

**LIST OF SPECIAL CLAUSES ONLY APPLICABLE TO THE FP7 ERC MODEL
GRANT AGREEMENT FOR THE IMPLEMENTATION OF THE SEVENTH
FRAMEWORK PROGRAMME OF THE EUROPEAN COMMUNITY (2007-
2013)**

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2 ERC) Only for ERC grant agreements - International organisations (general rule)

1. Arbitration

- a. Any dispute between the *Commission* (“Party”) and (an) *international organisation(s)* (“Party”) acting as *beneficiary(s)* (collectively referred to in this Article of the *grant agreement* as the “Parties”) relating to the *grant agreement*, which cannot be settled amicably shall be referred to an arbitration committee in accordance with the procedure specified below.
- b. When notifying the other Party of its intention to resort to arbitration, the notifying Party shall also inform the other Party of its appointed arbitrator. The second Party shall appoint its arbitrator within one month of that written notification.

The two arbitrators shall, by joint agreement and within three months of the appointment of the second Party’s arbitrator, appoint a third arbitrator who shall be the chairman of the arbitration committee, unless a sole arbitrator is agreed by both Parties.

- c. Within one month of the appointment of the third arbitrator, the Parties shall agree on the terms of reference of the arbitration committee, including the procedure to be followed.
- d. The arbitration proceedings shall take place in Brussels.
- e. The arbitration committee shall apply the terms of the *grant agreement*. The arbitration committee shall set out in the award the detailed grounds for its decision.
- f. The arbitral award shall be final and binding upon the Parties, who hereby expressly agree to renounce any form of appeal or revision.
- g. The costs, including all reasonable fees expended by the Parties to any arbitration hereunder, shall be apportioned between the Parties by the arbitration committee.

2. Certificates on the financial statements and/or on the methodology

With reference to Article II.4, certificates on the financial statements and/or on the methodology to be provided by an *international organisation* shall be established by its regular internal or external auditor, in accordance with its internal financial regulations and procedures.

3. Controls and audits

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

The *international organisation* shall make available to the competent bodies of the *European Community*, upon request, all relevant financial information, including statements of accounts concerning the action, where they are executed by the *international organisation* or by a subcontractor. In conformity with Article 248 of the Treaty and with the Financial Regulation of the *European Community*, the competent bodies of the *European Communities* may undertake, including on the spot, checks related to the action financed by the *European Community*.

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

4. Governing law

Any matter relating to the interpretation or application of this *grant agreement* which is not covered by its terms shall be resolved by reference to the law of [...]

5. Privileges and immunities

Nothing in this *grant agreement* shall be interpreted as a waiver of any privileges or immunities accorded to *[insert name of the International Organisation]* by its constituent documents or international law.

3 ERC) Only for ERC grant agreements - United Nations (only for use with specialised agencies and international organisations of the UN system having adhered to the UN-EC Financial and Administrative Framework Agreement of the 29.04.2003 (FAFA))

1. Settlement of dispute

Any dispute arising between the *Commission* and *[name of the beneficiary]* shall be settled in accordance with Article 14 of the Financial and Administrative Framework Agreement concluded by the *Community*, represented by the *Commission*, and the United Nations on 29.04.2003 (hereinafter referred to as the "Agreement") *[to which [name of the beneficiary] adhered on the [date]]*.

2. Certificates on the financial statements and/or on the methodology, controls and audits

With regard to *[name of the beneficiary]*, the "Agreement on the application of the verification clause to operations administered by the United Nations and financed or co-financed by the European Community" annexed to the *Agreement* prevail on this *grant agreement*, in particular its Articles II.4, II.22 and II.23]

3. Governing law

Any matter relating to the interpretation or application of this *grant agreement* which is not covered by its terms shall be resolved by reference to the law of [...]

4. Privileges and immunities

Nothing in this *grant agreement* shall be interpreted as a waiver of any privileges or immunities accorded to *[insert name of the International Organisation]* by its constituent documents or international law.

5 ERC) Only for ERC grant agreements – PROJECT review

1. A project review shall be held preferably at a mid-term stage and at the end of the project.
2. At least two months before the date of the review the *Commission* shall communicate to the *beneficiary(ies)* in accordance with Article 8 the modalities of the project review, including, where appropriate, any meeting it may propose to convene and that it may request the *beneficiary(ies)* to organise.

Costs incurred by the *beneficiary(ies)* in relation to the project review shall be eligible according to Article II.16.

9 ERC) Only for ERC Actions – *Beneficiary(ies)* with costs incurred in relation to the project but no EC contribution (e.g. usually from third countries)

1. Costs incurred by the [following] *Beneficiary(ies)* shall not be taken into consideration for determining the *Community* financial contribution:

--[name of *Beneficiary*]

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2. *Beneficiary(ies)* mentioned in the previous paragraph need not submit the reports mentioned in article II.4 and [is] [are] not subject to financial audits and controls referred to in Article II.22].
3. The beneficiary(s) mentioned in paragraph 1 shall not contribute to the Guarantee Fund.

