



DG RESEARCH AND INNOVATION  
**Research Fund for Coal and Steel**

# **Information Package**

## **Volume II**

*Preparation of the Grant Agreement*

**2014**



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# 1. INTRODUCTION

The 2014 Information Package of the Research Fund for Coal and Steel (RFCS) is composed of two volumes:

- **Volume I** is addressed to all applicants and provides all the information necessary for the preparation and submission of proposals;
- **Volume II** is specifically addressed to applicants of successful proposals and provides instructions for the Grant Agreement preparation.

The adoption of the Research Programme of the Research Fund for Coal and Steel and the multiannual technical guidelines for this programme are outlined in Council Decision 2008/376/EC of 29 April 2008, published in the Official Journal of the European Union of 20 May 2008 ref. OJ L130 and the attached "*Multiannual Technical Guidelines*" (see Information Package vol I). This Council Decision will be referred to in the following document as the RFCS Legal Basis.

The Research Fund for Coal and Steel is managed by the European Commission, Directorate-General for Research and Innovation, Directorate D (Key Enabling Technologies), Unit D.4 - Coal and steel.

The Programme is closely co-ordinated with other activities carried out either in the Member States or existing European Union research programmes, such as the Framework Programme of the European Union for research, technological development and demonstration activities. In order to increase the effectiveness of this programme, the European Commission encourages and promotes co-ordination, complementarity and synergy between the different research programmes and supports the exchange of information between projects financed under this programme and those financed under the Framework Programme.

All information about the RFCS Programme, the documents and links for the submission of proposals and for the management of running projects, together with the Information Package (Volumes I and II) of the Research Fund for Coal and Steel are made available on the webpage of the RFCS (<http://cordis.europa.eu/coal-steel-rtd/>).

When preparing the proposals, applicants may also wish to refer to the full list of projects co-funded by the RFCS programme starting from 2003, available at [http://cordis.europa.eu/coal-steel-rtd/synopsis\\_en.html](http://cordis.europa.eu/coal-steel-rtd/synopsis_en.html), and to a selection of RFCS success stories ([http://cordis.europa.eu/coal-steel-rtd/stories\\_en.html](http://cordis.europa.eu/coal-steel-rtd/stories_en.html)).



## 2. GRANT AGREEMENT PREPARATION

### 2.1. OVERVIEW

The proposals submitted by 15 September 2014 to the Research Fund for Coal and Steel (RFCS) are evaluated by the Commission services with the help of independent external experts.

The overall evaluation process will be completed only once the list of proposals recommended for funding receives formal approval from the Coal and Steel Committee (COSCO) and is transposed into a dedicated implementing Commission Decision most likely expected by April/May 2015. Only after completion of the whole procedure it will be possible to sign a Grant Agreement with successful proposals.

Even if at the time of the publication of this Information Package 2014, vol II, it is not possible to anticipate which proposals will finally receive financial support, project coordinators might receive a communication from the Commission asking to clarify issues, correct clerical errors and implement the comments made by the external independent experts during evaluation.

This will allow the consortium to be prepared in anticipation of any formal decision that may be taken by the Commission concerning the fate of their proposal and will allow the RFCS to shorten the Time-to-Grant with respect to the past, in order to comply with the new Financial Regulation of the European Commission. This means a timelier signature of the Grant Agreements and earlier release of the first pre-financing to beneficiaries, but also more time constraints and pressure during the evaluation and clarification phases.

Therefore each time the applicants are contacted by the Commission services for further clarifications or integration of documents, it is in their best interest to collaborate and react as quickly as possible in order to close all pending issues by the mid-April 2015 at the latest. If, by that date, the consortium has not implemented all modifications requested or if not all necessary documents have been provided, the Commission reserves the right to move the proposal to the reserve list even in case of successful outcome of the evaluation process.

#### ***Important notice:***

***Applicants will be informed only in March 2015 about the final results of the proposal evaluation and selection process. Only at that stage it will be possible to know which proposals will be considered for funding, pending the formal adoption by the implementing Commission's decision in April/May 2015.***

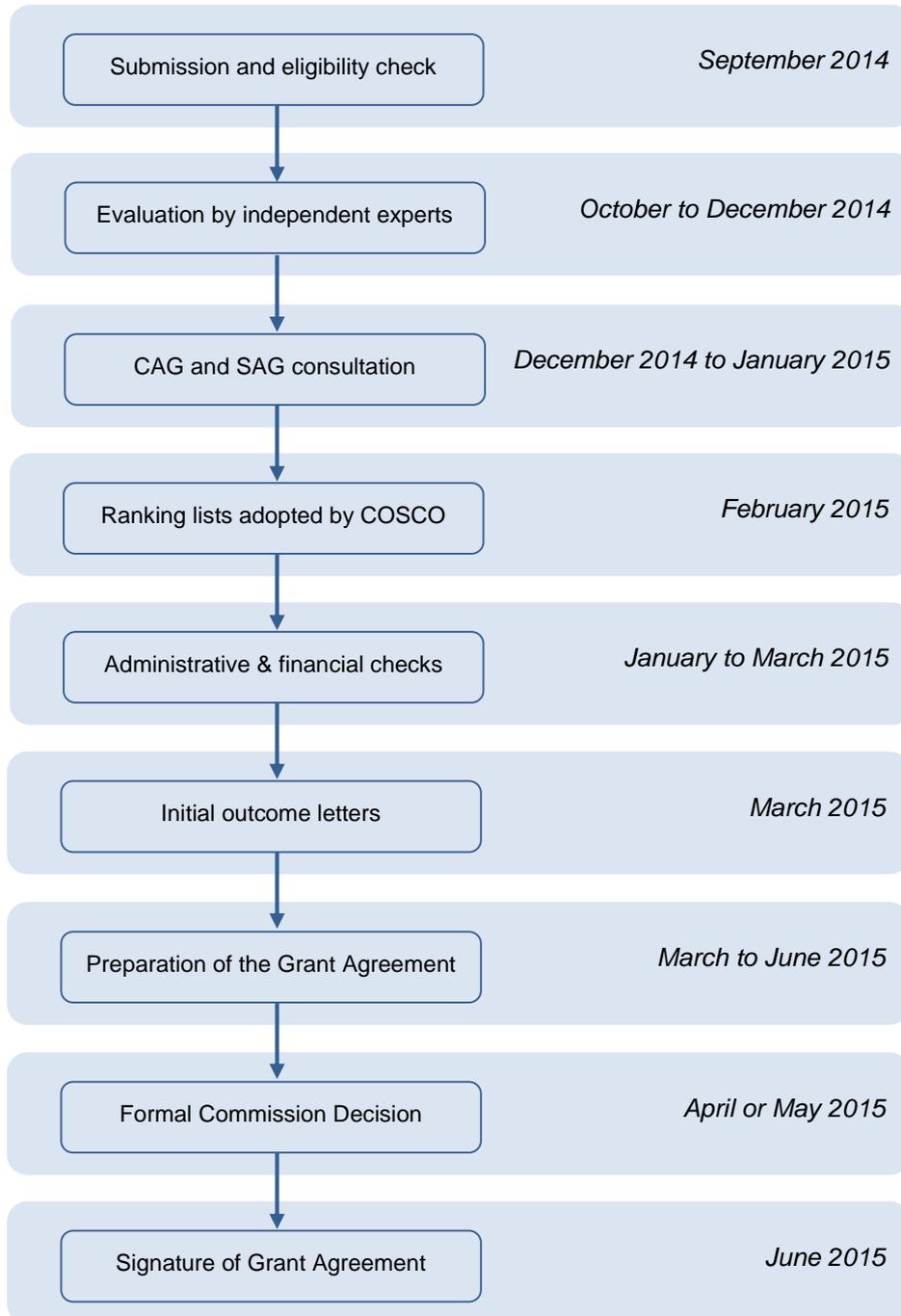
***Any communication sent to the project coordinators asking to clarify some administrative, financial and technical issues is not intended to anticipate the evaluation results, is just a preparatory action and does not, in any way, commit the European Commission to conclude a Grant Agreement with the consortium.***

***Applicants should not send documents to the Commission if they do not receive express communication asking to do so.***

***Note that proposals were evaluated on the basis of the Technical Annex, cost descriptions and partnership as initially submitted. Therefore, the following aspects should not be altered during the Grant Agreement preparation phase (except for the changes expressly requested by the Commission):***

- a) the total cost per participant;**
- b) the repartition of the budget among equipment, staff, subcontracting costs and operating costs, as well as the breakdown under each of these cost categories;**
- c) the number of man hours per staff category;**
- d) the composition of the consortium (including linked third parties) : please immediately inform the project officer, if one of these events occurs (e.g. bankruptcy).**

The different stages of the proposal selection process are outlined in the following picture.



## 2.2. GA PREPARATION PHASE

The proposal and its modalities of execution, as specified in the forms provided at the proposal submission stage, shall serve as basis during the Grant Agreement preparation phase (for further information on proposal submission, see Information Package 2014, Volume I).

Draft Grant Agreement and Form B5-1 - Cost Summary will be provided to the project Coordinators with all relevant information retrieved from the proposal forms.

Modifications of draft Grant Agreement and costs breakdowns should be limited to the administrative, technical and financial changes **requested by the Commission** in its communications to the project coordinators.

Important notes:

- **Form B3 (Technical Annex) will become part of the Grant Agreement; changes with respect to what was provided electronically at the proposal submission stage can be introduced only if expressly requested by the Commission and have to be highlighted by using bold characters.**
- **Form B5-1 Cost Summary Form should reflect exactly what was included in Form A3 (Budget for the proposal) submitted electronically at the proposal submission stage. Therefore, the following aspects should not be altered (unless expressly asked by the Commission): the total cost per participant; the repartition of the budget among equipment, staff, subcontracting costs and operating costs, as well as the breakdown under each of these cost categories.**

The coordinator will also be requested to inform the Commission, on behalf of the whole consortium, of any Special Clauses to be applied to the grant agreement, if relevant.

Any further practical issues (e.g. delivery address, deadlines, etc.) will be specified by the Commission to the coordinator.

## **2.3. GRANT AGREEMENT 2015**

The full model of the Grant Agreement and relevant annexes for projects starting in 2015 is included for reference in this Information Package and is available electronically from the RFCS website.

The current version of the GA is the same as in 2014 and fully complies with the new Financial Regulation (regulation no 966/2012 of the European Parliament and of the Council, published on the Official Journal of the European Union on 26.10.2012).

## **3. INFORMATION AND ASSISTANCE**

A helpdesk is available for information and publications concerning the programme:

Helpdesk: [rtd-steel-coal@ec.europa.eu](mailto:rtd-steel-coal@ec.europa.eu)

Web Site: <http://cordis.europa.eu/coal-steel-rtd/>

Specific technical and financial issues can be discussed with the relevant Scientific Project Officer or Financial Officer; please refer to the list of contacts given on [http://cordis.europa.eu/coal-steel-rtd/contact\\_en.html](http://cordis.europa.eu/coal-steel-rtd/contact_en.html).

## APPENDIX 1 – FORMS FOR GRANT AGREEMENT PREPARATION

The following forms are required during the preparation of the Grant Agreement.

Electronic versions of these forms can be downloaded from the RFCS website at the link: [http://cordis.europa.eu/coal-steel-rtd/gapfs\\_en.html](http://cordis.europa.eu/coal-steel-rtd/gapfs_en.html).

<b>Description</b>	<b>Forms</b>	<b>Contents</b>
Technical Annex	B3-1	Project Objectives
	B3-2	Work package description
	B3-3	Programme Bar Chart
Total budget	B5-1	Cost summary in Euro
Declaration	B7	Certified declaration by each participant
Legal entities	B8	Information on the legal entities involved in the project (3 types: public, private or individual) <sup>1</sup>
Financial identification	B9	Identification of the bank accounts for payments

<sup>1</sup> Use the relevant worksheet according to the entity type. The list of the legal entity types per country is available online from: [ftp://ftp.cordis.europa.eu/pub/coal-steel-rtd/docs/11-annex\\_xi\\_list\\_of\\_legalform\\_2007.xls](ftp://ftp.cordis.europa.eu/pub/coal-steel-rtd/docs/11-annex_xi_list_of_legalform_2007.xls)



**Research & Innovation  
Research Fund for Coal and Steel**

**Form B3-1**

**TECHNICAL ANNEX**

**Project acronym<sup>1</sup>:**

**Proposal No<sup>2</sup>:**

**Grant Agreement No:**

*(will be attributed by the*

*Commission)*

**TITLE:**

---

**PROJECT OBJECTIVES**

Objectives clearly stated in a concise manner (**½ to 1 page maximum**).



**B3-2 WORK PACKAGE DESCRIPTION****WP No**

<b>Work package Title</b>		<b>Number of man hours</b>
<b>WP Leader</b> (full name & acronym)		
<b>Beneficiary (s)</b> (full name & acronym)		
<b>Total</b>		
<p><b>1 – Objectives</b> (Objectives clearly stated in a concise manner using bullet points (½ page)).</p>		
<p><b>2 - Work programme and distribution of tasks with indication of participating beneficiaries</b> (Specify the beneficiary's responsibilities within each task).</p>		
<p><b>3 - Interrelation with other work packages (please give WP No)</b> (Briefly describe the interrelation with the other WPs).</p>		
<p><b>4 - Deliverables and milestones</b> (Define the deliverables and milestones, give the foreseen date of production and assign them to a responsible partner).</p>		

**B3-3 PROGRAMME BAR CHART (TASK, PARTNER, DELIVERABLES, MILESTONES )**

**Please use dark colours for better readability**

Work package	Work package title	Deliverables	Hours on project/ Beneficiary					1 <sup>st</sup> year				2 <sup>nd</sup> year				3 <sup>rd</sup> year			
			1	2	3	...	...	I	II	III	IV	I	II	III	IV	I	II	III	IV
<b>WP 1</b>																			
Task 1.1																			
Task 1.2																			
<b>WP 2</b>																			
Task 2.1																			
Task 2.2																			
<b>WP 3</b>																			
Task 3.1																			
Task 3.2																			
<b>WP 4</b>																			
Task 4.1																			
Task 4.2																			
<b>WP 5</b>																			
Task 5.1																			
Task 5.2																			
<b>Total Hours on project</b>																			





## Certified Declaration by each participant (including the coordinator)

Project acronym: \_\_\_\_\_

Proposal No: \_\_\_\_\_

I, the undersigned: \_\_\_\_\_

for legal persons or ‘legal entities without legal personality’<sup>1</sup>: representing the following legal person/entity without legal personality:

[insert full official name]

[insert official legal form]

[insert full official address]

[insert VAT registration number]

### hereby certify

that the information relating to our organisation set out in Forms A and B3 to B5 of the proposal and in the draft Grant Agreement and its annexes is accurate and correct, that the estimated costs meet the criteria for eligible costs for Research Fund for Coal and Steel project, as established by Articles 31 to 35 of Council Decision 2008/376/EC of 29 April 2008 published in the Official Journal of the European Union [OJ L130, 20.05.2008] and normal cost accounting principles and that they reflect the estimated costs expected to be incurred in carrying out the work described herein.

### I also certify that

- The information concerning the legal status given in the ‘[Beneficiary Register](#)’ is correct.
- My organisation:
  - is committed to participate in the above mentioned project;
  - has stable and sufficient sources of funding to maintain its activity throughout its participation in the project and to provide any counterpart funding necessary;
  - has or will have the resources as and when needed to carry out its involvement in the above mentioned project.

---

<sup>1</sup> See Article 131(2) of the Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L298, 26.10.2012, p.1) and Article 198 of the Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (OJ L 362, 31.12.2012, p. 1).



- My organisation is not in one of the situations which would exclude it from receiving EU grants<sup>2</sup>, i.e. it:
  - is not bankrupt or being wound up, is not having its affairs administered by the courts, has not entered into an arrangement with creditors, has not suspended business activities, is not the subject of proceedings concerning those matters, or is not in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
  - it (or persons having powers of representation, decision making or control over it) have not been convicted of an offence concerning their professional conduct by a judgment of a competent authority of a Member State which has the force of res judicata;
  - has not been guilty of grave professional misconduct proven by any means which the Commission can justify including by decisions of the EIB and international organisations;
  - is in compliance with its obligations relating to the payment of social security contributions and the payment of taxes, in accordance with the legal provisions of the country in which it is established and with those of the country of the authorising officer responsible and those of the country where the action is to be performed;
  - it (or persons having powers of representation, decision making or control over it) have not been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organisation or any other illegal activity, where such illegal activity is detrimental to the EU's financial interests;
  - is not currently subject to an administrative penalty under Article 131(5) of Regulation (EC, Euratom) No 966/2012;
  - is not subject to a conflict of interest in connection with the grant;
  - will inform the Commission, without delay, of any situation considered a conflict of interests or which could give rise to a conflict of interests;
  - has not granted and will not grant, has not sought and will not seek, has not attempted and will not attempt to obtain, and has not accepted and will not accept any advantage, financial or in kind, to or from any party whatsoever, where such advantage constitutes an illegal practice or involves corruption, either directly or indirectly, inasmuch as it is an incentive or reward relating to the award of the grant;
  - has not made false declarations in supplying the information required by the Commission as a condition of participation in the grant award procedure or does not fail to supply this information.

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<sup>2</sup> See Article 131(5) of Regulation (EU, Euratom) No 966/2012.



- My organisation is aware that the Commission may impose administrative or financial penalties<sup>3</sup> on legal entities which:
  - are guilty of misrepresentation in supplying the information required by the Commission as a condition of participation in a grant award procedure or fail to supply this information;
  - have been declared to be in serious breach of their obligations under any contract/grant agreement covered by the budget of the Commission.

Such penalties will be proportionate to the importance of the contract/grant agreement and the seriousness of the misconduct, and may consist in their exclusion from contracts/grants financed by the EU or Euratom budget and payment of financial penalties.

I **understand** that any potential beneficiary who has committed an irregularity in the implementation of any other contract or Grant Agreement financed by the European Union budget may be excluded from the selection procedure at any time.

I **agree** to provide the Commission with an external audit report if explicitly requested under article 207(3) of the Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union.

<b>Name</b>	<b>First name</b>
<b>Date (DD/MM/YYYY)</b>	<b>Signature of person(s) authorised to commit the organisation</b>

<sup>3</sup> See Article 131(5) of Regulation (EU, Euratom) No 966/2012.



## LEGAL ENTITY

PRIVACY STATEMENT

[http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/legal\\_entities/legal\\_entities\\_en.cfm#en](http://ec.europa.eu/budget/contracts_grants/info_contracts/legal_entities/legal_entities_en.cfm#en)

### INDIVIDUAL

NAME

FIRST NAME

(NAME 2)

(NAME 3)

OFFICIAL  
ADDRESS

(OFFICIAL ADDRESS = YOUR PERMANENT ADDRESS; GENERALLY THE ONE WHICH IS REGISTERED ON YOUR IDENTITY CARD)

POSTCODE

P.O. BOX

TOWN/CITY

COUNTRY

VAT N°

IF THIS FIELD IS COMPLETED, PLEASE ATTACH AN OFFICIAL VAT DOCUMENT

IDENTITY CARD NUMBER

PASSPORT NUMBER

DATE OF BIRTH

D D M M Y Y Y Y

PLACE OF BIRTH

COUNTRY OF BIRTH

PHONE

FAX

E-MAIL

**THIS "LEGAL ENTITY" SHEET MUST BE COMPLETED AND SIGNED, AND SUBMITTED TOGETHER WITH  
A LEGIBLE PHOTOCOPY OF THE IDENTITY CARD OR PASSPORT**

DATE AND SIGNATURE



## LEGAL ENTITY

PRIVACY STATEMENT

[http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/legal\\_entities/legal\\_entities\\_en.cfm#en](http://ec.europa.eu/budget/contracts_grants/info_contracts/legal_entities/legal_entities_en.cfm#en)

### PRIVATE COMPANY

#### LEGAL FORM

NAME(S)

ABBREVIATION

ADDRESS OF  
HEAD OFFICE /  
FISCAL  
ADDRESS

POSTCODE

P.O. BOX

TOWN/CITY

COUNTRY

VAT N° ①

PLACE OF REGISTRATION

DATE OF REGISTRATION

D D M M Y Y Y Y

REGISTRATION N° ②

PHONE

FAX

E-MAIL

**THIS "LEGAL ENTITY" FORM SHOULD BE COMPLETED AND RETURNED TOGETHER WITH:**

- ① A COPY OF THE VAT REGISTRATION DOCUMENT IF APPLICABLE AND IF THE VAT NUMBER DOES NOT APPEAR ON THE OFFICIAL DOCUMENT REFERRED TO AT ② BELOW.
- ② A COPY OF SOME OFFICIAL DOCUMENT (OFFICIAL GAZETTE, COMPANY REGISTER ETC.) SHOWING THE NAME OF THE LEGAL ENTITY, THE ADDRESS OF THE HEAD OFFICE AND THE REGISTRATION NUMBER GIVEN TO IT BY THE NATIONAL AUTHORITIES.

