

**DG INFORMATION SOCIETY AND MEDIA**  
*ICT Policy Support Programme*  
*Competitiveness and Innovation Framework Programme*



**Negotiation Guidance Notes**

*Instrument: Pilot Type A*

*Version 1.3 (6-07-2010)*

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[http://ec.europa.eu/information\\_society/activities/ict\\_psp/calls/grant\\_agreement/index\\_en.htm](http://ec.europa.eu/information_society/activities/ict_psp/calls/grant_agreement/index_en.htm)

**Disclaimer**

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

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## 1. INTRODUCTION

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These guidance notes are provided for applicants of **Pilots Type A** who have been invited for project negotiation following the evaluation of proposals for the ICT Policy Support Programme under the Competitiveness and Innovation Framework Programme of the European Community<sup>1</sup>.

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

## 2. OVERVIEW

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### Invitation to negotiations

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

This invitation to negotiations provides details on any aspects to be reviewed during negotiation and specifies the deadline by which negotiations must be completed. Attached is the negotiation mandate (see Appendix 1). Furthermore the invitation also explains how to access the Legal & Financial Validation report ('LFV lite') for the Consortium.

### The negotiation mandate

The negotiation mandate will indicate requests for clarification and changes to the proposed project that will need to be addressed during negotiations together with the maximum Community contribution available for the project and the suggested duration of the project. The name and contact details of the Commission Project Officer will also be indicated here. The Commission Project Officer may request one or more negotiation meetings to be held (normally in Brussels). If any meetings are scheduled, then the negotiation mandate indicates their time schedule and location.

### The 'LFV lite' report

Verification by the Commission of legal status and existence of beneficiaries is one of the prerequisites for signing a Grant Agreement. Moreover, for the coordinator and any of the beneficiaries requesting more than EUR 25,000 EU contribution per year the financial viability has to be checked. However, certain organisations will not be subject to a financial viability check. More information on this issue can be found in the "Guide for Legal and Financial Viability checking".

The 'LFV lite' report indicates, which project participants need to provide legal and/or financial data and how these documents should be provided

### Other relevant documents

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<sup>1</sup> Decision No 1639/2006/EC) of the European Parliament and of the Council of 24 October 2006 establishing a Competitiveness and Innovation Framework Programme (CIP) for the period 2007-2013 (OJ L310, 9.11.2006, p. 15).

Other relevant documents can be found on the ICT PSP website<sup>2</sup>, such as:

- The Model Grant Agreement and its annexes
- The 'Guide to Financial Issues relating to ICT PSP Grant Agreements'
- The 'Guide for legal and financial viability checking'
- The 'Consortium agreement checklist'

### **The Model Grant Agreement**

Before beginning negotiation, applicants are invited to carefully read the Model Grant Agreement and its Annexes, which establish the legal framework for the project's funding and administration.

### **The Guide to Financial Issues relating to ICT PSP Grant Agreements**

Before beginning negotiation, applicants are also invited to carefully read the Guide to Financial Issues relating to ICT PSP Grant Agreements, whose purpose is to help you to understand the financial provisions of the Grant Agreement.

## **What documents are needed during negotiations?**

At the beginning of negotiations, applicants are invited to submit the following documents:

- Legal documents (when applicable, i.e. for unique registration)
- Financial documents (when applicable)
- Grant Agreement Preparation Forms
- Annex I (Description of Work) to the Grant Agreement

The LFV lite report, which is sent to the Consortium together with the invitation to negotiate, indicates for each organisation whether it has to register and/or validate their legal status and whether it needs to provide financial documents.

## **The Registration Facility in the Participant Portal**

One of the prerequisites for signing a Grant Agreement in the ICT PSP programme is validation by the Commission of the beneficiaries' existence as legal entities with a certain legal status<sup>3</sup>. Once an entity has been properly validated it can participate in subsequent grants without repeated validation. Each validated entity receives a unique identifier (the PIC – Participant Identification Code), to be used for identifying the participant in proposals and negotiations.

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<sup>2</sup> Refer to [http://ec.europa.eu/information\\_society/activities/ict\\_psp/calls/grant\\_agreement/index\\_en.htm](http://ec.europa.eu/information_society/activities/ict_psp/calls/grant_agreement/index_en.htm)

<sup>3</sup> Entities which do not have legal personality under the applicable national law may participate, provided that their representatives have the capacity to undertake legal obligations on their behalf and assume financial liability

For the purpose of registration and validation of legal status, the Commission Services provide an online self-registration tool through the Participant Portal. The validation process is supported by the Central Validation Team (CVT), which validates the legal existence and status on the basis of supporting documents. It is advisable for beneficiaries to keep electronic copies of all provided documents for reference purposes.

The validation process is triggered by self-registration of the organisation in the "My Organisations" tab at the Participant Portal:

(<http://ec.europa.eu/research/participants/portal/appmanager/participants/portal>)

Before performing a self-registration, participants should check in the provided search tool if their organisation is already registered. If this is the case, the existing Participant Identification Code (PIC) should be used.

Each legal entity appoints one person (the so-called LEAR – Legal Entity Appointed Representative) for managing the legal entity data stored in the central database. The LEAR will receive online access through the Participant Portal, for reading the data stored for the entity and for initiating change requests, if necessary.

## **Financial documents**

Coordinators and other beneficiaries (only private organisations) requesting more than EUR 25,000 EU contribution per year have to provide financial documents (essentially balance sheet and profit/loss account of the last financial year) for the purpose of financial viability checking. Details are indicated in the LFV lite report.

All financial information must be submitted to the Commission Project Officer by the Consortium partners through the Project Coordinator. This is critical information which should be provided as quickly as possible. Detailed information on this issue can be found in the "Guide for Legal and Financial Viability checking".

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

The GPFs are standard on-line forms which collect the information that the Commission needs in order to prepare the Grant Agreement and gather programme-wide statistical information. These forms are compatible to a great extent with the forms used in the proposal submission, so that much of the proposal information may be directly transferred into the GPFs.

## **Annex I to the Grant Agreement (Description of Work)**

Annex I contains the Description of Work (DOW), which is an updated version of part B of the proposal, taking account of the comments made by the Commission in the email inviting for negotiation, in the negotiation mandate and the Evaluation Summary Report, including ethical issues, if any<sup>4</sup>, and in the negotiation process (e.g. the negotiation meeting).

