



EUROPEAN
COMMISSION

Community research

Security
Research

The Model Grant Agreement

Seventh
Framework
Programme
2007-2013



Contents

1. Legal Basis: EC-Treaty and Rules for Participation FP7
2. Model Grant Agreement and Annexes
3. Details
 - a. Composition of Consortia
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Legal Basis: EC-Treaty and Rules for Participation FP7

Article 164 EC-Treaty:

„In pursuing these objectives, the Community shall carry out the following activities, completing the activities carried out by the Member States:

(a) Implementation of research, technological development and demonstration programmes, by promoting cooperation with and between undertakings, research centres and universities; ...“

Article 166 EC-Treaty:

„(1) A multiannual framework programme, setting out all activities of the Community, shall be adopted by the Council.....“

On this basis, the Framework Programmes are adopted.



Legal Basis: EC-Treaty and Rules for Participation FP7

Article 167 EC-Treaty:

„For implementing of the multiannual framework programme the Council shall:

- Determine the rules for the participation of undertakings, research centres and universities,
- Lay down the rules governing the dissemination of research results.“

On this basis, the Rules for Participation – for each framework programme – are adopted.



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Model Grant Agreement and its Annexes

- Basis: Public Law ► Law of subventions, no exchange of goods or services, ≠ public procurement (no tender).
- Terminology has changed FP7./FP6 : Grant agreement, not contract; beneficiary, not contractor.
- Insofar, the conditions of the grant agreement are being given by the Commission as funding organisation.
- Consequence: Only a few details can be negotiated.
- The Model grant agreement and its annexes are prepared by the Commission services and adopted by means of a Commission decision.



Model Grant Agreement and its Annexes

The model grant agreement contains of the following elements:

- Core grant agreement
- Annex I – Description of Work ♥
- Annex II – General Conditions
- Annex III – Specific provisions related to the specific funding schemes or activities
- Annex IV, V – Accession forms A and B
- Annex VI – Form C (Financial statement)
- Annex VII – Forms D and E (certificates on financial statements / methodology)



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Consortium - Composition

Collaborative projects and CSA, Type coordinating research:

- minimum conditions: at least three independent legal entities, each of which must be established in a Member State or associated country, and no two of which may be established in the same Member State or associated country.
- EU27 plus associated countries (e.g. Switzerland, Israel) and third countries

CSA, Type supporting research:

- minimum condition: at least one legal entity

Additional requirements can be set out in the relevant work programmes



Consortium - Composition

Potential beneficiaries are:

- Research establishments and universities, regardless their legal status (public-private),
- Undertakings, regardless their size (SME-Industry) and their legal status (public-private; profit-non-profit),
- EEiG, Associations and groupings of undertakings,
- International Organisations,
- The Joint Research Centre of the Commission (JRC),
- also: Natural Persons.



Consortium – Internal Procedures

Save where otherwise provided in the call for proposals, all participants **shall** conclude a **consortium agreement**, to govern **internal procedures** (such as decision making, allocation of tasks, distribution of budget, rules of IPR, the settlement of internal disputes).

The participants appoint a **coordinator**, which has specific tasks (rights and obligations).

Changes in the consortium require a **written amendment** to the Grant Agreement.



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Funding

The financial contribution of the EC can be performed by means of

- flat-rate-financing, especially scale of unit costs,
- lump-sum-financing,
- reimbursement of eligible costs,
- Combination of these (e.g. for ERANETplus)

In addition hereto, the following funding mechanisms exist

- Scholarships (Marie-Curie)
- Research prices (Descartes)



Upper funding limits



Collaborative Projects

- For research and technological development activities, the Community financial contribution may reach a maximum of **50%** of the total eligible costs.
- In the case of non-profit public bodies, secondary and higher education establishments, research organisations and SME, the EC-financial contribution may reach a maximum of **75%** of the total eligible costs.
- For security-related research and technological development activities, the Community financial contribution may reach a maximum of **75%** of the total eligible costs, given that the following conditions are met:
 - **Development of capabilities in domains with very limited market size and a risk of market failure**
 - **For the development of accelerated equipment in response to new threats.**



Maximum funding rates



Maximum reimbursement rates of eligible costs	Research and technological development activities (*)	Demonstration activities	Management of the consortium activities	Other activities (**)
Network of excellence	50% 75% (***)		100%	100%
Collaborative project(****)	50% 75% (***)	50%	100%	100%
Coordination and support action			100% (****)	100% (****)

(*) Research and technological development includes scientific coordination.

