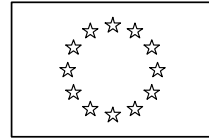




Research Executive Agency



Negotiation Guidance Notes

for the

Marie Curie Individual Fellowships Actions

(IEF, IIF and IOF)



<http://ec.europa.eu/research/mariecurieactions/>

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 Research Executive Agency nor any person acting on its behalf can be held responsible for the use made of these guidance notes.

TABLE OF CONTENTS

1. INTRODUCTION.....	4
2. PREPARATION OF NEGOTIATIONS.....	4
2.1. Invitation to negotiations.....	4
2.2. Preparation of documents for negotiation.....	6
2.3. Support during negotiations	7
3. THE NEGOTIATION PROCESS	7
3.1. Financial and Legal Negotiations.....	8
3.2. Start of the project.....	11
3.3. Other specific issues.....	11
3.4. Some important points to remember	12
3.5. Completion of negotiations	12
4. GRANT AGREEMENT.....	13
4.1. Grant Agreement signature.....	13
4.2. Pre-financing.....	13
4.3. Contribution to the Participant Guarantee Fund.....	13
4.4. <i>Project</i> monitoring and follow-up	14
4.5. Project Fact Sheet.....	15
4.6. Compulsory deliverables	15
4.7. Technical audits and reviews	15
4.8. Financial Statements	15
4.9. Amendments	15
4.10. Recovery of undue amounts	16
APPENDIX 1 – NEGOTIATION OF ETHICS ISSUES	17
APPENDIX 2 – THIRD PARTIES CARRYING OUT PART OF THE WORK (NOT SUBCONTRACTING)	21
APPENDIX 3 –GRANT AGREEMENT PREPARATION FORMS (GPFS)	23

Definitions used throughout this Guideline

Beneficiary¹: is the legal entity located in an EU Member State (MS) or Associated Country (AC) with which the *REA* will sign the *grant agreement*. For IIF only, and in case of a possible return phase, a legal entity is located in an International Cooperation Partner Country (ICPC);

Host organisation: is the legal entity located in an EU Member State (MS) or Associated Country (AC) with which the *REA* will sign the *grant agreement* (this will be the incoming host for IIF and the return host for IOF). For IIF only, in case of a possible return phase a return host organisation is a legal entity located in an ICPC with which the *REA* will also sign a *grant agreement*;

Coordinator: means the Person in charge of the *project* who leads and represents the *beneficiary* through the negotiation and the signature of the *grant agreement*. The *beneficiary* will identify one of its staff who will be responsible for all contacts with the *REA* during the negotiation. Usually (but not invariably) this person will be the "scientist in charge". The scientist in charge is the "person in charge" as stated in the A2 proposal form. For a given proposal, the *coordinator* acts as the single point of contact between the *beneficiary* and the *REA*.

¹ The term *beneficiary* used throughout this document is meant as "potential *beneficiary*".

1. INTRODUCTION

These guidance notes are provided for *beneficiaries* who have been invited to enter into negotiation following the evaluation of proposals for Marie Curie Individual Fellowship actions for the 2011 calls (Intra-European Fellowships – IEF, International Incoming Fellowships – IIF, International Outgoing Fellowships – IOF) of the People programme under the 7th Framework Programme of the *European Union*². They outline the information and procedures in the negotiation process. 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 complete the legal and financial information needed to conclude the *grant agreement*. Although the applicable procedures are in principle the same for all actions in FP7, it should be noted that the negotiation process for Marie Curie Individual Fellowships is easier compared to most other actions since the *European Union* contribution is composed of a number of fixed amount contributions, the calculation of which is based on parameters indicated in the proposal, on advice from the independent experts and final checks from the *REA* staff.

Please note that since 2009, the Research Executive Agency (*REA*) manages all Marie Curie Actions on behalf of the Commission.

The *REA* is committed to conclude the negotiations without delay so that the researcher can start his/her work as outlined in the proposal. To this end, it is also important that the *coordinator* replies fully and quickly to all issues raised by the *REA* to avoid unnecessary iterations, in particular where changes of the Description of Work are needed.

2. PREPARATION OF NEGOTIATIONS

2.1. Invitation to negotiations

Following the positive evaluation of a proposal and the definition of a maximum *European Union* financial contribution for the *project*, the *REA* will invite the proposal *coordinator* by letter to begin negotiations with the *REA* for a *grant agreement*.

A first letter providing details of the results of the evaluation accompanied by the Evaluation Summary Report (ESR) which summarises the results of the Evaluation Panel is sent to applicants.

In a second step, successful applicants receive a letter of invitation to negotiate that will indicate:

- The deadline by which negotiations must be completed;

² Decision No 1982/2006/EC of the European Parliament and of the Council of 18 December 2006 concerning the Seventh Framework Programme of the European Union for research, technological development and demonstration activities (2007-2013), OJ L412 of 30.12.2006, p.1

- The request to submit the completed Grant Preparation Form (GPF – to be sent through the NEF tool) and additional documents;
- The deadline by which the *beneficiary* must provide these documents;
- The name and contact details of the *REA* Project Officer.

