GRANT AGREEMENT NO

The European Union ("the Union"), represented by the European Commission ("the Commission"), of the one part and

(name of the coordinator\(^1\) and legal form) (acronym), established in (name of State and full address), represented by its legal/statutory representative[s], [Mr/Ms (insert name), [function], [and/or [Mr/Ms (insert name), [function]], or [his] [her] [their] authorised representative[s],

(the beneficiary acting as "coordinator") and the other beneficiaries identified in Article 1(2) below,

of the other part,

HAVE AGREED on the following terms and conditions, including those in the following annexes, which form an integral part of this grant agreement (the "grant agreement"):

- Annex I - Description of work and indicative breakdown of the budget and the financial contribution of the Union between beneficiaries
- Annex II - General conditions
- Annex III - Form A – accession of beneficiaries to the grant agreement
- Annex IV - Form B – request for the accession of new legal entities to the grant agreement

Article 1 – Scope

1. The Union has decided to grant a financial contribution for the implementation of the project specified in Annex I, called [project title] (the "project"), under the Information and Communications Technologies (ICT) Policy Support Programme (the “ICT PSP”) and under the conditions laid down in this grant agreement. The consortium shall carry out the project in accordance with the conditions set out in this grant agreement.

2. The consortium is composed of the beneficiary acting as coordinator and the following legal entities, which shall accede to the grant agreement in accordance with the procedure referred to in Article 2 as beneficiaries, assuming the rights and obligations established by the grant agreement with effect from the date on which it enters into force:

- [name of beneficiary] ([acronym]), established in [name of State and full address], represented by its legal/statutory representative[s], [Mr/Ms [insert name], [function], [and/or [Mr/Ms [insert name], [function]], or [his] [her] [their] authorised representative[s],

- [name of beneficiary] ([acronym]), established in [name of State and full address], represented by its legal/statutory representative[s], [Mr/Ms [insert name], [function], [and/or [Mr/Ms [insert name], [function]], or [his] [her] [their] authorised representative[s],

\(^1\) The terms in italics are used in accordance with the definitions given in Article II.1 of this grant agreement.
3. The beneficiaries are deemed to have concluded a consortium agreement regarding the internal organisation of the consortium.2

**Article 2 – Accession to the grant agreement**

1. The coordinator shall endeavour to ensure that each legal entity identified in Article 1(2) accedes to this grant agreement as a beneficiary by signing Form A (as set out in Annex III) in three originals, countersigned by the coordinator. Not later than 45 calendar days after the entry into force of the agreement, the coordinator shall send to the Commission one of the three duly completed and signed originals of Form A. The two remaining signed originals shall be kept, one by the coordinator, to be made available for consultation at the request of any other beneficiary, and the other by the beneficiary concerned.

2. Should any legal entity identified in Article 1(2) fail or refuse to accede to the grant agreement by the deadline established in the previous paragraph, the Commission is no longer bound by its offer to the said legal entity(ies). The consortium may propose to the Commission, within a time-limit to be set by the latter, appropriate solutions to ensure the implementation of the project. The procedure established in Annex II for amendments to this grant agreement shall apply.

**Article 3 - Entry into force of the grant agreement and duration of the project**

1. This grant agreement shall enter into force following its signature by the coordinator and the Commission on the day of the last signature.

2. The duration of the project shall be [insert number] months from [the first day of the month after the entry into force of the grant agreement] [insert fixed start date] (“start date of the project”).

**Article 4 – Reporting periods**

The project is divided into reporting periods of the following duration:

- P1: from month 1 to month X
- P2: from month X+1 to month Y
- P3: from month Y+1 to month Z
- (…)

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2 A consortium agreement is compulsory for Pilot A-type projects. For such projects, the consortium agreement covers, among other things: the internal organisation of the consortium, including the decision-making procedures; rules on intellectual property rights, taking into account the specific requirements for Pilot A projects set out in this grant agreement; the distribution of the financial contribution of the Union; the settlement of internal disputes, including cases of abuse of power; and liability, indemnification and confidentiality arrangements between the beneficiaries.
- P[last]: from month [N+1] to the last month of the project.

**Article 5 – Maximum financial contribution of the Union**

1. The maximum financial contribution of the Union to the project shall be EUR [insert amount] (in words: [insert amount in words] euros).

   [Pilot projects] The financial contribution of the Union shall be limited to [up to 50%] of the eligible costs.

   [Best practice networks] The financial contribution of the Union shall be limited to [up to 80%] of the eligible direct costs. Indirect costs shall not be eligible.

   [Thematic network – actual cost] The financial contribution of the Union shall not finance the entire costs of the project. It shall be limited to the additional costs of coordinating and implementing the network. Eligible direct costs for beneficiaries other than the coordinator shall be limited to travel and subsistence expenses as well as personnel costs incurred for the elaboration of any of the deliverables described in Annex I. The financial contribution of the Union shall be [up to 100%] of eligible costs.

   [Thematic network – lump sum] The financial contribution of the Union shall cover the additional costs of coordinating and implementing the thematic network. It shall take the form of flat-rate financing based on scale-of-unit cost and lump sums. Costs incurred by the coordinator for the coordination of the network shall be financed by an amount of EUR 3000 per year per beneficiary for the first 10 beneficiaries and by an amount of EUR 2000 per year per beneficiary from the 11th beneficiary on. No additional costs may be charged from the 21st beneficiary on. This flat-rate based on scale-of-unit costs covers all costs for the coordination of the network, except costs for attending meetings and events. Costs incurred by any beneficiary other than the coordinator for the implementation of the network as described in Annex I shall be financed by a lump sum of EUR 3000 per year. Costs incurred by any beneficiary, including the coordinator, for the attendance of network meetings and events shall be financed by a lump sum of EUR 5000 per year per beneficiary. The coordinator and the other beneficiaries may not charge any direct or indirect costs other than those indicated above.

The actual financial contribution of the Union shall be calculated in accordance with the provisions of this grant agreement.

2. Annex I contains an indicative breakdown of the budget and the financial contribution of the Union between beneficiaries. [Beneficiaries are allowed to transfer budget amounts between themselves provided the work is carried out as described in Annex I. The coordinator shall notify any such transfer to the Commission without unjustified delay.]

**Article 6 – Payment**

1. The financial contribution of the Union to the project shall be paid to the coordinator on behalf of the beneficiaries in accordance with the provisions of this grant agreement. The payment of the financial contribution of the Union to the coordinator discharges the Commission from its payment obligation.

2. The financial contribution of the Union shall be paid to the coordinator’s bank account, denominated in euros, identified as follows:

   Name of bank:
Name of account holder:
Account reference: IBAN\(^3\) code:

This account or sub-account must allow the financial contribution of the *Union* and related interest to be identified. Otherwise, the accounting methods of the *coordinator* must make it possible to identify the financial contribution of the *Union* and the interest or other benefits yielded.

3. The financial contribution of the *Union* shall be paid in accordance with the provisions of this *grant agreement* and the following schedule:

[where the duration is > 18 months]

(a) *pre-financing*

An initial *pre-financing* of [EUR [insert amount] (in words: [insert amount in words] euros)]\(^4\) shall be paid to the *coordinator* within 45 days following the entry into force of the *grant agreement*. The *coordinator* shall distribute the *pre-financing* only to the *beneficiaries* who have acceded to the *grant agreement*.

(b) [Option 1: payment of additional *pre-financing*\(^5\)]

The *coordinator* may request subsequent *pre-financing* as follows:

- At the end of reporting period 1, an amount of EUR [insert amount] (in words: [insert amount in words]).
- At the end of reporting period 2, an amount of EUR [insert amount] (in words: [insert amount in words]).
- [other]

Payment shall be conditional on the provision of a statement that the *consortium* has consumed at least 70% of the total amount of any earlier *pre-financing*.

[Option 2: interim payments]

After each reporting period, except the last reporting period, the *Commission* shall make interim payments corresponding to the amounts accepted during the reporting period concerned. The total amount of the *pre-financing* and interim payments shall not exceed 90% of the maximum financial contribution of the *Union*.

(c) final payment

The *Commission* shall make a final payment after the end of the last reporting period.

[where the duration is <= 18 months]

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\(^3\) Account number and BIC code for countries with no IBAN code.

\(^4\) Up to 60% of the maximum financial contribution of the *Union* indicated in Article 5.

\(^5\) The cumulative amount of *pre-financing* may not exceed 80% of the maximum financial contribution of the *Union* indicated in Article 5.
ICT PSP Grant Agreement v2 (for projects from call 2009 onwards) 10/07/2009

(a) **pre-financing**

An initial *pre-financing* of EUR [insert amount] (in words: [insert amount in words] euros)\(^6\) shall be paid to the coordinator within 45 days following the entry into force of the *grant agreement*. The coordinator shall distribute the *pre-financing* only to the *beneficiaries* who have acceded to the *grant agreement*.

(b) **final payment**

The *Commission* shall make a final payment after the end of the *project*.

**Article 7 – Language of Project Reports and Deliverables**

The *reports* and *deliverables* required under this *grant agreement* shall be submitted by the coordinator in [language].