**DATE AND SIGNATURE OF AUTHORISED REPRESENTATIVE**



## LEGAL ENTITY

PRIVACY STATEMENT

[http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/legal\\_entities/legal\\_entities\\_en.cfm#en](http://ec.europa.eu/budget/contracts_grants/info_contracts/legal_entities/legal_entities_en.cfm#en)

## PUBLIC ENTITY

### LEGAL FORM

NAME(S)

ABBREVIATION

OFFICIAL  
ADDRESS

POSTCODE

P.O. BOX

TOWN / CITY

COUNTRY

VAT N°

*IF THIS FIELD IS COMPLETED, PLEASE ATTACH AN OFFICIAL VAT DOCUMENT*

PLACE OF REGISTRATION

DATE OF REGISTRATION

D D M M Y Y Y Y

REGISTRATION N°

PHONE

FAX

E-MAIL

**THIS "LEGAL ENTITY" FORM SHOULD BE COMPLETED, SIGNED, STAMPED AND RETURNED TOGETHER WITH:**

- A COPY OF THE RESOLUTION, LAW, DECREE OR DECISION ESTABLISHING THE ENTITY IN QUESTION;
- OR, FAILING THAT, ANY OTHER OFFICIAL DOCUMENT ATTESTING TO THE ESTABLISHMENT OF THE ENTITY BY THE NATIONAL AUTHORITIES

DATE

STAMP

NAME + FUNCTION OF AUTHORISED REPRESENTATIVE

SIGNATURE





## FINANCIAL IDENTIFICATION

PRIVACY STATEMENT

[http://ec.europa.eu/budget/library/contracts\\_grants/info\\_contracts/privacy\\_statement\\_en.pdf](http://ec.europa.eu/budget/library/contracts_grants/info_contracts/privacy_statement_en.pdf)

### ACCOUNT NAME

ACCOUNT NAME ①

ADDRESS

TOWN/CITY

POSTCODE

COUNTRY

① *The name or title under which the account has been opened and not the name of the account holder*

CONTACT

TELEPHONE

FAX

E-MAIL

### BANK

BANK NAME

BRANCH ADDRESS

TOWN/CITY

POSTCODE

COUNTRY

ACCOUNT NUMBER

IBAN ②

② *If the IBAN Code (International Bank Account Number) is applied in the country where your bank is situated*

REMARKS:

BANK STAMP + SIGNATURE OF BANK REPRESENTATIVE

(Both obligatory) ③

DATE + SIGNATURE OF ACCOUNT HOLDER

(Obligatory)

③ *It is preferable to attach a copy of recent bank statement. Please note that the bank statement has to provide all the information listed above under 'ACCOUNT NAME' and 'BANK'. In this case, the stamp of the bank and the signature of the bank's representative are not required. The signature of the account-holder is obligatory in all cases.*



# Privacy Statement for Legal Entity and Bank Account Validation

In line with Article 63 of the rules of application of the Financial Regulation, the departments of the Commission's Accounting Officer will keep your personal data in a common file and record them in the Commission's accounting system only to the extent necessary to process and account for financial and contractual relations you have or will have, directly or indirectly, with the Commission.

## Who collects your information?

Your personal data are collected by your contact in the Commission's Directorate General, Agency, European External Action Service or consultative body, who will then send them to the Commission accounting department to be recorded in a common file.

## Who has access to your information?

All authorised Commission, European External Action Service, consultative bodies and agencies users dealing with financial and accounting matters have access to your data, which may also be sent to the Internal Audit Service, the Court of Auditors, the Financial Irregularities Panel, the Anti-fraud Office and any other institution or entity responsible for audits or investigations.

## How do we protect and safeguard your information?

The data collected in the Commission's accounts can be accessed by designated officials and staff of the Commission, consultative bodies and agencies, using a user ID and password. A Service Level Agreement with the organisational entities charged with operational execution of the budget ensures a level of confidentiality and technical and organisational security that complies with data protection law.

## How can you check or amend your information?

If you wish to check or amend any of your personal data, exercising your rights under Section 5 of Regulation (EC) No 45/2001 on the protection of personal data and the processing thereof, you shall contact in writing the department in the institutions or agencies of the European Union to whom you have submitted such data, and which is responsible for their collection and transmission to the central file. You can also write to the Commission's data protection officer ([DATA-PROTECTIONOFFICER@ec.europa.eu](mailto:DATA-PROTECTIONOFFICER@ec.europa.eu)) if you have any difficulties or questions regarding the processing of your data.

Please note that recorded data is only amended on compelling grounds supported by documentary proof.

## How long do we keep your data?

To provide an audit trail and allow queries on past payments at all times, no recorded data are deleted from the accounts. The forms and documents you submit are archived electronically.

## Recourse

In case of disagreement with the Controller or Data Protection Officer concerning the processing of your personal data, you have the right to submit a complaint to the [European Data Protection Supervisor](#).



## **RFCS Grant Agreement – Core Part**

### **Research Fund for Coal and Steel**

**GRANT AGREEMENT No \_\_\_\_\_**

**PROJECT TITLE [ACRONYM]**

The European Union ("*the Union*"), represented by the European Commission ("*the Commission*"), in its capacity as manager of the Research Fund for Coal and Steel,<sup>1</sup>

of the **one part**,

**and (name of the coordinator, "ACRONYM" and legal form) (national registration number)**, established in (*full address city/state/province/country*), represented by (name of legal representative), (function) [and/or (name of legal representative), (function)], or her/his/their authorised representative, the *beneficiary* acting as *coordinator* of the *consortium* (the "*coordinator*"), ("*beneficiary no. 1*"),

of the **other part**,

**HAVE AGREED** to 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 - Technical Annex
- Annex II - General conditions
- Annex III - Estimated breakdown of the total estimated eligible costs and pre-financing
- Annex IV - Form A – Accession of *beneficiaries* to the *grant agreement*
- Annex V - Form B – Request for accession of a new *beneficiary* to the *grant agreement*
- Annex VI - Form C – Financial statements
- Annex VII - Form D – Terms of reference for the certificate on the financial statements

### **Article 1 – Accession to the grant agreement**

1. The *coordinator* shall endeavour to ensure that each legal entity identified below accedes to this *grant agreement* as a *beneficiary*, assuming the rights and obligations established by the *grant agreement* with effect from the date on which the *grant agreement* enters into force, by signing Form A in three originals, countersigned by the *coordinator*.

<sup>1</sup> As laid down in Article 4(1) of Council Decision of 1 February 2003 establishing the measures necessary for the implementation of the Protocol, annexed to the Treaty on the functioning of the European Union, on the financial consequences of the expiry of the ECSC Treaty and on the Research Fund for Coal and Steel (2003/76/EC) (OJ L 29, 5.2.2003).

- (full name and legal form of the *beneficiary*, "ACRONYM") (national registration number) established in (full address city/state/province/country), represented by (name of legal representative) (function), [and/or (name of legal representative), (function)], or her/his/their authorised representative ("*beneficiary no. 2*"),
  
- (full name and legal form of the *beneficiary*, "ACRONYM") (national registration number) established in (full address city/state/province/country), represented by (name of legal representative) (function), [and/or (name of legal representative), (function)], or her/his/their authorised representative ("*beneficiary no. 3*"),
  
- (...)

All the *beneficiaries* together form the *consortium* (the "*consortium*").

2. The *coordinator* shall send to the *Commission* one duly completed and signed Form A per *beneficiary* at the latest 45 calendar days after the entry into force of the *grant agreement*. The two remaining signed originals shall be kept, one by the *coordinator* to be made available for consultation at the request of any *beneficiary*, and the other by the *beneficiary* concerned.

3. Should any legal entity identified above, fail or refuse to accede to the *grant agreement* within 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 the time-limit to be fixed by the latter, appropriate solutions to ensure the implementation of the *project*. The procedure established in Annex II for amendments to this *grant agreement* will apply.

4. The beneficiaries may have concluded, either upon their own initiative or, in very exceptional cases, upon request by the *Commission*, a consortium agreement (the "*consortium agreement*") regarding the internal organisation of the *consortium*. If this is the case, the coordinator is requested to provide the *Commission* with a copy of the *consortium agreement*.

## Article 2 - Scope

The *Union* has decided to grant a financial contribution for the implementation of the *project* as specified in Annex I, called [*project title (Acronym)*] (the "*project*") within the framework of the Research Fund for Coal and Steel and under the conditions laid down in this *grant agreement*.

## Article 3 – Duration and start date of the project

The duration of the *project* shall be [*insert number*] months from [*insert fixed start date*] (hereinafter referred to as the "*start date*")<sup>2</sup>.

## Article 4 - Reporting periods

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<sup>2</sup> The *start date* cannot be prior to the submission date of the proposal. It can be set before the date of entry into force of the *grant agreement* only in case the consortium can demonstrate the need to start the project before the *grant agreement* is signed by both parties.

1. The *project* is divided into two reporting periods:

First reporting period:

from *start date* to 31.12.[year of *start date* + [1] [2] [3] year(s)].<sup>3</sup>

Final reporting period:

from 01.01.[year of *project's start date* + [2] [3] [4] year(s)]<sup>3</sup> to *closing date of the project* as defined in Article II.1.4.

2. Any report and deliverable, when appropriate, required by this *grant agreement* shall be in [*insert language*].

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

1. The maximum financial contribution of the *Union* to the *project* shall be EUR [*insert amount*] ([*insert amount in words*] EURO). The actual financial contribution of the *Union* shall be calculated in accordance with the provisions of this *grant agreement*. The maximum *Commission* financial contribution to each beneficiary is set out in Annex III to this *grant agreement*.
2. Details of the financial contribution of the *Union* are contained in Annex III to this *grant agreement* which includes a table of the estimated breakdown of budget and pre-financing. Beneficiaries are not allowed to transfer budget or tasks as defined in Annex I without the prior written approval of the *Commission* and the corresponding amendment of this *grant agreement*.
3. The *Commission* shall pay directly to each *beneficiary* sums due under the *grant agreement*.

For the *coordinator*, payments will be made to the following bank account or sub-account denominated in euro, as indicated below.<sup>4</sup>

[ACRONYM]

Name of bank: [...]

Address of branch: [...]

Precise denomination of the account holder: [...]

Account reference: IBAN/sort code and number

For the *beneficiaries*, payments will be made to the bank accounts or sub-accounts indicated in each Annex IV (Form A) respectively.

### **Article 6 - Special clauses**

[No special conditions should apply to the *grant agreement*.]

[The following special conditions apply to the *grant agreement*.]

### **Article 7 – Communication**

1. Any communication or request concerning the *grant agreement* shall identify the *grant agreement* number, the nature and details of the request or communication and be submitted to the following addresses:

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<sup>3</sup> As a function of the duration of the *project*.

<sup>4</sup> As shown by the account identification document issued by the bank concerned.

For the *Commission*:  
European Commission  
DG RTD  
Research Fund for Coal and Steel  
B-1049 Brussels  
Belgium

For the *coordinator*: [name of contact person] [contact address]

2. For information or documents to be transferred by e-mail, the following addresses shall be used:

For the *Commission*: rtd-steel-coal@ec.europa.eu  
For the *coordinator*: [ ]

3. In case 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, if notification to the *coordinator* has been sent to one of the addresses mentioned in paragraphs 1 and 2 and to their legal representative. Other *beneficiaries* are deemed to have been notified if notification has been sent to the address mentioned in Article 1.1.

4. Any communication or request relating to the processing of personal data (Article II.13) shall be submitted, using the address(es) for the *Commission* identified in paragraphs 1 and 2, to the Controller responsible for the processing: Head of Unit of the Unit responsible for the Research Fund for Coal and Steel.

#### **Article 8– Applicable law and competent court**

The financial contribution of the *Union* is a contribution from the *Union* research budget with the aim to implement the Research Fund for Coal and Steel (RFCS) and it is incumbent on the Commission to execute the RFCS. Accordingly, this *grant agreement* shall be governed by the terms of this *grant agreement*, the European Community and European Union acts related to the RFCS, the Financial Regulation<sup>5</sup> applicable to the general budget and its Rules of Application<sup>6</sup> and other European Community and European Union law and, on a subsidiary basis, by the law of Belgium.

Furthermore, the *beneficiary* is aware, and agrees, that the Commission may take a decision 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 recovery 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 validity of the decision mentioned in the second paragraph.

#### **Article 9 – Application of the grant agreement provisions**

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<sup>5</sup> Regulation (EU, Euratom) No 966/2012 of the European Parliament and the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002, OJ L298, 26.10.2012, p.1.

<sup>6</sup> Commission Delegated Regulation (EU) No 1268/2012 of 29.10.2012 on the rules of application of the Regulation (EU, Euratom) no 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union, OJ L362, 31.12.2012, p.1.

Any provision of this part of the *grant agreement*, shall take precedence over the provisions of any of the Annexes. The provisions of Annex II shall take precedence over the provisions of Annex I.

The special clauses set out in Article 6 shall take precedence over any other provisions of this *grant agreement*.

#### **Article 10 – Entry into force of the grant agreement**

This *grant agreement* shall enter into force after its signature by the *coordinator* and the *Commission*, on the day of the last signature.

This *grant agreement* shall be completed once the rights and obligations of all *beneficiaries* and the *Union* have been met.

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 Brussels**

Name of legal representative:

Signature of legal representative:

Date:



**Research & Innovation  
Research Fund for Coal and Steel**

**Form B3-1**

**TECHNICAL ANNEX**

**Project acronym<sup>1</sup>:**

**Proposal No<sup>2</sup>:**

**Grant Agreement No:**

*(will be attributed by the*

*Commission)*

**TITLE:**

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**PROJECT OBJECTIVES**

Objectives clearly stated in a concise manner (**½ to 1 page maximum**).



**B3-2 WORK PACKAGE DESCRIPTION**

**WP No**

Work package Title		Number of man hours
<b>WP Leader</b> (full name & acronym)		
<b>Beneficiary (s)</b> (full name & acronym)		
<b>Total</b>		
<p><b>1 – Objectives</b> (Objectives clearly stated in a concise manner using bullet points (½ page)).</p>		
<p><b>2 - Work programme and distribution of tasks with indication of participating beneficiaries</b> (Specify the beneficiary's responsibilities within each task).</p>		
<p><b>3 - Interrelation with other work packages (please give WP No)</b> (Briefly describe the interrelation with the other WPs).</p>		
<p><b>4 - Deliverables and milestones</b> (Define the deliverables and milestones, give the foreseen date of production and assign them to a responsible partner).</p>		

### B3-3 PROGRAMME BAR CHART (TASK, PARTNER, DELIVERABLES, MILESTONES )

Please use dark colours for better readability

Work package	Work package title	Deliverables	Hours on project/ Beneficiary					1 <sup>st</sup> year				2 <sup>nd</sup> year				3 <sup>rd</sup> year			
			1	2	3	...	...	I	II	III	IV	I	II	III	IV	I	II	III	IV
<b>WP 1</b>																			
Task 1.1																			
Task 1.2																			
<b>WP 2</b>																			
Task 2.1																			
Task 2.2																			
<b>WP 3</b>																			
Task 3.1																			
Task 3.2																			
<b>WP 4</b>																			
Task 4.1																			
Task 4.2																			
<b>WP 5</b>																			
Task 5.1																			
Task 5.2																			
<b>Total Hours on project</b>																			



## Annex II to the Grant Agreement – General Conditions

### II.1. Definitions

1. "*access rights*" means licences and user rights to *foreground* or *background*;
2. "*affiliated entity*" means any legal entity that is under the direct or indirect control of a beneficiary, or under the same direct or indirect control as the beneficiary, control taking any of the following forms:
  - (a) the direct or indirect holding of more than 50% of the nominal value of the issued share capital in the legal entity concerned, or of a majority of the voting rights of the shareholders or associates of that entity
  - (b) the direct or indirect holding, in fact or in law, of decision-making powers in the legal entity concerned.
3. "*background*" means information which is held by beneficiaries prior to their accession to this agreement, as well as copyrights or other intellectual property rights pertaining to such information, the application for which has been filed before their accession to this agreement, and which is needed for carrying out the project or for using foreground;
4. "*closing date of the project*": means the date calculated by adding the duration of the project to the start date referred to in Article 3.
5. "*Coal and Steel Technical Groups*" ("*Technical Groups*") are Groups designated and described under Article 24 of the Council Decision of 29 April 2008 laying down the multiannual technical guidelines for the research programme of the Research Fund for Coal and Steel.<sup>7</sup> Their role consists of assisting the Commission in the monitoring of research and pilot/demonstration projects. Members shall be appointed by the Commission and shall come from the sectors related to the coal or steel industry, research organisations or user industries where they should have responsibility for research strategy, management or production. Technical Groups meetings will be held yearly in principle from April to June. The coordinators will be requested to present their mid-term technical implementation and final technical reports, and where appropriate their annual reports,<sup>8</sup> to the corresponding Technical Group. Following its advice, the Commission will approve or refuse technical reports.
6. "*dissemination*" means the disclosure of foreground by any appropriate means other than that resulting from the formalities for protecting it, and including the publication of foreground in any medium;
7. "*fair and reasonable conditions*" means appropriate conditions including possible financial terms taking into account the specific circumstances of the request for access, for example the actual or potential value of the foreground or background to which access is requested and/or the scope, duration or other characteristics of the use envisaged;
8. "*foreground*" means the results, including information, whether or not they can be protected, which are generated under the project. Such results include rights related to copyright; design rights; patent rights; plant variety rights; or similar forms of protection;

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<sup>7</sup> Council Decision 2008/376/EC (OJ L 130/7, 20.5.2008).

<sup>8</sup> The presentation of the first annual report shall include information for the experts to judge on the objective and the working plan at the beginning of the *project*.

9. "*use*" means the direct or indirect utilisation of foreground in further research activities other than those covered by the project, or for developing, creating and marketing a product or process, or for creating and providing a service;
10. "*third country*" means a State that is not a Member State;
11. "*irregularity*" means any infringement of a provision of European Community and European Union law or any breach of obligation resulting from an act or omission by a beneficiary which has, or would have, the effect of prejudicing the general budget of the European Union or budgets managed by them through unjustified expenditure;
12. "*public body*" means any legal entity established as such by national law, and international organisations;

## ***Part A IMPLEMENTATION OF THE PROJECT***

### **SECTION 1 – GENERAL PRINCIPLES**

#### **II.2. Organisation of the consortium and role of coordinator**

1. All the beneficiaries together form the consortium, whether or not they enter into a separate written consortium agreement. Beneficiaries are represented towards the Commission by the coordinator, who shall be the intermediary for any communication between the Commission and any beneficiary, with the exceptions foreseen in this grant agreement.
2. The coordinator shall:
  - 1) review the reports to verify consistency with the project tasks before transmitting them to the *Commission*;
  - 2) monitor the compliance by *beneficiaries* with their obligations under this *grant agreement*.
  - 3) bundle and transmit any technical reports, financial statements and other deliverables to the *Commission* on behalf of the *beneficiaries*;
  - 4) be responsible for the management of the project and, more particularly, ensure the organisation of one project coordination meeting for each half-year period of the project;
  - 5) inform the other *beneficiaries* of any event of which it is aware that is liable to affect the implementation of the *project*.

The *coordinator* may not subcontract the above-mentioned tasks.

The *coordinator* shall provide any details reasonably required by the *Commission* for its management of the *grant agreement*.