(**) Other activities means any "specific activity" covered by Annex I.

(***) For *beneficiaries* that are *non-profit public bodies*, secondary and higher education establishments, *research organisations* and *SMEs*

(****) The reimbursement of indirect eligible costs, in the case of coordination and support actions, may reach a maximum 7% of the direct eligible costs, excluding the direct eligible costs for subcontracting and the costs of reimbursement of resources made available by third parties which are not used on the premises of the *beneficiary*.

(*****) Including research for the benefit of specific groups (in particular SMEs)



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Publication, communication

Principle:

Publication and engaging with the public and the media is wanted and supported by the Commission.

Exceptions:

Foreground generated during the course of the activity shall not be disseminated to any legal entity outside of the existing consortium, unless otherwise agreed by the beneficiaries and the Commission. This rule also applies to the dissemination to affiliates and / or parent companies.



Publication, communication

Principle: The Commission shall – upon request – make available to any Member State / Associated country any useful information in its possession of foreground

Exceptions:

- The information is not relevant to public policy;
- The beneficiaries have provided sound and sufficient reasons for withholding the information;
- **The applicable Community law on classified information does not prohibit such action.**



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Intellectual property rights, confidentiality

FP6

	Access rights to pre-existing know-how	Access rights to knowledge resulting from the project
For carrying out the project	Yes, if a participant needs them for carrying out his own work under the project	
	Royalty-free unless otherwise agreed before signing the contract	Royalty-free
For use purposes (exploitation + further research)	Yes, if a participant needs them for using his own knowledge	
	On non-discriminatory conditions to be agreed	Royalty-free unless otherwise agreed before signing the contract



Intellectual property rights, confidentiality

FP7

	Access rights to background	Access rights to foreground resulting from the project
For carrying out the project	Yes, if a participant needs them for carrying out its own work under the project	
	Royalty-free unless otherwise agreed before acceding to the grant agreement	Royalty-free
For use (exploitation + further research)	Yes, if a participant needs them for using its own foreground	
	Either fair and reasonable conditions or royalty free- to be agreed	



Intellectual property rights, confidentiality

Starting point: Continuity

Main modifications compared to FP6 and PASR:

1. Terminology
2. Beneficiaries do not need to conclude conditions for handling pre-existing knowledge / background before the signature of the Grant Agreement.
3. The rules for publishing, giving access rights to third parties have been simplified.



Intellectual property rights, confidentiality

The model grant agreement will contain specific conditions regarding the treatment of **classified information** and **hazardous materials**.

A **Security Aspects Letter (SAL)** will become integral part of the **Annex I**.

The SAL will contain the following elements:

- Level of classification of background and foreground
- Requirement to have export or transfer licences
- Mapping of the access of participants to information
- Clearances (or requests)
- Export or transfer licences (or requests)
- Any national or international security legal restriction



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Controls and Audits

The Commission may, **at any time** during the implementation of the project and **up to five years** after the end of a project arrange for **financial audits**, relating to the proper execution of the grant agreement.

The Commission may also initiate a **technical review** of the project, **at any time** during the implementation of the project and **up to five years** after the end of a project.

Such a review may cover the **proper scientific, technical or other execution** of the project.



Sanctions

A beneficiary found to have overstated any amount and due to this having received an unjustified financial contribution from the Commission shall be liable to pay **liquidated damages** to the Commission.

In addition hereto, the Community will **recover** the received unjustified Community financial contribution from the beneficiary.



Disclaimer

The slides shown may not be complete. They are only used for the purpose of this presentation in order to clarify matters and to help to apply the rules for participation and the model grant agreement FP7 and its annexes.

Aspects of this presentation interpret legal documents. It is the legal documents and not this presentation which are legally binding.

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