The Description of Work is the reference document for the work and the effort to be executed by the Consortium in carrying out the project. It forms part of the Grant Agreement, and must facilitate the implementation and meaningful monitoring of the project for both the Consortium

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<sup>4</sup> See Appendix 2 for more information on ethical issues in ICT PSP

and the Commission. The concrete goals and expected results must be clearly described (in a measurable way).

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

## Who is who in the negotiation process

<p><b>Coordinator</b></p>	<p>The coordinator leads and represents the applicants in the negotiations with the Commission. Only one of the applicants can be coordinator. That legal entity will identify one of its staff as its representative to carry out the actions required of the coordinator. The representative of the coordinator is responsible for all contacts between the Consortium and the Commission. If meetings are planned, he/she attends all meetings.</p> <p>Once the Grant Agreement enters into force, the coordinator has a legal obligation to act as the interface between the Commission services and the other beneficiaries of the Consortium. The coordinator must ensure that all beneficiaries accede to the Grant Agreement within the established timescale. The coordinator submits all documents to the Commission. The coordinator will also be responsible for submitting the project's financial statements, will receive all payments from the Commission and will distribute them appropriately among the Consortium. The choice of the coordinator must therefore take into account the organisation's management capacities and its legal and financial stability. For a comprehensive description of the role of the coordinator please refer to <a href="#">Article II.2(1) of the Grant Agreement</a>.</p>
<p><b>Beneficiaries</b></p>	<p>Beneficiaries are the organisations <b>specified in the Grant Agreement</b> who will accede to the Grant Agreement at signature stage.</p>
<p><b>Project Officer</b></p>	<p>A Project Officer (PO) represents the Commission in the negotiations and prepares the draft Grant Agreement. The PO must ensure that:</p> <ul style="list-style-type: none"> <li>• The contractual documents are in line with the legal and financial regulations of the ICT PSP;</li> <li>• The recommendations of the Evaluators and the Commission (including those on ethical issues, if any) have been met and the Description of Work is sound and in line with the ICT PSP;</li> <li>• There are no changes in the content of the project which make it radically different from the evaluated proposal, e.g. unjustified changes of objectives, cost categories, manpower etc.;</li> <li>• There is no change in the Consortium organisation which changes the nature of the original proposal<sup>5</sup>.</li> </ul>

<sup>5</sup> Although some swap of responsibility and/or partner change may be required.



## Negotiation meetings

Depending on the comments and change requests in the negotiation mandate<sup>6</sup> and on size and nature of the project, meetings between the Consortium and the Commission may, or may not, be required. This will be decided by the Commission Project Officer in charge of the project negotiation and will be communicated to the Consortium in the email of invitation to negotiations.

The coordinator normally attends all meetings, accompanied by a number of the participants, as appropriate and as required by the PO. The Commission may be assisted by (an) external expert(s). This may be one or more of the experts who assisted the Commission in the evaluation of the proposal. Representatives of beneficiaries must be directly employed by the organisation they represent.

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

## The Consortium Agreement

The Consortium Agreement (see Appendix 3) provides the basis for the details of the internal relationship and responsibilities between the beneficiaries. It needs to be consistent with the provisions of the Grant Agreement and is **mandatory** for all Pilot Type A projects. Such agreements do not affect the rights of the Commission arising from the Grant Agreement and the corresponding obligations of the beneficiaries vis-à-vis the Commission.

The Consortium agreement must be finalised before the Grant Agreement is signed and each beneficiary should have entered into the Consortium agreement when it accedes to the Grant Agreement. The Consortium agreement may be adjusted during the duration of the project

### **The checklist for a Consortium Agreement**

Applicants are invited to read the checklist which was defined for ICT PSP projects. It establishes the list of issues that should be addressed in the Consortium Agreement.

## Support during negotiations

The email of invitation to negotiations specifies the name and contact details of Commission Project Officer in charge of the negotiations. This person will assist the Consortium with specific questions on the technical, legal and financial issues.

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<sup>6</sup> for layout see Appendix 1 to this document

## **The intellectual property helpdesk**

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

Telephone      +34 96 590 97 18  
Telefax        +34 96 590 97 15  
E-mail         [ipr-helpdesk@ua.es](mailto:ipr-helpdesk@ua.es)

### 3. THE WHY, WHAT AND HOW OF NEGOTIATIONS

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

The project negotiation process comprises two main aspects:

- (i) Technical negotiations
- (ii) Financial and legal negotiations.

#### Technical negotiations

The aim of the technical negotiations is to agree on the final content of Annex I (Description of Work) to the Grant Agreement.

During this part of the negotiation process:

- The proposal may need to be adapted to meet the recommendations of the evaluation, as described in the negotiation mandate and the Evaluation Summary Report. Recommendations on any possible ethical issues to be addressed may be included in the negotiation mandate or can be sent by the Commission under separate cover at a later stage during the negotiation.
- The Commission will verify that the project objectives are 'SMART' (Specific, Measurable, Achievable, Realistic, Timely)
- The full work plan of the project will need to be defined in sufficient detail.
- The work to be carried out by each of the beneficiaries and any known future expansion of the Consortium will need to be defined in sufficient detail.
- Agreement will need to be reached on the list of deliverables and their content, timing and dissemination level.
- Agreement will need to be reached on the project milestones and their assessment criteria.
- An indicative time schedule needs to be established for the project reviews which should in general be synchronised with the reporting periods.

#### Financial and legal negotiations

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

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

During this part of the negotiation process:

- The total costs, total eligible costs and maximum EU financial contribution will be determined. The amount of Community funding proposed at the beginning of the negotiations is the maximum Community contribution and cannot be exceeded. Negotiations may, however, result in a lower Community contribution to the project, e.g. in case personnel or resources were overestimated or certain costs are considered as ineligible.
- A table of the indicative breakdown of the budget and the Community financial contribution for each of the beneficiaries will be established.
- The amount of pre-financing is established.
- The start date and the duration of the project are agreed upon.
- The Commission will verify the management capacity of the coordinator.
- The need for the inclusion in the Grant Agreement of any special conditions will be established.
- Where applicable, a 'road map' will be established for any planned competitive calls (only applicable for Pilot type A projects) relating to the later addition of new project partners and the budget available for the Consortium expansion agreed upon.
- The timing of the reporting periods will be established.
- Any subcontracting issues will be clarified.
- The legal status of each applicant will be reviewed.
- The financial viability of the coordinator and any other applicant with an EC contribution exceeding EUR 25,000 per year will be assessed (unless the organisation is exempted from financial viability), and protective measures in cases of weak financial assessment will be taken.

