specific time frame and within a set budget. This is called the “Description of Work” or more often the “Technical Annex” (TA) or “Annex I” to the Agreement. It describes the work and results which the consortium is committed to. This description, drafted by the Consortium on the basis of the proposal, forms the technical aspects of the negotiation.

### **1.5.4 GRANT PREPARATION FORMS (GPFs)**

These forms will provide the information needed in order to prepare the administrative and budgetary parts of the Grant Agreement, together with the supporting legal and financial documents. While they are used by the Commission to obtain the legal and financial information necessary for the drafting of the grant agreement, they are a key instrument for the consortium to prepare the detailed distribution of budget and resources needed to achieve the goals and objectives of the project. The Consortium’s beneficiaries have a **duty to track and flag any change** since the proposal was prepared (e.g. changes of address, authorized officials, contact names, phone numbers, financial figures, etc.) or any changes they need to make following the recommendations of the Commission’s evaluation.

A detailed list of the required documents for the Grant preparation stage is provided in Par. 2.2 of this Section (Checklist) and in Section 2.

## 1.5.5 Overview of the Negotiation Process



## 1.6 RESPONSIBILITY OF KEY ACTORS

### **1.6.1 CO-ORDINATING PARTNER**

The Consortium inputs and outputs are presented to the Commission by the co-ordinating partner, who also acts as the contact point for the Commission. Thus, all communications between the Consortium and the Commission will be done through the Co-ordinator.

**■ Note:**

**The Commission will always channel requests and information through the Project Co-ordinator and expects beneficiaries and members to comply with the same rule, unless specific situation requires contacting the PO directly.**

### **1.6.2 BENEFICIARIES**

Beneficiaries are the partners **specified on the agreement** who will negotiate with the Commission. They should be represented at the negotiation meetings by an authorized representative empowered to discuss and take action on the proposal evaluation results and their contractual roles and responsibilities. **All beneficiaries are expected to attend the first negotiation meeting.** After the first negotiation meeting, some beneficiaries may decide not to participate in further meetings and thus provide a mandate<sup>12</sup> to the Project Co-ordinator to negotiate on their behalf. Such mandates **MUST** be provided to the Project Officer at the beginning of the meeting. Further explanations and templates for the mandates can be found in Annex 3 “Mandates and Acceptance of Mandates” and in Par 2.3.6.

### **1.6.3 MEMBERS**

Members are legal entities performing part of the technical tasks and having the same rights and obligations as the beneficiaries. The latter are technically and financially responsible for their members, as defined in Art. 1 of the Grant Agreement. Members do not enter directly into the Grant Agreement with the Commission; instead, they will sign a “Membership Agreement” with their respective beneficiary. They can acquire identical rights to those of the beneficiaries, depending on the specifics of the “Membership Agreement”. They will receive their share of the Community funding provided the “Membership Agreement” has been received prior to the pre-financing payment.

### **1.6.4 SUBCONTRACTORS**

Subcontractors are **tolerated** in specific cases where it makes sense providing specific tasks, but a partner cannot become a shallow entity only managing work and expertise provided by subcontractors.

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<sup>12</sup> “Mandates to Negotiate” provided in Annex 3 of this document are different from “Mandates for Signature” of the Grant Agreement.

**Unless otherwise approved by the Commission**, the total of the subcontracts per a given beneficiary must be less than 20% of the beneficiary's estimated eligible costs with a maximum of 100.000 Euros (whichever applies). Non-EU based subcontractors are accepted under certain restrictive conditions.

Subcontracted tasks must be clearly identified and described in the "Technical Annex" and in the GPFs ("Subcontract Form"- See Annex 1). Such task(s) can only be in the realm of a provision of a service, **no main core work can be subcontracted nor any of the Co-ordination tasks**. Subcontractors perform limited and specific tasks for a fee, and do not contribute to the financing of the project nor are they entitled to IPR.

#### **1.6.5 CO-FINANCING ORGANIZATIONS (PARENT COMPANIES)**

In case the financial viability check of one or some of the beneficiaries turns out to be weak, a parental guarantee might be required. Co-financing organizations are defined as those companies which provide such financial guarantee for the dependent beneficiary at the Commission's request. Co-financing organizations do not enter into the direct Grant Agreement with the Commission. However, they are required to provide proof of their legal existence and financial capacity to meet the financial demands of the dependent beneficiary.

#### **1.6.6 PROJECT OFFICER**

A Project Officer (PO) represents the Commission in the negotiations. He/she also prepares the draft Grant Agreement, although he/she does not have the authority to commit (sign on behalf of) the Commission to a Grant Agreement with the Consortium. He/she must ensure that:

- The contractual documents are in line with the legal and financial regulations of the eTEN Programme;
- The recommendations of the Evaluators have been met and the described work programme is sound and in line with the eTEN Programme;
- There are no changes in the content of the project which could make it radically different from the evaluated proposal, e.g. unjustified changes of objectives, cost categories, manpower etc.;
- There is no change in the Consortium organization which could change the nature of the original proposal<sup>13</sup>.

A Project Officer is nominated at the beginning of the Grant Agreement negotiations and identified as such in the invitation letter.

#### **1.6.7 AUTHORIZED REPRESENTATIVE**

The Authorized Representative is the person, at executive level, capable of committing the organization/company's responsibility and is mandated to sign the agreement on behalf of an organization/company. He must be clearly identified for each beneficiary and member of the Consortium. Where the organization's statutes require two signatures for a legally binding Grant Agreement, a second Authorized Representative must also

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<sup>13</sup> Although some swap of responsibility and/or partner change may be required.

be identified. He/she will also be an authorized administrative and financial official of the organization/company.

**Entering into negotiation means, by default, that the organization/company fully commits itself to the project.**

For the Commission, one Official is declared as Authorized Representative to commit and represent the Commission. This person will be signing the Grant Agreement on behalf of the Commission.

## 1.7 MODEL GRANT AGREEMENT

Before the Grant Agreement negotiations with the Commission can begin, it is important that the Consortium is aware of the terms and conditions imposed in the generic eTEN Grant Agreement (“Model Grant Agreement”). There is little scope for variation in the core body of the Grant Agreement which is fixed. Negotiations can only focus on the technical part, the duration of the project and the distribution of the accepted budget. It is NOT possible to increase the total level of funding above the maximum recommended Community financing, as specified in the invitation letter.

**Note:**

**The Model Grant Agreement and the Financial and Legal Regulations can be found on the eTEN Website<sup>14</sup>.**

## 1.8 CONSORTIUM DECISION TO NEGOTIATE

As explained in the invitation letter, the invitation to negotiate does not constitute any obligation from the Commission. Proposers must be aware that the Commission may decide to terminate the process at any point during the negotiation, e.g. if Proposers fail to reply within the announced deadlines. Whether or not a Grant Agreement is signed, the costs incurred by the Consortium during the negotiations are not eligible.

**Negotiation Cost**

**When a Consortium decides to accept the Commission’s invitation to negotiate, the Proposers must accept that all negotiation costs and efforts are at their own expense and risk.**

The Consortium may decide that they can or cannot meet the terms and conditions of the negotiation, and decide not to take up the offer of funding. In that case, the Consortium must formally declare its withdrawal from the negotiation. Such action will

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<sup>14</sup> Respectively at: [http://ec.europa.eu/information\\_society/activities/eten/library/index\\_en.htm](http://ec.europa.eu/information_society/activities/eten/library/index_en.htm) – preparing\_grant\_agreement and [http://ec.europa.eu/information\\_society/activities/eten/library/index\\_en.htm](http://ec.europa.eu/information_society/activities/eten/library/index_en.htm)

not prejudice any further proposal from beneficiaries who may wish to resubmit at the next Call.

In all cases, the Commission reserves the right to terminate negotiations at any time, and to reject the proposal, in the event of inadequate progress in negotiations. **In the event that negotiations are not satisfactorily completed by the given deadline, the Commission may terminate the process and reject the proposal.**

## 2 GETTING STARTED

### 2.1 INTRODUCTION

This section deals with the initial stages of the Grant Agreement negotiations. In the first instance, the main activity is to collect and to check key information. Negotiations can only start after the Consortium has received an invitation to negotiate a project's Grant Agreement from the Commission.

This is the time for the Consortium beneficiaries to clearly define the project "Work Programme" and the distribution of tasks and budget lines amongst the beneficiaries, in light of the recommendations provided.