**Article 8 - Special conditions**

[No special conditions apply to this *grant agreement*]

[The following special conditions apply to this *grant agreement*:]

**[Participation by the JRC]**

1. The *Union* shall carry out part of the *project* through its *Joint Research Centre* (*JRC*) subject to the following conditions:

   (a) For the purposes of this *grant agreement*, the *JRC* shall be considered as a *beneficiary*. It shall have the same rights and same obligations as the other *beneficiaries* and shall be a member of the *consortium* identified in Article 1(2).

   (b) This *grant agreement* takes precedence over any *consortium agreement* signed by the *Commission*, represented by the *JRC*.

   [(c) An amount of EUR [insert amount] [(insert amount in words) euros] of the *prefinancing* referred to in Article 6(3) shall be kept by the *Commission* for the *JRC*.

   (d) In addition to the documents referred to in Article II.4, the *consortium* shall indicate to the *Commission* the amount of each of the interim payments and the final payment referred to in Articles 6 and II.26(1), second and third indent, to be transferred by the *Commission* to the *JRC*.]

2. Relations within the *Commission* between DG Information Society and Media and the *JRC* shall be regulated by an administrative arrangement as set out in Annex [...] to the *grant agreement*, without prejudice to the rights of the other *beneficiaries*.

**[Pilots Type A - publication and free accessibility of results]**

1. Notwithstanding the provisions of Articles II.12 to II.15, *deliverables* described in Annex I and any *foreground* needed for cross-border interoperability, in particular common specifications and common building blocks for interoperability established under the *project*, shall be publicly available, accessible and usable free of charge, in particular with a view to implementing the pilot solution in Member States or *Associated Countries* not participating in the *project*. *Beneficiaries* shall comply with any specific requirements set out in this respect

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\(^6\) Up to 80% of the maximum financial contribution of the *Union* indicated in Article 5.
in Annex I, such as the obligation to publish building blocks under an EU Public License or compatible licenses.

2. The above provision shall continue to apply after the termination of the grant agreement or of the participation of a beneficiary, in accordance with Article II.11(7) of this grant agreement.

[Joint financial responsibility]

1. If any beneficiary is liable to reimburse any amount to the Commission by virtue of Article II.30 of this grant agreement, and does not honour that reimbursement, the consortium shall reimburse the amount due to the Commission.

2. The amount due to the Commission may not exceed the value of the maximum financial contribution of the Union in accordance with Article 5(1) of this grant agreement, as increased where applicable by interest on late payment.

3. The amount to be recovered shall be allocated between the other beneficiaries. This allocation shall be based on the relative weight of these beneficiaries, taking into account their share of the financial contribution of the Union as indicated in the indicative breakdown of the budget and the financial contribution of the Union between beneficiaries in Annex I where pre-financing is to be recovered or taking into account their share of accepted costs when an interim or final payment is to be recovered.

   Any amount claimed from a beneficiary shall however not exceed the contribution it is entitled to receive according to applicable reimbursement rates. The amount a beneficiary is entitled to receive is based on its provisional costs as indicated in Annex I where pre-financing is to be recovered or is based on its costs accepted by the Commission when an interim or final payment is to be recovered.

5. Paragraphs 1 to 4 do not apply where the defaulting beneficiary is a public body.

6. The consortium is not jointly responsible for penalties imposed on a defaulting beneficiary as referred to in Article II.31.

[Pilots Type A - Competitive calls]

1. Where required by the terms of Annex I, the consortium shall identify and propose to the Commission the participation of new beneficiaries following a competitive call in accordance with the provisions of this Article.

2. The consortium shall publish the competitive call in accordance with any instructions and guidance notes established by the Commission. The consortium shall inform the Commission of the call and its content at least 30 days prior to its expected date of publication.

3. The competitive call shall remain open for the submission of proposals by interested parties for a period of at least five weeks.

4. The consortium shall evaluate offers received in the light of the criteria that governed the Commission’s evaluation and selection of the project, as defined in the relevant call for proposals, and with the assistance of at least two independent experts appointed by the consortium on the basis of skills and knowledge appropriate to the tasks assigned to them, while ensuring that the experts are not faced with a conflict of interest in relation to their tasks.
5. The consortium shall request the proposed accession of a new beneficiary in accordance with the procedure for amendments of this grant agreement established in Article II.9. At the same time, it shall inform the Commission of the means by which the competitive call was published and of the names and affiliation of the experts involved in the evaluation as well as the results of the evaluation. The Commission shall not be bound by the results of the evaluation carried out by the consortium.

[Pilots Type A - Sub-contracting of coordination tasks]
Notwithstanding the provisions of Article II.2(1), second subparagraph, of this grant agreement, the coordinator may subcontract administrative tasks related to the technical, financial and administrative coordination of the project in accordance with the provisions in Article II.6 of this grant agreement.

[100% funding for coordination tasks]
Notwithstanding the provisions of Article 5(1) of this grant agreement, the financial contribution of the Union for coordination tasks carried out by the coordinator shall be 100% of the eligible costs.

[Bank account specifically dedicated to the project]
The bank account referred to in Article 6(2) shall be dedicated specifically to the project.

[Special case when secondary and higher education establishments and public bodies are the coordinator and there is an "authorisation to administer" given to a third party created, controlled or affiliated to the coordinator]
The bank account mentioned in Article 6 is the bank account of [insert third party with an "authorisation to administer"]. The financial contribution of the Union shall be paid to [insert third party with an "authorisation to administer"] which receives it on behalf of the coordinator, which in its turn receives it on behalf of the beneficiaries. The payment of the financial contribution of the Union to this entity discharges the Commission from its payment obligation.

The coordinator may delegate the tasks mentioned in Article II.2(1) (b), (c) and (d) to this entity, with the exception of making payment requests on behalf of the beneficiaries as referred to in Article II.2(1) (b). The coordinator retains sole responsibility for the financial contribution of the Union and for the compliance with the provisions of the grant agreement.

[Payments subject to the establishment of a blocked account or equivalent by the coordinator]
Payments referred to in Article 6 shall be made by the Commission only after the coordinator provides the Commission with its bank’s prior written confirmation of the establishment of a dedicated bank account denominated in euros with the following attributes:

a) the account is established for the purpose of receiving monies from the Commission specifically for the purpose of carrying out this grant agreement, and

b) on the basis of a prior irrevocable authority provided by the coordinator (as account holder) to its bank with a list of dedicated beneficiaries and schedule of transfers approved by the Commission.
The coordinator undertakes to immediately transfer the appropriate funds to the participants of the consortium identified in the list of beneficiaries, in the amounts established in the schedule.

[Trust account]
The bank account referred to in Article 6(2) of this grant agreement, to which all payments of the financial contribution of the Union shall be made, shall be opened as a trust account to be used exclusively for the purpose of the project.

[Late payment of pre-financing]
Notwithstanding the provisions of Article 6(3), the pre-financing shall be paid not earlier than 45 days before the start date of the project.

[Payment of the consortium’s pre-financing subject to obtaining a financial guarantee from a beneficiary]
The coordinator shall not distribute to the beneficiary [name] any pre-financing until a financial guarantee of a value of [amount] is provided to the Commission by the consortium or the beneficiary.

[The beneficiary agrees that in lieu of a financial guarantee no pre-financing shall be provided]
The coordinator shall not distribute to the beneficiary [name] any pre-financing. Only interim payments based on approved reports and deliverables shall be made to this beneficiary.

[Payment of the consortium subject to obtaining a financial guarantee from the coordinator]
Notwithstanding the provisions of Article 6, any payment for this project shall not be made by the Commission until a financial guarantee of a value of [amount] is provided by the coordinator to the Commission. The guarantee may be lifted once proof is provided that all the other beneficiaries have received their share of the payment.

[Beneficiaries with eligible costs but no EC contribution]
1. Costs incurred by the following beneficiary(ies) shall not be taken into consideration for determining the financial contribution of the Union: [name of beneficiary]
2. Beneficiary(ies) mentioned in the previous paragraph [is] [are] not subject to financial audits as referred to in Article II.28.

[Personnel costs claimed in accordance with normal practices]
Notwithstanding the provisions of Article II.21(2)(b), the beneficiary(ies) [name(s)] may claim personnel costs in accordance with its (their) normal practice(s), provided that the personnel costs determined in this way do not significantly differ from the actual costs incurred. If certificates on financial statements are to be submitted in accordance with Article II.4.7, these certificates shall certify that the above conditions for claiming personnel costs are complied with.

[Pilots Type A – Additional pre-financing payment in case of extension of Pilots Type A following a call for proposals]
Notwithstanding the provisions of article 6(3), an additional pre-financing of [EUR[insert amount][in words:[insert amount in words] euros]] shall be paid to the coordinator within 45 days from the date on which the amendment for the extension of the Pilot Type A takes effect. The coordinator shall distribute the pre-financing to beneficiary(ies) [insert name(s)] in accordance with the indicative breakdown of the budget and the financial contribution of
the Union in Annex I to this grant agreement, as well as the consortium agreement.