Additional financial information/documentation may be required if deemed necessary by the Commission services.

For more details on the above points please refer to the 'Guide to Financial Issues' and the 'Guide for legal and financial viability checking' available at the ICT PSP website.

## **Completion of negotiations**

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

When all the necessary legal and financial information required has been received and validated by the Commission, a Grant Agreement is drafted and sent to the coordinator for signature. A negotiation checklist is provided in Appendix 4 in order to assist applicants in the negotiation process.

## Grant Agreement signature

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

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

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

- If one potential beneficiary fails to accede to the Grant Agreement, it is up to those beneficiaries who have acceded to the Grant Agreement to propose an acceptable solution to the Commission; either by reallocating the work of the missing beneficiary among them or by the accession to the Grant Agreement of a new beneficiary. The Commission may terminate the Grant Agreement if it considers that the solution proposed by the Consortium is not acceptable, in particular if due to this change the project is no longer viable or has been fundamentally changed, compared to the negotiated proposal.
- If a beneficiary subsequently withdraws from the Grant Agreement, the others remain responsible for the completion of the work, including the part allocated to the withdrawn beneficiary (technical collective responsibility).

## Start of the project

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

Costs can be incurred from the start date of the project but not before. Where the start date of the project precedes the entry into force of the Grant Agreement, beneficiaries take the risk that the Grant Agreement might not be signed. If the agreement were not signed, costs will not be reimbursed by the Commission. As indicated above any costs incurred related to the negotiations cannot be reimbursed.

## Pre-financing

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

As an indication, for projects with more than two reporting periods, the pre-financing amount could be up to 160% of the average Community contribution per project period (project periods are defined in the Grant Agreement). Interim and final payments are based on the eligible costs actually incurred and accepted by the Commission. More information is provided in the [Guide to Financial Issues relating to ICT PSP Grant Agreements](#).

## Frequently Asked negotiation Questions (FAQs)

A list of FAQs on participation and Grant Agreement issues is available and beneficiaries should consult this periodically, as this will assist them in their negotiations (see [http://ec.europa.eu/information\\_society/activities/ict\\_psp/faq/index\\_en.htm](http://ec.europa.eu/information_society/activities/ict_psp/faq/index_en.htm)).

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

**Project preparation/negotiation costs:** The Commission does not fund costs related to proposal preparation or to conducting negotiations. This means also that the Commission will not reimburse the cost of travel and subsistence of the Consortium members to negotiation meetings.

**Bank account:** The coordinator should establish an interest-yielding bank account in EUR to allow that the Community financial contribution and related interest can be identified.

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

**Conflicts within the Consortium:** Any potential conflict between two or more applicants within the Consortium needs to be resolved internally. If an agreement cannot be arrived at, the Commission may decide to intervene and consider the termination of negotiations.

**Legal establishment prerequisite for Grant Agreement:** The Commission can only negotiate with, and offer Grant Agreements to, existing entities<sup>7</sup>, and the legal existence of a participant must pre-date the Grant Agreement signature or accession to the Grant Agreement.

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<sup>7</sup> Entities which do not have legal personality under the applicable national law may participate, provided that their representatives have the capacity to undertake legal obligations on their behalf and assume financial liability

This implies that applicants should be legally established by the time of the signature of the Grant Agreement.

**Consortium Agreements:** Consortia need to give the highest possible priority to complete the internal Consortium agreements, if mandatory according to the Grant Agreement (as for pilots type A), before signing the Grant Agreement, and certain provisions relating to intellectual property must be agreed before signing the Grant Agreement. In any case, consortia need to agree on appropriate arrangements amongst themselves in order to be able to carry out the work as foreseen.

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

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

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

**Estimation of costs:** The GPFs and Annex I to the Grant Agreement require the applicants to estimate essential details of costs over the lifetime of the project in order for the Commission to establish the maximum Community financial contribution and calculate its pre-financing. Interim and final payments are based on the eligible costs actually incurred and accepted by the Commission. More details on eligible costs are available in the "Guide to Financial Issues relating to ICT PSP Grant Agreements".

**Subcontracts:** Beneficiaries should have the capacity to perform the tasks required by the project. Exceptionally, some limited tasks may be carried out by third parties under a subcontract concluded with a beneficiary. The beneficiary must ensure that work subcontracted does not affect its obligations under the Grant Agreement, in particular with regard to the use and dissemination of knowledge and the rights of the Consortium. In addition, the beneficiary must ensure that work is performed at a best price – quality ratio and justify the reasons for subcontracting. Based on these elements, the Commission might require that a proposed subcontractor becomes a beneficiary. In addition, the need for the continued presence of a beneficiary - who intends to subcontract significant parts of the work - may be questioned by the Commission, since this puts into question the beneficiary's

capacity to perform the tasks required by the project. Subcontracts must be awarded according to the principles of best value for money, transparency and equal treatment. A justification for the recourse to subcontracting must be given in Annex I, and the tasks and estimated costs for the subcontract(s) must likewise be set out in Annex I. More details on subcontracting under ICT PSP are available in Appendix 6 to these guidance notes and the "Guide to Financial Issues relating to ICT PSP Grant Agreements".

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

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

### Some important points to remember

- An invitation to start negotiation does not, under any circumstance, guarantee the funding of a project or the offer of a Grant Agreement.
- The funding of the proposal may depend on the Consortium's acceptance of changes requested by the Commission services in the Negotiation Mandate or during the negotiation process.
- The maximum amount of funding for a project is fixed in the Negotiation Mandate.
- Funding is conditional upon compliance with the Model Grant Agreement.
- In some cases the Commission may not be able to enter into a Grant Agreement with certain legal entities because of financial insecurity, or other limitations imposed by the Community Financial Regulation or for reasons of irregularity or violation of fundamental ethical principles. In such cases, the Consortium may be offered the possibility to start the project either with a reduced number of participants or to replace an ineligible participant.
- If the Commission cannot obtain reasonable assurance that the project participants have the necessary financial and operational resources to carry out the proposed work, it is possible that the negotiations are terminated or that a change in the Consortium is requested.
- The Commission aims at shortening the time to Grant Agreement (i.e. the time between deadline of the call for proposals and the signature of the Grant Agreement). As a result, the email of invitation to a negotiation specifies a time limit for negotiations. If negotiations are not completed within the given time limit, the Commission may terminate negotiations.