### 2.2 ACTIONS TO BE TAKEN BY THE CONSORTIUM BEFORE THE NEGOTIATION CAN BEGIN

This section presents a quick reference guide to the main actions that the Co-ordinator and his partners need to endeavour in order to obtain the documentation required by the Commission. A complete description is presented in the remainder of these guidelines

#### **Eligibility Check:**

**Task 1-** Collect copies of **Certificates of Incorporation**, Statutes, Excerpts of company registration (or similar documental proof) identifying the legal identity, the **VAT number** for ALL partners (beneficiaries, members) and co-financing organisations. A scanned copy sent electronically to the PO is sufficient.

**Task 2-** Collect the "**Fiches Signalétiques**" duly filled in and signed by each above-described partner (they can be downloaded from: [http://ec.europa.eu/comm/budget/execution/legal\\_entities\\_fr.htm](http://ec.europa.eu/comm/budget/execution/legal_entities_fr.htm)). The procedure for validating the legal details is very rigorous and requires the "Fiche Signalétique" to be submitted as original in a timely fashion. The "Fiches Signalétiques" must be sent to the PO both electronically and by surface mail (originals).

**Task 3-** Collect copies of **certified financial statements** of the two last audited years, for all the beneficiaries with PRC and PNP legal status.  
**NOTE:** *Certified means that the accounts are certified by a Chartered Accountant or any other entity legally entitled to do it. The EC does not accept financial statements certified "in-house", such as those solely stamped and signed by the CEO, CFO or other responsible person of the company/institution. Should a partner not be in a position to provide such a certified information, he must flag it to the Co-ordinator and the Commission as early as possible.*

#### **Negotiation Phase:**

**Task 4-** In parallel:

- Prepare a **reply to the Evaluators comments** (ESR).
- Start working on the **“Technical Annex”**.
- Define the project budget by filling the **Forms A2a, A2b, A2c** of the GPFs for each partner (beneficiaries and members) and check the accuracy of the data reported in the **“Cost Breakdown and Financial Plan”** (*please note that field IV “Total estimated cost of the project” should be equal to the field “Total of Receipts” in field V “Financing Plan”*).

**Task 5-** Collect and check the following individual “Grant Agreement Preparation Forms – GPFs” before integration into the general spreadsheet: **A2a “Beneficiary Profile Form”** for all partners (beneficiaries and members) and co-financing organisations.

- **A2d “Financial Information Form”**. It must be filled in by all beneficiaries (but governmental bodies and co-financing organizations).
- **A2e “Certification”** for beneficiaries and co-financing organisations. Original, signed and stamped.
- **A2f “Other Projects Running or in Negotiation”** for beneficiaries and co-financing organisations.

**Task 6 -** For Deployment projects ONLY

- **“Letter of Investment”** commitment from all beneficiaries. Original, signed and stamped.
- GPF **“Milestone Table”** filled up. Milestones are defined as the key points in time by which specific objectives must be achieved and within specific budgets.

## 2.3 DETAILED INFORMATION REQUIRED BY THE COMMISSION

### **2.3.1 LEGAL DATA REQUESTED**

Upon the invitation to negotiate, all beneficiaries and members are required to provide the Commission with a photocopy of the original legal Registration Certificate establishing the organisation or company (company registration, VAT number, Certificate of Incorporation, Statutes, Official Journal referencing the creation of the institution/organization, etc.). The document(s) must state:

- The legal name of the organisation,
- The legal address of the organisation,
- The date at which it has officially been registered.

This information is required to define whether or not the organization has the legal capacity to conclude a Grant Agreement with the Commission.

There is no template for legal registration documents. The form and format depend on the rules of the regulatory body. The “Fiche Signalétique” templates can be found at [http://ec.europa.eu/comm/budget/execution/legal\\_entities\\_fr.htm](http://ec.europa.eu/comm/budget/execution/legal_entities_fr.htm).

The legal documents are usually obtained from a governmental or public authority which registers companies, or other regulatory bodies for non-profit organisations. For

most organisations, a recent extract from the respective public register will provide the necessary information.

For **public organizations**, a copy of the official journal stating the creation (usually by decree) of the institution or organization is required. The public organisations/authorities shall provide the Commission with an extract from the public law establishing the organisation/authority. For very old institutions such as universities dating back centuries ago, an official written declaration from the Dean on university letterhead paper will be acceptable.

**Compulsory official documents for Legal Registration:**

- Certificates of Incorporation, Statutes, Excerpts of company registration (or similar) **not older than 6 months**,
- A signed “Fiche Signalétique”,
- The VAT number if applicable

**2.3.2 FINANCIAL DATA REQUESTED**

A first set of financial information is requested from all beneficiaries in the invitation letter. The current financial position of the company/organisation is assessed by the Commission. This is to ensure that the organisation is adequately funded and financially stable and that has the financial resources to guarantee its share of the investment. The **most recent Balance Sheets and Profit & Loss Accounts from the last 2 audited years** are used to analyse and/or confirm figures given elsewhere and for further investigation, where appropriate. Audits must be done by an external reputable bureau. The Balance Sheets and the Profit & Loss Accounts are produced on an annual basis, as part of the annual accounts, by the financial services of an organisation. Audits commonly analyse the year before as well, which provides the 2 last audits in 1 document.

These documents are MANDATORY for **all non-governmental organisations**. Governmental organisations do not have to provide such documents nor the GPF form A2d.

■ **Note:**

A **public body** which is **not** a public-sector organisation but a legal entity governed by **private law with a public service mission**, must provide the requested financial information<sup>15</sup>.

The Balance Sheets and Profit & Loss are produced according to national accounting rules and should already be available as part of the annual accounts of the organization/company. The Commission expects to receive the **most recent last 2 years Certified Statements**. For companies which would have a weak statement in the last 2 audited years or which have not been in business long enough, it is recommended to send also the information for the most recently completed fiscal year, even if the certification process is still ongoing.

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<sup>15</sup> The definitions of a public entity as well as what is an adequate financial guarantee are provided in the Commission’s “Financial Regulations”, Article 54/2-c.

There is no template for these documents. National accounting rules apply. **Data from these documents must match those included in the Financial Information GPF – A2d**

The most common cause of negotiation failure is not the technical aspects of the project, but rather the financial strength of the Consortium. Failure to meet the financial requirements will mean that negotiations cannot be concluded, should no adequate solution be found to mitigate any financial or co-financing weakness within the Consortium.

☰ **Note:**

The cost shares in other projects have to be indicated in **A2F Form**. The financial rules for participating in EU projects on a shared cost basis require that the shared costs in other EU projects be declared. These are taken into account to assess the financial strength of each participating organization.

☰ **Note:**

eTEN Projects are ruled by the European Communities “Financial Regulations” and its “Implementing Rules”. **We strongly advise any participant to read them.**<sup>16</sup>

### **2.3.3 SUPPORTING DOCUMENTATION**

In order to check and ensure the financial viability of one/some of the beneficiaries, the Consortium must provide any additional documentation requested by the PO including additional Financial Data Sheets. Guidance and forms providing such information are detailed in Par. 3.4.7.2 of this document and in Annex 4 (“Financial Protection Measures and Guarantees”). The relevant Authorized Representative must sign all original official documents required.

### **2.3.4 LETTER OF INVESTMENT COMMITMENT (DEPLOYMENT PROJECTS ONLY)**

A letter of “Investment Commitment” is required from all beneficiaries to demonstrate their long-term commitment to the project. A standard form is provided to this effect (See Annex 2). The Authorized Representative(s) of the company or administration must sign this letter. This commitment will be part of the Grant Agreement for the project and the beneficiaries will be asked to demonstrate that they have fulfilled their investment commitments.

### **2.3.5 BANKING INFORMATION**

The coordinating partner will have to declare to the Commission any interest that the Community contribution has generated on his accounts. In order to facilitate such a process, it is highly recommended that the Co-ordinator use a special account to receive and dispatch the Community contribution.

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<sup>16</sup> <http://ec.europa.eu/scadplus/leg/en/s27000.htm#REGLEMENTATION>

In order to provide the banking information, the Co-ordinator is requested to fill in a specific form (one type per country) that can be downloaded from the following official Commission site: [http://ec.europa.eu/comm/budget/execution/ftiers\\_fr.htm](http://ec.europa.eu/comm/budget/execution/ftiers_fr.htm). This form has to be sent to the Project Officer as part of the financial data, duly signed and stamped both by the bank and the company's authorized officer.