3. Beneficiaries shall fulfil the following obligations as a consortium:
  - a) provide all detailed data requested by the Commission for the purposes of the proper administration of this project;
  - b) carry out the project jointly and severally vis-à-vis the Commission, 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 to ensure the efficient implementation of the project. When provided for in Article 1.4 these internal arrangements shall take the form of a written consortium agreement (the "consortium agreement"). The consortium agreement governs inter alia the following:
    - i. the internal organisation of the consortium including the decision making procedures;
    - ii. rules on dissemination and use, and access rights;
    - iii. the settlement of internal disputes, including cases of abuse of power;
    - iv. liability, indemnification and confidentiality arrangements between the *beneficiaries*.
  - d) engage, whenever appropriate, with actors beyond the research community and with the public in order to foster dialogue and debate on the research agenda, on research results and on related scientific issues with policy makers and civil society; create synergies with education at all levels and conduct activities promoting the socioeconomic impact of the research.

- e) allow the Commission to take part in meetings concerning the project.

### II.3. Specific performance obligations of each beneficiary

Each *beneficiary* shall:

- a) carry out the work to be performed, as identified in Annex I. However, where it is necessary for the implementation of the *project* it may call upon third parties to carry out certain elements, according to the conditions established in Article II.7 or any special clause in Article 6. The *beneficiary* may use resources that are made available by third parties in order to carry out its part of the work;
- b) ensure that any agreement or contract related to the project, entered into between the *beneficiary* and any third party contain provisions that this third party, including the auditor providing the certificate on the financial statements, shall have no rights vis-à-vis the *Commission* under this *grant agreement*;
- c) ensure that the rights of the *Commission* and the Court of Auditors to carry out audits are extended to the right to carry out any such audit or control on any third party whose costs are reimbursed in full or in part by the *Commission financial contribution*, on the same terms and conditions as those indicated in this *grant agreement*;
- d) ensure that the conditions applicable to it under Articles II.4.4, II.10, II.11, II.12, II.13, II.14 and II.22 are also applicable to any third party whose costs are claimed under the *project* according to the provisions of this *grant agreement*;
- e) ensure that the tasks assigned to it are correctly and timely performed;
- f) inform the other *beneficiaries* and the *Commission* through the *coordinator* in due time of:
  - the names of the person(s) who shall manage and monitor its work, and its contact details as well as any changes to that information;
  - any event which might affect the implementation of the *project* and the rights of the *Union*;
  - any change in its legal name, address and of its legal representatives, and any change with regard to its legal, financial, organisational or technical situation including change of control;
  - any circumstance affecting the conditions of participation referred to in the multiannual technical guidelines for the research programme of the Research Fund for Coal and Steel<sup>9</sup>, the *Financial Regulation* and its *Rules of Application* or of any requirements of the *grant agreement*, especially if and when any eligibility criteria cease(s) to be met during the duration of the *project*.
- g) provide the Commission including the European Anti-Fraud Office (OLAF) and Court of Auditors directly with all information requested in the framework of controls and audits;
- h) take part in meetings concerning the coordination, supervision, monitoring and evaluation of the project which are relevant to it;
- i) take all necessary steps to avoid commitments that are incompatible with the obligations provided for in this grant agreement and inform the other beneficiaries and the *Commission* of any unavoidable obligations which may arise during the duration of the *grant agreement* which may have implications for any of its obligations under the *grant agreement*;
- j) ensure that it complies with the provisions of the state aid framework;

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<sup>9</sup> Council Decision 2008/376/EC (OJ L 130/7, 20.5.2008).

- k) carry out the *project* in accordance with fundamental ethical principles;
- l) endeavour to promote equal opportunities between men and women in the implementation of the *project*;
- m) have regard to the general principles of the Commission Recommendation of 11 March 2005 on the European Charter for Researchers and the Code of Conduct for the Recruitment of Researchers, in particular concerning the working conditions, transparency of recruitment processes, and career development of the researchers recruited for the *project*;
- n) take every necessary precaution to avoid any risk of conflict of interest relating to economic interests, political or national affinities, family or emotional ties or any other interests liable to influence the impartial and objective performance of the *project*.
- o) forward to the *coordinator* the data needed to draw up the reports provided for in Article II.4.1.a and the corresponding financial statements,
- p) notify the *Commission* through the *coordinator* in due time if the total actual staff costs are expected to exceed by 20% or more the staff cost amount initially agreed during the grant agreement preparation forms. The *Commission* shall seek the advice of the corresponding *Technical Group* on the notification. In absence of any notification before the *closing date of the project*, the staff cost amount agreed during the grant agreement negotiations will be retained and used as an upper ceiling.

## **SECTION 2 – REPORTING AND PAYMENTS**

### **II.4. Reports and deliverables**

1. The *consortium* shall submit a **periodic report** to the *Commission* which shall comprise:

- a) **A technical report**

The *beneficiaries* shall submit to the *coordinator* all the necessary scientific documents or technical information concerning their work, which the *coordinator* needs to provide the *Commission* with the technical reports that it requires. As part of the *project* carried out by the *beneficiaries* under this *grant agreement*, the *coordinator* shall produce and forward the following documents to the *Commission* and its appointed experts, as set out below. The *beneficiaries* agree to participate in a reasonable number of meetings to present and discuss the technical reports with the *Commission* and its appointed experts.

- i. Annual reports

Annual reports cover the results obtained during each calendar year<sup>10</sup>. They shall give a concise description of the work carried out and the results obtained and shall include all necessary managerial information and the planning of future research activities. A detailed annual report including an overview of all the results obtained in the *project* may be requested by the *Commission*, where appropriate, for presentation to the relevant *Technical Group*.

Annual reports shall be submitted through the *coordinator* in two copies within 90 days of the corresponding calendar year elapsing.

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<sup>10</sup> For a project starting for instance on a 1st of July, it is understood that the first annual report covers only the period from 1/7 until 31/12.

An annual report is not due for the calendar years in which the mid-term technical implementation report and the final technical report are due respectively.

ii. Mid-term technical implementation report

The mid-term technical implementation report shall present full details of the work carried out and the results obtained during the first reporting period as referred to in Article 4, as well as a discussion of the results and conclusions. It shall contain all necessary managerial information and the planning of the activities for the next years, and shall also include results already presented in all previous annual reports.

However, the results obtained during this period shall also be incorporated in the final technical report as referred to in point iii) of Article II.4.1.a hereafter.

The mid-term technical implementation report shall be submitted through the coordinator in two copies not later than 90 days from the end of the first reporting period as referred to in Article 4.

The mid-term technical implementation report shall be presented by the *coordinator* to the relevant *Technical Group* as referred to in Article II.1. Upon prior request in exceptional and duly justified cases, the Commission may accept the presentation by another *beneficiary*.

iii. Final technical report

The final technical report, including a summary, shall give a detailed description of the work carried out and of the results obtained during the entire duration of the *project*. It shall draw particular attention to any new *foreground* gained through the *project* and comprise a *Plan for using and disseminating the foreground*.

The final technical report shall be submitted through the coordinator in two copies not later than 90 days from the beginning of the calendar year following the *closing date of the project*.

The final technical report shall be presented by the *coordinator* to the relevant *Technical Group* as referred to in Article II.1. Upon prior request in exceptional and duly justified cases, the Commission may accept the presentation by another *beneficiary*.

Where the work is completed before the *closing date of the project*, the related technical reports shall cover the period up to that date.

iv. Publishable report

Not later than three months after the approval of the final technical report, the *coordinator* shall forward to the *Commission* a publishable version of the final technical report including the modifications requested by the *Commission*, if any, for publication via any suitable media.

For pilot and demonstration *projects* the publishable version of the report can be a synthesis of the final technical report approved.

The publishable report shall be submitted in a suitable electronic format conforming to the rules of publishing communicated by the *Commission*.

b) A **financial statement**, from each beneficiary together with a summary financial statement consolidating the claimed contribution from the European Union of all

the *beneficiaries* in an aggregate form, based on the information provided in Form C (Annex VI) by each *beneficiary*.

Financial statements shall be submitted through the *coordinator* in one signed copy in accordance with the following schedule:

- a mid-term financial statement not later than 90 days from the end of the first reporting period;
- a final financial statement not later than 90 days from the beginning of the calendar year following the *closing date of the project*.

In case that a final financial statement has not been received until the 31/12 of the calendar year following the *closing date of the project*, the Commission is entitled to proceed to the closure of the project account on the basis of the assumption that the *beneficiary(ies)* concerned do not claim any costs for the entire project.

c) **A certificate on the financial statements**, in the following cases:

- i. on each final financial statement, covering the costs of the entire *project*
- ii. when requested by the Commission, on justified grounds, in respect of any payment, depending on the assessment of the management risk;

Certificates on the financial statements shall certify that the costs claimed and the *receipts* declared during the period for which they are provided meet the conditions required by this *grant agreement*.

Where third parties' costs are claimed under the *grant agreement*, such costs shall be certified in accordance with the provisions of this Article.

The auditor shall include in its certificate that no conflict of interest in establishing this certificate exists between itself and the *beneficiary* or the third parties which costs are claimed.

Certificates on the financial statements shall be prepared and certified by an external auditor and shall be established in accordance with the terms of reference attached as Annex VII (Form D) to this *grant agreement*. Each *beneficiary* is free to choose any qualified external auditor, including its usual external auditor, provided that the cumulative following requirements are met:

- i. the auditor must be independent from the *beneficiary*;
- ii. the auditor must be qualified to carry out statutory audits of accounting documents in accordance with national legislation implementing the 8<sup>th</sup> Council Directive on statutory audits of annual accounts and consolidated accounts <sup>11</sup>or any *European Union* legislation replacing this Directive. *Beneficiaries* established in *third countries* shall comply with national regulations in the same field and the certificate on the financial statement provided shall consist of an independent report of factual findings based on procedures specified by the *Commission*.

Public bodies and secondary and higher education establishments may opt for a competent public officer to provide their certificate on the financial statements, provided that the relevant national authorities have established the legal capacity of that competent public officer to audit that entity and that the

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Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC

independence of that officer, in particular regarding the preparation of the financial statements, can be ensured.

Certificates by external auditors according to this Article do not affect the liability of *beneficiaries* nor the rights of the *Union* arising from this *grant agreement*.

2. The consortium shall transmit the technical reports and other deliverables through the *coordinator* to the *Commission* by electronic means, in accordance with Article 7, save the financial statements (Annex VI - Form C) and the certificates on the financial statements (Annex VII – Form D) which shall be sent through the *coordinator* to the *Commission* as originals: Form C must be signed by the authorised person(s) within the *beneficiary's* organisation, Form D must be signed by an authorised person of the auditing entity. In addition, two paper copies of the Technical Reports shall be sent to the *Commission*.
3. The layout and content of the technical reports and financial statements shall conform to the instructions and guidance notes established by the *Commission*.
4. The technical reports submitted to the *Commission* for publication should be of a suitable quality to enable direct publication and their submission to the *Commission* in publishable form indicates that no confidential material is included therein.
5. Deliverables identified in Annex I shall be submitted as foreseen therein.
6. The *Commission* is assisted by the relevant *Technical Group* in the analysis and evaluation of the technical reports and deliverables.

## **II.5. Approval of reports and deliverables, time limits for payment**

1. At the end of each reporting period, the *Commission* shall evaluate the periodic reports and deliverables required by the provisions of Annex I and disburse the corresponding payments within 90 days of their receipt unless the time-limit, the payment or the project has been suspended. Payments shall be made after the *Commission's* approval of reports and/or deliverables.
2. The date on which the time-limit referred to in paragraph 1 begins to run is:
  - The actual date of receipt of the mid-term financial statement referred to in Article II.4.1.b;
  - Or the date of the presentation by the coordinator of the mid-term technical implementation report as referred to in Article II.4.1.a) to the relevant Technical Group in Accordance with Article II.5.5;
  - Or the date of receipt of the second financial guarantees(s) by the beneficiaries for the amounts set out in Annex III, whichever is the latest.

If additional supporting documents or information under the procedure laid down in Article II.5.5 is requested, the *coordinator* shall have 45 days to submit the additional information or the requested documents.

3. The date on which the time-limit referred to in paragraph 1 begins to run is:
  - (a) The actual date of receipt of the final financial statement referred to in Article II.4.1.b;
  - (b) Or the date of the presentation by the coordinator of the final technical implementation report as referred to in Article II.4.1.a) to the relevant *Technical Group* in Accordance with Article II.5.5;
  - (c) Or the date of submission of the publishable report as referred to in Article II.4.1.a), whichever is the latest.

If additional supporting documents or information under the procedure laid down in Article II.5.5 is requested, the *coordinator* shall have 45 days to submit the additional information or the requested documents.

4. The absence of a response from the *Commission* within this time-limit shall not imply its approval. However, the *Commission* should send a written reply to the *consortium* in accordance with paragraph 5. The *Commission* may reject periodic reports and deliverables even after the time-limit for payment. Approval of the periodic reports shall not imply recognition of their regularity or of the authenticity of the declarations and information they contain and do not imply exemption from any audit or review.
5. After receipt of the reports and after the relevant *Technical Group* has met, the *Commission* may:
  - a) approve the reports and deliverables, in whole or in part or make the approval subject to certain conditions;
  - b) ask the *coordinator* or the relevant *beneficiary* for supporting documents or any additional information it deems necessary to allow the approval of the documents.

Requests for additional information or new documents shall be notified to the *coordinator* or to the relevant *beneficiary* in writing or by electronic mail. The *coordinator* shall have the period laid down in Article II.5.3 to submit the information or new documents requested.

If additional documents are requested, the time limit for scrutiny shall be extended by the time it takes to obtain the documents concerned.

- c) reject the reports and deliverables by giving an appropriate justification, ask for the submission of new documents or, if appropriate, start the procedure for termination of the *grant agreement* in whole or in part.

Where documents are rejected and new documents requested, the approval procedure described in this Article shall apply. In the event of renewed rejection, the *Commission* reserves the right to terminate the *grant agreement* by invoking Article II.37.

- d) suspend the time limit if one or more of the reports or appropriate 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 will be lifted from the date when the last report, deliverable or the additional information requested is received by the *Commission*.

## II.6. Payment modalities, time limits for payments

1. The *Commission* shall make the following payments:
  - a) a **first pre-financing payment** of the amounts indicated in Annex III<sup>12</sup> shall be made to each *beneficiary* within 30 days of the latest of the following dates:
    - the actual *start date* of the project,
    - the date of entry into force of this *grant agreement*,

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<sup>12</sup>

Usually 40% for projects with two reporting periods, up to max 80% for projects with one reporting period or in any other duly justified cases

- the date when the last signed Form A of the *beneficiaries* acceding to the *grant agreement* is officially received,
  - where applicable in accordance with Article 6, the date of receipt of the first financial guarantee(s) produced by the *beneficiaries* for the amounts set out in Annex III
- b) for projects with two reporting periods, the Commission shall make a **second pre-financing** payment corresponding to the amount indicated in Annex III for the second reporting period within 90 days as referred to in Article II.5.

Where a *beneficiary* has used less than 70% of its *first pre-financing payment* according to the mid-term financial statement, and notwithstanding the approval by the *Commission* of the mid-term technical implementation report, its subsequent *second pre-financing payment* shall be reduced by the unused amounts of the *first pre-financing payment*.

- c) the Commission shall make a **payment of the balance** of the financial *contribution of the Union* corresponding to the balance of the contribution determined in accordance with Article II.18.

The **payment of the balance** shall be made to the beneficiaries following approval by the *Commission* of the corresponding reports and deliverables, within 90 days as set out in Article II.5.

Where the amount of the corresponding *financial contribution of the Union* is less than any amount already paid to the *beneficiaries*, the *Commission* shall recover the difference.

Where the amount of the corresponding *financial contribution of the Union* is more than any amount already paid to the *beneficiaries*, the *Commission* shall pay the difference as the payment of the balance within the limit of Articles 5.1 and II.20.

2. The total amount of the first pre-financing payment and second pre-financing payment shall not exceed 80% of the maximum financial contribution of the *Union* defined in Article 5.
3. Payments by the *Commission* shall be made in Euro.
4. *Beneficiaries* with accounts in Euro shall report costs in Euro and convert costs incurred in other currencies according to their usual accounting practice. *Beneficiaries* with accounts in currencies other than the Euro shall report costs in their local currency. In these cases, the Commission shall make the conversion to Euro by using the conversion rate published by the European Central Bank applicable on the first day of the month following the end of the reporting period.
5. Any payment may be subject to an audit or review and may be adjusted or recovered based on the results of such audit or review.
6. Payments by the *Commission* shall be deemed to be effected on the date when they are debited to the *Commission's* account.
7. During the approval of the reports and deliverables referred to in Article II.5, the *Commission* may suspend **the payment** at any time, in whole or in part for 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 in the wake of any audits and checks provided for in Articles II.22 and II.23.;
- if there is a suspicion of 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 them. In such cases, suspension of the payments will occur where the *irregularity* (or suspected *irregularity*) is of a serious and systematic nature which is likely to affect the performance of the current *grant agreement*.

When the *Commission* suspends the payment the *beneficiaries* concerned shall be duly informed of the reasons why payment in whole or in part will not be made. Suspension shall take effect on the date when notice is sent by the *Commission*.

8. The reports and deliverables due for one reporting period which are submitted late will be evaluated together with the reports and deliverables of the next reporting period.
9. On expiry of the period for payment specified in this Article and Article II.5, the *coordinator* or any *beneficiary*, shall be entitled to interest in accordance with the following provisions :
  - a) the interest rates shall be the rate applied by the European Central Bank to its principal refinancing operations, as published in the C series of the Official Journal of the European Union, in force on the first calendar day of the month in which the deadline falls, increased by three and a half percentage points;
  - b) the interest shall be payable for the period elapsing from the calendar day following expiry of the time-limit for payment as defined in II.6.1, up to the day of payment.

This provision shall not apply where the beneficiary is a Member State of the Union, including regional and local government authorities and other public bodies acting in the name and on behalf of the Member State for the purpose of this Agreement.

By way of exception, when the interest calculated in accordance with the provisions of the first subparagraph is lower than or equal to EUR 200, it shall be paid to the *coordinator* or any *beneficiary* only upon a demand submitted within two months of receiving late payment.

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*.

10. The suspension of the time-limit, of payment or of the project by the Commission may not be considered as late payment.
11. At the *closing date 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, of a certificate on the financial statements or of any other *project* deliverable.

12. The *Commission* shall inform the *beneficiaries* of the amount of the payment of the balance of the *financial contribution of the Union* and shall justify this amount. The *beneficiaries* shall have two months from the date of receipt to give reasons for any disagreement. After the end of this period such requests will 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, giving reasons for its reply. This procedure is without prejudice to the *beneficiary's* right to appeal against the *Commission's* decision.

## SECTION 3 – IMPLEMENTATION

### II.7. Subcontracting

1. A *subcontractor* is a third party which has entered into an agreement with one or more *beneficiaries*, in order to carry out a work for the *project* without the direct supervision of the *beneficiary* and without a relationship of subordination.

Where the *beneficiary* enters into a subcontract it remains bound by its obligations to the *Commission* and the other *beneficiaries* under the *grant agreement* and retains sole responsibility for carrying out the *project* and for compliance with the provisions of the *grant agreement*.

Provisions of this *grant agreement* applying to *subcontractors* shall also apply to external auditors who certify financial statements.

2. Subcontracts related to support services for assistance with tasks that do not represent core tasks of the *project* as identified in Annex I, the costs of which are to be claimed as an eligible cost, must be awarded according to the principles of best value for money, transparency and equal treatment. Subcontracts concluded on the basis of framework contracts entered into between a *beneficiary* and a *subcontractor*, prior to the beginning of the *project* in accordance with the *beneficiary's* usual management principles may also be accepted. Recourse to the award of subcontracts by a *beneficiary* may not affect the rights and obligations of the *beneficiaries* regarding *background* and *foreground*.
3. A *subcontract for research assistance* is a specific type of subcontract meaning a contractual arrangement between a *beneficiary* and a third party for the performance of part of the work on the *project* which cannot be carried out by the *beneficiary* itself.

