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COMMISSION

Community Research



NEGOTIATION GUIDANCE NOTES for COFUND

FP7 Marie Curie Actions – People Co-funding of Regional, National and International Programmes (COFUND)



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Disclaimer

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

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1. INTRODUCTION

These guidance notes are provided for applicants who have been invited for project negotiation following the evaluation of proposals for Marie Curie Actions, COFUND under the 7th RTD Framework Programme of the European Community¹.

The document outlines the information and procedures in the negotiation process. The specific documents will be mentioned in the relevant paragraph, but a useful website with main reference documents is http://cordis.europa.eu/fp7/find-doc_en.html .

Definitions used throughout this Guidelines (Annex III to Grant Agreement)

1. **Programme:** means a regional, national or international programme that funds the trans-national mobility of *experienced researchers* via the award of fellowships.
2. **Host organisation:** legal entity where the *experienced researcher* carries out the *research training activities* during the *incoming, outgoing or re-integration mobility*.
3. **Research training activities:** means the activities related to the research training and career development to be provided to the *experienced researcher* under the *project* as described in the *fellowship agreement*.
4. **Fellowship agreement:** means the agreement signed between either the *beneficiary* or the *host organisation* or any legal entity specified in the *programme* and the *experienced researcher* which determines the conditions for implementing the *research training activities*, and the respective rights and obligations.
5. **Experienced researchers:** means *researchers*: 1) already in possession of a doctoral degree, independently of the time taken to acquire it or 2) having at least 4 years of research experience (full-time equivalent) including the period of research training, after obtaining the degree which formally allow them to embark on a doctorate in the country in which the degree/diploma was obtained or in the country in which the research training is provided irrespective whether or not a doctorate was envisaged.
6. **Incoming mobility:** means the period spent by an *experienced researcher* at the premises of a *host organisation* located in a member state or *associated country* other than the country of his/her nationality or residence in accordance with Annex I to this *grant agreement*.
7. **Outgoing mobility:** means the period spent by an *experienced researcher* at the premises of a *host organisation* located in a member state, *associated country* or *third country*, other than the country of his/her nationality or residence, including a possible reintegration phase, in accordance with Annex I to this *grant agreement*.

¹ Decision of the European Parliament and of the Council (EC) No 1982/2006 of 18 December 2006 concerning the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007-2013) - OJ L412 of 30.12.2006, p 1

and
Decision of the European Parliament and of the Council (EC) No 973/2006 of 19 December 2006 concerning the specific programme People implementing the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007 to 2013) – OJ L400/272 of 31.12.2006, p 272

8. **Reintegration mobility** : means the period spent by an *experienced researcher*, who is a national of member state or *associated country*, at the premises of a *host organisation* located in a member state or *associated country* after having carried out research in a *third country* for at least 3 years.

The term "*beneficiary*" used throughout this document is meant as "*potential beneficiary*".

2. PREPARATION OF NEGOTIATIONS

2.1 Invitation to negotiations

Following the positive evaluation of a proposal and the Commission's definition of a maximum Community financial contribution for the work, the beneficiary is invited by letter to commence negotiations with the Commission for a grant agreement.

The letter of invitation to negotiations provides details on the results of the evaluation and any aspects to be reviewed during negotiation and a copy of the Negotiation Mandate (the layout of the negotiation mandate can be found in Appendix 1). The letter is accompanied by the independent experts' advice to the Commission in the form of the Evaluation Summary Report (ESR).

The negotiation mandate may indicate requests for clarification and changes to the proposed project that will need to be addressed during negotiations together with the maximum Community contribution available for the project and the suggested duration of the project.

The name and contact details of the Commission Project Officer(s) and Administrative Officer(s) will also be indicated here. The Project Officer(s) may request one or more negotiation meetings to be held (normally in Brussels or Luxembourg). If any meetings are scheduled, then the negotiation mandate indicates their time schedule and location.

Verification by the Commission of legal status and existence of beneficiaries is one of the prerequisites for signing a grant agreement. For this purpose, a Central Validation Team has been created as part of the Unique Registration Facility and contacts with potential beneficiaries will be taken by the Team in order to establish their legal existence and status.

The letter of invitation and/or the negotiation mandate shall indicate:

- The deadline by which the beneficiary must provide the first drafts of Annex I (description of work) of the Grant Agreement (GA) and the Grant Agreement Preparation Forms (GPFs) including all supporting documents.
- The deadline by which negotiations must be completed.

The letter of invitation also points to web addresses for:

- A copy of these guidance notes
- The Model Grant Agreement and its annexes and any special conditions that could apply (http://cordis.europa.eu/fp7/calls-grant-agreement_en.html#people_ga)
- The on-line IT tool called NEF (Negotiation Facility), for the completion of grant agreement preparation forms and exchange of information between beneficiary and project officer (<https://webgate.ec.europa.eu/nef/>)
- The Guide to Financial Issues relating to FP7 indirect actions (ftp://ftp.cordis.europa.eu/pub/fp7/docs/financialguide_en.pdf)
- The Rules to ensure consistent verification of the existence and legal status of participants, as well as their operational and financial capacities, in FP7 indirect actions (ftp://ftp.cordis.europa.eu/pub/fp7/docs/rules-verif_en.pdf)

- The Guide to Intellectual Property Rules for FP7 projects (ftp://ftp.cordis.europa.eu/pub/fp7/docs/ipr_en.pdf)

2.2 The Model Grant Agreement

Before beginning negotiation, beneficiaries are invited to carefully read the Model Grant Agreement and its Annexes (http://cordis.europa.eu/fp7/calls-grant-agreement_en.html#people_ga), which establish the legal framework for the project's funding and administration.

2.3 The beneficiary

Once the grant agreement enters into force the beneficiary will act as the interface between the Commission services and the host organisations. The beneficiary submits all documents to the Commission. The beneficiary will also be responsible for submitting the project's financial statements, will receive all payments from the Commission and will distribute them, as applicable, to the other host organisations and to the fellows.

2.4 The Project Officer

The Project Officer leads and represents the Commission in the negotiations with the beneficiary.

The Project Officer is identified in the letter of invitation. The Project Officer carries out the negotiations with the beneficiary, being responsible for all contacts between the Commission and the beneficiary. Thus the Project Officer shall be the sole recipient of all correspondence related to the negotiations.

2.5 Preparation of documents for negotiations

At the beginning of negotiations, beneficiaries are invited to submit a draft Annex I (description of work) to the Grant Agreement (GA). This is largely an updated version of part B of the proposal, taking account of the comments made by the Commission in the negotiation mandate. Likewise the Grant Agreement Preparation Forms (GPFs) need to be provided.

2.5.1 Grant Preparation Form

The GPFs are standard forms that collect the information that the Commission needs in order to prepare the grant agreement and gather programme-wide statistical information. These forms are compatible with the forms used in the proposal submission, so that much of the proposal information is directly transferred into the GPFs that are made available via the on-line tool NEF.

While the submission of interim versions of the GPFs during the negotiation is done completely electronically via NEF, the beneficiary must sign the final version of the GPFs, on a paper version printed from NEF.

2.5.2 Annex I to GA

Annex I to GA is the reference document for the work and the effort to be executed under the project. It forms part of the Grant Agreement, and must facilitate the implementation and meaningful monitoring of the project for both the beneficiary and the Commission. The concrete goals and expected results must be clearly described (in a measurable way).

The first drafts of Annex I to GA (by e-mail) and of the GPFs (via NEF) are submitted to the Commission Project Officer within the deadline indicated in the letter of invitation to negotiations. Upon receipt, the Commission Project Officer will indicate changes or improvements which are required to which the beneficiary responds in an iterative process until agreement is reached. The entire process should be concluded before the deadline for completion of negotiations.

If not already registered in the Unique Registration Facility, beneficiaries have to provide supporting documents to enable the Commission to verify their legal existence and status.