In some cases, there will be remarks related to ethics issues in the ESR. If this is the case, the *REA* will trigger an ethics review procedure and inform the proposer about the outcome. Proposals that have undergone an ethics review will also receive an Ethics Review Report, which may contain recommendations to be taken into account in the negotiations (for more detail on the negotiation of ethics issues please refer to Appendix 1).

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 supporting the negotiation called NEF (Negotiation Facility) for the completion of *Grant Agreement* Preparation Forms (GPFs) and exchange of information between the *coordinator* and Project Officer (<http://ec.europa.eu/research/participants/portal/appmanager/participants/portal#>). More information on access to the tool and its use can be found in Appendix 3;
- The Guide to Financial Issues relating to FP7 Indirect Actions (ftp://ftp.cordis.europa.eu/pub/mariecurie-actions/docs/mca-financial-guidelines-201-wp-july201_en.pdf);
- The Rules to ensure consistent verification of the existence and legal status of participants, as well as their operational and financial capacities (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);
- A dedicated website that aims to provide clear, helpful information on ethics issues http://cordis.europa.eu/fp7/ethics_en.html (see also Appendix 1).

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

Usually (but not invariably) the *coordinator* in contact with the *REA* will be the "scientist in charge". **The scientist in charge is the "person in charge" stated in the A2 proposal form.** Under no circumstances can the researcher fellow be the scientist in charge.

The Project Officer represents the *REA* in the negotiations with the *coordinator*. The Project Officer is identified in the letter opening the negotiations. All correspondence related to the negotiations must be addressed to the Project Officer.

2.2. Preparation of documents for negotiation

Grant Preparation Form.

The GPFs are standard forms that collect the information that the *REA* needs to prepare the *grant agreement* and gather programme-wide statistical information. The forms are compatible with the forms used in the proposal submission process, so that much of the information may be directly transferred into the GPFs and does not need to be filled in again.

For IOF actions, information relative to the outgoing host organisation also appears. The related A2.5 form must not be signed.

For IIF (return phase), negotiation will start with the return host institution established in an ICPC:

- where a return phase is clearly requested and identified in the Part B of the *project* and,
- when negotiations are successfully concluded for the incoming phase.

Annex I to the Grant Agreement

Annex I is the reference document for the work and the effort to be executed by the researcher fellow in carrying out the *project*. It forms part of the *grant agreement*, and must facilitate the implementation and meaningful monitoring of the *project* for the *beneficiary* and the *REA*.

As a general rule, for Marie Curie Individual Fellowships, Annex I of the *grant agreement* is comprised of a Part A detailing the EU contribution and schedules for deliverables and a Part B identical to part B of the original submitted proposal. In two cases, changes can be made:

- If there is an important change to the proposed *project* from the time the proposal was submitted, the *coordinator* can propose to change Annex I accordingly.
- If comments or recommendations were made by the *REA* in the letter opening the negotiations (mostly as results of the recommendations from the expert evaluators), a new version of the description of the work will be requested by the Project Officer.

The draft updated Annex I needs to be submitted to the *REA* Project Officer before the deadline indicated in the letter opening negotiations.

Upon receipt, the *REA* Project Officer might require changes or improvements to which the *beneficiary* must respond in an iterative process until agreement is reached. The entire process should be concluded before the deadline for completion of negotiations.

2.3. Support during negotiations

To facilitate efficient conduct of the negotiations and to ensure the preparation of a high quality *grant agreement*, the *REA* offers different support and assistance services to the *coordinator*. If participants 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 FP*'.

The European Charter for Researchers

The European Charter for Researchers is a set of general principles and requirements which specifies the roles, responsibilities and entitlements of researchers as well as of employers and/or funders of researchers. Further information is available at http://ec.europa.eu/euraxess/index_en.cfm?l1=0&l2=3.

Intellectual property issues

Beneficiaries and fellows will find an overview of the FP7 intellectual property rights (IPR) provisions in the Guide to Intellectual Property Rules for FP7 *projects*. This 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 *European Union* funded *projects* on Intellectual Property Rights 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.ipr-helpdesk.org> (e-mail: ipr-helpdesk@ua.es).

For IOF actions, the *beneficiary* must sign a partnership agreement with the outgoing host institution where IPR issues are clearly identified (if any). Where a *beneficiary* intends to transfer ownership of foreground to a third party, the *REA* must be consulted and a transfer can only be approved if the competitiveness of European industry is not negatively affected.

Ethics Issues

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

Gender Issues

Detailed information on 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>.

3. THE NEGOTIATION PROCESS

The purpose of the negotiation is to provide the information required to establish the *grant agreement*. For Marie Curie Individual Fellowships, the proposal normally contains almost all the information required to establish the *grant agreement*. Unless there are exceptional

reasons to change the *project*, the negotiation serves simply to validate the proposal data and to complement it with the necessary administrative data.