Where it is necessary for the beneficiaries to conclude a *subcontract for research assistance* for certain elements of the work to be carried out, the following conditions must be fulfilled:

- The *subcontract* may only cover the execution of a limited part of the *project*; the cumulative amount of *subcontracts for research assistance* for each *beneficiary* cannot exceed 40% of its total estimated *eligible costs*;
- The *subcontract* may not affect the rights and obligations of the *beneficiaries* regarding *background* and *foreground*; the *beneficiary* is the owner of any results generated by the work carried out under them;
- *Subcontracts* concluded on the basis of framework contracts prior to the beginning of the *project* in accordance with the *beneficiary's* usual management principles may also be accepted.
- Any recourse to *subcontracts for research assistance* while the *project* is under way shall be subject to prior written authorisation by the *Commission*.
- An estimation of the costs for the tasks carried out by the third party shall be provided on the specific forms provided by the *Commission*;
- Each *beneficiary* must undertake to ensure that *subcontractors for research assistance* do not enter into further *subcontracts for research assistance*;
- No *subcontract for research assistance* shall be concluded with a *beneficiary* in the *project*;
- The final draft of the *subcontract for research assistance* must be submitted to the *Commission* for approval before its signature. The absence of a response by the *Commission* within 45 days of receipt of the final draft shall be

considered as an approval. Not later than four weeks after the last signature, a copy of the agreed *subcontract for research assistance* shall be sent to the *Commission*. The *subcontract for research assistance* shall conform to the rules contained in the model *subcontract for research assistance* provided by the *Commission*.

- No profit margin will be eligible for funding. The *beneficiary* may only charge costs incurred by the *subcontractors for research assistance* in carrying out tasks of the *project*.
- The cost incurred by *subcontractors for research assistance* shall be identified *mutatis mutandis* in accordance with the provisions of part B of Annex II of the *grant agreement*. The costs of each *subcontractor for research assistance* shall be charged by the beneficiary having concluded the subcontract in accordance with the principles established in Articles II.14 and II.15. The *beneficiary* shall provide the *Commission* with:
  - an individual financial statement from each *subcontractor* in the format specified in Form C 4. These costs shall not be included in the *beneficiary's* Form C;
  - a summary financial report consolidating the sum of the eligible costs borne by the *beneficiary* itself and the *subcontractors for research assistance* with which it has concluded contracts for the execution of tasks of the project, shall be appended to the *beneficiary's* Form C;
  - certificates on the financial statements which shall cover the costs incurred by *subcontractors for research assistance* .
- When submitting reports referred to in Article II.4, the consortium shall identify work performed and resources deployed by each *subcontractor for research assistance* linking it to the corresponding *beneficiary*.
- The eligibility of the costs incurred by *subcontractors for research assistance* charged by the *beneficiary* is subject to controls and audits of the third parties, in accordance with Articles II.22 and 23.
- Costs incurred by *subcontractors for research assistance* from candidate countries are not eligible under the *grant agreement*, unless otherwise provided under the relevant European Agreements and their additional Protocols, and in the decisions of the various Association Councils.
- Costs incurred by *subcontractors for research assistance* from *third countries* are not eligible.

## **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. Acting on behalf of the *beneficiaries*, the *coordinator* may request the *Commission* to suspend the whole or part of the *project* if *force majeure* or exceptional circumstances render its execution excessively difficult. The *coordinator* must inform the *Commission* without delay of such circumstances, including full justification and information related to the event, as well as an estimation of the date when the work on the *project* will begin again. The *Commission* must give its written approval within 60 days.
3. The *Commission* may suspend the whole or part of the *project* where it considers that the *consortium* is not fulfilling its obligations according to this *grant agreement*. The *coordinator* shall be informed without delay of the justification for such an event and the conditions necessary to reinstate the work again. The *coordinator* shall inform the other

*beneficiaries*. This suspension takes effect 10 days after the receipt of the notification by the *coordinator*.

4. During the period of suspension, no costs may be charged to the *project* for carrying out any part of the project that has been suspended.
5. If the *Commission* does not terminate the *grant agreement* under Article II.37, the suspension of the whole or part of the *project* may be lifted once the parties to the *grant agreement* have agreed on the continuation of the project and, as appropriate, any necessary modification., including extension of the duration of the *project*, has been identified by means of a written amendment.

## II.9. Confidentiality

1. During the project and for a period of five years after its completion or any other period thereafter as established in the consortium agreement, the beneficiaries 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"). The Commission undertakes to preserve the confidentiality of "confidential information" until five years after the completion of the project. Upon a duly substantiated request by a beneficiary, the Commission may agree to extend this period regarding specific confidential information.

Where *confidential information* was communicated orally, its confidential character must be confirmed by the disclosing party in writing within 15 days after disclosure.

2. Paragraph 1 no longer applies where:
  - the *confidential information* becomes publicly available by means other than a breach of confidentiality obligations;
  - the disclosing party subsequently informs the recipient that the *confidential information* is no longer confidential;
  - the *confidential information* is subsequently communicated to the recipient without any obligation of confidence by a third party who is in lawful possession thereof and under no obligation of confidentiality;
  - the disclosure or communication of the *confidential information* is foreseen by other provisions of this *grant agreement* or the *consortium agreement*;
  - the disclosure or communication of *confidential information* is required by the national law of one of the *beneficiaries* and this exception to the confidentiality requirement is foreseen in the *consortium agreement*.<sup>13</sup>
3. The beneficiaries undertake to use such confidential information only in relation to the execution of the project unless otherwise agreed with the disclosing party.
4. Notwithstanding the preceding paragraphs, the treatment of data, documents or other material which are classified ("*classified information*") or subject to security restrictions or export- or transfer- control, must follow the applicable rules established by the relevant national, European Community and *European Union* legislation for such information, including the *Commission's* internal rules for handling *classified*

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<sup>13</sup> As certain national laws (for example regarding freedom of information) may provide that proprietary information made available under a confidentiality requirement must nevertheless be made public in case access is requested, the *beneficiaries* should inform each other of the existence of such national laws and make appropriate arrangements in the *consortium agreement*.

information.<sup>14</sup> Where a *beneficiary* is established in a *third country*, any security agreements between that *third country* and the *European Union* shall also apply.

5. The *Commission* shall take reasonable steps to ensure that experts of the *Coal and Steel Technical Groups*, and any other experts appointed where appropriate, providing assistance to it in the management of this *grant agreement* do not disclose or use confidential information provided to them. Details of any such experts intended to exercise functions under Article II.5 (*technical verification*), or under Part C (*IPR*), shall be given to the *beneficiaries* in advance and the *Commission* shall take reasonable account of any objections by the *beneficiaries* for *legitimate interest*.

## **II.10. 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 programme of the Research Fund for Coal and Steel
  - 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 *closing date of the project*.

The data collected may be used by the *Commission* in its own evaluations but will not be published other than on an anonymous basis.

2. *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* which may contribute to the preparation of European or international standards.

## **II.11. Information to be provided to Member States**

1. The *Commission* shall, upon request, make available to any Member State any useful information in its possession on *foreground*, provided that the following cumulative 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;
  - the applicable *European Community and European Union* law on *classified information* does not prohibit such action.
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 unless it becomes duly public, or it was communicated to the *Commission* without restrictions on its confidentiality.

## **II.12. Information and communication**

1. 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

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<sup>14</sup> Commission Decision 2001/844/EC, ECSC, Euratom of 29 November 2001 OJ L 317, 3.12.2001, p. 1 as last amended by Decision 2006/548/EC, Euratom, OJ L 215, 5.8.2006, p. 38).

the *Commission* financial support. Unless the *Commission* requests otherwise, any publicity, including at a conference or seminar or any type of information or promotional material (brochure, leaflet, poster, presentation etc), must specify that the *project* has received *European Union* research funding and display the European emblem. When displayed in association with a logo, the European emblem should be given appropriate prominence. This obligation to use the European emblem in respect of *projects* to which the European Commission contributes implies no right of exclusive use. It is subject to general third-party use restrictions which 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 can be found on the Europa web page.

Any publicity made by the *beneficiaries* in respect of the *project*, in whatever form and on or by whatever medium, must specify that it reflects only the author's views and that the *Commission* is not liable for any use that may be made of the information contained therein.

2. The Commission shall be authorised to publish, in whatever form and on or by whatever medium, the following information:
  - the name of the beneficiaries;
  - contact addresses of *beneficiaries*;
  - the general purpose of the *project* in the form of the summary provided by the *consortium*;
  - the amount and rate of the *financial contribution of the Union* granted to the *project*; after the payment of the balance, the amount and rate of the *financial contribution of the Union* accepted by the *Commission*;
  - the estimated amount and rate of the *financial contribution of the Union* foreseen for each *beneficiary* in the table of the estimated breakdown of budget in Annex III; after the payment of the balance, the amount and rate of the *financial contribution of the Union* accepted by the Commission for each *beneficiary*;
  - the geographic location of the activities carried out;
  - the list of *dissemination* activities and/or of patent (applications) relating to *foreground*;
  - the details/references and the abstracts of scientific publications relating to *foreground* and, where provided pursuant to Article II.30.4, the published version or the final manuscript accepted for publication;
  - the publishable reports submitted to it;
  - any picture or any audiovisual or web material provided to the *Commission* in the framework of the *project*.

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

Upon a duly substantiated request by a *beneficiary*, the *Commission* may agree to forego such publicity if disclosure of the information indicated above would risk compromising the *beneficiary's* security, academic or commercial interests.

## II.13. Processing of personal data

1. All personal data contained in the 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 institutions and bodies *of the Union* and on the free movement of such data. Such data shall be processed by the Controller solely in connection with the implementation and follow-up of the *grant agreement* and the evaluation and impact assessment of *Commission* activities, including the *use* and *dissemination* of *foreground*, without prejudice to the possibility of passing the data to the bodies in charge of a monitoring or inspection task in accordance with *European Community and 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 should 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. For the purposes of this *grant agreement*, the Controller identified in Article 7.4 shall be the contact for the *Commission*.

## **Part B FINANCIAL PROVISIONS**

### **SECTION 1 – GENERAL FINANCIAL PROVISIONS**

#### **II.14. Eligible costs of the project**

1. Costs incurred for the implementation of the project shall meet the following conditions in order to be considered eligible:
  - a) they must be actual (net of profit, discounts or refunds);
  - b) they must be incurred by the beneficiary;
  - c) they must be incurred during the duration of the project as specified in Article 3, with the exception of costs incurred in relation to certificates on the financial statements when requested at the last period and final reviews if applicable, which may be incurred until the due date for the final financial statement specified in Article II.4.1.b;
  - d) they must be determined in accordance with the usual accounting and management principles and practices of the beneficiary. The accounting procedures used in the recording of costs and receipts shall respect the accounting rules of the State in which the beneficiary is established. The beneficiary's internal accounting and auditing procedures must permit direct reconciliation of the costs and receipts declared in respect of the *project* with the corresponding financial statements and supporting documents;
  - e) they must be used for the sole purpose of achieving the objectives of the *project* and its expected results, in a manner consistent with the principles of economy, efficiency and effectiveness;
  - f) they must be recorded in the accounts of the *beneficiary*; in the case of any contribution from third parties, they must be recorded in the accounts of the third parties;
  - g) they must be identifiable and verifiable;
  - h) they must correspond to cost categories defined in Article II.15.
  - i) value added tax (VAT), provided that they are included in eligible direct costs, and unless specified otherwise in the Agreement.
2. Contributions in kind shall not constitute eligible costs.
3. The following costs shall be considered as non-eligible and may not be charged to the *project*:
  - a) deductible value added tax,
  - b) duties,
  - c) interest owed,
  - d) provisions for possible future losses or charges,
  - e) exchange losses, cost related to return on capital,
  - f) costs declared or incurred, or reimbursed in respect of another *project of the Union*,
  - g) debt and debt service charges, excessive or reckless expenditure,
  - h) doubtful debts.
4. *Eligible costs* shall be broken down into the following four categories:
  - equipment,
  - staff,

- operating costs,
  - indirect costs (overheads)
5. No cost may be eligible if not claimed in the mid-term and final financial statements as referred to in Article II.4.1.b.

## II.15. Identification of direct and indirect costs

1. Direct costs are all those eligible costs which 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.

### 1.1. Equipment

The costs of purchasing or hiring equipment which are directly related to the execution of the *project* shall be chargeable as direct costs. The eligible costs for leasing of equipment shall not exceed any eligible costs for its purchase.

By way of an exception to Article II.14, and subject to prior written authorisation of the *Commission*, *eligible costs* include equipment purchased specifically for the *project* within the six months preceding the *start date* or equipment which is the property of a *beneficiary* and has not been fully depreciated when the research begins.

Notwithstanding Article II.14.1 (d), *eligible costs* shall be calculated according to the following formula:

$$A/B \times C \times D$$

- A = the period in months during which the equipment has been used for the *project* after its delivery;
- B = 60 months or, if applicable, time period as specified in Article 6;
- C = purchase cost of equipment;
- D = percentage usage of equipment on the *project*.

### 1.2. Staff

- 1.2.1. With regard to personnel costs, only the costs of the actual hours worked by the persons directly carrying out work under *the project* may be charged. 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 latter, and
- be remunerated in accordance with the normal practices of the *beneficiary*.

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.

- 1.2.2. The costs of actual hours devoted exclusively to the project by scientific, postgraduate or technical staff and the staff costs of manual workers directly employed by the beneficiary shall be chargeable. Any additional staff costs, such as scholarships, shall require the Commission's prior written approval. All working hours

charged must be recorded and certified. No administrative staff can be accounted as eligible costs.

- 1.2.3. All working hours charged must be recorded for each individual carrying out the work throughout the duration of the *project*. This requirement will be satisfied by, at the minimum, the maintenance of time records, certified at least monthly by the designated *project* manager, or an authorised senior employee of the *beneficiary*.
- 1.2.4. Staff costs shall comprise actual staff costs and shall be calculated according to the following formula:

$$\text{WH} \times \text{S/PT}$$

WH = Working Hours

Working hours to be charged as referred to in Article II.15.1.2.2.

Estimates of hours worked are not allowable.

S = Salary costs [€/annum]

Salary costs charged should be taken from the payroll account and should be the total yearly gross remuneration plus the employer's portion of social charges (e.g. holiday pay, pension contributions, health insurance and social security payments). Salary costs must be calculated individually for each staff member.

In the case of consultants, their costs will be considered as personnel costs provided the consultant works under the direct instructions and supervision of the beneficiary, the work of the consultant is performed in the premises of the beneficiary, the remuneration is based on working hours (rather than on the delivery of an specific output) and the costs of employing a consultant are not significantly different from the personnel costs of employees of the same category working under a labour law contract for the beneficiary. In these cases, the costs excluding deductible VAT should be taken from the invoice received for the work performed. Invoices should indicate the *project* on which the persons have worked, the tasks carried out and the hours spent.

PT = Productive time [hours/annum]

- Total productive hours should represent the total workable hours based on the contract of employment less, if applicable, a provision for non-chargeable time (maximum 15 days/year, e.g. for sickness, training, detachments) according to the actual situation of the *contractor*.

No overtime should be charged to *Commission projects*, and the time charged for each researcher shall not exceed the productive time.

- As an indication, productive time to be typically taken into consideration per full time employee is 1600 hours/annum.

1.2.5. Only actual staff costs are eligible under this Grant Agreement; however, in the mid-term financial statements, beneficiaries may opt to declare provisionally staff costs in a non-individual manner on the basis of estimated employment costs per staff category referred to in II.15.1.2.2 which shall be calculated according to the following formula:

$$WH \times AHR$$

WH = Working Hours

Working hours to be charged as referred to in Article II.15.1.2.2.

Estimates of hours worked are not allowable.

AHR = Average hourly rate per category

Average hourly rates per category may be calculated by dividing the total salary costs for all staff belonging to the category by the total number of working hours.

The possible categories are: scientific and post-graduate staff, technical staff, manual labour staff. If needed, these categories can be further detailed, provided that any sub-division can be clearly and unambiguously identified and allocated to the category under which it is presented.

Total salary costs should be taken from the payroll account and should be the total yearly gross remuneration plus the employer's portion of social charges (e.g. holiday pay, pension contribution, health insurance and social security payments).

At the end of the project the *beneficiaries* shall report in the final financial statement the total actual staff costs of the *project*. Whenever a certificate on the financial statements as referred to in Article II.4.1.c) is required, these certificates shall certify the total actual staff costs of the *project*. If the actual staff costs differ from the estimated staff costs in the mid-term report, an adjustment to the previously declared costs will be made.

### 1.3. Operating costs

Operating costs directly related to the implementation of the project shall be limited solely to the cost of:

- a) raw materials;
- b) consumables;
- c) energy;
- d) transportation of raw materials, consumables, equipment, products, feedstock or fuel;
- e) the maintenance, repair, alteration and transformation of existing equipment;
- f) IT and other specific services;
- g) the rental of equipment;

- h) analysis and tests;
- i) dedicated workshop organisation;
- j) certificate on financial statements and bank guarantee;
- k) protection of knowledge;
- l) assistance from third parties:

Operating costs other than those under a) b) c) g) and k) claimed as eligible cost must be awarded according to the principles of best value for money, transparency and equal treatment.

Notwithstanding the above paragraph, provisions of Article II.7 shall apply to costs related to *subcontracts for research assistance*.

2. All indirect costs, such as overhead costs or overheads, which may arise in connection with the project and which are not specifically identified in the preceding categories including travel and subsistence costs, shall be covered by a flat rate amounting to 35 % of the eligible staff costs as referred to in Article II.15.1.2.

## II.16. Upper funding limits

1. For **research projects**, the financial contribution of *the Union* may reach a maximum of 60% of the total eligible costs.
2. For **pilot and demonstration projects**, the financial contribution of *the Union* may reach a maximum of 50% of the total eligible costs.
3. For **accompanying measures, support and preparatory actions**, the financial contribution may reach a maximum of 100% of the total eligible costs.

## II.17. Receipts of the project

*Receipts of the project* may arise from:

1. Resources made available by third parties to the beneficiary by means of financial transfers:
  - i. shall be considered a *receipt* of the *project* if they have been contributed by the third party specifically to be used on the *project*;
  - ii. shall not be considered a *receipt* of the *project* if their use is at the discretion of the *beneficiary's* management.
2. Income generated by the project:
  - i. shall be considered a receipt 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*;
  - ii. shall not be considered a *receipt* for the *beneficiary* when generated from the use of *foreground* resulting from the *project*.

## II.18. Financial contribution of the Union

1. The "*financial contribution of the Union*" to the *project* shall be determined by applying the upper funding limits as set out in Annex III by *beneficiary* to the actual eligible costs accepted by the *Commission*.

2. The *financial contribution of the Union* shall be calculated by reference to the cost of the project as a whole and its reimbursement shall be based on the accepted costs of each *beneficiary*.
3. The financial contribution of the Union cannot give rise to any profit for any *beneficiary*. For this purpose, at the time of the submission of the last financial statement, the final amount of the *financial contribution of the Union* will take into account any *receipts* of the project received by each *beneficiary*. For each *beneficiary*, the *financial contribution of the Union* cannot exceed the eligible costs minus the *receipts* for the project
4. The total amounts of payments by the Union to each *beneficiary* shall not exceed in any circumstances the maximum amount of the *financial contribution of the Union* per *beneficiary* set in Annex III.
5. Without prejudice to the right to terminate the *grant agreement* under Article II.37, and without prejudice to the right of the Commission to apply the penalties referred to in Articles II.24 and II.25 if the project is not implemented or is implemented poorly, partially or late, the Commission may reduce the grant initially provided for in line with the actual implementation of the project on the terms laid down in this *grant agreement*. Any reduction in the amount of the grant to be paid by the Commission shall be effected by:
  - reducing the balance of the grant payable when the project ends;
  - requesting the *beneficiary* concerned to repay any amounts overpaid, if the total amount already paid by the Commission exceeds the final amount which it actually owes.
6. Without prejudice to Article II.22 and II.23, the Commission shall adopt the amount of the payment of the balance to be made to the *beneficiaries* on the basis of the documents referred to in Articles II.4 and II.5, which it has approved.
7. The *beneficiaries* have a period of two months, starting from the date of notification by the Commission of the final amount of the grant constituting either the payment of the balance or a recovery order in accordance with Article II.21, or, by default, the date of receipt of the payment of the balance, to request in writing any additional information regarding the determination of the final grant or contesting this determination. After this period, any such requests will not be considered. The Commission undertakes to reply in writing within two months starting from the date of receipt of the request for information. This procedure is without prejudice to the right of the *beneficiaries* to appeal against the decision of the Commission pursuant to the provisions of Article 8. In line with the provisions of European Community and European Union legislation in this respect, such appeals must be lodged within two months following the notification of the decision to the requester or, by default, the day on which he becomes aware of it.

## **II.19. Pre-financing provided by the Commission**

1. Pre-financing remains the property of the Union until the payment of the balance.
2. Interest yielded by the pre-financing shall not be due to the Union in accordance with the Financial Regulation and its Rules of Application.