1 Up to 60% of the additional amount of the financial contribution of the Union provided for the extension

[Beneficiaries with flat-rate overheads of less than 7% or 30%]

Notwithstanding the provisions of Articles II.22, the percentage of overheads for beneficiary [name] is fixed at [[x<7%] of the direct eligible costs, excluding the direct eligible costs for subcontracting] [[x<30%] of the personnel costs].

[Option for each beneficiary to charge actual indirect costs if provided for in the relevant annual work programme]

By way of derogation from Article II.22(2), beneficiaries of pilot projects that have an analytical accounting system to identify their indirect costs as indicated in Article II.22(1) may charge indirect costs based on the actual indirect costs instead of the flat-rate set out in Article II.22(2).

[Sole beneficiary clause]

1. All references to the “beneficiaries” or to the “consortium” or to the “coordinator” in this grant agreement and in the Annexes thereto shall be interpreted as references to the “beneficiary”.

2. Where the consortium is enlarged in accordance with Article II.9(4) of the grant agreement, the above paragraph shall no longer apply from the date the enlargement is accepted.

[Identification of beneficiaries that are public bodies]

For the purposes of this grant agreement, the following beneficiary(ies) (is)(are) considered to be a public body: [beneficiary(ies) name]

[Thematic Networks – lump-sum payments (to be included for all thematic networks where the lump-sum option is chosen)]

Articles II.4(7), II.20, II.21, II.22, II.23 and II.24 shall not apply to this grant agreement.

Article 9 – Communication

1. Any communication or request concerning this grant agreement shall identify the grant agreement number, the nature and details of the communication or request and be submitted to the address notified by the Commission upon signature of the grant agreement and to the address of the coordinator notified in accordance with Article II.2.

2. Where any notification is sent to the address of the coordinator as referred to in paragraph 1 and/or to the coordinator’s legal representative, in the event of refusal of the notification or absence of the recipient, the beneficiary or the consortium, as the case may be, is deemed to have been notified on the date of the latest delivery.

Article 10 - Applicable law and competent court

The financial contribution of the Union is a contribution from the European Union budget with the aim of implementing the ICT PSP under the Competitiveness and Innovation Framework Programme (“CIP”) and it is incumbent on the Commission to execute this programme. Accordingly, this grant agreement shall be governed by its terms, the relevant European Union acts related to the CIP, the Financial Regulation applicable to the general budget of the European Union and its Implementing Rules, other European Community and European Union law and, on a subsidiary basis, the law of [country of the seat of the authorising officer responsible under the internal rules on the execution of the general budget of the European Union].

Furthermore, the beneficiary is aware and agrees that the Commission may take decisions to impose pecuniary obligations, which shall be enforceable in accordance with Article 299 of the Treaty on the functioning of the European Union.

Notwithstanding the Commission’s right to directly adopt the decisions referred to in the previous paragraph, the General Court or, on appeal, the Court of Justice of the European Union shall have sole jurisdiction to hear any dispute between the Union and any beneficiary concerning the interpretation, application or validity of this grant agreement and the legality of decisions as referred to in the second paragraph.

**Article 11 – Data protection**

1. All personal data contained in this grant agreement shall be processed in accordance with Regulation (EC) No 45/2001 of the European Parliament and of the Council on the protection of individuals with regard to the processing of personal data by the European Union institutions and bodies and on the free movement of such data. Such data shall be processed by the controller of the data solely in connection with the implementation and follow-up of this grant agreement and the evaluation and impact assessment of Union activities, without prejudice to the possibility of passing the data to the bodies in charge of monitoring or inspection tasks in accordance with European Union legislation and this grant agreement.

2. Beneficiaries may, on written request, gain access to their personal data and correct any information that is inaccurate or incomplete. They shall address any questions regarding the processing of their personal data to the controller. Beneficiaries may lodge a complaint against the processing of their personal data with the European Data Protection Supervisor at any time.

3. Any queries concerning the processing of the personal data of beneficiaries shall be submitted to the controller, using the address for the Commission as referred to in Article 9(1) of this grant agreement and indicating the reference of the grant agreement. For the purpose of this grant agreement, the controller responsible for processing shall be: Head of Unit of [responsible service].

**Article 12 – Application of the provisions of this grant agreement**

1. The provisions of this grant agreement shall take precedence over the provisions of any of the Annexes to this grant agreement. The provisions of Annex II shall take precedence over the provisions of Annex I.

2. The special conditions set out in Article 8 of this grant agreement shall take precedence over any other provisions.
Done in two originals in [language],

**For the coordinator** done at [insert place]

Name of the legal entity:
Name of legal representative:
Stamp of the organisation (if applicable):  
Signature of legal representative:
Date:

**For the Commission** done at [insert place]

Name of legal representative:
Signature of legal representative:
Date:
ANNEX II General

Conditions
ANNEX II

GENERAL CONDITIONS

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PART A: IMPLEMENTATION OF THE PROJECT

Article II.1 – Definitions

"Access rights" means licences and user rights to foreground.

"Associated Country” means a country which is party to an international agreement with the European Union under the terms or on the basis of which it makes a financial contribution to the programme under which the present grant agreement is financed.

"Beneficiary” means a legal entity which participates in this grant agreement concluded with the European Union.

"Change of control” means any change in the control exercised over a beneficiary. Such control may result in particular from:

- direct or indirect holding of a majority of the share capital of the beneficiary or a majority of the voting rights of the latter’s shareholders or associates,

or

- direct or indirect holding in fact or in law of decision-making powers in the beneficiary.

"Commission” means the European Commission.

"Union” means the European Union.

"Consortium” means all the beneficiaries participating in the project covered by this grant agreement.

"Consortium agreement” means an agreement concluded between beneficiaries in order to specify or supplement, between themselves, the provisions of this grant agreement.

"Coordinator” means the beneficiary carrying out the tasks provided for in Article II.2(1).

"Date of entry into force” means the date referred to in Article 3(1) of this grant agreement.

"Deliverables” mean any document, information or other element set out in Annex I to be submitted by the consortium to the Commission in accordance with Article II.4.

"Dissemination” means the disclosure of foreground by any appropriate means other than that resulting from the formalities for protecting it, including the publication of foreground in any medium.

"Duration of the project” means the period of implementation of the project as referred to in Article 3(2) of this grant agreement.

"Eligible costs” means the costs referred to in Articles II.21 and II.22, in compliance with the conditions set out in Articles II.20 and II.23.


“Force majeure” means any unforeseeable and exceptional situation or event beyond the control of the European Union or the beneficiaries which prevents either of them from fulfilling any of their obligations under this grant agreement, was not attributable to error or negligence on their part, and proves insurmountable in spite of all due diligence.

“Foreground” means the results, including information, generated in the course of the project, whether or not they can be protected. Such results include rights related to copyright, design rights, patent rights, plant variety rights, or similar forms of protection.

“Irregularity” means any infringement of a provision of European Union law or a provision of this grant agreement resulting from an act or omission on the part of the beneficiary(ies) which causes or might cause a loss to the Union budget.

“Pre-financing” means any part of the financial contribution of the Union which is paid in order to provide advance funds for the project.

“Project” means the work set out in Annex I to this grant agreement.

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

“Reports” mean the documents and information mentioned in Article II.4, paragraphs 1 to 3.

“Start date of the project” means the date mentioned in Article 3(2) of this grant agreement.

**Article II.2 – Organisation of the consortium and role of the coordinator**

1. The coordinator shall be in charge of the technical, financial and administrative coordination of the project. In this respect, the coordinator

(a) shall be the intermediary between the beneficiaries and the Commission. In particular, it shall be responsible for transmitting to the Commission all documents and correspondence relating to the project. To this end the coordinator shall upon signature of the grant agreement inform the Commission of the address to be used in all communication relating to the grant and of the addresses of the beneficiaries communicated to it in accordance with Article II.3;

(b) in its capacity as representative of the beneficiaries, shall make payment requests on behalf of the beneficiaries and receive, subject to the special conditions set out in Article 8 of this grant agreement, all the payments made

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\(^2\) OJ L 390, 30.12.2006, p. 1


by the Commission to the account referred to in Article 6(2) of this grant agreement. It shall administer the financial contribution of the Union regarding its allocation between beneficiaries in accordance with this grant agreement, in particular the indicative breakdown of the budget and the financial contribution of the Union in Annex I to this grant agreement, as well as the consortium agreement where applicable. It shall ensure that all the appropriate payments are made to beneficiaries within 45 days of the day on which the bank account under Article 6(2) has been credited;

(c) shall keep records and financial accounts so that it is possible to determine at any time what portion of the financial contribution of the Union has been paid to each beneficiary;

(d) shall inform the Commission of the distribution of the financial contribution of the Union and of the date of transfer to the beneficiaries, when required by Article II.4(3) of this grant agreement or by the Commission;

(e) shall review the reports and deliverables to verify consistency with the project tasks before transmitting them to the Commission;

(f) shall monitor the compliance by beneficiaries with their obligations under this grant agreement;

(g) shall inform the other beneficiaries and the Commission of any event liable to substantially affect the project of which it is aware.

The coordinator may not subcontract the above-mentioned tasks.