In addition, beneficiaries requesting more than EUR 500,000 EC contribution have to provide financial documents for financial viability checking (except public bodies and entities whose participation is guaranteed by a Member State or Associated Country).

2.5.3 The Guide to Financial Issues relating to indirect FP7 actions

Before beginning negotiation, beneficiaries are also invited to carefully read the Guide for Financial Issues relating to indirect FP7 actions (ftp://ftp.cordis.europa.eu/pub/fp7/docs/financialguide_en.pdf), whose purpose is to help them to understand the financial provisions of the grant agreement that they will have to sign.

2.5.4 Validation of existence and legal status of participating legal entities

Before signing grant agreements in FP7, participants have to be validated by the Commission for their existence as legal entities and their legal status. The principle in FP7 is that this validation will only be done once for each entity. Once an entity carries the label "FP7 validated" it can participate in subsequent grants without repeated validation.

To implement this principle, a facility called PDM-URF (Participant Data Management – Unique Registration Facility) is currently available.

2.6 Support during Negotiations

2.6.1 Assistance with legal and financial issues

The letter of invitation to negotiations may specify the name and contact details of Commission official in charge of the negotiations. This person will be able to assist with specific questions on the technical, legal and financial issues. Should beneficiaries have general questions relating to the FP7 Model Grant Agreement, or to general legal and financial issues, they are advised to submit these by following the link

<http://ec.europa.eu/research/enquiries/> and selecting the option '*Legal/Financial aspects of the Framework Programme*'.

A technical guide for using NEF is provided to beneficiaries at the start of negotiation.

2.6.2 Intellectual property (IPR) issues and IPR helpdesk

Beneficiaries will find an overview of the FP7 intellectual property (IPR) provisions in the Guide to Intellectual Property Rules for FP7 projects. That document is intended to act as a guide to the various issues and pitfalls that participants may encounter.

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

<http://www.iprhelpdesk.org/>

Telephone +34 96 590 97 18

Telefax +34 96 590 97 15

E-mail ipr-helpdesk@ua.es

2.6.3 Gender Issues

The detailed information on the gender mainstreaming in research and FP7 projects is provided on the Commission's webpage:

<http://ec.europa.eu/research/science-society/index.cfm?fuseaction=public.topic&id=37>

2.6.4 Ethical Issues

The ethical issues are one of the crucial elements that have to be addressed during the Negotiations. Apart from instructions and links provided in Appendix 1, there is general information on the Ethics in FP7 on the webpage: http://cordis.europa.eu/fp7/ethics-ict_en.html

3. THE WHY, WHAT AND HOW OF NEGOTIATIONS

The overall purpose of negotiations is to finalise the details of the work to be carried out under the grant agreement within the associated budget, as well as to verify the legal and financial information needed to establish the grant agreement.

The project negotiation process comprises two main aspects:

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

Depending on the size and nature of the project, meetings between the beneficiary and the Commission may, or may not, be required. This will be decided by the Commission Project Officer in charge of the project negotiation and will be communicated to the beneficiary in the letter of invitation to negotiations.

The beneficiary normally attends all meetings and the Commission may be assisted by (an) external expert(s).

This may be one or more of the experts who assisted the Commission in the evaluation of the proposal.

Please note that the Commission does not fund costs related to the effort made by the beneficiary in preparing the proposal or conducting the negotiations. The cost of travel and subsistence of the beneficiary to negotiation meetings is not reimbursed.

3.1 Technical negotiations

The aim of the technical negotiations is to agree on the final content of Annex I (description of work) to GA.

Based upon the Evaluation Summary Report, the Negotiation Mandate and any further discussion with the Commission Project Officer, the beneficiary should make a first draft of the Annex I. The final version of this document will form an integral part of the Grant Agreement.

During this part of the negotiation process:

- The proposal may need to be adapted to meet the recommendations of the evaluation, as described in the negotiation mandate.
- The work plan to be carried out under the project will need to be defined in sufficient detail.
- Agreement will need to be reached on the overall number of researchers, timing and implementation modalities (see box below for examples).
- Agreement will need to be reached on the project milestones and their assessment criteria. Milestones are key points in the life of the COFUND programme that determine the success of the programme itself, e.g. publication of a call, selection of experts, evaluation of fellows etc.
- An indicative time schedule needs to be established for the project reviews (if not predefined in the special conditions of the grant agreement) – which ideally should be synchronised with the reporting periods.

Implementation modalities include:

- Publication of the call on local, regional, national and European journals;
- Dedicate website;
- Production of a leaflet presenting the COFUND programme to be distributed at conferences, meetings;
- Production of any other dissemination means, e.g. video, poster, DVD.

3.2 Financial and legal negotiations

Financial negotiations focus mainly on reaching agreement on the full fellowship costs for eligible researcher and the indicative budget breakdown for the different reporting periods. They will also cover the establishment of the amount of the initial pre-financing and the timing of project periods. The basis for reaching agreement of full fellowship costs is key for the establishment of the maximum Community contribution. It consists of providing the breakdown of the fellowship costs table (see Tables 1, 2 and 3 of Appendix 4), and of providing evidence of each cost category in the form of certification or studies. The Commission needs to have evidence that the grant may not have the purpose or effect of producing a profit, according to the Council Financial Regulation² (FR) applied to the COFUND scheme, therefore evidence on the estimated cost categories has to be provided (see box below for examples). The resulting full fellowship costs will be used to calculate the scale of unit costs for each category of proposed fellowship, which will be used as the basis for the Community contribution. The amounts of the cost table should represent average costs over the life-time of the programme and should therefore include provision for planned adjustments for fellowships to e.g. salary increased due to inflation.

Examples of evidence (non exhaustive) on the estimated cost categories:

- Living allowance: regulatory basis of level of award, studies, methodology used to estimate the amount, statistics and studies, etc.
- Travel/mobility allowance: regulatory basis, studies, methodology used to estimate the amount, statistics and studies etc.
- Research cost contribution: regulatory basis and the information on which this amount has been estimated etc.
- Management costs: regulatory basis, methodology used to estimate the amount, (statistics and studies) showing the average management costs of the fellowships incurred by the Host Institutes as well as management costs of the programme itself (evaluation etc).
- Indirect costs (overheads): regulatory basis, methodologies how on these overheads have been calculated etc.

² Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation (Financial Regulation) applicable to the general budget of the European Communities – OJ L 248, 16.09.2002, p.1, as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p.1) and Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of Council Regulation (EC, Euratom) referred to in the previous footnote, OJ L 357, 31.12.2002, p.1 as last amended by Commission Regulation 1248/2006 of 7 August 2006, OJ L 227/3 19/8/2006. If the linked revision of the Implementing Rules is adopted before the adoption of this decision, the respective reference will be inserted

The appropriateness of inclusion of any special clauses will be discussed during the negotiation. The list of special clauses applicable to the Marie Curie Model Grant Agreement is provided at ftp://ftp.cordis.lu/pub/fp7/docs/fp7-mga-clauses_en.pdf

At this stage the Commission will also assess whether the beneficiary has the required capacity to carry out the planned tasks or not.

During this part of the negotiation process:

- The scale of unit cost will be determined for each type of mobility, based on evidence on how each cost category including management and overheads (average costs) has been estimated (see box above with Examples).
- The maximum EC contribution, based on the number of researcher - years valued at the scale of unit costs by category of proposed fellowship and the funding percentage fixed at 40% of these fellowship costs for eligible researchers, with a maximum overall of €5 million to a single beneficiary entity for one call.
- The amount of pre-financing is established.
- The start date and the duration of the project are agreed upon.
- The Commission will verify the management capacity of the beneficiary
- Any third-party issues will be clarified.
- The need for the inclusion in the grant agreement of any special clauses will be established.
- The timing of the financial and technical reporting periods will be established.
- For existing programmes, detailed information on additional cost categories estimated will be requested in order to avoid double financing (e.g. costs of management and overheads).