In order to fill in properly this form, the following points should be taken into account:

- The co-ordinating partner must provide details of the **Euro bank account** to which the project's payments will be made in that currency. The Commission will verify the account details.
- The **IBAN** code must be provided. However, for countries where it is not yet implemented regularly, the Commission will accept a normal bank account for the time being. The IBAN code is mandatory for Italy and Luxembourg
- **Swift/BIC** code. If applicable: Swift/BIC code for the bank in the format defined by the bank.

### **2.3.6 OPTIONAL FORMS: MANDATES**

A Consortium may decide to mandate the co-ordinating partner to sign the Grant Agreement on behalf of one or more beneficiaries. This speeds up the Grant Agreement signing process. Alternatively, all beneficiaries must sign the Grant Agreement. The Consortium should be made aware that for a large Consortium, the absence of mandates can entail a significant delay in the signature process.

Beneficiaries wishing to give power of signature to the Co-ordinating partner must sign a **mandate entrusting the Co-ordinator to sign the Grant Agreement on their behalf**. Correlatively, the Co-ordinator must accept these mandates. Templates for the "Mandate" and the "Acceptance of a Mandate" are given in Section 2, Par. 5.4.5. Mandates must be sent to the PO through the Co-ordinator at least before the end of negotiations. They must be signed by the same Authorized Representative(s) of the organisation who will sign the Grant Agreement.

**Note:**

**Do not confuse the "Mandates for Signature" of the Grant Agreement with the "Negotiation Mandates". These are 2 different templates for 2 different purposes.**

Some organisations, especially public institutions, are not allowed to mandate other organisations to sign on their behalf. Thus, the time delay in circulating documents across Europe is to be factored in the signature process.



## 3 NEGOTIATIONS' MEETINGS

### 3.1 INTRODUCTION

This section deals with the negotiation stage of the Grant Agreement preparation. Should you have any questions unanswered in this section, please check our eTEN web site for FAQ<sup>17</sup>, and Europe Direct<sup>18</sup> before calling your PO.

### 3.2 FIRST NEGOTIATION ROUND

For the first negotiation meeting, the Co-ordinator must be accompanied by the appropriate technical and financial decision makers from all beneficiaries in order to be able to answer any question from the PO and decide on required/acceptable changes. **To the extent possible, all beneficiaries should attend the negotiation meeting.** If this is not the case, the Co-ordinator's representative must be in a position to negotiate on behalf of the beneficiaries not present at the negotiation table and provide the required mandate(s) at the beginning of the meeting.

At the beginning, the PO will:

- Welcome the Consortium;
- Present the role and responsibility of the Commission in the Grant Agreement;
- Highlight common issues in Grant Agreement negotiations;
- Deal with any queries about the evaluation or the Grant Agreement.

Then, the Co-ordinator starts by presenting the Consortium and the project's objectives and Work Plan (including the breakdown of the different main tasks and the partners involved) as per the first draft of the "Technical Annex". The Co-ordinator's representative also presents the foreseen budget breakdown by activity/task, per partner, for the duration of the project. Such a presentation must be seen as a brief overview to introduce the project and should take no more than 45 minutes. Yet, it must include a clear presentation of the "ESR Recommendations" and how they have been implemented/integrated into the "Description of Work".

This presentation will detail who does what, why and how, within the Consortium. From then on, the negotiation with the Commission representatives will take place for as long as it has been agreed with the PO prior to the meeting. During this time frame, all the technical, legal and financial aspects of the project will be discussed.

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<sup>17</sup> [http://ec.europa.eu/information\\_society/activities/eten/howto/faq/index\\_en.htm](http://ec.europa.eu/information_society/activities/eten/howto/faq/index_en.htm)

<sup>18</sup> [http://ec.europa.eu/europedirect/index\\_en.htm](http://ec.europa.eu/europedirect/index_en.htm)

### 3.3 ADDITIONAL INFORMATION

The PO may request additional information at any stage during the negotiations and Grant Agreement preparation. Accurate information must then be provided as fast as possible.

### 3.4 ISSUES FOR NEGOTIATION

#### **3.4.1 TECHNICAL ISSUES: Agreement on the Technical Annex**

The purpose of the negotiation is to identify and solve any problem with respect to the draft “Technical Annex”, which the Consortium has prepared and received in advance by the corresponding PO, **at least ten working days prior to the set meeting date**. This allows the PO to review the information in detail so that an effective and constructive meeting can take place. During the meeting, the PO will indicate and discuss changes or improvements which are required, and all beneficiaries will explore how this can be accommodated in the Work Plan in view of reaching an agreement on the technical issues.

■ **Note:**

For the preparation of the **Technical Annex**, please refer to the “Guidelines for the Preparation of the Technical Annex”

#### **3.4.2 FINANCIAL ISSUES: Agreement on the Budget**

The financial negotiations will focus mainly on:

- Verifying the information on each beneficiary and its financial capability<sup>19</sup>.
- Reaching an agreement on budgetary matters, i.e. the overall level of funding and the distribution of budget lines for the full duration of the project as set out in the draft GPFs.

After each meeting, the PO will send a clear summary of the mutually agreed required actions, and the timetable for their achievement to the Co-ordinator. This should not reduce the need for each beneficiary to take notes during the meeting. Points of this summary will represent actions for the Consortium to improve both the technical and financial aspects of the “Description of Work”.

**Budgetary Figures**

All budgetary figures, as precise as they may be, are seen as estimate of the real figures coming from the project’s expenses. Therefore, payments will only be made based on real, justified actual costs and bills and not on the basis of the GPFs.

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<sup>19</sup> See Commission “Financial Regulations”, Article 173 of the “Implementing Rules”

### **Other Specific Costs**

This cost category must be also reported in details in the “Technical Annex”.

### **3.4.3. Grant Agreement Preparation Forms (GPFs)**

Two types of agreements can be signed with the Commission with respect to the funding instruments used by the eTEN Programme: Market Validation and Initial Deployment. A different level of funding is provided, according to each.

- Initial Deployment is funded to a maximum of **30% of the total investment costs**;
- Market Validation is funded at a level of **50% of the eligible costs**.

Following up from the financial information provided in the proposal, the financial distribution of the project’s budget will have to be substantiated by means of the Grant Agreement Preparation Forms. They will be used as information basis for the budget “Breakdown Table” (**integral part of the Grant Agreement**). It is therefore important that the information in the Forms is as precise as possible. Furthermore, it is to be noted that the GPFs include a “Certification” (A2e form) to be signed by the beneficiary’s authorized representatives signing the Grant Agreement (See Form in Annex 1).

### **A1 Form**

Certain details will be used to generate a publishable “Project Facts Sheet” or “Fiche” (to be used both in the dissemination effort and as a basis for discussions internal to the Commission). In that respect, **Form A1** (“Project Definition”) must include a project abstract, the contact points for each partner of the Consortium, the duration, total eligible cost and total funding level. The “Project Definition” will be also included in the “Technical Annex” which is a part of the Grant Agreement.

### **A2 Forms**

A2 Forms are providing legal and financial information about the partner’s organization/institution. The following points should be taken into account when filling in A2 forms:

- In the **A2a Form** all cells must be filled, especially the name and title of the Authorized Representative(s) for each beneficiary in the Consortium. Providing two authorized representatives is strongly recommended.
- In **A2b Form** (human resources needed) the partners must be aware that the Commission calculates working involvement on the basis of an average work time as follows: 7.5 hours/day and 220 days/year. Large variations from this average will not be accepted.
- In **A2bCO** and **A2cCO Forms**, the Co-ordinator can only insert clerical and accounting staff (if they are not accounted for in the Overhead calculation)

supporting the Co-ordinator (e.g. Special Financial and Clerk Support) and not the costs associated with the Co-ordination itself (Project Manager, Project Co-ordinator, etc). These costs must be inserted in the Form A2b.1 and A2c.1. (See template in Annex 1)

- The Form A2d is meant to provide a comprehensive overview of the financial statements year by year. However, the balance sheet like structure is simplified and may for some partners not be detailed enough. In such a case please provide additional comments to make the numbers more understandable in the box provided to that effect. The total asset and total liability cells are, by default a sum of the assets/liabilities keyed in. Should this not reflect the actual total amount, these cells can be modified by entering the exact amount as per the organization financial report of the given year.
- The GPFs include a “Certification” (A2e Form) to be signed by the same Authorized Representative(s) signing the Grant Agreement.
- The cost shares in other projects have to be indicated in the A2F Form. The financial rules for participating in EU projects on a shared cost basis require that the shared costs in other EU projects be declared. These are taken into account to assess the financial strength of each participating organization. This information is MANDATORY for all beneficiaries. All EU Grant Agreements even the ones under negotiation should be included, with a note that they are under negotiation. Should one beneficiary company of the Consortium be multi-located, this beneficiary must **make sure that they include the records of the other headquarters as well**. Standard commercial and service Grant Agreements with the EU paid for at 100% should not be recorded. Should there be any doubt concerning what Grant Agreements need to be taken into account for this table, the Project Co-ordinator should contact the designated PO.