Without prejudice to termination of the coordinator’s participation in accordance with Article II.10(3), point (c), should the coordinator fail to meet its obligations, the Commission may, in agreement with the other beneficiaries, designate another coordinator from among the beneficiaries.

2. Beneficiaries shall fulfil the following obligations as a consortium:

(a) provide all detailed data requested by the Commission for the purpose of the proper administration of the project;

(b) carry out the project jointly and severally vis-à-vis the Union, taking all necessary and reasonable measures to ensure that the project is carried out in accordance with the terms and conditions of this grant agreement;

(c) make appropriate internal arrangements, consistent with the provisions of this grant agreement, for the internal operation and management of the project, including where appropriate intellectual property provisions, to ensure the efficient implementation of the project. Where provided for in Article 1(3) of this grant agreement, these internal arrangements shall take the form of a written consortium agreement;

(d) allow the Commission to take part in meetings concerning the project.

Article II.3 - Specific performance obligations of each beneficiary

Each beneficiary shall:

(a) carry out the work described in Annex I correctly and in a timely fashion;

(b) inform the other beneficiaries and the Commission through the coordinator in due time of:
• its contact address as well as any changes to that information;
• the names and contact details of the person(s) who are to manage and monitor its work and ensure that the tasks assigned are correctly performed, as well as any changes to this information;
• any event that might affect the implementation of the project and the rights of the Union;
• any change in its legal name, address and its legal representatives, and any changes with regard to its legal, financial, organisational or technical situation, including any change of control;

(c) keep duly signed original copies of subcontracts, if any have been concluded;
(d) forward to the coordinator the data needed to draw up the reports and deliverables and forward any corresponding financial statements;
(e) take part in meetings concerning the supervision, monitoring and evaluation of the project which are relevant to them;
(f) provide all detailed information requested by the Commission for the purpose of the proper administration of this grant agreement;
(g) undertake to take all the necessary measures to prevent any risk of conflicts of interest which could affect the impartial and objective performance of the agreement. Such conflicts of interest could arise in particular as a result of economic interest, political or national affinity, family or emotional ties, or any other shared interest;
(h) provide the Commission, including the European Anti-Fraud Office (OLAF) and the Court of Auditors directly with all information requested in connection with controls and audits;
(i) carry out the project in accordance with fundamental ethical principles.

Article II.4 – Project reports, deliverables and certificates on financial statements

1. The consortium shall submit the following reports to the Commission for each reporting period not later than 60 days after the end of the respective period:

(i) a progress report, including a publishable summary, containing information about the progress of work, including achievements and attainment of any milestones and deliverables identified in Annex I. In addition, this report shall contain information on the resources employed and departures from the work schedule;

(ii) for interim and final payments, the financial statements from each beneficiary together with a summary financial report consolidating the Union contribution claimed by all the beneficiaries in an aggregate form. The format and layout shall conform to the rules communicated by the Commission. Beneficiaries who do not receive a financial contribution from the Union are required to submit only a description of the efforts made and the resources used to carry out the project. In the case of Thematic Networks financed by lump sums and flat-rates based on scale-of-unit costs, the Commission may request a simplified financial statement to be submitted only by the coordinator;
(iii) any other information to be supplied in response to a request by the Commission.

2. The consortium shall submit a final report to the Commission within 60 days after the end of the project. This final report shall comprise a final publishable summary report covering the results, conclusions and socio-economic impact of the project.

3. The coordinator shall submit a report on the distribution of the financial contribution of the Union between beneficiaries. This report shall be submitted not later than 30 days after receipt of the final payment.

4. Reports shall be submitted through the coordinator in one original (paper) copy and one electronic copy. The data in the original (paper) copy shall be regarded as authentic should there be a difference with the electronic copy. Only the date of receipt of the original (paper) copy by the European Union shall be taken into account for the time limits set out in the agreement. The format and layout of the reports shall conform to the rules communicated by the Commission.

5. The reports submitted to the Commission for publication shall be of a suitable quality to enable direct publication and their submission to the Commission in publishable form shall indicate that no confidential material is included therein.

6. Deliverables identified in Annex I shall be submitted as described therein.

7. A certificate on financial statements shall be submitted for claims of interim payments and final payments where the cumulative amount of requests for payment by a beneficiary is equal to or superior to €325 000.

Without prejudice to the first subparagraph above, the Commission may request, on the basis of an analysis of risks, the submission of a certificate on the financial statement from any beneficiary at any time until the date of the final payment.

Certificates on financial statements shall certify that the costs claimed in the financial statements and the receipts declared, as well as the declaration of the interest yielded by the pre-financing, meet the conditions of this grant agreement. They shall be prepared and certified by an external auditor. The format and layout of these certificates shall conform to the rules communicated by the Commission.

Each beneficiary is free to choose any external auditor, including its usual external auditor, provided that they meet both the following professional requirements:

(i) the external auditor must be independent from the beneficiary;


Where a beneficiary is a public body, it may opt for a competent public officer to provide its certificate on financial statements, provided that the relevant national authorities have

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established this officer’s legal capacity to audit that entity and that the independence of the officer, in particular regarding the preparation of the financial statements, can be ensured.

Certificates by external auditors do not affect the liability of beneficiaries under this grant agreement nor the rights of the Union arising from this grant agreement and in particular Article II.28.

**Article II.5 – Approval of reports and deliverables, time-limit for payments**

1. At the end of each reporting period, the Commission shall evaluate the project reports and deliverables required by Annex I and disburse the corresponding payments within 105 days of their receipt unless the time-limit, the payment or the project has been suspended. The Commission may be assisted by external experts in the analysis and evaluation of reports and deliverables.

2. Payments shall be made after the Commission’s approval of the reports and/or deliverables. The absence of a response from the Commission within the time-limit shall not imply approval. The Commission may reject reports and deliverables even after the time-limit for payment. Approval of the reports shall not imply recognition of their regularity or of the authenticity of the declarations and information they contain and shall not imply exemption from any audit or review.

3. After reception of the reports and deliverables the Commission may:
   
   (a) approve the reports and deliverables in whole or in part or make the approval subject to certain conditions;
   
   (b) reject the reports and deliverables by giving an appropriate justification and, if appropriate, start the procedure for suspension or termination of the grant agreement;
   
   (c) suspend the time-limit if one or more of the reports or deliverables have not been supplied or are not complete or if some clarification or additional information is needed or there are doubts concerning the eligibility of costs claimed in the financial statement and/or additional checks are being conducted. The suspension shall be lifted from the date when the last report, deliverable or additional information requested is received by the Commission, or where the Commission decides to proceed with an interim payment in part in accordance with paragraph 4.

   The Commission shall inform the consortium in writing via the coordinator of any such suspension and the conditions to be met for the lifting of the suspension.

   Suspension shall take effect on the date when notice is sent by the Commission;

   (d) suspend the payment at any time, in whole or in part, of the amount intended for the beneficiary(ies) concerned:

   • if the work carried out does not comply with the provisions of the grant agreement;

   • if a beneficiary has to reimburse to its national state an amount unduly received as state aid;
• if the provisions of the grant agreement have been infringed or if there is a suspicion or presumption thereof, in particular following any audits and checks provided for in Articles II.28 and II.29;

• if there is a suspicion of an irregularity committed by one or more beneficiary(ies) in the performance of the grant agreement;

• if there is a suspected or established irregularity committed by one or more beneficiary(ies) in the performance of another grant agreement funded by the general budget of the European Union or by budgets managed by the latter. In such cases, the payments shall be suspended where the irregularity (or suspected irregularity) is of a serious and systematic nature likely to affect the performance of the current grant agreement.

Where the Commission suspends payment, the consortium shall be duly informed of the reasons why payment in whole or in part will not be made.

4. The Commission may proceed with an interim payment in part if some reports or deliverables are not submitted as required, or are only partially or conditionally approved. Any reports and deliverables due for one reporting period which are submitted late shall be evaluated together with the reports and deliverables of the next reporting period.

5. On expiry of the time-limit for approval of the reports and payments, and without prejudice to suspension by the Commission of this time-limit, the beneficiaries shall be entitled to interest on late payment in accordance with the conditions set out in the Financial Regulation and its Implementing Rules, at the rate applied by the European Central Bank for its main refinancing operations in euros plus three and a half points. This reference rate shall be the rate in force on the first day of the month of the final date for payment, as published in the C series of the Official Journal of the European Union.

Interest on late payment shall cover the period from the final date of the period for payment, exclusive, up to the date when the payment is debited to the Commission’s account, inclusive. The interest shall not be treated as a receipt for the project for the purposes of determining the final grant. Any such interest payment is not considered as part of the financial contribution of the Union.

Where the amount of interest calculated in accordance with the subparagraphs above is lower than or equal to €200, it shall be paid only upon a request submitted by the coordinator on behalf of the beneficiaries within two months of receipt of the late payment.

The above provisions shall not apply to beneficiaries that are public bodies of the Member States of the European Union.

6. The suspension of the time-limit, of payment or of the project by the Commission may not be considered as late payment.

7. At the end of the project, the Commission may decide not to make the payment of the corresponding financial contribution of the Union, subject to one month’s written notice of non-receipt of a report, a certificate on financial statements or other project deliverable.