## **SECTION 2 – FINANCIAL GUARANTEES AND RECOVERIES**

### **II.20. Financial Guarantees**

1. The financial responsibility of each *beneficiary* shall be limited to its own debt.
2. Where required by the provisions of Article 6, the referenced *beneficiaries* shall furnish a financial guarantee from a bank or an approved financial institution established in one of the Member States of the European Union.<sup>15</sup> The guarantor shall stand as first call guarantor and shall not require the *Commission* to have recourse against the principle debtor (the *beneficiary*). The financial guarantee shall remain in force until the pre-financing (first and second payments) is cleared against payment of the balance to the concerned *beneficiary*. The *Commission* undertakes to release the guarantee within 30 days following the payment of the balance.

### **II.21. Reimbursement and recoveries**

1. If any amount is unduly paid to a beneficiary or if recovery is justified under the terms of the *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.6. Interest on late payment shall cover the period between the date set for payment, exclusive and the date on which the *Commission* receives full payment of the amount owed is reimbursed in full, inclusive.

Any partial payment shall first be entered against charges and interest on late payment and then against the principal.

3. Sums owed to the Union may be recovered by offsetting them against any sums owed to the *beneficiary*, after informing it accordingly, or by calling in the financial guarantee provided in accordance with Article II.20. The *beneficiary's* prior consent shall not be required.
4. Bank charges occasioned by the recovery of the sums owed to the *Union* shall be borne solely by the *beneficiaries*.
5. *Beneficiaries* understand that under Article 299 of the Treaty on the Functioning of the European Union, Articles 164 and 192 of the Treaty establishing the European Atomic Energy Community and as provided by the *Financial Regulation*, the *Commission* may adopt an enforceable decision formally establishing an amount as receivable from persons other than States.

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<sup>15</sup> In exceptional cases, the guarantee may be replaced by a personal joint security provided by a third party (where appropriate, provision for this should be included in Article 6 (Special Clauses)).

## **SECTION 3 – CONTROLS AND SANCTIONS**

### **II.22. Financial audits and controls**

1. The *Commission* may, at any time during the implementation of the *project* and up to five years after the *closing date of the project*, arrange for financial audits to be carried out, by external auditors, or by the *Commission* services themselves including OLAF. The audit procedure shall be deemed to be initiated on the date of receipt of the relevant letter sent by the *Commission*. Such audits may cover financial, systemic and other aspects (such as accounting and management principles) relating to the proper execution of the *grant agreement*. They 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. This information and data must be precise, complete and effective.
3. The *beneficiaries* shall keep the originals - including electronic originals where accepted by the relevant national authorities - or, in exceptional cases, duly authenticated copies – including electronic copies - of all documents relating to the *grant agreement* for up to five years from the *closing date of the project*. These shall be made available to the *Commission* where requested during any audit under the *grant agreement*.
4. In order to carry out these audits, the *beneficiaries* shall ensure that the *Commission's* services and any external body(ies) authorised by it have on-the-spot access at all reasonable times, notably to the *beneficiary's* offices, to its computer data, to its accounting data and to all the information needed to carry out those audits, including information on individual salaries of persons involved in the *project*. They shall ensure that the information is readily available on the spot at the moment of the audit and, if so requested, that data be handed over in an appropriate form.
5. On the basis of the findings made during the financial audit, a provisional report shall be drawn up. It shall be sent by the *Commission* or its authorised representative to the *beneficiary* concerned, which may make observations thereon within one month of receiving it. The *Commission* may decide not to take into account observations conveyed or documents sent after that deadline. The final report shall be sent to the *beneficiary* concerned within two months of expiry of the aforesaid deadline. However, the *Commission* may suspend this time limit in the case that the observations made by the beneficiaries significantly change the content of the audit report.
6. On the basis of the conclusions of the audit, the *Commission* shall take all appropriate measures which it considers necessary, including the issuing of recovery orders regarding all or part of the payments made by it and the application of any applicable sanction.
7. The Court of Auditors shall have the same rights as the *Commission*, notably right of access, for the purpose of checks and audits, without prejudice to its own rules.
8. 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<sup>16</sup> and Regulation (EC) No 1073/1999 of the European Parliament and of

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<sup>16</sup> OJ L 292, 15.11.1996, p. 2.

the Council of 25 May 1999 concerning investigations conducted by the European Anti-Fraud Office (OLAF)<sup>17</sup> Council Regulation (Euratom) No 1074/1999 of 25 May 1999 concerning investigations conducted by the European Anti-Fraud Office (OLAF).<sup>18</sup>

## II.23. Technical audits and reviews

1. The *Commission* may initiate a technical audit or review at any time during the implementation of the *project* and up to up to five years after the *closing date of the project*. The aim of a technical audit or review shall be to assess the work carried out under the *project* over a certain period, *inter alia* by evaluating the *project* reports and deliverables relevant to the period in question. Such audits and reviews may cover scientific, technological and other aspects relating to the proper execution of the *project* and the *grant agreement*.
2. With respect to the Technical Annex (Annex I), the audit or review shall objectively assess the following:
  - the degree of fulfilment of the *project* work plan for the relevant period and of the related deliverables;
  - the continued relevance of the objectives and breakthrough potential with respect to the scientific and industrial state of the art;
  - the resources planned and utilised in relation to the achieved progress, in a manner consistent with the principles of economy, efficiency and effectiveness;
  - the management procedures and methods of the *project*;
  - the *beneficiaries'* contributions and integration within the *project*;
  - the expected potential impact in economic, competition and social terms, and the *beneficiaries'* plan for the *use and dissemination of foreground*.
3. Audits and reviews shall be deemed to be initiated on the date of receipt by the *beneficiary(ies)* of the relevant letter sent by the *Commission*.
4. Any such audit or review shall be carried out on a confidential basis.
5. The *Commission* may be assisted in technical audits and reviews by external scientific or technological experts. Prior to the carrying out of the evaluation task, the *Commission* shall communicate to the *beneficiaries* the identity of the appointed experts. The *beneficiary(ies)* shall have the right to refuse the participation of a particular external scientific or technological expert on grounds of commercial confidentiality.
6. Audits and reviews may be carried out remotely at the expert's 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 scientific or technological expert may have access to the locations and premises where the work is being carried out, and to any document concerning the work.
7. The *beneficiaries* shall make available directly to the *Commission* all detailed information and data that may be requested by it or the external scientific or technological expert with a view to verifying that the *project* is being/has been properly implemented and performed in accordance with the provisions of this *grant agreement*.

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<sup>17</sup> OJ L 136, 31.5.1999

<sup>18</sup> OJ L 136, 31.5.1999

8. A report on the outcome of the audits and reviews shall be drawn up. It shall be sent by the *Commission* to the *beneficiary* concerned, who may make observations thereon within one month of receiving it. The *Commission* may decide not to take into account the observations conveyed after that deadline.
9. On the basis of the experts' formal recommendations the *Commission* will inform the *coordinator* of its decision:
  - to accept or reject the deliverables;
  - to allow the *project* to continue without modification of Annex I or with minor modifications;
  - to consider that the *project* can only continue with major modifications;
  - to initiate the termination of the *grant agreement* or of the participation of any *beneficiary* according to Article II. 38;
  - to issue a recovery order regarding all or part of the payments made by the *Commission* and to apply any applicable sanction.
10. An ethics audit may be undertaken at the discretion of the *Commission* services up to five years after the *closing date of the project*. Paragraphs 3, 4, 5, 6, 7, 8 and 9 shall apply *mutatis mutandis*.
11. The *Technical Groups* may visit any site where the *project* is being carried out. They shall submit their findings to the *Commission*.

## II.24. Liquidated damages

1. A *beneficiary* that is found to have overstated any amount and which has therefore received an unjustified financial contribution from the *Union* shall, without prejudice to any other measures provided for in this *grant agreement*, be liable to pay damages, hereinafter "*liquidated damages*". *Liquidated damages* are due in addition to the recovery of the unjustified *financial contribution of the Union* from the *beneficiary*. In exceptional cases the *Commission* may refrain from claiming *liquidated damages*.
2. Any amount of *liquidated damages* shall be proportionate to the overstated amount and the unjustified part of the *financial contribution of the Union*. The following formula shall be used to calculate *liquidated damages*:

***Liquidated damages = unjustified financial contribution of the Union x (overstated amount/total financial contribution of the Union claimed)***

The calculation of any *liquidated damages* shall only take into consideration the reporting period(s) relating to the *beneficiary's* claim for the *financial contribution of the Union* for that period. It shall not be calculated in relation to the entire *Union financial contribution*.

3. The *Commission* shall inform the beneficiary which it considers liable to pay *liquidated damages* in writing of its claim by way of a registered letter with acknowledgement of receipt. The *beneficiary* shall have a period of 30 days to answer the claim of the *Union*.
4. The procedure for repayment of unjustified *financial contribution of the Union* and for payment of *liquidated damages* will be determined in accordance with the provisions of Article II.21. *Liquidated damages* will be deducted from any further payment or will be subject to recovery by the *Commission*.

5. The *Commission* shall be entitled to *liquidated damages* in respect of any overstated amount which comes to light after the *closing date of the project*, in accordance with the provisions of paragraphs 1 to 4.

## **II.25. Financial penalties**

1. The provisions in this Grant Agreement shall be without prejudice to any 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 Member States' authorities.

## **Part C INTELLECTUAL PROPERTY RIGHTS, USE AND DISSEMINATION**

### **SECTION 1 – FOREGROUND**

#### **II.26. Ownership**

1. *Foreground* shall be the property of the *beneficiary* carrying out the work generating that *foreground*.
2. Where several *beneficiaries* have jointly carried out work generating *foreground* and where their respective share of the work cannot be ascertained, they shall have joint ownership of such *foreground*. They shall establish an agreement<sup>19</sup> regarding the allocation and terms of exercising that joint ownership.

However, where no joint ownership agreement has yet been concluded, each of the joint owners shall be entitled to grant non-exclusive licences to third parties, without any right to sub-licence, subject to the following conditions:

- at least 45 days prior notice must be given to the other joint owner(s); and
  - fair and reasonable compensation must be provided to the other joint owner(s).
3. If employees or other personnel working for a *beneficiary* are entitled to claim rights to *foreground*, the *beneficiary* shall ensure that it is possible to exercise those rights in a manner compatible with its obligations under this *grant agreement*.

#### **II.27. Transfer**

1. Where a beneficiary transfers ownership of foreground, it shall pass on its obligations regarding that *foreground* to the assignee including the obligation to pass those obligations on to any subsequent assignee.
2. Subject to its obligations concerning confidentiality such as in the framework of a merger or an acquisition of an important part of its assets, where a *beneficiary* is required to pass on its obligations to provide *access rights*, it shall give at least 45 days prior notice to the other *beneficiaries* of the envisaged transfer, together with sufficient information concerning the envisaged new owner of the *foreground* to permit the other beneficiaries to exercise their *access rights*.

However, the *beneficiaries* may, by written agreement, agree on a different time-limit or waive their right to prior notice in the case of transfers of ownership from one *beneficiary* to a specifically identified third party.

3. Following notification in accordance with paragraph 2, any other *beneficiary* may object within 30 days of the notification or within a different time-limit agreed in writing, to any envisaged transfer of ownership on the grounds that it would adversely affect its *access rights*.

Where any of the other *beneficiaries* demonstrate that their access rights would be adversely affected, the intended transfer shall not take place until agreement has been reached between the *beneficiaries* concerned.

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<sup>19</sup> The joint owners may of course 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).

4. Where a *beneficiary* intends to transfer ownership of *foreground* to a third party established in a *third country*, the *Commission* may object to such transfer of ownership of *foreground*, if it considers that this is not in accordance with the interests of developing the competitiveness of the European economy or is inconsistent with ethical principles or security considerations.

In such cases, the transfer of ownership shall not take place unless the *Commission* is satisfied that appropriate safeguards will be put in place and has authorised the transfer in writing.

## II.28. Protection

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

Where a *beneficiary* which is not the owner of the *foreground* invokes its legitimate interest, it must, in any given instance, show that it would suffer disproportionately great harm.

2. Patent applications relating to *foreground*, filed by or on behalf of a *beneficiary* must include the following statement to indicate that said *foreground* was generated with the assistance of financial support from the *Union*:

**The work leading to this invention has received funding from the European Union's Research Fund for Coal and Steel (RFCS) research programme under grant agreement n°[xxxxxx].<sup>20</sup>**

Furthermore, all patent applications relating to *foreground* filed shall be reported in the plan for the *use* and *dissemination* of *foreground*, including sufficient details/references to enable the *Commission* to trace the patent (application). Any such filing arising after the final technical report must be notified to the *Commission* including the same details/references.

3. Where the *foreground* is capable of industrial or commercial application and its owner does not protect it and does not transfer it to another *beneficiary*, an *affiliated entity* established in a Member State or any other third party established in a Member State along with the associated obligations in accordance with Article II.27, no *dissemination* activities relating to that *foreground* may take place before the *Commission* has been informed. The *Commission* must be informed at the latest 45 days prior to the intended *dissemination* activity.

In such cases, the *Union* may, with the consent of the *beneficiary* concerned, assume ownership of that *foreground* and adopt measures for its adequate and effective protection. The *beneficiary* concerned may refuse consent only if it can demonstrate that its legitimate interests would suffer disproportionately great harm.

In the event the *Union* assumes ownership, it shall take on the obligations regarding the granting of *access rights*.

## II.29. Use

1. The *beneficiaries* shall *use* the *foreground* which they own or ensure that it is used.

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<sup>20</sup> This statement will have to be translated into the language of the patent filing. Translations in all *Union* languages will be provided.

2. The *beneficiaries* shall report on the expected *use* to be made of *foreground* in the plan for the *use* and *dissemination* of *foreground*. The information must be sufficiently detailed to permit the *Commission* to carry out any related audit.

### II.30. Dissemination

1. Each *beneficiary* shall ensure that the *foreground* of which it has ownership is disseminated as swiftly as possible. If it fails to do so, the *Commission* may disseminate that *foreground*.
2. *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*.
3. At least 45 days prior notice of any *dissemination* activity shall be given to the other *beneficiaries* concerned, including sufficient information concerning the planned *dissemination* activity and the data envisaged to be disseminated.

Following notification, any of those *beneficiaries* may object within 30 days of the notification to the envisaged *dissemination* activity if it considers that its legitimate interests in relation to its *foreground* or *background* 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.

4. All publications or any other dissemination relating to *foreground* shall include the following statement to indicate that said *foreground* was generated with the assistance of financial support from the *Union*:

**The research leading to these results has received funding from the European Union's Research Fund for Coal and Steel (RFCS) research programme under grant agreement n° [xxxxxx].<sup>21</sup>**

Any *dissemination* activity shall be reported in the plan for the use and dissemination of *foreground*, including sufficient details/references to enable the *Commission* to trace the activity. With regard to scientific publications relating to *foreground* published before the publication of the publishable report as referred to in Article II.4.1.a), such details/references and an abstract of the publication must be provided to the *Commission* at the latest two months following publication. Furthermore, an electronic copy of the published version or the final manuscript accepted for publication shall also be provided to the *Commission* at the same time for the purpose set out in Article II.12.2 if this does not infringe any rights of third parties.

5. With due regard to provisions under this section, the *Commission* shall ensure that the results, either upon the *closing date* of or during the *project*, are presented or published via any suitable media in order to make them available to interested parties in the European Union.

*Beneficiaries* are required to provide all reasonable assistance regarding the scientific and technical aspects of any such presentation or publication and, in particular, shall make available the specialists and research officers concerned to act as presenters

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<sup>21</sup> This statement will have to be translated into the language of the dissemination activity. Translations in all *Union languages* will be provided

and/or rapporteurs. *Beneficiaries* shall keep all relevant documents produced during the research work at the disposal of interested parties in the European Union for five years, having due regard where necessary to any rights regarding patents and know-how.

## SECTION 2 – ACCESS RIGHTS

### II.31. Background covered

*Beneficiaries* may define the *background* needed for the purposes of the *project* in a written agreement and, where appropriate, may agree to exclude specific *background*.<sup>22</sup>

### II.32. Principles

1. All requests for *access rights* shall be made in writing.
2. The granting of *access rights* may be made conditional on the acceptance of specific conditions aimed at ensuring that these rights will be used only for the intended purpose and that appropriate confidentiality obligations are in place.
3. Without prejudice to their obligations regarding the granting of *access rights*, *beneficiaries* shall inform each other as soon as possible of any limitation to the granting of *access rights* to *background*, or of any other restriction which might substantially affect the granting of *access rights*.
4. The termination of the participation of a *beneficiary* shall in no way affect the obligation of that *beneficiary* to grant *access rights* to the remaining *beneficiaries*.
5. Unless otherwise agreed by the owner of the *foreground* or *background*, *access rights* shall confer no entitlement to grant sub-licences.
6. Without prejudice to paragraph 7, any agreement providing *access rights* to *foreground* or *background* to *beneficiaries* or third parties must ensure that potential *access rights* for other *beneficiaries* are maintained.
7. Exclusive licences for specific *foreground* or *background* may be granted subject to written confirmation by all the other *beneficiaries* that they waive their *access rights* thereto.
8. However, where a *beneficiary* intends to grant an exclusive licence to *foreground* to a third party established in a *third country*, the *Commission* may object to the granting of such an exclusive licence, if it considers that this is not in accordance with the interests of developing the competitiveness of the European economy or is inconsistent with ethical principles or security considerations.

In such cases, the exclusive licence shall not take place unless the *Commission* is satisfied that appropriate safeguards will be put in place and has authorised the grant in writing.

### II.33. Access rights for implementation

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*.  
Such *access rights* shall be granted on a royalty-free basis.
2. *Access rights* to *background* shall be granted to the other *beneficiaries*, if it is needed to enable those *beneficiaries* to carry out their own work under the *project* provided that the *beneficiary* concerned is entitled to grant them. Such *access rights* shall be granted

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<sup>22</sup> Such an exclusion may be temporary (e.g. to permit the adequate protection of the *background* prior to providing access) or limited (e.g. to exclude only one or more specific *beneficiaries*). As *background* is by definition considered to be needed for implementation or use, the impact of such an exclusion on the *project*, particularly regarding an exclusion which does not have a temporary character, should be examined by the *beneficiaries*.

on a royalty-free basis, unless otherwise agreed by all *beneficiaries* before their accession to this agreement.

### **II.34. Access rights for use**

1. *Beneficiaries* shall enjoy *access rights* to *foreground*, if it is needed to use their own *foreground*. Subject to agreement, such *access rights* shall be granted either under *fair and reasonable conditions* or be royalty-free.
2. *Beneficiaries* shall enjoy *access rights* to *background*, if it is needed to use their own *foreground* provided that the *beneficiary* concerned is entitled to grant them. Subject to agreement, such *access rights* shall be granted either under *fair and reasonable conditions* or be royalty-free.
3. An *affiliated entity* established in a Member State shall also enjoy *access rights*, referred to in paragraphs 1 and 2, to *foreground* or *background* under the same conditions as the *beneficiary* to which it is affiliated, unless otherwise provided for in the *consortium agreement*. As the *access rights* referred to in paragraphs 1 and 2 require that access is needed to use own *foreground*, this paragraph only applies to the extent that ownership of *foreground* was transferred to an affiliate entity established in a Member State or *Associated country*. The *beneficiaries* may provide for arrangements regarding *access rights* or any notification requirements for affiliated entities in their *consortium agreement*, if any.
4. A request for *access rights* under paragraphs 1, 2 or 3 may be made up to one year after either of the following events:
  - a) the *closing date of the project*, or
  - b) termination of participation by the owner of the *background* or *foreground* concerned.

However, the *beneficiaries* concerned may agree on a different time-limit.<sup>23</sup>

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<sup>23</sup> This can be a longer or shorter time-limit.