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

Beneficiaries also have the opportunity, during negotiations, to consider any gender aspect that might be relevant to the project. Projects should ensure an open and impartial selection procedure, as well as fair working conditions, to researchers recruited on projects funded under FP7. The Commission Recommendation of 11 March 2005 on the European Charter for Researchers and a Code of Conduct for the Recruitment of Researchers should be applied as a reference framework for recruitment (http://ec.europa.eu/eracareers/index_en.cfm).

Several supporting legal documents are required in order to prepare the Grant Agreement and provide the necessary security for the Commission Services. In case these documents have been provided for previous contracts, they should not be provided again.

These include the following:

- Legal status: copy of any official document proving the legal existence of the contracting organisation (e.g. Charter/Act of foundation/law extract; official registration number with national authority; registered statutes; extracts from the Official Journal; VAT registration, etc.) will be requested. These documents must be provided with translation if the original document is not in an official language of the EU.
- A Legal Entity Appointed Representative (LEAR) (see cordis website http://cordis.europa.eu/fp7/urf-lear_en.html)

- A Participant Identification code (PIC) (see cordis website http://cordis.europa.eu/fp7/urf-pic_en.html)
- Banking information: form A4 should be filled and signed by the beneficiary, stamped and countersigned by the bank. An exception is made however in the following cases: the bank stamp and signature are not requested for accounts at the Bank of England, Central Bank of Ireland and Trésor Public ACCT (France).
- If needed, the Commission will ask for copy of the (audited) annual accounts (financial statements).

3.3 Completion of negotiations

At the end of the negotiations, agreement should be reached on all technical, financial and legal issues related to the Grant Agreement and the beneficiary should be in the position to prepare and send a final version of the relevant documents to the Commission Project Officer.

Where paper copies are requested as the case is for the GPFs (to be printed from NEF), these should be unbound, on white paper, with original signatures.

The Commission should receive a declaration signed by the legal representative stating that no double financing from any other sources is applied (costs cannot be covered twice) and that no other Community funding is going to be used for the same project.

The beneficiary shall provide information on the expected sources of funding for the action and declare any other than Community funding that receives for carrying out the project. Moreover s/he shall provide the eligibility of the costs criteria as stated in the FR and make sure that the Implementation Rules are applied during the negotiation phase (Article 113 of FR and Article 172 of IR).

When all the necessary legal and financial information required has been received and validated by the Commission, a grant agreement is drafted and sent to the beneficiary for signature. A negotiation checklist is provided in Appendix 3 in order to assist beneficiaries in the negotiation process.

3.4 Applicable law

The *Community* financial contribution is a contribution from the *Community* research budget with the aim to implement the 7th Research Framework Programme (FP7) and it is incumbent on the Commission to execute FP7. Accordingly, the *grant agreement* shall be governed by the terms of the *grant agreement*, the *Community* acts related to FP7, the FR applicable to the general budget and its implementing rules and other *Community* law and, on a subsidiary basis, by the law of Belgium, unless special clauses 2bis and 3bis have been inserted in the grant agreement.

Furthermore, the Commission may take a decision to impose pecuniary obligations, which shall be enforceable in accordance with Article 256 of the Treaty establishing the *European Community* and Articles 164 and 192 of the Treaty establishing the *European Atomic Energy Community*.

Notwithstanding the Commission's right to directly adopt the recovery decisions referred to in the previous paragraph, the Court of First Instance, or on appeal, the Court of Justice of

the European Communities, shall have sole jurisdiction to hear any dispute between the *Community* and any *beneficiary* concerning the interpretation, application or validity of the *grant agreement* and the validity of the decision mentioned in the second paragraph.

3.5 Some important points to remember

- An invitation to start negotiation does not, under any circumstance, guarantee the funding of a project or the offer of a grant agreement.
- The funding of the proposal may depend on the beneficiary's acceptance of changes requested by the Commission services in the Negotiation Mandate.
- The maximum amount of funding for a project is fixed in the negotiation mandate.
- Funding is conditional upon compliance with the Model Grant Agreement.
- In some cases the Commission may not be able to enter into a grant agreement with certain legal entities because of financial insecurity, other limitations imposed by the FR (Articles 93, 94 95, 96 and Article 133, 113bis, 134bis of the IR) or for reasons of irregularity or violation of fundamental ethical principles.
- If the Commission cannot obtain reasonable assurance that the beneficiary has the necessary financial and human resources to carry out the proposed work, it is possible that the negotiation is terminated.
- The Commission aims at shortening the time to grant (i.e. the time between deadline of the call for proposals and the signature of the grant agreement). As a result, the letter of invitation to a negotiation specifies a time limit for negotiations. If negotiations are not completed within the given time limit, the Commission may terminate negotiations.

For projects involving the use or production of 'Classified information' or requiring export licences or where a topic is subject to specific national or European security related legal restrictions, the funding of the proposal may depend on the beneficiary's ability to manage the relevant security issues.

4. GRANT AGREEMENT

4.1 Grant agreement signature

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

The beneficiary signs all the A Forms and he/she sends one original of the A-1 Form to the Commission, keeping one for its records.

4.2 Start of the project

The grant agreement will enter into force after its signature by the beneficiary and the Commission, on the day of the last signature.

However the relevant provisions of the grant agreement will determine the start date of the project. This may be the first day of the month following the entry into force of the grant agreement, or a specific fixed date as negotiated or the effective starting date notified by the beneficiary. Where the beneficiary requires a specific fixed start date for the project that precedes the entry into force of the grant agreement, full details regarding the justification for the request should be made in writing to the Project Officer prior to the finalisation of Annex 1 to GA and of the GPFs. The Commission may refuse this request if no sufficient and acceptable justification is provided. In other words, the beneficiary shall demonstrate the need to start the action before the GA is signed. In no case this date can be prior to the submission of the proposal.

Only those costs incurred from the start date of the project but not before can be considered as eligible. Where the start date of the project precedes the entry into force of the grant agreement, the future beneficiary takes the risk that the grant agreement might not be signed. In such a case costs will not be reimbursed by the Commission.

4.3 Pre-financing

The Commission will make the pre-financing to the beneficiary within 45 days from the entry into force of the GA or from the start date of the project. Where applicable, the % for the pre-financing payment may be adjusted in function of a negotiated start date of the project. The amount will be established during the negotiations and is intended to provide the beneficiaries with sufficient cash flow to carry out the first part of the project.

As an indication, for projects with two reporting periods, the pre-financing amount could be negotiated up to 80% of the total EC contribution

The pre-financing amount specified in the grant agreement includes the beneficiaries' contribution to the Participants' Guarantee Fund (PGF). This represents 5% of the requested total EC contribution and is transferred directly to the PGF by the Commission.

4.4 What is the Participants' Guarantee Fund (PGF)?

The Participants' Guarantee Fund (PGF) is a mutual benefit instrument establishing solidarity among beneficiaries in indirect actions at the level of the Framework Programme. It aims primarily at covering the financial risks incurred by the Community and the beneficiaries during the implementation of the indirect actions of FP7. The PGF's capital and interests constitute a performance security.

Moreover, it allows the Community to exempt beneficiaries from *ex-ante* financial viability controls (except in a limited number of cases please refer to 3Rules to ensure consistent verification of the existence and legal status of participants, as well as their operational and financial capabilities, in FP7 indirect action - ftp://ftp.cordis.europa.eu/pub/fp7/docs/rules-verif_en.pdf) and from the imposition of any sort of financial securities, including bank guarantees or retention of pre-financing.

It will therefore ease the implementation of FP7 actions for the Commission and participants, by reducing time to signature to the grant agreement and paperwork and allow small actors such as SMEs to accede Community funding under the same conditions as major research stakeholders.

All beneficiaries to indirect actions taking the form of a grant must contribute to the PGF for the duration of the action. When transferring the initial pre-financing to a beneficiary, the Commission will deduct the relevant PGF contribution and transfer it to the holding bank.