### A3 Forms

A3 Forms contain a “Table of Indicative Breakdown of Costs” and a “Financing Plan” that are derived from the project “Budget Table” (part of GPFs) and the “Milestones Breakdown Table” (for Deployment projects only). These forms will be included as part of the Grant Agreement (See Annex I).

**Form A3b:** "Milestone Table". For Initial Deployment projects, advance payments are calculated on the basis of 100% of the provisional eligible expenses at milestone 1; however, for some internal reason (i.e. weak financial capacity) some partners may require to obtain less advance (down to 0). Thus, the column next to the community funding at milestone 1 provides the opportunity to tailor the amount of advance that one request from the Commission.

**The pre-financing for Initial Deployment** projects is calculated on the basis of TEN financial regulation article 11.4<sup>20</sup>.

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<sup>20</sup> Art. 11.4: "As a general rule, payments shall be made in the form of advances, intermediate payments and a final payment. The advance, which shall not exceed 50 % of the first annual milestone, shall be paid once the application for aid has been approved. ..."

### **Who Needs to Provide What?**

**The Co-ordinator** must fill up all **A2 GPF Forms** plus the **A1 Form**.

**Each beneficiary** must fill up all **A2 GPF Forms**, except for government entities who do not have to provide **A2d Form**.

**Each member** must fill up the **A2a GPF Forms**. In principle the **A2d, A2e and A2f Forms** do not have to be provided by the members. However, the PO can ask for these forms in specific cases for some of the members.

**Co-financing organizations** covering a beneficiary with a parent guarantee must produce all **A2 GPF Forms**, except **A2b and A2c**.

### **Note:**

The beneficiaries should not use the equivalent forms from the “Guide for Proposers” which might have been included in the proposal. More details, further explanations and templates of all the necessary Grant Preparation Forms can be found in **Annex 1** of these guidelines.

### **3.4.4 ACCOUNTING MODELS**

Most partners will use a Full Cost (FC) accounting model, by which the Commission’s financial contribution is limited to 50% of the eligible costs, including Overheads. In certain conditions<sup>21</sup>, public institutions can use the Additional Cost (AC) accounting model by which the Commission agrees to finance 100% of all Additional Costs. AC partners use 20% overheads on all direct costs except subcontracting as a flat rate on the basis of the explicit Commission Decision adopting the eTEN Grant Agreements for both project types (Market Validation and Initial Deployment).

The presence of AC partners in Market Validation Grant Agreements may bring the overall funding percentage above 50% of eligible costs. AC partners must provide an estimate of non-eligible costs in the budget table, provide an estimate of the overall costs of permanent staff working in the project (not eligible for AC partners) and **their work must be also reflected in the “Technical Annex” Work Plan**. The CVs of the permanent and additional staff involved in the project have to be also included in the description of partners section of the Technical Annex.

**Detailed information about accounting models, eligible costs and funding levels are clearly explained in the “Guide for Proposers” which the Consortium have used to draft their proposal.**

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<sup>21</sup> Whenever the institution does not have its own accounting and accounting rules. Complete details are available in Annex II: “General Conditions” to the Model Grant Agreement to be found on the eTEN web site.

**Note:**

AC partners are required to report the time of their permanent staff in the work plans both in the Technical Annex and the GPFs.

### **3.4.5 SUBCONTRACTOR PROFILE**

The tasks of all subcontractors should be clearly identified and indicated in the “Technical Annex” even if the subcontractor is unknown at the negotiation stage. Additional details must be supplied at the Grant Agreement negotiation stage:

- If subcontracting costs exceed 20% of a beneficiary’s budget, or
- If a subcontract costs exceed 100.000 Euro, or
- If the subcontractor is not from an EU country, or
- If a specific task is requested to be subcontracted by the Project Officer.

Nevertheless, where the subcontractor is unknown and the information cannot be provided at the negotiation stage, **prior written approval of the subcontract** must be sought from the PO before it is concluded, at the time the subcontractor is known.

### **3.4.6 FINANCIAL VIABILITY**

The Financial Viability is often a key issue in many negotiations and it is based on the rules of participation in all EU cost share projects. The Commission reserves the right to reject the participation of a beneficiary if no **substantiated** financial resource for the project is demonstrated to the Commission.

### **3.4.7 MITIGATION**

Where the available financial resources of the beneficiary(ies) based on the information provided is deemed to be insufficient to carry out its/their share in the project, the beneficiary(ies) will be asked to provide one of 3 **financial protective measures**.

The Project Officer will choose the appropriate option on a case-by-case basis.

#### **Measure 1:**

- The beneficiary submits, in writing, precise and clear explanations as to which financial resources he intends to use to cover his cost-share for **all** EU cost-sharing projects in which he participates or wishes to participate. This submission should be supported by the appropriate evidence (e.g. agreements concerning the capital increase, shareholder loans or undertakings from parent companies to provide the necessary funds), and

The beneficiary provides the Commission with a financial guarantee to cover the pre-financing payment, or alternatively, agrees to receive no pre-financing payment.

#### **Measure 2:**

- The beneficiary's organization provides written evidence that it is part of a group and that the parent organization, or one of its affiliates, is willing to issue a letter of guarantee in favour of the Commission (See "Model Guarantee", Annex 4). In such a case, the parent organization and/or affiliate should also provide the Commission with a certified copy of its last Balance Sheet and Profit & Loss, which substantiates that the guarantor has the financial capacity to provide such a guarantee. **Parent organizations must also submit official legal documents, financial information and the GPFs A2 (except A2b and A2c) to the PO.**

**Measure 3:**

- The beneficiary requests to decrease its participation to a level which is regarded as acceptable and sustainable, taking into account all cost-shared projects, in which this organization participates.
- See applicable "Model Templates of Guarantees" in Annex 4 "Financial Protection Measures and Guarantees".

### **3.5 END OF THE NEGOTIATIONS**

At the end of the round of negotiations, the Consortium and the PO should reach an agreement on the technical contents, the composition of the Consortium and the budgetary figures to successfully carry out the project. The Consortium should be in a position to prepare and send a final version of both the "Technical Annex" and the GPFs for review.

## 4 GRANT AGREEMENT PREPARATION

### 4.1 INTRODUCTION

This section details the final stage of the Grant Agreement preparation. It starts when both parties have finalised the negotiations and are in agreement on all raised issues.

The data used for the drafting of the legal and financial parts of the agreement come from the consolidated GPFs. All necessary additional documents, e.g. guarantees, **must be in the hands of the PO at this time**. The PO may call upon the Consortium to react very quickly in providing necessary signed copies of documents.

### 4.2 THE DOSSIER

Below is a checklist of the data to be returned for the Grant Agreement preparation. It includes completing of financial information. The data in the electronic version of the GPFs must be the same as that included in the signed copies of individual forms. The PO, who may call upon the Consortium to react very quickly in providing necessary signed copies of documents, will make this verification.

Requirements	Check
<i>“Co-ordinator’s Banking Information”</i> verified and approved by the bank, also signed by the account holder’s Financial Manager	
<i>“Certifications”</i> have been signed by all beneficiaries and members	
Ensure <i>“Mandates”</i> have been completed where appropriate as well as the <i>“Acceptance of Mandates”</i> Form signed by the Authorized Representatives only.	
<i>Letters of “Investment Commitment”</i> have been completed (Deployment Projects only)	
Required <i>“Letters of guarantee”</i> have been provided.	
Copies of the <i>“last two years’ Balance Sheets”</i> approved by a Certified Accountant/Auditor	
Copies of the <i>“last two years’ Profit &amp; Loss Accounts”</i> approved by a Certified Accountant/Auditor	
<i>“Legal”</i> evidence of the organizations’ status”	
<i>“Subcontractor’s Information Form”</i> has been provided and accepted.	
The budget table ( <i>“Indicative Breakdown of Estimated Eligible Costs”</i> ) has been signed by the co-ordinating partner.	