Negotiations take place principally via telephone, fax and e-mail between the *REA*'s Project Officer and the *coordinator*. It is therefore very important to establish contact as soon as possible with the Project Officer whose contact details are provided in the letter that invites applicants to enter into negotiations.

The *Grant Agreement* Preparation Forms *are made available* and have to be completed via an on-line IT tool called NEF (Negotiation Facility). The use of the IT tool NEF for completing the GPFs is mandatory. It allows the *beneficiary* to exchange versions with the *REA* in an iterative process of negotiation. Details on how to access the IT tool NEF will be given in an automatic email the *coordinator* will receive once the *REA* Project Officer officially opens the negotiation in NEF. The paper version of the GPFs included in Appendix 3 of this document (including a full set of explanatory notes) is for illustration. The actual layout in the IT tool might be different.

The forms in NEF are an extension of the proposal submission forms. They are prefilled with the information available from the proposal. The *beneficiary* should update and complete the information. In line with the principle of single registration, the form fields related to existence and legal status of *beneficiaries* are prefilled with the data from the Unique Registration Facility (PDM-URF) if the *beneficiary* is already registered there. For *beneficiaries* not yet registered, the data from the proposal are inserted.

In both cases, the respective fields are read-only in NEF and can only be changed via the PDM-URF (see section "Validation of existence and legal status of participating legal entities" in chapter 2 above).

Once all fields are completed, the *coordinator* must press the submit button in order to allow the Project Officer in charge to review the information provided.

The *grant agreement* negotiation process usually comprises two main aspects:

- (1) Technical (*scientific*) negotiations;
- (2) Financial and legal negotiations.

For Marie Curie Individual Fellowships the technical negotiation is not extensive and mainly focused on the clearance of ethics issues (see appendix 1).

3.1. Financial and Legal Negotiations

During this part of the negotiation process:

- The total costs, total eligible costs and maximum *European Union* financial contribution will be determined;
- The amount of prefinancing will be established;
- The start date and the duration of the *project* will be agreed upon;

- The need for the inclusion in the *grant agreement* of any special clauses will be established;
- The timing of the reporting periods will be established (normally every 24 months for financial reporting and every 12 months for activity reports).

Financial negotiations

They focus mainly on reaching agreement on the budget for the *project* and the budget breakdown for the different *project* periods. They will also cover the establishment of the amount of the initial prefinancing and timing of *project* reporting periods and reviews.

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

Legal negotiations

They include the analysis and review of the legal status of the *beneficiary*, any special clauses in the *grant agreement* required for the *project*, and other aspects such as banking details.

A 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.

Several supporting legal documents are required in order to prepare the *grant agreement* and provide the necessary security for the *REA* Services.

These include in particular the following:

(a) Validation of existence and legal status of participating organisations

Before signing the *grant agreement*, the *beneficiary* organisation must be legally registered. To validate this requirement, there is a centralised validation service for the whole FP7. The principle in FP7 is that this validation will only be done once for each entity. Once an entity carries the label "FP7 validated" for one *project* it can participate in subsequent grants without repeated validation.

To implement this principle, a facility called PDM-URF (Participant Data Management – Unique Registration Facility – http://cordis.europa.eu/fp7/pp_en.html) has been developed. As a first step, legal entities that are not yet validated must register at the following website: <http://ec.europa.eu/research/participants/portal/appmanager/participants/portal>.

The Validation Service, that is also part of the *REA*, will then contact the organisation, so that validation can be done in parallel to the negotiations. Each validated entity receives a unique identifier (the PIC – Participant Identification Code), to be used for identifying the participant, also in future proposals and negotiations.

In parallel to the new registration, the organisation should introduce a request for appointment of a LEAR (Legal Entity Appointed Representative). Forms for the appointment of LEARs are available at http://cordis.europa.eu/fp7/pp-lear_en.html. The LEAR is the sole person responsible for managing the legal entity data stored in the central database. The

LEAR will receive online access to the PDM-URF, for reading the data stored for the entity and for initiating change requests, if necessary.

The web interface PDM-URF thus serves two purposes: self-registration and request for modification of data regarding an already registered and validated organisation (only the LEARs will be able to do this).

Please note that the REA reserves the right to terminate negotiations at any time and to reject the proposal in the event of inadequate progress in registration and validation of a legal entity.

Please also note that that the REA can only negotiate with currently existing entities. The legal existence of a contracting organisation must pre-date the *grant agreement* signature.

(b) Bank Account:

- If a bank account has not yet been validated by the Commission, the Financial Identification form should be filled and signed by the *beneficiary*, and 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).

As a measure of sound financial management, beneficiaries of EU grants are required to place all amounts paid by the REA as prefinancing of the *grant agreement* on bank accounts or sub-accounts generating interest in accordance with normal market conditions and allowing the funds and related interest to be identified (see the model *grant agreement*).