## 4. GRANT AGREEMENT PREPARATION FORMS (GPFs)

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### Why GPFs?

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

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

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

### Completing the GPFs

The GPFs are made available on-line and are supplied with a full set of explanatory notes. The GPFs must be filled in by the coordinator and all the beneficiaries through an online tool (**NEF** - NEgotation Forms) that is used during the whole negotiation process by the Consortium and the Project Officer. The forms should be completed by **all** beneficiaries (including those not requesting any funding, if any). The GPFs have sections for each individual beneficiary, and also a section to be completed by the coordinator for the project as a whole. The forms include a standard declaration to be signed by each participating organisation once the final version of the GPFs has been agreed.

At the start of Negotiations the Coordinator will receive an email, explaining how the consortium gets access to NEF. The use of NEF for completing the GPFs is mandatory. It allows the coordinator to establish a complete set of GPFs in an online space accessible to all beneficiaries of the project and the Commission services. More details on the use and functionalities of NEF can be found in the "NEF User's guide for coordinators and participants"<sup>8</sup>

### When and where to send the GPFs?

A first draft of the GPFs must be completed using the NEF online tool before the first negotiation round or meeting. Once the final version of the GPFs has been agreed, the coordinator submits a printed version of the final GPFs to the Project Officer in one unbound copy on white paper with original signatures. Any required supporting documentation should be provided in one copy, if not requested differently by the Project Officer.

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<sup>8</sup> refer to [http://ec.europa.eu/research/negotiation/nef-ug-co\\_en.pdf](http://ec.europa.eu/research/negotiation/nef-ug-co_en.pdf)

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

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Annex I to the Grant Agreement consists of three parts: Part A (summary and budget breakdown), Workplan Tables and Part B (Description of Work).

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

The Workplan Tables consist of relevant tables, tabular descriptions, and lists of the project workplan

Part B of Annex I to the Grant Agreement is based on information from Part B of the proposal. However, during the negotiation stage several sections of the original proposal need to be updated and the Consortium may be requested to shorten certain sections of the proposal and elaborate on others. Any comments received in the negotiation mandate or during the negotiation phase must be also incorporated in Annex I to the Grant Agreement. All pages must be numbered and each page should be headed with the project acronym, proposal number and actual drafting date.

### **Annotated Structure of Annex I to the Grant Agreement – Pilot Type A**

The following sections provide an annotated structure of Annex I to the Grant Agreement (Description of Work) for **Pilots Type A**.

The below template setting out the layout, structure and section numbering must be used when drafting Annex I to the Grant Agreement for Pilots Type A.

## **Annex I: Description of Work**

### **Cover Page**

### **Contents Page**

### **PART A**

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

### **Workplan Tables** – Workplan tables, tabular descriptions, lists relating to B.3.2

- *WT1 Work package list*
- *WT2 Deliverables list*
- *WT3 Work Package Descriptions*
- *WT4 List of Milestones*
- *WT5 List of tentative Reviews*
- *WT6 Summary effort table*

### **PART B**

#### Table of Contents of part B

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## PART A of Annex I - Project Summary and Budget Breakdown

Part A of Annex I is comprised of the following sections, some of which are generated automatically by the NEF online tool from the information provided in the GPFs:

- A1. Project summary form (copy of A1 form of the GPFs)
- A2. List of beneficiaries
- A3. Budget breakdown form (copy of A3.1 form of the GPFs)

## Workplan Tables

The Workplan Tables are generated online using NEF and consist of relevant tables, tabular descriptions, and lists of the project workplan. See Appendix 5 for details.

## PART B of Annex I

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

### Table of Contents

The table of contents for Part B should include page numbering and follow the structure defined below.

### Project Profile

This section should be based on the Project Profile of the original proposal. <b>Maximum 2 pages.</b>
---

Updated version of the Project Profile of proposal part B, including - where necessary – changes based on comments made in the negotiation mandate, or any other changes agreed during negotiations.

## **B1. PROJECT DESCRIPTION AND OBJECTIVES**

### **B1.1. Project objectives**

This section should be based on Part B section B1.1 of the original proposal.
---

This section should provide an analysis of the specific interoperability issue/problem that is going to be addressed. It should explain the concept of the project, i.e. its objectives and the proposed solution.

The objectives should be those achievable within the project, not through subsequent development. The results should be stated in a measurable and verifiable form, attainable with the available resources and realistic within the time span of the project.

This section should explain the project in technical terms; where legal, organisational and political terms are important these should also be explained. The section should in particular describe:

- the interoperability issue it will tackle,
- the existing national infrastructures it will base itself on (i.e. the existing national, regional, local initiatives),

- the way how those national initiatives will be “connected” together,
- the expected final result of the project.

### **B1.2 EU and national dimension**

This section should summarise in **Maximum 1-2 pages** section B1.2 of Part B of the original proposal.

Show how your pilot is aligned with and provides synergy with the relevant policies, strategies and activities on European and national level. Indicate whether the outcome of the pilot will reinforce existing national initiatives. Give examples of references to national or European strategies.

This section should explain in detail the relevance of the proposed project to EU political objectives. It should

- describe the relevance of the project to EU directives,
- describe the relevance of the proposed solution to political objectives,
- explain the EU relevance of the solution to be demonstrated.

### **B1.3. Consensus building**

Describe the capability to build support across the EU in view of EU wide consensus. This section must describe in detail:

- how the project will build an EU wide solution,
- how it will enable all stakeholders (public and private) to monitor the progress of the project,
- how it will widen the acceptance of the proposed solution.

## **B2. IMPACT**

### **B2.1. Target outcomes and expected impact**

This section should be based on Part B section B2.1 of the original proposal.

Describe how your project will contribute towards the expected target outcome and characteristics listed in the addressed specific objective in the ICT PSP Work Programme.

This section should describe in detail

- what the final outcome of the project will be,
- what building block(s) will be delivered,
- what common specifications will be defined.

Describe how your project will contribute towards the expected impacts listed in the Work Programme in relation to the chosen objective. Mention the steps that will be needed to bring about these impacts. Mention any assumptions and external factors that may determine whether the impacts will be achieved, including the main barriers and foreseeable risk factors.