**The absence of any of the mandatory documents or required forms can result in considerable delays in finalizing the Grant Agreement.** The Co-ordinator must ensure that all these documents are accurately completed by each Consortium partner, and submitted both electronically and in hard copy to the Project Officer involved in the negotiation.

### 4.3 THE GRANT AGREEMENT

When the draft Grant Agreement is accepted by all parties, it will be sent electronically to the co-ordinator. Then, **two signed copies** will be returned to the Commission's for signature.

**There are THREE important things to remember:**

1. All beneficiaries must sign and stamp both copies of the Grant Agreement or have mandated the Co-ordinator who will sign on their behalf. The Commission always signs last. **No beneficiary should date the signed pages.** When the signing stage is completed, the Co-ordinator returns **both** Grant Agreements to the Commission.
2. By default the effective start date of the project is that of **the first day of the month following the final Grant Agreement signature** (the Commission). Should the Consortium want the project to start on a particular date, this must be **specified in writing at the negotiation stage**. The pre-date start of a project is only accepted in specific cases on the basis of a well documented request accepted by the PO. The final signature by the Commission takes at least 15 days after all internal registrations have been completed.
3. A letter containing information on eTEN Communication and Disseminations activities is sent electronically at the same time as the grant agreement. **The Consortium is requested to submit a press release together with the signed grant agreement** so that it can be immediately published after the contract has been signed by the Commission.

### 4.4 ANY PROBLEM WITH THE NEGOTIATIONS

All dealings by Commission Officials with third parties are covered by the "Code of Good Administrative Behaviour". The Consortium can find out more about this on: [http://ec.europa.eu/comm/secretariat\\_general/code/index\\_en.htm](http://ec.europa.eu/comm/secretariat_general/code/index_en.htm)

## **ANNEXES**

**ANNEX 1: LEGAL & FINANCIAL INFORMATION**

**ANNEX 2: LETTER OF INVESTMENT COMMITMENT (DEPLOYMENT PROJECTS)**

**ANNEX 3: MANDATES AND ACCEPTANCE OF MANDATES**

**ANNEX 4: FINANCIAL PROTECTION MEASURES AND GUARANTEES**

## ANNEX 1 - LEGAL & FINANCIAL INFORMATION

Legal & Financial information from Consortium partners below are representations of forms that each partner will have to fill accurately and send back to the Co-ordinator.

The Microsoft EXCEL file containing the following templates can be found in the GPF file on the eTEN website.

### **THE GRANT PREPARATION FORMS ARE DIVIDED IN 9 SETS:**

1. **A1:** “Project Definition”: a short presentation of the project (abstract, type of activity, number of beneficiaries, etc.),
2. **A2a:** The “Beneficiary’s Profile” and contact names for all beneficiaries,
3. **A2b:** Human resources needed,
4. **A2c:** Planned costs categories, ()
5. **A2d:** The “Financial Information” about each non-public beneficiary (Balance Sheet, and Profit & Loss),
6. **A2e:** “Certification” – This Form **has to be signed and stamped by each beneficiary.**
7. **A2f:** List of ongoing or starting EC co-funded projects, ()
8. **A3a:** Cost breakdown and financial plan,
9. **A3b:** Milestones breakdown table.

### **Additional forms**

10. The required information for “subcontractors” (See specific Form in the GPFs),
11. The list of other cost shared ongoing Grant Agreements with the EC funding,
12. The human resources and costs required for each beneficiary,
13. The planned spread of budget between the main activities and budgetary categories for each beneficiary,
14. “Subcontractor Legal Form”.

**PROJECT PRESENTATION (GPF A1)**

This form (called “Project Definition”) must compile a quick abstract of the project including:

Goals, objectives, description of service and indicators for success; duration of the project and expected timing for full deployment; the total budget and total funding from the Commission; and the list of the partners as well as the contacts of the Co-ordinator.



COMMISSION OF THE EUROPEAN COMMUNITIES  
 Directorate-General Information Society  
 Communication Networks. Applications  
 eTen

**A1**

Information on the Project			
Project Full Name			
Project Acronym		Project No	
Programme Area	eTen	Call Identifier	Call 2005-1

Publishable: Project Abstract, Partners contact details, total cost and funding (maximum 2000 characters)

Nb of Contractors	0	
Contract type		
Duration in months		

**LEGAL INFORMATION AND CONTACT NAMES FOR BENEFICIARIES (A2a)**



COMMISSION OF THE EUROPEAN COMMUNITIES  
 Directorate-General Information Society  
 Communication Networks. Applications  
 eTen

A2a.

Project Nb:	0	Acronym:	0
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Beneficiary Profile			
Beneficiary Nb:		Role:	Only Coordination ?
Cost Regime:		Max Commission Contribution %:	
Full Legal Name:			
Short Name:			
Legal Status:		Website :	
Legal Address			
Street Name & Nb:			
PO Box:		Postal Code:	Cedex:
Town:		Country:	
Contact Person			
Name:		First Name(s):	
Title:		Sex:	Position:
Department/Faculty/Institute/ Laboratory Name:			
Phone :		Fax:	
e-Mail:		@	
Contact Address (if different from legal address)			
Street Name & Nb:			
PO Box:		Postal Code:	Cedex:
Town:		Country:	
Authorized Person			
Name:		First Name(s):	
Title:		Sex:	Position:
Department/Faculty/Institute/ Laboratory Name:			
Phone :		Fax:	
e-Mail:		@	
Second Authorized Person (if any)			
Name:		First Name(s):	
Title:		Sex:	Position:
Department/Faculty/Institute/ Laboratory Name:			
Phone :		Fax:	
e-Mail:		@	

**HUMAN RESOURCES EFFORT REQUIRED (A2B)**

Project Nb:	0	Acronym:	0
-------------	---	----------	---

<b>Details of personnel costs for</b>	0	0
---------------------------------------	---	---

Number of productive hours per day	7,5	Overheads rate for AC	20,00%
Number of productive days per year	220		

Categories of staff				Add Line
Code	Description	Hourly rate	Overhead/Hour	
1				
2				
3				

Cost Period 1					
Code	Hours on	Hourly rate	Personnel	Overheads rate	Overheads
1		0	0		
2		0	0		
3		0	0		
	0		0		0

Cost Period 2					
Code	Hours on	Hourly rate	Personnel	Overheads rate	Overheads
1		0	0		
2		0	0		
3		0	0		
	0		0		0

Cost Period 3					
Code	Hours on	Hourly rate	Personnel	Overheads rate	Overheads
1		0	0		
2		0	0		
3		0	0		
	0		0		0

Cost Period 4					
Code	Hours on	Hourly rate	Personnel	Overheads rate	Overheads
1		0	0		
2		0	0		
3		0	0		
	0		0		0

Cost Period 5					
Code	Hours on	Hourly rate	Personnel	Overheads rate	Overheads
1		0	0		
2		0	0		
3		0	0		
	0		0		0
	Total hours		Total Personnel Cost		Total Overheads Cost
	0		0		0

**PLANNED SPREAD OF BUDGET BETWEEN THE MAIN ACTIVITIES (A2C)**

Project Nb:	0	Acronym:	0
-------------	---	----------	---

<b>Details of categories for</b>	0	0
----------------------------------	---	---

<b>Durable Equipment costs (Euro)</b>						<a href="#">Add Line</a>
Description	Cost Period 1	Cost Period 2	Cost Period 3	Cost Period 4	Total	
Totals:	0	0	0	0	0	

<b>Subcontracting costs (Euro)</b>						<a href="#">Add Line</a>
Subcontractor	Cost Period 1	Cost Period 2	Cost Period 3	Cost Period 4	Total	
Totals:	0	0	0	0	0	

<b>Travel and subsistence costs (Euro)</b>						<a href="#">Add Line</a>
Travel	Cost Period 1	Cost Period 2	Cost Period 3	Cost Period 4	Total	
Totals:	0	0	0	0	0	


<b>Consummable costs (Euro)</b>						<a href="#">Add Line</a>
Description	Cost Period 1	Cost Period 2	Cost Period 3	Cost Period 4	Total	
Totals:	0	0	0	0	0	

<b>Computing costs (Euro)</b>						<a href="#">Add Line</a>
Description	Cost Period 1	Cost Period 2	Cost Period 3	Cost Period 4	Total	
Totals:	0	0	0	0	0	