## ***FINAL PROVISIONS***

### **II.35. Requests for amendments and termination at the initiative of the consortium**

1. Amendments to this *grant agreement* may be requested by any of the parties. Requests for amendments and termination shall be signed by the legal representative of the parties and submitted in accordance with Article 7. Any request or acceptance by the *consortium* or a *beneficiary(ies)* shall be submitted by the *coordinator*. The *coordinator* is deemed to act on behalf of all *beneficiaries* when signing a request, an acceptance or rejection letter concerning an amendment as well as when requesting a termination. The *coordinator* shall ensure that adequate proof of the *consortium's* agreement to such an amendment or termination exists and is made available in the event of an audit or upon request of the *Commission*.
2. In the case of change of *coordinator* without its agreement, the request shall be submitted by all other *beneficiaries* or by one of them representing the others.
3. A request for amendment including more than one modification to the agreement shall be considered a package that cannot be separated into several requests and shall be approved or rejected by the other party as a whole, except where the request explicitly states that it contains separate requests that can be approved independently.
4. Requests for the addition of a new *beneficiary* shall include a completed Form B (Annex V), duly signed by such new entity. Any addition is subject to the approval by the *Commission* and the conditions required by the *Financial Regulation*. Such additional entity shall assume the rights and obligations of *beneficiaries* as established by the *grant agreement* with effect from the date of its accession specified in the signed Form B.
5. The 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*.
6. Requests for termination of the participation of one or more *beneficiaries* shall include:
  - the *consortium's* proposal for reallocation of the tasks and budget of that *beneficiary*, - the reasons for requesting the termination,
  - the proposed date on which the termination shall take effect,
  - a letter containing the opinion of the *beneficiary* whose participation is requested to be terminated and
  - the reports and deliverables referred to in Article II.4, relating to the work carried out by this *beneficiary* up to the date on which the termination takes effect, together with a comment of the *coordinator* on behalf of the *consortium* on these reports and deliverables.

In the absence of receipt of such documents, the request shall not be considered as a valid request.

7. The letter containing the opinion of the *beneficiary* concerned can be substituted by proof that this *beneficiary* has been requested in writing to express its opinion on the proposed termination of its participation and to send the reports and deliverables but failed to do so within the time-limit established by that notification. This time-limit shall not be inferior to one month. In this case, if no reports have been submitted with the request for termination, the *Commission* shall not take into account any further cost claims of that *beneficiary* and shall not make any further reimbursement for it.

Unless otherwise agreed with the *Commission*, all the tasks of the *beneficiary* whose participation is terminated must be reallocated within the *consortium*.

Requests for termination of the *grant agreements* shall provide the justification for termination and the reports and deliverables referred to in Article II.4 relating to the work carried out up to the date on which the termination takes effect.

### **II.36. Approval of amendments and termination requested by the consortium**

1. The parties to this *grant agreement* undertake to approve or reject any valid request for an amendment or termination within 45 days of its receipt. The absence of a response within 45 days of receipt of such a request shall be considered as a rejection.
2. By derogation to paragraph 1, when the *consortium* requests the addition or the termination of the participation of a *beneficiary*, the absence of a response from the *Commission* within 45 days of receipt of such a request constitutes approval, except in cases of absence of the agreement of the *beneficiary* concerned and in cases of appointment of a new *coordinator*, which shall require the written approval of the *Commission*.

Where the *Commission* does not object within this period, it is deemed to have approved the request on the last day of the time-limit. The *Commission* undertakes to send a letter for information purposes in case of tacit approval.

Where the request for the addition or removal of a *beneficiary* is associated with requests for other modifications to the *grant agreement* which are not directly related to this addition or removal, the whole request shall be subject to written approval by the *Commission*.

3. The *Commission's* approval of the requested amendment or termination shall be 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* concerned.
4. Amendments and terminations shall take effect on the date agreed by the parties; where there is no date specified they shall take effect on the date of the *Commission's* approval.

### **II.37. Termination of the grant agreement or of the participation of one or more beneficiaries at the Commission's initiative**

1. The *Commission* may terminate the *grant agreement* or the participation of a *beneficiary* in the following cases:
  - a) where one or more of the legal entities identified in Article 1 does not accede to this *grant agreement*.
  - b) in case of non-performance or poor performance of the work or breach of any substantial obligation imposed by this *grant agreement* that is not remedied following a written request to the *consortium* to rectify the situation within a period of 30 days;
  - c) where the *beneficiary* has deliberately or through negligence committed an *irregularity* in the performance of any *grant agreement* with the *Commission*;
  - d) where the *beneficiary* has contravened fundamental ethical principles;
  - e) where the required reports or deliverables are not submitted or the *Commission* does not approve the reports or deliverables submitted;

- f) for major technical or economic reasons substantially adversely affecting the completion of the *project*;
  - g) if the potential *use* of the *foreground* diminishes to a considerable extent;
  - h) where a legal, financial, organisational or technical change or *change of control* of a *beneficiary* calls into question the decision of the *Commission* to accept its participation;
  - i) where any such change identified in h) above or termination of the participation of the *beneficiary(ies)* concerned substantially affects the implementation of the *project*, or the interests of the *Union*, or calls into question the decision to grant the contribution of the *Union*;
  - j) in case of *force majeure* notified in conformity with Article II.39, where any reactivation of the *project* after suspension is impossible;
  - k) where the conditions for participation in the *project* established by Council Decision No 2008/376/EC of 29 April 2008 and the call for proposals to which the *project* was submitted are no longer satisfied, unless the *Commission* considers that the continuation of the *project* is essential to the implementation of research programme of the Research Fund for Coal and Steel;
  - l) where a *beneficiary* is found guilty of an offence involving its professional conduct by a judgment having the force of *res judicata* or if it is guilty of grave professional misconduct proven by any justified means;
  - m) 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 task of the *beneficiary* whose participation is terminated within the time limit determined by the *Commission*, or where the *Commission* does not accept the proposed modifications.
  - n) where a *beneficiary* is declared bankrupt or is being wound up.
2. Termination of the participation of one or more *beneficiaries* at the *Commission's* initiative shall be notified to the *beneficiary(ies)* concerned, with a copy to the *coordinator* and shall take effect on the date indicated in the notification and at the latest 30 days after its receipt by the *beneficiary*.

The termination procedure is initiated by registered letter with advice of delivery or equivalent.

The *Commission* shall inform the *consortium* of the effective date of termination.

In the case of termination of the *grant agreement*, the *coordinator* shall be notified, who shall in turn notify all the other *beneficiaries* and the termination shall become effective 45 days after receipt by the *coordinator*.

3. Within 45 days after the effective date of termination, the *beneficiary(ies)* whose participation is terminated shall submit (through the *coordinator*) all required reports and deliverables referred to in Article II.4 relating to the work carried out up to that date. In the absence of receipt of such documents within the above time-limits, the *Commission* may, after providing 30 days notice in writing of the non-receipt of such documents, determine not to take into account any further cost claims and not to make any further reimbursement and, where appropriate, require the reimbursement of any *pre-financing* due by the *beneficiary(ies)*.

4. Based on documents and information referred to in the paragraphs above, the *Commission* shall establish the debt owed by the *beneficiary* whose participation is terminated.
5. Where the participation of one or more *beneficiaries* is terminated, the *beneficiary(ies)* whose participation is terminated shall reimburse the amount due to the *Commission* within 30 days.
6. Where the *grant agreement* is terminated, the *Commission* shall establish the debt owed by the *consortium* and notify it to each *beneficiary*.

### **II.38. Financial contribution after termination and other termination consequences**

1. In the event of termination any financial contribution from the *Union* is limited to those *eligible costs* incurred and accepted up to the effective date of such termination and of any legitimate commitments taken prior to that date, which cannot be cancelled.
2. By derogation to the above paragraph:
  - in the case of Article II.37.1.a), no costs incurred by the *consortium* under the *project* can be approved or accepted as eligible for reimbursement by the *Union*. Any *pre-financing* provided to the *consortium* must be returned in full to the *Commission*.
  - in the case of Article II.37.1.b), any financial contribution from the *Union* is limited to those eligible costs incurred up to the date of receipt of the written request to rectify the breach.
3. In addition, in the cases of Article II.37.1.b), c), d), e), l) and m) the *Commission* may require reimbursement of all or part of the financial contribution of *the Union*. In the case of Article II.37.1.b) and m) the *Commission* shall take into account the nature and results of the work carried out and its usefulness to the *Union* in the context of the specific programme concerned.
4. Reports and deliverables submitted in the framework of a termination are deemed to be submitted at the end of the corresponding reporting period.
5. Where the *Union* 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 payment of the balance in relation to such *beneficiary(ies)* or the *project*.

Notwithstanding the termination of the *grant agreement* or the participation of one or more *beneficiaries*, the provisions identified in Articles II.9, II.10, II.11, II.12, II.21, II.22, II.23, II.24, II.25, II.35, II.37, II.40, II.41 and Part C of Annex II continue to apply after the termination of the *grant agreement* or the termination of the participation of such *beneficiary(ies)*.

### **II.39. Force majeure**

1. *Force majeure* shall mean any unforeseeable and exceptional event affecting the fulfilment of any obligation under this *grant agreement* by the parties, which is beyond their control and cannot be overcome despite their reasonable endeavours. Any default of a product or service or delays in making them available for the purpose of performing this *grant agreement* and affecting such performance, including, for

instance, anomalies in the functioning or performance of such product or service, labour disputes, strikes or financial difficulties do not constitute *force majeure*.

2. If any of the *beneficiaries* is subject to *force majeure* liable to affect the fulfilment of its obligations under this *grant agreement*, the *coordinator* shall notify the *Commission* without delay, stating the nature, likely duration and foreseeable effects.
3. If the *Union* is subject to *force majeure* liable to affect the fulfilment of its obligations under this *grant agreement*, it shall notify the *coordinator* without delay, stating the nature, likely duration and foreseeable effects.
4. No party shall be considered to be in breach of its obligation to execute the *project* if it has been prevented from complying by *force majeure*. Where *beneficiaries* cannot fulfil their obligations to execute the *project* due to *force majeure*, remuneration for accepted eligible costs incurred may be made only for tasks which have actually been executed up to the date of the event identified as *force majeure*. All necessary measures shall be taken to limit damage to the minimum.

#### **II.40. Assignment**

The *beneficiaries* shall not assign any of the rights and obligations arising from the *grant agreement* except those cases provided for in Article II.27 (transfer of *foreground*), without the prior and written authorisation of the *Commission* and the other *beneficiaries*.

#### **II.41. Liability**

1. The *Union* cannot be held liable for any acts or omissions of the *beneficiaries* in relation to this *grant agreement*. It shall not be liable for any defaults of any products, processes or services created on the basis of *foreground*, including, for instance, anomalies in the functioning or performance thereof.
2. Each *beneficiary* fully guarantees the *Union*, and agrees to indemnify it, in case of any action, complaint or proceeding brought by a third party against the *Union* as a result of damage caused, either by any of its acts or omissions in relation to this *grant agreement*, or by any products, processes or services created by it on the basis of *foreground* resulting from the *project*.

In the event of any action brought by a third party against a *beneficiary* in connection with the performance of this *grant agreement*, the *Commission* may assist the latter upon written request. The costs incurred by the *Commission* in this connection shall be borne by the *beneficiary* concerned.

3. Each *beneficiary* shall bear sole responsibility for ensuring that their acts within the framework of this *project* do not infringe third parties rights.
4. The *Union* cannot be held liable for any consequences arising from the proper exercise of the rights of the *Union* under the *Rules for Participation* or this *grant agreement*.

## RFCS GRANT AGREEMENT - Annex III

### Estimated breakdown of the total estimated *eligible costs* and *pre-financing*

Grant Agreement No .....

	NAME	TOTAL ESTIMATED <i>ELIGIBLE COST</i>  (euro)	MAXIMUM CONTRIBUTION  (euro)	FIRST PRE-FINANCING INSTALMENT  (euro)	FIRST FINANCIAL GUARANTEE  (euro)	SECOND PRE-FINANCING INSTALMENT  (euro)	AGGREGATED FINANCIAL GUARANTEE  (euro)
COORDINATOR [ACRONYM]							
BENEFICIARY [ACRONYM]							
BENEFICIARY [ACRONYM]							
BENEFICIARY [ACRONYM]							
BENEFICIARY [ACRONYM]							
BENEFICIARY [ACRONYM]							
TOTAL							



## RFCS GRANT AGREEMENT

### ANNEX IV - FORM A – ACCESSION OF BENEFICIARIES TO THE GRANT AGREEMENT

(to be filled in by each *beneficiary* identified in Article 1.1 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 ("*beneficiary no.*") to *grant agreement* No° ..... (relating to *project [title]*) concluded between the *Commission of the European Communities* 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*.

Payments will be made to the following bank account or sub-account of the *beneficiary* denominated in euro, as indicated below.<sup>24</sup>

[ACRONYM]

Name of bank: [...]

Address of branch: [...]

Precise denomination of the account holder: [...]

Account reference: IBAN/sort code and number

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 Articles 1.1 and 1.2 and Article 7 of the *grant agreement*.

Name of Legal Entity [*full name of the beneficiary*]

Name of legal representative(s): (written out in full)

Signature of legal representative(s):

Date:

Stamp of the organisation

Name of Legal Entity [*full name of the coordinator*]

Name of legal representative: (written out in full)

Signature of legal representative:

Date:

Stamp of the organisation

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<sup>24</sup> As shown by the account identification document issued by the bank concerned.



## RFCS GRANT AGREEMENT

### ANNEX V - FORM B – REQUEST FOR ACCESSION OF A NEW BENEFICIARY TO THE GRANT 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* ("*beneficiary no.*") to grant agreement No ..... (relating to project *[title]*) concluded between the *Commission* of the *European Communities* 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]*, should the *Commission* not oppose this request within six weeks of its receipt.

*[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 representative of the *beneficiary* 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 abovementioned date.

Payments will be made to the following bank account or sub-account of the *beneficiary* denominated in euro, as indicated below.<sup>25</sup>

[ACRONYM]

Name of bank: [...]

Address of branch: [...]

Precise denomination of the account holder: [...]

Account reference: IBAN/sort code and number

Enclosures:

- Grant Agreement Preparation Forms 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*.
- justification for selection of this/these *beneficiary(ies)*.

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<sup>25</sup> As shown by the account identification document issued by the bank concerned.

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 7 and II.35 of the *Grant Agreement*

[name of the new beneficiary (legal entity)]

Name of legal representative(s): (written out in full)

Signature of legal representative(s):

Date:

Stamp of the organisation

[name of the coordinator (legal entity)]

Name of legal representative: (written out in full)

Signature of legal representative:

Date:

Stamp of the organisation

**C1 - Summary of project expenses for the reporting period by the entire consortium**

***FOR RFCS GRANT AGREEMENTS (SIGNED FROM 2009)***  
**IN NATIONAL CURRENCY AND IN EURO**

**Summary mid-term<sup>1</sup>  or final<sup>1</sup>  financial statement**

for the period from \_\_\_\_\_ to \_\_\_\_\_

Project Title:

Grant Agreement No:

Name of participant <sup>2</sup>	Status <sup>3</sup>	Total costs (national currency) <sup>4</sup>	Total costs (in euro) <sup>5</sup>	Exchange rate <sup>6</sup> and other Remarks <sup>7</sup>
	CO BE 1 BE 2			

The coordinator considers that the use of resources declared by the beneficiaries are reasonable for the work under this grant agreement.

*Second signature if required internally by your organisation*

Date:

Name:

Function:

Signature:

Date:

Name:

Function:

Signature:

<sup>1</sup> Please specify.

<sup>2</sup> All beneficiaries, including coordinator. Not subcontractors.

<sup>3</sup> Insert as appropriate: CO (coordinator); BE (beneficiary).

<sup>4</sup> Fill in this column only if beneficiary's currency is other than euro

<sup>5</sup> Fill in this column only if beneficiary's currency is euro

<sup>6</sup> If applicable, specify the exchange rate used, as specified in Article II.6.4 of Annex II of the RFCS grant agreement

<sup>7</sup> If a participant does not submit a financial statement, insert "no statement"

**C2-A - Summary of project expenses for the reporting period by each beneficiary:  
Totals by category  
FOR RFCS GRANT AGREEMENTS (SIGNED FROM 2009)  
IN NATIONAL CURRENCY AND IN EURO**

Coordinator/beneficiary's mid-term<sup>1</sup>  or final<sup>1</sup>  financial statement

for the period from \_\_\_\_\_ to \_\_\_\_\_

Project Title:

Grant Agreement No:

Name of beneficiary:

E-mail of person in charge of financial reporting:

National currency in which accounts are kept:

Exchange rate for conversion to euro:<sup>2</sup> \_\_\_\_\_ 1

Categories of cost	Amount for the period	
	National Currency	Euro
<b>Direct costs</b>		
1. Equipment <sup>3</sup>	0,00	0,00
2. Staff	0,00	0,00
3. Operating costs	0,00	0,00
3.1 Other operating costs (a-k) <sup>4</sup>	0,00	0,00
3.2 Assistance from third parties (l) <sup>5</sup>	0,00	0,00
Subtotal of direct costs	0,00	0,00
<b>Indirect costs</b>		
4. Overheads = 35% of (2) above	0,00	0,00
<b>Adjustments</b>		
5. Adjustments to costs previously reported <sup>6</sup>		
Total	0,00	0,00
<b>% EU contribution</b>	EU contribution, €	0,00

**Beneficiary's Certificate**

We certify that

- the above costs are derived from the resources employed, which were necessary for the work under the grant agreement;
- such costs have been incurred and fall within the definition of eligible costs specified in the grant agreement;
- full supporting documentation to justify the costs is available for audit.

We certify that any necessary adjustments, for any reason, to costs reported in a previous request for payments have been incorporated in the above statement.

Date:

Date:

Name of Technical Manager:

Name of Financial Officer:

Signature of Technical Manager:

Signature of Financial Officer:

<sup>1</sup> Please specify

<sup>2</sup> please specify if applicable; see article II.6.4 of Annex II of the RFCS Grant Agreement

<sup>3</sup> For the calculation of the eligible equipment cost, please see Article II.15.1.1 of Annex II of the RFCS grant agreement and, where applicable, Article 6 of the RFCS Grant Agreement.

<sup>4</sup> See Article II.15.1.3 (a), (b), (c), (d), (e), (f), (g), (h), (i), (j), (k) of Annex II of the RFCS Grant Agreement

<sup>5</sup> See Article II.15.1.3 (l) of Annex II of the RFCS Grant Agreement

<sup>6</sup> Not applicable for the first financial statement (generally the mid-term financial statement). Any necessary adjustments, for example to reflect actual rates instead of budgeted rates, must be made in subsequent statements. Details and reasons for any adjustments must be provided.

**C2-B - Project expenses for the reporting period for each beneficiary: Details****FOR RFCS GRANT AGREEMENTS (SIGNED FROM 2009)****IN NATIONAL CURRENCY**Coordinator/beneficiary's mid-term<sup>1</sup>  or final<sup>1</sup>  financial statement**Details by category (national currency)**

for the period from \_\_\_\_\_ to \_\_\_\_\_

Grant Agreement No: \_\_\_\_\_

Name of beneficiary \_\_\_\_\_

Currency: \_\_\_\_\_

**Equipment<sup>2</sup>**

Description	Date of purchase	Utilisation period (months) <sup>3</sup> [A]	Depreciation period: 60 months <sup>4</sup> [B]	Cost of purchase [C]	% Allocation to Project <sup>5</sup> [D]	Amount
						0,00
						0,00
						0,00
						0,00
						0,00
<b>Total</b>						<b>0,00</b>

**Staff**

Name of staff member (or, where applicable, of category)	Number of working hours [WH] [I]	Hourly rate [S/PT] <sup>6 7</sup> or [AHR] [II]	Staff Amount [I] x [II]
			0,00
			0,00
			0,00
			0,00
			0,00
<b>Total</b>	<b>0,00</b>	<b>--</b>	<b>0,00</b>

<sup>1</sup> Please specify<sup>2</sup> For the calculation of the eligible equipment cost, please see Article II.15.1.1 of Annex II of the RFCS grant agreement and, where applicable, Article 6 of the RFCS Grant Agreement.<sup>3</sup> Period in months (within the relevant reporting period) during which the equipment has been used for the project.<sup>4</sup> Unless otherwise specified in Article 6 of the RFCS Grant Agreement<sup>5</sup> Percentage use of equipment for the project.<sup>6</sup> The personnel rate comprises the elements specified in Article II.15.1.2.4 & 5 of Annex II of the RFCS grant agreement.<sup>7</sup> Please indicate the number of working hours and the corresponding hourly rate applicable **for each calendar year** for each staff member / staff category

**Other operating costs<sup>8</sup>**

Description <sup>9</sup> (insert additional rows where necessary)	Amount
<i>(a) raw materials</i>	0,00
- Invoice 1 / Detail of position 1	0,00
- Invoice n / Detail of position n ...	0,00
<i>(b) consumables</i>	0,00
- Invoice 1 / Detail of position 1	0,00
- Invoice n / Detail of position n ...	0,00
<i>(c) energy</i>	0,00
- Invoice 1 / Detail of position 1	0,00
- Invoice n / Detail of position n ...	0,00
<i>(d) transportation of raw materials, consumables, equipment, products, feedstock or fuel</i>	0,00
- Invoice 1 / Detail of position 1	0,00
- Invoice n / Detail of position n ...	0,00
<i>(e) maintenance, repair, alteration and transformation of existing equipment</i>	0,00
- Invoice 1 / Detail of position 1	0,00
- Invoice n / Detail of position n ...	0,00
<i>(f) IT and other specific services</i>	0,00
- Invoice 1 / Detail of position 1	0,00
- Invoice n / Detail of position n ...	0,00
<i>(g) rental of equipment</i>	0,00
- Invoice 1 / Detail of position 1	0,00
- Invoice n / Detail of position n ...	0,00
<i>(h) analysis and tests</i>	0,00
- Invoice 1 / Detail of position 1	0,00
- Invoice n / Detail of position n ...	0,00
<i>(i) dedicated workshop organisations</i>	0,00
- Invoice 1 / Detail of position 1	0,00
- Invoice n / Detail of position n ...	0,00
<i>(j) certificate on financial statements and bank guarantee</i>	0,00
- Invoice 1 / Detail of position 1	0,00
- Invoice n / Detail of position n ...	0,00
<i>(k) protection of knowledge</i>	0,00
- Invoice 1 / Detail of position 1	0,00
- Invoice n / Detail of position n ...	0,00
Total	0,00

**Third party assistance<sup>10</sup>**

Name of subcontractor for third party assistance	Date of acceptance of third party contract by the Commission <sup>11</sup>	Amount
- Please specify details		
Total		0,00

<sup>8</sup> See Article II.15.1.3 (a) (b) (c) (d) (e) (f) (g) (h) (i) (j) (k) of Annex II of the RFCS Grant Agreement.