Further, this section must detail the way in which benefits of the pilot will be measured and assessed. The proposal needs to define both quantitative and qualitative criteria to measure the progress of the pilot and the benefits achieved by the pilots' services. These figures should be available both on a country-by-country basis, as well as collectively.

### **B2.2. Long term impact, viability**

This section should be based on Part B section B2.2 of the original proposal

Explain the intended long term impact at European level. Describe how the consortium intends to reach viability, sustainability and scalability after the end of the project. Attention should be given to the support by public entities and the capability to build support across the EU in view of reaching EU wide consensus.

Describe how the envisaged solution will be maintained and should/could be further developed beyond the end of the project and the Community funding. As regards viability, address all aspects of financial technical and political nature. Where appropriate, include an exploitation plan for the service describing the funding flow which will support its long term viability. Explain how legal barriers could be lifted to enable an effective EU wide interoperable service.

### **B2.3. Availability of results**

This section should be based on Part B section B2.3 of the original proposal

Outline how you intend to spread results and disseminate knowledge of the specification of interfaces, protocols, architecture, etc, as well as – where appropriate - open source reference implementations of necessary components and building blocks for interoperability.

This section should particularly describe:

- how IPRs (intellectual property rights) will be managed in line with the Work Programme requirements and the model Grant Agreement, and
- how public procurement rules will be respected beyond the project phase for the full deployment of the service.

#### ***NOTE - concerning availability of results***

*In line with the requirements of the Work Programme, the model Grant Agreement contains a special condition which is mandatory for Pilot A projects and concerns availability of results.*

*This special condition provides that deliverables described in Annex I and any foreground needed for cross-border interoperability shall be publicly available, accessible and usable free of charge. Moreover, it obliges beneficiaries to comply with any specific requirements set out in this respect in Annex I, such as the obligation to publish building blocks under an EU Public License or compatible licenses.*

*Detailed provisions on how you intend to implement this contractual requirement need to be provided in this section of Part B.*

## **B3. IMPLEMENTATION**

### **B3.1. Capability and commitment of the partnership**

This section should be based on Part B section B3.2 of the original proposal. **However** the description/CVs of the key personnel **should not contain more than 5 lines per person** describing exclusively experience relevant for the project. The key personnel indicated in this section are assumed to significantly contribute to the project.

Describe each consortium partner, highlight their specific expertise for and their role in the project and indicate the key personnel (brief CV) foreseen to work on the project. Clearly indicate the co-

ordinator, all of the participants of the consortium and the role of each in the proposed project. Include all necessary stakeholders in the value-chain. The organisation proposed to coordinate the project should be able to demonstrate prior competence and experience of managing large-scale international cooperation projects.

The composition of the consortium should be justified, in terms of presenting its capabilities and commitment for the tasks to be carried out in the project phase and to reach the objectives of the project.

Indicate whether a national administration is represented in the consortium by a designated legal entity to act on its behalf for the purpose of the project and explain why this representative was chosen. Fill the following overview table:

List of National Administrations which are represented by one of the beneficiaries:

National Administration name	Country	represented by <participant no.>	represented by <participant short name>

If you are planning to enlarge the consortium during the course of the project, please include the profile of the envisaged new partners.

**B3.2a. Chosen approach**

This section should be based on Part B section B3.1a of the original proposal

Explain the structure of your work plan, its overall strategy, and the methodology used to achieve the target outcomes and expected impacts detailed in section B2 of the original proposal. It should also identify any significant risks and describe contingency plans

**B3.2b. Work plan**

This section should be based on Part B section B3.1b of the original proposal.

A detailed work plan should be presented, broken down into work packages (WPs). A work package is a major sub-division of the proposed project with a verifiable end-point - normally a deliverable in the overall project. Work Packages should follow the logical phases of the implementation of the project, and include consortium management, performance monitoring and evaluation, awareness and dissemination activities, as well as the technical work. If any part of the work is to be subcontracted, indicate the task involved and explain why a sub-contract approach has been chosen for it.

Present your plans as follows:

1. GANTT chart to show Timing of Work Packages and their components.
2. Performance Monitoring Table to show success indicators and how performance is measured
3. Use NEF to generate online the Workplan Tables, which will be appended to Part B

1. Timing of Work Packages and their components: Show the timing and dependencies of the different Work packages and their components through a **GANTT chart**. Timing should be relative, expressed

in months (e.g. project month 3, project month 18 etc.). Month 1 is the month that starts at the start date of your Grant Agreement

**2. Performance monitoring table:** This table should be based on table 5 of the proposal and describes success indicators and performance measurement throughout and after the funding phase.

The table should provide indicators, which are specific to the project, as well as quantified targets, against which the state of achievement of the results can be measured over consecutive periods of 1 year (maximum interval between measurements). The indicators should not be limited to measuring simple technical aspects (e.g. number of project web site hits) but should correspond to the concrete expected results indicated in the previous paragraphs.

The results of performance measurement and evaluation (indicators and their values) will be part of the progress reporting to the Commission.

Indicator No.	Objective/expected result	Indicator name	Expected Progress		
			Year 1	Year 2	Year 3
1					
2					
N					

**3. Workplan Tables:** These workplan tables (WT1 to WT6) specify the main elements of the workplan.

***NOTE - concerning Workplan Tables***

The Workplan tables correspond to several elements of section B.3.2 of the original proposal (and some new elements). They are generated online using NEF, are appended to part B and form an integral part of Annex I to the Grant agreement.

- WT1: Work package list
- WT2: Deliverables list
- WT3: Work Package Descriptions
- WT4: List of Milestones
- WT5: List of tentative reviews
- WT6: Summary effort table

The tables are described in detail in Appendix 5.

**B3.3. Project management**

This section is based on section B3.3 of the original proposal

Describe the organisational structure and decision-making mechanisms of the project as well as the means for communicating within the consortium, for monitoring work progress, for assuring quality and resolving conflicts. Show how they are matched to the complexity and scale of the project.



The proposal should outline plans for the Pilot Type A that conform to governmental standards for large scale ICT-projects. Plans should be produced for project management, document and software life cycle management, quality management and software development management. The project management plan should outline clearly resources, milestones, review and reporting procedures.

Organisational and change management should be properly addressed in the Pilot Type A proposal, with a detailed specification of the approach and methods to be used.