This deduction will be equal to 5% of the total Community financial contribution foreseen in the Article 5 of the Grant Agreement. At the time of the final payment, beneficiaries will recover their capital unless the PGF has incurred losses. In such a case, the Commission will deduct a maximum of 1% of the grant owed to them, with the exception of public bodies, legal entities whose participation in the grant agreement is guaranteed by a Member State or an associated country, and higher and secondary education establishments.

4.5 Project monitoring and follow-up

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

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

4.6 Project Fact Sheet

As the FP7 programmes are funded with public funds, a public database of basic information concerning the projects is maintained. Information for this database is captured principally from forms A1 and A2 of the final GPFs, forming part of a Project Fact Sheet of

non confidential information such as project acronym, objectives, project summary, project beneficiaries, Community funding etc. It also includes contact details for the beneficiary.

As this Project Fact Sheet is prepared by the Commission, no additional input is required from the project participants, though by arrangement with the negotiating Project Officer the project may substitute a revised version of their A1 and A2 text specifically for the Project Fact Sheet.

4.7 Reports and Deliverables

According to the grant agreement the beneficiary is obliged to submit periodic reports, as well as a final report to the Commission.

The reporting comprise the submission of financial statements (cost claims) during the course of the work. The frequency and format of these (and the cases where they need to be certified by an independent auditor) are defined in the grant agreement. The financial statements form the basis for any payments made by the Commission.

Considering that COFUND projects will be entirely financed on the basis of flat rates, and in accordance with Article 34.2 of the *Rules for participation*³, participants do not need to submit certificates on the financial statements.

Moreover under this action the beneficiary shall report at the end of each reporting period on some concrete information regarding each experienced researcher indicated in Annex III of the GA. Furthermore the beneficiary shall submit for each reporting period a mid-term progress report.

Beneficiary shall report on horizontal project related issues (including gender and science & society related aspects) at the end of the project.

Beneficiary is requested to include, if appropriate, the setting up of a project webpage in their deliverables list which they will update on a regular basis.

4.8 Technical audits and reviews

Based on the project reports and deliverables, the Commission with the assistance of independent experts may conduct technical audits or reviews of project at any time during the implementation of the project and up to 5 years after the end of the project in accordance to Article II.21. These are used by the Commission to assess the project progress and to decide the most appropriate action.

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

³ REGULATION (EC) No 1906/2006 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 December 2006 laying down the rules for the participation of undertakings, research centres and universities in actions under the Seventh Framework Programme and for the dissemination of research results (2007-2013) –OJ L 391/1of 30.12.06, p.1

A schedule for any planned reviews may be included in Annex I to GA (description of work).

5. GRANT AGREEMENT PREPARATION FORMS (GPFs)

5.1 Completing the GPFs

The GPFs have to be completed in an on-line IT tool called NEF (Negotiation Facility). The details of access to the tool will be given in the letter of invitation to negotiations. The paper versions of GPFs are provided in the document called "Grant Agreement Preparation Forms – FP7 COFUND.

The forms in NEF are an extension of the proposal submission forms. They are pre-filled with the available information from the proposal. The beneficiary should update and complete the information for all beneficiaries (including those not requesting any funding).

5.2 Why GPFs?

The GPFs have been designed to facilitate the project negotiations and the production of the grant agreement. Essentially the forms contain the details on the beneficiary that will sign the grant agreement and determine the eligible costs and Community contribution. The forms also include a standard declaration to be signed by the beneficiary.

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

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

5.3 Where to send the GPFs?

A first draft of the GPFs must be completed in NEF and submitted electronically (by closing a negotiation session in NEF) to the Commission Project Officer before the first negotiation round or meeting. The final agreed version of the GPFs should be printed from NEF and submitted to the Project Officer as soon as agreement is achieved, in one unbound copy on white paper with original signatures. Any required supporting documentation should be provided in one copy, if not requested differently by the Project Officer.

6. FREQUENTLY ASKED QUESTIONS (FAQs)

A regularly updated list of FAQs on participation and Grant Agreement issues is available and beneficiaries should consult this periodically, as this will assist them in their negotiations (<http://ec.europa.eu/research/fag>).

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

Project preparation/negotiation costs: The Commission does not fund costs related to proposal preparation or to conducting negotiations even if the fixed start date of the project is prior to the date that the grant agreement enters into force. This means also that the Commission will not reimburse the cost of travel and subsistence of the beneficiary to negotiation meetings.

Bank account: The beneficiary should establish a bank account in EUR to allow that the Community financial contribution and related interest are identified. Any interests yielded by the pre-financing exceeding €50 000 will remain property of the Community and will have to be declared with each reporting period. This amount will be off-set against the subsequent payment.

Legal establishment prerequisite for grant agreement: The Commission can only negotiate with, and offer grant agreements to, existing entities and the legal existence of a participant must pre-date the grant agreement signature or accession to the grant agreement.

This implies that beneficiaries should be legally established by the time of the signature of the grant agreement.

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

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

Estimation of cost categories: The GPFs and Annex I to GA require the beneficiaries to estimate essential details of costs over the lifetime of the project in order for the Commission to establish the maximum Community financial contribution and calculate its pre-financing.

Subcontracts: Beneficiaries should have the capacity to perform the tasks required by the project. Exceptionally, some limited tasks may be carried out by third parties. The beneficiary must ensure that work subcontracted does not affect its rights with regard to the use and dissemination of knowledge that are the beneficiary's property and the rights of the beneficiary. In addition, the beneficiary must ensure that work is performed at a reasonable cost and justify the reasons for subcontracting. Based on these elements, the Commission might require that a proposed subcontractor becomes a beneficiary. In

addition, the need for the continued presence of a beneficiary - who intends to subcontract significant parts of the work - may be questioned by the Commission, since this puts into question the beneficiary's capacity to perform the tasks required by the project. Subcontracts must be awarded according to the principles of best value for money, transparency and equal treatment. More details on subcontracting under FP7 are available in Appendix 7 to these guidance notes and the Guide to Financial Issues

Classified information and export licences: For projects involving the use or production of classified information or requiring export licences or where a topic is subject to specific national or European security related legal restrictions, a Security Aspect Letter will be required in the grant agreement (for details, please refer to Appendix 4)

Pre-financing: The Commission will make a pre-financing payment within 45 days following the date of entry into force of the grant agreement or following the start date of the project. When the beneficiary chooses the option of fixed start date that occurs before the signature of the grant agreement, he/she should demonstrate why he/she needs to start on this specific date.

Amendments: The Commission (with the possible assistance of external experts, e.g. in the case of significant changes like the change of entities involved) will consider requests for reasonable amendments to the grant agreement, provided they do not change the essential character of the project. Significant changes to the technical content of the work require the approval of the Commission. Amendments at the request of the beneficiary must be made in writing and signed by the authorised representative.

7. APPENDIXES

Appendix 1 – Layout of Negotiation Mandate

1. **Proposal No** <funding scheme>

2. **Strategic objective /Theme:** Marie Curie Actions, Co-funding of Regional, National and International Programmes, call FP7-PEOPLE-2007-2-3-COFUND

3. **Project Officer** (to whom all documents must be returned):

..... Tel : 32-2 29.....

European Commission Fax : 32-2 29.....

DG E-mail :

Office ...

B - 1049 Brussels

[Administrative Officer (from whom clarifications on grant agreement preparation forms should be requested):

..... Tel : +32-2-29.....

European Commission Fax : +32-2-29.....

DG E-mail :

Office ...

B - 1049 Brussels]

4. **Recommendations from the expert evaluators:**

<expert comments>

5. **Action for Commission services:**

<Commission comments>

6. **Maximum budget⁴:**

€ <amount>

7. **Timetable for negotiation:**

Indicative end of negotiations (will be defined at the official launch of negotiations)

⁴ This is an estimate of the maximum possible funding and does not take into account any possibly required changes (e.g. changes in form of the grant, detailed consequences of any recommended technical adaptations).