- The obligation for the *beneficiaries* of *European Union* grants to place the prefinancing in an interest-bearing account stems from the *European Union* Financial Regulations (Article 5 of the Financial Regulation and Article 4 of the Implementing Rules) and from the Marie Curie Model *grant agreement* (Art II.5).
- As this is a legal obligation, the REA can only accept, as a valid justification for an exception to this requirement, the case where this is not allowed by national legislation, lack of availability in the market and/or internal rules/ deeds/ conventions do not permit this, where the administrative burden including the financial costs involved in opening such an account are high, or when operating an interest-bearing bank account(s) to hold prefinancing is not in line with the principle of sound financial management. It should be confirmed by formal letter (filled Declaration of Honour) sent to the REA together with all requested documents.

(c) Joint Research Unit

If a Joint Research Unit (JRU/UMR) is involved in the *project*, a mandate from all the other members of the JRU to the participant representing them, as well as a document establishing the existence of the JRU (such as the “*fiche de contractualisation*” for French organisations concerned) will have to be provided. The GPF forms should be filled by the participant who has the mandate from the other members. However, all members of the JRU will be mentioned in Annex I to the *grant agreement*.

3.2. Start of the project³

The *grant agreement* will enter into force after its signature by the *REA*. However, the relevant provisions of the *grant agreement* will determine the start date of the *project*. The web based application (NEF) that is used to complete the GPFs gives three options for start date:

- (1) The first day of the month following the entry into force of the *grant agreement*;
- (2) An "open" start date option ("the effective starting date notified by the *beneficiary*").

With an "open" start date, the *beneficiary* notifies the *REA* (electronically) of the actual start date which has to be within 12 months after the entry into force of the *grant agreement* (i.e. when the *REA* signs the GA). In such cases, the start date cannot be before the entry into force of the GA. If the start date of the *project* is known at the time, please insert it in NEF (see section "Page "General information" (A1 form)"). **Please note this date will be taken as the official start date unless the *REA* is notified otherwise by the *beneficiary*.**

- (3) A fixed start date⁴.

The *grant agreement* will enter into force after its signature by the *beneficiary* and then the *REA*, on the day of the last signature. Costs can be incurred from the start date of the *project* but not before. Where the start date of the *project* precedes the entry into force of the *grant agreement*, future *beneficiaries* take the risk that the *grant agreement* might not be signed. In such a case costs will not be reimbursed by the *REA*.

A project may start no sooner than 1 March 2012 (please inform the PO in charge of negotiation if such an early start is requested).

3.3. Other specific issues

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

- **Project preparation/negotiation costs:** The *REA* 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.
- **Legal establishment prerequisite for *grant agreement*:** The *REA* can only offer *grant agreements* to existing entities and the legal existence of an entity must pre-date the *grant agreement* signature or accession to the *grant agreement* and must be validated.

³ This date is indicative for the main list only. Negotiation deadlines will be adapted accordingly for the reserve list.

⁴ This option should be avoided because a *grant agreement* amendment will be necessary if the *project* does not start exactly on the specified date for any reason.

- **Pre-financing (advance payments):** The *REA* will make a prefinancing payment within 45 days of the entry into force of the *grant agreement* or the start date of the *project*, except where a special clause provides otherwise.

3.4. Some important points to remember

- An invitation to begin negotiation does not 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 *REA* services in the letter opening negotiations;
- Funding is conditional upon compliance with the Model *Grant Agreement*;
- In some cases the *REA* may not be able to enter into a *grant agreement* with certain legal entities because of insufficient financial capacity, other limitations imposed by the *European Union* Financial Regulation or for reasons of irregularity or violation of fundamental ethical principles;

The letter of invitation to enter into negotiation specifies a time limit for the completion of the negotiation. The *REA* reserves the right to terminate negotiations at any time and to reject the proposal in the event of inadequate progress in negotiations. Also, if the negotiation is not completed within the given time limit, the *REA* may decide to terminate the negotiation.

- For any *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 be dependent on the participant's ability to manage the relevant security issues. Should such issues occur, the *REA* will communicate the relevant detailed provisions for these (rare) cases to the *coordinator*.
- 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/faq>).

3.5. Completion of negotiations

Following a thorough verification of the information filled in NEF, the *beneficiary* submits electronically (through NEF) the GPFs. The *REA* Project Officer verifies the information submitted and validates it in the NEF system. Any outstanding technical, financial and legal issues related to the *grant agreement* will have to be settled at this stage with the *REA* Project Officer. Once the negotiation is completed, the *REA* Project Officer will duly inform the *beneficiary*. An authorised representative of the *beneficiary* will be asked to confirm the validity and accuracy of the information provided. This will be used as the basis for the preparation of the *grant agreement*.

At the same time, the *REA* undertakes an internal procedure in order to take a formal decision to fund the *project*.