#### **B3.4. Security, privacy, inclusiveness, interoperability, standards and open source**

This section is based on section B3.4 of the original proposal

State clearly how interoperability between products and services from different sources will be ensured and, where appropriate, how interconnection and interoperability of networks and services will be achieved. State any security and privacy issues involved in the proposal and/or nature of the proposed service, and if so, how they are addressed in the proposal.

If they exist, the main standards being used should be identified. The proposal must (where applicable) clearly identify where a proprietary approach is used and the reasons for its use. Proposals addressing problems connected with standardisation or regulation should explain what these problems are and how they will be addressed. The architecture should be compliant with the guidelines that each Member State has produced (if any), regarding the interoperability of information systems in both the public administration and in the application sector.

Describe the inclusiveness and accessibility of the service, both by its nature and the way it shall be provided

#### **B3.5. Resources to be committed**

This section is based on section B3.3 of the original proposal, but requires a **higher level of detail** as explained below

Based on section 3.3 of the original proposal part B, this section must substantiate the financial information per cost category (personnel, subcontracting, other specific direct costs, indirect costs) and per beneficiary provided in the GPFs. For personnel costs only the actual monthly rate needs to be given, as the rationale on the amount of effort should be given in the project work plan. For “subcontracting”, “other specific direct costs” and “indirect cost” (unless beneficiaries opt for identification of indirect costs based on a flat-rate as provided in the Grant Agreement), a detailed breakdown and rationale must be provided.

***Eligible costs of Pilots type A cover only activities and costs related to the interoperability issue. Applicants cannot claim costs related to national activities/services.***

If any part of the work is foreseen to be sub-contracted by a participant, describe the work involved and an estimation of the costs, explain why a sub-contract is needed and how the selection will be performed.

In addition to these costs, and the summary of staff effort (see section B.3.2), please describe how the totality of the necessary resources will be mobilised, including any resources that will complement the EC contribution. It should also show how the resources will be integrated and used to form a coherent project within the overall financial plan.

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

### **B3.6. Dissemination / Use of Results**

Describe the measures you propose for the dissemination and use of project results, and the management of knowledge, of intellectual property, especially in view of impact on national and European level. If appropriate, a separate work package should be designed with the relevant activities to accomplish these tasks.

The description of this section should cover the Consortium's strategy and measures planned regarding the optimal dissemination and use of project results. A plan for dissemination / use is mandatory for all projects for the final report and thus has to be included in the list of deliverables. A basic version of this plan can be prepared in the first phase of the project (or at mid-term). A project website is considered mandatory.

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

## 6. PROJECT MONITORING AND FOLLOW-UP

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

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

### Project Fact Sheet

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

A first basic version of the Project Fact Sheet is generated by the Commission from the information contained in part A of the project. The consortium can improve and extend the Project Fact Sheet through the PO. For more details see the document "Good Communication Practices for ICT PSP Projects".

### Compulsory reports and deliverables

According to the Grant Agreement all projects are obliged to submit periodic reports for each reporting period (including the financial statements) as well as a Final Report. The Final Report shall comprise a final publishable summary report covering the results, conclusions and socio-economic impact of the project. Deliverables identified in Annex I must be submitted as described in Annex I in terms of content and timing. For more details see the ICT PSP reporting guidelines.

All Projects are also obliged to include a 'Final plan for the dissemination and use of Project results', in their deliverables list.

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

### Technical audits and reviews

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

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

A schedule for planned reviews should be included in Annex I to the Grant Agreement (see template in Appendix 5, table 5).

For more details see the ICT PSP review guidelines.

### **Periodic report / Financial Statements**

Beneficiaries, via the coordinator, will be required to submit a periodic report including the financial statements (cost claims) during the course of their work. The frequency and the cases where they need to be certified by an independent auditor are defined in the Grant Agreement. The financial statements form the basis for any payments made by the Commission. For more details see the ICT PSP reporting guidelines and the ICT PSP guide to financial issues.

## 7. APPENDICES

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### Appendix 1 – Layout of Negotiation Mandate

1. Proposal No : ..... Acronym: .....
2. Theme / Objective: .....
3. Project Officer (to whom all documents must be returned):  
.....  
European Commission  
DG .....  
Office ...  
B - 1049 Brussels  
Tel : 32-2 29.....  
E-mail : .....
4. Date and time of first negotiation meeting<sup>9</sup> .....  
Address for the first negotiation meeting: .....
5. EC financial contribution:  
Maximum financial EU contribution<sup>10</sup> ..... EUR
6. Duration of the project ..... months
7. Change of technical content (please redraft the description of work on the basis of the specifications provided in the *Negotiation Guidance Notes for coordinators*. If applicable, please take into consideration the recommendations contained in the evaluation summary report and the following additional comments):  
.....  
.....
8. Changes addressing ethical issues, if known at the stage of invitation for project negotiation:  
.....  
.....
9. Timetable for negotiation  
<date> Deadline for the first version of the description of work (Annex I) and the GPFs  
<date> Negotiation meeting in Brussels.  
<date> End of negotiations

---

<sup>9</sup> Subject to confirmation by the Consortium

<sup>10</sup> This is an estimate of the maximum possible funding and does not take into account any possibly required changes (e.g. changes in form of the grant, detailed consequences of any recommended technical adaptations).

## Appendix 2 – Negotiation of ethical issues

All ICT PSP proposals invited for negotiation or included in the reserve list have been subject to an ethical screening to avoid the risk of funding ICT PSP initiatives that could contravene fundamental ethical principles.

If any ethical issues are found in a proposal than an EIR (Ethical Issues Report) is produced by experts with an ethics background, which identifies and specifies precisely the potential risks in terms of contravention of ethical principles.

The project coordinator is in such a case informed about the found ethical issues, in the negotiation mandate or at a later stage, but in any case during the first negotiation meeting.

Whenever a proposal is flagged as having ethical issues, the negotiating Project Officer needs to ensure during the negotiation that the project respects fundamental ethical principles<sup>11</sup>, is not in conflict with Opinions of the European Group on Ethics and Science and New Technologies (EGE)<sup>12</sup>, and complies with Data Protection legislation<sup>13</sup>, by including in Annex I to the Grant Agreement the safeguards clearly specified and detailed by the experts in the EIR, if any.

In cases where there are particularly sensitive or difficult ethical issues, the Project Officer might consult experts with an ethics background (or with ethical expertise in the area under consideration) during the negotiation of the Annex I (description of work) to the Grant Agreement.