8. The Commission shall inform the coordinator of the amount of the final payment of the financial contribution of the Union and shall justify this amount. The coordinator shall have two months from the date of receipt to communicate reasons for any disagreement. After the end of this period such communications shall no longer be considered and the consortium
is deemed to have accepted the Commission’s decision. The Commission undertakes to reply in writing within two months following the date of receipt of such communications, giving reasons for its reply. This procedure is without prejudice to the beneficiary’s right to appeal against the Commission’s decision.

Article II.6 - Subcontracts
1. A subcontractor is a third party that has entered into an agreement on business conditions with one or more beneficiaries in order to carry out part of the work of the project without the direct supervision of the beneficiary and without a relationship of subordination. 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, the following conditions shall be fulfilled:

   – recourse to the award of subcontracts must be duly justified in Annex I having regard to the nature of the project and what is necessary for its implementation;

   – the tasks concerned and an estimation of the corresponding costs must be indicated in Annex I.

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. Subcontracting costs shall be in accordance with market prices. Subcontracts concluded on the basis of framework contracts entered into between the beneficiary and a subcontractor prior to the beginning of the project in accordance with the beneficiary’s usual management principles may also be accepted.

2. The beneficiary shall ensure that subcontracts:

   – oblige the subcontractor to submit invoices making reference to the project and giving details of the service or supply rendered,

   – oblige the subcontractor to abide by the terms of Articles II.7, II.12 to II. 19 and II.32 and to submit to the audits and reviews provided for in Articles II.28 and II.29,

   – provide that the subcontractor has no rights in respect of the Commission under this grant agreement.

3. The beneficiary shall retain sole responsibility for carrying out the work described in Annex I and for compliance with the provisions of the grant agreement.

4. Beneficiaries may use external support services for ancillary tasks.

Article II.7 Assignment
The beneficiaries shall not assign any of the rights and obligations arising from the grant agreement without the prior written authorisation of the Commission and the other beneficiaries.

Article II.8 - Suspension of the project
1. The coordinator shall immediately inform the Commission of any event affecting or delaying the implementation of the project.
2. The coordinator may propose to suspend the project if force majeure or exceptional circumstances render its execution excessively difficult or uneconomic. The coordinator shall inform the Commission without delay of such circumstances, including all justifications and information relating to the event, as well as an estimation of the date when the work on the project may begin again. The suspension shall be subject to written approval by the Commission and shall take effect on the date when the coordinator receives notification from the Commission of its approval.

3. The Commission may suspend all of the work under the project where it considers that the consortium is not fulfilling its obligations under this grant agreement, in order to re-negotiate with it and propose the necessary amendments to the grant agreement to redress the situation. It shall notify the coordinator without delay of the justifications for suspension as well as of the conditions necessary for the work to be resumed. This suspension shall take effect on the date when the coordinator receives notification from the Commission.

4. During the period of suspension, no costs may be charged to the project.

5. The suspension of the project may be lifted once both parties have agreed on its continuation and, as appropriate, once any necessary modification, including the extension of the duration, has been made by means of a written amendment.

**Article II.9 - Amendments**

1. All amendments to the grant agreement shall be made in writing and conform to the rules communicated by the Commission, where applicable.

2. Any request for and any acceptance of an amendment by the consortium shall be submitted by the coordinator. The coordinator shall be deemed to act on behalf of all beneficiaries when submitting a request for an amendment and when accepting or rejecting an amendment requested by the Commission. The coordinator shall ensure that adequate proof exists of the consortium’s agreement to the amendment request or of its acceptance or rejection of an amendment and is made available in the event of an audit.

3. In the case of change of coordinator without its agreement, the request shall be submitted or accepted by all other beneficiaries or by one of them representing the others.

4. The absence of a response to an amendment request shall not constitute approval of the request.

5. Requests for the addition of a new beneficiary shall include a duly completed and signed Form B (set out in Annex IV). Subject to acceptance in writing by the Commission of the request, the new beneficiary shall assume the rights and obligations of beneficiaries as established by this grant agreement with effect from the date of its accession as specified in Form B.

6. Amendments may not have the purpose or the effect of making changes to the agreement which might call into question the decision awarding the grant or result in unequal treatment of the beneficiaries.

**Article II.10 - Termination of the grant agreement or of the participation of a beneficiary**

1. The consortium may request

   (a) the termination of the grant agreement at the written request of the coordinator in agreement with all the other beneficiaries on the following grounds:
• for major technical or economic reasons substantially affecting the project (including where the resumption of the performance of the agreement following its suspension on account of force majeure proves impossible),

• if the use potential of the results of the project considerably diminishes.

(b) the termination of the participation of a beneficiary in the project. Any such request of the consortium shall include the consortium’s proposal for reallocation of the tasks and budget of that beneficiary, the reasons for requesting the termination and a letter containing the opinion of the beneficiary whose participation is requested to be terminated. The letter containing the opinion of the beneficiary concerned may be substituted by proof that this beneficiary has been requested in writing to express its opinion on the proposed termination of its participation within the time-limit established by that notification. This time-limit shall not be inferior to one month.

In case of the termination of the participation of the coordinator without its agreement, the request shall be submitted by all other beneficiaries or by one of them representing the others.

The termination of the grant agreement or the participation of a beneficiary shall take effect on the date agreed by the parties; where there is no date specified, termination shall take effect on the date of the Commission’s approval notified to the coordinator, which receives it on behalf of the consortium. In case of termination of the participation of one or more beneficiaries, the Commission shall send a copy to the beneficiary(ies) concerned.

2. The Commission may terminate this grant agreement or the participation of a beneficiary:

(a) where one or more of the legal entities identified in Article 1(2) do not accede to this grant agreement within the deadline established in Article 2(1),

(b) where the project has not effectively commenced within three months of the start date of the project and the new date proposed is considered unacceptable by the Commission,

(c) where the beneficiary directly concerned or the consortium has not fully performed its contractual obligations despite a written request from the Commission to remedy a failure to comply with these obligations within a period not exceeding one month,

(d) where a legal, financial, organisational or technical change or change of control over a beneficiary is likely to substantially affect the project or the interests of the Union, or calls into question the decision to accept its participation in the grant agreement or to grant the financial contribution of the Union,

(e) on the grounds referred to in paragraph 1, point (a) of this Article,

(f) in the event of bankruptcy, winding up, cessation of trading, winding up by court order or composition, or suspension of activities of a beneficiary or any similar proceedings provided for by national laws or regulations and leading to a similar result,
(g) in the event of an irregularity or fraud on the part of a beneficiary in the performance of any contract or grant agreement with the Commission,

(h) where a beneficiary is guilty of misrepresentation in supplying the information required by the Commission or has deliberately withheld information in order to obtain the financial contribution of the Union or any other advantage provided for in the grant agreement.

(i) where further to the termination of the participation of one or more beneficiaries, the consortium does not propose to the Commission an amendment to the grant agreement with the necessary modifications for the continuation of the project including the reallocation of tasks of the beneficiary(ies) whose participation is terminated within the time-limit determined by the Commission, or where the Commission does not accept the proposed modifications.

In the event of termination pursuant to points (a), (b), (c), (d), (f), (g), (h) and (i), the termination shall be effective on the date of receipt of the registered letter with acknowledgement of receipt sent by the Commission.

In the event of termination pursuant to points (e), the Commission shall determine the period of notice for termination in a registered letter with acknowledgement of receipt, whereby this period shall not exceed one month from the date of receipt of the letter.

3. Any letter from the Commission to terminate the participation of a beneficiary shall be addressed to the beneficiary concerned with a copy to the coordinator in accordance with the procedure set out in paragraph 2 of this Article. Any letter to terminate the agreement shall be sent to the coordinator who shall notify all the other beneficiaries.

Article II.11 - Financial and other consequences of termination

1. Beneficiaries shall take appropriate action to cancel or reduce their commitments upon receipt of the letter from the Commission notifying them of the termination of the agreement or of their participation or upon the dispatch of the request for termination of their participation, as the case may be.

2. In the event of termination of the grant agreement or of the participation of a beneficiary, the beneficiaries or the beneficiary whose participation has been terminated shall submit the reports, including the financial statements, and deliverables relating to the work performed until the date of termination of the grant agreement or the date when the beneficiary’s participation ends in conformity with the provisions of Article II.4 within 60 days from the date of termination. If these documents are not received within the above time-limits, the Commission may decide not to consider any further cost claims and not to make any further reimbursement and, where appropriate, require the reimbursement of any pre-financing paid to the beneficiary(ies).

3. In the event of termination, payments by the Commission shall be limited to those eligible costs incurred and accepted up to the effective date of termination and to any legitimate commitments undertaken prior to that date which cannot be cancelled.

4. By derogation from the above paragraph:

   – In the event of termination pursuant to Article II.10, paragraph 2, points (b), (c), (g), (h) or (i), the Commission may require repayment of all or part of the financial contribution of the Union, taking into account the nature and results of the
work carried out and its usefulness to the Union in the context of the present programme.