When all the necessary legal and financial information required has been **received and validated** by the *REA* services, a *grant agreement* is drafted and sent to the *beneficiary* for signature by the authorised representative of the organisation together with the validated GPFs.

The beneficiary will receive at this stage detailed instructions on when and which signed documents should be returned to the REA.

4. GRANT AGREEMENT

The *Project* will be governed by the terms of the *grant agreement*, the *European Union* acts related to FP7, the Financial Regulation applicable to the general budget and its Implementing Rules and other *European Union* law and, on a subsidiary basis, by the law of Belgium.

4.1. Grant Agreement signature

After receiving the draft *grant agreement* and GPFs, the authorised representative of the *beneficiary* dates, stamps and signs two originals of the GA as well as a full set of GPFs on behalf of his or her organisation and sends them to the *REA*.

Before signing the *grant agreement*, the *beneficiary* must verify the accuracy of the information provided and make sure that the researcher fellow agrees with the provisions of the draft *grant agreement*.

The *beneficiary* will be asked to confirm in an accompanying letter, that no modifications have been made to the *grant agreement* by the *beneficiary* and will declare that the prefinancing that will be received for the grant will be placed on an interest-bearing bank account (see prefinancing section). If this is not possible, it must be declared and legal justification provided.

Once all its internal procedures have been successfully completed, the *REA* will sign the two originals of the *grant agreement* and return one of them to the *beneficiary*.

4.2. Pre-financing

As an indication, the prefinancing amount is 80% of the total *European Union* contribution for the IEF and IIF schemes and 70% of the total *European Union* contribution for the IOF scheme. For an open start date, the prefinancing is made within 45 days following the start date of the *project* or following the notification by the *beneficiary* of the start date of the *project* (whichever is the later).

For a fixed start date, the prefinancing is made within 45 days following the start date of the *project* or following the entry into force of the GA (whichever is the later).

4.3. Contribution to the Participant Guarantee Fund

The prefinancing amount specified in the model *grant agreement* includes the *beneficiary's* contribution to the Participant Guarantee Fund (PGF – see below). This represents 5% of the total *European Union* financial contribution requested and is transferred directly to the PGF by the *REA*.

The Participant Guarantee Fund 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 *European Union* and the *beneficiaries* during the implementation of the indirect actions of FP7.

It allows the *European Union* to exempt *beneficiaries* from *ex ante* checks of the financial viability of *project* participants (except in a limited number of cases) and from the imposition of any sort of financial securities, including bank guarantees or retention of prefinancing. The Guarantee Fund also allows the *European Union* to limit the financial responsibility of each participant to its own debt.

It should therefore ease the implementation of FP7 actions for the *REA* and participants, by reducing paperwork and time required to sign the *grant agreement*. The Guarantee Fund thus allows small actors such as SMEs to access *European Union* funding without additional administrative burden.

The Guarantee Fund functions as follows:

- All *beneficiaries* to indirect actions taking the form of a grant must contribute to the Guarantee Fund for the duration of the action.
- When transferring the initial prefinancing to a *beneficiary*, the *REA* will deduct the relevant contribution and transfer it to the depository bank. This deduction will be equal to 5% of the *European Union* financial contribution provided for in Article 5 of the *grant agreement*.
- At the time of the final payment, *beneficiaries* will recover their capital unless the Guarantee Fund has incurred losses. In such a case, the *REA* will deduct a maximum of 1% of the grant owed to them⁵.
- Where amounts are due to the *European Union* by a participant, the *REA* may, besides penalties which may be imposed on the defaulting participant, recover effectively the amount from the Fund should the indirect action be terminated or already completed.

4.4. Project monitoring and follow-up

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

Certain tasks concerning *project* management, financial statements or legal and financial matters may be handled by other specialist staff within the *REA* who might communicate directly with the *coordinator*.

⁵ Except in case of public bodies and legal entities whose participation in indirect actions is guaranteed by Member State or an Associated State, and higher and secondary education establishments.

4.5. 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 downloaded principally from forms A1 and A2 of the final GPF, forming part of a “*Project Fact Sheet*” of non-confidential information such as *project* acronym, objectives, *project* summary, *project beneficiaries*, *European Union* funding etc.

This *Project Fact Sheet* is prepared by the *REA* after the signature of the *grant agreement* and, hence, no additional input is required from the *project* participants, although by arrangement with the Project Officer the *project* participants may substitute a revised version of their A1 and A2 text specifically for the *Project Fact Sheet*.

4.6. Compulsory deliverables

According to the *grant agreement* all *projects* are obliged to submit mid-term review reports, periodic reports as well as a Final Report to the *REA*.

All *projects* have to report on horizontal *project* related issues (including gender and science & society related aspects) at the end of the *project* under the heading 'awareness and wider societal implications'. The *REA* will provide the *beneficiary* with detailed guidance for the reporting.

