



RENEWABLE ENERGY TECHNOLOGIES
AND
SOCIO-ECONOMIC TOOLS

CONTRACTUAL ASECTS UNDER FP6

Jorge Campos Vallejo
Administration and Finance
Directorate General for Research
European Commission



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- A. Participation in EU Research project: Conditions**
- B. Key aspects of an EU research contract: Definition, Implementation, financial provisions, controls and audits and Intellectual Property Rights.**



CONTENT OF A PROPOSAL

- × **Part A** - set of standard forms collecting basic legal, financial and administrative information about the proposal and proposers
(⇒ forms are specific to the type of action proposed)
- × **Part B** - contains the technical details of the proposal, following a structured format that is given in the Guide for Proposers



A. CONDITIONS: Who can participate?

Legal entities from

- ◆ EU States
- ◆ Associated Countries
- ◆ **Third Countries** and International Organisations : in addition to minimal number of participants

Minimal number of participants

- ◆ Three with at least two from MS or Associated Candidate Countries



Who can participate (II)

- ◆ **Participants should be able to justify that they have the adequate resources to carry out the project when submitting the proposal, OR**
- ◆ **Should be able to prove that those resources (human, financial, etc..) will be available when the project starts.**



Who can be funded

- ◆ Associated Candidate Countries (ACC) participate on the same basis as EU Member States:
 - **Bulgaria, Romania and Turkey**
- ◆ Associated States (AS) participate on the same basis as EU Member States (except min. participation rules):
 - **Iceland, Israel, Liechtenstein, Norway and Switzerland**
- ◆ INCO Target countries (**Russia and the other NIS, developing countries, Mediterranean partner countries, Western Balkan Countries**) normally receive EC funding (subject to budget constraints)
- ◆ Other Third Countries may possibly be funded if essential to the project



B. Key Aspects of the EU Contract

I. **Definition & Structure**

- ◆ Agreement between 2 parties: Commission and Consortium (composed of contractors)
- ❖ Structure:
 - ◆ Core contract (standard with specificities)
 - ◆ Annex I (technical tasks - the “project”)
 - ◆ Annex II - general conditions (standard, applicable to every instrument)
 - ◆ Annex III - instrument specific provisions (variable per instrument)



B. Key Aspects of the EU Contract

II. Implementation of the project:

- ❖ **Obligation to perform:**
 1. **Technical collective liability**
 2. **Financial collective liability**
 3. **Exceptionality & transparency of subcontracts**
- ❖ **Submission of deliverables**
- ❖ **Publicity & confidentiality**
- ❖ **Termination: voluntary & for breach of contract**



III. Financial Provisions (1)

Contract based on a co-financing basis

Maximum reimbursement rates by type of activity

- ◆ **For Specific targeted research or innovation project**
 - Research and technological development **50%**
 - Demonstration **35%**
- ◆ **For Specific Support and Coordination actions**
 - specific activities described in Annex I up to **100%**
- ◆ Management costs reimbursed up to **100%** within the limit of **7%** of community contribution -
Limit may vary according to the instrument



Financial Provisions (2)

Identification of costs

No cost categories but list of ineligible costs

◆ To be eligible costs must be :

- actual, economic and necessary for the *project*
- incurred during the duration of the project
- recorded in the accounts
- follow contractors own accounting rules
- not give rise to profit

▪ Ineligible costs: Art II.19.2 of the Contract (VAT NOT AN ELIGIBLE COST)



Financial Provisions (3)

Identification of costs

- **Flexibility:**
 - Table provided in the contract is an estimation.
 - Shifts of budget are possible (exception: subcontracts) provided:
 - Commission is informed, and
 - does not oppose to this change on scientific grounds
- ◆ **Audit certificates by external auditor**
(For public bodies - competent public auditor)



Financial Provisions (4)

Cost Models and maximum reimbursement rates

- ◆ **FC: 50% of actual direct and indirect costs. This cost model should be the most common.**
- ❖ **FCF : 50% of actual direct costs + flat rate for indirect costs (20 % of total actual direct costs, except subcontracting). Only for SMES, non-commercial or non-profit organisations or international organisations**
- ◆ **ACF: 100% of actual additional direct costs + flat rate for indirect costs (20 % of total actual direct costs, except subcontracting). Only for non-commercial or non-profit organisations or international organisations without an accounting systems which allows the share of their direct and indirect costs to be distinguished**
- ◆ **Ref: art. II.22.1 of contract annex II, general conditions**



IV. Intellectual Property Rights (IPR)

- ◆ **Participants own results they have generated**
- ◆ **Emphasis on use of results, dissemination if appropriate or if results are not used**
- ◆ **Approval of the Commission required in some cases of transfers of ownership of IPR or of granting of access rights**



V. Controls and Audits

- ◆ **Reports**
 - **Periodic activity and financial reports**
 - **Supplementary reports if foreseen (in Annex I or III)**
- ◆ **Audit certificates**
- ◆ **Annual monitoring by Commission with external experts**
- ◆ **Other reviews**
- ◆ **Scientific, technological, and financial audits**
- ◆ **Ethical audits**



VI. Final Recommendations

- ◆ **Even at the proposal stage, choose carefully your partners: Once a contract signed, joint liabilities apply**
- ◆ **Create a « memorandum of understanding » between partners as soon as possible to form the basis of a Consortium Agreement**
- ◆ **Circulate Information; communicate**



Information

◆ EUROPA

http://www.europa.eu.int/comm/dgs/research/index_en.html

◆ Energy research web site

http://europa.eu.int/comm/research/energy/index_en.html

◆ CORDIS

- FP6 : *<http://fp6.cordis.lu/fp6/>*
- **Call text:** *http://fp6.cordis.lu/fp6/call_details.cfm?CALL_ID=167*
deadline 8 December 2004
- Sustainable Development : *<http://fp6.cordis.lu/fp6/>* and then select *Sustainable Development*
- to find partners : *<http://fp6.cordis.lu/fp6/partners.cfm>*
- to prepare and submit proposals : *<http://fp6.cordis.lu/fp6/subprop.cfm>*