<b>Protection of Knowledge (Euro)</b>						<a href="#">Add Line</a>
Description	Cost Period 1	Cost Period 2	Cost Period 3	Cost Period 4	Total	
Totals:	0	0	0	0	0	

<b>Other eligible costs (Euro)</b>						<a href="#">Add Line</a>
Description	Cost Period 1	Cost Period 2	Cost Period 3	Cost Period 4	Total	
Totals:	0	0	0	0	0	

**FINANCIAL INFORMATION ABOUT EACH NON-PUBLIC BENEFICIARY (A2D)**

		COMMISSION OF THE EUROPEAN COMMUNITIES Directorate-General Information Society Communication Networks, Applications eTen		<b>A2d.</b>	
Project Nb:		0		Acronym:	
				0	
<b>Financial Information</b>					
Short Name:		0			
Closing date t0:		Duration t0 (months):			
Nb Employees:		Currency:			
Is the organisation a Small or Medium-sized Enterprise (SME) ?					
Is your organisation independent ?					
if no, please explain:					
Less than 3 annual balance sheets ?					
Comments on financial results:					
<b>Balance sheet</b>		<b>t0</b>		<b>t+1</b>	
<b>Assets</b>					
1 Subscribed capital unpaid:					
2 Fixed assets		0		0	
2.1 Intangible fixed assets					
2.2 Tangible fixed assets					
2.3 Financial assets					
3 Current assets		0		0	
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					
<b>Total Assets</b>		<b>0</b>		<b>0</b>	
<b>Liabilities</b>					
4 Capital and reserve		0		0	
4.1 Subscribed capital					
4.2 Reserves					
4.3 Profit and loss brought forward (enter sign)					
4.4 Profit and loss brought forward for the financial year (enter sign)					
5 Creditors		0		0	
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					
<b>Total liabilities</b>		<b>0</b>		<b>0</b>	
<b>Profit and Loss</b>					
6 Turnover					
7 Variation in stock					
8 Other operating income					
9 Costs of material and consumables					
10 Other operating charges					
11 Staff costs					
12 <b>Gross operating profit</b>		<b>0</b>		<b>0</b>	
13 Depreciation and value adjustments on non-financial assets					
14 <b>Net operating profit</b>		<b>0</b>		<b>0</b>	
15 Financial income and value adjustment on financial assets					
16 Interest paid					
17 Similar charges					
18 <b>Profit and loss on ordinary activities</b>		<b>0</b>		<b>0</b>	
19 Extraordinary income and charges (enter sign)					
20 Taxes on profits (enter sign: minus for paid, plus for refunded taxes)					
21 <b>Profit and loss for the financial year</b>		<b>0</b>		<b>0</b>	

**GPF FORM A2E**

This form has to be signed and stamped by each beneficiary. Members are legally liable but not financially to the Commission, therefore should they not sign this form they will be requested to sign a simplified form provided under request by the negotiating Project Officer

Project Nb:	0	Acronym:	0
<b>Certification</b>			
<p>I certify that our organization is committed to participate in the above mentioned project, that the information relating to our organization set out in the A2 forms is accurate and correct, that the estimated costs meet the criteria for eligible costs for eTEN projects, as established by the eTEN model grant agreement and our normal cost accounting principles, and that they reflect the estimated costs expected to be incurred in carrying out the work described in Annex I (Description of work).</p>			
<p>As required by Article 93 of Council Regulation (EC, Euratom) N° 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities [OJ L248, 16.09.2002, p. 1], I certify that none of the following cases apply to our organization:</p>			
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 judgement 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 judgement which has the force of res judicata for fraud, corruption, involvement in a criminal organization or any other illegal activity detrimental to the Communities' financial interests;		
f)	following another procurement procedure or grant award procedure financed by the Community budget, it has been declared to be in serious breach of contract for failure to comply with its contractual obligations.		
<p>I understand that any potential contractor who has committed an irregularity in the implementation of any other indirect action may be excluded from the selection procedure at any time.</p>			



**COST BREAKDOWN AND FINANCIAL PLAN (A3A)**

		Budget Table - Indicative breakdown of costs and financing plan								
Acronym:	0	Contract Nb:		0						
<b>I. Beneficiary information</b>		<b>Total</b>	0							
Beneficiary Number (1) and Role (2)		all amounts in euro		1	0					
Cost Regime (3)			0	0						
Number of person hours				0						
<b>II. Estimated eligible costs</b>										
Personnel		0	0							
Durable equipment		0	0							
Subcontracting		0	0							
Travel and subsistence		0	0							
Consumables		0	0							
Computing		0	0							
Protection of knowledge		0	0							
Other specific costs		0	0							
Overheads		0	0							
<b>Total estimated eligible costs :</b> (a)		<b>0</b>	<b>0</b>							
<b>III. Non-eligible(4) costs :</b>										
Permanent Personnel (only for AC beneficiaries)		0	0							
Other non-eligible costs		0	0							
<b>Total estimated non-eligible costs :</b> (b)		<b>0</b>	<b>0</b>							
<b>IV. Total estimated cost of the project:</b> (c)=(a+b)		<b>0</b>	<b>0</b>							
<b>V. Financing Plan</b> difference (c - i)		0	0							
Direct income expected from the project (d)		0	0							
Contributions by contractor or member (e)		0	0							
Contributions by other private organisations (f)		0	0							
eTEN contribution (detailed calculation below) (g)=(c)		0	0							
Other public contribution (h)		0	0							
<b>Total of receipts (should be same as (c)) :</b> (i)=(d+e+f+g+h)		<b>0</b>	<b>0</b>							
<b>VI. Calculation of Community contribution</b>										
Allowable advance %			30,00%	30,00%	30,00%	30,00%	30,00%	30,00%		
Max. Commission Contribution% (k)			0,00%							
Max. Community contribution (l) = (k*a)-(h)		0	0							
Estimated Total Investment Cost (ETIC) (Not for SA) (n)										
Potential Funding based on % of ETIC 10% (o) = (l) * (n)		0								
<b>Max. Community contribution :</b> (p)=min (l), (o)		<b>0</b>	<b>0</b>							
<b>Max. Community pre-financing :</b> 30,0% (q)=(%) * (p)		<b>0</b>	<b>0</b>							

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1. Participant Number : Contractor n' or Member linked to Contractor n'
2. Participant Role Codes : CO (Co-ordinator); CR (Contractor); MB (Member)
3. FC (Full Cost actual basis overheads); AC (Additional Cost overheads)
4. Indicate the origin of the non-eligible costs



**SUBCONTRACTOR LEGAL FORM**

<b>SUBCONTRACTOR INFORMATION 1/2</b>
<b>PROJECT ACRONYM<sup>1</sup>:</b> <input style="width: 100px;" type="text"/>

**General Participant information**

Subcontract No.		Linked to Beneficiary No	
Short Name <sup>2</sup>			

**Legal Address and Information**

Organization Full Legal Name			
Legal Address			
Town / City		Cedex	
Country Name		Post Code	
V.A.T No.		Legal Registration No.	

**Authorized Representative**

Title		Position		Gender	Select one
Family Name		First Name			
Telephone No.		Fax No.			
E-mail					

**Organization Details<sup>17</sup>**

Annual Turnover	Select one	Annual Balance Sheet Total	Select one	No. of employees	Select
Activity Type	Select one	Status <sup>15</sup>		Select One	
Is your organization independent?			YES <input type="checkbox"/> NO <input type="checkbox"/>		
If NO, please indicate legal name of owner who own 25% or more					
Is your organization affiliated to any other participant(s) in the proposal?				YES <input type="checkbox"/> NO <input type="checkbox"/>	
If YES, please give Participant short name and affiliation		Short Name		Affiliation	Select

**Contact Person and Details of where the work will be carried out<sup>6</sup>**

Title		Position		Gender	Select one
Family Name		First Name			
Telephone No.		Fax No.			
E-mail <sup>34</sup>					
Department Name					
PO Box <sup>7</sup>					
Contact Address					
Town / City		Cedex		Post Code	
Country Name					

**I/We certify that the above information is accurate and that my/our organization has agreed to participate in this project**

Date (DD/MM/YYYY)		Signature of Authorized Representative (1)



## ANNEX 2 - LETTER OF INVESTMENT COMMITMENT (DEPLOYMENT PROJECTS)

- **INTRODUCTION**

The letter of investment commitment is required for **Deployment Projects only** to demonstrate the willingness of the beneficiaries to commit their own funds to the deployment. Beneficiaries are asked to make significant investments in the project, thus some formal indication that the funds have been clearly identified and budgeted for within the organization/company investment strategy is required.