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

4.7. Technical audits and reviews

Based on the *project* reports and deliverables, the *REA* may conduct reviews of *project* progress with the assistance of independent experts. These are used by the *REA* to assess the *project's* progress and to decide if *European Union* financial support for the *project* should be continued. In the event of a negative outcome of a review, the *REA* may decide to suspend the *project* pending corrective action, or to terminate the *grant agreement*.

4.8. Financial Statements

Beneficiaries will be required to submit financial statements (cost claims) during the course of their 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 *REA*.

4.9. Amendments

The *REA* (with the possible assistance of external experts, e.g. in the case of significant changes) 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 *project* require the approval of the *REA*. Requests for amendments must be made in writing by the authorised representative of the *beneficiary*.

4.10. Recovery of undue amounts

Undue amounts will be recovered.

Furthermore, the *Commission* (on a proposal by the *REA*) may take a decision to impose pecuniary obligations, which shall be enforceable in accordance with Article 299 of the Treaty on the Functioning of the *European Union*.

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

APPENDIX 1 – NEGOTIATION OF ETHICS ISSUES

http://ec.europa.eu/research/science-society/page_en.cfm?id=3198

Ethics issues are important throughout the *project* lifecycle, from conception to dissemination of results. The Governance and Ethics Unit in DG Research of the *European Commission* is responsible for organising ethics reviews and ensuring that the ethics review report helps the Project Officers in handling ethics issues at the negotiation stage.

If there are ethics issues associated with a *project*, the applicants must describe how these will be dealt with in Annex I to the *grant agreement*.

Ethics issues are to be addressed by *project* proposals that involve experimentation with humans (including clinical trials), human tissue, the collection or processing of personal information, the development of security technologies that could cause potential loss of privacy or infringement of liberties, experimentation with animals, genetic information, research involving developing countries, etc

Proposals with sensitive ethics issues⁶ together with those that did not address ethics issues adequately will have been identified by the scientific evaluation as needing additional attention by an ethics review panel.

If a *project* has been subject to ethics 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 ethics 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 ethics issues that may be raised by their research and enable them to address these adequately. 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 ethics issues in research *projects* but where new developments are leading to innovative research in areas where ethics considerations become important.

Normally an ethics screening will have been carried out and the Ethics report will be available by the time *grant agreement* negotiations begin. However, for some proposals requiring an in-depth ethics review this may not be the case. In this case, the *beneficiary* should be informed that an ethics review is still in progress and that the outcome of the

⁶ The Commission considers sensitive ethical issues to include research which involves children and others unable to consent, involves use of human tissues such as embryonic and foetal tissue, involves use of genetic and other sensitive personal data, involves use of non-human primates and genetically modified animals, etc.

ethics review will need to be taken into account and may change or may add to the final result of the scientific evaluation.

In case of ongoing ethics review, a project cannot start before formal approval by the Commission/REA on the ethics issues raised by a proposal.

If the proposal contravenes the fundamental ethics rules of FP7 and this is unable to be resolved, the *project* may be stopped at any point in the evaluation/negotiation process⁷.

Management of ethics issues

Where ethics 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 ethicists in the management board, by creating a separate management board for the ethics issues, by adding a work package to analyse in depth the important ethics issues involved or by working on an ethics impact assessment of the *project*. Sometimes it might be advisable to choose a mixture of these measures.

Reporting on ethics issues

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

The Ethics Review report in grant agreement negotiation

The Ethics Review report has three elements that have to be taken into account in the negotiation of Annex I to the *grant agreement*.

Requirements

These conditions have been identified as necessary in order to fulfil FP7 ethics rules. The requirements will refer to the individual Work Programmes in which they must be incorporated.

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

However, in cases where the use of embryos / human embryonic stem cells (hESC) is planned, *REA* Staff will initiate a special procedure of approval by the People Programme Committee which will have to be obtained prior to the start of any work. A special clause (see below) relating to embryo / hESC use will be inserted in the *grant*

⁷ Article 15(2)(b) of 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).

agreement. If other requirements have been identified, the annual report will have to report on these issues.

Recommendations

Recommendations from the Ethics Report panel for improving the ethical soundness of the *project* should be dealt with in the negotiation process.

Follow-up

Identification of any aspects of the *project* where ethics issues may need to be considered or reconsidered at a later stage.

Special clauses

The following special clauses may be added to the *grant agreement* accordingly:

Special clause 13: ethics rules

1. The *beneficiaries* shall comply with the ethics framework of FP7, all applicable legislation, any relevant future legislation and FP7 specific programmes on "Cooperation", "Ideas", "People", "Capacities" (2007-2013) and "Euratom" (2007-2011).
2. The *beneficiaries* undertake not to carry out research under this *project* involving any of the following activities:
 - (a) research activities aiming at human cloning for reproductive purposes,
 - (b) research activities intended to modify the genetic heritage of human beings which could make such change heritable, and
 - (c) 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.