The Grant Agreement negotiation cannot be concluded without a satisfactory inclusion of the safeguards indicated in the EIR in Annex I of the Grant Agreement.

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<sup>11</sup> Including those reflected in the Charter of Fundamental Rights of the European Union - [http://www.europarl.europa.eu/charter/pdf/text\\_en.pdf](http://www.europarl.europa.eu/charter/pdf/text_en.pdf)

<sup>12</sup> The EGE is an independent, multidisciplinary body, appointed by the Commission to examine ethical questions arising from science and the application of science and new technologies and on this basis to issue Opinions - [http://ec.europa.eu/european\\_group\\_ethics/index\\_en.htm](http://ec.europa.eu/european_group_ethics/index_en.htm)

<sup>13</sup> National legislation transposing Directive 95/46/EC - [http://ec.europa.eu/justice\\_home/fsj/privacy/docs/95-46-ce/dir1995-46\\_part1\\_en.pdf](http://ec.europa.eu/justice_home/fsj/privacy/docs/95-46-ce/dir1995-46_part1_en.pdf)

## Appendix 3 – Consortium Agreement

A Consortium Agreement is obligatory for Pilot Type A projects financed under ICT PSP. The Consortium Agreement is a legally binding agreement between the beneficiaries of the project. The Consortium must decide on terms and conditions of their Consortium agreement (including the applicable law) that suits its members and their interest. The contents are their sole responsibility. The Commission is not party to the Consortium Agreement and the Commission does NOT verify or check the content of the Consortium Agreement.

The terms of the Consortium Agreement cannot contradict or attempt to negate the provisions of the Grant Agreement. They may further develop those provisions or clarify details, specify the organisation of the work to be carried out and establish decision-making / technical management of the project, and dispute settlement procedures for the Consortium. In addition, the Consortium agreement is important for determining the provisions for distribution of the EC financial contribution including the pre-financing, and it can be used to identify the particular provisions relating to terms of the Grant Agreement (such as the terms and conditions of: protection or intellectual property rights, including provisions regarding the special requirements for availability of results for Pilots Type A; provisions for confidentiality and treatment of information).

A checklist of issues that can be addressed in the Consortium Agreement is available at: [http://ec.europa.eu/information\\_society/activities/ict\\_psp/calls/grant\\_agreement/index\\_en.htm](http://ec.europa.eu/information_society/activities/ict_psp/calls/grant_agreement/index_en.htm)

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

## Appendix 4 – Negotiation checklist

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

Although the first negotiation meeting will mainly concentrate on the Annex I to the Grant Agreement (description of work) it will also touch financial and legal issues. The Consortium should therefore have prepared for discussion all the issues in the checklist for the first meeting.

### CHECK LIST FOR PROJECT NEGOTIATIONS

<b><u>Prior to first meeting</u></b>	
Agree coordinator	
Agree other beneficiaries' roles	
Complete first draft of Annex I and any appendices	
Complete first draft of GPFs, including bank account information	
Send necessary financial and legal information / documents (see LFV lite for details). <ul style="list-style-type: none"> <li>• Send requested legal documents to the central validation team</li> <li>• Send requested financial documents to the Commission Project officer</li> </ul>	
Dispatch Annex I and GPFs to Commission Project Officer	
<b><u>Meeting</u></b>	
Discuss issues in draft Annex I : <ul style="list-style-type: none"> <li>• Those addressed by ESR</li> <li>• Those indicated by 'Negotiation Mandate' and arising during meeting/contact (including ethical issues, if any)</li> <li>• Those related to individual headings in Annex I 'table of contents'</li> </ul>	
Clarify financial/Grant Agreement issues : <ul style="list-style-type: none"> <li>• Acceptability of form of grant used by participants</li> <li>• Confirm resources that make up the counterpart funding for the project - clarify extent of participants' other involvement in other EU programmes</li> </ul>	
Confirm agreement on draft GPFs : <ul style="list-style-type: none"> <li>• Proposal abstract</li> <li>• Budget breakdown summaries (including receipts)</li> <li>• Beneficiaries' direct/indirect costs</li> <li>• Subcontracts</li> </ul>	
Set/agree dates for next steps (submission of revised/final Annex I and GPFs, next meeting, etc.)	
<b><u>Final submission</u></b>	
Submit agreed final Annex I	
Submit agreed final GPFs	
Submit any annexes /appendices	



## Appendix 5 - WORKPLAN TABLES related to 3.2 of part B

The Workplan tables are generated online by NEF.

### WT 1: Work package list:

List of work packages					
WP Number	WP Title	Lead beneficiary number <sup>14</sup>	Person-months <sup>15</sup>	Start month <sub>16</sub>	End month <sub>17</sub>
Total:					

<sup>14</sup> Number of the beneficiary leading the work in this work package.

<sup>15</sup> The total number of person-months allocated to each work package.

<sup>16</sup> Relative start date for the work in the specific work packages, month 1 marking the start date of the project, and all other start dates being relative to this start date.

<sup>17</sup> Relative end date, month 1 marking the start date of the project, and all end dates being relative to this start date.

## WT2: Deliverables list

Each significant element of the project should conclude with a deliverable which is the concrete output and evidence of the work. A small work package may produce just one deliverable whereas larger work packages may produce several deliverables. Deliverables should be limited in number, and be specific and verifiable. All listed deliverables must be quality controlled and sent to the Commission for review and approval, on behalf of the Consortium, by the project coordinator.

Deliverables should be described in more detail in WT3 using clear words and explaining what can be expected in terms of content and detail. A deliverable may be a report, or an action such as the construction of a prototype, (together with a brief report describing the achievement), the organisation of a conference with the production of related proceedings, the publication of a book, the completion of a specification, etc.

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

As the ICT PSP is funded with public funds, a reasonable number of non-confidential deliverables, suitable for publication, should be foreseen. There is also a number of compulsory reports / deliverables that are described in section 6 of these guidance notes.

### List of deliverables – to be submitted for review to EC

Deliverable Number	Deliverable Title	WP number	Lead beneficiary number	Estimated indicative person-months	Nature <sup>18</sup>	Dissemination level <sup>19</sup>	Delivery date <sup>20</sup>
			<b>Total</b>				

<sup>18</sup> **R** = Report, **P** = Prototype, **D** = Demonstrator, **O** = Other

<sup>19</sup> **PU** = Public

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

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

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

<sup>20</sup> Month in which the deliverables will be available. Month 1 marking the start date of the project, and all delivery dates being relative to this start date.