- **SOURCE**

The outline of the letter of investment commitment is provided as a WORD file named “Letter of investment commitment” - Deployment Projects. This should be reproduced on the official stationery of the participating organization.

- **REQUIREMENTS**

All partners in a Deployment Project have to complete this letter.

The letters **must** be signed by a person who has the **legal power** to commit the organization to a Grant Agreement. The letter should also be stamped.

The “Letter of Investment Commitment” will constitute a part of the project Grant Agreement.

- **INSTRUCTIONS**

The Co-ordinator should check that the total of individual investments indicated by the partners is equivalent to the total investment cost for the project. Similarly, the total of the individual milestones’ budgets should be in line with the figures declared in the investment plan.

- **TEMPLATE**

The template and the notes for completing the template are included overleaf.

**DRAFT**

**TO BE PRODUCED BY ALL PARTICIPANTS IN DEPLOYMENT PROJECTS**

**LETTER OF INVESTMENT COMMITMENT**

<Name of beneficiary organization<sup>3</sup>>, represented by <Authorized Representative<sup>4</sup>> in his/her position of budgetary authority, as <position of Authorized Representative<sup>5</sup>>, declares to take up the following commitments in the framework of the <Project Acronym<sup>1</sup>> Deployment eTEN Project number <Grant Agreement number<sup>2</sup>> :

- <definition of the investment components, where the beneficiary will invest>

as per the following Investment Plan:

<b>Milestone</b>	<b>Milestone title</b>	<b>Date</b>	<b>Amount in EURO</b>
Milestone 1	<to be defined on the base of the Technical Annex>	<to be defined on the base of the Technical Annex>	<to be defined on the base of the Technical Annex>
.....			
Milestone n			
		TOTAL	<total investment>

Yours Truly,

On behalf of <name of Beneficiary<sup>3</sup>>

Date<sup>6</sup>

Name<sup>4</sup>

Title<sup>5</sup>

Signature<sup>7</sup>

<Stamp><sup>8</sup>

## NOTES ON INVESTMENT COMMITMENT

1) Project Acronym

The project acronym used for the project.

2) Grant Agreement Number

The Grant Agreement number is provided by the Commission for the project. Should it have not provided in the invitation letter, the Project Co-ordinator should contact the Project Officer.

3) The Beneficiary (Contractor or Member organization's legal name)

The beneficiary must use the **complete legal name** of the organization in the original language issuing the letter. If applicable, the name under which the organization is registered in the official trade registers should be used. Include any qualifier (SA, Ltd, GmbH, Asbl, vzw, SpA, etc.). The beneficiary must check that the information corresponds to the information on the official registration papers establishing the organization. It must correspond to the information provided in the "Beneficiary's Profile Form".

4) The Legal Representative or "Authorized Representative" holding signatory powers

This is a person or persons within the organization with authority to involve the organization in the eTEN project. They must have legal authority to sign the Grant Agreement. The beneficiary must check that the person(s) who is/are entered as the authorized representative(s) do(es) have the legal right to sign for the organization. The name(s) must correspond to the information provided in the "Beneficiary's Profile Form".

5) The title(s) or position(s) of the Authorized Representative(s) of the Beneficiary

The title(s)/position(s) of the authorized representative(s) must correspond to the information provided in the "Beneficiary's Profile Form".

6) Date of Signature

7) Signature(s) of the Authorized Representative(s)

8) Official stamp of the organization

## ANNEX 3 - MANDATES AND ACCEPTANCE OF MANDATES

- **INTRODUCTION**

The purpose of the mandate is to give power to the Co-ordinator to sign the Grant Agreement in the name of, and on behalf of, one or several beneficiary(s) participating in the same project.

This speeds up the process of signing the Grant Agreement, and thus enables the project to start at an earlier date.

This is of particular interest in cases where there are a great number of beneficiaries.

■ **Note:**

Grant Agreement **signing mandates** are only for the **Co-ordinator** and addressed by the **other beneficiary(s)**. **Member(s)** will sign a “**Membership Agreement**” with their responsible beneficiary instead.

- **SOURCE**

The WORD files named “Mandate for Signature Form” and “Acceptance of Mandate” provide electronic versions of the documents. They must be printed on **company’s stationary** for each participating organization.

- **REQUIREMENTS**

The “Mandate Form” has to be signed by each beneficiary who wishes to provide a mandate to the Co-ordinator. Two signed and stamped copies are required.

The Co-ordinating partner must formally accept the mandate(s) by signing the “Acceptance of Mandate” document (two originals) for the beneficiaries in question.

- **INSTRUCTIONS**

Mandates are only required if the co-ordinator is to sign on behalf of one or more of the other beneficiaries.

To speed up the process of signing the Grant Agreement, the “Mandates” and the “Acceptance of mandates” should be prepared as soon as possible. They must be sent to the Commission at least by the time the negotiations are finalised and before the drafting of the Grant Agreement.

The mandates **must** be signed by the same person(s) indicated as "authorized" in the A2 Form, who has/have the **legal power** to commit his/her/their organization in a contractual document. They must be given to the organization having the role of co-ordinator and not to a person representing the co-ordinator.

- **TEMPLATE**

Templates are provided for “Negotiation Mandates”, “Signing Mandates” and “Acceptance of Mandates”.

**Mandate (1 form per Beneficiary)**

<b>Project Acronym</b> <sup>1</sup>		<b>Grant Agreement No.</b> <sup>2</sup>	
-------------------------------------	--	-----------------------------------------	--

<b>Beneficiary's Role</b> <sup>3</sup>		<b>Beneficiary's No</b> <sup>4</sup>			
----------------------------------------	--	--------------------------------------	--	--	--

[Place.....]

[Address of Co-ordinating organization

.....]

The Beneficiary [.....] <sup>5</sup>, represented for the purpose hereof by [.....] <sup>6</sup>, grants power of attorney to the Co-ordinating organization [.....] <sup>7</sup> to act in its name and for its account in negotiating the Grant Agreement corresponding to the project

[.....] <sup>8</sup> concluded with the Commission of the European Communities.

[.....] <sup>6</sup>  
Authorized Representative of  
[.....] <sup>5</sup>

Date [.....] <sup>9</sup>

Signature [.....] <sup>10</sup>

Stamp [.....] <sup>11</sup>

**Mandate (1 form per Beneficiary)**

<b>Project Acronym</b> <sup>1</sup>		<b>Grant Agreement No.</b> <sup>2</sup>	
-------------------------------------	--	-----------------------------------------	--

<b>Beneficiary's Role</b> <sup>3</sup>		<b>Beneficiary's No</b> <sup>4</sup>			
----------------------------------------	--	--------------------------------------	--	--	--

[Place.....]

[Address of Co-ordinating organization

.....]

The Beneficiary [.....] <sup>5</sup>, represented for the purpose hereof by [.....] <sup>6</sup>, grants power of attorney to the Co-ordinating organization [.....] <sup>7</sup> to act in its name and for its account in signing the Grant Agreement corresponding to the project

[.....] <sup>8</sup>  
concluded with the Commission of the European Communities.

[.....] <sup>6</sup>  
Authorized Representative of  
[.....] <sup>5</sup>

Date [.....] <sup>9</sup>

Signature [.....] <sup>10</sup>

Stamp [.....] <sup>11</sup>

**Acceptance of Mandate**

Project Acronym <sup>1</sup>		Grant Agreement No. <sup>2</sup>
------------------------------	--	----------------------------------

[Place.....]

[Address of Co-ordinating organization

.....]

(Name of the Co-ordinator), Co-ordinating organization of the project « Project Acronym<sup>1</sup> », declares to accept the power of attorney given by the following Beneficiary(ies):

(list of Beneficiaries)

to act in their name and for their account in signing the Grant Agreement corresponding to the project « Project Acronym<sup>1</sup> » concluded with the Commission of the European Communities.

[.....]<sup>12</sup>

Authorized Representative of

[.....]<sup>7</sup>

Date [.....]<sup>9</sup>

Signature [.....]<sup>10</sup>

Stamp [.....]<sup>11</sup>

## NOTES ON MANDATES AND ACCEPTANCE OF MANDATES

1) Project Acronym

The Project Acronym used for the project.