Special clause 14: Human embryos and human embryonic stem cells

The *beneficiaries* shall inform the *REA* in writing of any research activities that may involve the use of human embryos or human embryonic stem cells, unless such provisions in Annex I to the *grant agreement* have specifically been approved. Such research may not take place without the prior written agreement of the Commission. The agreement of the Commission shall be subject to its internal procedures. Should such research not be approved, the *REA* will not fund it as part of the *project* and may terminate the *grant agreement* if the *project* cannot continue without that research.

Special clause 15: ethics review

1. The *beneficiary(ies)* shall provide the *REA* with a written confirmation that it(they) has(have) received (a) favourable opinion(s) of the relevant ethics committee(s) and, if applicable, the regulatory approval(s) of the competent national or local authority(ies) in the country in which the research is to be carried out before beginning any *REA* approved research requiring such opinions or approvals. The copy of the official approval from the relevant national or local ethics committees must also be provided to the *REA*.

Special clause 16: Clinical research

1. The *beneficiary(ies)* shall provide the Commission with a statement confirming that it(they) has(have) received (a) favourable opinion(s) of the relevant ethics committee(s) and, if applicable, the regulatory approval of the competent national authority(ies) in the country concerned before beginning any biomedical research involving human beings.

2. The *REA* shall never be considered as a sponsor for clinical trials in the sense of Directive 2001/20/EC of the European Parliament and of the Council of 4 April 2001 on the approximation of the laws, regulations and administrative provisions of the Member States relating to the implementation of good clinical practice in the conduct of clinical trials on medicinal products for human use.

Annex I shall indicate the name(s) of any such sponsor(s). For trials not covered by Directive 2001/20/EC, Annex I shall indicate the name of the person or organisation that is responsible for the initiation, co-ordination and monitoring of the trial.

For more information

- Guide for Applicants and Ethics Review guidance: <http://ec.europa.eu/research/participants/portal/page/people?callIdentifier=FP7-PEOPLE-2011-IEF>
- 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> and http://www.vet.uu.nl/nca/links/databases_of_3r_models

APPENDIX 2 – THIRD PARTIES CARRYING OUT PART OF THE WORK (NOT SUBCONTRACTING)

In exceptional cases a third party may itself perform certain tasks of the *project* (not subcontracting), even if it does not sign the GA. The third party carries out part of the work directly and is responsible for this vis-à-vis the *beneficiary*, (although the *beneficiary* remains responsible vis-à-vis the *REA* for the work).

Only in the cases mentioned by special clause 10, may other third parties carry out (under certain conditions) part of the work for a *beneficiary*. For this to be possible, they have to be identified in the GA via a special clause. It is essential to identify these cases during the negotiations in order to add the special clause to allow for the reimbursement of the third parties' costs. Apart from subcontractors, (which follow their own rules as explained in Article II.7 of GA) only third parties covered by the clause are entitled to carry out work in the *project* and to charge costs for it.

The GA (via Special Clause n° 10 to be included in Article 7) refers to third parties linked to a *beneficiary*. The term "linked" refers to an established formal relationship between a third party and the *beneficiary*, defined by the following characteristics:

- This relationship by nature is broad and is not limited to the GA, or specifically created for the work in the GA;
- Accordingly, its duration goes beyond the duration of the *project* and usually predates and outlasts the GA;
- It has a formal external recognition, sometimes in the framework of a legal structure (for example, the relationship between an association and its members), sometimes in the absence of legal personality, through the sharing of common infrastructures and resources (joint laboratory), separate from those of the legal entities composing them, or common ownership (affiliates, holding companies).

Ad hoc collaboration agreements between legal entities to carry out work in the *project* are therefore not covered by this clause; in these cases both legal entities should be *beneficiaries* (with the limited exception of subcontracting in the cases where the rules allow it, as mentioned above).

Cases specifically covered by the Special clause:

- Joint Research Units (JRU): these are research laboratories/infrastructures created and owned by two or more different legal entities in order to carry out research. They do not have a legal personality different from that of their members, but form a single research unit where staff and resources from the different members are put together to the benefit of all. Though lacking legal personality, they exist physically, with premises, equipment, and resources individual to them and distinct from "owner" entities. A member of the JRU is the *beneficiary* and any other member of the JRU contributing to the *project* and who is not a *beneficiary* of the GA has to be identified in the clause. The JRU has to meet the following conditions:
 - scientific and economic unity
 - last a certain length of time

- recognised by a public authority
- European Economic Interest Grouping (EEIG): an EEIG is a legal entity created under the rules of Council Regulation (EEC) No 2137/85 of 25 July 1985, composed of at least two legal entities from different Member States.
- Affiliates: an affiliated entity means any legal entity that is under the direct or indirect control of the *beneficiary*, or under the same direct or indirect control as the *beneficiary*. Therefore it covers not only the case of parent companies or holdings and their affiliates, but also the case of affiliates between themselves
- Groupings: The clause is used here either for associations, federations, or other legal entities composed of members (in this case, the Grouping is the *beneficiary* and the members contributing to the *project* should be listed). In the case of groupings without legal personality they will be treated as JRUs if they meet the conditions mentioned above for Joint Research Units. Therefore structures, agreements or units without legal personality created specifically by different legal entities for their participation in the GA are not considered groupings and their costs are not covered under the terms of this special clause.