<sup>9</sup> **Please provide a copy of each individual invoice for an amount of  $\geq 5000$  €**

<sup>10</sup> See Article II.7 and II.15.1.3 (l) of Annex II of the RFCS Grant Agreement.

<sup>11</sup> See Article II.7.4 of Annex II the RFCS Grant Agreement.

**C3 - Full summary of all receipts and expenditure of the project for each beneficiary**  
**FOR RFCS GRANT AGREEMENTS (SIGNED FROM 2009)**  
**IN NATIONAL CURRENCY**

**Version 2013-1**

This form should be stamped by your auditor if the audit certificate does not indicate the entire project costs

Project title:

Grant Agreement No:

Project start date:

Project closing date:

Name of beneficiary:

Currency:<sup>1</sup>

Categories of cost	Currency <sup>1</sup>	Categories of revenue	Currency <sup>1</sup>
<b>Direct costs</b>			
1. Equipment	0,00	<b>• Own resources</b>  <b>• Other resources</b> <i>• Transfers from third parties</i>  <i>• Income generated by the project<sup>2</sup></i>	
2. Staff	0,00		
3. Operating costs	0,00		
(a) raw materials	0,00		
(b) consumables	0,00		
(c) energy	0,00		
(d) transportation of raw materials, consumables, equipment, products, feedstock or fuel	0,00		
(e) maintenance, repair, alteration and transformation of existing equipment;	0,00		
(f) IT and other specific services	0,00		
(g) rental of equipment	0,00		
(h) analysis and tests	0,00		
(i) dedicated workshop organisations;	0,00		
(j) certificate on financial statements or bank guarantees	0,00		
(k) protection of knowledge	0,00		
(l) assistance from third parties	0,00		
Subtotal of direct costs	0,00		
<b>Indirect costs</b>			
4. Overheads = 35% of (2) above.	0,00	<b>• EU Contribution<sup>3</sup></b>	
Total cost: (I)	0,00	Total revenue: (II)	0,00
		Profit: (II - I):	0,00

**Declaration of interest yielded by the pre-financing**

Did the pre-financing you received generate any interest until 31/12/2012 according to Article II.19 of Annex II of the Grant Agreement ?

If yes, please mention the amount (in €)

0,00

Date:

Date:

Name:

Name:

Function:

Function:

Signature:

Signature:

<sup>1</sup> Please specify

<sup>2</sup> As referred to in Article II.17 of Annex II of the RFCS Grant Agreement

**C4-A - Summary of project expenses for the relevant period for each sub-contractor:  
Totals by category**

***FOR RFCS GRANT AGREEMENTS (SIGNED FROM 2009)***  
**IN NATIONAL CURRENCY AND IN EURO**

**Subcontractors's mid-term<sup>1</sup>**  **or final<sup>1</sup>**  **financial statement**

for the period from

to

Project Title:

Grant Agreement No:

Name of subcontractor:

Name of beneficiary involved in the subcontract:

E-mail of person in charge of financial reporting for the subcontractor:

National currency in which accounts kept:

Exchange rate for conversion to euro:

Categories of cost	Amount for the period	
	National Currency	euro <sup>2</sup>
<b>Direct costs</b>		
1. Equipment <sup>3</sup>	0,00	0,00
2. Staff	0,00	0,00
3. Operating costs	0,00	0,00
Subtotal of direct costs		0,00
<b>Indirect costs</b>		
4. Overheads = 35% of (2) above	0,00	0,00
<b>Adjustments</b>		
5. Adjustments to costs previously reported <sup>4</sup>	0,00	
Total		0,00
<b>% EU contribution</b>	<b>EU contribution</b>	<b>0,00</b>

**Subcontractor's Certificate**

We certify that

- the above costs are derived from the resources employed, which were necessary for the work under the grant agreement;
- such costs have been incurred and fall within the definition of eligible costs specified in the grant agreement;
- full supporting documentation to justify the costs is available for audit.

We certify that any necessary adjustments, for any reason, to costs reported in a previous request for payments have been incorporated in the above statement.

Date:

Date:

Name of Technical Manager:

Name of Financial Officer:

Signature of Technical Manager:

Signature of Financial Officer:

<sup>1</sup> Please specify

<sup>2</sup> select as applicable; see article II.6.4 of Annex II of the RFCS Grant Agreement

<sup>3</sup> For the calculation of the eligible equipment cost, please see Article II.15.1.1 of Annex II of the RFCS Grant Agreement and, where applicable, Article 6 of the RFCS Grant Agreement.

<sup>4</sup> Not applicable for the first financial statement (generally the mid-term financial statement). Any necessary adjustments, for example to reflect actual rates instead of budgeted rates, must be made in subsequent statements. Details and reasons for any adjustments must be provided.



Other operating costs<sup>8</sup>

Description <sup>9</sup>	Amount
<i>(a) raw materials</i>	0,00
- Invoice 1 / Detail of position 1	0,00
- Invoice <i>n</i> / Detail of position <i>n</i> ...	0,00
<i>(b) consumables</i>	0,00
- Invoice 1 / Detail of position 1	0,00
- Invoice <i>n</i> / Detail of position <i>n</i> ...	0,00
<i>(c) energy</i>	0,00
- Invoice 1 / Detail of position 1	0,00
- Invoice <i>n</i> / Detail of position <i>n</i> ...	0,00
<i>(d) transportation of raw materials, consumables, equipment, products, feedstock or fuel</i>	0,00
- Invoice 1 / Detail of position 1	0,00
- Invoice <i>n</i> / Detail of position <i>n</i> ...	0,00
<i>(e) the maintenance, repair, alteration and transformation of existing equipment</i>	0,00
- Invoice 1 / Detail of position 1	0,00
- Invoice <i>n</i> / Detail of position <i>n</i> ...	0,00
<i>(f) IT and other specific services</i>	0,00
- Invoice 1 / Detail of position 1	0,00
- Invoice <i>n</i> / Detail of position <i>n</i> ...	0,00
<i>(g) rental of equipment</i>	0,00
- Invoice 1 / Detail of position 1	0,00
- Invoice <i>n</i> / Detail of position <i>n</i> ...	0,00
<i>(h) analysis and tests</i>	0,00
- Invoice 1 / Detail of position 1	0,00
- Invoice <i>n</i> / Detail of position <i>n</i> ...	0,00
<i>(i) dedicated workshop organisations</i>	0,00
- Invoice 1 / Detail of position 1	0,00
- Invoice <i>n</i> / Detail of position <i>n</i> ...	0,00
<i>(j) certificate on financial statements</i>	0,00
- Invoice 1 / Detail of position 1	0,00
- Invoice <i>n</i> / Detail of position <i>n</i> ...	0,00
Total	0,00

<sup>8</sup> See Article II.15.1.3 (a) (b) (c) (d) (e) (f) (g) (h) (i) (j) of Annex II of the RFCS Grant Agreement.

<sup>9</sup> **Please provide a copy of each individual invoice for an amount of ≥ 5000 €**

**RFCS GRANT AGREEMENT  
ANNEX VII - FORM D - TERMS OF REFERENCE FOR THE CERTIFICATE OF FINANCIAL  
STATEMENTS**

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**TERMS OF REFERENCE FOR AN INDEPENDENT REPORT OF FACTUAL  
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INDEPENDENT REPORT OF FACTUAL FINDINGS ON COSTS CLAIMED UNDER A  
GRANT AGREEMENT FINANCED UNDER THE RESEARCH FUND FOR COAL  
AND STEEL (RFCS) .....**

**PRELIMINARY INSTRUCTIONS**

As a general rule, the Certificate on the Financial Statements should be composed of three separate documents to be found in this Annex VII (Form D):

- A list of the minimum terms (sections 1.1 to 1.8) required by the Commission to be included in the engagement letter between the beneficiary and the auditor. The engagement letter must be dated and signed by both parties
- The Auditor's Report of Factual Findings (section 1.9) to be issued on the auditor's letterhead and dated, stamped and signed by the auditor (or competent public officer)
- A detailed description (table of Annex VII - Form D) including the procedures to be performed by the auditor and the findings expected to result there from. This table has to be dated, stamped and signed by the Auditor (or competent public officer) on completion of its work.

Please note that the beneficiary's Financial Statements (Annex VI - Form C) signed by the beneficiary must be attached to the Report of Factual Findings. This form should be stamped by the auditor if the audit certificate does not indicate the entire project costs.

## **Terms of Reference for an Independent Report of Factual Findings on costs claimed under a Grant Agreement financed under the Research Fund for Coal and Steel (RFCS)**

The following are the terms of reference ('ToR') on which <name of the Beneficiary> 'the Beneficiary' agrees to engage < name of the audit firm> 'the Auditor' to provide an independent report of factual findings on a Financial Statement(s)<sup>1</sup> prepared by the Beneficiary and to report in connection with a financed grant agreement of the Union concerning the Research Fund for Coal and Steel (RFCS), concerning < title and number of the grant agreement> (the 'Grant Agreement'). Where in these ToR the 'European Commission' is mentioned this refers to its quality as signatory of the Grant Agreement with the Beneficiary. The European Union is not a party to this engagement.

### **1.1 Responsibilities of the Parties to the Engagement**

'The Beneficiary' refers to the legal entity that is receiving the grant and that has signed the Grant Agreement with the European Commission<sup>2</sup>.

- The Beneficiary is responsible for preparing a Financial Statement for the Action financed by the Grant Agreement in compliance with such agreements and providing it to the Auditor, and for ensuring that this Financial Statement can be properly reconciled to the Beneficiary's accounting and bookkeeping system and to the underlying accounts and records. Notwithstanding the procedures to be carried out, the Beneficiary remains at all times responsible and reliable for the accuracy of the Financial Statement.
- The Beneficiary is responsible for the factual statements which will enable the Auditor to carry out the procedures specified, and will provide the Auditor with a written representation letter supporting these statements, clearly dated and stating the period covered by the statements.
- The Beneficiary accepts that the ability of the Auditor to perform the procedures required by this engagement effectively depends upon the Beneficiary providing full and free access to the Beneficiary's staff and its accounting and other relevant records.

'The Auditor' refers to the Auditor who is responsible for performing the agreed-upon procedures as specified in these ToR, and for submitting an independent report of factual findings to the Beneficiary.

The Auditor must be independent from the Beneficiary.

- [*Option 1: delete if not applicable*] The Auditor is qualified to carry out statutory audits of accounting documents in accordance with the Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC or similar national regulations.
- [*Option 2: delete if not applicable*] The Auditor is a Competent Public Officer for which the relevant national authorities have established the legal capacity to audit the Beneficiary and has not been involved in the preparation of the financial statements.
- The procedures to be performed are specified by the European Commission and the Auditor is not responsible for the suitability and appropriateness of these procedures.

### **1.2 Subject of the Engagement**

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<sup>1</sup> Financial Statement in this context refers solely to Form C - Annex VI by which the Beneficiary claims costs under the Grant Agreement.

<sup>2</sup> Where applicable, this Form shall be filled in also by Third Parties. In that case, the wording "the Beneficiary" shall be read as "the Third Party".

The subject of this engagement is the <interim or final; delete what is not applicable> Financial Statement in connection with the Grant Agreement for the period covering <dd Month yyyy to dd Month yyyy>.

### **1.3 Reason for the Engagement**

The Beneficiary is required to submit to the European Commission a certificate on a Financial Statement in the form of an independent report of factual findings produced by an external auditor in support of the payment requested by the Beneficiary under Article II.4 of the Grant Agreement. The Authorising Officer of the Commission requires this Report as he makes the payment of costs requested by the Beneficiary conditional on the factual findings of this Report.

### **1.4 Engagement Type and Objective**

This constitutes an engagement to perform specific agreed-upon procedures regarding an independent report of factual findings on costs claimed under the Grant Agreement. As this engagement is not an assurance engagement the Auditor does not provide an audit opinion and expresses no assurance. The European Commission derives its assurance by drawing its own conclusions from the factual findings reported by the Auditor on the Financial Statement and the payment request of the Beneficiary relating thereto.

The Auditor shall include in its Report that no conflict of interest exists between it and the Beneficiary in establishing this Report, as well as the fee paid to the Auditor for providing the Report.

### **1.5 Scope of Work**

1.5.1 The Auditor shall undertake this engagement in accordance with these ToR and:

- in accordance with the International Standard on Related Services ('ISRS') 4400 *Engagements to perform Agreed-upon Procedures regarding Financial Information* as promulgated by the IFAC;
- in compliance with the *Code of Ethics for Professional Accountants* issued by the IFAC. Although ISRS 4400 provides that independence is not a requirement for agreed-upon procedures engagements, the European Commission requires that the Auditor also complies with the independence requirements of the *Code of Ethics for Professional Accountants*.

1.5.2 Planning, procedures, documentation and evidence

The Auditor should plan the work so that the procedures can be effectively performed. For this purpose he performs the procedures specified in 1.9 of these Terms of Reference ('Scope of Work – Compulsory Report Format and Procedures to be Performed') and uses the evidence obtained from these procedures as the basis for the Report of factual findings.

### **1.6 Reporting**

The Report of factual findings, an example of which is attached to this ToR, should describe the purpose and the agreed-upon procedures of the engagement in sufficient detail in order to enable the Beneficiary and the European Commission to understand the nature and extent of the procedures performed by the Auditor. Use of the reporting format attached as Annex VII of the Grant Agreement is compulsory. The Report should be written in the language indicated in Article 4 of the Grant Agreement. In accordance with Article II.22 of the Grant Agreement, the European Commission and the Court of Auditors have the right to audit any work carried out under the project for which costs are claimed from the European Union, including the work related to this engagement.

### **1.7 Timing**

The Report should be provided by [DATE].

## **1.8 Other Terms**

*[The Beneficiary and the Auditor can use this section to agree other specific terms such as Auditor's fees, out of pocket expenses, liability, applicable law, etc.]*

*[legal name of the Beneficiary]*

*[[name and function of an authorised representative]*

*<dd Month yyyy>, <Signature of the Beneficiary>*

*[legal name of the audit firm]*

*[[name and function of an authorised representative]*

*<dd Month yyyy>, <Signature of the Auditor>*

## **1.9 Scope of Work – Compulsory Report Format and Procedures to be Performed**

INDEPENDENT REPORT OF FACTUAL FINDINGS ON COSTS CLAIMED UNDER A GRANT AGREEMENT FINANCED UNDER THE PROGRAMME OF THE RESEARCH FUND FOR COAL AND STEEL (RFCS)

*To be printed on letterhead paper of the Auditor*

<Name of contact person(s)>, < Position>

< Beneficiary's name>

<Address>

<dd Month yyyy>

In accordance with our contract dated <dd Month yyyy> with <name of the Beneficiary> “the Beneficiary” and the terms of reference attached thereto (appended to this Report), we provide our Independent Report of Factual Findings (“the Report”), as specified below.

### **Objective**

We [*legal name of the audit firm*], established in [*full address/city/state/province/country*] represented for signature of this Report by [*name and function of an authorised representative*] have performed agreed-upon procedures regarding the cost declared in the Financial Statement(s)<sup>3</sup> of [*name of beneficiary*] hereinafter referred to as the Beneficiary, to which this Report is attached, and which is to be presented to the Commission of the European Union under grant agreement [*EC grant agreement reference: title, acronym, number*] for the following period(s) [*insert period(s) covered by the Financial Statement(s) per Activity*]. This engagement involved performing certain specified procedures, the results of which the European Commission uses to draw conclusions as to the eligibility of the costs claimed.

### **Scope of Work**

Our engagement was carried out in accordance with :

- the terms of reference appended to this Report and:
- International Standard on Related Services ('ISRS') 4400 *Engagements to perform Agreed-upon Procedures regarding Financial Information* as promulgated by the International Federation of Accountants ('IFAC');
- the *Code of Ethics for Professional Accountants* issued by the IFAC. Although ISRS 4400 provides that independence is not a requirement for agreed-upon procedures engagements, the European Commission requires that the Auditor also complies with the independence requirements of the *Code of Ethics for Professional Accountants*;

As requested, we have only performed the procedures set out in the terms of reference for this engagement and we have reported our factual findings on those procedures in the table appended to this Report.

The scope of these agreed upon procedures has been determined solely by the European Commission and the procedures were performed solely to assist the European Commission in evaluating whether the costs claimed by the Beneficiary in the accompanying Financial Statement has been claimed in accordance with the Grant Agreement. The Auditor is not responsible for the suitability and appropriateness of these procedures.

Because the procedures performed by us did not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the Financial Statements.

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<sup>3</sup> Financial Statement in this context refers solely to Form C - Annex VI by which the Beneficiary claims costs under the Grant Agreement.

Had we performed additional procedures or had we performed an audit or review of the Financial Statements of the Beneficiary in accordance with International Standards on Auditing, other matters might have come to our attention that would have been reported to you.

### **Sources of Information**

The Report sets out information provided to us by the management of the Beneficiary in response to specific questions or as obtained and extracted from the Beneficiary's information and accounting systems.

### **Factual Findings**

The above mentioned Financial Statement(s) per Activity was (were) examined and all procedures specified in the appended table for our engagement were carried out. On the basis of the results of these procedures, we found:

All documentation and accounting information to enable us to carry out these procedures has been provided to us by the Beneficiary. Except as indicated below, no exceptions were noted.

### **Exceptions**

- In some cases, the Auditor was not able to successfully complete the procedures specified. These exceptions are as follows:

**exceptions such as inability to reconcile key information, unavailability of data which prevented the Auditor from carrying out the procedures, etc. should be listed here. The Commission will use this information to decide the amounts which will be reimbursed.**

### **Use of this Report**

This Report is solely for the purpose set forth in the above objective.

This Report is prepared solely for the confidential use of the Beneficiary and the European Commission and solely for the purpose of submission to the European Commission in connection with the requirements as set out in Article II.4.4 of the Grant Agreement. This Report may not be relied upon by the Beneficiary or by the European Commission for any other purpose, nor may it be distributed to any other parties. The European Commission may only disclose this Report to others who have regulatory rights of access to it, in particular the European Anti Fraud Office and the European Court of Auditors.

This Report relates only to the Financial Statement(s) specified above and does not extend to any other financial statements of the Beneficiary.

No conflict of interest<sup>4</sup> exists between the Auditor and the Beneficiary in establishing this Report. The fee paid to the Auditor for providing the Report was € \_\_\_\_\_.

We look forward to discussing our Report with you and would be pleased to provide any further information or assistance which may be required.