2) Grant Agreement No

The Grant Agreement number as provided by the Commission for this project. If not available, then request the Grant Agreement Number from your Project Officer.

3) Beneficiary's Role

State the role of the beneficiary in the project as appropriate. The following codes may be used:

CO: Co-ordinator

CR: Beneficiary

4) Beneficiary's Number

Each participant (Co-ordinator, beneficiaries and members) will be allocated a number by the Co-ordinator. This number must be '1' for the Co-ordinator, and should then continue consecutively (2, 3, 4, ...) for the other participants. The same procedure must be followed in the "Technical Annex", with the same allocation of numbers. The numbers must be the same as in the GPFs.

5) The Beneficiary (legal name of the organization)

The beneficiary must use the **complete legal name** of the organization making the Mandate. If applicable, the name under which the organization is registered in the official trade registers. Any qualifier (SA, Ltd, GmbH, Asbl, vzw, SpA, etc.) must be specified. The beneficiary must check that the information corresponds to the same information on the official papers and to that provided in the GPF Forms.

6) The Authorized Representative of the Beneficiary (person holding signatory powers)

This is a person or persons within the organization with authority to involve the organization in the eTEN Grant Agreement. The person(s) must have legal authority to sign the Grant Agreement. The beneficiary must check that the person who is entered as the authorized representative does have the legal right to sign for the organization. The beneficiary must check that the information corresponds to the same information on the official papers and to that provided in the GPF Forms.

7) The Co-ordinator (legal name of the organization)

The Co-ordinator must use the **complete legal name of the organization**, which is being granted the mandate. If applicable, the name under which the organization is registered in the official trade registers. Any qualifier (SA, Ltd, GmbH, Asbl, vzw, SpA, etc.) must be included. The Co-ordinator must check that the information

corresponds to the same information on the official papers and to that provided in the GPF Forms.

8) Name of the project and number of the proposal (if applicable)

Project Acronym + Grant Agreement No

9) Date of Signature

10) Signature(s) of the Authorized Representative(s)

11) Official Stamp

## ANNEX 4 - FINANCIAL PROTECTION MEASURES AND GUARANTEES

- **INTRODUCTION**

Beneficiaries, who do not have financial resources at least equal to 4 times the total amount of their Cost Share, are requested to show and provide supporting evidence that they have access to the necessary resources to finance their participation. Financial guarantees may also be required in those cases. This will be discussed with the Commission before a decision is taken on the appropriate course of action.

- **SOURCE**

The requirements for this explanation depend on a financial assessment of the beneficiary. This compares the cost share in **all** EU funded projects with the capital and reserves provided (GPFs).

- **REQUIREMENTS**

These documents are **MANDATORY** for **all non-public organizations**. Companies who fail the financial viability<sup>22</sup> tests should provide proper financial guarantees.

- **INSTRUCTIONS**

If an organization fails the Financial Viability test, then the **Co-ordinator** should discuss this with the Project Officer allocated to this project.

- **TEMPLATE**

Templates for the “bank guarantee” and “parent company guarantee” are included overleaf.

---

<sup>22</sup> See Financial Viability section 3.4

**Letter of Guarantee to the European Commission  
from a Bank/Insurance Company for a Beneficiary**

(In case a part of the contribution of a beneficiary is not covered by  
collective financial responsibility and there is a financial risk)

**(to be signed by an Authorized Representative of the  
bank / insurance company)**

1. The European Commission, is planning to conclude a Grant Agreement [*reference no.*] (hereinafter “*the Grant Agreement*”) with [*name of the beneficiary concerned*] (hereinafter “*the Beneficiary*”) established in [*full address/city/state/province/country*] for a Project entitled [*title of the project*] (hereinafter “*the Project*”).
2. [*Name of Bank or Insurance Company*] (hereinafter “*the Guarantor*”), and represented for the purpose of the signature of this guarantee by it[s] Authorized Representative[s], hereby irrevocably undertakes to pay to the Commission, upon its first demand, all amounts owed to the Commission by the Beneficiary up to a maximum of EUR [*insert the amount in figures and in words*] if the latter fails to fulfil its contractual obligations in accordance with the terms specified in the Grant Agreement and any subsequent amendments, as the case may be.
3. The Commission may call this guarantee at any time during the period specified under point (5) by registered letter stating that the Beneficiary has failed to fulfil its contractual obligations and specifying the amount being claimed. If the amount claimed by the Commission is less than the amount of this guarantee at the moment of the receipt by the Guarantor of the registered letter, the Commission will indicate, in that letter or in any subsequent letter addressed to the Guarantor, whether the balance must remain guaranteed. In the absence of any express written instructions from the Commission with respect to such balance, the Guarantor undertakes to guarantee the balance under the terms and conditions set out in this guarantee.
4. The Guarantor will execute the guarantee only on presentation of a registered letter from the Commission, in which the Commission specifies the amount to be repaid.
5. This guarantee is valid from the [*date*] [*date of its signature*] up to and including [*date*] [*the 60<sup>th</sup> day after the last payment made by the Commission pursuant to the Grant Agreement*] but may be extended by the Commission by means of 30 days advance notice by registered mail.
6. This guarantee and the effect given to it are exclusively governed by [*insert law of the Grant Agreement*].
7. Any dispute between the Commission and the Guarantor relating to this guarantee or to any payment made under it will be brought before the Courts of the European Communities.

Name of Guarantor : [full name]

Full legal address of the Guarantor :

Name of legally Authorized Representative of Guarantor: [written out in full]

Function of legally Authorized Representative of Guarantor:

Signature of legally Authorized Representative of Guarantor:

Done at (\*\*\*\*\*), on (\*\*\*\*\*)

(Official stamp of the Guarantor)

**Letter of Guarantee to the European Commission  
from a Parent Company for a Beneficiary**

(In case a part of the contribution of a beneficiary is not covered by  
collective financial responsibility and there is a financial risk)

**(to be signed by an Authorized Representative of the Parent  
Company whose relation and details of ownership are clear – to  
be do done on letter-headed paper of the parent company)**

1. The European Commission, is planning to conclude a Grant Agreement [reference no.] (hereinafter “*the Grant Agreement*”) with [name of the beneficiary concerned] (hereinafter “*the Beneficiary*”) established in [full address/city/state/province/country] for a Project entitled [title of the project] (hereinafter “*the Project*”).
2. [Name of the Parent Company] (hereinafter “*the Guarantor*”), and represented for the purpose of the signature of this guarantee by it[s] Authorized Representative[s], hereby irrevocably (i) undertakes to pay to the Commission, upon its first demand, all amounts owed to the Commission by the Beneficiary up to a maximum of EUR (*insert the amount in figures and in words*) if the latter fails to fulfil its contractual obligations in accordance with the terms specified in the Grant Agreement and any subsequent amendments, as the case may be and (ii) undertakes to provide the Beneficiary, if necessary, with the financial resources needed to finance its share of costs.
3. The Commission may call this guarantee at any time during the period specified under point (5) by registered letter stating that the Beneficiary has failed to fulfil its contractual obligations and specifying the amount being claimed. If the amount claimed by the Commission is less than the amount of this guarantee at the moment of the receipt by the Guarantor of the registered letter, the Commission will indicate, in that letter or in any subsequent letter addressed to the Guarantor, whether the balance must remain guaranteed. In the absence of any express written instructions from the Commission with respect to such balance, the Guarantor undertakes to guarantee the balance under the terms and conditions set out in this guarantee.
4. The Guarantor will execute the guarantee only on presentation of a registered letter from the Commission, in which the Commission specifies the amount to be repaid.
5. This guarantee is valid from the [date] [date of its signature] up to and including [date] [the 60<sup>th</sup> day after the last payment made by the Commission pursuant to the Grant Agreement] but may be extended by the Commission by means of 30 days advance notice by registered mail.
6. This guarantee and the effect given to it are exclusively governed by [insert law of the Grant Agreement].

7. Any dispute between the Commission and the Guarantor relating to this guarantee or to any payment made under it will be brought before the Courts of the European Communities.

Name of Guarantor : [full name]

Full legal address of the Guarantor :

Name of legally Authorized Representative of Guarantor: [written out in full]

Function of legally Authorized Representative of Guarantor:

Signature of legally Authorized Representative of Guarantor:

Done at (\*\*\*\*\*), on (\*\*\*\*\*)

(Official stamp of the Guarantor)