APPENDIX 3 –GRANT AGREEMENT PREPARATION FORMS (GPFs)

Grant Agreement Preparation Forms (GPFs) have been designed to facilitate the *project* negotiations and the production of the *grant agreement*. They are the main communication instruments between the *beneficiary* and the *REA's* Project Officer.

Essentially the forms are used to identify the *beneficiaries* that will sign the *grant agreement*, to determine the eligible costs and *European Union* contribution and to electronically capture structured information on the description of work such as work packages, efforts, milestones and deliverables.

To assist the filling in of the GPFs the following is made available:

- Annotations – these are attached to the standard forms and should be read carefully
- Prefilled legal information (see below)
- A NEF-editor to be used by the *beneficiary*.

Legal information is held in the A2.1-A2.2 forms. This information is prefilled by the *REA* services using either information taken from the proposal or from PDM. Depending on the validity of this information, the organisation concerned may have to supply the *REA* with a so called "identification fiche" and supporting legal documents via the LEAR only. For instructions on this, see the annotations to the A2.1 form.

Negotiation Facility (NEF)

The NEF-Editor (Negotiation Facility) is the online tool used in FP7 to facilitate the exchange of information between the *coordinator* and the *REA* Project Officer during the negotiation process.

The negotiation process is composed of one or more negotiation sessions. During any session you are asked to fill the online forms and submit those data to the *REA* Project Officer. The Project Officer may then start another session asking you to modify the data or proceed with contract preparation.


Please note that the negotiation session remains open and can be accessed at any time until you submit your changes back to the *REA*.

Access to the Negotiation Facility (NEF)

As a *coordinator* you will receive **at the beginning of each negotiation session** a link to the NEF tool via the Portal webpage
(<http://ec.europa.eu/research/participants/portal/appmanager/participants/portal#>)

You must first create an ECAS account (the Commission's central electronic identification system for the IT tools used for *project* negotiation and reporting):

LOGIN

[Login](#)

You don't have an ECAS account yet?
Please [register](#)

ECAS help is available [here](#).

Portal registration demo is available [here](#)

Important: access to projects depends on the email address registered in the ECAS account. This email address must be identical to the email address you have notified when the proposal was submitted and to which the invitation to enter into negotiation was sent.

Once you are logged in, select the 'my projects' tab. You will have an overview of projects you are in charge of negotiating.

Additional information is available on the demo page:

FAQ

The answers to the most frequent questions that are submitted to the [eFP7 service desk](#).

See the [online user manual](#)

Watch the demonstration of the Participant Portal:

- [Introduction](#)
- [For all users](#)
- [For LEARs](#)
- [For Coordinators](#)
- [Getting support](#)

You can consult [FAQS](#)

[>> read more](#)

*

The starting screen is divided into **four main sections:**

- [The negotiation parameters](#) – this provides information about the contact persons in charge of the negotiation of your *project* and the deadlines for the delivery of the documents; Essentially, you are not allowed to modify these parameters;
- [The project](#) section – provides links to the data at the *project* level;
- [The coordinator](#) section – provides links to the information on the organisation in charge of the coordination of the *project*
- [The participants](#) section – provides a list of all organisations participating in the *project* (IOF only).

If you are entering NEF for the first time, the best way to proceed at this point is to click on every link and check the electronic forms. Some of them are prefilled with the information taken from the original proposal; others are empty or incomplete and must be completed by you and your partners.

During your subsequent visits to NEF, you may need to modify or update a limited set of data, e.g. the eligible costs, and go straight to a form without checking everything else.

*

You must **save your changes** before you go to another form or close your web browser; otherwise, all changes you have made so far will be lost. Please note that there is no warning when closing your browser!

When you click on the “Save Changes” button, a confirmation message is displayed if your changes are saved successfully. If you get an error message instead, you will need to check the forms for validation errors and make the appropriate corrections.

*

When you have finished entering the data, you **submit** electronically your **changes back** to the *REA* Project Officer by clicking on the “Submit” button on the *project* summary page. At this stage, the Project Officer will review the forms, comment on them and invite you to a new negotiation session if updates are needed.

Please note that at the very moment you submit the changes, the data are available to you in the read-only mode and cannot be corrected anymore. If a new negotiation session is needed, you will receive another access key for NEF.

*

You can always obtain a **paper version of the GPF** by clicking the “PDF preview” button in the top right area of the summary screen. The PDF file will contain all forms, completed and uncompleted as well. Once GPFs are accepted as final, you must print those forms from the PDF file, sign and send them to the *REA* Project Officer upon request only.