Appendix 2 – Negotiation of ethical issues

Ethics is central to scientific integrity, honesty and clarity of science. It is considered essential by the European *Commission* in the research activities that it funds or carries out itself. This means that in any proposal submitted to the 7th Framework programme, ethics issues must be identified and addressed. Proposals that pose ethics concerns will be flagged. If some aspects are incomplete, clarification may be sought, but this will cause delays in the application process.

Considering ethics issues from the concept stage of a proposal enhances the quality of research. Beneficiaries should take time to consider the benefit/burden balance of each work package; consider the impact of the research, not only in terms of scientific advancement, but also in terms of human dignity and social and cultural impact; consider elements such as the ethics and social impact of the research and whether there is a balance between the objectives and the means.

Proposals with serious ethical issues together with those that did not address ethical issues adequately will have been identified by the scientific evaluation as needing additional attention by an ethical review panel.

If a project has been subject to ethical review, grant agreement negotiation can not be concluded without taking full account of the ethics review report which should also form part of the technical annex to the grant agreement.

The ethical review within FP7 has two important functions:

1. To ensure that the EU can be confident that it is not funding any research that is ethically unsound.
2. To continually raise awareness amongst researchers of ethical issues that may be raised by their research and enable them to adequately address these. This is particularly important for new and developing areas of research and technology (Genomics, IT, Nanotechnology and Security Technologies for example), which previously may have had little need to address ethical issues in research projects but where new developments are leading to innovative research in areas where ethical considerations become important.

Normally an ethics review will have been carried out and the Ethics Review Report will be available by the time grant agreement negotiations begin. However, for some proposals requiring an ethical review this may not be the case. In this event, the beneficiary will be informed that an ethical review is still in progress and that the outcome of the ethical review will need to be taken into account and may change or may add to the final result of the scientific evaluation.

If the proposal contravenes the fundamental ethical rules of FP7 and this is unable to be resolved, the project may be stopped at any point in the evaluation/ negotiation/award process⁵

⁵ Regulation as last amended (of Council Regulation 1906/2006) by Corrigendum OJ L54 of 22.02.2007, p 4 – Art 14.2

Management

Where ethical issues are addressed by the project proposal, appropriate management of these issues should be guaranteed in the overall project management. This can be done in different ways, such as by involving one or more ethicist in the management board, by creating a separate management board for the ethical issues, by adding a work package to analyse in depth the important ethical issues involved or by working on an ethical impact assessment of the project. Sometime it might be advisable to choose a mixture of these measures.

Reporting

The annual report should devote a section to describing the handling of the ethical aspects of the project.

The ethical review report in Grant Agreement negotiation

The ethical review report has three elements that have to be taken into account in the negotiation of Annex I to GA.

- **Requirements:** These conditions have been identified as necessary in order to fulfil FP7 ethical rules. The requirements will refer to the individual WPs in which they must be incorporated. Annex I must demonstrate that these conditions have been accepted and are followed by the beneficiary.

Where additional information is required such as the approval of a national authority or a local ethics committee, the beneficiary must ensure these are obtained prior to starting the relevant experiments. In order to avoid 'micro management' and over burdening the Project Officer the majority of such approvals can be retrospectively checked in each progress report.

- **Recommendations:** Recommendations from the Ethical Report panel for improving the ethical soundness of the project should be subject to the negotiation process.
- **Follow Up:** Identification of any aspects of the project where ethical issues may need to be considered or reconsidered at a later stage.

The beneficiary has to describe any ethical issues that may arise in the proposal. In particular, he/she should explain the benefit and burden of the experiments and the effects these may have on the research subject. The following special issues should be taken into account:

Any ethical review will be performed solely on the basis of the information available in the proposal. Only in exceptional cases will additional information be sought for clarification. Projects raising specific ethical issues such as research intervention on human beings⁶; research on human embryos and human embryonic stem cells and non-human primates are automatically submitted for ethical review.

⁶ Such as clinical trials, and research involving invasive techniques on persons (e.g. taking of tissue samples, examinations of the brain).

To ensure compliance with ethical principles, the *Commission Services* will undertake ethics audit(s) of selected projects at its discretion.
A dedicated website that aims to provide clear, helpful information on ethical issues is now available at: http://cordis.europa.eu/fp7/ethics_en.html

The following special issues should be taken into account:

ETHICS REVIEW AND THE REVIEWERS

Ethics review aims to prevent Community funding being used for research activities that contravene fundamental rights.

- Reviewers are selected on the basis of their expertise.
- Reviewers must first register online on CORDIS.
- Reviewers have a wide range of skills. They include doctors, biologists and clinicians, ethicists, lawyers.
- Gender balance is promoted.
- Reviewers come from the European Union and other countries.

Every proposal gets a report outlining the views of the reviewers. No marks are given, but if the proposal is unclear on ethics issues, clarification may be asked for.

ETHICS REVIEW IS AUTOMATIC IF A PROPOSAL INCLUDES:

- Interventions on human beings;
- The use of human embryonic stem cells (hESC); and/or
- The use of non-human primates.

Ethics Review may be necessary if the proposal is flagged by the scientific expert as raising specific ethics issues.

MAIN ETHICS ISSUES THAT MUST BE ADDRESSED

- Informed consent
- Human embryonic stem cells
- Privacy and data protection
- Use of human biological samples and data
- Research on animals
- Research in developing countries
- Dual use

AREAS EXCLUDED FROM FUNDING

- Research activity aiming at human cloning for reproductive purposes.
- Research activity intended to modify the genetic heritage of human beings which could make such changes heritable (Research related to cancer treatment of the gonads can be financed).
- Research activities intended to create human embryos solely for the purpose of research or for the purpose of stem cell procurement, including by means of somatic cell nuclear transfer.

MAJOR CHANGES FROM FP6 TO FP7

The Ethic Review will be carried out on the proposal as it is submitted.

- No additional information will be requested at Ethical Review.
- Drafts of Information Sheet and Consent Form have to be submitted.

- No need to submit copies of legislation.

INFORMED CONSENT

When is it needed?

- When children are involved
- Healthy volunteers
- Human genetic material
- Human biological samples
- Human data collection

WHAT MUST BE IN A CONSENT FORM?

A statement that this is a research project.

- The purpose of the research, the duration, procedures to be used and identification of any experimental procedure.
- A description of the foreseen risks and benefits to be included.
- A statement describing the extent to which confidentiality of records identifying the subject will be maintained.
- A disclosure of any alternative procedures that might be beneficial.
- For research involving more than minimal risk, an explanation as to whether there are any treatments or compensation if injury occurs and if so what they consist of or where further information can be obtained.
- Identify the contact person for answers to questions about the research and research subject's rights, and whom to contact in the event of injury to the subject.
- A statement that participation is voluntary, withdrawal from the research can be undertaken at any time without loss of benefits which the subject is otherwise entitled to.

HOW TO DEAL WITH INFORMED CONSENT IN PRACTICE?

Ensure that:

- it is understood. Explain how you check the critical part of the process;
- it excludes vulnerable persons, prisoners, mentally impaired persons, severely-injured patients, very young children, but avoid lost opportunities for these persons. The framework should guarantee their participation (notion of surrogate legal/ therapeutic representative);
- you address the fact that people rarely recall what they have agreed upon when signing an informed consent form.

PRIVACY AND DATA PROTECTION

Privacy problems exist wherever uniquely identifiable data relating to a person is collected or stored, in digital form or otherwise. Improper disclosure control can be the root cause for privacy issues.

Data affected by privacy issues

- Health Information
- Financial and Genetic information
- Criminal justice
- Location information
- Data privacy/sharing data while protecting identifiable information

How to address Data protection and Privacy?

- Describe the procedures for informed consent confidentiality.

- Inform consent for duration and limited purposes.
- Code or anonymise banked biomaterial, security for storage and handling and make sure it is lawfully processed.
- Check for accuracy, and security Check for data transferred abroad unprotected.

DUAL USE

Dual use is a term used to refer to technology which can be used for both peaceful and military aims.