– In the event of termination pursuant to Article II.10, paragraph 2, point (a), no costs incurred by the consortium under the project shall be accepted as eligible for reimbursement by the Union. Any pre-financing provided to the consortium and any interest generated by the pre-financing shall be returned in full to the Commission.

5. Where the Commission makes a payment after the termination of the participation of a beneficiary or after termination of the grant agreement, this payment shall be considered as a final payment in relation to this beneficiary or to the project, respectively, and in any case shall be done through the coordinator.

6. The termination of the grant agreement or of the participation of a beneficiary shall not affect any rights or obligations of the parties which arise before the date of termination.

7. The Commission may exercise all rights under this grant agreement to accept or reject reports and deliverables, to accept, reduce or reject a cost claim and to initiate an audit or a technical review.

8. Notwithstanding the termination of the grant agreement or the participation of a beneficiary, the provisions in Part B and Part D of Annex II continue to apply after the termination of the grant agreement or the termination of a beneficiary’s participation. Any other provisions in this grant agreement which specifically indicate their continued application after the termination shall also apply for the duration specified in those provisions.

PART B: RULES RELATING TO INTELLECTUAL PROPERTY, PUBLICITY AND CONFIDENTIALITY

Article II.12 - Ownership of foreground

1. Foreground shall be the property of the beneficiary carrying out the work generating that foreground.

2. Where several beneficiaries have jointly carried out the work generating the foreground and where their respective shares of the work cannot be ascertained, they shall have joint ownership of the foreground. They shall establish an agreement7 among themselves on the allocation and exercise of that joint ownership.

3. If persons hired by a beneficiary are entitled to claim rights to foreground, the beneficiary shall ensure that these rights are exercised in a manner compatible with its obligations under this grant agreement.

Article II.13 – Protection of foreground

Where foreground is capable of industrial or commercial application, its owner shall provide for its adequate and effective protection, having due regard to its own legitimate interests and the legitimate interests, particularly the commercial interests, of the other beneficiaries.

7 The joint owners may agree not to continue with joint ownership but decide on an alternative regime (for example, a single owner with access rights for the other beneficiaries that transferred their ownership share).
Where a **beneficiary** which is not the owner of the **foreground** invokes its legitimate interests, it shall show that it would suffer disproportionately great harm.

**Article II.14 – Use and dissemination of foreground**

1. The **beneficiaries** shall use the **foreground** which they own or ensure that it is used.
2. Each **beneficiary** shall ensure that the **foreground** which it owns is disseminated as swiftly as possible. If it fails to do so, the **Commission** may disseminate that **foreground**.
3. **Dissemination** activities shall be compatible with the protection of intellectual property rights, confidentiality obligations and the legitimate interests of the owner(s) of the **foreground**.
4. At least 45 days prior notice of any **dissemination** activity shall be given to the other **beneficiaries** concerned, including sufficient information concerning the envisaged **dissemination** activity and the data to be disseminated.

Following notification, any of those **beneficiaries** may object to the envisaged **dissemination** activity within 30 days of notification if it considers that its legitimate interests in relation to its **foreground** could suffer disproportionately great harm. In such cases, the **dissemination** activity may not take place unless appropriate steps are taken to safeguard these legitimate interests.

The **beneficiaries** may agree in writing on different time-limits to those set out in this paragraph, which may include a deadline for determining the appropriate steps to be taken, or may waive their right to prior notice for specific or all dissemination activities.

**Article II.15 – Access rights to foreground**

1. **Access rights** to **foreground** shall be granted to the other **beneficiaries**, if it is needed to enable those **beneficiaries** to carry out their own work under the **project**.
2. **Beneficiaries** shall enjoy **access rights** to **foreground**, if it is needed to use their own **foreground**. A request for such **access rights** for use may be made up to one year after the end of the **project** or termination of participation by the owner of the **foreground** concerned, unless the **beneficiaries** concerned agree on a different time-limit.
3. **Access rights** shall be granted on a royalty-free basis, unless the **beneficiaries** concerned agree otherwise.

**Article II.16 – Communication of data for evaluation, impact assessment and standardisation purposes**

1. **Beneficiaries** shall provide, at the request of the **Commission**, the data necessary for:
   - the continuous and systematic review of the ICT PSP as part of the CIP;
   - the evaluation and impact assessment of **Union** activities, including the **use** and **dissemination** of **foreground**.

Such data may be requested throughout the duration of the **project** and up to five years after the end of the **project**.

The data collected may be used by the **Commission** in its own evaluations but shall not be published other than on an anonymous basis.
3. Without prejudice to the provisions regarding protection of foreground and confidentiality, the beneficiaries shall, where appropriate, during the project and for two years following its end, inform the Commission and the European standardisation bodies about foreground that may contribute to the preparation of European or international standards.

**Article II.17 - Information to be provided to Member States or Associated Countries**

1. The Commission shall, upon request, make available to any Member State or Associated Country any useful information in its possession on foreground, provided that both the following conditions are met:

   - the information concerned is relevant to public policy;
   - the beneficiaries have not provided sound and sufficient reasons for withholding the information concerned.

2. The provision of information pursuant to paragraph 1 shall not transfer to the recipient any rights or obligations and the recipient shall be required to treat any such information as confidential until it becomes duly public or unless it was communicated to the Commission without restrictions on its confidentiality.

**Article II.18 – Publicity**

1. The Commission shall be authorised to publish the following information in any form and medium, including the Internet:

   – the names and contact addresses of the beneficiaries;
   – the subject and purpose of the grant;
   – the amount and rate of the financial contribution of the Union foreseen for the project and the estimated amount and rate for each beneficiary foreseen in the indicative breakdown of the budget and the financial contribution of the Union between beneficiaries in Annex I; after the final payment, the amount and rate of the financial contribution of the Union accepted by the Commission for the project and for each beneficiary;
   – any picture or any audiovisual or web material provided to the Commission in connection with the project;
   – any publishable report or other publishable deliverable submitted to it.

The consortium shall ensure that all necessary authorisations for such publications have been obtained and that the publication of the information by the Commission does not infringe any rights of third parties.

Upon a reasoned and duly substantiated request by the beneficiary, the Commission may agree to forego publication if disclosure of the information indicated above would risk compromising the beneficiary’s security or prejudicing its commercial interests.

2. The beneficiaries shall, throughout the duration of the project, take appropriate measures to engage with the public and the media about the project and to highlight the financial support of the Union. Unless the Commission requests otherwise, any communication or publication by the beneficiary about the project, including at a conference or seminar, or any type of information or promotional material (brochure, leaflet, poster, presentation, etc),
shall mention that the project has received funding from the Union’s ICT Policy Support Programme as part of the Competitiveness and Innovation Framework Programme, and shall display the European emblem. When displayed in association with a logo, the European emblem shall be given appropriate prominence. This obligation to use the European emblem in respect of projects to which the Union contributes implies no right of exclusive use. It is subject to general third-party use restrictions that do not permit the appropriation of the emblem, or of any similar trademark or logo, whether by registration or by any other means. Under these conditions, beneficiaries are exempted from the obligation to obtain prior permission from the Commission to use the emblem. Further detailed information on the EU emblem may be found on the Europa web page.

Any communication or publication by the beneficiary in respect of the project, in any form or medium, including the Internet, shall state that it reflects only the author’s views and that the Union is not liable for any use that might be made of information contained therein.

**Article II.19 - Confidentiality**

1. The beneficiaries and the Commission undertake to preserve the confidentiality of any data, documents or other material that is identified as confidential in relation to the execution of the project (“confidential information”).

This obligation shall no longer apply where:

- the confidential information becomes publicly available by means other than a breach of confidentiality obligations,
- the confidential information is subsequently communicated to the recipient without any confidentiality restrictions by a third party who is in lawful possession thereof and under no obligation of confidentiality or where the disclosing party subsequently waives its confidentiality;
- the disclosure or communication of the confidential information is provided for by other provisions of this grant agreement.

2. The beneficiaries and the Commission undertake to use such confidential information only in relation to the execution of the project, unless otherwise agreed with the disclosing party.

**Part C: Financial Provisions**

**Article II.20 - Eligible costs - general principles**

1. Eligible costs are the costs defined in Articles II.21 and II.22. They shall fulfil the following conditions:

- be indicated in the indicative breakdown of the budget and the financial contribution of the Union between beneficiaries in Annex I;
- be necessary for the implementation of the project;
- be actually incurred by the beneficiary;
- be identifiable and verifiable, be recorded in the beneficiary’s accounts and determined in accordance with the applicable accounting standards of the country where the beneficiary is established and with the usual cost accounting practices of the beneficiary. The beneficiary’s internal accounting and auditing procedures must permit the direct reconciliation of the costs and receipts declared in respect
of the project with the corresponding financial statements and supporting documents;
– comply with the requirements of the applicable tax and social legislation;
– be reasonable and justified and comply with the requirements of sound financial
management, in particular regarding economy and efficiency, and
– be incurred during the duration of the project.
Without prejudice to the provisions of the first subparagraph,
– the costs for drawing up the final report and certificates on financial statements
required for the final period and
– the costs of participation in technical reviews pursuant to Article II.29
shall be eligible if they are incurred within not more than 60 days after the end of the duration
of the project.
2. Non-eligible costs are in particular the following:
– costs of capital employed,
– provisions for possible future losses or charges,
– interest owed,
– exchange losses,
– provisions for doubtful debts,
– resources made available to a beneficiary free of charge,
– value of contributions in kind,
– unnecessary or ill-considered expenses,
– marketing, sales and distribution costs for products and services,
– indirect taxes and duties, including VAT (unless the beneficiary can show that it is
unable to recover it),
– entertainment or hospitality expenses, except reasonable expenses accepted by the
Commission as being absolutely necessary for carrying out the project,
– any cost incurred or reimbursed in respect of, in particular, another Union,
international or national project.
3. No cost may be charged to more than one of the eligible cost categories referred to in
Articles II.21 and II.22.