### WT3: Work package descriptions

A work package is a major sub-division of the proposed project with a verifiable end-point - normally a deliverable in the overall project. Work packages should follow the logical phases of the implementation of the project. Large, long-duration work packages make the job of monitoring technical progress difficult and should be avoided.

#### One form per work package

Work package Number	
Work package title	
Start month	
End month	
Lead beneficiary number	

#### Objectives

*Provide a concise description of the objectives to be achieved within the work package and how these objectives will be pursued. Use quantifiable and verifiable elements. Refer to the tasks to be carried out.*

#### Description of work and role of partners

*Provide a short description of the work, if necessary broken down into tasks of the work package. State the role and efforts of the participants for each task.*

#### Description of WP Deliverables

--

### Person months per participant

Participant number	Participant short name	Person-months per participant
	<b>Total</b>	

### Schedule of relevant milestones

Milestone number	Milestone name	Lead beneficiary number	Delivery date from Annex I	Comments

### List of WP Deliverables

Deliverable Number	Deliverable Title	Lead beneficiary number	Estimated indicative person-months	Nature	Dissemination level	Delivery date
		<b>Total</b>				

## WT4 –List of Milestones

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

### List of milestones

Milestone number	Milestone name	WP numbers	Lead beneficiary number	Delivery date from Annex I <sup>21</sup>	Comments

## WT5: List of Tentative Reviews

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

### Tentative schedule of project reviews

Review number	Tentative timing <sup>22</sup>	Planned venue of review	Comments, if any

<sup>21</sup> Month in which the milestone will be achieved. Month 1 marking the start date of the project, and all delivery dates being relative to this start date.

<sup>22</sup> Month after which the review will take place. Month 1 marking the start date of the project, and all dates being relative to this start date.

**WT6: Summary effort table**

This table indicates the number of person months over the whole duration of the planned work, for each work package (WP) by each participant.

**Project effort by beneficiary per work package**

<b>Beneficiary short-name</b>	<b>WP1</b>	<b>WP2</b>	<b>WP3</b>	<b>...</b>	<b>...</b>	<b>WPn</b>	<b>Total per Beneficiary</b>
<b>Total</b>							

## Appendix 6 – Subcontracting in ICT PSP

### **What subcontracting may be carried out under ICT PSP projects and when?**

The Model Grant Agreement indicates that beneficiaries shall ensure that the work to be performed, as described in Annex I, can be carried out by them. However, where it is necessary to subcontract certain elements of the work to be carried out, this must be clearly indicated in Annex I.

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

Coordination tasks of the coordinator such as the distribution of funds, the review and collection of reports and others tasks mentioned under Article II.2(1) cannot be subcontracted. Other project management activities could be subcontracted under the conditions established for subcontracting.

Tasks to be performed by a subcontractor, including a financial estimation of the costs, must be indicated in this part of Annex I. It is not necessary to identify the subcontractor, except where the subcontractor has already been identified following the procedures described below. A justification for the recourse to a subcontract must also be included in Annex I.

A subcontractor is third party, i.e. a legal entity which is not a beneficiary of the Grant Agreement, and is not a signatory to it. Accordingly, subcontracting between beneficiaries in the same Grant Agreement is not allowed.

During the implementation of the *project*, beneficiaries may use external support services for ancillary tasks (minor support services, such as the catering for a meeting or the printing of material, leaflets, etc.). These do not have to be specifically identified in Annex I, as by definition their importance is minor and the amounts involved are normally small. However, the selection procedure (described below) applies also to those subcontracts.

### **What are the conditions for the selection of subcontractors?**

Article II.6 of the Grant Agreement requires beneficiaries to ensure that transparent bidding procedures are used before selecting a subcontractor.

"Any subcontract for which the costs are to be claimed as eligible costs shall be awarded according to the principle of best value for money (best price-quality ratio), under conditions of transparency and equal treatment. Beneficiaries shall take care to avoid any conflict of interest in awarding a subcontract."

The procedure to be applied for the award of subcontracts depends on the status of the beneficiary, i.e. if the beneficiary is a public or a private entity:

- Public entities must follow the procurement principles established by their national law and authorities. For subcontracts exceeding certain amounts, the directive on public procurement of services applies and the publication of a call for tenders is mandatory.
- Private legal entities should follow the rules that they usually apply for the selection of procurement contracts, respecting in any case the terms of the Grant Agreement. The publication of a call for tenders is normally not necessary for private legal entities, but they must at least require submission of several quotes (usually a minimum of three), unless it has an established framework contract for the provision of those services. There should be a proportional relationship between the size in work and cost of the tasks to be subcontracted on the one hand and the degree of publicity and formality of the selection process on the other.

The procedure must ensure conditions of transparency and equal treatment. At the request of the Commission and especially in the event of an audit, beneficiaries must be able to demonstrate that they have respected these conditions.

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

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

The beneficiary remains responsible for all its rights and obligations under the Grant Agreement, also for the tasks carried out by a subcontractor. The beneficiary must ensure that the intellectual property that may be generated by a subcontractor reverts to the beneficiary so that it can meet its obligations under the Grant Agreement. In addition, the Grant Agreement requires that the beneficiary impose a certain number of conditions in its subcontract with the subcontractor, including aspects relating to audits by the Commission and the Court of Auditors etc. For more details on the conditions for subcontracting, please refer to Article II.6 in the 'Guide to Financial Issues relating to ICT PSP Grant Agreements'.

### **What rights and obligations does a subcontractor have?**

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

### **Is a freelance expert a subcontractor or a temporary employee?**

The use of freelance experts either as in-house consultants or as external consultants may be considered as subcontracting or a form of personnel costs depending on the terms and conditions of the agreement between the expert and the beneficiary. For more explanations see Article II.21 in the 'Guide to Financial Issues relating to ICT PSP Grant Agreements'.

### **Subcontracting vs. durable equipment / consumables**



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

### **Subcontracting certificates**

The provisions applying to subcontractors apply also to external auditors. When the beneficiary uses its usual external auditor it is considered that it has been chosen by transparent means according to the provisions of the Grant Agreement (Article II.6).

The cost of a certificate is an eligible cost under subcontract costs. VAT charged by the auditor is not an eligible cost, unless the beneficiary can show that he is unable to recover it.

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