*[legal name of the audit firm]*

*[[name and function of an authorised representative]*

*<dd Month yyyy>, <Signature of the Auditor>*

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<sup>4</sup> A conflict of interest arises when the auditor's objectivity to establish the certificate is compromised in fact or in appearance when the auditor for instance:

- was involved in the preparation of the Financial Statements (Forms C);
- stands to benefit directly should the certificate be accepted;
- has a close relationship with any person representing the beneficiary;
- is a director, trustee or partner of the beneficiary;
- is in any other situation that compromises his or her independence or ability to establish the certificate impartially.

### Procedures performed by the Auditor

The Auditor designs and carries out his work in accordance with the objective and scope of this engagement and the procedures to be performed as specified below. When performing these procedures the Auditor may apply techniques such as inquiry and analysis, (re)computation, comparison, other clerical accuracy checks, observation, inspection of records and documents, inspection of assets and obtaining confirmations or any others deemed necessary in carrying out these procedures.

The European Commission reserves the right to issue guidance together with example definitions and findings to guide the Auditor in the nature and presentation of the facts to be ascertained. The European Commission reserves the right to vary the procedures by written notification to the Beneficiary. The procedures to be performed are listed as follows:

Procedures	Standard factual finding and basis for exception reporting
<b>Personnel Costs</b>	
<p>1. Use of actual staff costs, as set out in Article II.15.1.2.4:</p> <p>Recalculate hourly personnel rates of employees having carried out the work on the project (full coverage if less than 20 employees, otherwise a sample of minimum 20, or 20% of employees, whichever is the greater), indicate the number of productive hours used and hourly rates. Where sampling is used, selection should be random with a view to producing a representative sample</p> <p><b>'Productive hours'</b> represent the number of hours as set out under Article II.15.1.2.4. This calculation should be provided by the Beneficiary.</p>	<p>For each employee in the sample of ____, the Auditor obtained the personnel costs (salary and employer's costs) from the payroll system together with the productive hours from the time records of each employee.</p> <p>For each employee selected, the Auditor recomputed the hourly rate by dividing the actual personnel costs by the productive hours as referred to in Article II.15.1.2.4, which was then compared to the hourly rate charged by the Beneficiary.</p> <p>No exceptions were noted.</p> <p>The average number of productive hours for the employees was _____.</p> <p><b>If the productive hours or costs of personnel cannot be identified, they should be listed (together with the amounts) as exceptions in the main report.</b></p>
<p>2. Use of estimated staff costs, as set out in Article II.15.1.2.5</p>	<p>For each employee having carried out work on the project, the Auditor obtained the personnel costs (salary and employer's costs) from the payroll system together with the productive hours from the time records of each employee.</p> <p>For each employee, the Auditor computed the actual staff costs and the actual productive hours for the work carried out on the <i>project</i>.</p> <p><b>The auditor will report the employees having carried out the work on the project and report, per staff category, the total actual staff costs and the total actual productive hours for the work carried out on the <i>project</i> in the factual findings of the main report.</b></p> <p><b>If the productive hours or costs of personnel cannot be identified, they should be listed (together with the amounts) as exceptions in the main report.</b></p>
<p>3. For the same employees</p>	<p>Employees record their time on a daily/ weekly/ monthly</p>

Procedures	Standard factual finding and basis for exception reporting
<p>under 1) or 2), examine and describe time recording documents (paper/computer, daily/weekly/monthly, signed, authorised).</p>	<p>basis using a paper/computer-based system. The time-records selected were authorised by the project manager or other superior.</p> <p><b>If no time records are available which fit the above description, this should be listed as an exception in the main report.</b></p>
<p>4. Employment status and employment conditions of personnel. The Auditor should obtain the employment contracts of the employees and compare with the standard employment contract used by the Beneficiary. Differences which are not foreseen by the Grant Agreement should be noted as exceptions.</p>	<p>For the employees, the Auditor inspected their employment contracts and found that they were:</p> <ul style="list-style-type: none"> <li>– directly hired by the Beneficiary in accordance with its national legislation,</li> <li>– under the sole technical supervision and responsibility of the latter, and</li> <li>– remunerated in accordance with the normal practices of the Beneficiary.</li> </ul> <p><b>Personnel who do not meet all three conditions should be listed (together with the amounts) as exceptions in the main report.</b></p>
Operating costs	
<p>5. Inspect documents and obtain confirmations that subcontracts other than those referred to in Article II.7 are awarded according to a procedure including an analysis of best value for money, transparency and equal treatment.</p> <p>Full coverage if less than 20 items, otherwise a sample of minimum 20, or 20% of the items, whichever is the greater.</p>	<p>The Auditor obtained tendering documents for the selected subcontracts and found that the tendering process was followed and that a written analysis of value-for-money had been prepared by the Beneficiary in support of the final choice, or that the contract had been awarded as part of an existing framework contract entered into prior to the beginning of the project.</p> <p><b>If the Auditor is not provided with evidence of either of the above situations, the amount of the subcontract should be listed as an exception in the main report.</b></p>
Other Direct Costs	
<p>6. Allocation of equipment is correctly identified and allocated to the project, as referred to in Article II.15.1.1.</p> <p>Full coverage if less than 20 items, otherwise a sample of minimum 20, or 20% of the items, whichever is the greater.</p>	<p>The Auditor traced the equipment charged to the project to the accounting records and the underlying invoices. The Beneficiary has documented the link with the project on the invoice and purchase documentation, and, where relevant, the project accounting. The asset value was agreed to the invoice and no deductible VAT was charged. The calculation method used to charge the equipment to the project was found to be in accordance with Article II.15.1.1.</p> <p><b>If assets have been charged which do not comply with the above, they should be listed (together with the amounts) as exceptions in the main report.</b></p>
Indirect costs	
<p>7. Allocation of indirect costs through a flat rate amounting to 35% of the eligible staff costs as referred to in Article II.15.1.2</p>	<p>The Auditor certifies that the flat rate has been calculated on the basis of the eligible staff costs.</p>
<p>8. Identification of receipts.</p> <p>The Beneficiary is obliged to declare in its claim any receipts related to the project (income from events, rebates from suppliers, etc.)</p>	<p>The Auditor examined the relevant project accounts and obtained representations from the Beneficiary. The Auditor examined the relevant project accounts and obtained representations from the Beneficiary that the amounts listed represent a complete record of the sources of income connected with the project. The</p>

Procedures	Standard factual finding and basis for exception reporting
	<p>amount included in the claim regarding receipts is the same as the amount recorded in the project accounting.</p> <p><b>Any discrepancies in the receipts noted in the accounts and those reported by the Beneficiary should be noted (together with the amount) as exceptions in the main report.</b></p>
<p>9. Identification of interest yielded until 31.12.2012 on pre-financing. The Beneficiaries are obliged to declare interest yielded until 31.12.2012 on pre-financing.</p>	<p>The Auditor compared the relevant project accounts with the interest shown in the bank statements and found them to be the same.</p> <p><b>Any discrepancies in the interest noted in the accounts and those reported by the Beneficiary should be noted (together with the amount) as exceptions in the main report.</b></p>

*[legal name of the audit firm]*

*[[name and function of an authorised representative]*

*<dd Month yyyy>, <Signature of the Auditor>*



## **Special Clauses**

*Applicable to Article 6 of the RFCS Grant Agreement*

### **LIST OF SPECIAL CLAUSES**

1. International organisations
2. Sole beneficiary clause
3. Equipment costs for pilot and demonstration projects
4. Projects shorter than 25 months
5. Beneficiaries with costs incurred in relation to the project but no contribution of the union
6. Third parties legally linked to a beneficiary carrying out research assistance under Article II.7
7. Notification to the Commission required in case of an intended transfer of ownership and/or an intended grant of an exclusive licence
8. No access rights for affiliates
9. Arbitration clause to be used only at the request of entities not receiving a financial contribution of the Union which are established in a third country and which for reasons of domestic law cannot be subject to the jurisdiction of the General Court or the Court of Justice of the European Union.
10. No objection by the Commission regarding transfers of ownership or grant of exclusive licences by beneficiaries not receiving funding
11. Special case when secondary and higher education establishments and public bodies have given an "authorisation to administer" to a third party created, controlled or affiliated to them
12. Open access
13. Financial guarantees

## 1. INTERNATIONAL ORGANISATIONS (general rule)

### 1. Arbitration

- a. Any dispute between the *Commission* ("Party") and (an) *international organisation(s)* ("Party") acting as *beneficiary(ies)* (collectively referred to in this Article of the *grant agreement* as the "Parties") relating to the *grant agreement*, which cannot be settled amicably shall be referred to an arbitration committee in accordance with the procedure specified below.
- b. When notifying the other Party of its intention to resort to arbitration, the notifying Party shall also inform the other Party of its appointed arbitrator. The second Party shall appoint its arbitrator within one month of that written notification.  
The two arbitrators shall, by joint agreement and within three months of the appointment of the second Party's arbitrator, appoint a third arbitrator who shall be the chairman of the arbitration committee, unless a sole arbitrator is agreed by both Parties.
- c. Within one month of the appointment of the third arbitrator, the Parties shall agree on the terms of reference of the arbitration committee, including the procedure to be followed.
- d. The arbitration proceedings shall take place in Brussels.
- e. The arbitration committee shall apply the terms of the *grant agreement*. The arbitration committee shall set out in the award the detailed grounds for its decision.
- f. The arbitral award shall be final and binding upon the Parties, who hereby expressly agree to renounce any form of appeal or revision.
- g. The costs, including all reasonable fees expended by the Parties to any arbitration hereunder, shall be apportioned between the Parties by the arbitration committee.

### 2. Certificates on the financial statements.

With reference to Article II.4.1, certificates on the financial statements to be provided by an international organisation may be established by its regular internal or external auditor, in accordance with its internal financial regulations and procedures.

### 3. Controls and audits

The competent bodies of the European Union shall address any requests for controls or audits pursuant to the provisions of Article II.22, to the Director General of the international organisation.

The international organisation shall make available to the competent bodies of the European Union, upon request, all relevant financial information, including statements of accounts concerning the action, where they are executed by the international organisation or by a subcontractor. In conformity with Article 287 of the Treaty on the functioning of the European Union and with the Financial Regulation applicable to the general budget of the Union, the competent bodies of the European Union may undertake, including on-the-spot checks related to the action financed by the European Union.

Any control or audit shall be carried out on a confidential basis.

### 4. Privileges and immunities

Nothing in this grant agreement shall be interpreted as a waiver of any privileges or immunities accorded to the beneficiary(ies) referred to hereafter by its constituent documents or international law:

[insert name(s) of the International Organisation]

5. Governing law

Notwithstanding the law applicable on a subsidiary basis mentioned in Article 8 first paragraph, this grant agreement shall be governed on a subsidiary basis by the law of (insert law of a Member State or an EFTA country).]

**2. SOLE BENEFICIARY CLAUSE**

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*”.

Annex IV is not applicable.

**3. EQUIPMENT COSTS FOR PILOT AND DEMONSTRATION PROJECTS**

The time period (B) of 60 months as referred to in Article II.15.1.1 is replaced as follows for the following *beneficiaries*:

<u>Beneficiary</u>	<u>Time period (months)</u>
[ACRONYM]	[.....]
[ACRONYM]	[.....]

**4. PROJECTS SHORTER THAN 25 MONTHS**

Article II.6.1.b and the last column of Annex III (aggregated financial guarantee) shall not apply.

Financial statements

Notwithstanding Article II.4.1.b, only a final financial statement reporting all *eligible costs* incurred during the *project* shall be submitted not later than [90] [insert number] days from the beginning of the calendar year following the *closing date of the project*.

Technical reports

Notwithstanding Article II.4.1.a, technical reports only consist of an annual report, a final report and a publishable report.

**5. BENEFICIARIES WITH COSTS INCURRED IN RELATION TO THE PROJECT BUT NO CONTRIBUTION OF THE UNION (e.g. usually from third countries)**

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. Part B of Annex II, with the exception of Articles II.23, II.25 and any other financial and payment provisions contained in the grant agreement do not apply to beneficiary(ies) mentioned in the previous paragraph. This(ese) beneficiary(ies) need not to submit, in particular, the reports mentioned in Article II.4.1.b and II.4.1.c and [is] [are] not subject to financial audits and controls referred to in Article II.22.

3. When providing services or resources to another beneficiary, this(ese) beneficiary(ies) shall be considered as (a) third party(ies) for the purpose of the application of Article II.3 paragraphs c) and d).

**6. THIRD PARTIES LEGALLY LINKED TO A BENEFICIARY carrying out research assistance under Article II.7 [Joint Research Units (Unités Mixtes de Recherche, unités propres de recherche etc.) EEIGs/ groupings/ affiliates]**

1. The following third parties and beneficiaries are legally linked to each other:

- i. *(insert name of the third party)* is legally linked to *(insert name of the beneficiary)*
  - ii. *(insert name of the third party)* is legally linked to *(insert name of the beneficiary)*
  - iii. *[insert as many times as applicable]*
2. For the above-mentioned third parties carrying out research assistance in the meaning of Article II.7, it is not required that the subcontract for research assistance conforms to the model provided by the Commission or to submit it to the Commission for approval or information.
  3. By derogation of Article II.2.2, third parties linked to the coordinator may carry out coordination tasks specified in this article
  4. By derogation of Article II.7, a limit for the cumulative amount for each beneficiary of subcontracts for research assistance does not apply to the above-mentioned third parties.

## **7. NOTIFICATION TO THE COMMISSION REQUIRED IN CASE OF AN INTENDED TRANSFER OF OWNERSHIP AND/OR AN INTENDED GRANT OF AN EXCLUSIVE LICENCE**

1. Where a *beneficiary* intends to transfer ownership of *foreground* or to grant an exclusive licence regarding *foreground* to a third party during the *project* and for a period of [2]<sup>5</sup> years after its completion, it shall notify the *Commission* 90 days prior to the intended transfer or grant.

A notification may only relate to existing and specifically defined *foreground*. It must include sufficient details regarding such *foreground*, the intended assignee or licensee and the (potential) *use* of the *foreground* and possible *access rights* thereto. Furthermore, a reasoned assessment of the intended transfer or grant must be included with regard to its impact on the competitiveness of the European economy, its consistency with ethical principles and its implications on security considerations.

The *Commission* may at any time notify the *beneficiary* that a notification is not complete or request additional information. No transfer or grant may take place until the *Commission* has, within the period set out in the next paragraph, had the opportunity to object.

2. The Commission may object to such an intended transfer of ownership of foreground or grant of an exclusive licence regarding foreground within 60 days of respectively having received a complete notification, or where applicable, having received the requested additional information, if it considers that the intended transfer or grant is not in accordance with the interests of developing the competitiveness of the European economy or is inconsistent with ethical principles or security considerations.

In such cases, the transfer or grant shall not take place unless the *Commission* is satisfied that appropriate safeguards will be put in place and has authorised the transfer or grant in writing.

## **8. NO ACCESS RIGHTS FOR AFFILIATES**

Paragraph 3 of Article II.34 regarding *access rights* for affiliates does not apply to this *grant agreement*.

## **9. ARBITRATION CLAUSE TO BE USED ONLY AT THE REQUEST OF ENTITIES NOT RECEIVING A FINANCIAL CONTRIBUTION OF THE UNION WHICH ARE ESTABLISHED IN A THIRD COUNTRY AND WHICH FOR**

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<sup>5</sup> Unless otherwise agreed between the parties

**REASONS OF DOMESTIC LAW CANNOT BE SUBJECT TO THE JURISDICTION OF THE GENERAL COURT OR THE COURT OF JUSTICE OF THE EUROPEAN UNION.**

1. Any dispute between the *European Union* and [*name of the beneficiary*] (referred to in this Article individually as the "Party" and collectively as the "*Parties*") relating to the *grant agreement*, which cannot be settled amicably shall be referred to arbitration in accordance with the procedure specified below.
2. The Parties may refer to a sole arbitrator appointed on the basis of a common agreement. If no agreement is reached, an arbitration committee composed of three arbitrators shall be appointed. In this case, each party shall appoint one arbitrator. The two arbitrators thus appointed shall choose the third arbitrator who will act as the presiding arbitrator of the committee.  
Each Party shall notify the other of its intention to resort to arbitration, appointing in the same act its arbitrator. If within one month after receipt of a party's notification of the appointment of an arbitrator, the other party has not notified the first party of the arbitrator it has appointed, the first party may request the Secretary-General of the Permanent Court of Arbitration to appoint the second arbitrator.
3. Within one month of the appointment of the arbitrators, the Parties shall agree on the terms of reference of the arbitration committee, including the procedure to be followed. If no agreement is reached after this time-limit, and for any matters not covered by these terms of reference, the Permanent Court of Arbitration Optional Rules for Arbitration Involving International Organisations and States or International Organisations and Private parties shall apply, depending on the nature of the entities involved.
4. The arbitration proceedings shall take place in Brussels.
5. In resolving the dispute, the arbitrator or the arbitration committee shall apply the provisions of the grant agreement, the European Union acts related to RFCS, the Financial Regulation applicable to the general budget of the Union and its Rules of application and other European Community and European Union law and, on a subsidiary basis, by the law of Belgium. The arbitrator or the arbitration committee shall set out in the arbitral award the detailed grounds for its decision.
6. The arbitral award shall be final and binding upon the Parties, which hereby expressly agree to renounce their right to any form of appeal or revision.
7. The costs, including all reasonable fees expended by the Parties to any arbitration hereunder, shall be apportioned between the Parties by the arbitrator or the arbitration committee.
8. The language to be used in the arbitral proceedings shall be English.

**10. NO OBJECTION BY THE COMMISSION REGARDING TRANSFERS OF OWNERSHIP OR GRANT OF EXCLUSIVE LICENCES BY BENEFICIARIES NOT RECEIVING FUNDING**

Notwithstanding Articles II.27.4 and II.32.8, the *Commission* shall not object to transfers of ownership of *foreground* or to grants of an exclusive licence regarding *foreground* to a third party established in a *third country* intended by *beneficiaries* that do not receive a *financial contribution of the Union* as long as the intended transfer or grant concerns *foreground* generated by them. These intended transfers or grants are also excluded from the notification to the *Commission* if required by this grant agreement.

## **11. SPECIAL CASE WHEN SECONDARY AND HIGHER EDUCATION ESTABLISHMENTS AND PUBLIC BODIES HAVE GIVEN AN "AUTHORISATION TO ADMINISTER" TO A THIRD PARTY CREATED, CONTROLLED OR AFFILIATED TO THEM**

The following beneficiary(ies) has/have given an "authorisation to administer" to the third party(ies) specified hereafter:

- iv. *(insert name of the beneficiary)* has given an authorisation to administer to *(insert name of the Third Party)*
- v. *(insert name of the beneficiary)* has given an authorisation to administer to *(insert name of the Third Party)*

*[insert as many times as authorisation have been given]*

The bank account(s) mentioned in Article 5 and/or in Form(s) A is/are the bank account(s) of the third party(ies) with an "authorisation to administer". The financial contribution of the Union shall be paid to the corresponding third party with an "authorisation to administer" as specified above which receives it on behalf of the beneficiary respectively. The payment of the financial contribution of the Union to the corresponding third party with an "authorisation to administer" discharges the Commission from its obligation on payments.

Each beneficiary retains sole responsibility for its financial contribution of the Union and for the compliance with the provisions of the grant agreement.

## **12. OPEN ACCESS**

In addition to Article II.30.4, beneficiaries shall deposit an electronic copy of the published version or the final manuscript accepted for publication of a scientific publication relating to foreground published before or after the final report in an institutional or subject-based repository at the moment of publication.

Beneficiaries are required to make their best efforts to ensure that this electronic copy becomes freely and electronically available to anyone through this repository:

- immediately if the scientific publication is published "open access", i.e. if an electronic version is also available free of charge via the publisher, or
- within 6 months of publication.

## **13. FINANCIAL GUARANTEES**

The payment of the first instalment of the pre-financing to the following beneficiary(ies) is subject to obtaining a financial guarantee as referred to in Article II.20:

-- [name of the legal entity]

-- [name of the legal entity]

The payment of the second instalment of the pre-financing to the same beneficiaries will be subject either to obtaining a complementary financial guarantee as referred to in Article II.20, or to the submission of a certificate on the financial statements covering the past reporting period (s) and produced by an approved independent auditor or, in the case of public bodies, by a competent and independent public officer.