Article II.21 - Direct costs
1. Direct costs are those eligible costs that can be attributed directly to the project and are
identified by the beneficiary as such, in accordance with its accounting principles and its usual
internal rules.
2. Personnel
With regard to personnel costs,
(a) Only the costs of the actual hours worked by the persons directly carrying out work
under the project may be charged to the grant agreement.
Such persons must:
– be directly hired by the beneficiary in accordance with its national legislation,
– work under the sole technical supervision and responsibility of the beneficiary, and
– be remunerated in accordance with the normal practices of the beneficiary, provided that these are regarded as acceptable by the Commission.

(b) Personnel costs shall comprise the actual costs (gross remuneration and related charges).

(c) Costs related to parental leave for persons who are directly carrying out the project are eligible costs, in proportion to the time dedicated to the project, provided that they are mandatory under national law.

2. Subcontracting
With the exception of costs charged to the grant agreement pursuant to paragraph 1 of this Article, the actual costs of subcontracts may be charged to the grant agreement if they are incurred in compliance with the conditions set out in Article II.6.

3. Other specific direct costs
These costs include, in particular,

– travel and subsistence allowances for personnel taking part in the project, provided that they are in line with the beneficiary’s usual practices on travel costs;

– the purchase cost of equipment (new or second-hand), provided that it is depreciated in accordance with the tax and accounting rules applicable to the beneficiary and generally accepted for items of the same kind. Only the portion of the equipment’s depreciation corresponding to the duration of the project at the rate of actual use for the project may be taken into account by the Commission, except where the nature and/or the context of its use justifies different treatment by the Commission;

– costs arising directly from requirements imposed by the grant agreement, including for the dissemination of information, or any financial guarantees. Such costs may also include specific costs incurred by the coordinator in fulfilling its responsibilities as the body responsible for the overall management of the project and for the coordination of the beneficiaries.

Article II.22 - Indirect costs
1. Indirect costs are all those eligible costs that cannot be identified by the beneficiary as being directly attributed to the project, but which can be identified and justified by its accounting system as being incurred in direct relationship with the eligible direct costs attributed to the project. They may not include any eligible direct costs.

2. Beneficiaries of Pilot projects may charge indirect costs calculated on a flat-rate basis of 30% of the personnel costs. A beneficiary shall request a lower percentage when this is required, for instance, by its internal rules.
In the case of Thematic Networks, the reimbursement of indirect eligible costs shall for each beneficiary comprise a flat-rate of 7% of the direct eligible costs, excluding the direct eligible costs for subcontracting. This flat-rate for indirect costs shall not apply to Thematic Networks financed in the form of lump sums and flat-rate financing based on scale-of-unit costs.

In the case of Best Practice Networks, no indirect costs shall be eligible.

**Article II.23 - Justification of costs**

*Eligible costs* shall be reimbursed where they are justified by the beneficiary.

To this end, the beneficiary shall maintain, on a regular basis and in accordance with the normal accounting conventions of the State in which it is established, the accounts for the project and appropriate documentation to support and justify in particular the costs and time reported in its financial statements. These accounts shall be maintained for at least 5 years after the date of the final payment. All the working time charged to the agreement shall be recorded throughout the *duration of the project*, or not later than 60 days from the end of the *duration of the project*, and shall be certified by the person in charge of the work as designated by the beneficiary in accordance with Article II.3(b) or by the duly authorised financial officer of the beneficiary.

This documentation shall be precise, complete and effective.

**Article II.24 – Receipts of the project**

1. Resources made available by third parties to the beneficiary by means of financial transfers or contributions in kind free of charge
   a) shall be considered a *receipt* of the project for the beneficiary if they have been contributed by the third party specifically to be used in the project;
   b) shall not be considered a *receipt* of the project for the beneficiary if their use is at the discretion of the beneficiary’s management.

2. Income generated by the project
   a) shall be considered a *receipt* of the project for the beneficiary when generated by actions undertaken in carrying out the project and from the sale of assets purchased under the grant agreement up to the value of the cost initially charged to the project by the beneficiary;
   b) shall not be considered a *receipt* of the project for the beneficiary when generated from the use of the foreground resulting from the project.

**Article II.25 – Financial contribution of the Union**

1. The financial contribution of the Union to the project shall be determined by applying the funding limits indicated in this grant agreement and in the indicative breakdown of the budget and the financial contribution of the Union to the eligible costs and/or to the flat-rates and/or lump sums accepted by the Commission.

2. The financial contribution of the Union shall be paid based on the accepted costs of each beneficiary.

3. The financial contribution of the Union may not give rise to any profit for any beneficiary. For this purpose, at the submission of the last financial statement, the final amount of the financial contribution of the Union shall take into account any receipts of the
project received by each beneficiary. For each beneficiary, the financial contribution of the Union may not exceed the total costs minus the receipts of the project.

4. The total amount paid by the Commission shall not exceed in any circumstances the maximum amount of the financial contribution of the Union referred to in Article 5(1).

5. Without prejudice to the right to terminate the grant agreement under Article II.10 and without prejudice to the right of the Commission to apply penalties as referred to in Article II.31, if the project is not implemented or is implemented poorly, partially or late, the Commission may reduce the grant initially provided in line with the actual implementation of the project on the terms laid down in this grant agreement.

Article II.26 – Payment modalities

1. The Commission shall make the following payments:
   – pre-financing in accordance with Article 6;
   – interim payments of the financial contribution of the Union corresponding to the amount accepted for a reporting period in accordance with Article 6;
   – a final payment corresponding to the amount accepted for the last reporting period, or, if the consortium has received only pre-financing, to the amount accepted for the project, plus any adjustment needed.

Where the amount of the financial contribution of the Union is less than the amount already paid to the consortium, the Commission shall recover the difference.

Where the amount of the financial contribution of the Union is more than the amount already paid to the consortium, the Commission shall pay the difference as the final payment up to the limits defined in Article 5(1).

2. The total amount of the pre-financing and interim payments shall not exceed 90% of the maximum financial contribution of the Union defined in Article 5(1).

3. Payments by the Commission shall be made in euros.

4. Costs incurred shall be reported in euros. Beneficiaries with accounts in a currency other than the euro shall report costs by using the conversion rate published by the European Central Bank and applicable on the first day following the end of the reporting period. Beneficiaries with accounts in euros shall convert costs incurred in other currencies according to their normal accounting practice.

5. The payments by the Commission shall be regarded as having been effected on the date on which the Commission’s account is debited.

6. Any payment may be subject to an audit or review and may be adjusted or recovered based on the results of the audit or review.

Article II.27 – Interest yielded by the pre-financing provided by the Commission

1. Pre-financing remains the property of the Union until the final payment.

2. The Commission shall recover from the coordinator, for each reporting period following the entry into force of the agreement, the amount of interest generated where the pre-financing exceeds the amounts fixed in the Financial Regulation and its Implementing Rules.
PART D: CONTROLS, RECOVERIES AND PENALTIES

Article II.28 - Financial audit

1. The Commission may initiate an audit in respect of a beneficiary at any time during the implementation of the project and up to five years after the date of the final payment. The audit procedure in respect of a beneficiary shall be deemed to be initiated on the date of receipt by the latter of the relevant registered letter with acknowledgement of receipt sent by the Commission.

The audit procedure may be carried out by external auditors or by the Commission services themselves, including OLAF. The audit procedure shall be carried out on a confidential basis.

2. The beneficiaries shall make available directly to the Commission all detailed information and data that may be requested by the Commission, or any representative authorised by it, with a view to verifying that the grant agreement is properly managed and performed in accordance with its provisions and that costs have been charged in compliance with it.

3. The beneficiaries shall ensure that the Commission, or any external body authorised by it, has on-the-spot access, at any reasonable time, in particular to the beneficiary’s offices, the personnel of the beneficiaries connected with the project, the documentation referred to in Article II.23 needed to carry out the audit, including information on individual salaries of persons involved in the project, accounting data, computer records and equipment. In this connection, the Commission, or any external body authorised by it, may request that data be handed over to it in an appropriate form in order, for instance, to ascertain the eligibility of the costs.

4. On the basis of the findings made during the financial audit of a beneficiary, a provisional report shall be drawn up. It shall be sent by the Commission to the beneficiary concerned, which may make observations regarding the report within one month of receiving it. The Commission may decide not to take into account any observations conveyed after that deadline. The final report shall be sent to the beneficiary concerned.