DOUBLE STANDARDS

The issues at stake when conducting research in *Third Countries* are linked with applying the same criteria to other cultures. This implies that you take into account the wide disparities in health systems, the burden of disease, the level of literacy and the scientific and ethics infrastructures.

HUMAN EMBRYONIC STEM CELL RESEARCH (HESC)

Each proposal using hESC is assessed by at least two independent ethics reviews: one in the country where the research is carried out and one at the EU level. No system in the world offers a higher guarantee regarding the respect of fundamental ethics principles.

When involving the use of hESC in their research project, researchers should take into account and specify:

- if it does not destroy embryos (including to procure stem cells);
- if the partnership has taken into account the legislation, regulations, ethics rules and/or codes of conduct in place in the countries where the research using the hESC will take place, including the procedures for obtaining informed consent;
- the source of the hESC;
- the protection of personal data (genetic data and privacy);
- the nature of financial inducements, if any;
- positive opinion from a Committee constituted by Member States representatives;
- approval of the relevant national or local ethics committee prior to the start of the research activities.

ELEMENTS FOR A GOOD APPROACH

- Foresee Ethics Responsibility at the level of Work-Package Leadership.
- Include a flowchart of the Ethics review process within the partnership.
- Include an appropriate periodic report on ethics.
- Ethics consideration is reflected in the structure of the proposal.
- Include an Ethics Standing Committee or at least a periodic monitoring for ethics.
- Include a Work Package on Ethics (if relevant).
- Specifically include: Insurance of participants, Conflict of interest, Incidental findings.
- The content of the Ethics part of the proposal should reflect that the issue was thought of thoroughly.
- Address possible ethics issues, even if to justify that they are not applicable, give justification.
- Justify the choice of animals, estimate the numbers.
- Take into account data, data transfer, banks, collecting samples, future clinical trials.

RESEARCH ON ANIMALS

- Address the question of animal by explaining your choices of species.
- Make a detailed and convincing explanation for the application of the 3Rs: Reduction, Replacement, Refinement.

- Justify species and give an estimate of numbers of animals you will use.
- Refer humane end points and pain suffering.
- Check for alternatives.

FOR MORE INFORMATION

- Guide for Applicants and Ethics Review guidance:
<http://cordis.europa.eu/fp7/dc/index.cfm>
- Experts' registration: <https://cordis.europa.eu/emmf7/>
- Ethics Review: http://cordis.europa.eu/fp7/ethics_en.html
- Research on Animals:
<http://www.nc3rs.org.uk/category.asp?catID=3>

http://www.vet.uu.nl/nca/links/databases_of_3r_models
- Ethics in EU Research Projects:
http://ec.europa.eu/research/science-society/page_en.cfm?id=3198

Include the Ethical issues table below. If you indicate YES to any issue, please identify the pages in the proposal where this ethical issue is described. Answering 'YES' to some of these boxes does not automatically lead to an ethical review. It enables the independent experts to decide if an ethical review is required. If you are sure that none of the issues apply to your proposal, simply tick the YES box in the last row.

Appendix 3 – Negotiation checklist template

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

Although the first negotiation meeting (or contact by phone /email, in case no meeting is planned) will mainly concentrate on the Annex I to GA (description of work) it will also touch financial and legal issues. The beneficiary should therefore have prepared for discussion all the issues in the checklist for the first meeting. Indeed in some cases the Commission Project Officer will indicate in advance that he/she would like to tackle both aspects of discussion in a single meeting / contact.

CHECK LIST FOR PROJECT NEGOTIATIONS

Prior to first contact	
Agree beneficiary' roles	
(If not already done) Confirm need for subcontracting, or any other third party, competitive calls, etc	
Complete first draft of Annex I and any appendices	
Complete first draft of GPFs, including bank account information	
Collect necessary supporting information / documents for GPFs (financial and legal information)	
Dispatch Annex I and GPFs to Commission Project Officer	

Discuss issues in draft Annex I	
Those addressed by ESR	
Those indicated by 'Negotiation Mandate' and arising during meeting/contact	
Those related to individual headings in Annex I 'table of contents'	

Meeting / Contact	
Set/agree date for submission of revised/final Annex I and GPFs	

Clarify financial/grant agreement issues	
Acceptability of form of grant used	
Confirm agreement on management costs	
Confirm agreement on Budget breakdown summaries (including	

receipts)	
Confirm direct/indirect costs	

Final submission	
Submit agreed final Annex I	
Submit agreed final GPFs	
Submit any annexes	

Appendix 4 – Guidelines for the preparation of the description of work- Annex I to the Grant Agreement

The following sections provide the structure of Annex I to the grant agreement (description of work) for Marie Curie COFUND. The Annex I is an integral part of the grant agreement. Non-compliance or non-fulfilment of its content will have the same legal consequences as for any default of the other contractual conditions. It should be negotiated between the beneficiary and the Project Officer.

It should be written in a clear, precise and concise manner. It should specify all the tasks to be undertaken and the corresponding deliverables, but with sufficient flexibility in order to be able to modify the work arrangements so as to achieve the stated objectives, should this be necessary, without the need for a formal modification of the text (i.e. Grant Agreement amendment). This flexibility is required both for the European Commission as well as for the beneficiary.

Annotated Structure of Annex I to grant agreement

Annex I to the grant agreement consists of four parts: Part A (list of beneficiaries and project summary), Part B (Description of the fellowship programme), Part C (Overall Indicative Project Deliverables) and Part D (Overall Maximum Community Contribution).

All pages must be numbered and each page should be headed with the project acronym, proposal number and actual drafting date. It must be written in the third person and should be typically of about ten pages in length, excluding tables and diagrams. It should be printed on single-sided, numbered A4 pages in Times New or Arial at least 12 point or similar font with single line spacing, margins of at least 2.0 cm and according to the following instructions and guidelines.

Part A of Annex I is comprised of the list of beneficiary and pre-defined host organisations and of a summary of the proposal.

Part B of Annex I is based on information from Part B of the proposal, on any information contained in the Evaluation Summary Report and in the Negotiation Mandate. It should also take into consideration any financial and technical issues that may arise during negotiation.

However, during the negotiation stage several sections of the original proposal need to be updated and the beneficiary may be requested to shorten certain sections of the proposal and elaborate on others. The Part B of Annex I should exclude all background material in support of the selection of the proposal, and not essential for the implementation of the selected project. For example, references to publications or previous work undertaken and future intentions of the beneficiary should be excluded. Any reference to “the proposal” should be omitted.

Part C of Annex I is based on information from A3.1 form of the GPF.

Part D of Annex I is based on information from A3.2 form of the GPF.

The structure of Annex I to GA (description of work) is similar for all funding schemes; however, in certain parts it is funding scheme specific. The following sections provide an annotated structure of Annex I for Marie Curie Actions, COFUND.

Structure of Annex I to GA for Marie Curie Actions

PART A

A.1 List of beneficiary and pre-defined host organisations

A.2 Project summary

PART B

B.1 Selection process for the fellows under the programme

1.1 Transparency of the selection process for the fellows under the programme

1.2 Composition and organisation of selection committees

1.3 Criteria and method of judging merit

B.2 Management of programme

2.1 Appointment conditions of selected fellows

2.2 Quality of the programme management

2.3 Client-friendliness towards applicant researchers

2.4 Administrative capacity to implement the programme

2.5 Appropriateness of the scale of the programme

2.6 Future development of the programme

B.3 Relevance and Impact to "Life-long training and Career development"

3.1 Openness of the programme to trans-national mobility

3.2 Contribution to diverse career development of researchers (broadening and deepening)

3.3 Career development support to fellows

3.4 Equal opportunities including for resuming a research career after a break

3.5 Relevance for the ERA of the scientific field covered by the programme's calls

3.6 Impact of the programme to the development of the researchers careers in the ERA

PART C

C.1 Overall expected researchers *(table A3.1 from the GPFs)*

C.2 Overall Maximum Community Contribution *(table A3.2 from the GPFs)*

Templates for Annex I

All sentences in Italics are "explanatory notes" and should be deleted from the final version of the document

Cover Page

The cover page of Annex I to the Grant Agreement is based on proposal information and the project acronym used in the proposal should not be changed

SEVENTH FRAMEWORK PROGRAMME FP7 Marie Curie Actions – People Co-funding of Regional, National and International Programmes

Grant agreement for: **COFUND**

Annex I - "Description of Work"

Project acronym: *(same as proposal acronym)*

Project full title:

Grant agreement no.: *(same as proposal no)*

Date of preparation of Annex I (latest version):

Date of approval of Annex I by Commission: *(to be completed by Commission)*

PART A

A.1: List of Beneficiary and host organisations (where applicable)

Beneficiary/ Host organisations Number *	Beneficiary/ Host organisation name	Beneficiary /Host organisation short name	Country	Date enter project**	Date exit project**
1 (<i>beneficiary</i>)					
2					
3					
4					

* Please use n° 1 for beneficiary and the following numbers, where applicable, for pre-identified host organisations actively involved in the programme

** Normally insert "month 1 (start of project)" and "month n (end of project)"

A.2: Project Summary

The information in this section is directly taken from the A1 form of the Proposal Submission Forms (PSFs) and incorporated into the GPFs. It should not be modified for the preparation of the Annex I.

- Free Keywords: (*as reported on A1 form of the PSFs and GPFs*)
- Abstract: (*taken from A1 form of the PSFs and GPFs*)

PART B

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

B.1 Selection process for the fellows under the programme

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

1.1 Transparency of the selection process for the fellows under the programme

- Describe the efforts made to promote the programme and its calls, both nationally and abroad, in order to reach the target audience.
- Describe how applicants are informed about the evaluation and the selection process, in particular about the evaluation criteria used to grade applications.
- Describe how and at what stage applicants are informed about the evaluation results.

1.2 Composition and organisation of selection committees

- Describe your criteria for the selection and balance of experts on the selection committee(s).
- Describe how these criteria for selecting experts follow the "Code of Conduct for the Recruitment of Researchers"¹²(e.g. is the gender balance adequate, are different disciplines and sectors (private and public) represented, are there experts from other countries)?
- Explain how your selection progress is organised (e.g. how many experts read a proposal, who takes the final decision about the selection/rejection of a proposal, etc.)
- How do you handle potential and actual conflicts of interest of the experts?

1.3 Criteria and method of judging merit

- Describe the criteria for the selection of fellows. Explain how they allow the identification of the scientific capability of the applicants. Do they take into account diverse knowledge and qualifications (e.g. scientific/practical/ management experience, trans-national mobility, inter-sectoral mobility, etc.)
- Explain how your ethical rules align with the Commission's ethical principles for FP7.
- If relevant, describe how you treat ethical issues that might appear in an applicant's research.
- Explain how the merit of returnees from a career break is valued, if relevant.

B.2 Management of programme

This section should be based on Part B.2 of the original proposal. This section describes the project's organisational structure and high-level decision-making mechanisms. It should describe how the project management will enable the project to achieve its goals. If the addition of beneficiary during the lifetime of the project is foreseen, describe how the management structure will adapt for this.

2.1 Appointment conditions of selected fellows

- Describe how you assure that appropriate technical conditions are provided for the selected fellows in terms of office/lab space, access to appropriate equipment and material etc.
- Describe the employment conditions provided to the fellows, including statutory working practices, social security coverage and social benefits (contribution to pension funds, health and accident insurance, parental leave etc.)
- Explain how these conditions align with regional, national or sectoral conditions, as specified in the "European Charter for Researchers and The Code of Conduct for the Recruitment of Researchers".

2.2 Quality of the programme management

- Describe the management plan of the programme and the resources; include a chart giving an overview of the researchers to be recruited, the milestones of the programme and its implementation⁷.
- If several organisations (e.g. beneficiary and host organisations) propose a joint programme, please describe the responsibilities of each partner organisation.
- Describe any review process that is associated with the programme, and which may have already been carried out for existing programmes.
- Give an overview over the qualification and experience of the senior staff responsible for the management of the programme.
- Give an overview of the estimated programme budget including the requested co-funding contribution (use table as appropriate). Demonstrate that you will use the Community contribution in line with the objectives and scope of the COFUND action as described in the Work programme.

2.3 Client-friendliness towards applicant researchers

- Describe your application documentation, with particular view to accessibility and usability.
- Do you offer support to applicants? If so, describe the individual functions (e.g. help-desk, FAQ's, Quality assurance)?
- Describe the information to applicants about the expected time to receive evaluation results and to start fellowships
- Illustrate the feed-back given to the applicants about the evaluation results (e.g. are the reasons for rejection explained in detail? Are strengths and weaknesses of the proposal mentioned?).

2.4 Administrative capacity to implement the programme

- Show that your organisation/institution has the necessary infrastructure to carry out the administrative tasks of the proposed fellowship programme.
- Show that your organisation has the required financial expertise and audit function for the programme.
- Give an overview over the qualification and experience of the general staff responsible for the execution of the programme.

⁷ Milestones are points where major results have been achieved as the basis for the next phase of work, or are control points at which decisions are needed; for example a milestone may occur when a major result has been achieved, if its successful attainment is a pre-requisite for the next phase of work.

2.5 Appropriateness of the scale of the programme

- Demonstrate that the number of fellowships suggested in your programme is appropriate in terms of achieving a strategic impact.
- Describe the programme design elements that give it the capacity to adapt or expand easily?

2.6 Future development of the programme

- Describe the longer-term strategy of the programme and how you see its future development beyond the Community co-funded phase.
- Describe how foreseen impact assessment and key indicators may serve to improve the evolution of the programme.

B.3 Relevance and Impact to "Life-long training and Career development"

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

3.1 Openness of the programme to trans-national mobility

- Explain in detail the trans-national elements of your programme (e.g. the importance of incoming, outgoing, re-integration components as relevant).
- If applicable, describe the reasons for the chosen combination of transnational elements.
- What specific efforts are made to attract non-nationals?

3.2 Contribution to diverse career development of researchers (broadening and deepening)

- Explain how the programme helps the fellows to deepen the skills within their discipline and/or to gain new skills in other disciplines/sectors (private-public
- Does the programme also offer support or training in non-scientific skills (e.g. management, presenting and publishing research results etc.)?

3.3 Career development support to fellows

- Explain how the programme contributes to the career development of the fellows.
- Explain any specific mentoring or support schemes in place to support career development
- Describe any specific schemes to follow up career re-integration or return mechanisms if appropriate?
- Describe any post-scheme network support offered to maintain relationships established during the fellowship?

3.4 Equal opportunities including for resuming a research career after a break

- Explain the measures the programme takes to ensure equal opportunities.
- Describe the monitoring of success ratios of men/women, and appropriate targeting of fellows in areas where they are imbalanced, etc.).

- Does the programme encourage applications from researchers after a career break?

3.5 Relevance for the ERA of the scientific field covered by the programme's calls

- How does the programme proposed contribute to the general policy objectives of ERA?
- Demonstrate that your programme contributes to the overall objective and expected impact of the COFUND action (developing of the trans-national dimension, increasing the number of trans-national fellows or improving the fellows' conditions)
- Indicate the evolution of own budget over time. If relevant, justify any reductions from previous years' budget.
- How does your programme contribute to specific ERA goals (e.g. efforts to overcome fragmentation and to contribute to long-lasting international cooperation, development of common research methods/approaches, etc.)?
- For fellowships awarded outside of ERA, is there a suitable return element foreseen?

3.6 Impact of the programme to the development of the researchers careers in the ERA

- Describe how the programme assures that the researchers can choose as freely as possible their research topics and research institutions/supervisors according to their individual career development needs
- Explain how and why the award of a fellowship under your programme will help to boost the researchers' careers after the end of the fellowship.

As in the proposal, the following tables must be provided for each type of mobility proposed by the beneficiary (Incoming, Outgoing, Re-integration)

Table 1: Indicative long-term strategic programming of the programme⁸

Proposal acronym:	Average 2003-2007 ⁹	Type of mobility:				
		2007	2008	2009	2010	2011
Own long-term indicative funding planned by the programme (MEUR)						
Years of start of the programme						

⁸ Only for existing trans-national fellowship programmes

⁹ For years only where the programme was fully operational

Table 2: Yearly breakdown of requested co-funding

Proposal acronym:	Type of mobility:					
	Year before COFUND Action	Year 1	Year 2	Year 3	Year 4	Total
Total budget of calls (committed as a result of calls under that year) (MEUR)						
Of which - own budget						
- Community contribution						
Fellowship-years selected						
Fellowship-years executed under COFUND						

Table 3: Cost breakdown per fellowship type

Proposal acronym:			
Cost categories (average costs)	Outgoing fellows	Incoming fellows	Re-integration phase
Living allowance (EUR/year)			
Travel/mobility allowance (EUR/year)			
Research cost contribution (EUR/year)			
Overheads (EUR/year)			
Management costs (EUR/year)			
TOTAL (EUR/year)			
Community contribution (EUR/year) ¹⁰			
Number of eligible fellows			
Average duration of fellowships (months)			
Number of eligible fellow-years			
Total budget (EUR)			
Community contribution (EUR)			

PART C

For this part of Annex I, tables A3.1 and A3.2 of GPFs have to be included.

¹⁰ 40% of Total

Appendix 5 – Subcontracting in FP7¹¹

What subcontracting may be carried out under FP7 projects and when?

The EC Model Grant Agreement indicates that *Beneficiaries* shall ensure that the work to be performed, as identified in Annex I, can be carried out by them. However, where it is necessary to subcontract certain elements of the work to be carried out, this should be clearly identified in Annex I.

Subcontracting may concern only certain parts of the project, as the implementation of the project lies with the participants. Therefore, the subcontracted parts should in principle not be "core" parts of the project work. In cases where it is proposed to subcontract substantial/core parts of the work, this question should be carefully discussed with and approved by the Commission and those tasks identified in this chapter of Annex I.

During the implementation of the *project*, beneficiaries may subcontract other minor support services, which do not represent core elements of the *project* work. Coordination tasks of the beneficiary such as the distribution of funds, the review and collection of reports and others tasks mentioned under Article II.2.3 cannot be subcontracted. Other project management activities could be subcontracted under the conditions established for subcontracting.

Tasks to be performed by a subcontractor including a financial estimation of the costs, should be identified in this part of Annex I. It is not necessary to identify the subcontractor, except where the subcontractor has already been identified following the procedures described below.

The monetary value of the services is normally not sufficient to determine whether these conditions are met. As a general rule, subcontracting does not occur between beneficiaries.

What are the conditions under which subcontracting may be carried out under FP7 projects?

Article II.7.2 of the model grant agreement requires beneficiaries to ensure that transparent bidding procedures are used before selecting a subcontractor.

“Any subcontract, the costs of which are to be claimed as an eligible cost, must be awarded to the bid offering best value for money (best price-quality ratio), under conditions of transparency and equal treatment.”

However, this does not mean that a full tendering procedure has to be launched for every subcontract¹². Many organisations have framework contracts with a third party to carry out

¹¹ Other than subcontracting to RTD performers (Research for the Benefit of SMEs)

¹² **For public entities**, the award procedure must comply with any national legislation applicable to them. For subcontracts exceeding certain amounts, the Directive on public procurement of services applies and the publication of a call for tenders is mandatory. For subcontracts below those thresholds, the beneficiary should follow internal procedures, assuming that they comply with the terms of the EC contract. However, they should in any case comply with the terms of the GA.

Private legal entities follow their internal rules which they apply for the normal selection of procurement contracts (typically a minimum of three offers). The publication of a call for tenders is normally not necessary for private legal entities. At the request of the Commission and especially in the event of an audit, beneficiaries must be able to demonstrate that they have respected the conditions of transparency and equal treatment in selecting a subcontractor. The selection criteria must be based on the best value for money given the quality of the service proposed (best price-quality ratio).

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

Public entities must follow the procurement principles established by their national authorities; however, they should in any case comply with the terms of the GA.

Also subcontracting cannot be used to avoid the rules for participation (i.e. to provide financing to a legal entity that would not otherwise have been eligible for funding under the Framework Programme).

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

The beneficiary remains responsible for all its rights and obligations under the EC grant agreement, also for the tasks carried out by a subcontractor. The beneficiary must ensure that the intellectual property that may be generated by a subcontractor reverts to the beneficiary so that it can meet its obligations under the EC grant agreement. In addition, the EC grant agreement requires that the beneficiary impose a certain number of conditions in its subcontract with the subcontractor, these include aspects relating to audits by the Commission and the Court of Auditors etc.

What rights and obligations does a subcontractor have?

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

Is a freelance expert a subcontractor or a temporary employee?

The use of freelance experts either as in-house consultants or as external consultants may be considered to be subcontracts or a form of personnel costs depending on the terms and conditions of the agreement between the expert and the beneficiary. For more information see Article II.15 in the Guide to Financial issues.

Other third parties

A third party, is, by definition, any legal entity which does not sign the GA. A subcontractor is a type of third party, but not the only one. As the implementation of the project is the responsibility of the beneficiaries (who do sign the GA), as a general rule beneficiaries should have the capacity to carry out the work themselves. Therefore the rule is that the costs eligible in a project must be incurred by the beneficiaries (the signatories to the GA). However, in some circumstances the GA accepts some third parties whose costs may be eligible.

A third party may contribute to the project in two possible ways:

- making available its resources to a beneficiary (in order for the beneficiary to be able to carry out part of the work)
- carrying out part of the work themselves.

These costs may be eligible under certain conditions:

- The third party, the tasks to be performed, and the resources allocated to the project by a third party must be identified during the negotiations and mentioned in this part of Annex I (and in some cases also in a special clause in the grant agreement).
- In the case of third parties carrying out part of the work which are not subcontractors, the beneficiaries will be entitled to charge their costs only in the cases covered by a special clause. It is essential therefore to discuss these cases during the negotiations, and if they are accepted, to include the relevant special clause in the grant agreement. Third parties involved in a project in this way will have to undergo verification of their existence and legal status in the same way as the beneficiaries, i.e. they also have to be registered in the Unique Registration Facility (see Chapter 1, heading "Validation of existence and legal status).

Appendix 6 – How to consider Gender Aspects in projects

The European Commission attaches considerable importance to gender equality. Articles 2, 3, 13, 137 and 141 of the EC treaty endorse the principles of equal treatment in all activities including research and technological development. Furthermore, in April 2005, the Competitive Council invited the Commission to continue improving the participation of women in all areas of research and to further develop the Gender Watch System. The Commission has set targets to have a 40% representation of both sexes on all groups, panels and committees including those associated with the Research Framework programmes.

The lack of women's participation in scientific research, especially at high level, has been documented for many scientific fields. All projects are encouraged to have a balanced participation of women and men in their research activities and to raise awareness on combating gender prejudices and stereotypes.

Sex and / or gender are relevant variables in many research fields and generally referred to as the gender dimension of the research content. When human beings are involved as research subjects or users, and in training or dissemination activities, gender differences may exist.

These must be addressed as an integral part of the research to ensure the highest level of scientific quality. The Work Programmes of the different themes may indicate specific topics where gender aspects should be given specific attention. It is easy to understand that sex and gender are variables that must be addressed when considering health research but it might be less easy to understand that gender could also be an important factor in, for example, aeronautical or energy research. As a guideline, wherever human beings are involved in the research, for example as consumers, users and patients, or in trials, gender will be an issue and should be considered and addressed.

The Commission will inform the beneficiary, during grant negotiation, of the importance of having a good gender balance within the project. The Commission will also inform the beneficiary on whether it considers the gender dimension of the research content an area that should be addressed within the project.