10 ERC) Only for ERC grant agreements – Third parties linked to a beneficiary [Joint research units (Unités Mixtes de Recherche, Unités Propres de Recherche etc.) EEIGs/ groupings/ affiliates]

1. The following third parties are linked to [name of the *beneficiary*]

--[name of the legal entity].

---...

2. This *beneficiary* may charge costs incurred by the above mentioned third parties in carrying out the project, in accordance with the provisions of the *grant agreement*. These contributions shall not be considered as receipts of the project.

The third parties shall identify the costs to the project mutatis mutandis in accordance with the provisions of part B of Annex II of the *grant agreement*. Each third party shall charge its eligible costs in accordance with the principles established in Articles II.14 and II.15. The *beneficiary* shall provide to the Commission:

- An individual financial statement from each third party in the format specified in Annex IV. These costs shall not be included in the *beneficiary's* Annex IV.
- The certificates on the financial statements and/or on the methodology from each third party in accordance with the relevant provisions of this *grant agreement*.
- A summary financial report consolidating the sum of the eligible costs borne by the third parties and the *beneficiary*, as stated in their individual financial statements, shall be appended to the *beneficiary's* Annex IV.

When submitting the financial management reports referred to in Article II.4, the *beneficiary(s)* shall identify work performed and resources deployed by each third party linking it to the corresponding *beneficiary*.

3. The eligibility of the third parties' costs charged by the *beneficiary* is subject to controls and audits of the third parties, in accordance with Article II.22 and II.23.
4. The *beneficiary* shall retain sole responsibility towards the *Community* [and the other beneficiaries, for *ERC multi-Beneficiary*] for the third parties linked to it. The *beneficiary* shall ensure that the third parties abide by the provisions of the *grant agreement*.

30) Only for conversion of ERC single-beneficiary to ERC multi-beneficiary grant agreements

1. Where more than one *beneficiary* carries out the *project*, the *beneficiary* hosting and engaging the *principal investigator* is the "*principal beneficiary*". In Article 2.2, Article 3, Article 5.3, Article 6.1, Article 8, and Article 11 "*beneficiary*" shall be read "*principal beneficiary*".
2. The multi-beneficiary version of the ERC Annex II shall be applicable to this *grant agreement* (Ref to English version OJ).
3. The *principal beneficiary* shall distribute the *pre-financing* only to other *beneficiaries* who have acceded to the *grant agreement*. *Beneficiaries* are allowed to transfer budget between themselves in so far as the work is carried out as foreseen in Annex I and they are allowed to transfer budget to be reimbursed as a lump sum for ICPC¹ participants. In Article 6.2 "*beneficiary*" shall be read "*beneficiaries*".

[OPT.²: 4. The *principal beneficiary* shall ensure that each legal entity below hosting and engaging one or several *team members* accedes to this *grant agreement* as a *beneficiary* assuming the rights and obligations established by the *grant agreement*, by signing the accession form (Annex III) in three originals countersigned by the *principal beneficiary*, with effect from the **date on which the grant agreement enters into force**.

- **(full name and legal form of the beneficiary) (national registration number if any)** established in (*full address city/state/province/country* represented by (name of legal representative), (function), or her/his/their authorised representative ("*beneficiary*"),

- (...)

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

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

[OPT.³: 4a. The *principal beneficiary* shall ensure that each legal entity below hosting and engaging one or several *team members* accedes to this *grant agreement* as a *beneficiary* assuming the rights and obligations established by the *grant agreement*, by signing the accession form (Annex III) in three originals countersigned by the *principal beneficiary*, with effect from the **date stated in the accession form**.

- **(full name and legal form of the beneficiary) (national registration number if any)** established in (*full address city/state/province/country* represented by (name of legal representative), (function), or her/his/their authorised representative ("*beneficiary*"),

- (...)]

¹ ICPC: International Cooperation Partner Countries

² This option is used for beneficiaries acceding to the grant agreement **at the start** of the project.

³ This option is used for new participants acceding to the grant agreement at a later stage of the project by amendment of the grant agreement.

31 (ERC). Only for ERC grant agreements - Contribution to the Guarantee Fund

Notwithstanding Article 6, the *pre-financing* referred to therein shall be paid to the *beneficiary* in accordance with the following:

- a first instalment of the *pre-financing* of EUR [insert amount foreseen in Article 6.1, minus the *beneficiary's contribution to the Guarantee Fund*] within 45 days following the date of entry into force of this *grant agreement*,

- a second instalment of the *pre-financing* of EUR [*beneficiary's contribution to the Guarantee Fund, insert amount foreseen in Article 6.2*] to be transferred by the *Commission* in the name of the *beneficiary* into the Guarantee Fund referred to in Article II.21, once the *Commission* has established the Fund and entrusted its financial management to a depository bank.