5. On the basis of the conclusions of the audit, the Commission shall take all appropriate measures which it considers necessary, including the issuing of a recovery order regarding all or part of the payments made by it and the application of any applicable sanction.

6. The Court of Auditors shall have the same right as the Commission, notably the right of access, for the purpose of checks and audits, without prejudice to its own rules.

7. In addition, the Commission may carry out on-the-spot checks and inspections in accordance with Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities’ financial interests against fraud and other irregularities, Regulation (EC) No 1073/1999 of the European Parliament and of the Council of 25 May 1999 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and Council Regulation (Euratom) No 1074/1999 of 25 May 1999 concerning investigations conducted by the European Anti-Fraud Office (OLAF).

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Article II.29 - Technical review of the project

1. The Commission may initiate a technical review at any time during the implementation of the project and up to five years after the end of the duration of the project in order to verify that the project is being or has been carried out in accordance with the conditions governing this grant agreement, in particular with respect to the Description of Work (Annex I). The technical review shall assess the work carried out under the project by, among other things, evaluating the project reports and deliverables, the proper use of resources in particular with respect to efficiency and effectiveness, the management of the project and the expected impact.

The technical review shall be deemed to be initiated on the date of receipt by the coordinator of the relevant notification sent by the Commission.

The technical review procedure shall be carried out on a confidential basis.

2. For the technical review, the Commission may be assisted by independent experts.

The Commission shall take appropriate steps to ensure that such experts treat confidentially the data that are communicated to them. Prior to the technical review, it shall communicate to the coordinator the identity of the experts who are intended to assist it. It shall take account of any objection on the part of beneficiaries based on legitimate interests.

3. Technical reviews may be carried out remotely at the experts’ home or place of work or involve sessions with project representatives either at the Commission premises or at the premises of beneficiaries. The Commission or the external experts may have access to the locations and premises where the work is being carried out and to any document concerning the work.

4. The beneficiaries shall make available to the Commission and any external experts all detailed information and data that may be requested by it or the experts for the technical review.

5. A report on the technical review of the project shall be sent to the coordinator. The latter may communicate observations to the Commission within a month of receiving it. The Commission may decide not to take into account any observations conveyed after that deadline.

6. On the basis of the conclusions of the technical review, the Commission shall take all appropriate measures which it considers necessary, including the rejection of any reports and deliverables, the termination of the agreement pursuant to Article II.10 and II.11 and the reduction of the grant pursuant to Article II.25(5).

Article II.30 - Reimbursement to the Commission and Recovery Orders

1. Where an amount paid by the Commission to the coordinator in its capacity as the recipient of all payments is to be recovered under the terms of this grant agreement, the beneficiary concerned undertakes to repay the Commission the sum in question, on whatever terms and by whatever date it may specify.

2. If the obligation to pay the amount due is not honoured by the date set by the Commission, the sum due shall bear interest at the rate indicated in Article II.5(5). Interest on late payment shall cover the period between the date set for payment, exclusive, and the date when the Commission receives full payment of the amount owed, inclusive.

Any partial payment shall be entered first against charges and interest on late payment and then against the principal.
3. If payment has not been made by the due date, sums owed to the Commission may be recovered by offsetting them against any sums owed to the concerned beneficiary after informing it accordingly or by calling in a financial guarantee. In exceptional circumstances, justified by the need to safeguard the financial interests of the Union, the Commission may recover by offsetting before the due date of the payment. The beneficiary’s prior consent shall not be required.

Bank charges occasioned by the recovery of the sums owed to the Commission shall be borne solely by the beneficiary.

4. The beneficiaries understand that under Article 299 of the Treaty on the functioning of the European Union, the Commission may adopt an enforceable decision formally establishing an amount as receivable from persons other than States.

**Article II.31 - Penalties**

1. Any beneficiary that has been guilty of making false declarations or has been found to have seriously failed to meet its obligations under this grant agreement shall be liable to financial penalties of between 2% and 10% of the value of the financial contribution of the Union received by that beneficiary. The rate may be increased to between 4% and 20% in the event of a repeated offence within five years following the first infringement.

The Commission is entitled to recover the full amount of any undue payments made to a beneficiary on a lump sum or flat-rate financing, where the generating event has not occurred. Furthermore, in the case of a false declaration regarding the lump sum or flat-rate financing, the Commission may impose financial penalties up to 50% of the total amount of the lump sum or flat rate financing.

2. In the cases specified in paragraph 1, beneficiaries may be excluded from all Union grants for a maximum of two years from the date the infringement has been established.

3. The provisions of this Article shall be without prejudice to any other administrative or financial sanction that may be imposed on any defaulting beneficiary in accordance with the Financial Regulation or to any other civil remedy to which the Union or any other beneficiary may be entitled. Furthermore, these provisions shall not preclude any criminal proceedings which may be initiated by the authorities of the Member States.

**Article II.32 - Liability**

1. The Union may not be held liable for any acts or omissions of the beneficiaries in relation to this grant agreement. It shall not be liable for any defects in respect of any products, processes or services created on the basis of foreground, including, for instance, anomalies in their functioning or performance.

2. Each beneficiary shall bear sole responsibility for ensuring that their acts in connection with this project do not infringe third party rights, including the use of acronyms of the project.

3. The beneficiaries shall fully guarantee the Union and agree to indemnify it in the case of any action, complaint or proceeding brought by a third party against it as a result of damage caused either by an act or omission in relation to this grant agreement or by any products, processes or services created on the basis of foreground resulting from the project.
In the event of any action brought by a third party against the *Union* in connection with the performance of this agreement, the *beneficiaries* who may bear responsibility shall assist the *Union* upon written request.

4. In the event of any action brought by a third party against a *beneficiary* in connection with the performance of this agreement, the *Commission* may, without prejudice to paragraph 1 of this Article, assist the latter upon written request. The costs incurred by the *Commission* in this connection shall be borne by the *beneficiary* concerned.
ANNEX III Form A – accession of beneficiaries to the grant agreement

(to be filled in by each beneficiary identified in Article 1(2) of the grant agreement)

[full name and legal form of the beneficiary], represented for the purpose hereof by [name of legal representative] (function) [and/or (name of legal representative)(function)] or her/his/their authorised representative established in (full address: city/state/province/country) (person legally authorised to act on behalf of the legal entity) acting as its legal authorised representative, hereby consents to become a beneficiary to grant agreement No ….. (relating to project [title]) signed between the European Commission and [name of the coordinator and legal form (acronym) established in (full address: city/state/province/country)], and accepts in accordance with the provisions of the aforementioned grant agreement all the rights and obligations of a beneficiary. [full name and legal form of the beneficiary] confirms to have received a copy of the agreement.

Done in 3 copies, of which one shall be kept by the coordinator and one by [name of the beneficiary], the third being sent to the Commission by the coordinator in accordance with Article 2(1) of the grant agreement.

Name of legal entity (full name of the beneficiary)
Name of legally authorised representative: (written out in full)
Title of legally authorised representative:
Signature of legally authorised representative:
Date:
Stamp of the organisation:

Name of legal entity: (full name of the coordinator)
Name of legally authorised representative:
Title of legally authorised representative:
Signature of legally authorised representative:
Date:
Stamp of the organisation:
ANNEX IV Form B – Request for the accession of new legal entities to the agreement

(To be filled in by each new legal entity willing to become a beneficiary)

[full name and legal form of new beneficiary], represented for the purpose hereof by [name of legal representative] (function) [and/or (name of legal representative)(function)] or her/his/their authorised representative established in [full address: city/state/province/country] acting as its legal authorised representative, hereby requests to become a beneficiary to grant agreement No … (relating to project [title]) signed between the European Commission and [name of the coordinator], and accepts, in accordance with the provisions of the aforementioned grant agreement, all the rights and obligations of a beneficiary starting on (date). [full name and legal form of the beneficiary] confirms to have received a copy of the grant agreement.

[name of the coordinator and legal form (acronym) established in (full address: city/state/province/country)], represented for the purpose hereof by [name of legal representative] (function) [and/or (name of legal representative)(function)] or her/his/their authorised representative established in [full address: city/state/province/country] acting as its legal authorised representative, hereby certifies as the representative of the beneficiaries to grant agreement No … (relating to project [title]) that the consortium proposes and agrees to the accession of [full name and legal form of new beneficiary] to the aforementioned grant agreement as beneficiary starting on the above-mentioned date.

Enclosures:

Grant agreement preparation form duly completed and signed by the new beneficiary.

Modified Annex I to the grant agreement describing the work to be performed by the new beneficiary.

– Done in 3 copies, of which one shall be kept by the coordinator and one by [name of new beneficiary], the third being sent to the Commission by the coordinator in accordance with Articles 9 and II.9 of the grant agreement.

Name of legal entity: (full name of the new beneficiary (legal entity))

Name of legally authorised representative: (written out in full)

Title of legally authorised representative:

Signature of legally authorised representative:

Date:

Stamp of the organisation:

Name of legal entity: (full name of the coordinator (legal entity))

Name of legally authorised representative: (written out in full)

Title of legally authorised representative:

Signature of legally authorised representative:

Date:

Stamp of the organisation: