



KTH University Administration

SRD/ (3)		DG ENER		
ACTION:		REFERENCE: wp C2		
CODE DOSSIER:				
21-03-2014				
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DBC	DCDE	DDE		

European Commission - Directorate
General for Energy (DG ENER)
Directorate C Renewables, Research and
Innovation, Energy Efficiency
Unit C2

Brussels, Belgium

March 17, 2014

Subject: Grant Agreement no.612743, Insight_E

Dear

Following instructions in your message sent to us March 3, 2014, we are hereby sending you the contractual documents for the above-mentioned project as follows:

- One signed and initialled original of the Grant Agreement
- One initialled Annex I
- One initialled Annex II
- One initialled set of all other annexes

We would also like to confirm that no modifications were made to the text of the Grant Agreement.

KTH Research Office





EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR ENERGY

DIRECTORATE C: Renewables, Research and Innovation, Energy Efficiency

SEVENTH FRAMEWORK PROGRAMME

GRANT AGREEMENT No ENER/FP7/612743/INSIGHT_E

Interdisciplinary Strategic Intelligence wareHouse and Think-tank for Energy (*INSIGHT_E*)

Coordination and support action

The **European Union** (the "*Union*"), represented by the **European Commission** (the "*Commission*"),
of the **one part**,

and **KUNGLIGA TEKNISKA HOGSKOLAN (KTH)**, registration number: 2021003054, established in **BRINELLVAGEN 8, 100 44 STOCKHOLM - Sweden**, represented by _____, Rector and/or _____, Head of Research Office, or their authorised representative(s), the *beneficiary* acting as *coordinator* of the consortium (the "*coordinator*") ("*beneficiary no. 1*")

of the **other part**

HAVE AGREED to the following terms and conditions including those in the following annexes, which form an integral part of this grant agreement (the "*grant agreement*").

- | | |
|-----------|---|
| Annex I | - Description of Work |
| Annex II | - General conditions |
| Annex III | - Non applicable |
| Annex IV | - Form A - Accession of <i>beneficiaries</i> to the <i>grant agreement</i> |
| Annex V | - Form B - Request for accession of a new <i>beneficiary</i> to the <i>grant agreement</i> |
| Annex VI | - Form C - Financial statement per funding scheme |
| Annex VII | - Form D - Terms of reference for the certificate on the financial statements
and Form E - Terms of reference for the certificate on the methodology |

Article 1 - Accession to the grant agreement of the other beneficiaries

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

- **ENERDATA SAS (NRD)**, registration number: 489319111, established in **Avenue Alsace Lorraine 47, 38000 Grenoble - France**, represented by _____, President, or his authorised representative(s) ("*beneficiary no. 2*") ,
- **ENERGETSKI INSTITUT HRVOJE POZAR (EIHP)**, registration number: 080162843, established in **SAVSKA CESTA 163, 10000 ZAGREB - Croatia**, represented by _____, Director, or his authorised representative(s) ("*beneficiary no. 3*") ,
- **ENERGY ENGINEERING ECONOMIC ENVIRONMENT SYSTEMS MODELING AND ANALYSIS SRL (E4SMA)**, registration number: 1116286 CF1023955001, established in **VIA LIVORNO 60, 10144 TORINO - Italy**, represented by _____, Chief Executive, or his authorised representative(s) ("*beneficiary no. 4*") ,
- **KIC INNOENERGY SE (KIC-IE)**, registration number: 51418886, established in **HIGH TECH CAMPUS 69, 5656 AG EINDHOVEN - Netherlands**, represented by _____, CEO and/or _____; CFO, or their authorised representative(s) ("*beneficiary no. 5*") ,
- **INSTITUT FRANCAIS DES RELATIONS INTERNATIONALES (IFRI)**, registration number: 784308926, established in **RUE DE LA PROCESSION 27, 75740 PARIS - France**, represented by _____, Secretary General, or her authorised representative(s) ("*beneficiary no. 6*") ,

- **Karlsruher Institut fuer Technologie (KIT)**, registration number: -, established in *Kaiserstrasse 12, 76131 Karlsruhe - Germany*, represented by _____; Head of Cost and Fund Management and/or _____, Head of Program, or their authorised representative(s) ("*beneficiary no. 7*") ,
- **STAKEHOLDER FORUM FOR A SUSTAINABLE FUTURE LBG (SF)**, registration number: 05243470, established in *WHITEHALL COURT 3, SW1A 2EL LONDON - United Kingdom*, represented by _____, Executive Director, or his authorised representative(s) ("*beneficiary no. 8*") ,
- **PAUL SCHERRER INSTITUT (PSI)**, registration number: 105030, established in *Villigen, 5232 VILLIGEN PSI - Switzerland*, represented by _____ t and/or _____, Department Head, or their authorised representative(s) ("*beneficiary no. 9*") ,
- **UNIVERSITAET STUTTGART (USTUTT)**, established in *KEPLERSTRASSE 7, 70174 STUTTGART - Germany*, represented by _____, Registrar and Member of the Rector's Board and/or _____; Head of department Research and Communication, or their authorised representative(s) ("*beneficiary no. 10*") ,
- **UNIVERSITY COLLEGE CORK, NATIONAL UNIVERSITY OF IRELAND, CORK (UCC)**, registration number: CHY2199802/1691, established in *Western Road, - CORK - Ireland*, represented by _____, Vice President for Research & Innovation, or her authorised representative(s) ("*beneficiary no. 11*") ,
- **UNIVERSITY COLLEGE LONDON (UCL)**, registration number: RC000631, established in *GOWER STREET, WC1E 6BT LONDON - United Kingdom*, represented by _____, Head of European Research and Development and/or _____, Assistant Director Research Services, or their authorised representative(s) ("*beneficiary no. 12*") .

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

2. The *coordinator* shall send to the *Commission* one duly completed and signed Form A per *beneficiary* at the latest 45 calendar days after the entry into force of the *grant agreement*. The two remaining signed originals shall be kept, one by the *coordinator* to be made available for consultation at the request of any *beneficiary* and the other by the *beneficiary* concerned.
3. Should any legal entity identified above, fail or refuse to accede to the *grant agreement* within the deadline established in the previous paragraph, the *Commission* is no longer bound by its offer to the said legal entity(ies). The *consortium* may propose to the *Commission*, within the time-limit to be fixed by the latter, appropriate solutions to ensure the implementation of the *project*. The procedure established in Annex II for amendments to this *grant agreement* will apply.

Article 2 - Scope

The *Union* has decided to grant a financial contribution for the implementation of the *project* as specified in Annex I, called *Interdisciplinary Strategic Intelligence wareHouse and Think-tank for Energy, (INSIGHT_E)* (the "*project*") within the framework of the *ENERGY.2013.9.2.1: European scientific multidisciplinary "think-tank" to support energy policy and to assess the potential impacts of its measures* and under the conditions laid down in this *grant agreement*.

Article 3 - Duration and start date of the project

The duration of the project shall be 36 months from 01/02/2014 (hereinafter referred to as the "*start date*").

Article 4 - Reporting periods and language of reports

The *project* is divided into reporting periods of the following duration:

- P1: from month 1 to month 18,
- Final: from month 19 to the last month of the *project*.

Any report and deliverable, when appropriate, required by this *grant agreement* shall be in *English*.

Article 5 - Maximum financial contribution of the Union

1. The maximum *financial contribution of the Union* to the *project* shall be **EUR 1.999.508,32 (one million nine hundred and ninety-nine thousand five hundred and eight EURO and thirty-two cents)**. The actual *financial contribution of the Union* shall be calculated in accordance with the provisions of this *grant agreement*.
2. Details of the *financial contribution of the Union* are contained in Annex I to this *grant agreement* which includes:
 - a table of the estimated breakdown of budget and *financial contribution of the Union* per activity to be carried out by each of the *beneficiaries* under the *project*. *Beneficiaries* are allowed to transfer budget between different activities and between themselves in so far as the work is carried out as foreseen in Annex I.
3. The bank account of the *coordinator* to which all payments of the *financial contribution of the Union* shall be made is:

Name of account holder: KUNGLIGA TEKNISKA HOGSKOLAN
 Name of bank: SKANDINAVISKA ENSKILDA BANKEN
 Account reference: SE885000000059368220123

Article 6 - Pre-financing

A pre-financing of **EUR 1.099.729,58 (one million ninety-nine thousand seven hundred and twenty-nine EURO and fifty-eight cents)** shall be paid to the *coordinator* within 30 days following the date of entry into force of this *grant agreement*. The *coordinator* shall distribute the *pre-financing* only to the *beneficiaries* who have acceded to the *grant agreement* and after the minimum number of *beneficiaries* required by the *Rules for Participation* as detailed in the call for proposals to which the *project* is related, have acceded to the *grant agreement*.

Beneficiaries hereby agree that the amount of **EUR 99.975,42 (ninety-nine thousand nine hundred and seventy-five EURO and forty-two cents)**, corresponding to the *beneficiaries'* contribution to the Guarantee Fund referred to in Article II.20 and representing **5,00%** of the maximum *financial contribution of the Union* referred to in Article 5.1, is transferred in their name by the *Commission* from the *pre-financing* into the Guarantee Fund. However, *beneficiaries* are deemed to have received the full *pre-financing* referred to in the first indent and will have to justify it in accordance with the *grant agreement*.

Article 7 - Special clauses

The following special clauses apply to this *grant agreement*:

30. DEPARTMENTS/INSTITUTES ETC. WITHIN A LEGAL ENTITY THAT CAN IDENTIFY THEIR REAL INDIRECT COSTS WHERE THE (WHOLE) LEGAL ENTITY CANNOT

Large-scale Research Sector, which is an integral part of *beneficiary* Karlsruher Institut fuer Technologie has an analytical accounting system which allows it to identify its actual indirect costs. Therefore, and notwithstanding the provisions of article II.15.3, Large-scale Research Sector may declare indirect costs in FP7 *grant agreements* based on its actual indirect costs, despite the fact that the *beneficiary* has opted for a flat rate.

39. OPEN ACCESS (SPECIFIC TO THE THEMATIC AREAS "HEALTH", "ENERGY", "ENVIRONMENT (INCLUDING CLIMATE CHANGE)", "INFORMATION AND COMMUNICATION TECHNOLOGIES" (CHALLENGE 2 & 4), AND "SOCIO-ECONOMIC SCIENCES AND THE HUMANITIES", AS WELL AS TO THE ACTIVITIES "RESEARCH INFRASTRUCTURES" (E-INFRASTRUCTURES), AND "SCIENCE IN SOCIETY")

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

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

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

Article 8 - Communication

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

For the *Commission*: European Commission
DIRECTORATE-GENERAL FOR ENERGY
CAD DM28 00/110
B-1049 Brussels
Belgium

For the *coordinator*: KUNGLIGA TEKNISKA HOEGSKOLAN

BRINELLVAGEN 8
100 44 STOCKHOLM
Sweden

2. Reports and deliverables shall be transmitted to the *Commission* according to Article II.4.5.
3. For information or documents to be transferred by e-mail, the following addresses shall be used:

For the *Commission*: @ec.europa.eu

For the *coordinator*: @kth.se

4. In case of refusal of the notification or absence of the recipient, the *beneficiary* or the *consortium*, as the case may be, is deemed to have been notified on the date of the latest delivery, if notification to the coordinator has been sent to one of the addresses mentioned in paragraphs 1 and 3 and to their legal representative. Other *beneficiaries* are deemed to have been notified if notification has been sent to the address mentioned in Article 1.1.
5. Any communication or request relating to the processing of personal data (Article II.13) shall be submitted, using the address(es) for the *Commission* identified in paragraphs 1 and 3, to the Controller responsible for the processing: Head of Unit of C.2: *New energy technologies, innovation and clean coal*.

Article 9 - Applicable law and competent court

The *financial contribution of the Union* is a contribution from the *Union* research budget with the aim to implement the 7th Research Framework Programme (FP7) and it is incumbent on the *Commission* to execute FP7. Accordingly, this *grant agreement* shall be governed by the terms of this *grant agreement*, the European Community and European Union acts related to FP7, the Financial Regulation applicable to the general budget of the *Union* and its Rules of Application and other European Community and European Union law and, on a subsidiary basis, by the law of *Belgium*.

Furthermore, the *beneficiary* is aware, and agrees, that the *Commission* may take a decision to impose pecuniary obligations, which shall be enforceable in accordance with Article 299 of the Treaty on the Functioning of the European Union 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 General Court, or on appeal, the Court of Justice of the European Union, shall have sole jurisdiction to hear any dispute between the *Union* and any *beneficiary* concerning the interpretation, application or validity of this *grant agreement* and the validity of the decision mentioned in the second paragraph.

Article 10 - Application of the *grant agreement* provisions

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

The special clauses set out in Article 7 shall take precedence over any other provisions of this *grant agreement*.

Article 11 - Entry into force of the *grant agreement*

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

Done in two originals in English.

For the *coordinator*, done at STOCKHOLM:

Name of the legal entity: KUNGLIGA TEKNISKA HOEGSKOLAN

Name of legal representative(s):

Stamp of the organisation (if applicable):



Signature of legal representative(s):

Date:

17/3 2014

For the *Commission*, done at Brussels:

Name of legal representative:

Signature of legal representative:

Date:

27 10 2014



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR ENERGY

Directorate C - Renewables, Research and Innovation, Energy Efficiency

03 MARS 2014

Brussels,
ENER.C.2/AS/mp srd.3.001(2014)170196

REGISTERED MAIL WITH A/R

KUNGLIGA TEKNISKA HOEGSKOLAN
BRINELLVAGEN 8
100 44 Stockholm
Sweden
To the Attention of Prof.

Subject: Grant agreement ENER/FP7/612743/INSIGHT_E

Dear Prof.

Please find enclosed two copies of the above-mentioned Grant Agreement duly signed and dated by the Commission's authorised representative.

I would be grateful if you could return one version of this Grant Agreement including its Annexes, dated, signed and initialled (bottom left-hand corner) by your authorised representative¹.

Please send it by courier or express mail to the following address:

European Commission
DIRECTORATE-GENERAL FOR ENERGY
CAD DM28 00/110
B-1049 Brussels
Belgium

I would also like to draw your attention to the following:

- In case of non receipt - to the above-mentioned address - of the Grant Agreement dated and duly signed by the authorised representative of your company within 15 calendar days, the Commission reserves itself the right to cancel its commitment under the Grant Agreement,

or

¹ If the Grant Agreement or the Forms A are not signed by the person whose name appears in the Grant Agreement as the designated legally authorised representative for signature, please indicate in a letter the full name and position of the person authorised to represent your organisation for the purpose of signature of such documents.

- In the event of any alteration or modification made to the text of the contract or its annexes, these should be regarded as null and void and the Commission should no longer be bound by this Grant Agreement.

Furthermore, in accordance with Art 1.2 of the Grant Agreement, I kindly request you to send the Forms A duly signed by the beneficiaries, as identified in Art. 1.1 of the Grant Agreement, within 45 calendar days after its entry into force.

Moreover, with regard to the implementation of the project, I would like to remind you that the project costs identified in the table of estimated eligible costs in Annex I to the Grant Agreement represent an estimate.

The cost claims submitted during the course of the project may only reflect actual eligible costs. Only costs fulfilling the eligibility criteria set out in Art. II.14 of the General Conditions and justified by the beneficiaries can be taken into consideration when determining the EU financial contribution. In particular working time to be charged to the contract must be recorded throughout the project by any reliable means including time sheets. You will find attached some guidance for reporting the actual number of hours worked under the project and to calculate the personnel expenses incurred for the project. An electronic version of these templates can be requested from the Financial Officer in charge.

In addition, please note that the following page of the Participant Portal includes all the FP7 reference documents, which will guide you throughout the project duration and help you fulfilling your contractual obligations:

http://ec.europa.eu/research/participants/portal/desktop/en/funding/reference_docs.html#fp7

In particular:

- The FP7 Financial Guidelines, providing explanations on eligible costs for reimbursement. They should help to clarify the types and nature of eligible costs allowed under the Grant Agreement.
- Guidance notes to help the coordinators and the consortium to prepare the periodic and final reports required by Art. II.4 of the Grant Agreement.
- Guidance notes for the preparation of Certificates on the Financial Statements and on the Methodology. The objective of these notes is to give an overview of the requirements and provisions which are of importance in claiming costs for reimbursement and hence in the Certification on the Financial Statements and on the Methodology.

In this respect, I would like to remind you that the use of the reporting format attached as Annex VII (Forms D and E) of the model Grant Agreement by the external auditor or competent public officer is compulsory. The reporting format must include the procedures and findings specified in Annex VII and specific reference must be made to the Grant Agreement under which the cost of the certificate will be claimed.

Finally, I would also like to draw your attention to the Commission's right to arrange for audits at any time during the contract and up to five years after the end of the project (Art. II.22 of the General Conditions).

I wish you and all beneficiaries all the best for your project.

in my Directorate (e-mail: ↓@ec.europa.eu) is at your disposal for questions concerning the operational part of this Grant Agreement.

in the Financial Unit SRD3 (e-mail: ↓@ec.europa.eu) is at your disposal for questions concerning the financial part of this Grant Agreement.

Yours faithfully,

Marie DONNELLY
Director

Enclosed: 2 originals of the Grant Agreement with its Annexes
Checklist for co-ordinator
Guidance from Audit Cell (timesheet and personnel costs)

CHECKLIST FOR THE COORDINATOR (FP7 Grant Agreement)

Please note that a signed copy of this sheet must accompany your Grant Agreement.

Before sending the documents back to the Commission, please ensure that:

- ☐ 1. The two Grant Agreements have been signed and dated by you and initialled (in the bottom left-hand corner of each page).
- ☐ 2. The persons who have signed the Grant Agreement are the legal representatives of the beneficiary ("coordinator").
- ☐ 3. If the Grant agreement is not signed by the person whose name appears in the Grant Agreement as the designated, legally authorised representative for signature, please indicate in a letter the full name and function/status of the person authorised to represent the organisation for purpose of signature of the present Grant Agreement.
- ☐ 4. Annex I (Description of the work) has been initialled by you (in the bottom left-hand corner of each page).
- ☐ 5. Annex II (General conditions) have been initialled by you (in the bottom left-hand corner of each page).
- ☐ 6. All other annexes have been initialled by you (in the bottom left-hand corner of each page).

Documents to be sent to the Commission:

- ☒ 1. 1 initialled and signed Grant Agreement (the 2nd original remains in your file, please make sure all beneficiaries in the Grant Agreement receive one copy).
- ☒ 2. 1 initialled Annex I (please make sure all beneficiaries in the Grant Agreement receive one copy).
- ☒ 3. 1 initialled Annex II (please make sure all beneficiaries in the Grant Agreement receive one copy).
- ☒ 4. 1 initialled set of all other annexes (please make sure all beneficiaries in the Grant Agreement receive one copy).
- ☒ 6. Cover letter from you to the European Commission.

Follow up:

Please ensure:

- to send to the *Commission* one duly completed and signed Form A per *beneficiary* at the latest **45 calendar days** after the entry into force of the *grant agreement*.
- that the persons who have signed the Forms A are the legal representatives of the beneficiary listed in the Grant Agreement.
- if the Form A is not signed by the person whose name appears in the Grant Agreement as the designated, legally authorised representative for signature, please indicate in a letter the full name and function/status of the person authorised to represent the organisation for purpose of signature of the present Grant Agreement.
- that the pre-financing is distributed according to the Article 6 of the Grant Agreement (only to the *beneficiaries* who have acceded to the *grant agreement* and after the minimum number of *beneficiaries* required by the *Rules for Participation* as detailed in the call for proposals to which the *project* is related, have acceded to the *Grant Agreement*)

Name of the coordinator:

Head of Research Office



Signature and date:

14/3 2014

Timesheet

Number of hours envisaged i.e. according to the employment contract: 40 hours/week

2008 January

[illegible]

Approved:

Productive hours per project:	Project x	84
	Project y	15.5
	Project z	0

Calculation of hourly rates and direct cost of personnel - using actual costs incurred

Name of contractor :		Project Name :	
Project number :		Category :	
Financial period start date		Currency	
Financial period end date			
Name of the person :		Signature	
Name of the Project manager:		Signature	

Hourly rate				
Salary details		Gross salary (1)	Employer's social charge (2)	Others (3)
Month 1				
Month 2				
Month 3				
Month 4				
Month 5				
Month 6				
Month 7				
Month 8				
Month 9				
Month 10				
Month 11				
Month 12				
Month 13, 14 or other (4)				
Month 13, 14 or other (4)				
Month 13, 14 or other (4)				
Sub-totals		0	0	0
Total salary + Social charges + Others	A			0

Productive hours details				
Number of working hours per week (5)				
Number of weeks during the period (6)				
Sub-total Working hours for the period	B			0
Deduction for : (in days)				
Annual holidays (7)				
Statutory holidays (8)				
Illness (9)				
Continued expertise (10)				
sub-total absence for the period (days)				0
Average numbers of working hours per day (11)				
Total absence in hours	C			0
Total Productive hours for the 12 months period	D = B - C			0
Hourly labour rate	A/D			#DIV/0!

Hours charged to the contract

Total direct cost of personnel chargeable to the contract

#DIV/0!

Summary of personnel costs per year

Personnel cost				
Salary details		Gross salary (1)	Employer's social charge (2)	Others (3)
January				
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				
Month 13, 14 or other (4)				
Month 13, 14 or other (4)				
Month 13, 14 or other (4)				
Sub-totals		0	0	0
Total salary + Social charges + Others	A			0

(1) The gross salary as shown on the salary slip for the month

(2) Social charge paid by employer as required by law

(3) Other components of the salary not included in the gross salary but declared to the Tax Authorities.

Please explain what it is e.g. company car, company contribution to pension scheme, lunch vouchers.

(4) Please add here holiday pay, 13th month, bonus, etc.. **Use one line per item and describe the nature of the salary component**

Summary of productive hours

Productive hours details		
Number of working hours per week (5)		
Number of weeks during the period (6)		
Sub-total Working hours for the period	B	0
Deduction for : (in days)		
Annual holidays (7)		
Statutory holidays (8)		
Illness (9)		
Continued expertise (10)		
sub-total absence for the period (days)		0
Average numbers of working hours per day (11)		
Total absence in hours	C	0
Total Productive hours for the 12 months period	D = B-C	0

(5) Following the working contract or the normal practice of the company

(6) Standard 52 weeks for a year

(7) As per contract, including seniority, etc. **Please explain** the number of holidays based on the normal practice of your company.

The relevant information to report is the number of days of holidays for which the right was generated during the period covered by the salary, not the days actually taken during the period.

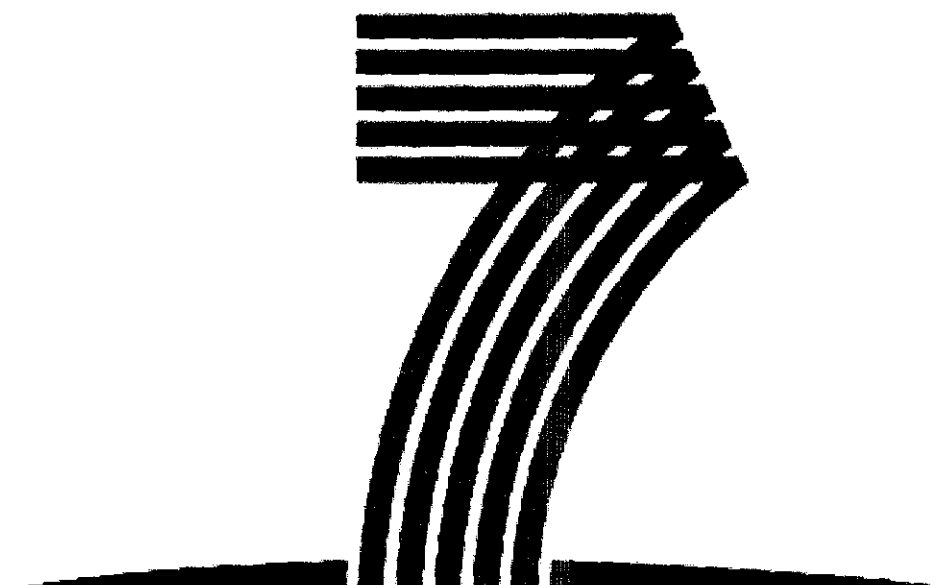
(8) As per law, at country, region or sector level. **Please explain** of the statutory holidays according to your company

(9) The **average** number of days of illness that can be considered as **normal** for your company

(10) An **average** number of days corresponding to the **normal** practice of your company in relation to continued expertise in closed relation with the project

Days for specific training in the context of the project should **not** be deducted here

(11) Following the work contract or the **normal practice** of the company



SEVENTH FRAMEWORK PROGRAMME

**THEME [ENERGY.2013.9.2.1 ENERGY.2013.9.2.1]
[European scientific multidisciplinary "think-tank"
to support energy policy and to assess the potential
impacts of its measures European scientific
multidisciplinary "think-tank" to support energy policy
and to assess the potential impacts of its measures]**

Grant agreement for: Coordination and support action

Annex I - "Description of Work"
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Project acronym: INSIGHT_E

Project full title: " Interdisciplinary Strategic Intelligence wareHouse and Think-tank for Energy "

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A1:

Project summary

Project Number ¹	612743	Project Acronym ²	INSIGHT_E
One form per project			
General information			
Project title ³	Interdisciplinary Strategic Intelligence wareHouse and Think-tank for Energy		
Starting date ⁴	01/02/2014		
Duration in months ⁵	36		
Call (part) identifier ⁶	FP7-ENERGY-2013-2		
Activity code(s) most relevant to your topic ⁷	ENERGY.2013.9.2.1: European scientific multidisciplinary "think-tank" to support energy policy and to assess the potential impacts of its measures	ENERGY.2013.9.2.1: European scientific multidisciplinary "think-tank" to support energy policy and to assess the potential impacts of its measures	
Free keywords ⁸	Think tank, energy, policy, policy making, multidisciplinary, impact assessment, sustainability		
Abstract ⁹			
<p>As today's energy policy decisions are not only very complex, but also fundamentally political decisions, the necessity to build them on sound, unbiased and up-to-date information/knowledge makes energy policy analysis and advice from a broad array of non-commercial actors key to effective policy formulation. Taking this into account, it is the aim of this project to establish a multidisciplinary and independent energy think tank consisting of experts from the energy sector, top researchers, engineers, leading trade, economic, environmental, and legal experts who are experienced in delivering high quality policy advice and impact assessments. The think tank will provide policy makers at the European level with objective and unbiased policy advice as well as insights on policy options, including an assessment of their potential impact. Moreover, the think tank will bring to the attention of political decision-makers new trends in technology as well as the objectives and activities of important stakeholders that shape energy policy-making in Europe. In order to assess policy options concerning the four dimensions of sustainability (environmental, economic, social, institutional), the project will use an integrated assessment framework, backed by high-quality data resources available to the project consortium. To complement this, the project will establish innovative methods of stakeholder engagement and trend identification through the establishment of an 'Energy Observatory'. Moreover, with transparency being of significant value, INSIGHT_E will make its models, assumptions, and scenarios available through a 'Scenario Information System'. Implementing a flexible and at the same time profound information tool will bring about significant improvements to the policy making process and hence secure a climate-friendly energy policy.</p>			

A2: List of Beneficiaries

Project Number ¹	612743	Project Acronym ²	INSIGHT_E
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List of Beneficiaries

No	Name	Short name	Country	Project entry month ¹⁰	Project exit month
1	KUNGLIGA TEKNISKA HOEGSKOLAN	KTH	Sweden	1	36
2	ENERDATA SAS	NRD	France	1	36
3	ENERGETSKI INSTITUT HRVOJE POZAR	EIHP	Croatia	1	36
4	ENERGY ENGINEERING ECONOMIC ENVIRONMENT SYSTEMS MODELING AND ANALYSIS SRL	E4SMA	Italy	1	36
5	KIC INNOENERGY SE	KIC-IE	Netherlands	1	36
6	INSTITUT FRANCAIS DES RELATIONS INTERNATIONALES	IFRI	France	1	36
7	Karlsruher Institut fuer Technologie	KIT	Germany	1	36
8	STAKEHOLDER FORUM FOR A SUSTAINABLE FUTURE LBG	SF	United Kingdom	1	36
9	PAUL SCHERRER INSTITUT	PSI	Switzerland	1	36
10	UNIVERSITAET STUTTGART	USTUTT	Germany	1	36
11	UNIVERSITY COLLEGE CORK, NATIONAL UNIVERSITY OF IRELAND, CORK	UCC	Ireland	1	36
12	UNIVERSITY COLLEGE LONDON	UCL	United Kingdom	1	36

A3: Budget Breakdown

Project Number ¹	612743	Project Acronym ²	INSIGHT_E
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One Form per Project

Participant number in this project ¹¹	Participant short name	Ind. costs ¹³	Estimated eligible costs (whole duration of the project)				Requested EU contribution
			Coordination / Support (A)	Management (B)	Other (C)	Total A+B+C	
1	KTH	T	349,860.00	64,200.00	0.00	414,060.00	369,203.00
2	NRD	S	145,595.97	2,908.26	0.00	148,504.23	148,503.00
3	EIHP	T	78,738.00	10,860.00	0.00	89,598.00	79,891.00
4	E4SMA	T	74,820.00	14,400.00	0.00	89,220.00	79,554.00
5	KIC-IE	F	237,530.40	11,295.00	0.00	248,825.40	229,994.32
6	IFRI	T	159,618.00	8,682.00	0.00	168,300.00	150,067.00
7	KIT	A	194,523.00	8,477.00	0.00	203,000.00	170,129.00
8	SF	A	55,650.70	22,791.00	0.00	78,441.70	78,441.00
9	PSI	T	158,400.00	10,200.00	0.00	168,600.00	150,335.00
10	USTUTT	T	224,318.40	9,907.20	0.00	234,225.60	208,850.00
11	UCC	T	175,438.80	12,661.20	0.00	188,100.00	167,721.00
12	UCL	T	167,858.40	19,231.20	0.00	187,089.60	166,820.00
Total			2,022,351.67	195,612.86	0.00	2,217,964.53	1,999,508.32

Note that the budget mentioned in this table is the total budget requested by the Beneficiary and associated Third Parties.

*** The following funding schemes are distinguished**

Collaborative Project (if a distinction is made in the call please state which type of Collaborative project is referred to: (i) Small of medium-scale focused research project, (ii) Large-scale integrating project, (iii) Project targeted to special groups such as SMEs and other smaller actors), Network of Excellence, Coordination Action, Support Action.

1. Project number

The project number has been assigned by the Commission as the unique identifier for your project, and it cannot be changed. The project number **should appear on each page of the grant agreement preparation documents** to prevent errors during its handling.

2. Project acronym

Use the project acronym as indicated in the submitted proposal. It cannot be changed, unless agreed during the negotiations. The same acronym **should appear on each page of the grant agreement preparation documents** to prevent errors during its handling.

3. Project title

Use the title (preferably no longer than 200 characters) as indicated in the submitted proposal. Minor corrections are possible if agreed during the preparation of the grant agreement.

4. Starting date

Unless a specific (fixed) starting date is duly justified and agreed upon during the preparation of the Grant Agreement, the project will start on the first day of the month following the entry into force of the Grant Agreement (NB : entry into force = signature by the Commission). Please note that if a fixed starting date is used, you will be required to provide a detailed justification on a separate note.

5. Duration

Insert the duration of the project in full months.

6. Call (part) identifier

The Call (part) identifier is the reference number given in the call or part of the call you were addressing, as indicated in the publication of the call in the Official Journal of the European Union. You have to use the identifier given by the Commission in the letter inviting to prepare the grant agreement.

7. Activity code

Select the activity code from the drop-down menu.

8. Free keywords

Use the free keywords from your original proposal; changes and additions are possible.

9. Abstract

10. The month at which the participant joined the consortium, month 1 marking the start date of the project, and all other start dates being relative to this start date.

11. The number allocated by the Consortium to the participant for this project.

12. Include the funding % for RTD/Innovation – either 50% or 75%

13. Indirect cost model

A: Actual Costs

S: Actual Costs Simplified Method

T: Transitional Flat rate

F :Flat Rate

Workplan Tables

Project number

612743

Project title

**INSIGHT_E—Interdisciplinary Strategic Intelligence wareHouse and
Think-tank for Energy**

Call (part) identifier

FP7-ENERGY-2013-2

Funding scheme

Coordination and support action

WT1

List of work packages

Project Number ¹	612743	Project Acronym ²	INSIGHT_E
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LIST OF WORK PACKAGES (WP)

WP Number ⁶³	WP Title	Type of activity ⁶⁴	Lead beneficiary number ⁶⁵	Person-months ⁶⁶	Start month ⁶⁷	End month ⁶⁸
WP 1	Executive Committee for EC Interaction and INSIGHT_E Task Elaboration	SUPP	1	29.00	1	36
WP 2	Rapid Response Energy Briefs	SUPP	2	32.00	1	36
WP 3	Policy Reports	SUPP	10	72.50	1	36
WP 4	Hot Energy Topics	SUPP	6	37.00	1	36
WP 5	Stakeholder engagement	SUPP	8	10.00	1	36
WP 6	Energy Observatory	SUPP	5	58.00	1	36
WP 7	Project management	MGT	1	18.00	1	36
Total				256.50		

WT2:

List of Deliverables

Project Number ¹	612743	Project Acronym ²	INSIGHT_E				
List of Deliverables - to be submitted for review to EC							
Delive- rable Number ⁶¹	Deliverable Title	WP number ⁶³	Lead benefi- ciary number	Estimated indicative person- months	Nature ⁶²	Dissemi- nation level ⁶³	Delivery date ⁶⁴
D1.1	Selected topics and scopings	1	1	24.00	R	PU	36
D1.2	Lists of experts working on identified topics	1	1	5.00	O	PU	36
D2.1	Rapid Response Energy Briefs	2	2	32.00	R	PU	36
D3.1	Policy Report including comprehensive policy impact assessment	3	10	35.00	R	PU	36
D3.2	Providing key assumptions and results as well as code of models as input to the IN-SIGHT_E Scenario Information System (SIS)	3	10	37.50	R	CO	36
D4.1	Hot Energy Topic report	4	6	37.00	R	PU	36
D5.1	Report on the outcomes of the stakeholder engagement	5	8	10.00	R	PU	36
D6.1	Organisation and launching of the Energy Observatory	6	5	29.00	O	PU	9
D6.2	Digital platform containing the Scenario Information System	6	10	29.00	O	PU	12
D7.1	Project manual	7	1	0.50	R	PU	1
D7.2	1st periodic report on the progress of work and use of resources	7	1	5.50	R	PU	12

WT2: List of Deliverables

Deliverable Number ⁶¹	Deliverable Title	WP number ⁶³	Lead beneficiary number	Estimated indicative person-months	Nature ⁶²	Dissemination level ⁶³	Delivery date ⁶⁴
D7.3	2nd periodic report on the progress of work and use of resources	7	1	5.50	R	PU	24
D7.4	Final report	7	1	6.50	R	PU	36
Total				256.50			

WT3:

Work package description

Project Number ¹	612743	Project Acronym ²	INSIGHT_E
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One form per Work Package

Work package number ⁶³	WP1	Type of activity ⁶⁴	SUPP
Work package title	Executive Committee for EC Interaction and INSIGHT_E Task Elaboration		
Start month	1		
End month	36		
Lead beneficiary number ⁶⁵	1		

Objectives

1. Interaction with the EC and topic definitions
2. Scoping of topics, approach definition and model selection
3. Setting up of expert teams
4. Organisation of the peer review-process and result validation

Description of work and role of partners

Work package 1 will facilitate the interaction with the EC and the topic definition for the various outputs of INSIGHT_E. Moreover, it will be ensured that the consortium partners perform a scoping of the topics and choose the most appropriate approach to address the questions at hand. In addition, it will be the task of this work package to staff the expert teams working on the reports and finally set up a peer review-process. In order to establish a single entry point for all EC inquiries, an Executive Committee (EXCOM) has been set up to steer the think-tank's work. The members of the Executive Board are the leaders of WP1, WP2, WP3 and WP4. The EXCOM's tasks include:

- the interaction with the EC
- the preparation of key decisions to be taken within the tasks T1.1 – T1.4

T1.1 Topic definition and EC interaction (m01-m36)

Lead: KTH, further partners: all

The Executive Committee will prepare all decisions of the partners on the definition of topics that are covered by the various think-tank outputs that will then be elaborated in the subsequent work packages (Rapid Response Energy Briefs in WP2, Policy Reports in WP3, and Hot Energy Topics in WP4).

Input for the topic definition will come from

- interaction with the EC. Physical and virtual meetings with experts and people from the European Commission will be organised in order to brainstorm and reflect on present and arising issues.
- the work and output of the Energy Observatory (WP6)

T1.2 Scoping of topics, approach definition and model selection (m01-m36)

Lead: KTH; further partners: all

As a first step, each selected topic (T1.1) will be further analysed in a scoping process that is led by the Executive Committee involving the different partners. The research approach will be defined and, if applicable, appropriate scenarios and models for assessment will be selected.

T1.3 Setting up of expert teams (m01-m36)

Lead: KTH, further partners: all

The think-tank Executive Committee will prepare the General Assembly decision to appoint one partner that will take the lead in authoring the output ("the Editor"). Suggested criteria for the leadership could be:

- Profound and recognised expertise in the relevant scientific field;
- Proven track record with regards to relevant publications;
- Previously delivered policy advice in the specific area;

WT3:

Work package description

The EXCOM together with the Editor will then assign further experts to support the drafting of the output. The selection of experts is supported by the work of the Energy Observatory (WP 6) which organises the experts of the different partner organisations into teams (segmentation). Further stakeholder experts may be nominated to join certain teams, if necessary.

T1.4 Organisation of the peer review process and result validation (m01-m36)

Lead: KTH, further partners: all

It is the task of WP 1 to ensure a peer-review process involving all partners to ensure the quality of the outputs and validate the results. The following steps are involved in this process: project partner in charge of the elaboration of a deliverable (Editor) will be obliged to circulate its final draft to the consortium asking for comments and feedback (prior to the due date of the deliverable). After evaluating them, the author will propose to the consortium which comments / feedback shall be integrated in the document incl. argumentation why. If needed, a conference call or a meeting can be held to discuss any critical issues.

Person-Months per Participant

Participant number ¹⁰	Participant short name ¹¹	Person-months per participant
1	KTH	5.00
2	NRD	1.00
3	EIHP	1.00
4	E4SMA	0.00
5	KIC-IE	1.00
6	IFRI	3.00
7	KIT	3.00
8	SF	1.00
9	PSI	1.00
10	USTUTT	6.00
11	UCC	4.00
12	UCL	3.00
Total		29.00

List of deliverables

Deliverable Number ⁶¹	Deliverable Title	Lead beneficiary number	Estimated indicative person-months	Nature ⁶²	Dissemination level ⁶³	Delivery date ⁶⁴
D1.1	Selected topics and scopings	1	24.00	R	PU	36
D1.2	Lists of experts working on identified topics	1	5.00	O	PU	36
Total			29.00			

Description of deliverables

D1.1) Selected topics and scopings: Output of T1.1 and T1.2: Draft Work Plan, including e.g. research question, scope, methodology and allocated resources for each Policy Report. Similar, but shorter (approx. 1 page), drafts will be produced for Rapid Response Energy Briefs. These will be circulated in the consortium and discussed

WT3:

Work package description

with the EC and partners at the beginning of each project in WP2 and 3. As the delivery of the Rapid Response Energy Briefs does not follow a pre-defined schedule but rather focuses on actual demand, the timing of the drafts may be subject to change. An indicative number of 12 documents will be delivered at e.g. m03, m06, m09, m12, m15, m18, m21, m34, m27, m30, m33, m36 and also sent to the EC. A publication is foreseen. At the final delivery date (m36) a compendium of all documents is submitted to the EC. [month 36]

D1.2) Lists of experts working on identified topics: Output of T1.3; documenting relevant background and experience, motivating the assignment of authoring and modelling/analysis group for each PR (and RREB). A summary of this list will also be published on the Energy Observatory / think-tank online portal and updated every three months. An indicative number of 12 documents will be delivered at e.g. m03, m06, m09, m12, m15, m18, m21, m34, m27, m30, m33, m36 and also sent to the EC. At the final delivery date (m36) a compendium of all lists is submitted to the EC. [month 36]

Schedule of relevant Milestones

Milestone number ⁶⁹	Milestone name	Lead beneficiary number	Delivery date from Annex I ⁶⁰	Comments
MS1	Think-tank established and running	1	1	Project manual published and list of experts and partner teams named

WT3:

Work package description

Project Number ¹	612743	Project Acronym ²	INSIGHT_E
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One form per Work Package

Work package number ⁵³	WP2	Type of activity ⁵⁴	SUPP
Work package title	Rapid Response Energy Briefs		
Start month	1		
End month	36		
Lead beneficiary number ⁵⁵	2		

Objectives

1. Ad-hoc support answering questions from the EC (e.g. opinion piece). This will take advantage of the dynamic structuring of the partners/consortium within the think-tank. For each EC request, the relevant experts from amongst the partners, as well as rapid stakeholder engagement, will combine to draft a response. The emphasis in this will be on the rapid turnaround time from the date of the EC request to delivering consolidated Rapid Response Energy Briefs.
2. Providing the EC with recommendations on the basis of questions, trends, changes and directions and with
 - a. Policy options pre-defined by the EC
 - b. No policy options pre-defined
 - c. Illustration of non-policy issues

Description of work and role of partners

The tasks of the work package are performed iteratively for the delivery of one Rapid Response Energy Brief. This WP puts at the European Commission's disposal the resources necessary for the provision of as many as 4 Rapid Response Energy Briefs per year. It is not necessary for them to be evenly spread over the year (i.e. once every 3 months); however, to ensure the proper resources will indeed be available, a lead time of at least 2 weeks, in which the EC announces a topic, before the beginning of the preparation time would be desirable. Frequency: 4 / year; Preparation time: 6 weeks; Indicative length: 4 pages.

As described in T1.3, the think-tank Executive Committee will appoint one partner ("the Editor") that will take the lead in authoring the output. As this editor is subject to change, pre-defined task leaders does not exist in this WP, except with regards to the stakeholder engagement. The Editor will be supported by all other project partners.

T2.1 Taking up of topic definition, scoping and team consolidation [from WP1] (m01-m36)

Lead: Editor; Further partners: all

Based on the work completed in WP1, this task will concretely define the drafting plan of the Rapid Response Energy Briefs within the work package.

T2.2 Definition of models to be applied and impact assessment criteria (m01-m36)

Lead: Editor; Further partners: all

The consortium assesses internally the resources available that are best to respond to a specific issue. The experts will assess jointly which models and tools are to be used to assess the question most appropriately and also define the concrete criteria for impact assessments. The criteria are agreed upon with the Executive Committee.

The Editor will ensure the smooth progress of the Rapid Response Energy Briefs from start to finish, in its logistic, technical and content aspects; the editor can be different from the WP lead-er.

Following this point, the production of a Rapid Response Energy Brief will take place over 6 weeks.

T2.3 Gap analysis, literature review and definition of policy options (m01-m36)

Lead: Editor; Further partners: all

WT3:

Work package description

Based on the scientific gap identified and the models to be applied, a rapid but in-depth literature review will be conducted, containing critical points of current knowledge including substantive findings as well as theoretical and methodological contributions to the particular topic chosen.

The literature review will take into account a variety of secondary sources, including publications from the consortium member institutions as well as external publications. Moreover, the project partners involved in this task will make extensive use of their access to high quality databases, including:

- Energy statistics and other relevant energy data from EU countries as well as outside. In this case, the consortium can access Enerdata's databases. Enerdata is a primary data provider for: energy demand & supply data, energy use data, energy efficiency indicators, GHG & CO2 data, energy prices, energy policies, energy news, existing & planned infrastructure (power plants, LNG, refineries) infrastructures.
- A techno-economic device database that lists tens of energy-related technologies for energy services
- European Commission's SET Information System (co-developed by KIC-IE)
- European Commission's Odyssee database (maintained by Enerdata)
- European Commission's database on energy savings potential (co-developed by Enerdata)
- World Energy Council's database on global energy efficiency policy and measures
- Other high quality databases, which include:
 - Energy and Carbon Emissions Inventories Database
 - Greenhouse Gas Initiative Scenario Database
 - Global Energy Assessment Scenario Database
 - Representative Concentration Pathways Database

T2.4 Rapid stakeholder engagement (m01-m36)

Lead: Stakeholder Forum; further partners: all

Due to the short preparation time, stakeholders will be engaged in a very targeted way, mostly relying on the established networks of the consortium partners. Contacts and engagement channels developed in WP5 may be involved. The following channels for gathering stakeholder input will be used:

- Interviews (phone; in-person if proximity and travel budget allows)
- Questionnaires
- Web platforms / blogs
- Ad-hoc meetings

T2.5 Impact assessment(m01-m36)

Lead: Editor; Further partners: all

For estimating and analysing the relevant impacts, taking into account the predefined set of criteria, like environmental sustainability, security of supply and competitiveness, the necessary models and data are identified and provided. In a next step, scenarios for impact assessment will be prepared. Depending on the respective EC request and the possible given policy options, one or several reference (or business as usual) scenarios, to the policy option to be assessed or one or several policy scenarios will be developed. The quantitative and/or qualitative impact assessment may take into account the European Commission Impact Assessment Guidelines.

T2.6 Elaboration of Rapid Response Energy Brief, consolidation and release (m01-m36)

Lead: Editor; Further partners: all

Within this task, the results from the previous tasks will be reviewed and validated in connection with T1.4. Based on these results, the Rapid Response Energy Briefs will be elaborated and communicated to the EC for potential comments. Within 2 weeks of receiving comments, the Editor team issues a finalised Rapid Response Energy Brief and releases it. These Rapid Re-sponse Energy Briefs will further form the basis for broader outreach, or can also form a starting point for a more comprehensive, multiple thematic approach Policy Report (WP3).

Person-Months per Participant

Participant number ¹⁰	Participant short name ¹¹	Person-months per participant
1	KTH	5.00
2	NRD	7.00

WT3: Work package description

Person-Months per Participant

Participant number ¹⁰	Participant short name ¹¹	Person-months per participant
3	EIHP	0.00
4	E4SMA	0.00
5	KIC-IE	0.00
6	IFRI	3.00
7	KIT	2.00
8	SF	0.00
9	PSI	3.00
10	USTUTT	7.00
11	UCC	5.00
12	UCL	0.00
Total		32.00

List of deliverables

Deliverable Number ⁶¹	Deliverable Title	Lead beneficiary number	Estimated indicative person-months	Nature ⁶²	Dissemination level ⁶³	Delivery date ⁶⁴
D2.1	Rapid Response Energy Briefs	2	32.00	R	PU	36
Total			32.00			

Description of deliverables

D2.1) Rapid Response Energy Briefs: Output of T2.1-2.6; Frequency: 4 / year; Preparation time: 6 weeks (+2 weeks for comments by the EC); Indicative length: 4 pages. As the delivery of the Rapid Response Energy Briefs does not follow a pre-defined schedule but rather focuses on actual demand, the timing of the Rapid Response Energy Briefs may be subject to change. An indicative number of 12 Rapid Response Energy Briefs will be delivered at e.g. m03, m06, m09, m12, m15, m18, m21, m34, m27, m30, m33, m36 and also sent to the EC. A publication is foreseen. At the final delivery date (m36) a compendium of all reports is submitted to the EC. [month 36]

Schedule of relevant Milestones

Milestone number ⁶⁸	Milestone name	Lead beneficiary number	Delivery date from Annex I ⁶⁹	Comments
MS1	Think-tank established and running	1	1	Project manual published and list of experts and partner teams named

WT3:

Work package description

Project Number ¹	612743	Project Acronym ²	INSIGHT_E
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One form per Work Package

Work package number ⁵³	WP3	Type of activity ⁵⁴	SUPP
Work package title	Policy Reports		
Start month	1		
End month	36		
Lead beneficiary number ⁵⁵	10		

Objectives

Reports will be compiled that address selected energy issues of relevance to the EC. They will summarise the state of knowledge regarding a particular subject; analyse the implications for the EC's work and propose recommendations for policy options. The analysis and recommendations will also contain essential input from civil society, industry and academia. Policy Reports will include summaries and 'reality checks' (e.g. out of legal/stakeholder perspective). These reports will further form the basis for broader outreach. Further sub-objectives are:

1. Deliver clear interpretations of energy issues, informing policy recommendations for the European Commission on request and based on multidisciplinary expert insight considering environmental, economic, social, technical, trade and legal issues.
2. Conduct Integrated Impact Assessment against a predefined set of criteria, which in every case will include at least environmental sustainability, security of supply and competitiveness.

Description of work and role of partners

The tasks of the work package are performed iteratively for the delivery of one Policy Report. Frequency: 2 every 6 months; Preparation time: 6 months; Indicative length: 60 - 100 pages. As described in T1.3, the think-tank Executive Committee will appoint one partner ("the Editor") that will take the lead in authoring the Policy Report. As this Editor is subject to change, pre-defined task leaders does not exist in this WP, except with regards to the stakeholder engagement. The Editor will be supported by all other project partners.

T3.1 Taking up of topic definition, scoping and team consolidation [from WP1] (m01-m36)

Lead: Editor; further partners: all

Based on the work completed in WP1, this task will concretely define the drafting plan of the Policy Report within the work package.

T3.2 First Workshop (m01, m07, m13, m19, m25, m31)

Lead: Editor; further partners: all

Involving the expert team that has been put together for the drafting of this report, a first work shop will be organised that will address the following questions:

- What are the priorities?
- Which data needs to be collected?
- In which way has the data to be collected (literature, interviews, etc.)?
- How will the data be compared to other reports?
- Which experts and stakeholders need to participate?
- How to disseminate the data?

T3.3 Expert knowledge collection (m01-m06)

Lead: Editor; further partners: all

After analysing the policy request and selecting an appropriate methodology, the expert's knowledge is systematically collected as relevant to the chosen approach. The partners will be assigned according to relevant competencies and expertise needed for the Policy Report. Sources of expert knowledge outside the consortium

WT3:

Work package description

could be found in NGOs, companies of energy related industries and external academic institutions. The task will also rely on the work performed by the Energy Observatory (WP6).

T3.4 Data Collection (m01-m36)

Lead: Editor; further partners: all

Based on the selected methodology and the collected expert knowledge, any missing data for the report will be collected. This includes an overall collection plan which describes what kind of data and from which source needs to be collected. Depending on the requested report a literature analysis and/or expert interviews will be conducted.

T3.5 Wider stakeholder engagement (m01-m36)

Lead: Editor; further partners: all

For a broad and comprehensive analysis of the collected data and a post-modelling and impact assessment feedback, at least two rounds of wider stakeholder engagement will be conducted. This includes NGOs, citizen representative bodies and companies from the energy sector. A wide engagement ensures an objectivity validation of the collected data from different perspectives. This task will involve WP5.

T3.6 Second Workshop: Analysis, policy options and modelling (m03, m09, m15, m27, m33)

Lead: Editor; further partners: all

Based on the collected expertise and data and against the background of the selected methodology and the feedback given by the stakeholders, an internal discussion of the analysis is conducted. This includes the discussion of different policy options and models. Within the consortium, the following models are available and can be used for the reports:

- Energy system models
 - on a European level (TIMES PanE, OSeMOSYS)
 - on national level (TIMES-UK, MESSAGE)
 - on a global level (TIAM, POLES)
- Energy economy models (NEWAGE)
- Environmental impact assessment tools (EcoSense)
- Life cycle assessment models
- Sector level models (PERSEUS, PowerACE-DE, E2M2s, JMM)
- Energy behaviour tools (BLUE)
- Disaggregated models (TIMES-Heat-DE, MUST)

It will be discussed and decided within this task which model/s are the best fit for the policy impact assessment.

T3.7 Comprehensive policy impact assessment (m01-m36)

Lead: Editor; further partners: all

Using the selected models or a set of models, a comprehensive impact assessment will be conducted based on a set of scenarios. Comparing policy scenario(s) with reference scenario(s) the relevant environmental (e.g. GHG emissions, health, external costs), social (e.g. income distribution and poverty, households without electricity or commercial energy), economic (e.g. growth, employment, competitiveness), technical (e.g. innovation, market penetration rates), trade (e.g. supply security, import dependency) and legal impacts (e.g. compatibility with trade agreements, amendment of laws) are calculated. Of course, the scenario analysis is accompanied by an uncertainty estimation. Impact assessment is supposed to structure and support the development of policy recommendations which will be formulated in Task 3.9.

T3.8 Third Workshop: Discussion of results (m05, m11, m17, m23, m29, m35)

Lead: Editor; further partners: all

Based on the achieved results and against the selected criteria and the feedback given by the stakeholders, an internal discussion of the analysis is conducted. This includes the discussion of the policy recommendations and the important new trends.

T3.9 Recommendations and dissemination of the Policy Report (m06, m12, m18, m24, m30, m36)

Lead: Editor; further partners: all

As a result of Task 3.7 and 3.8, recommendations will be formulated for the EC including possible changes and directions in the studied area that the EC should be aware of. Additionally, the report may be published for

WT3:

Work package description

wider industry reactions. The peer review of the report is performed within T1.4. Formal responses from external stakeholders may be published as well. The scenario assumptions and model results will be uploaded into the INSIGHT_E Scenario Information System (SIS) (WP6).

Person-Months per Participant

Participant number ¹⁰	Participant short name ¹¹	Person-months per participant
1	KTH	8.00
2	NRD	5.00
3	EIHP	4.00
4	E4SMA	4.50
5	KIC-IE	3.00
6	IFRI	5.00
7	KIT	8.00
8	SF	0.00
9	PSI	11.00
10	USTUTT	9.00
11	UCC	6.00
12	UCL	9.00
Total		72.50

List of deliverables

Deliverable Number ⁶¹	Deliverable Title	Lead beneficiary number	Estimated indicative person-months	Nature ⁶²	Dissemination level ⁶³	Delivery date ⁶⁴
D3.1	Policy Report including comprehensive policy impact assessment	10	35.00	R	PU	36
D3.2	Providing key assumptions and results as well as code of models as input to the IN-SIGHT_E Scenario Information System (SIS)	10	37.50	R	CO	36
Total			72.50			

Description of deliverables

D3.1) Policy Report including comprehensive policy impact assessment: Output of T3.1 – T3.9; 2 reports to be delivered every six months, i.e. an indicative number of 6 reports will be delivered at e.g. m06, m12, m18, m24, m30, m36 and also sent to the EC. A publication is foreseen. At the final delivery date a compendium of all reports is submitted to the EC. [month 36]

D3.2) Providing key assumptions and results as well as code of models as input to the IN-SIGHT_E Scenario Information System (SIS): Output of T3.1 – T3.9; The key assumptions, results and the code (when applicable) of the models used within the Policy Reports will feed the INSIGHT_E Scenario Information System (SIS). Following the intervals of the policy reports (D3.1), an indicative number of 6 reports will be delivered at e.g.

WT3:

Work package description

m06, m12, m18, m24, m30, m36 and also sent to the EC. At the final delivery date a compendium of all reports is submitted to the EC. [month 36]

Schedule of relevant Milestones

Milestone number ⁶⁹	Milestone name	Lead beneficiary number	Delivery date from Annex I ⁶⁰	Comments
MS1	Think-tank established and running	1	1	Project manual published and list of experts and partner teams named

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Project Number ¹	612743	Project Acronym ²	INSIGHT_E
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One form per Work Package

Work package number ⁶³	WP4	Type of activity ⁶⁴	SUPP
Work package title	Hot Energy Topics		
Start month	1		
End month	36		
Lead beneficiary number ⁶⁵	6		

Objectives

Relying on the knowledge and the research work of the involved partners, the monitoring of academic discourse as well as the political developments on different levels, INSIGHT_E will provide summaries of current issues and bring them to the attention of the EC. INSIGHT_E will identify important new trends, possible changes and directions that the EC should be aware of while providing a 'sense the pulse' of stakeholders, industry, civil society and academia towards identified energy issues and their implications.

The Hot Energy Topics will be of two different types:

- a. Ad-hoc interpretations
- b. Energy Alerts

Description of work and role of partners

The tasks of the work package are performed iteratively for the delivery of one Hot Energy Topic deliverables. Frequency: 6 – 7 issues per year; Preparation time: ca. 4 weeks; Indicative length: 1 page.

As described in T1.3, the think-tank Executive Committee will appoint one partner ("the Editor") that will take the lead in authoring the output. As this editor is subject to change, pre-defined task leaders does not exist in this WP, except with regards to the stakeholder engagement. The Editor will be supported by all other project partners.

T4.1 Collect input from energy debate, stakeholder engagement and other sources (m01-m36)

Lead: Editor; further partners: all

Within this task, all relevant information for the identification of hot topics will be collected.

This task will rely on the work of the Energy Observatory, energy debates and other relevant sources (in the initial months of INSIGHT_E's existence input collection will be based on more active efforts from the partner institution, but this will gradually be serviced by the Energy Ob-servatory functionalities). Suggestions for hot topics are discussed with all partners in the framework of T1.1 under the direction of the Executive Committee.

T4.2 Internal partner analysis, discussions and report writing (m01-m36)

Lead: Editor; further partners: All

The findings of T4.1 will be analysed and discussed amongst the consortium partners and the results of these discussions will be cross-checked by quality reviewers.

T4.2.1 Ad-hoc interpretations (m01-m36)

Lead: Editor; further partners: KIC-IE; SF; EIHP; KIT, UCL, UCC, NRD

These short papers will draw on the capability of the experts to follow the evolution of key en-ergy issues at the global/European/national level and provide the EC with short analysis on their potential impact for EU energy strategy. For example, decreasing needs of oil imports in the US could lead to an increasing role of China in the Middle East. The shift of monetary power in the region could have implications for EU strategy.

T4.2.2 Energy Alerts (m01-m36)

Lead: Editor; further partners: KIC-IE; SF; EIHP; KIT, UCL, UCC, NRD

WT3:

Work package description

Whereas the Policy Reports are dedicated to middle/long term consequences of ongoing evolution in the energy fields, the Energy alerts will provide the EC with quasi-immediate analysis following energy crisis (such as interruption of energy supply between Russia and Ukraine or after Fukushima effects).

T4.3 Validation, publication and dissemination (m01-m36)

Lead: Editor; further partners: All

Prior to publication the deliverables are reviewed by all partners in the framework of T1.4. The feedback is taken into account to consolidate the document and ensure publication/dissemination.

Person-Months per Participant

Participant number ¹⁰	Participant short name ¹¹	Person-months per participant
1	KTH	2.00
2	NRD	3.00
3	EIHP	5.00
4	E4SMA	0.00
5	KIC-IE	3.00
6	IFRI	6.00
7	KIT	3.00
8	SF	0.00
9	PSI	0.00
10	USTUTT	6.00
11	UCC	5.00
12	UCL	4.00
Total		37.00

List of deliverables

Deliverable Number ⁶¹	Deliverable Title	Lead beneficiary number	Estimated indicative person-months	Nature ⁶²	Dissemination level ⁶³	Delivery date ⁶⁴
D4.1	Hot Energy Topic report	6	37.00	R	PU	36
Total			37.00			

Description of deliverables

D4.1) Hot Energy Topic report: Output of T4.1 - T4.4; [Ad-hoc Interpretation or Energy Alert (upon request)] Frequency: 6 – 7 per year; Preparation time: ca. 4 weeks; Indicative length: 1 page. As the delivery of the Hot Energy Topic report does not follow a pre-defined schedule, their timing may be subject to change, i.e. an indicative number of 18 reports will be delivered at e.g. m02, m04, m06, m08, m10, m12, m14, m16, m18, m20, m22, m24, m26, m28, m30, m32, m34, m36 and also sent to the EC. A publication is foreseen. At the final delivery date a compendium of all reports is submitted to the EC. [month 36]

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Work package description

Schedule of relevant Milestones

Milestone number ⁶⁰	Milestone name	Lead beneficiary number	Delivery date from Annex I ⁶⁰	Comments
MS1	Think-tank established and running	1	1	Project manual published and list of experts and partner teams named

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Work package description

Project Number ¹	612743	Project Acronym ²	INSIGHT_E
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One form per Work Package

Work package number ⁵³	WP5	Type of activity ⁵⁴	SUPP
Work package title	Stakeholder engagement		
Start month	1		
End month	36		
Lead beneficiary number ⁵⁵	8		

Objectives

Objectives:

1. Facilitate the participation of stakeholders in the development of INSIGHT_E research out-puts and policy recommendations
2. Increase awareness of project outputs by disseminating information in a way that is accessible and facilitates opportunities for stakeholder learning.

Description of work and role of partners

In order to determine the issues that are most relevant, based on broad public opinion, and to ensure a citizen-inclusive engagement process, the stakeholder outreach will be carried out in three stages.

1. Initial stakeholders' scoping
2. Interim result feedback
3. Dissemination of report outcomes

This process will be carried out iteratively to supply input to mainly WP1 (topic definition and scoping) as well as to obtain feedback on interim results generated in WP 2 and WP3.

The engagement will involve civil society organisations (eg. NGOs, trade unions, serviced user organisations, etc.), industry, academia and other representative bodies. Direct engagement with the broader public will be carried out when possible (for e.g. leveraging on existing events of partners, providing information through the Energy Observatory web platform etc.). The selection of stakeholders for the different activities of the think-tank will make sure that there is a balanced and relevant representation of different sectors and perspectives.

T5.1 Interaction to obtain input for topic definition (m01-m36)

Lead: Stakeholder Forum; further partners: all

To scope a wide range of energy related topics and stakeholders' area of expertise and influence. This information will feed into WP1 discussions and outcomes. This initial interaction with stakeholders will implement the following activities:

- Stakeholder mapping: this exercise will identify the main organisations and networks working on energy issues, map their degree of inclusion and areas of influence. The mapping of stakeholders will be conducted through interaction with partners' networks, desk based research and 'snowballing' technique through targeted interviews.
- This initial mapping will also be used to create a database of stakeholder contacts and these results will be presented and discussed during the activities of WP1.
- Stakeholders' survey: an online questionnaire will be sent out to stakeholders in order to scope priorities and perspectives on energy issues and energy policies in Europe. This will provide background information to be presented during WP1 activities
- Stakeholder selection: facilitation of the selection of stakeholders during WP1 activities

T5.2 Feedback on interim results (m01-m36)

Lead: SF; further partners: KIC-IE, KTH

Stakeholders will be engaged to provide feedback on the interim results of Policy Reports (WP3) and also on draft versions of the Rapid Response Energy Briefs (WP2). The method of interaction will be chosen after

WT3:

Work package description

assessing the expertise required by the topic, its awareness level (number of stakeholders' groups with an interest in the agenda) and the expected turnaround time required. Research teams and/or authors will conduct these activities as part of the research and writing process with support and advice of Stakeholder Forum when needed:

- Interviews: stakeholders' views are collected through targeted interviews on certain topic.
- Peer reviews: a selection of relevant stakeholders is invited to provide comments on the document.
- Ad-hoc meetings: dialogues organised during relevant public or invitation-only events.
- Questionnaires: online questionnaires are used to gather information on stakeholders' current practices, opinions or perspectives of different topics.

T5.3 Dissemination of report outcomes (m12, m24, m36)

Lead: Stakeholder Forum; further partners: all

- Final report outcomes will be presented and efforts made to increase citizen and stakeholders' awareness of the Policy Reports
- Newsletters: published once every three months with news and information on the latest developments on Energy issues and think-tank outputs.
- Webinars: online discussions through remote video and presentations (web seminars) on INSIGHT_E outputs. This tool is used to expand the reach of research and educational information, and build connections between INSIGHT_E experts and stakeholders.
- Events: relevant public events will be identified to disseminate think-tank outputs and promote dialogue and networking.

Person-Months per Participant

Participant number ¹⁰	Participant short name ¹¹	Person-months per participant
1	KTH	2.00
2	NRD	1.00
3	EIHP	0.00
4	E4SMA	0.00
5	KIC-IE	1.00
6	IFRI	0.00
7	KIT	0.00
8	SF	3.00
9	PSI	0.00
10	USTUTT	0.00
11	UCC	3.00
12	UCL	0.00
Total		10.00

List of deliverables

Deliverable Number ⁶¹	Deliverable Title	Lead beneficiary number	Estimated indicative person-months	Nature ⁶²	Dissemination level ⁶³	Delivery date ⁶⁴
D5.1	Report on the outcomes of the stakeholder engagement	8	10.00	R	PU	36

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Work package description

List of deliverables

Deliverable Number ⁶¹	Deliverable Title	Lead beneficiary number	Estimated indicative person-months	Nature ⁶²	Dissemination level ⁶³	Delivery date ⁶⁴
Total			10.00			

Description of deliverables

D5.1) Report on the outcomes of the stakeholder engagement: Output of T5.1; - List of key stakeholders including area of work and plan for involvement during think-tank activities. - Database of contacts and dissemination networks identified. - Stakeholders' scoping report to be presented during WP1. Output of T5.2 - Stakeholder engagement activity implemented for each think-tank output. - List of stakeholders involved in different think-tank outputs. Output of T5.3; Three annual report outcomes - E-newsletters published once every three months with news and information on the latest developments on energy issues and think-tank outputs disseminated through our contact database and networks. - Six webinars (approximately two per year) available to the wider public on research outputs or hot topics (to be defined in WP1). - Events: dissemination of think-tank outputs through presentations in public panels and events. An indicative number of 3 reports will be delivered at e.g. t12, t24, t36 and also sent to the EC. A publication is foreseen. At the final delivery date a compendium of all reports is submitted to the EC. [month 36]

Schedule of relevant Milestones

Milestone number ⁶⁵	Milestone name	Lead beneficiary number	Delivery date from Annex I ⁶⁶	Comments
MS1	Think-tank established and running	1	1	Project manual published and list of experts and partner teams named

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Work package description

Project Number ¹	612743	Project Acronym ²	INSIGHT_E
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One form per Work Package

Work package number ⁶³	WP6	Type of activity ⁶⁴	SUPP
Work package title	Energy Observatory		
Start month	1		
End month	36		
Lead beneficiary number ⁶⁶	5		

Objectives

The objective of this work package is the maintenance of an Energy Observatory which will act as a service infrastructure and knowledge base to other work packages by providing:

- Information sources and experts
- Scenario Information System (SIS)

Description of work and role of partners

T6.1 Organisation and segmentation of expert groups (m01-m36)

Lead: KIC IE; further partners: NRD, SF, KTH, IFRI, UStutt

The general organisation of the Energy Observatory and functioning mechanism will be adapted to the INSIGHT_E WP structure. Work to be realised on the basis of internal expertise already developed by project partners. Validation by EC services and through consultation with international reference institutions (esp. IEA). The full establishment of the Observatory and of its operations necessitates a transition period of about nine months. This period will serve to establish (operational vision document) and consolidate (pilot phases) the methodology concerning different key points like optimising the expert selection and their interactive consultation process, interacting with works carried out by the different WPs, editing access rules to restricted data as well as the development of e-tools for allowing interactive exchanges between experts and dissemination towards a broader public through the web platform.

T6.2 Organisation and management of INSIGHT_E information sources (m01-m36)

Lead: NRD; further partners: KIC IE, IFRI, SF, KTH, UStutt

- Segmentation of expert groups, database key entries, identification of partnering, expert provision, professional associations, international institutions, academia, NGOs, etc.
- Final Rules to optimally process interaction between Energy Observatory and other INSIGHT_E WPs.
- Initialisation and consolidation (m04) of expert and thematic databases.
- Web interactive platform

T6.3 Provision of the Scenario Information System (m01-m36)

Lead: UStutt; further partners: KIC-IE

The platform is designed to make all scenarios, assumptions, sources as well as modelling tools available to interested third parties to provide for transparency on how the think-tank reached its results and enable them inter-comparison.

Person-Months per Participant

Participant number ¹⁰	Participant short name ¹¹	Person-months per participant
1	KTH	8.00
2	NRD	5.00
3	EIHP	4.00

WT3:

Work package description

Person-Months per Participant

Participant number ¹⁰	Participant short name ¹¹	Person-months per participant
4	E4SMA	8.00
5	KIC-IE	14.00
6	IFRI	0.00
7	KIT	5.00
8	SF	0.00
9	PSI	2.00
10	USTUTT	2.00
11	UCC	7.00
12	UCL	3.00
Total		58.00

List of deliverables

Deliverable Number ⁶¹	Deliverable Title	Lead beneficiary number	Estimated indicative person-months	Nature ⁶²	Dissemination level ⁶³	Delivery date ⁶⁴
D6.1	Organisation and launching of the Energy Observatory	5	29.00	O	PU	9
D6.2	Digital platform containing the Scenario Information System	10	29.00	O	PU	12
Total			58.00			

Description of deliverables

D6.1) Organisation and launching of the Energy Observatory: D6.1 Organisation and launching of the Energy Observatory (m04) Responsible partner: KIC IE; Type of delivery: O; Dissemination level: PU Output of T6.1; T6.2 - Editing Final Rules to optimally process interaction between Energy Observatory and other INSIGHT_E WPs (m01) - Descriptive organisational document for the Energy Observatory (m1.5) - Web site and start of the interactive platform pilot phase (m03) - Data databases: aggregation of existing partner tools/ expert level + public level (m03) - Blog/ Forums: SF (in connection with WP5 and other WPs activities (m04) - Expert databases/ KIC IE/ aggregation of existing partners tools / expert level (m03) - Webinar tool: pilot phase in interaction with experts (m04); operational (m09) - Observatory system maintenance (m01-m36) The Energy Observatory will be launched in steps (see above) with a final completion in m09 which marks the final delivery point for D6.1. The EC will be notified on the intermediate progress. [month 9]

D6.2) Digital platform containing the Scenario Information System: D6.2 Digital platform containing the Scenario Information System (m12) Responsible partner: UStutt; Type of delivery: O; Dissemination level: PU Output of T6.3; - Rationalised catalogue of identified existing scenarios/ Methodology reference overall document (m06) - SIS Pilot web system (m06) - Inter-comparison methodology/ workshop (m09) - Inter-comparison methodology/ synthesis report (m12) - Opening Web access to Scenario Information System (m12) [month 12]

WT3:

Work package description

Schedule of relevant Milestones

Milestone number ⁵⁹	Milestone name	Lead beneficiary number	Delivery date from Annex I ⁶⁰	Comments
MS1	Think-tank established and running	1	1	Project manual published and list of experts and partner teams named
MS2	Energy Observatory is fully operating	5	9	Validation and approval by EC services
MS3	Digital platform containing the Scenario Information System operating	5	12	Web access to Scenario Information System

WT3:

Work package description

Project Number ¹	612743	Project Acronym ²	INSIGHT_E
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One form per Work Package

Work package number ⁵³	WP7	Type of activity ⁵⁴	MGT
Work package title	Project management		
Start month	1		
End month	36		
Lead beneficiary number ⁵⁵	1		

Objectives

The overall objective of WP7 is to safeguard a smooth and target-oriented implementation of the project in line with the time and budgetary restrictions. Accordingly, WP7 interacts with all of the other WPs and is the interface between the project and the EC for all issues governed in the grant agreement. The specific objectives of WP7 are as follows:

- Coordination of the consortium
- Implementing effective financial and risk management as well as project controlling
- Ensuring high quality and timely progress and cost reporting, including an effective communication with the EC. This includes ensuring an appropriate quality of the results achieved

Description of work and role of partners

T7.1 – Coordination of the consortium, organisation and communication (m01-m36)

Lead: KTH; further partners: all

Given the dimension and the timing of the endeavour, the coordination of the consortium needs to provide efficient structures and processes enabling the consortium to focus on the project objectives and facilitate the fulfilment of the formal obligations resulting from the Grant Agreement. For this purpose the following activities will be performed:

- Coordination of the refinement of the work plan: To achieve this, the elaboration of the de-tailed plans per WP and task (specifications of the Description of Work) will be coordinated in T7.1. In this course, sub-tasks will be defined, responsibilities for them assigned and in-teractions between different WP further detailed. Any risks that might occur or conflicts that might arise will be identified and mitigated.
- Establishment and execution of the internal reporting process: To monitor project activities all WP leads report on the WP progress, partners report on the activities performed and the use of the resources. This will be compiled to consolidated reports on the overall project status and will be elaborated and evaluated on a regular basis. To facilitate the internal reporting standardised templates will be provided.
- Knowledge and information management: This will entail regular conference calls on project progress with the whole consortium, organisation of regular meetings per management body but also WP focused meetings and establishment and maintenance of the online col-laboration platform enabling all project partners to have the access to relevant project information.

T7.2 – Formal reporting

Lead: KTH; further partners: All WP leaders and all partners

Timely and adequate progress and cost reporting to the EC as defined in Section 2 of the General Conditions (Annex II of FP7 Grant Agreement) requires that project partners are at all times aware of the respective requirements and that the reporting process is well structured and coordinated. This will be ensured through the project manual as well as a workshop in which the progress and cost reporting requirements will be explained. The inputs for the reports (Periodic Reports and the Final Report) will be collected via templates. This task comprises also cost control and justification as well as the distribution of the EC contribution.

WT3:

Work package description

Person-Months per Participant

Participant number ¹⁰	Participant short name ¹¹	Person-months per participant
1	KTH	7.00
2	NRD	1.00
3	EIHP	1.00
4	E4SMA	1.00
5	KIC-IE	1.00
6	IFRI	1.00
7	KIT	1.00
8	SF	1.00
9	PSI	1.00
10	USTUTT	1.00
11	UCC	1.00
12	UCL	1.00
Total		18.00

List of deliverables

Deliverable Number ⁶¹	Deliverable Title	Lead beneficiary number	Estimated indicative person-months	Nature ⁶²	Dissemination level ⁶³	Delivery date ⁶⁴
D7.1	Project manual	1	0.50	R	PU	1
D7.2	1st periodic report on the progress of work and use of resources	1	5.50	R	PU	12
D7.3	2nd periodic report on the progress of work and use of resources	1	5.50	R	PU	24
D7.4	Final report	1	6.50	R	PU	36
Total			18.00			

Description of deliverables

D7.1) Project manual: Output of T7.1; This deliverable will summarise the key provisions in the consortium and Grant Agreement, explain the consortium organisational structure, decision making procedures, roles and responsibilities, internal communication policy and quality control and risk management procedures, and will be updated as needed. The project manual will also include: - Project planning templates for cost calculation, resource allocation etc. for WP2, 3 and 4, - "Formatting" templates for think-tank Outputs: PR, RREB and HT [month 1]

D7.2) 1st periodic report on the progress of work and use of resources: Output of T7.2; This report will be the official technical and financial reports to be provided to the EC and will follow the corresponding EC guidelines. [month 12]

D7.3) 2nd periodic report on the progress of work and use of resources: Output of T7.2; This report will be the official technical and financial reports to be provided to the EC and will follow the corresponding EC guidelines. [month 24]

WT3:

Work package description

D7.4) Final report: Output of T7.2; Final assessment of the degree of fulfilment of the objectives of the project, including a description of the dissemination and exploitation of project results and the related impacts. [month 36]

Schedule of relevant Milestones

Milestone number ⁶⁹	Milestone name	Lead beneficiary number	Delivery date from Annex I ⁶⁰	Comments
MS1	Think-tank established and running	1	1	Project manual published and list of experts and partner teams named

WT4:

List of Milestones

Project Number ¹	612743	Project Acronym ²	INSIGHT_E
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List and Schedule of Milestones

Milestone number ⁶⁹	Milestone name	WP number ⁶³	Lead beneficiary number	Delivery date from Annex I ⁶⁰	Comments
MS1	Think-tank established and running	WP1, WP2, WP3, WP4, WP5, WP6, WP7	1	1	Project manual published and list of experts and partner teams named
MS2	Energy Observatory is fully operating	WP6	5	9	Validation and approval by EC services
MS3	Digital platform containing the Scenario Information System operating	WP6	5	12	Web access to Scenario Information System

WT5:

Tentative schedule of Project Reviews

Project Number ¹	612743	Project Acronym ²	INSIGHT_E
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Tentative schedule of Project Reviews

Review number ⁶⁶	Tentative timing	Planned venue of review	Comments, if any
RV 1	18	Brussels	

WT6:

Project Effort by Beneficiary and Work Package

Project Number ¹	612743	Project Acronym ²	INSIGHT_E
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Indicative efforts (man-months) per Beneficiary per Work Package

Beneficiary number and short-name	WP 1	WP 2	WP 3	WP 4	WP 5	WP 6	WP 7	Total per Beneficiary
1 - KTH	5.00	5.00	8.00	2.00	2.00	8.00	7.00	37.00
2 - NRD	1.00	7.00	5.00	3.00	1.00	5.00	1.00	23.00
3 - EIHP	1.00	0.00	4.00	5.00	0.00	4.00	1.00	15.00
4 - E4SMA	0.00	0.00	4.50	0.00	0.00	8.00	1.00	13.50
5 - KIC-IE	1.00	0.00	3.00	3.00	1.00	14.00	1.00	23.00
6 - IFRI	3.00	3.00	5.00	6.00	0.00	0.00	1.00	18.00
7 - KIT	3.00	2.00	8.00	3.00	0.00	5.00	1.00	22.00
8 - SF	1.00	0.00	0.00	0.00	3.00	0.00	1.00	5.00
9 - PSI	1.00	3.00	11.00	0.00	0.00	2.00	1.00	18.00
10 - USTUTT	6.00	7.00	9.00	6.00	0.00	2.00	1.00	31.00
11 - UCC	4.00	5.00	6.00	5.00	3.00	7.00	1.00	31.00
12 - UCL	3.00	0.00	9.00	4.00	0.00	3.00	1.00	20.00
Total	29.00	32.00	72.50	37.00	10.00	58.00	18.00	256.50

Project Effort by Activity type per Beneficiary

Project Number ¹	612743	Project Acronym ²	INSIGHT_E
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Indicative efforts per Activity Type per Beneficiary

Activity type	Part. 1 KTH	Part. 2 NRD	Part. 3 EIHP	Part. 4 E4SMA	Part. 5 KIC-IE	Part. 6 IFRI	Part. 7 KIT	Part. 8 SF	Part. 9 PSI	Part. 10 USTUTT	Part. 11 UCC	Part. 12 UCL	Total
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3. Consortium Management activities													
WP 7	7.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	18.00
Total Management	7.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	18.00

4. Other activities													
Total other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Work Packages for Support activities													
WP 1	5.00	1.00	1.00	0.00	1.00	3.00	3.00	1.00	1.00	6.00	4.00	3.00	29.00
WP 2	5.00	7.00	0.00	0.00	0.00	3.00	2.00	0.00	3.00	7.00	5.00	0.00	32.00
WP 3	8.00	5.00	4.00	4.50	3.00	5.00	8.00	0.00	11.00	9.00	6.00	9.00	72.50
WP 4	2.00	3.00	5.00	0.00	3.00	6.00	3.00	0.00	0.00	6.00	5.00	4.00	37.00
WP 5	2.00	1.00	0.00	0.00	1.00	0.00	0.00	3.00	0.00	0.00	3.00	0.00	10.00
WP 6	8.00	5.00	4.00	8.00	14.00	0.00	5.00	0.00	2.00	2.00	7.00	3.00	58.00
Total Support	30.00	22.00	14.00	12.50	22.00	17.00	21.00	4.00	17.00	30.00	30.00	19.00	238.50
Total	37.00	23.00	15.00	13.50	23.00	18.00	22.00	5.00	18.00	31.00	31.00	20.00	256.50

WT8:

Project Effort and costs

Project Number ¹	612743	Project Acronym ²	INSIGHT_E
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Project efforts and costs

Beneficiary number	Beneficiary short name	Estimated eligible costs (whole duration of the project)						Requested EU contribution (€)
		Effort (PM)	Personnel costs (€)	Subcontracting (€)	Other Direct costs (€)	Indirect costs OR lump sum, flat-rate or scale-of-unit (€)	Total costs	
1	KTH	37.00	289,300.00	0.00	55,750.00	69,010.00	414,060.00	369,203.00
2	NRD	23.00	123,789.00	0.00	15,000.00	9,715.23	148,504.23	148,503.00
3	EIHP	15.00	61,165.00	0.00	13,500.00	14,933.00	89,598.00	79,891.00
4	E4SMA	13.50	65,350.00	0.00	9,000.00	14,870.00	89,220.00	79,554.00
5	KIC-IE	23.00	136,604.50	75,000.00	8,250.00	28,970.90	248,825.40	229,994.32
6	IFRI	18.00	123,000.00	0.00	17,250.00	28,050.00	168,300.00	150,067.00
7	KIT	22.00	142,500.00	0.00	16,500.00	44,000.00	203,000.00	170,129.00
8	SF	5.00	63,480.00	0.00	9,830.00	5,131.70	78,441.70	78,441.00
9	PSI	18.00	136,000.00	0.00	4,500.00	28,100.00	168,600.00	150,335.00
10	USTUTT	31.00	168,188.00	0.00	27,000.00	39,037.60	234,225.60	208,850.00
11	UCC	31.00	134,250.00	0.00	22,500.00	31,350.00	188,100.00	167,721.00
12	UCL	20.00	142,408.00	0.00	13,500.00	31,181.60	187,089.60	166,820.00
Total		256.50	1,586,034.50	75,000.00	212,580.00	344,350.03	2,217,964.53	1,999,508.32

1. Project number

The project number has been assigned by the Commission as the unique identifier for your project. It cannot be changed. The project number **should appear on each page of the grant agreement preparation documents (part A and part B)** to prevent errors during its handling.

2. Project acronym

Use the project acronym as given in the submitted proposal. It cannot be changed unless agreed so during the negotiations. *The same acronym **should appear on each page of the grant agreement preparation documents (part A and part B)** to prevent errors during its handling.*

53. Work Package number

Work package number: WP1, WP2, WP3, ..., WPn

54. Type of activity

For all FP7 projects each work package must relate to one (and only one) of the following possible types of activity (only if applicable for the chosen funding scheme – must correspond to the GPF Form Ax.v):

- **RTD/INNO** = Research and technological development including scientific coordination - applicable for Collaborative Projects and Networks of Excellence
- **DEM** = Demonstration - applicable for collaborative projects and Research for the Benefit of Specific Groups
- **MGT** = Management of the consortium - applicable for all funding schemes
- **OTHER** = Other specific activities, applicable for all funding schemes
- **COORD** = Coordination activities – applicable only for CAs
- **SUPP** = Support activities – applicable only for SAs

55. Lead beneficiary number

Number of the beneficiary leading the work in this work package.

56. Person-months per work package

The total number of person-months allocated to each work package.

57. Start month

Relative start date for the work in the specific work packages, month 1 marking the start date of the project, and all other start dates being relative to this start date.

58. End month

Relative end date, month 1 marking the start date of the project, and all end dates being relative to this start date.

59. Milestone number

Milestone number: MS1, MS2, ..., MSn

60. Delivery date for Milestone

Month in which the milestone will be achieved. Month 1 marking the start date of the project, and all delivery dates being relative to this start date.

61. Deliverable number

Deliverable numbers in order of delivery dates: D1 – Dn

62. Nature

Please indicate the nature of the deliverable using one of the following codes

R = Report, **P** = Prototype, **D** = Demonstrator, **O** = Other

63. Dissemination level

Please indicate the dissemination level using one of the following codes:

- **PU** = Public
- **PP** = Restricted to other programme participants (including the Commission Services)
- **RE** = Restricted to a group specified by the consortium (including the Commission Services)
- **CO** = Confidential, only for members of the consortium (including the Commission Services)

- **Restreint UE** = Classified with the classification level "Restreint UE" according to Commission Decision 2001/844 and amendments

- **Confidentiel UE** = Classified with the mention of the classification level "Confidentiel UE" according to Commission Decision 2001/844 and amendments

- **Secret UE** = Classified with the mention of the classification level "Secret UE" according to Commission Decision 2001/844 and amendments

64. Delivery date for Deliverable

Month in which the deliverables will be available. Month 1 marking the start date of the project, and all delivery dates being relative to this start date

65. Review number

Review number: RV1, RV2, ..., RVn

66. Tentative timing of reviews

Month after which the review will take place. Month 1 marking the start date of the project, and all delivery dates being relative to this start date.

67. Person-months per Deliverable

The total number of person-month allocated to each deliverable.

Part B

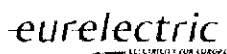
FP7 ENERGY-2013.9.2.1

INSIGHT_E

**Interdisciplinary Strategic Intelligence wareHouse and Think-tank
for Energy**



Further organisations collaborating with the consortium in an Energy Policy Advice Network:



Cover Page

Project full title: **Interdisciplinary Strategic Intelligence wareHouse and Think-tank for Energy**

Project acronym: **INSIGHT_E**

Type of funding scheme: Coordination and Support Action (supporting)

Work programme topics addressed: ENERGY.2013.9.2.1: European Scientific multidisciplinary “think-tank” to support energy policy and to assess the potential impacts of its measures

Name of the coordinating person: , Department of Energy Technology, School of Industrial Engineering and Management, Kungliga Tekniska högskolan (KTH Royal Institute of Technology)

List of participants:

Participant no.	Participant organisation name	Country
1 (Coordinator)	Kungliga Tekniska Högskolan (KTH)	Sweden
2	Enerdata SA (NRD)	France
3	Energy Institute „Hrvoje Požar“ (EIHP)	Croatia
4	Energy Engineering Economic Environment Systems Modeling and Analysis SRL (E4SMA)	Italy
5	KIC InnoEnergy SE (KIC-IE)	The Netherlands
6	Institut Français des Relations Internationales (IFRI)	France
7	Karlsruher Institut für Technologie (KIT)	Germany
8	Stakeholder Forum for a Sustainable Future (SF)	United Kingdom
9	Paul Scherrer Institute (PSI)	Switzerland
10	Universität Stuttgart, Institute of Energy Economics and the Rational Use of Energy (USTUTT)	Germany
11	University College Cork, National University of Ireland (UCC)	Ireland
12	University College London (UCL)	UK

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B1. Scientific and/or technical quality, relevant to the topics addressed by the call**B1.1. Concept and objectives****Keynote:**

The aim of this project is to establish the multidisciplinary energy think-tank INSIGHT_E which will provide policy makers at the European level with new insights on policy options and assess their potential impact. INSIGHT_E will deliver different forms of reports that are tailored to the needs of policy makers on the European level. The think-tank will identify new trends, analyse policy options and provide comprehensive impact assessments at the highest academic standards.

INSIGHT_E will establish innovative methods of stakeholder engagement and trend identification through the establishment of an 'Energy Observatory'. Moreover, with transparency being of greatest value, INSIGHT_E will make its models, assumptions and scenarios available through a 'Scenario Information System'.

INSIGHT_E comprises excellent research and analysis capacities and leverages an Energy Policy Advice Network (EPAN) which includes organizations from all over Europe.

1.1.1 Background***Challenges and goals of European energy policy-making***

Much of today's strategic energy planning and energy policy formulation roots in the responses to the oil embargoes of the 1970s. Energy security and reliability became high political priorities and thus the need for foresight which dramatically increased the challenges for energy policy-making as changes to the energy system infrastructures, plants and equipment are characterized by long lead times before they become operational and then operate for many years and decades. Moreover, Europe's integration picked up speed with the fall of the iron curtain and subsequent Eastern enlargement gave rise to a more dynamic European integration that increased the power of the European institutions in many different aspects influencing energy policy-making, such as internal market rules, energy efficiency, trade, environmental standards and safety.

Adding to the challenge, current energy practices threaten climate stability. Emissions from fossil fuel combustion and land-use change make it even more difficult to fully foresee and comprehend the costs and consequences of energy related policy decisions. Currently, the global energy resource map is being redrawn due to the rise in unconventional oil and gas exploitation in some parts of the world which may increase energy security, but counter climate protection ambitions. In contrast, the recent political turmoil in some of the largest exporting regions of conventional oil presents a challenge for security, but could possibly benefit the climate.

Europe, like many other parts of the world, finds itself under pressure to address the major challenges of climate change, a growing dependence on energy imports, increasing strain on energy resources and the need to ensure access for all consumers to affordable and secure energy. Reflecting the importance of addressing these challenges, the EU has set the key objectives of its energy and climate policy as affordable access to energy, sustainable development of energy production, transport and consumption as well as security of supply.

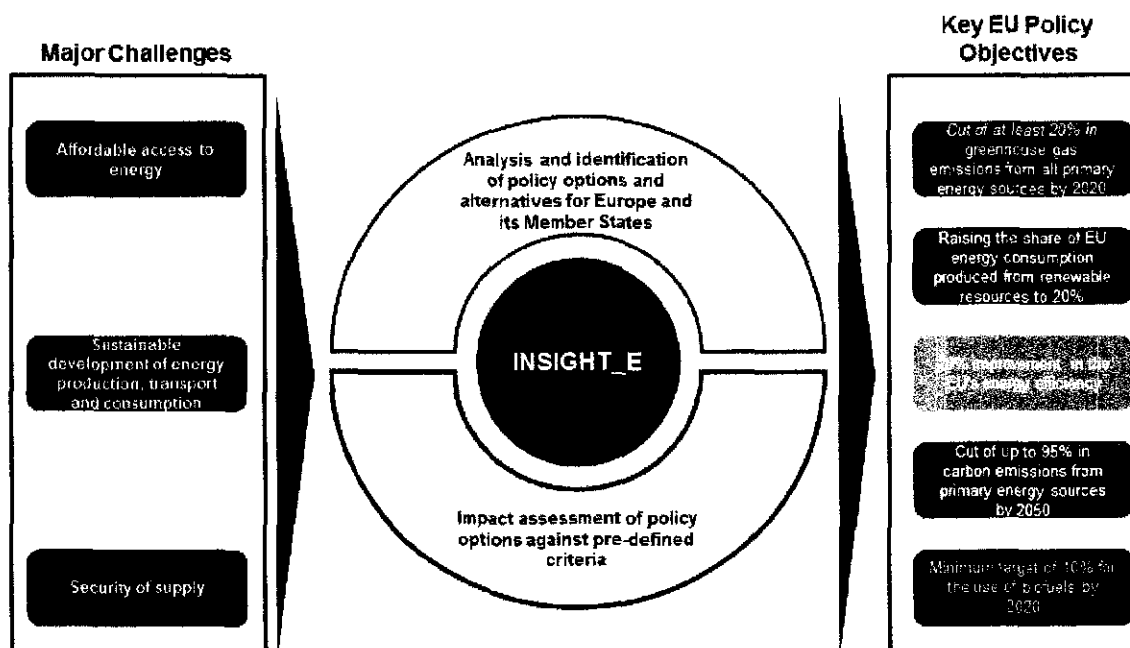
With the key objectives as the underlying driver, the EU formulated overarching political goals giving rise to landmark action plans such as the Energy Roadmap 2050, Energy 2020, the Agenda 2030 and the SET Plan, which constitutes the EU's most important energy technology policy framework.

Key proposals from these plans include:

- A cut of at least 20% in emissions from all sources by 2020 (compared to 1990 levels), while pushing for an international agreement to succeed the Kyoto Protocol aimed at achieving a 30% cut by all developed nations by 2020.
- A cut of up to 95% in carbon emissions from primary energy sources by 2050, compared to 1990 levels.
- A minimum target of 10% for the use of by 2020.
- That the energy supply and generation activities of energy companies should be 'unbundled' from their distribution networks to further increase market competition.
- Improving energy relations with the EU's neighbours, including Russia and developing an Africa-Europe Energy Partnership, to help Africa 'leap-frog' to low-carbon technologies and to help develop the continent as a sustainable energy supplier¹.
- The development of a European Strategic Energy Technology Plan to develop technologies in areas including renewable energy, energy conservation, 4th generation nuclear power, clean coal and carbon capture.

To achieve these goals, the EU is putting in place a wide-ranging energy policy, covering the full array of energy sources from fossil fuels (oil, gas and coal) to nuclear energy and renewables (solar, wind, biomass, geothermal, hydro-electric and tidal). The EU's aim is to simultaneously put in place a low-carbon economy, whilst making energy resources more sustainable and more secure, and ensuring low prices for consumers.

Figure 1: INSIGHT_E in the context of challenges and policy objectives



¹ KTH is leading efforts to quantify Africa's energy system development (together with IRENA and the World Bank).

Foundations, tools and methods of European energy policy-making

The Treaty of Lisbon, which entered into force on 1 December 2009, gives energy policy a new legal basis which previous treaties lacked (Article 194 of the Lisbon Treaty). In particular, the new legislative framework provides that the EU must ensure security of energy supply in the 27 member bloc, promote the interconnection of energy networks and improve energy efficiency and energy saving. EU energy policy is supported by market-based tools (mainly taxes, subsidies and the CO₂ emissions trading scheme), by developing energy technologies (especially technologies for energy efficiency and renewable or low-carbon energy) and by EU financial instruments. At the same time, decision-making and policy development has become ever more complex with competences being distributed between the EU institutions, national and sometimes regional entities of the Member States. Hence, large projects, such as energy market liberalization, are challenging to implement.

While energy policy-decisions are fundamentally political decisions, the necessity to build them on sound, unbiased and up-to-date information/knowledge makes energy policy analysis and advice by a broad array of non-commercial actors key to effective policy making in the area. As the future is inherently unpredictable, the margin for error is large. Exercising foresight and addressing uncertainty, therefore, require analysis and planning tools for predicting future energy demand, comparing supply options, estimating costs and prices, calculating emissions and externalities, and testing policy implications. The 1970s saw a flurry of energy demand and supply model developments in many national energy institutions.

Leading the way in the early development were Häfele & Manne (IIASA)² and their approach to model integrated resource planning with linear dynamic computer modelling. Commercially available analytical tools such as MESSAGE³,⁴ TIMES⁵ or MARKAL⁶ were derived from the Häfele-Manne approach and are routinely used today both for national and 'multi-regional' energy analyses. These models have 'advanced' organically over decades in response to ever rising challenges - a continuous struggle between maturity and added complexity. New model entrants added pluralism and diversity. The most recent addition to this family of models is the Open Source Energy Modelling System (OSeMOSYS)⁷ which lends itself for non-expert energy modelers to access both the programming code and the competence to run an analysis.

As these tools have been refined and developed over the decades, more parameters and dimensions have been added. Today, a combination of quantitative energy-economic modelling and qualitative analysis of policy implications on society and environment help inform decision-makers in the energy field. As energy is now more interlinked than ever with the prosperity of industrial societies, consequences of political decisions in the energy system - whether it be the

² Häfele W, Manne AS. Strategies for a transition from fossil to nuclear fuels. *Energy Policy* 1975;3(1):3e23.

³ IIASA. Model for Energy Supply Strategy Alternatives and their General Environmental Impact (MESSAGE), Available at: <http://www.iiasa.ac.at/Research/ENE/model/message.html> [accessed December 22, 2011].

⁴ IAEA. IAEA tools and methodologies for energy system planning and nuclear energy system assessments; 2009.

⁵ Loulou R, Labriet M. ETSAP-TIAM; the TIMES integrated assessment model part I: model structure. *Computational Management Science* 2007;5:7e40.

⁶ ETSAP, MARKAL. Available at: <http://www.iea-etsap.org/web/Markal.asp> [accessed September 15, 2011].

⁷ M. Welsch, M. Howells, M. Bazilian, <http://www.sciencedirect.com/focus.lib.kth.se/science/article/pii/S0360544212006299>, S. Hermann, H.H. Rogner, Modelling elements of Smart Grids - Enhancing the OSeMOSYS (Open Source Energy Modelling System) code (<http://dx.doi.org/focus.lib.kth.se/10.1016/j.energy.2012.08.017>).

questions on moving from nuclear to renewables or from petrol-based to electrical vehicles – are complex and multidimensional and can have impact far outside the energy sector, and beyond national borders. The following examples illustrate this complexity:

- Decoupling economic development from energy demand are key elements of the green economy and green growth. Decoupling calls for a reduction of the energy intensity of economic production and consumption through efficiency improvements, structural change, process modifications and life-style changes. It improves energy security, reduces emissions and holds promise for lower long-term energy systems costs. But it requires a shift from operational costs on the go to upfront investments. Policies advancing decoupling must account for this shift as well as dovetail with policies advancing certain supply side concepts.
- With technological innovation and increased capacity of e.g. energy storage, the possibility of a more dynamic energy system has appeared on the horizon, including smart grids as one of the more evolved technologies/concepts. Such dynamic and intertwined energy solutions have the potential of substantial energy efficiency improvements and consequent demand reductions while adding robustness to energy systems. But they also elevate the need for system management, regulation and political oversight.

Hence, to address these complexities, decision and policy analysis support from the scientific community has been a backbone in the international climate negotiations for the past decades and underpins most national and regional energy policy and investment decisions in most parts of the world. As the previous examples demonstrate energy policy is decision making under uncertainty and subject to numerous trade-offs - economic, environmental and social.

1.1.2 The need for multidisciplinary energy policy advice

By definition, energy is multi-disciplinary. The EU's standard decision-making procedure, 'co-decision', affects and is influenced by multi-level and multi-regional aspects. In addition, the EC performs policy coordination activities outside the regular 'community method'. Before the European Commission proposes new policy actions, it assesses the potential economic, social and environmental consequences that they may have through 'impact assessments' which analyse the advantages and disadvantages of the possible policy options based on pre-defined criteria. The EC also consults interested and affected parties such as non-governmental organisations, local authorities and representatives of industry and civil society. Groups of experts give advice on technical issues. These measures are critical to ensuring the efficacy of the future policy decisions, and require significant resources and engagement from the EC.

An independent think-tank comprised of a multi-disciplinary team with access to the relevant stakeholders is ideally suited to carry out these activities and provide the required insights. Knowledge and insight of what may work, how and when in our future energy mix is, therefore, becoming an increasingly important and strategic decision and a policy-making prerequisite. Knowledge and insight combine to foresight only if rooted in sound, transparent and unbiased up-to-date information and analysis. Thus analysis and policy relevant advice from a broad array of non-commercial actors is key to sound policy making in the area.

1.1.3 Objectives of INSIGHT_E

INSIGHT_E has the overall objectives to provide high quality and un-biased policy advice to the European Commission (EC) building on the knowledge and expertise of the involved partners and stakeholders on the national, European and global level. It is moreover the aim of INSIGHT_E to bring to the attention of political decision-makers new trends in technology as well as the objectives and activities of important stakeholders that shape energy policy-making in Europe.

INSIGHT_E has **six specific objectives**:

1. Deliver clear interpretations of energy issues, informing **policy recommendations**, for the European Commission on request and based on multidisciplinary expert insight considering environmental, economic, social, technical, trade and legal issues.
2. Conduct **Integrated Impact Assessments** (in terms of sustainability, security of supply and competitiveness) of energy and environmental objectives, policies and measures.
3. Identify important **new trends** in technology development or research and the possible changes and directions that the EC should be aware of while **'sensing the pulse' of stakeholders**, i.e. industry, civil society and academia towards identified energy issues and their implications.
4. Create an **Energy Observatory** to obtain concrete feedback via different channels (virtual, public, personal, etc.) on policy recommendations involving academia, industry and other European, national and international stakeholders.
5. Ensure that the European Commission as well as other stakeholders can reconstruct how INSIGHT_E reached its results by making available developed **scenarios, open source modelling tools and related communications** from INSIGHT_E that can be used by different stakeholders/sectors.
6. Respond **quickly** to upcoming trends and changes and provide policy recommendations at the pace that is required whilst delivering results at the **highest academic standards**.

1.1.4 Tangible results of the think-tank

In order to reach the objectives outlined above, the think-tank will deliver tangible results which include the delivery of a series of Rapid Response Energy Briefs, comprehensive Policy Reports as well as brief Hot Energy Topics mirroring current energy debate focus. These outputs differ in their scope and structure and will underline INSIGHT_E's ambition to anticipate the policy-making agenda, identify policy options and provide detailed impact assessments. Thus, INSIGHT_E will be able to act flexibly and quickly on upcoming issues and questions whilst also providing in-depth analysis in the form of comprehensive reports.

The INSIGHT_E's Energy Observatory will serve as the think-tank's knowledge base, organising and managing the contributions from stakeholders and experts as well as various information sources used by the think-tank. A web-based platform will feature a 'Scenario Information System' that will be accessible for the interested public and allow for retracing how the think-tank reached its results. The results are explained in more detail below:

1. Rapid Response Energy Briefs

Frequency: 4 / year; Preparation time: 6 weeks; Indicative length: 4 pages.

In order to respond quickly to upcoming questions, the think-tank proposes to deliver a series of *opinion pieces* to the EC services. Acting upon the request by the EC, the relevant experts from amongst the partners will deliver brief opinion pieces that inform the EC of available policy options of a given topic or contain the ad-hoc impact assessments of given policy alternatives. Therefore, the think-tank reacts with this to EC requests. If appropriate, the energy briefs will also build on a quick consultation of selected stakeholders. The delivery of the Rapid Response Energy Briefs does not follow a pre-defined schedule but rather focuses on actual demand. In this regard, the Rapid Response Energy Briefs are a flexible output and its time of delivery will be entirely aligned with the needs and interests of the EC. Also, the Energy Briefs may have the review of EC or other external documents as a subject.

Example for a Rapid Response Energy Brief:

For example, INSIGHT_E would deliver an analysis of the *effects of the Polish down-scale of its shale gas resource estimates on the prospects of EU shale gas production and EU gas independence* quickly upon the Polish's government's release of the information. This may include an updated assessment of EU shale gas resources, drawing on energy demand scenarios to assess future EU gas demand coherent with the EU's announced policies (or not taking into account certain EU policies and looking at the impact of a different policy environment), conclusions on the contribution of shale gas on EU gas supply, impacts on EU gas imports and EU energy provision expenditure and finally summary graphs and select data series available in Annexes.

2. Policy Reports

Frequency: 2 every 6 months; Preparation time: 6 months; Indicative length: 60 - 100 pages.

Throughout the project the think-tank will deliver a series of Policy Reports that address selected energy issues of relevance to the EC. They will summarize the state of knowledge regarding a particular subject, analyse the implications for the EC's work and propose recommendations for policy options. By relying on different methods and tools, including advanced energy modelling, INSIGHT_E will conduct impact assessments based on a set of criteria that may also take into account established impact assessment criteria of the EC. The analysis and recommendations will also be informed by input from civil society, industry and academia. Policy Reports will further form the basis for broader outreach to perform appropriate 'reality checks' including technical as well as environmental, economic and social issues. The publication of the Policy Reports will follow a regular pattern.

Example for a Policy Report:

A Policy Report could for example be produced on the question of how to support the deployment of renewable energy technologies in Europe by 2020 and 2030 such as smart grid deployment or smart city concepts. Different policy options (such as feed-in tariffs) could be assessed as well as their implications on technology developments, a change of the energy mix, GHG emissions and costs as well as implications for Europe's industrial supply chain. Also, the global context in terms of the dependency on energy imports could be considered. Finally, legal questions regarding the compatibility of incentive regimes with EU law may be addressed. All identified options would be assessed against clearly defined criteria.

3. Hot Energy Topics

Frequency: 6-7 a year (upon request); Preparation time: ca. 1 - 4 weeks; Indicative length: 1 page.

Relying on the knowledge of the involved partners, the monitoring of academic discourse as well as the political developments on different levels, INSIGHT_E will provide summaries of current issues and bring them to the attention of the EC. It will therefore heavily rely on the work of the Energy Observatory and follow a “bottom-up approach” to put issues on the EC’s agenda. The Hot Energy Topics will be of two different types:

a. Ad-hoc interpretations

INSIGHT_E will deliver interpretations of political developments, policy changes as well as publication of key research results or recommendations, such as interpretation of the world energy outlooks, the energy technology perspectives or the evolution of controversial national policy regarding for example new national directives and laws of energy regulation.

Example ad-hoc interpretations:

For instance, a new policy proposal from a Member State on the development of Carbon Capture and Storage (CCS) technologies in the respective country is published without prior notification of the EC. If this is suspected to be both unconventional and relevant for the EC, INSIGHT_E offers to quickly deliver an objective and academically sound interpretation of the proposal.

b. Energy Alerts

Energy Alerts represent ad-hoc opinion pieces on major developments in the world of energy that the EC should be aware of. These may include break-through innovations, major socio-economic developments, public opinion or technology deployment.

Example Energy Alerts:

Energy Alerts briefing papers allow INSIGHT_E to provide the EC with quick review of experts reactions to Hot Energy Topics that could have immediate consequences on energy supply or energy policies. The nuclear accident in Fukushima, Japan 2011, is one of the latest examples but energy supply interruptions between Russia and Ukraine or the after-effect of the Arab spring revolution will be considered. The briefing papers will be short and will describe the context, the status, and the immediate and possible medium term consequences for Europe and possibly other regions.

4. INSIGHT_E Energy Observatory

The INSIGHT_E Energy Observatory is a key instrument for running the project as a whole and to provide critical information to different target groups. In this regard, it will be both a resource pool the project can draw on and at the same time provide outputs and disseminate results. It will also provide the think-tank with anticipative visions favouring conceptual agility. It will build on capacities already available to the consortium.

Firstly, the Energy Observatory will serve the consortium by providing and organizing data and exchange internally. It will build on existing infrastructures at the respective institutions and act as a facilitator for the sharing of information. Technically, it will operate as a web platform for collecting relevant data and structuring them. It will be accessed by all the pro-

ject partners, allowing users to search and access information and open data in a way that is easily accessible and user friendly. It will build very strong links to the Hot Energy Topics by delivering input for those.

Secondly, it will be a transparent web platform for the project outputs publishing reports and comprising databases. Moreover, it will also serve as a dissemination platform to a broader public (policy makers, academics, business leaders, NGOs, etc.)

Information sources and expert platform

- The web-based information platform will operate as a structured database to collect relevant information and mapping it to INSIGHT_E's activities. It will organize and manage a variety of sources that are of the disposal of the different participating institutions and 'pool' them in a joint repository also containing interactive elements to be used by the think-tank. This may include publicly available information as well as restricted information that the consortium has access to (such as specific databases). The EC's SETIS system will also be considered as a key input by leveraging its technology and capacity mapping activities and outputs. A quarterly review of energy issues will be conducted as enlightened search for choosing the Hot Energy Topics.
- The Energy Observatory will organise core groups of authoring experts from within the consortium according to their topics of expertise as well as – if appropriate – from INSIGHT_E's Energy Policy Advice Network (could be on a variable geometry, temporary basis). Owing to the Energy Observatory's facilities, experts benefit from a privileged place for interdisciplinary exchanges based on in-depth analysis, freedom of expression and search of convergence. This will ensure the EC services of a comprehensive and consolidated approach even toward the treatment of sensible energy and environmental topics.
- Set up of a database of complementary experts to be involved on a case-by-case basis.

Scenario Information System

The main objective of the Scenario Information System will be the facilitation of transparency and providing the possibility of verifying results, data and methodology of INSIGHT_E. This includes:

- Compilation of key assumptions and scenarios (including commentary and assessments) as well as reference to data sets and tool kits used.
- Clear descriptions of assumption and a narrative for the modelling process.
- Publishing results and (when applicable) codes from relevant models that have been used in assessments, e. g. for Policy Reports.
- Contacts will be established with SETIS and International Energy Institutes (esp. IEA) for validating the adopted methodologies.

Dissemination and interactive platform

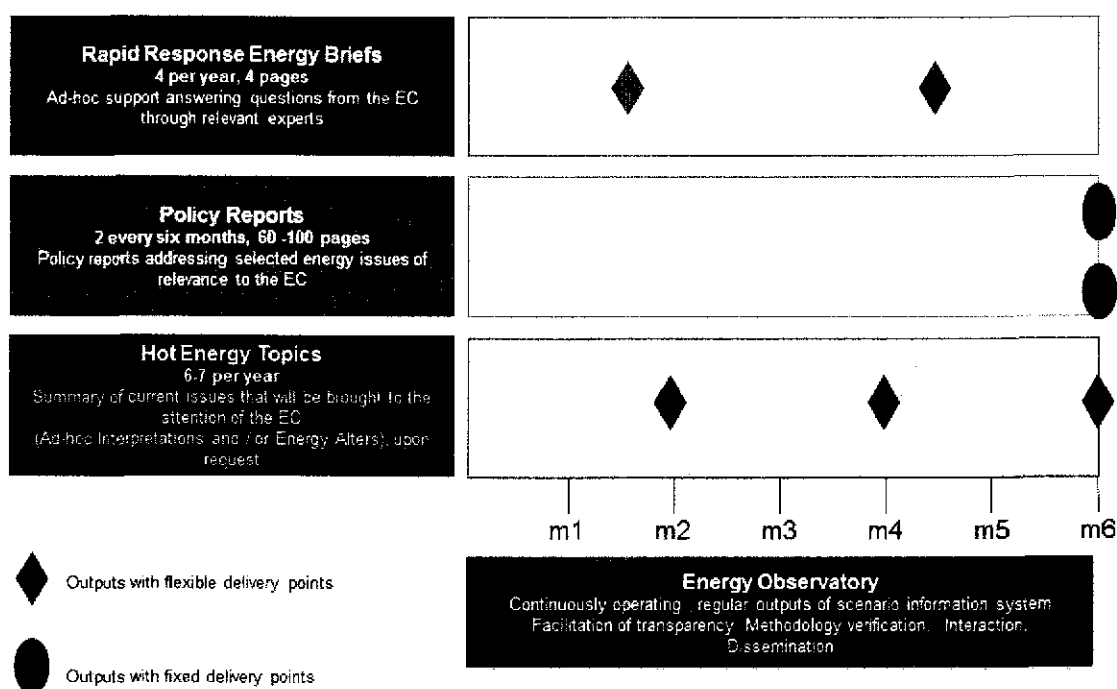
The Energy Observatory web site will describe the INSIGHT_E structure, functioning principles, and agenda. It will be open both to project partners, the EC and to a broader public from national and local authorities, professional associations, policy and thematic research, business leaders, market and finance experts, NGOs, etc. Though conditioned by restricted access rules adopted under supervision of the INSIGHT_E's Executive Committee (presented in more detail in section 1.1.5.), transparency and open data access will extensively be looked

for. The website will relay publicly available technical information and data currently used by INSIGHT_E partners and authors to a broader population of experts and academic researchers. Analysis pieces and status of current research will be provided to stakeholders, policymakers, and other interested users. In this regard, INSIGHT_E intends to exchange knowledge and insights with the already existing Energy Technology System Analysis Program (ETSAP) of the International Energy Agency (IEA).

The Energy Observatory will also provide interactive tools to facilitate networking activities for achieving consortium's objectives. Dialogue and exchange of opinions between different audiences will be encouraged. Also a track of the learning opportunities as organised e.g. through INSIGHT_E webinars will be announced in advance.

Figure 2: INSIGHT_E results delivery points

Proposed delivery points of INSIGHT_E outputs over 6 months (pattern repeated over 36 months project duration)



1.1.5 INSIGHT_E Approach

The multi-disciplinary INSIGHT_E consortium involves experts from the energy sector, top researchers, engineers, leading trade, economic, environmental and legal experts highly who are experienced in delivering high quality policy advice and impact assessments.

Coordination through an effective Executive Committee (EXCOM)

INSIGHT_E will be managed by an Executive Committee that is constituted by four partners - the coordinator and the leaders of the three Work Packages delivering Hot Energy Topics, Rapid Response Energy Briefs and Policy Reports (namely: KTH, IFRI, Enerdata and the University of Stuttgart). This committee is responsible for the interaction with the EC and the coordination of

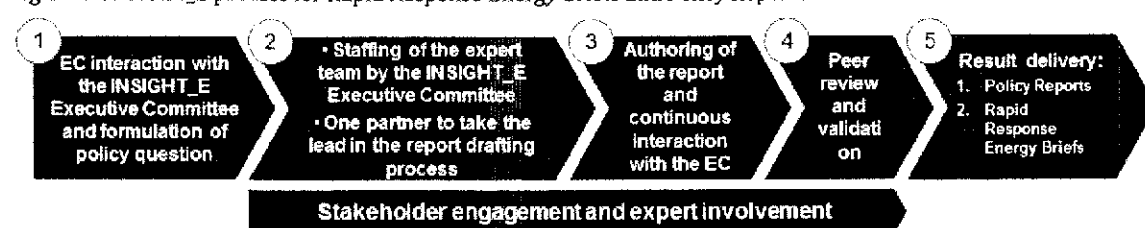
the think-tank's work packages (see more details in section B 2.1). The Executive Committee ensures that always the most suitable experts from the consortium will form a team to work in the individual outputs by preparing key decisions to be taken by the General Assembly comprised by all the partners.

The innovative approach of INSIGHT_E is characterized by a 'top-down' as well as a 'bottom-up' approach:

Taking up concrete questions from the EC:

The think-tank will engage with the EC to define concrete questions where the input of INSIGHT_E will be required to deliver concrete policy options and impact assessments to the EC. Adopting this 'top-down' approach the think-tank will be a valuable resource to the European Commission's services delivering impartial policy advice in form of Policy Reports and Rapid Response Energy Briefs (please see Figure 3).

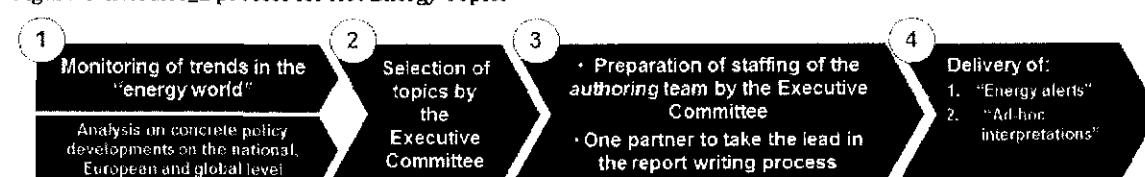
Figure 3: INSIGHT_E process for Rapid Response Energy Briefs and Policy Reports



Anticipation of the EC policy agenda and stimulation of the debate

In addition to answering questions of the EC, INSIGHT_E will also anticipate the policy making agenda and bring up topics that should be considered by European policy makers. INSIGHT_E will also identify new energy-related trends and current issues of attention and feed them to EU policy makers. This will be reflected in the project outcome of "Hot Energy Topics" (please see Figure 4).

Figure 4: INSIGHT_E process for Hot Energy Topics



Hence, the think-tank will always place high priority on the continuous interaction with the EC as well as with stakeholders in the field on energy. Generating different types of reports (see above), INSIGHT_E will satisfy different needs of policy makers ranging from the requirement of in-depth and comprehensive analysis of topics to brief yet informed inputs on specific issues in a timely manner.

Organisation of experts and knowledge

INSIGHT_E will form an 'Energy Observatory' to organize existing knowledge, experts and information sources. It will perform several important functions within the think-tank. Firstly, it will constitute the central internal service platform to organize information sources and tools that need to be made available to all members of the consortium. Secondly, the Energy Observa-

tory will ensure that the experts within the consortium as well as outside are effectively organised to be staffed by the Executive Committee to work on the different INSIGHT_E's outputs. Hence, the Energy Observatory ensures a segmentation of the pool of experts along fields of expertise. Thirdly, it will provide the Scenario Information System which makes publicly available how the think-tank reached its results.

Stakeholder Engagement and network of experts

INSIGHT_E will feature a stakeholder engagement process that ensures that the views of different stakeholders (such as NGOs, industry or consumers) are taken into account by the think-tank. Also, the think-tank will acquire feedback and comments on its results from the different stakeholder groups. To this end, INSIGHT_E will create an **Energy Policy Advice Network (EPAN)** comprising various stakeholders in the energy sector such as NGOs, academia and industry representatives being available to the consortium for consultancy and / or feedback and taking part in different processes (for more detailed information, please refer to section B.1.2 Management structures and procedures). For example, the International Institute for Applied Systems Analysis (IIASA), a non-governmental research organization and Eurelectric as a key European industry representative organisation have already declared their participation.

a) Methods for integrated policy assessments

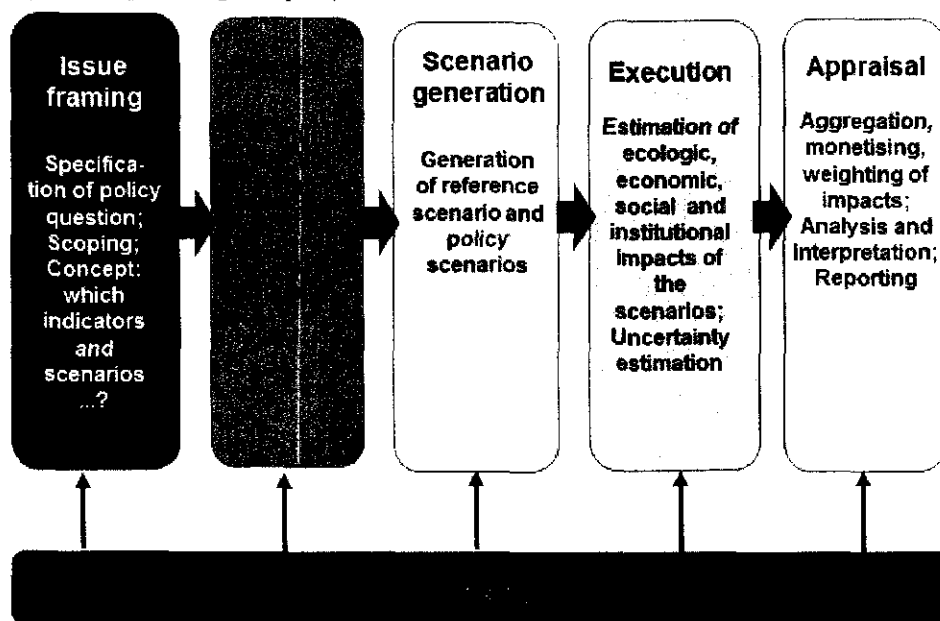
In order to assess policy formulation, implementation, its effectiveness and impacts, policies must be analysed and tested both qualitatively and through quantitative studies against pre-defined criteria. The INSIGHT_E's policy assessment approach, therefore, must be methodologically diverse, including case studies, survey research, statistical analysis and systems analysis and modelling. The following section describes both the qualitative and quantitative approaches which are already developed within the consortium and which can be applied. For assessing policy options concerning the four dimensions of sustainability (environmental, economic, social, institutional), INSIGHT_E will use an integrated assessment framework. The framework for carrying out an integrated assessment encompasses five steps⁸:

1. 'Issue framing' is to define clearly what is to be assessed, and who should be involved.
2. 'Design' to determine how to perform and carry out the assessment - including the models and data that will be used.
3. 'Scenario development' to ensure internal consistency and to systematically address uncertainty.
4. 'Execution' to actually carry out the assessment - from data collection to model application.
5. 'Appraisal' to review and interpret the results of the assessment, and to communicate these to the end-users.

Through these 5 steps, an iterative stakeholder consultation is carried out to guide and test the framing, analytical approaches and interpretation of the integrated policy assessment policy.

⁸ Based on the approach developed in the INTARESE project: www.integrated-assessment.de and Briggs, 2010.

Figure 5: Steps of integrated policy assessments



An integrated assessment starts with issue framing. This involves specifying as precisely as possible all the main elements of the issue, and the connections between them, in a clear and consistent manner. This includes setting boundaries of the problem, deciding what elements are relevant for addressing the question, and outlining different policy scenarios. Issue framing should be done in consultation with the European Commission – and in particular for the Policy Reports – with other stakeholders to fully take account of their needs and perspectives.

The design stage of an integrated assessment converts the issue framing into a detailed protocol for the assessment. The key elements – inputs, decision variables, outputs – are characterised in terms of relevance, data availability and uncertainty: this will be done using expert knowledge, existing estimations or combinations thereof. Then for estimating and analysing the relevant impacts, the most appropriate analytical approaches and models are identified and provided.

In a next phase, scenarios are prepared to analyze possible future events by considering alternative possible future developments. One or several reference (or business as usual) scenarios, that do not include the policy option to be assessed, and one or several policy scenarios have to be prepared.

In the execution phase, the impacts of the realization of the different scenarios are estimated. Using a set of models, the relevant environmental (e.g. GHG emissions, health, external costs), social (e.g. income distribution and poverty, households without electricity or commercial energy), economic (e.g. growth, employment, competitiveness), technical (e.g. innovation, market penetration rates), trade (e.g. supply and energy security, import dependency, geopolitical constraints) and legal impacts (e.g. compatibility with trade agreements, amendment of laws) are estimated. It is important to point out that the consortium also has experience with identifying, quantifying and mitigating geopolitical issues associated with energy trade. Energy is deeply intertwined with national security, thus creating tensions within the Member States of the EU as well as its relationships with other countries. These can be compounded when local and secure energy sources, such as coal can be GHG intensive. The consortium can provides insights where

required about the extent (with the use of relevant indicators) as well as the measures and trade-offs associated with providing energy security. Apart from trade, other critical insights to energy security will be provided by the consortia where appropriate. For example, internal energy infrastructure may be vulnerable. This is particularly the case where new energy systems rely strongly on an increased role of smart IT, which may be vulnerable to cyber attacks. For instance, Biofuel, hydro-power and power plant cooling are dependent on climate changed induced weather patterns.

The difference of the impacts occurring in the policy scenario(s) and in the reference scenario(s) are then allocated to the policy option, i.e. describe the impacts caused by implementing the policy option. The analysis is accompanied by stakeholder consultation and confidence and uncertainty assessment of the findings.

All of the models used by the consortium are up-to-date calibrated and tested for the EU energy policy application.

- **Multi criteria aspects of energy policy appraisal**

In utilizing the integrated policy analysis above, a defining characteristic of energy policies are their interdisciplinary basis and consequences. Therefore, an array of different multi-criteria decision analysis approaches will be employed to help reconcile the complexities and conflicting objectives that policy makers must take into account. Whilst broad categories of criteria are given (such as the security of supply or the competitiveness of European industry), a set of refined indicators for sustainable energy development (ISED) will serve as criteria for monitoring and assessing effectiveness and progress of a particular policy. These criteria will be further determined by the type of information involved in an assessment. In some instances the analysis will use or generate precisely quantified information. In others instances, qualitative information will be the principal base of the analysis. For example, EUR per ton of carbon emissions avoided could be the appropriate indicator for climate change mitigation; for public acceptance, indicators such as 'highly acceptable' vs. 'deeply distrusted' may have to be defined. In addition, all information and assessment results will need to be classified regarding their degree of confidence and uncertainty.

Moreover, the relative weight and importance of each criterion may change over time. Energy security may be more important in the future than now, for example. In order to help assess the merit of different options, various multi-criteria-decision-approaches will be employed (depending on the issue at hand) in consultative sessions jointly with representatives of the EC. During these session, all relevant data and findings of the assessments will be presented in an open and transparent manner with the objective to obtain a full set of views on potential future developments or options in the energy sector.

A key strength of this think-tank is the consortium's access to as well as the expertise in a comprehensive set of energy modelling tools. The relevant context of the models and their application to key interdisciplinary criteria is detailed in the sections below.

- **Assessment of economic, technical and trade impacts**

To estimate and calculate the economic, technical and trade impacts of energy policy, including security of supply, innovation effects and competitiveness, the application of energy models is well established. The different types of models and tools can be briefly described as follows:

1. *Energy system* models are intended to address and analyse the evolution of the energy system by combining its different parts (multiple sectors, technologies, processes and fuels) with a focus on competition and complementarities between energy technologies and energy chains.

Within the consortium various energy system models are available, including for example TIMES PanEU, OSeMOSYS, TIMES, MESSAGE, TIAM and POLES.

2. *Energy economy* models include both the energy system and the rest of the economy usually with at least some feedback links between them. Typically, the energy system is described as one component of the economic system (with obvious implications concerning the level of detail of the former). Concerning economic issues these models are also capable to take into account price and income effects on different income groups, employment implications as well as taxes, subsidies and social security payments. Within the consortium different energy economy models are available (e.g. NEWAGE, TIMES-MACRO).

3. *Sector level* models are used to analyse *parts* of the energy system at different levels of detail: for instance, models for grid operation simulation or for the electricity system by itself, or models for *single* markets (coal, gas, oil, etc.) or for single sectors (transport, residential, etc.). Within the consortium models such as PERSEUS, PowerACE-DE, E2M2s or JMM are available.

4. *Energy behaviour* tools are designed mainly to make people aware of the consequence of their energy investment and consumption decisions (with a focus on the demand side of the economy). This category also includes semi-quantitative tools dealing with social acceptance issues (such as the tool BLUE).

5. *Disaggregated* models are very detailed models that address specific issues such as plant design, resource potential assessment, infrastructure expansion or reinforcement, etc. Results from these models can generally be used as inputs to other more "systemic" models and can provide a sound reference for constraints such as capital cost, efficiency, resources, barriers, and so on. The consortium has different models at its disposal including TIMES-Heat-DE or MUST.

In recent years linking of different model types has gained momentum as this allows utilize and combine specific advantages of different methodologies. This approach will be pursued by INSIGHT_E in order to select the most suitable approach for the questions under discussion.

- **Assessment of environmental impacts and social impacts**

Building on long-standing research, also in the framework of a number of FP7 funded projects⁹, novel methods and tools have been developed to assess environmental and social impacts of

⁹ The IPA has been applied and updated in the recently finished FP7 projects NEEDS, EXIOPOL, INTARESE and HEIMTSA.

energy policy. They are proposed by INSIGHT_E to evaluate the impacts of policy options in this field.

Environmental impacts – both global and local – are primarily caused during the conversion of energy to energy services by the release of substances or energy (e.g. carbon and particulate emissions, noise, heat, radiation) to environmental media (air, soil, water). This pollution is transported in the environmental media, often chemically or physically converted into other substances or energy forms and finally causes adverse impacts or environmental pressures, especially to human health, ecosystems and materials. Assessing local environmental impacts entails detailed quantification of health impacts and the distribution of health impacts across two spatial scales: across countries, the EU and globally, and across different social groups (income, household type etc).

The environmental impacts covered include, among other aspects, public health risks, expressed as number of health endpoint and DALYs (disability adjusted life years), ecosystem damages expressed as pdf (potentially disappeared fraction of species), crop yield losses and material damages (expressed in €). For the most important pressures (e.g. fine particles and ozone) a time- and space-dependent analysis is made. When applicable, the different impacts are aggregated into monetary values by using specific monetary values derived from contingent valuation studies. Other social aspects impacts include energy security issues and the robustness of energy supplies, equitable access to energy for vulnerable groups and/or low income households (also known as fuel poverty), democratic and participatory dimensions of energy policy implementation, and the cultural and historical values of existing energy supply and demand options.

Finally, in terms of global environmental impacts, the EU has stated its resolve to contribute within a new binding international environmental agreement to not exceeding a global temperature increase of 2° C compared to preindustrial times. It is proposed to estimate marginal avoidance costs for reaching the EU's short and long term greenhouse gas reductions objectives and confront these with estimates of potential climate vulnerabilities and damage costs. For assessing climate change related impacts, greenhouse gas emissions are transformed into mass units of CO₂-equivalents using global warming potentials (GWPs).

- **Legal implications of policy**

Building on the expertise on legal and regulatory issues with the INSIGHT_E consortium, the think-tank will provide a comprehensive analysis of the legal implications of the policy recommendations.

- b) Data sources available to the consortium**

- Partner's access to high quality data resources

- High-quality data resources will be required for pre-selecting topics to bring to the attention of the EC and the policy impact assessment process including scenario definition and searching for possible policy options or policy alternatives in case of a future scenario analysis or similar cases. Due to multidisciplinary composition of the consortium, the partners already have access to high quality data resources on many levels. If necessary and appropriate, the partners will also gather new quantitative data on areas of interest not yet covered by the huge existing data resources mentioned in the following:

- **Comprehensive statistical (market) databases of project partners**

Several project partners are specialized on global energy reports, data, forecasting and energy market analysis and are able to provide access to their extensive quantitative databases. An important partner in this regard is the data-driven research company Enerdata being a primary data provider for: energy data, CO₂ data, energy prices, energy news, power plants (existing & planned) and LNG infrastructures. Enerdata developed and maintains the following databases: Enerdata's Global Energy Database, EC's Odyssee database, European Commission's database on energy savings potential, International databases such as the World Energy Council's database on global energy efficiency policy and measures, State of New Caledonia's energy database, India's BEE (Bureau of Energy Efficiency) database and Tunisia's ANME (Energy Efficiency Agency) database.

- **Technological and research databases**

The project partners have access to techno-economic databases due to the strong technological and modelling expertise of the research partners. A broad array of databases and systems analysis approaches with the aim of supporting the integrated energy planning, and risk and reliability analysis can be made available to the project. Furthermore, the INSIGHT_E project will have access to all research databases of the participating universities and research centres in and outside Europe, particularly also data and knowledge regarding policy impact assessments, e. g. through the membership of UCL in the IEA Energy Technology Systems Analysis programme, International Integrated Assessment Consortium (IPCC). This also covers databases of European research and development projects (e. g. FP7 and before) with partner involvement. Due to the experience of the partners as policy advisors for regional and national entities and governments, the consortium can access respective databases. For example, EIHP has access to energy databases in the whole Balkan region of the Europe.

- **Industry and stakeholder databases (of customers)**

Working for numerous governments and private companies all around the world, the participating research institutions and consultancies such as Enerdata owns a large client database with outreach to public bodies, industry and associations. Enerdata thus benefits from a reliable experience on the issues faced by these stakeholders and expects to bring to the consortium this experience and interface complementing the academic research data. KIC-IE can provide data regarding a comprehensive competence mapping of energy innovation actors (industries, universities, research and innovation centres, etc.) as well as data on customer/technology readiness level analyses. SF will also provide access to its specific data on different stakeholder groups.

- **High-quality databases of affiliated organisations**

Due to the vast networking capacities of the partners and existing strong affiliations with some associated or affiliated organisations and (research) institutions, the consortium can also access their databases, e.g. referring to the CLEW (integrated Climate, Land-use, Energy and Water analysis) partnership of the project coordinator KTH involving a.o. the International Institute for Applied Systems Analysis (IIASA), the International Atomic Energy Agency (IAEA) and the Food and Agriculture Organisation of the United Nations (FAO). To state an example, due to the strong affiliations with IIASA, KTH could access their vast, high quali-

ty databases, which includes: Energy and Carbon Emissions Inventories Database, Greenhouse Gas Initiative Scenario Database, Global Energy Assessment Scenario Database, Representative Concentration Pathways Database.

The other universities and research organisations can moreover provide further access to knowledge and databases used particularly by the European Union, e. g. through the UCL' experts membership in DG TREN Energy Economic Analysts Expert Group since 2003 and the EU-ROSTAT Energy Committee.

1.1.6 Leveraging on competencies and capacities

Scientific excellence and multi-disciplinary approach

The INSIGHT_E consortium can leverage excellent scientific expertise of the involved partners:

- European top rank universities (KTH, USTUTT, UCL, UCC, KIT)
- Research centres and consultancies (Enerdata, EIHP, E4SMA, PSI) in the field of energy
- Knowledge and innovation clusters (KIC IE), comprising leading universities, industry partners and research centres
- Leading think-tanks on international questions and global governance as well as energy markets and regulation (IFRI)
- Experts for stakeholder engagement processes (SF).

The composition of the INSIGHT_E consortium reflects the multi-disciplinarity of the partner team, not only as the sum of each partner's expertise matching the areas requested in the call for proposals, but also as the result of new added value generated through the synergies of combining different backgrounds in this innovative INSIGHT_E approach. This is the prerequisite for a sound and profound policy research and advice. Below, the expertise of the INSIGHT_E consortium partners in policy advice and the existing capacities and stakeholder networks will be described in brief. Please see more details in the section "Consortium as a whole".

Expertise in policy advice and knowledge of the policy making process

All of the project partners have acquired thorough expertise in the fields of policy advice and have an excellent knowledge of the policy making process on the global, European and national level in different EU Member States. This will enable the INSIGHT_E consortium to successfully contribute and enhance the European Union's ability to properly address key topics of energy policy on environmental, economic, technical, trade and legal issues. The think-tank will support the development of policies leading to the achievement of political goals and help find appropriate solutions and approaches for further developing e. g. energy efficiency, the Internal Energy market, and oil and gas security stock¹⁰ by providing input to the Community policy in terms of policy research and supporting the assessment of potential impacts of policy alternatives and options. All of the capacities and competencies existing within the consortium will be specifically assigned to concrete tasks and requirements of the EC during the project.

¹⁰In line with the strategic key objectives of the EU energy and climate policy (a) the affordable access to energy, b) sustainable development of energy production, transport and consumption, and c) security of supply), <http://www.notre-europe.eu/media/Etud76-Energy-en.pdf>.

The partners have substantial experience in delivering policy advice in the following areas:

- **New technologies and innovation**
 - Technical expertise and technology assessments are needed for further development of the use of renewable sources, comprising fields such as energy conservation and storage, clean coal and carbon capture and the optimization of energy efficiency. By delivering input such as studies for technology roadmaps, e.g. the feasibility of strategic goals set in the policy agenda can be assessed.
- **Energy Infrastructure development and planning**
 - This area includes e.g. transport, urban planning, smart power and gas systems and district heating and cooling. As a result of an enhanced knowledge on opportunities for optimization of certain features and the entanglement of system components, (political) decisions on (future) infrastructure design and improvement of service quality can be facilitated.
- **Economics/ market analysis**
 - This sector comprises e. g. energy market analysis, market regulation and governance, economic and legal analysis, fiscal policy and infrastructure investment. Conclusions for policy makers can be drawn concerning a design of appropriate regulatory structures as well as market incentives.
- **Geopolitics/ trade**
 - The expert monitoring and analysis of important geopolitical developments and energy resources trading can deliver research input contributing to facilitate decision making, e. g. by means of policy recommendations in order to guarantee security of supply.
- **Environmental systems analysis and mitigation of climate change**
 - This area comprises the analysis and assessment of ecological impacts, land and water use and environmental sustainability assessments.
- **Behavioural change**
 - Policy makers can draw important conclusions from input on this section regarding the concrete design of campaigns and activities for consumer's empowerment, awareness rising and the appropriate forms of outreach to civil society, industry and academia.

Table 1: The dedicated recipients of policy advice of the INSIGHT_E consortium:

Target groups / recipients of policy advice	Examples
International/ supranational organisations and NGOs	<ul style="list-style-type: none"> • Intergovernmental Panel on Climate Change (IPCC) • United Nations Industrial Development Organisation (UNIDO) • United Nations Department of Economic and Social Affairs (UNDESA) • World Bank (WB) Group, Asian Development Bank (ADB) • Organisation for Economic Co-operation and Development (OECD) • International Atomic Energy Agency (IAEA) • International Renewable Energy Agency (IRENA) • International Energy Agency (IEA)
European Commission / European Parliament	<ul style="list-style-type: none"> • Several DG's of the EC, such as DG TREN, DG ENER • Joint Research Centre of the EC (JRC) • EUROSTAT Energy Committee • STOA of the European Parliament
National governments and ministries / parliaments	<p>Amongst others:</p> <ul style="list-style-type: none"> • German Federal Ministry of Economics and Technology (BMWi)

	<ul style="list-style-type: none"> • German Parliament • UK and Irish governmental institutions • Kuwait government • South Korean Government • African governments
Regional authorities	<ul style="list-style-type: none"> • Gulf cooperation Council, Authorities in the Balkan region

Leveraging existing capacities and stakeholder networks

The access to and the use of existing well-established networking capacities are of utmost importance in order to deliver excellent project results. The INSIGHT_E consortium can provide these necessary competencies and can leverage broad existing structures with direct access to a large network in the energy sector, composed of research centres and universities, International Organisations and policy makers, the energy industry and related associations and other stakeholders such as NGOs.

The consortium has excellent expertise in the facilitation of stakeholder engagement processes and industry-academia partnerships, mainly through the involvement of the Stakeholder Forum (SF) and KIC InnoEnergy (KIC IE) as project partners. They bring in the methods and tools to enable successful participatory processes and the know-how on how to mobilize various different existing networks.

- **KIC InnoEnergy**, a world class alliance of top European players with 29 key institutions in the energy field as shareholders and 90+ associated partners is highly experienced in cluster development and governance and therefore know how to build and successfully manage multi-disciplinary structures. It will also provide access to industry knowledge, research partners and existing infrastructures through its six European collocation centres (Alps Valleys, Benelux, Germany, Iberia, Poland Plus and Sweden). Also, KIC InnoEnergy will be able to leverage on its newly formed Energy Systems Analysis Agency (ESA²).
- **Stakeholder Forum**, an international leading not-for-profit organisation is working to advance sustainable development and promote stakeholder democracy at a global level aiming to foster participatory international decision-making on sustainable development through enhancing the involvement of stakeholders in intergovernmental processes. It will bring in its expertise and methods for developing and facilitating global multi-stakeholder processes and its knowledge in global policy and advocacy, capacity development, dissemination. INSIGHT_E can therefore also leverage on the existing global network of international forums and decision-makers and those having a stake in sustainable development.

Moreover, the INSIGHT_E consortium will create an **Energy Policy Advice Network (EPAN)** comprising various stakeholders in the energy sector such as NGOs, academia and industry representatives being available to the consortium for consultancy and / or feedback and taking part in different processes (for more detailed information, please refer to section B.1.2 Management structures and procedures). For example, the International Institute of Applied Systems Analysis (IIASA), a non-governmental research organization, and Eurelectric as a key European industry representative organisation have already declared their participation.

B1.2. Quality and effectiveness of the support mechanisms, and associated work plan

Keynote:

The project will be implemented in an effective manner and be organised in 7 work packages. The interdependencies between the different work packages, their individual contribution to the project as well as their timing have been defined.

The work plan structure will moreover facilitate the implementation of INSIGHT_E's unique approach to deliver both clearly time Policy Reports (every 6 months) as well as multiple outputs at flexible delivery points ('Energy Policy Briefs' and 'Hot Energy Topics') to address the needs of European policy makers.

Clearly defined milestones will allow the monitoring of the project's progress.

i. Overall strategy of the work plan

The ambitious work plan of INSIGHT_E will be implemented through seven work packages (WP). WP 1 has been established to provide a single entry point and overall platform for the interaction with the EC. Furthermore, a work package has been designed for each major output as well as a management WP. Within WP2 Energy Briefs will be elaborated, providing ad-hoc support for questions from the EC (e.g. opinion piece) and identifying important new trends, possible changes and directions that the EC should be aware of while providing a sense 'the pulse' of industry, academia and civil society toward identified energy issues and their implications. WP3 will deliver Policy Reports that address selected energy issues of relevance to the EC, summarizing the state of knowledge regarding a particular subject; analyse the implications for the European Commission's work and propose recommendations for policy options. WP4 will facilitate the delivery of alerts and interpretations of 'Hot Energy Topics' in categories such as financial constraints, breakthrough innovations, environment, socio-economical, public awareness/opinion, technology deployment, 'appropriation', human capital, geo-political developments.

WP5 has been set up to manage the stakeholders of the project and create a basis to collect relevant input from these. Within WP6, the Energy Observatory will be set up and operated comprising an internal resources pool as well as a Scenario Information System and a dissemination platform. WP7 is set up to enable a sound project management, ensuring a smooth project realisation.

The work plan has been designed with a high consistency in order to manage:

- the targeted outputs;
- a multidisciplinary consortium;
- a variety of stakeholders.

ii. Timing of different WP and components (Gantt)

The first Gantt chart shows the timing of the different WPs and their components over the entire project duration of 36 month. As the delivery of the Rapid Response Energy Brief, the Policy Reports and the Hot Energy Topics do not follow a pre-defined schedule but rather focus on actual demand or developments, the timing shown in this Gantt chart is only tentative visualising the frequency. The second Gantt chart details the timing for the first project year which will be adjusted if required.

Figure 6: GANTT chart 36 month

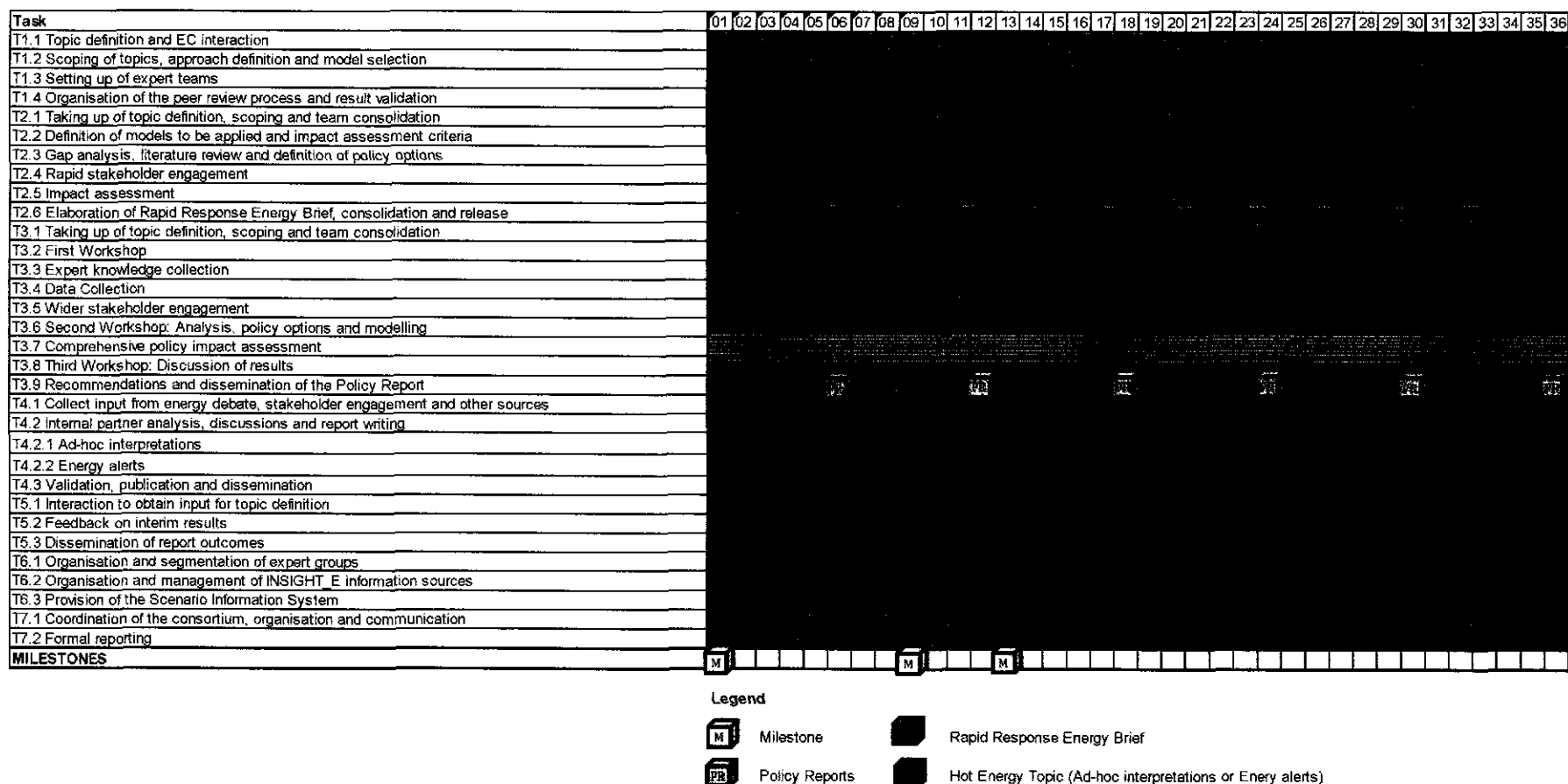


Figure 7: GANTT chart first 12 month

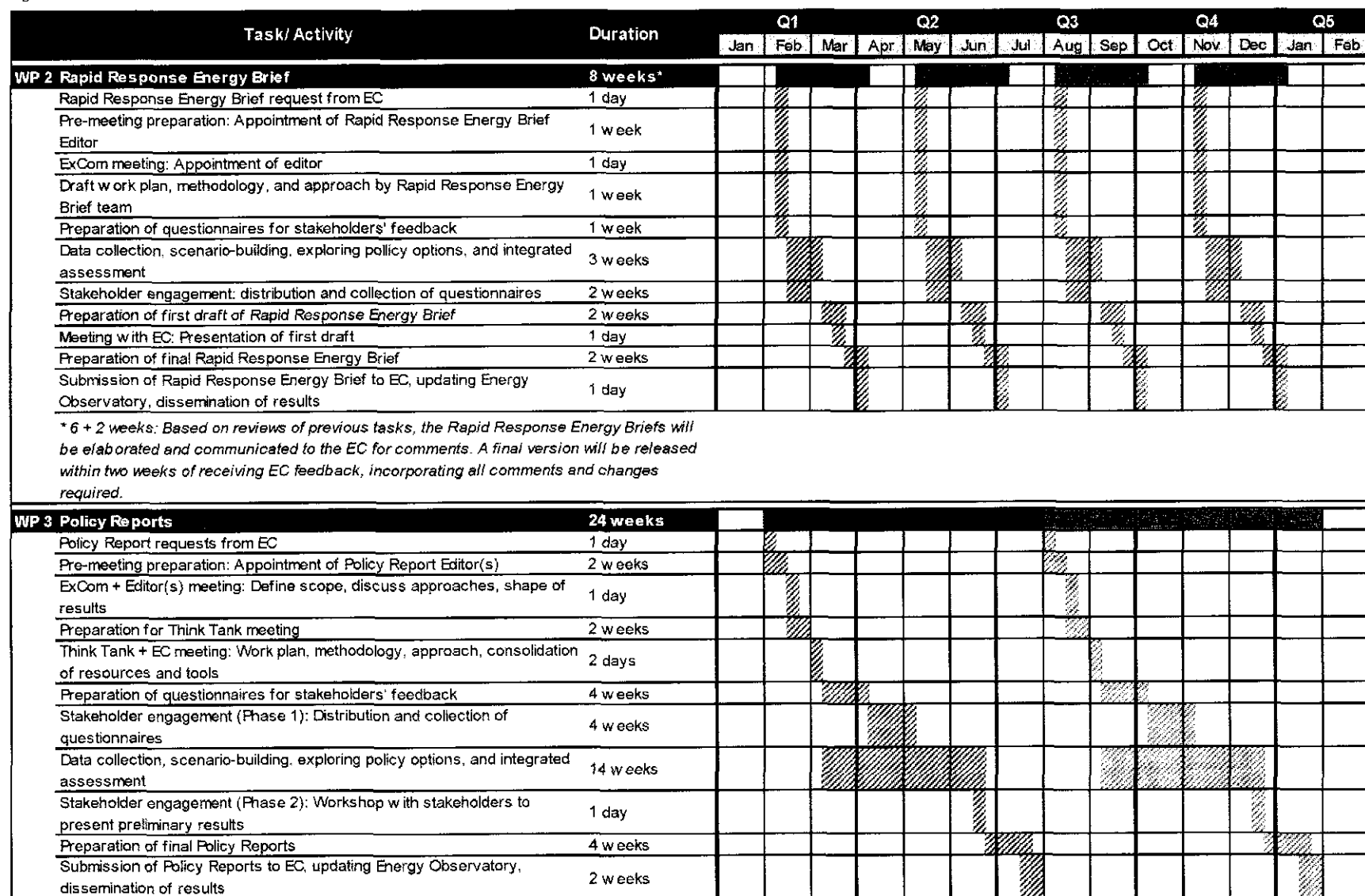
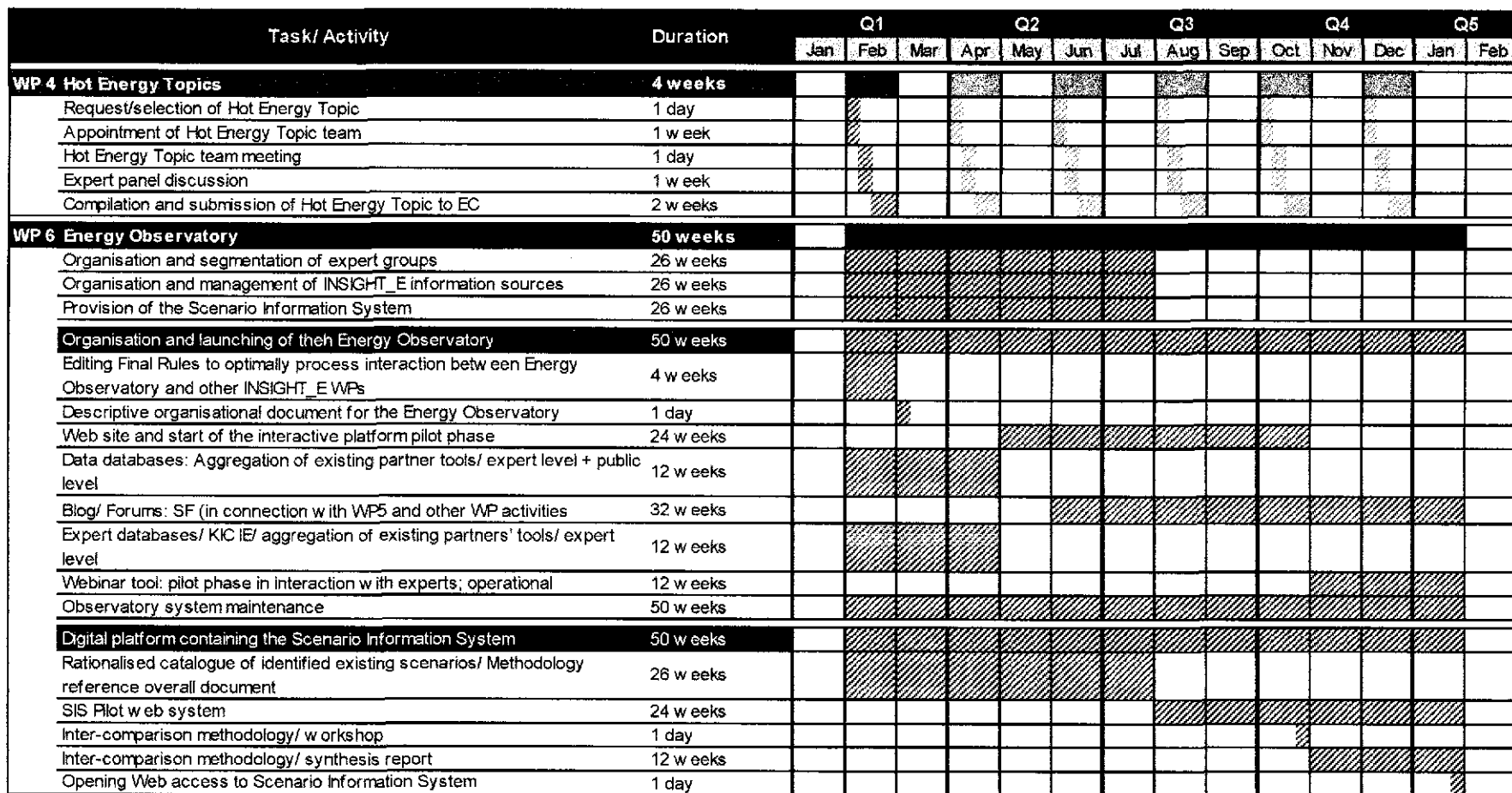
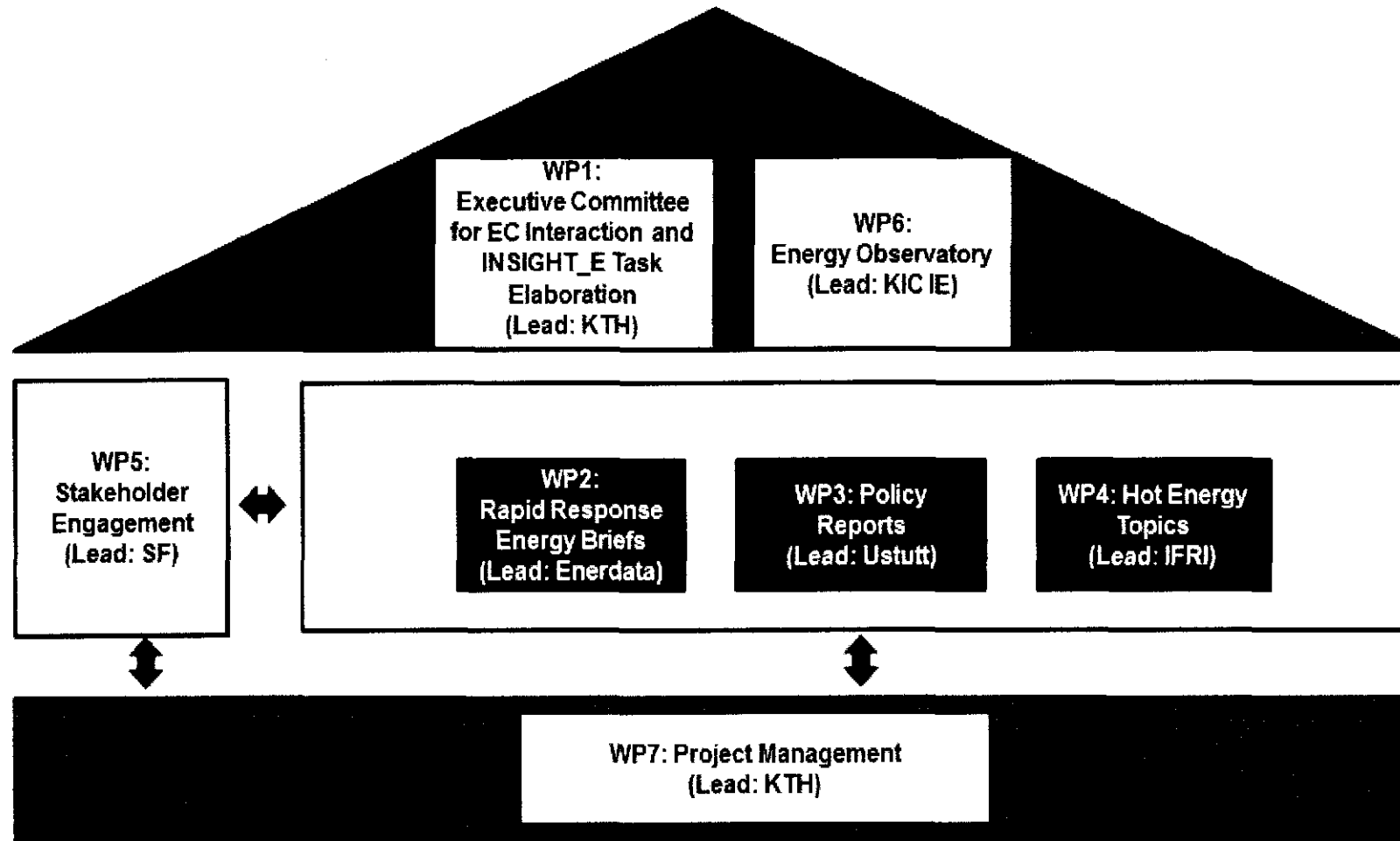


Figure 7: GANTT chart first 12 month



iii. Graphical Presentation of the components showing interdependencies (Pert)

Figure 8: Work packages of INSIGHT_E



iv. Significant Risks and associated contingency plans

The project has conducted thorough analysis of the managerial risks connected with the execution of the project activities, and which might affect the eventual achievement of the project objectives. A risk analysis of the project has been processed using the following method:

Preventive corrective actions have been applied on the basis of the work plan structure and the consortium structure, with the aim of mitigating or eliminating (i) the most foreseeable risks, and (ii) those with the biggest negative potential impact on the project's success. Those risks that could not be completely eliminated have been studied in detail in order to prepare a reasonable backup plan in case they occur. A summary of the results are listed in table 6:

Table 2: Risks and contingency plan

WP	Category	Risk	Probability	Impact	Contingency Plan
All	Managerial risk	Partner leaving the consortium	Unlikely	Medium	The set up of the consortium allows for most tasks to be taken over by another project partner. Should this not be the case, a replacement needs to be found outside the consortium. With regard to KIC InnoEnergy the replacement would be a challenge to the consortium.
All	Managerial risk	Staffing and Recruitment Problems	Medium	Medium	The partners already employ a high number of qualified staff in the fields required. Risk is balanced as every partner is responsible for their own staffing.
All	Managerial Risk	Costs are higher than budgeted	Unlikely	Low	The budget of the project partners has been calculated accurately. However, additional resources may be mobilised in case the costs are higher than calculated.
WP2	Technical risk	EC request cannot be answered by project partner	Unlikely	Low	The consortium is characterized by significant expertise in the field of energy policy advice. In the unlikely case of not being able to answer an EC request, the consortium can rely on competent stakeholders and an excellent network.
WP2-4	Technical risk	Think-tank output does not satisfy the EC's expectations	Unlikely	Low	The consortium members are well experienced in the elaboration of reports and the provision of policy advice. As a close cooperation and permanent exchange with the EC is foreseen, possible difficulties with regards to output quality can be identified at an early stage and eliminated immediately.
WP6	Technical risk	Malfunctioning of the online platform	Medium	Medium	The consortium is highly experienced in setting up and maintaining online platforms and databases. In case of technical difficulties, each project partner can make use of qualified own personnel/in-house staff.

B2. Implementation

Keynote:

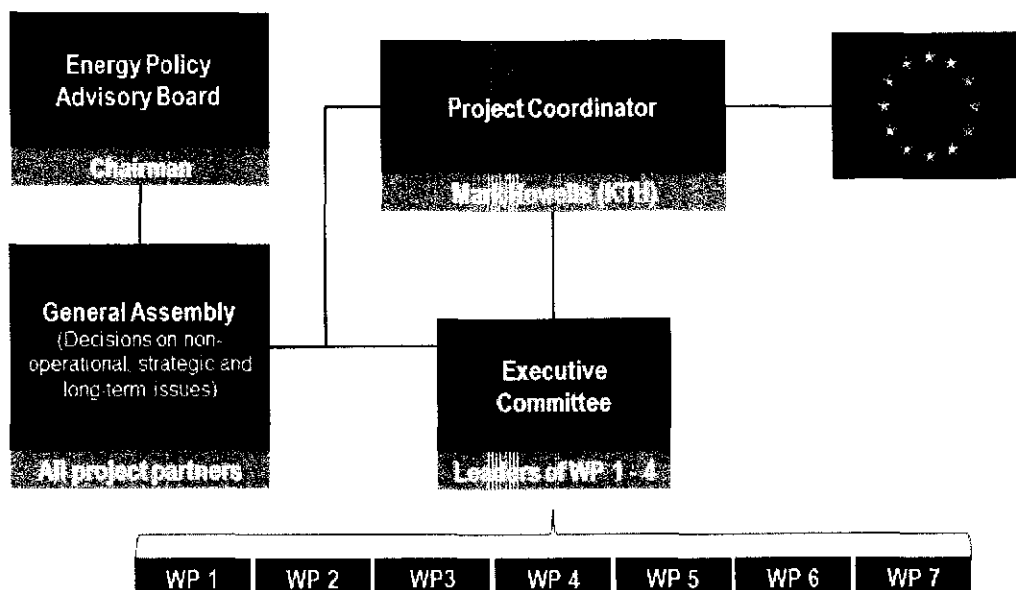
To achieve the challenging objectives of the project, an efficient management structure and procedures have been agreed upon by the consortium. These are based on clearly defined responsibilities and allow regular exchange between all WPs and project partners ensuring that their complementary competencies / resources can be optimally utilized. In particular quality assurance, IPR and ethical issues will be specifically taken care of by the project coordinator.

B2.1 Management structure and procedures

B2.1.1 Management Structure

The management of an FP7 coordination and support action is a demanding task in view of the various partners with different profiles, located in different countries. In order to ensure a smooth and effective project realisation, the consortium has agreed to implement the project management structure presented below. The management structure is designed to enable sophisticated mechanisms and procedures in order to ensure fast decision making and conflict and risk resolution, the assurance and implementation of an effective project monitoring, the efficient handling of ethical issues, information and knowledge emerging within the project, and the dissemination of project results.

Figure 9: Management structure



General Assembly

Roles and responsibilities

The General Assembly consists of one representative of each partner. It will have the overall responsibility of all administrative, financial, legal, and dissemination issues of the project. Furthermore, the General Assembly will monitor the use of financial resources (aggregated level) and will make decisions by vote on dissemination measures of project results. In addition the General Assembly is the forum for technical and scientific exchange among the project partners. Thus, all Work Package Leaders will attend the General Assembly and jointly decide on the project direction, priorities and technical strategies. Another important aspect of its work will be the resolution of any conflicts that may appear during project realisation (last escalation level).

Meeting frequency:

The General Assembly will meet on quarterly basis during the project implementation. The exact place and time of the General Assembly meetings will be decided in accordance with the planned work package leader meetings in order to avoid excessive travelling.

Project CoordinatorRole and responsibilities

The Project Coordinator of the project, _____ from KTH, will have the overall responsibility for an efficient administration and coordination of the project in terms of resources and time schedule. The Project Coordinator will serve as the official interface between the European Commission and the consortium. All communication with the European Commission, especially with regard to the submission of deliverables, as well as the financial administration and aspects related to third parties, is part of his responsibilities. Furthermore, the Project Coordinator will lead the project on the operative level and will keep regular contacts with the consortium partners to ensure the achievement of the objectives established in the project scope and fulfil the instalments.

Meeting Frequency: The Project Coordinator will attend all General Assembly as well as other relevant meetings and telephone conferences as required. There will be a close communication and coordination between the Project Coordinator and the Executive Committee as well as the Energy Policy Advice Network (regular meetings).

Executive CommitteeRoles and responsibilities

The Executive Committee will consist of WP leaders of WP1, WP2, WP3 and WP4.

It will prepare key decisions of key decisions within the tasks T1.1 – T1.4 regarding the steering of the think-tanks' work to be taken by the General Assembly. Furthermore, it will be the single entry point for all EC inquiries on policy impact assessments and other content-related issues.. It is also a forum where WP leaders of WP1, WP2, WP3 and WP4 can, collaborate and discuss cross-WP aspects of the work plan. In particular, the Executive Committee's tasks include:

- Interaction with the EC and topic definition
- Devising and agreeing on concrete implementation plans for all WPs: Scoping of topics, approach definition and model selection, setting up of expert teams, organisation of the peer-review process and result validation
- Monitoring progress of the project and reporting to the General Assembly and the Project Coordinator
- Coordinating cross-WP tasks and ensure timely delivery of results needed by other WPs
- First validation of project deliverables and quality control
- Ensuring that resources and facilities are available within the remit of the individual WPs and reporting any shortcomings to the Project Coordinator.

Meeting Frequency:

The Executive Committee will meet every 2 weeks (mostly through online meetings using a web platform, such as WEBEX) during the project implementation. The exact place and time of the meetings will be decided in accordance with the planned work package leader meetings in order to avoid excessive travelling.

Work Packages

Roles and responsibilities

The WPs are led by one institution each (work package leader) as defined in the work programme. The work package leaders are responsible for managing their work packages as a self contained entity by coordinating of their work package, including the management of inputs from other partners participating or leading tasks within the work package. Furthermore, the WP Leaders are responsible for assessing and monitoring all WP related activities in order to ensure that performance, budget, and timelines are met. The WP Leader will report to the Executive Committee and to the General Assembly.

Meeting frequency: As the organisation of the work packages falls within the scope of the responsibilities of the work package leaders, they will define the number and the frequency of the meetings to be held within their respective work package. WP leaders will participate in General Assembly Meetings.

Energy Policy Advice Network (EPAN)

Roles and responsibilities:

The objective of the EPAN – which is headed by a chairman (to be named)- is to ensure that the requirements of different stakeholders are taken into account in order to draw on the analysis carried out during the project and obtain feedback from them. Numerous world-class professionals will be contacted by consortium members. The collaboration with the EPAN will contribute to the dissemination of the project results and will be based on non-disclosure agreements. Furthermore, the provision of feedback during the project and recommendations regarding project outputs are important duties of the EPAN. The following table presents an overview of the institutions that are or will be invited to join the Energy Policy Advice Network.

Table 3: Participating institutions of the Energy Policy Advice Network

	Participating institution	Profile ¹¹
1	Eurelectric	Sector association of the electricity industry in Europe which represents the common interests of the whole electricity industry at pan-European level
2	IIASA	International Institute for Applied Systems Analysis (IIASA) is an independent scientific research institute conducting policy-oriented research into problems of a global nature

Table 4: Institutions to be invited to the Energy Policy Advice Network

	Institution	Profile
1	EPUE	European Platform of Universities Engaged in Energy Research (EPUE) comprising 170 universities from across Europe and has been developed by the European University Association (EUA)
2	Covenant of Mayors	The Covenant of Mayors involves local and regional authorities, who are voluntarily committing to increasing energy efficiency and use of renewable energy sources on their territories.
3	IRENA	International Renewable Energy Agency (IRENA)
4	IEA	The International Energy Agency (IEA) is a autonomous intergovernmental consisting of 28 Member States
5	NEA	The Nuclear Energy Agency (NEA) is a specialised agency within the Organisation for Economic Co-operation and Development (OECD).

¹¹ Sources: Company/institution's homepages

6	Greenpeace	A non-governmental environmental organisation present in over 40 countries
7	OME	The Observatoire Méditerranéen de l'Energie (OME) is a nonprofit Association that counts thirty two leading Mediterranean energy companies from fourteen countries. The offices are located in Nanterre- France.
8	Desertec Foundation	A non-profit foundation that grew out of a network of scientists, politicians and economists from around the Mediterranean
9	Coal and Steel Fund	The Research Fund for Coal and Steel (RFCS) supports research projects in coal and steel sectors.
10	COSA	Committee on Sustainability Assessment
11	BEUC The European Consumers' Organisation	Membership of 42 independent national consumer organisations from 31 European countries; acts as the umbrella group in Brussels for consumer organisation
12	EDSO for Smart Grids	DSOs association
13	Research Center for Energy Economics	Independent German research institute that conducts research in the field of AD for industrial/commercial consumer

Meeting frequency: The EPAN will be invited to one kick-off meeting at the beginning of the project and to two meetings during the project duration. Representatives of the EPAN will participate in at least two General Assembly meetings during project implementation.

B2.1.2 Management Procedures

Decision Making Process and Conflict Resolution

Generally, the body for taking operational decisions of the project is the work General Assembly. All decisions have to be taken by 2/3 majority. The overall Project Coordinator will take decisions in occasions where (minor) changes on budget and planning are required. Decisions dealing with a more substantial shift of tasks, the overall strategy of the project, task allocations and budget will be taken to the General Assembly. Within the General Assembly, all decisions have to be taken by 2/3 majority. One vote per partner applies. The decision making process will follow the guideline to reach agreement according to the subsidiary principle: each decision shall be drawn as close as possible to the level of execution. If a decision cannot be drawn at the given level, the problem will be taken to the next level.

Quality Management

Quality of project progress: In order to ensure an outstanding level of quality within the project, certain monitoring and quality assessment procedures will be established and maintained within the project. An early-warning system, consisting of state-of-the-art monitoring instruments, will be established. Together with the information and knowledge management explained below, the identification of quality deviations from the work plan will be ensured.

Quality of deliverables: The quality of deliverables will be assessed by the respective work package leaders. After being cross-checked by the Executive Committee they are submitted to the Commission. Their quality will be assessed with regards to the following criteria: Timeliness, content, usability. All procedures follow the goal to assure supreme project quality.

Information and Knowledge Management

An efficient information and knowledge management will be ensured by use of an online collaboration platform within the project, as a part of the web-portal hosting the Energy Observatory. This platform will make available all information generated within the project, independent of time and location, such as working documents and templates, calendars and contact data of the different participants. The collaboration platform will be based on a pre-defined folder structure agreed on in the beginning of the project.

B2.1.3 Project Coordination

Reporting Periods and Project Reviews

The following reports and plans will be submitted to the EC within 60 days after the end of each respective period:

Table 5: Reports to be submitted to the EC

Report no.	Report name	Delivery Date
1	1 st Periodic report: Progress of work and use of resources	m18
2	2 nd Periodic report / Final report	m36

On technical level, these reports will comprise

- An executive summary and an overview of the progress of work, especially regarding deliverables and milestones identified in the project
- Identification of problems encountered and corrective actions to be taken

On financial level, the reports include

- An explanation of the use of resources and a financial statement of each beneficiary, showing the total eligible costs incurred broken down by type of activity
- A certificate on the financial statements per participant (if necessary), audited by an independent external auditor or, in the case of a public body or international organisation, by a competent public official

60 days after the end of the project, a final publishable summary report on wider societal impacts as well as a plan for the exploration and dissemination of foreground will be handed in. The language for project reporting will be English.

Project Reviews

In line with reporting periods, the following schedule of project review has been agreed on:

Table 6: Project review

Review no.	Tentative timing	Planned venue of review ¹²
1	After project month: 18	Brussels

Internal Reporting

In addition to the above mentioned reporting, WP leaders are obliged to provide the Project Coordinator with an internal report describing the progress of the work within the respective WP every three months. Every six months each project partner is obliged to provide the Project Coordinator with an internal report describing the personnel effort incurred. In the mid of the project the Project Coordinator will provide an overall internal report stating the progress of the project (deliverables and milestones) and an overview of administrative and financial issues.

¹² May be subject to change

B2.2 Individual participants

1. Kungliga Tekniska Högskolan (KTH)

Description of the legal entity

KTH is responsible for one third of Sweden's capacity for technical research. Research at KTH is organised in five Research Platforms encompassing Energy, ICT, Materials, Transport and Life Science Technology. KTH is a lead partner in two programme areas within the European Institute of Innovation and Technology (EIT): InnoEnergy and ICT Labs. KTH is involved in 224 ongoing EU projects.

Role in the project / main tasks in the project

KTH will be the coordinator of the INSIGHT_E project. It will be work package leader of WP1 and WP7. Furthermore, it will be involved in all the other WPs. It will, above all, contribute its knowledge on modelling methodologies relevant for WP2 and WP3.

Previous experience relevant for the above tasks

The staff of KTH-DESA has extensive experience in energy systems analysis with an outstanding knowledge regarding the development and implementation of modelling tools such as MESSAGE, MARKAL, TIMES and LEAP. It develops the leading open source energy modelling system OSeMOSYS¹³. Furthermore, it draws on experience from one of the leading energy planning sections in a UN organisation (with decades of engagement with African decision makers in the field of energy systems). KTH-DESA staff took a lead in efforts such as the IIASA Global Energy Assessment (GEA), the IEA World Energy Outlook (WEO) and Energy Technology Perspectives (ETP).

Short profile of staff members involved in the project

¹³ www.OSeMOSYS.org

¹⁴ International Atomic Energy Agency

¹⁵ International Institute for Applied Systems Analysis

¹⁶ Joint Institute for Strategic Energy Analysis

¹⁷ United Nations Industrial Development Organisation

2. Enerdata SA (NRD)

Description of the legal entity

Enerdata is an independent information & consulting firm specialised in the global energy and carbon markets and has over 25 years of experience in economic issues related to midstream and downstream energy. Enerdata's products cover energy and CO₂ emissions databases, statistics, reports, news, analysis and forecasts, with the use of globally recognized in-house forecasting models (POLES-Enerdata, MedPro). Enerdata also participated in EMF 24 and 27 and in FP7 AMPERE.

Role in the project / main tasks in the project

Enerdata will be the leader of WP2. It will also be involved in WP 1, WP3, WP4, WP5 and WP6. It will bring in its vast experience in quantitative data analysis and modelling (development, maintenance and use).

Previous experience relevant for the above tasks

European Commission: Framework Contract with IPTS (Joint Research Centre of the European Commission); Improvement of the POLES coal, oil and gas supply module; Database on non-EU Renewables Support Schemes. Enerdata is also involved in many other projects, e.g.: ODYSSEE, Intelligent Energy Europe¹⁸; Techno-economic analysis of key alternative energy technologies, DG Research; Identification of supply chain bottlenecks in the 2030 Strategic Energy Technologies Plan, DG Research; EFONET, DG Research; AMPERE: DG RTD FP7¹³; POLINARES (Policy on Natural Resources; energy security of supply focus): DG RTD FP7¹⁴; PACT (Pathways for Carbon Transition): DG-Research; as well as numerous energy scenario and modelling & forecasting exercises for public and private clients.

Short profile of staff members involved in the project

¹⁸ <http://www.odyssee-indicators.org/>

3. Energy Institute „Hrvoje Požar“ (EIHP)

Description of the legal entity

Energy Institute Hrvoje Požar is a non-profit public institution owned by the Government of Republic of Croatia. Institute provides expert and scientific support to the strategic development of the energy system and its sub-systems, the processes of legislative reform and development, the advancement of economic relations, and to the development of relevant institutions. The Institute's main tasks include: expert and scientific research in the field of energy for state, regional and local administration and energy companies; expertise and analyses for the state institutions; management of national energy programs and pilot projects; organisation of seminars, workshops and courses; publication of editions, periodicals and other forms of communication with experts, scientists and the general public, especially via Internet.

Role in the project / main tasks in the project

EIHP will participate in WP1, WP2, WP3, WP4 and WP5.

Previous experience relevant for the above tasks

EIHP manages energy system development planning projects in the field of electricity, oil and gas. Internationally renowned models such as MARKAL, WASP, MESSAGE, MAED, PLEXOS, BALANCE, IMPACT and ENPEP are used for long-term, mid-term or short-term planning on national, regional and local levels. EIHP developed Energy Strategies for Republic of Croatia, Bosnia and Herzegovina, Republic of Srpska and Montenegro and provided services like e.g. determination of the energy reserves, power transmission and dispatching master plan, suggestion for power sector restructuring and regulatory framework and many more to specified countries. EIHP also participated in FP7 ATeST Project (Analysing Transition Planning and Systemic Energy Planning Tools for the implementation of the Energy Technology Information System).

Short profile of staff members involved in the project

4. Energy Engineering Economic Environment Systems Modeling and Analysis SRL (E4SMA)

Description of the legal entity

E4SMA s.r.l. (Energy Engineering Economic Environment Systems Modeling and Analysis) provides consulting services in the areas of energy planning, policy and environment. The main area of expertise is in supporting the creation of energy/ environmental/ economic models as a means to represent the complexity of existing energy systems and to investigate how such systems evolve through scenario-based analysis using simulation or optimization approaches.

Role in the project / main tasks you have been attributed in the project

E4SMA will be involved in WP1, WP2, WP3, WP4 and WP5. It will bring in its (Open Source) modelling expertise, technology data and knowledge on behavioural change.

Previous experience relevant for the above tasks

E4SMA has relevant experience in MARKAL/TIMES-based modelling. Company experts can handle various system analysis approaches, such as the CGE models, the accounting framework (e.g. LEAP), the multi-criteria and the system dynamics-based tools, as well as some power systems specific models (e.g. Plexos). It has acquired a lot of experience in previous European Projects during the last years, such as NEEDS¹⁹, IMAA-CNR, RES2020²⁰, CRES, REALISEGRID²¹, RSE, RE-ACCESS²², COMET and LNEG.

Short profile of staff members tentatively involved in the project

¹⁹ www.needs-project.org

²⁰ www.res2020.eu

²¹ <http://realisegrid.erse-web.it>

²² <http://reaccess.epu.ntua.gr>

Flat-rate financing for SME owners

E4SMA will make use of the flat-rate financing for SME owners and natural persons who do not receive a salary to calculate their personnel costs. Based on the Guide for Financial Issues Version 2013-03-18 and the People Specific Programme (Marie Curie" flat-rates) the two owners and will receive the following hourly rates:

1. Hourly rate (Experienced researchers (more than 10 years experience)):

87,500 € (Annual allowance for experienced workers) / 1,575 (productive hours per year)
 * 106.60 (Correction coefficient for Italy)
 = 59.22 €

2. Hourly rate (Experienced researchers (between 4 and 10 years experience)):

58,500 € (Annual allowance for experienced workers) / 1,575 (productive hours per year)
 * 106.60 (Correction coefficient for Italy)
 = 39.59 €

The total personnel costs of 65,350 € for E4SMA are further split as follows:

	Hourly rate in EUR	Hours worked*	Person month	Total costs in EUR
	59.22	350	2.5	20,727
	39.59	735	5.25	29,099
Other employees**	19.28	805	5.75	15,524
Total		1890	13.5	65,350

* The following assumption applies: 20 days * 7 hours = 1 PM → 1 PM = 140 hours

** The hourly rate of 19.29 € (rounded number) for other employees reflects the average payment for other employees at E4SMA involved in the project. The detailed allocation of resources will be specified in the course of the project.

5. KIC InnoEnergy SE (KIC-IE)

Description of the legal entity

InnoEnergy is one of the three KICs (together with EIT ICT labs and Climate-KIC) funded by EIT. KIC InnoEnergy fosters the integration of education, research and business (the knowledge triangle), strengthening the culture of innovation and entrepreneurship. InnoEnergy is a commercial company, incorporated as *Societas Europea*, with 29 shareholders; all of them key players in the energy sector, with top ranking industries, research centres and universities. KIC InnoEnergy is a for profit organisation, but adopts a “not for dividend” financial strategy since it reinvests profits in new activities. KIC InnoEnergy is headquartered in The Netherlands, but is present in Europe with six collocation centres (CC). KIC InnoEnergy activities in education, technology and innovation & entrepreneurship are designed, developed and implemented by a very reasonable balance of top rank industries, research centers, universities and business schools. KIC InnoEnergy's strategy is to be the leading engine for innovation and entrepreneurship in the field of sustainable energy. Sustainability by addressing: (1) the reduction of the cost in the energy value chain (supply, transport, storage, distribution and retail); (2) the increase of security (autonomy vis à vis the resource holders, intrinsic operational security); (3) the reduction of CO₂ and other green-house gas emissions. KIC InnoEnergy is focusing on 6 thematic areas: (1) Clean Coal Technologies; (2) European Smart Electric Grids & Electric Storage; (3) Intelligent, energy-efficient buildings and cities; (4) Energy from chemical fuels; (5) Renewables; (6) Sustainable Nuclear & Renewable Energy Convergence and Energy Efficiency.

Role in the project / main tasks in the project

KIC-IE will be the leader of WP6. It will also be involved in WP1, WP2, WP3, WP4 and WP5. Being a key part in the present EU energy landscape, it can provide specific input from the innovation point of view; global competence mapping and innovation technology roadmaps; customer/technology readiness level analyses and associated methodologies.

Previous experience relevant for the above tasks

KIC-IE provides multiple collective experiences gained from industry, education and technology prioritization. It is tightly associated to the SET Plan implementation and evolutions. As such it occupies a central part in early stages of the energy policy dialogue and is also involved in many EU consultation processes in education, technology development, regional policy, innovation and SME policies. It also has links with JRC/ IE&T (Board + SETIS). It can also leverage on its expertise gained from previous observatory experience (nanotech) + KIC IE Market Analysis Repository.

Short profile of staff members involved in the project

6. Institut Français des Relations Internationales (IFRI)

Description of the legal entity

Ifri is the only French research institute placed among the top 50 most influential think-tanks in the world (outside of the United States), according to the Global Think Tank Report 2011, published by the University of Pennsylvania. Founded in 1979 on the model of Anglo-Saxon think tanks, Ifri is the principal institution for independent research and debate in France that is dedicated to the analysis of international questions and global governance. Ifri's policy-oriented research strives to illuminate international events and put them in perspective. It is primarily useful for political and economic decision-makers as well as academics, opinion leaders, and civil society representatives. The research that is at the heart of Ifri's activities favors analysis and foresight concerning European and international affairs, and adopts a multidisciplinary approach that takes local, national and global perspectives into consideration. Today Ifri is composed of more than 30 permanent French and foreign researchers from a wide range of backgrounds and disciplines, who are part of 15 research units based on regional or cross-cutting subjects. The research and debates that Ifri engages in are reflected in its highly regarded publications: *Politique étrangère*, the oldest French review of international relations, and the RAMSES report, as well as in its series of digital publications.

Role in the project / main tasks in the project

IFRI will be the leader of WP 4. Besides, it will participate in WP1, WP2, WP3, WP5 and WP6.

Previous experience relevant for the above tasks

Ifri's research is fueled by debates organized in an informal and non-partisan way, and that facilitate the bringing-together of experts and decision-makers, private and public alike. Therefore, it will add its experiences in monitoring and enriching the European debate on energy issues through a pluridisciplinary approach covering all dimensions of international relations. For this reason, it is the most suitable partner to lead the Hot Energy Topics WP.

Short profile of staff members involved in the project

7. Karlsruhe Institute of Technology (KIT)

Description of the legal entity

KIT bundles the missions of both precursory institutions: A university of the state of Baden-Wuerttemberg with teaching and research tasks and a large-scale research institution of the Helmholtz Association conducting program-oriented provident research on behalf of the Federal Republic of Germany. Within these missions, KIT is operating along the three strategic fields of action of research, teaching, and innovation.

Role in the project / main tasks in the project

KIT will participate in WP1, WP2, WP3, WP4 and WP6.

Previous experience relevant for the above tasks

KIT is coordinator of KIC InnoEnergy lighthouse project ESA2 (Energy System Analysis Agency). One important aim of this project is to combine the complementary strengths of existing model approaches to increase the potential of individual instruments and to make more comprehensive methods for analyzing energy systems available. Therefore flexible model-data interfaces will be developed and allow the integration of different energy system models:

The KIT together with the associated partners within ESA2 has a long experience in consulting companies and policymakers in a broad range of energy and environmental topics based on a broad range of established systems analysis methods. Special competences are available in the development and application of systems analysis models.

Short profile of staff members involved in the project

8. Stakeholder Forum (SF)

Description of the legal entity

Stakeholder Forum is a non-profit organisation founded in 1987. It is headquartered in London and has an office in New York. Its mission is to enhance open, accountable and participatory decision-making at international processes on a diverse range of issues around sustainable development and climate change.

Role in the project / main tasks in the project

SF will be the Work package leader of WP5. It will also participate in WP1, WP2, WP3, WP4 and WP6. It will be mainly responsible for Stakeholder mapping and consultation (design and collect civil society inputs), coordinating and managing the major communication with Energy Policy Advice Network (EPAN) and organizing and relationship building to new external stakeholders. Moreover, it will contribute to effectively manage communications and develop tailored messages to disseminate the work of the “think-tank”.

Previous experience relevant for the above tasks

Stakeholder Forum works with a diversity of stakeholder globally on international policy development; stakeholder engagement and consultation; media and communication. In recent work Stakeholder Forum coordinated the civil society global consultation and engagement for the “Water, Energy and Food Security Nexus Conference” organized by the federal Government of Germany (2012), and coordinated stakeholder engagement for the World Bank’s Climate Investment Funds Partnership Forum (2010, 2011). Stakeholder Forum will bring in its expertise and methods for developing and facilitating global multi-stakeholder processes and its knowledge and tools in global policy and advocacy, dissemination and stakeholder organisation.

Short profile of staff members involved in the project

9. The Paul Scherrer Institute (PSI)

Description of the legal entity

The Paul Scherrer Institute (PSI) is a multi-disciplinary research centre for natural sciences and technology and the largest Swiss national research institute. In national and international collaboration with universities, other research institutes and industry, PSI is active in solid state physics, materials sciences, elementary particle physics, life sciences, nuclear and non-nuclear energy research, and energy-related ecology. PSI's priorities lie in areas of basic and applied research, particularly in fields which are relevant for sustainable development. The Laboratory for Energy Systems Analysis at PSI is an interdepartmental laboratory conducting analytical research covering current and future fossil, nuclear and renewable energy systems.

Role in the project / main tasks in the project

PSI will participate in WP1, WP2, WP3, WP4 and WP5. PSI's main contribution will be to WP 3 (including in Analysis, Policy Options and Modelling, and Impact Assessment). Additional contributions can be made to WP2. PSI will also contribute to framing in WP1; and PSI's contribution will feed into other WPs, requiring additional contributions, e.g. in the Energy Observatory (WP6).

Previous experience relevant for the above tasks

The Laboratory for Energy Systems Analysis at PSI has extensive experience in technology assessment and energy systems modelling and is the leading group in Switzerland on these topics. Specific expertise in energy technology assessment includes the development, implementation and application of state-of-the-art methods and databases covering environmental, economic and risk-related impacts. Key methods and competences include process-oriented Life Cycle Assessment (LCA), Environmental Impact Assessment (EIA), Comparative Risk Assessment (CRA), Internal and External Cost Assessment, Electric Sector Simulation (ESS), and Multi-Criteria Decision Analysis (MCDA). Specific competences in energy system modelling include model development and application; scenario analysis; climate change mitigation policy analysis; technology data and representation; modelling technological change; electricity sector modelling and dispatch; integrated assessment modelling

Short profile of staff members involved in the project

10. Universitaet Stuttgart, Institute of Energy Economics and the Rational Use of Energy (USTUTT)

Description of the legal entity

The cooperation between technical, physical and human sciences has always been an advantage of the University of Stuttgart (USTUTT). Today the university is a modern, achievement-orientated institution with a comprehensive range of subjects and a focus on technical and physical disciplines. The income from external funds, which is always high, was around 170 million Euros in 2011 and shows that the University is a much sought-after partner by international and German, state and private funding organisations and by the economy. 4.800 employees work in over 150 institutes, 10 faculties and in central institutions.

Role in the project / main tasks in the project

USTUTT will be the leader of WP3. It will also contribute to WP1, WP2, WP4, WP5 and WP6.

It will bring in its outstanding expertise in methodology for impact assessments and modelling tools in the energy sector.

Previous experience relevant for the above tasks

The Institute of Energy Economics and the Rational Use of Energy (IER) of the University of Stuttgart was partner in the EU-funded projects ACROPOLIS, NEEDS and RES2020. Based on previous research activities, the IER has a profound experience in energy system analysis on global, European, national and local level. The IER is the national contact point for the Energy Technology Systems Analysis Program (ETSAP), an Implementing Agreement of the International Energy Agency (IEA). Currently, the IER takes part in the KIC InnoEnergy – Lighthouse Innovation Project Energy System Analysis Agency (ESA2) and in the EU founded project AMPERE. The IER is also member of the HGF International Research School on Energy Scenarios. For the project the following models can be made available by the IER: EcoSense (based on IPA, which was developed in the EU-funded Extern-E project), TIMES PanEU, TIAM (regionalized bottom-up model), NEWAGE (National European Worldwide Applied General Equilibrium Modelling System), E2M2s (stochastic European electricity market model), and JMM (Joint Market Model).

Short profile of staff members involved in the project

11. University College Cork

Description of the legal entity

University College Cork (UCC) is a world-class research-led University that plays a key regional and national role in the development of Ireland's knowledge-based economy. Recent output metrics include 1135 enrolled PhD student numbers, 181 annual output of PhDs and 7000 research articles including 3,500 articles in ISI Web of Knowledge-indexed publications since 2006. Up to May 2011, UCC is the most successful institution in Ireland in terms of success rates and the number of participations in funded FP7 projects. UCC's Environmental Research Institute is an inter-disciplinary research institute to facilitate and support environmental, marine and energy based research. An independent assessment of research quality at UCC in 2009 awarded the ERI a top research rating (Level 5). Within the ERI, UCC's Energy Policy and Modelling Group has been engaged in energy policy and energy modelling research for over 12 years. The current research focus is on building and using energy modelling tools to inform policy decisions.

Role in the project / main tasks in the project

UCC will contribute to WP1, WP2, WP3, WP4, WP5 and WP6.

Previous experience relevant for the above tasks

UCC's Energy Policy and Modelling Group is co-ordinating two key national projects "Irish TIMES Phase 2" in collaboration with the Economic and Social Research Institute, Teagasc and E4sma (Italy) and "Climate Technology – Realising the Potential" and recently completed an IEA funded project to model modal shifting within TIMES in collaboration with UC Davis and E4sma. Dr. Brian Ó Gallachóir has co-authored peer reviewed journal papers with SEAI, UCD, UNIDO, TU Wien, Novartis, EU JRC (Ispra), Bord Gais, IER (Stuttgart), University of Texas, Aquamarine, Gar-rad Hassan, KTH and IIASA.

Short profile of staff members involved in the project

12. University College London

Description of the legal entity

UCL is one of the UK's premier universities and is ranked in the world's top 10, whose staff and former students have included 20 Nobel Prize winners. Founded in 1826, it currently employs approximately 8,000 staff, 12,000 undergraduates and 7,500 graduate students (from 140 countries). It has an annual turnover exceeding £600 million, and is financially and managerially independent of the University of London.

The UCL Energy Institute is the University's mechanism for bringing together a wide range of perspectives, understandings and procedures in energy research, transcending the boundaries between academic disciplines. At present, UCL has a research portfolio in energy of more than £10 million.

Role in the project / main tasks in the project

UCL will participate in WP1, WP2, WP3, WP4 and WP5.

Previous experience relevant for the above tasks

UCL has specific competencies in the following fields: Energy systems modelling; Open Source Modelling; Integration with a focus on short term constraints; Technology data and representation; Macro and microeconomics; scenarios and transition pathways; Life cycle assessment; Modelling and behaviour change; Modelling and technological change. UCL hosts a framework of energy models, with a particular emphasis on hybrid bottom-up and top-down approaches. It has UK, EU and global MARKAL-TIMES energy system models. UCL Energy Institute leads the £6 million Whole systems energy modelling consortium (wholeSEM) and the £2 million Energy Systems theme of the UK Energy Research Centre. UCL led the Low Carbon Societies modelling project that reported to the 2008 G8 summit in Japan, and is also prominently involved in other high profile modelling projects, such as EMF-28 and the FP7 ADVANCE project.

Short profile of staff members involved in the project

B2.3 Consortium as a whole

The INSIGHT_E consortium will be composed of major European universities and research institutions, consultancies and database specialists as well the EIT's KIC InnoEnergy in the energy sector, an independent think-tank and a stakeholder organisation, all joining forces in this project.

Complementarity of competencies

The consortium brings together partners with competencies in multiple fields such as expertise in the energy sector, technical /engineering, economic, trade and legal expertise combined with extensive experience in policy advice. The INSIGHT_E partner constellation ensures a broad general knowledge of the energy system and the energy industry, comprising, amongst others, excellent scientific know-how regarding electricity, oil, coal and gas markets, renewables and energy efficiency. The know-how of the partners is complementary and safeguards a successful course and outcome of this project. All relevant fields of knowledge to succeed in carrying out the project are covered by the consortium.

All partners have extensive experience with collaborative R&D activities on a national and international level. All partners have previously been involved in the FP7 programme and some have previously assumed leading positions within a consortia or adopted the role of project coordinator.

- **Leading European universities and research centres**

The participating leading universities and research organisations are KTH, USTUTT, KIT, UCL and UCC.

The research work of the participating renowned universities and research organisations is focused on energy economics, (energy) systems analysis and integrated impact assessments regarding e. g. technology and climate change, sustainability and energy efficiency. They will also contribute technological and economic knowledge on energy system (development) planning and provide extensive quantitative databases as well as proven methodologies and advanced forecasting models. Many universities and organisations are national team members of the Energy Technology Systems Analysis Program (ETSAP²³). They also add their vast experience in regular publications and functions as lead authors.

- IER has been engaged in research work in the fields of environmental economy and integrated impact assessment for many years.
- KTH experts have profound expertise in the field of energy-economy-environment analysis and planning, sustainable energy development and mitigating climate change, provision of information and knowledge management services to EU Member States and comprehensive but technologically neutral energy system modelling. KTH is also leading efforts to quantify Africa's energy system development (together with IRENA and the World Bank)
- UCC has acquired a profound knowledge in ex-post and ex-ante evaluations of energy policies and energy systems modelling.

²³ ETSAP is an Implementing Agreement of the International Energy Agency (IEA), first established in 1976. The consortium of member country teams and invited teams cooperate to establish, maintain, and expand a consistent multi-country energy/economy/environment/engineering (4E) analytical capability.

- UCL Energy's modelling and policy advice has underpinned every major UK energy policy report for the last 10 years, including for a range of government departments. UCL also has expertise in the field of behavioural change and consumer behaviour.
 - PSI has a strong background in policy impact assessment at the Swiss, European and global level. Their high-level projects and connections set them apart.
- **Highly experienced European research organisations and consultancies**

The participating engineering research organisations and consultancies are E4SMA, Enerdata and EIHP.

EIHP and E4SMA will be contributing their knowledge in modelling, database and scenario development and assessment and bring national expertise from their respective countries.

Enerdata will provide the consortium with access to critical and comprehensive energy data and excellent consulting experience being a advisor to the European Commission (several DGs), private companies (oil & gas, power utilities, OEMs, etc.), international bodies (e. g. WEC). It has furthermore provided advisory missions for several non-EU governments involving energy and industrial planning using the MEDEE models suite, but is also experienced in energy policy issues and scenario development / impact assessments of European national governments.

EIHP has a longstanding policy advice experience and conducted expert and scientific research as well as consulting services in the field of energy for state, regional and local administration and energy companies; management of National Energy Programs and pilot projects as well as dissemination and training activities. EIHP has cooperated on numerous South-Eastern European projects for development of power and gas systems and has provided assistance to regulators in introducing and improving service quality regulation in the energy community.

- **Knowledge and Innovation Community of the European Institute of Technology**

The participating partner is KIC-IE.

KIC IE with numerous key players in the energy field as shareholders will ensure substantial contributions in the major thematic focus areas of clean coal technologies, European smart electric grids and electric storage, smart and energy-efficient buildings and cities, energy from chemical fuels, renewables and sustainable nuclear and renewable energy convergence. Involving six regional collocation centers in Europe, KIC IE also provides for a holistic knowledge of the whole European energy system and market. KIC IE will act as a gateway to interaction with industry partners and decision makers. As the policy output will heavily impact these stakeholders, industry insight and input will be vital to the think-tank processes. KIC InnoEnergy - a collocation center within KIC IE - represents industry organisations such as ABB, Vattenfall and Areva, and will utilise these partnerships for feedback on the final report outcomes as well as to stimulate broader energy discussions as inputs for possible future policy report topics.

Many KIC IE partners have been experts in the EU and worldwide. The international working group members are in contact with top players in climate-energy policy making and their advisory bodies in the US, Japan, China, the Mediterranean, etc. Furthermore, KIC IE is

tightly associated to the SET Plan implementation and evolutions. As such it occupies a central part in early stages of the energy policy dialogue. It is also involved in many EU consultation processes in education, technology development, regional policy, innovation and SME policies. Moreover, it is linked to the Joint Research Center of the European Commission (JRC) and the Information System for the European Strategic Energy Technology Plan (SETIS).

- **Stakeholder organisation**

The participating partner is SF.

Stakeholder Forum is a well-established International Organisation. In the INSIGHT_E project, it will carry out the work of determining the issues that are most relevant, based on broad public opinion, and to ensure a citizen-inclusive engagement process, the outreach to civil society, small corporations and non-governmental organisations.

Together with KIC-IE, SF will work with outreach in the three main stages of initial fact-finding studies/surveys compiling the entire range of energy related topics that are most "popular", for possible inclusion in the reports and providing suggestions of some key indicators to be included in the modelling and scenario assessments. In the second stage, it will support post-modelling feedback by means of organizing the outreach to stakeholders to review whether the most important issues have been addressed and included in the scenarios/models. This will also help provide feedback and general opinion on scenario outcomes the dissemination of outcomes. SF can primarily bring in experience and contacts for engagement with NGOs and other representative bodies. Direct engagement with the broader public will be carried out when possible (for e. g. leveraging on existing events of partners etc.).

- **Independent think-tanks for research and debate**

The participating think-tank is IFRI.

Ifri as the principal institution for independent research and debate in France dedicated to the analysis of international questions and global governance will bring in its multidisciplinary research approach that takes local, national and global perspectives into consideration. This will be an important success factor both supporting comprehensive policy impact assessment and interaction with stakeholders and the EC for topic definition and feedback on the research work carried out by the consortium. Ifri can also provide legal expertise, e. g. in the fields of market design and regulation, global energy governance and integration of the European energy market

Previous experience in the field of policy advice of the participating institutions

Table 7: Partner's previous experience in policy advice

Partner	Forms of policy advice	Recipients
PSI	Development, analysis and quantification of energy scenarios with energy systems and integrated assessment models	<ul style="list-style-type: none"> • National governments • European Commission • National industry associations • International industry associations • Multinational companies • International Organisations

	Development, implementation and application of state-of-the-art methods and databases for interdisciplinary energy technology assessment	<ul style="list-style-type: none"> • Wider public • National governments • European Commission • National industry associations • International industry associations • Multinational companies • International organisations • Wider public
KTH	Integrated Resource Planning, integrating Climate, Land-Use, Energy and Water Strategies & Policy Analysis for the Island Nation of Mauritius	<ul style="list-style-type: none"> • National Government • Scientific Community
	Occasional contributor to the IEA World Energy Outlook.	<ul style="list-style-type: none"> • OECD including Europe
	Occasional contributor to the IEA Energy Technology Perspectives.	<ul style="list-style-type: none"> • OECD including Europe
	Expert contributor of the UNFCCC to review of state of modeling knowledge.	<ul style="list-style-type: none"> • Global governments, including the EC.
	Expert in the working group focusing on Energy System Integration for the SET plan.	<ul style="list-style-type: none"> • European Commission.
	Expert contributor to the role of assessments for Fusion Energy.	<ul style="list-style-type: none"> • European Commission.
	Lead author of Perspectives on Sustainable Energy in the 21 st Century. The UNDESA / EC Sustainable Development in the 21 st Century (SD21) project)	<ul style="list-style-type: none"> • Global governments, including the EC
	National Delegate to EU's R&D program for Energy	<ul style="list-style-type: none"> • EC • Wider public
	National Delegate to the EC's Energy Economics Analysts Group	<ul style="list-style-type: none"> • EC • Wider public
	UNIDO Special Advisor on International Energy Issues, incl. coordinating the inter-agency response to energy issues	<ul style="list-style-type: none"> • EC • Wider public
	Design, delivery, and monitoring of national energy policies and budgets	<ul style="list-style-type: none"> • Irish Government: Clean Energy Division & National Energy Authority
	Fiscal policy: Analysis of macro-financial flows in the electricity and gas distribution sectors in developing countries	<ul style="list-style-type: none"> • Development Aid Community • Wider Public
	Promotion of New Clean Energy Technologies and the World Bank Group	<ul style="list-style-type: none"> • World Bank Group
NRD	Scenario creation for world oil and gas supply following the improvement of the POLES unconventional supply module	<ul style="list-style-type: none"> • National governments • European Commission • EC's Joint Research Centres

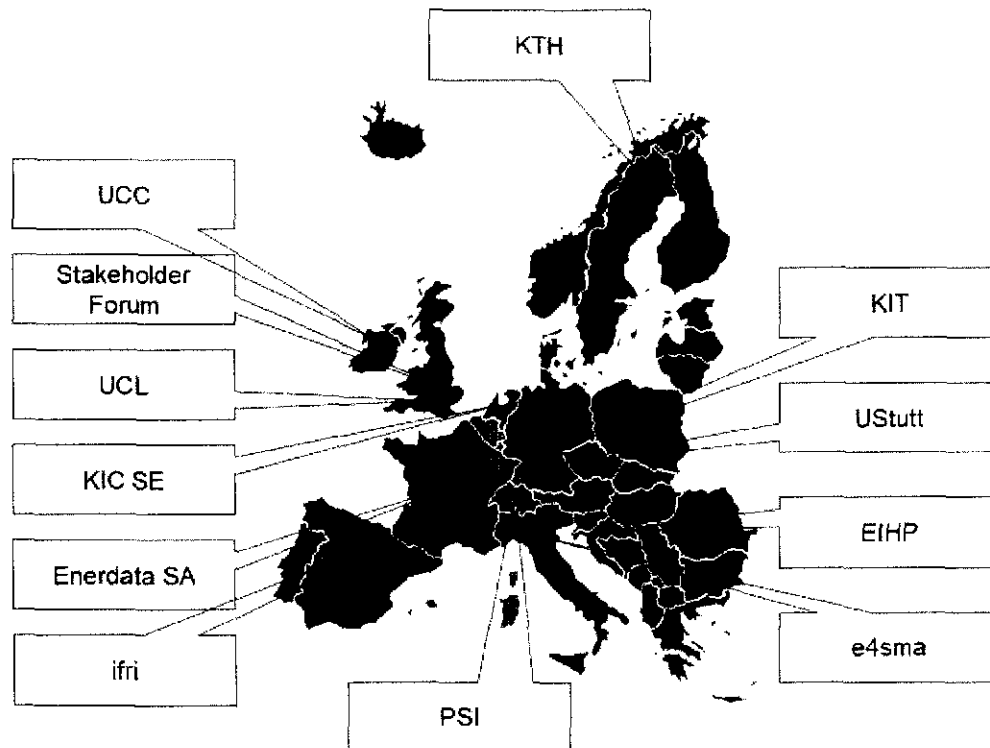
		<ul style="list-style-type: none"> • International institutions: World Energy Council • Private companies: Oil & Gas majors, Power utilities, Industrial OEMs, ... • Energy analysts community
	Production of energy efficiency indicators and analysis of trends in the EU for all sectors of the economy	<ul style="list-style-type: none"> • Please see above
	Identification of supply chain bottlenecks in the 2030 SET Plan for 9 power and energy technologies (materials supply, logistics, legislative, industrial capacity, labour)	
	Assessment of NAMAs (Nationally Appropriate Mitigation Actions) for specific emerging economies, energy scenarios	
	Creation of energy scenarios reflecting different geopolitical futures and impact assessment on EU energy security of supply; (partial) extension to non-energy materials security of supply	
	Study of effects of different carbon market configurations on carbon trade volumes (sectors and country participation, transaction costs, ...)	
	Database on non-EU Renewables Support Schemes	
	Assessment of emissions abatement potential per technological option and per sector of the economy to advise a Member State government on the EU ETS	
	Study of the effects on world energy and carbon markets of: different hydrocarbon resources; different CCS costs; changing subsidies in oil & gas producing countries; ambitious electric vehicle policy; penetration of gas in freight road transport.	
UStutt	German Energy Outlook	<ul style="list-style-type: none"> • German government
	System analysis of energy storage technologies	<ul style="list-style-type: none"> • German government
	Analysing Transition Planning and Systemic Energy Planning Tools for the implementation of the Energy Technology Information System (ATEsT)	<ul style="list-style-type: none"> • European Commission
	Development and application of environmental Life Cycle Impact assessment Methods for improved sustainability Characterisation of Technologies (LC-IMPACT)	<ul style="list-style-type: none"> • European Commission
	30-year re-analysis of space and time variations of CARBON fluxes and pools over Europe and the globe (CARBONES)	<ul style="list-style-type: none"> • European Commission
	Transport related Air Pollution and Health Impacts - Integrated Methodologies for Assessing Particulate Matter (TRANSPHORM)	<ul style="list-style-type: none"> • European Commission

	EXIOPOL - A New Environmental Accounting Framework Using Externality Data and Input-Output Tools for Policy Analysis	<ul style="list-style-type: none"> European Commission
	CASES - Cost Assessment for Sustainable Energy Systems	<ul style="list-style-type: none"> European Commission
	INtegrating MainSTREAM Economic Indicators with Sustainable Development Objectives (INSTREAM)	<ul style="list-style-type: none"> European Commission
	Monitoring and Evaluating the RES Directives implementation in EU-27 and policy recommendations (RES2020)	<ul style="list-style-type: none"> European Commission
	GreenNet-Incentives. Promoting grid-related incentives for large-scale RES-E integration into the different European electricity systems	<ul style="list-style-type: none"> European Commission
	Energy and climate protection concept for Baden-Wuerttemberg	<ul style="list-style-type: none"> German Regional government
KIT-IE	Energy system Analysis	<ul style="list-style-type: none"> National governments State governments SME and Companies
	Sustainable energy transition within Baden-Wuerttemberg	<ul style="list-style-type: none"> German Regional government
	Impact of new technologies and political framework on energy systems	<ul style="list-style-type: none"> National governments
	Investment and disinvestment decisions of energy plants	<ul style="list-style-type: none"> SME and Companies
	Potential of biomass for energy use	<ul style="list-style-type: none"> Regional governments
	Urban transport	<ul style="list-style-type: none"> European Parliament
	Decision-making processes in respect to nuclear waste management	<ul style="list-style-type: none"> Wider public National Government
SF	Coordinating stakeholder engagement and communications through an online platform (Outreach Magazine)	<ul style="list-style-type: none"> International Renewable Energy Agency Assembly
	Coordinating stakeholder engagement for the World Bank's Climate Investment Funds Partnership Forum	<ul style="list-style-type: none"> World Bank
	Coordinating the civil society global consultation and engagement for the 'Water, Energy and Food Security Nexus Conference	<ul style="list-style-type: none"> Federal Government of Germany
	United Nations Conference on Sustainable Development (Rio+20)	<ul style="list-style-type: none"> United Nations Department of Social and Economic Affairs

Geographic Complementarities

The consortium members are based in 10 different European countries. Thus, the consortium is characterised by geographic complementarity in order to achieve a truly European approach. Since the policymaking of the EC will affect all MS of the EU and most other European countries, this project is of significant importance throughout the European Union. The figure below depicts the geographic diversity of the consortium.

Figure 10: Consortium complementarity



B2.3.1 Sub-contracting

This table summarises the subcontracts that will be concluded by the beneficiaries for the realization of specific tasks during the project implementation. The subcontractors identified/to be identified were/will be selected following the provisions of Art. II.7.2. of the Grant Agreement.

Beneficiary	Subcontractor (if identified)	Activity	Task	WP	Selection procedure	Justification	Amount (EUR)
KIC		CSA	T6.2 & T6.3	6	Awarded according to the principles of best value for money (best price-quality ratio), transparency and equal treatment in accordance to the provisions of Art. II.7.2. of Annex II of GA	Development of the Observatory informatics system as the crucial technical base for WP6. The web system will enable all partners to make their input available to interested third parties as described in the description of work package 6 (see deliverable D6.1 and D6.2). The contracted services will be necessary support for IT specialists at the lead partner KIC InnoEnergy.	75,000

B2.3.2 Other countries

The consortium only consists of partners from EU Member States and two Associated Countries (Switzerland, Croatia).

B2.3.3 Third Parties

There will not be any third parties included in this project.

B2.4 Resources to be committed**B2.4.1 Coherent integration of financial resources / overall financial plan**

Table 8: Budget (according to activities) in EUR

Nr.	Organisation Short Name	Support	Management	Total costs	Requested EC contribu- tion
1	KTH	349,860.00	64,200.00	414,060.00	369,203.00
2	NRD	145,595.97	2,908.26	148,504.23	148,503.00
3	EIHP	78,738.00	10,860.00	89,598.00	79,891.00
4	E4SMA*	74,820.00	14,400.00	89,220.00	79,554.00
5	KIC-IE	237,530.40	11,295.00	248,825.40	229,994.32
6	IFRI	159,618.00	8,682.00	168,300.00	150,067.00
7	KIT	194,523.00	8,477.00	203,000.00	170,129.00
8	SF	55,650.70	22,791.00	78,441.70	78,441.00
9	PSI	158,400.00	10,200.00	168,600.00	150,335.00
10	UStutt	224,318.40	9,907.20	234,225.60	208,850.00
11	UCC	175,438.80	12,661.20	188,100.00	167,721.00
12	UCL	167,858.40	19,231.20	187,089.60	166,820.00
	TOTAL	2,022,351.67	195,612.86	2,217,964.53	1,999,508.32

Total costs and requested EC funding:

Total costs of the project amounts to EUR. The requested funding from the EC amounting to EUR 1,999,509 is calculated according to the FP7 Financial Guidelines.

Total costs by type of activity:

- **Support:** Costs for support activities amount to EUR 2,022,351.67. This equals to 91.2 % of the overall effort.
- **Management:** Management costs amount to EUR 195,612.86 equalling 8.8 % of the overall budget.

Distribution of budget among partners / regions:

The budget has been carefully assessed and allocated between project partners according to the efforts planned. In conclusion, the consortium has assured the coherent integration of financial resources among the project partners as well as with regard to the different activities and cost categories.

Other Direct Costs

The table below describes the planned other direct costs in more detail. This table shows all planned costs for consumables excluding travel cost. All costs are fully assigned to the project's activities and the project duration. Therefore no depreciation costs occur and the full purchase costs of the following items will be subject to reimbursement.

Table 9: Planned costs for consumables

Beneficiary	WP	Description	Activity	Justification	Costs charged to the project	Requested EC contribution
KTH	WP6	Costs for consumables and room rent for the kick-off event	Management	Organisation and host of the INSIGHT-E kick-off event	3,750	3,750
KTH	WP6	Costs for consumables and room rent for annual workshops	Management	Annual workshop/meeting to present results from INSIGHT-E (3 workshops á EUR 2,250)	6,750	6,750
KTH	WP6	Cost for the development and maintenance of the INSIGHT-E webpage	Management	Dissemination of project work and results, online communication for INSIGHT-E	1,000	1,000
KTH	WP2, WP3, WP4	Costs of 10 ANSWER-OSeMOSYS software licences (EUR 50 € per licence)	Management	ANSWER is a software used to interface with TIMES and MARKAL, two of the leading energy modeling tools currently used by energy policy analysts in over 100 institutions around the world. It was developed by Noble-Soft Systems Pty Ltd. OSeMOSYS is an open source energy modeling tool that will be used extensively for the modeling work in the INSIGHT-E project. The open source aspect of this tool is especially sig-	500	500

				<p>nificant as we have emphasized transparency of data, assumptions, and methodology as key aspects of INSIGHT-E.</p> <p>ANSWER-OSeMOSYS is the integration of OSeMOSYS with the ANSWER interface, carried out by Noble-Soft Systems, and is currently the best available mode of working with OSeMOSYS.</p> <p>KTH will need the software for modeling the energy system at a national, regional and global level.</p>		
KTH	WP6	Costs for publications in scientific journals, press releases and international conferences	Management	Dissemination of the results is extremely valuable. INSIGHT-E will publish its research results in leading scientific journals. In addition, material will also be prepared for official press releases and for visibility at international conferences	1,000	1,000
Total KTH					13,000	13,000
SF	WP5	Costs for the purchase of a Web-Ex license	CSA	<p>Web-Ex licenses: online web conferencing tool for up to 100 people. Allows all users to be displayed by video, share screens and has an interactive whiteboard feature.</p> <p>Maximum 3 meetings per year (3 years) with 3 hosts. Approximately EUR 160 per meeting/license.</p>	1,500	1,500

SF	WP5	Costs for the stakeholder survey (2 month subscription)	CSA	Stakeholders will be engaged to provide feedback on the interim results of Policy Reports and also on draft versions of the Rapid Response Energy Briefs	80	80
SF	WP5	Costs for printing materials used at conferences/ events	CSA	Distribution of project information and exhibition of results at events – at least one per year. Preparation and printing of materials is necessary.	1,500	1,500
Total SF					3,080	3,080
Total Other Direct Costs					16,080	16,080

In relation to the other direct costs of the project INSIGHT-E beneficiaries, we confirm the following:

1. All costs will be recorded in the accounts of the beneficiary
2. The costs will be determined according to the usual accounting and management principles and practices of the beneficiary. They will be identifiable and verifiable;
3. Only the portion of the equipment's depreciation, rental or lease costs corresponding to the duration of the action will be taken into account;
4. Only the portion used for the purposes of the action will be taken into account
5. The costs of rental or lease of equipment or other assets will not exceed the depreciation costs of similar equipment or assets and will exclusive of any finance fee.

Overview on budget planned for travel costs

KTH	42,750
NRD	15,000
EIHP	13,500

E4SMA	9,000
KIC-IE	8,250
IFRI	17,250
KIT	16,500
SF	6,750
PSI	4,500
UStutt	27,000
UCC	22,500
UCL	13,500
TOTAL	196,500

Variations in the number of travels calculated evolve due to the number of work packages the partner is involved in, due to the number of persons travelling, as well as due to the fact if the partner plans to host meetings.

It is not known yet when and where the different meetings will take place. It might be necessary to organise meetings or web-conferences on a short notice.

B2.4.2 Mobilization of necessary resources and complementing resources

The project's resources will be mobilised by the project partners' own internal budgets. INSIGHT_E leverages on these resources.

B3. Impact**Summary**

INSIGHT_E will enable breakthroughs in the provision of new insights on policy options and their impacts in the field of energy policy advice. The multidisciplinary nature of the consortium as well as the multiple types of reports addressing the needs of policy makers will contribute to achieving this impact.

Moreover, INSIGHT_E implements a flexible and at the same time profound information tool which will bring about significant improvements to the policy making process and hence secure a climate-friendly energy policy. The achievement of the impacts will be facilitated by an efficient dissemination strategy.

B3.1 Expected impacts listed in the work programme

Climate change and its consequences are of major importance for setting energy policy decisions. The EU and its member states are facing a growing dependence on energy imports, an increasing strain on energy resources and the need to ensure access for all consumers to affordable and secure energy. In addition, energy politics are characterized by a high degree of uncertainty and a complex and multidisciplinary structure. To address these challenges the EU has already defined several key policies (e.g. 20 % improvement in the EU's energy efficiency).

Nevertheless, to reach the defined targets the European Union requires in-depth knowledge and insights on current and future topics concerning and affecting energy policy. INSIGHT_E will exactly meet this demand by supplying the European Commission with profound knowledge on policy options as well as detailed impact assessments. The information will be provided through three different types of reports which cover status-quo analysis as well as future predictions.

The three different tangible results of the think-tank will contribute to achieving the impact listed in the work programme that has been outlined above:

Ad-hoc delivery of knowledge through Rapid Response Energy Briefs:

The Rapid Response Energy Briefs are quick expert analytical responses to current energy policy questions. The Rapid Response Energy Briefs do not follow a predefined schedule and have a very short, deliberately chosen, response period of no more than six weeks. This will provide the EC with a very flexible and ad-hoc information tool. The information provided will contribute significantly to the quality of ongoing political discussions, enhance the decision making process and support political argumentation. The Rapid Response Energy Briefs will give policy makers a useful knowledge for their everyday work.

The short but accurately composed information can also be used at international fora and meetings which will in return strengthen the influence of EU policy makers. The Rapid Response Energy Brief's information may be further exploited for press releases and press conferences.

In-depth analysis of policy options and potential impacts through Policy Reports:

The second report approach conducts detailed impact assessments analysing current conditions and lay out different policy options. These reports are carried out by multidisciplinary research involving experts in the energy sector, top researchers, engineers and leading trade, economic and legal experts and are based on extensive data. The Policy Reports are a useful tool to support political decisions and facilitate justification.

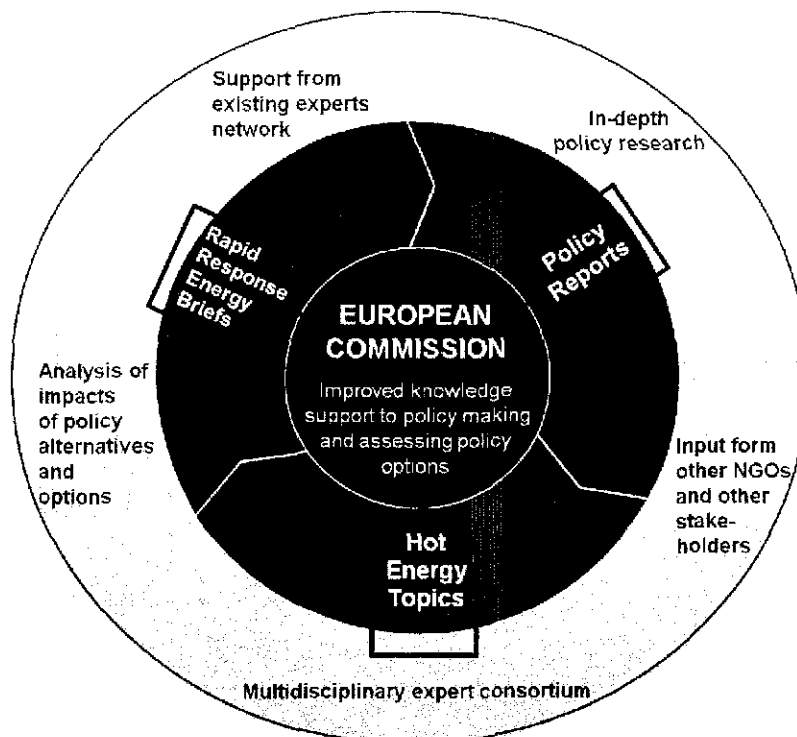
The collaborative research work of INSIGHT_E does also contribute additional academic value since knowledge, methods and information will not only be shared and exchanged within the consortium but also with the consortium's associated networks. The INSIGHT_E' Policy Reports will consolidate academic peer-reviewed publications. This in return will trigger further research highly required in order to discover new and innovative solutions.

Anticipation of the policy agenda and trend analysis through Hot Energy Topics

The third type of reports intends to identify topics that are expected to be driving the policy agenda in the near future and also offer interpretations of current political developments. It will stimulate current political debate with new insights and the identification of future issues. With its independent and multidisciplinary consortium the think-tank will be able to identify political developments on different levels and areas guaranteeing a broad perspective. It will also offer deliberations on topics which might have lacked attention in the past but are of major importance for the future.

Furthermore, through analysing trends the European Union will be able to play its intended role model within global energy politics.

Figure 11: INSIGHT_E impact



The advantage of a European approach

An efficient and all-embracing improvement of knowledge support can only be achieved with a collaborative European approach. This is due to a number of reasons.

- First, structures and conditions within the energy sector are still different in each Member State. In order to assess different policy options it is crucial to be aware of these differences. Therefore, it is absolutely necessary to involve a wide range of experts from across Europe facilitates the understanding for these differences and priorities.
- Second, research institutions, key actors in the energy industry as well as stakeholders are spread across all European countries. Furthermore, existing cross-border networks such as the KIC InnoEnergy have shown first positive results in improving the exchange of information and knowledge. Cross-European institutions will be deepened through this project and contribute to the excellence of the results of INSIGHT_E.
- Third, a collaborative approach will improve the understanding and willingness for a better harmonization in energy policies and foster the integration of the European Energy Market.
- In addition, it is important to bear in mind that climate change, energy security and energy independence are problems that have to be faced in all member states and can surely be solved more effectively on a European than on a national level. Also, speaking with one voice the European Union will have a much stronger negotiating position at a global level. A stronger negotiating position will likewise increase the weight of European ideas and visions in the field of energy politics.

B3.2 Spreading excellence, exploiting results, disseminating knowledge

Specific features of the dissemination strategy

A clear and target-oriented dissemination strategy is planned to maximise the impacts of the project by:

- Using the existing network of the consortium including their different dissemination channels for example homepages, e-newsletters or mailings lists
- Experts of the consortium will spread the knowledge conducted within the consortium to their own network outside the consortium. This includes different kinds of interests groups such as industry partners, consumers associations or research institutions
- The knowledge shall be further disseminated through workshops and seminars
- Research results will also be published in scientific journals and further disseminated at academic conferences
- Information will also be disseminated through the project's internet website where the results of INSIGHT_E, i.e. reports, as well as the used scenarios, key assumptions and models are made accessible (Scenario Information System)
- The project will also use social network platforms such as Facebook, Twitter, YouTube and LinkedIn to reach the wider public

Target groups

1. Policy makers

The main target group of the project are policy makers. INSIGHT_E is designed to supply European and national politicians with knowledge and insights to facilitate policy making and assessing policy options. This is carried out through the three different reporting approaches. The reports are conducted with active engagement of the EC itself and in the end distributed within the EC and its relevant DGs.

Envisaged primary means of engagement:

- Direct communication in forms of discussion rounds between INSIGHT_E and the European Commission
- Workshops where topics of relevance are jointly defined by the think-tank and the European Commission

Besides European and national politicians the results shall (unless stated differently by the Commission) also be disseminated to politicians in International Organisations (e.g. United Nations). This will contribute to a further knowledge improvement on an international level, which then in turn improves the development of a collaborative approach addressing energy and climate challenges globally. If appropriate International Organisations will be invited to actively join the seminars and discussions rounds mentioned above in order to expand the number of experts.

2. Energy Industry

The energy industry is another key target group. The industries' visions and ideas as well as their current focuses are also essential for policy decisions as well as for assessing the policy options. It is therefore absolutely crucial to communicate with the industry on a regular basis at

an early stage. The intended disseminations strategy will assure that all relevant industries will be reached and that their knowledge will be wisely integrated into the overall process.

Besides, it is also important to share the conducted knowledge with the relevant industry so that they are aware of possible changes and trends allowing them to adapt their technology roadmaps and potential investment strategies.

Envisaged primary means of engagement:

- Expert talks with representatives of the think-tank, the EC and the industry
- Targeted mailings to industry representative organisations
- Direct contacts through the network
- Suggestions, feedback on drafts from the industry or their representative organisations

3. NGOs and civil society

Non-governmental Organisations and the civil society including different national and European citizen initiatives as well as different associations within the environmental or energy sector are another target group. This will contribute to an even wider knowledge supply and further stimulation within another group of interest.

Envisaged primary means of engagement:

- Electronic media in general, especially web-seminars and mailings
- Knowledge is posted in relevant blogs and forums to offer points of contacts for the debate.

4. Scientific community

Academic research contributes significantly to handling the challenges listed above and can be considered as important facilitators in the field of energy policy. Therefore it is essential to involve a wide range of experts as well as existing think-tanks. Here the consortium plans to interact with the Energy Technology System Analysis Program (ETSAP). This exchange will leverage the overall knowledge and generate benefits on both sides.

The scientific community will also be addressed by the publication of the results in peer-reviewed journals and the presentation of the results at significant conferences and workshops. Invitations will be sent out through the already existing network of the think-tank.

Envisaged primary means of engagement:

- Conferences to facilitate knowledge exchange and stimulate current debates
- Social Media, such YouTube channels or Twitter Feeds
- Exchange through the existing network in forms of newsletters, mailings, news feeds or websites
- Publication of results in peer-reviewed journals

5. Consumers and the wider European public

An additional important target group includes the consumers and the wider European public. Energy policy decisions are highly linked to the future prosperity of European's society. Therefore, it is absolutely necessary to raise awareness of energy policy issues within this group. The knowledge provided by the consortium shall mainly be disseminated to the wider public using

online media including social networks. The intended cooperation with the European Commission's Public Opinion Analysing tools such as the Eurobarometer will contribute to a better understanding of the public opinion, their concerns and the need for further education.

Envisaged primary means of engagement

- Social network platforms such as Facebook, Twitter, YouTube and LinkedIn
- Provision of videos which visualize the main findings and their impacts
- Polls carried out by different stakeholders to discover consumers' concerns on the one hand and consumers' knowledge base on the other hand.
- Direct mailing through the Stakeholder Forum and their network.

Final event:

A final event dedicated to the presentation of the project results in Brussels is envisaged. This event shall gather the main target groups of the project (as described above) and apart from the presentation of the project results consists of a moderated discussion round giving the participants the opportunity to comment on the 9.2.1 conclusions and recommendations.

B4. Ethical Issues

Table 10: Ethical issues

Research on Human Embryo / Foetus	YES	PAGE / NO
Does the proposed research involve Human Embryos?		NO
Does the proposed research Human Foetal Tissues / Cells?		NO
Does the proposed research involve Human Embryonic Stem Cells (hESCs)?		NO
Does the proposed research on human Embryonic Stem Cells involve cells in culture?		NO
Does the proposed research on human Embryonic Stem Cells involve the derivation of cells from Embryos?		NO
I CONFIRM THAT NONE OF THE ABOVE ISSUES APPLY TO MY PROPOSAL	YES	

Research on Humans	YES	PAGE / NO
Does the proposed research involve children?		NO
Does the proposed research involve patients?		NO
Does the proposed research involve persons not able to give consent?		NO
Does the proposed research involve adult healthy volunteers?		NO
Does the proposed research involve Human Genetic Material?		NO
Does the proposed research involve Human biological samples?		NO
Does the proposed research involve Human data collection?		NO
I CONFIRM THAT NONE OF THE ABOVE ISSUES APPLY TO MY PROPOSAL	YES	

Privacy	YES	PAGE / NO
Does the proposed research involve processing of genetic information or personal data (e.g. health, sexual lifestyle, ethnicity, political opinion, religious or philosophical conviction)?		NO
Does the proposed research involve tracking the location or observation of people?		NO
I CONFIRM THAT NONE OF THE ABOVE ISSUES APPLY TO MY PROPOSAL	YES	

Research on Animals	YES	PAGE / NO
Does the proposed research involve research on animals?		NO
Are those animals transgenic small laboratory animals?		NO
Are those animals transgenic farm animals?		NO
Are those animals cloned farm animals?		NO
Are those animals non-human primates?		NO
I CONFIRM THAT NONE OF THE ABOVE ISSUES APPLY TO MY PROPOSAL	YES	

Research involving ICP Countries	YES	PAGE / NO
Is any material used in the research (e.g. personal data, animal and/or human tissue samples, genetic material, live animals, etc):		NO
a, Collected and processed in any of the ICPC countries?		
b, Exported to any other country (including ICPC) and EU Member States)?		NO
I CONFIRM THAT NONE OF THE ABOVE ISSUES APPLY TO MY PROPOSAL	YES	

Dual use	YES	PAGE / NO
Research having direct military use		NO
Research having the potential for terrorist abuse		NO
I CONFIRM THAT NONE OF THE ABOVE ISSUES APPLY TO MY PROPOSAL	YES	

B5. Annex**List of abbreviations.**

DSO	Distribution System Operator
E2M2s	European Electricity Market Model
EC	European Commission
ENPEP	Energy and Power Evaluation Program
EPAN	Energy Policy Advice Network
EU	European Union
EXCOM	Executive Committee
FP6/7	6 th /7 th Framework Programme
GWP	Global Warming Potential
ICT	Information and Communication Technologies
IIASA	International Institute of Applied Systems Analysis
IPR	Intellectual Property Rights
JMM	Joint Market Model
LEAP	Long-term Energy Analysis Program
MAED	Model for Analysis of Energy Demand
MARKAL	Market Allocation
MEDEE	Modèle d'Evolution de la Demande d'Energie
MedPro	Mediterranean Prospects
MESSAGE	Model for Energy Supply Systems And their General Environmental impact
NEWAGE	National European Worldwide Applied General Equilibrium
OSeMOSYS	Open Source energy Modelling SYStem
PERSEUS	Programme-package for Emission Reduction Strategies in Energy Use and Supply-Certificate Trading
PLEXOS	PLEXOS is a MIP-based next-generation energy market simulation and optimization software
POLES	Prospective Outlook on Long-term Energy Systems
PowerACE-DE	PowerACE - Effects of emissions trading and the increased use of renewable energy sources on power markets
SIS	Scenario Information System
TIAM	<i>TIMES Integrated Assessment Model</i>
TIMES PanEU	The Integrated MARKAL EFOM System PanEU
TIMES	The Integrated MARKAL EFOM System
TIMES-Heat-DE	The Integrated MARKAL EFOM System-Heat-DE
TIMES-UK	The Integrated MARKAL EFOM System-UK
WASP	Wind Atlas Analysis and Application Program
WP	Work Package

Abbreviations used in the work plan as defined by the European Commission

CO	Confidential, only for members of the consortium (including the Commission Services)
D	Demonstrator
DEM	Demonstration
M	Milestone
MGNT	Management
O	Other
P	Prototype
PP	Restricted to other programme participants (including the Commission Services)
PU	Public
R	Report
RTD	Research and Technical Development

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II.1. Definitions

1. "*access rights*" means licences and user rights to *foreground* or *background*;
2. "*affiliated entity*" means any legal entity that is under the direct or indirect control of a *beneficiary*, or under the same direct or indirect control as the *beneficiary*, control taking any of the following forms:
 - (a) the direct or indirect holding of more than 50% of the nominal value of the issued share capital in the legal entity concerned, or of a majority of the voting rights of the shareholders or associates of that entity;
 - (b) the direct or indirect holding, in fact or in law, of decision-making powers in the legal entity concerned.
3. "*associated country*" means a *third country* which is party to an international agreement with [the Union] [Euratom], under the terms or on the basis of which it makes a financial contribution to all or part of the Seventh Framework Programme;
4. "*background*" means information which is held by *beneficiaries* prior to their accession to this agreement, as well as copyrights or other intellectual property rights pertaining to such information, the application for which has been filed before their accession to this agreement, and which is needed for carrying out the *project* or for using *foreground*;
5. "*dissemination*" means the disclosure of *foreground* by any appropriate means other than that resulting from the formalities for protecting it, and including the publication of *foreground* in any medium;
6. "*fair and reasonable conditions*" means appropriate conditions including possible financial terms taking into account the specific circumstances of the request for access, for example the actual or potential value of the *foreground* or *background* to which access is requested and/or the scope, duration or other characteristics of the *use* envisaged;
7. "*foreground*" means the results, including information, whether or not they can be protected, which are generated under the *project*. Such results include rights related to copyright; design rights; patent rights; plant variety rights; or similar forms of protection;
8. "*use*" means the direct or indirect utilisation of *foreground* in further research activities other than those covered by the *project*, or for developing, creating and marketing a product or process, or for creating and providing a service;
9. "*third country*" means a State that is not a Member State;

10. "*irregularity*" means any infringement of a provision of [*Euratom* and European Union] [European Community and European Union] law or any breach of obligation resulting from an act or omission by a *beneficiary* which has, or would have, the effect of prejudicing the general budget of the European Union or budgets managed by it through unjustified expenditure;
11. "*public body*" means any legal entity established as such by national law, and international organisations;
12. A legal entity is qualified as "*non-profit*" when considered as such by national or international law;
13. "*research organisation*" means a legal entity established as a *non-profit* organisation which carries out research or technological development as one of its main objectives;
14. "*SMEs*" mean micro, small and medium-sized enterprises within the meaning of Recommendation 2003/361/EC in the version of 6 May 2003.

Part A IMPLEMENTATION OF THE *PROJECT*

SECTION 1 – GENERAL PRINCIPLES

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

1. All the *beneficiaries* together form the *consortium*, whether or not they enter into a separate written *consortium agreement*. *Beneficiaries* are represented towards the *Commission* by the *coordinator*, who shall be the intermediary for any communication between the *Commission* and any *beneficiary*, with the exceptions foreseen in this *grant agreement*.
2. The financial contribution of [*the Union*] [*Euratom*] to the *project* shall be paid to the *coordinator* who receives it on behalf of the *beneficiaries*. The payment of the financial contribution of [*the Union*] [*Euratom*] to the *coordinator* discharges the *Commission* from its obligation on payments.
3. The *coordinator* shall:
 - a) administer the financial contribution of [*the Union*] [*Euratom*] regarding its allocation between *beneficiaries* and activities, in accordance with this *grant agreement* and the decisions taken by the *consortium*. The *coordinator* shall ensure that all the appropriate payments are made to the other *beneficiaries* without unjustified delay;
 - b) keep the records and financial accounts making it possible to determine at any time what portion of the financial contribution of [*the Union*] [*Euratom*] has been paid to each *beneficiary* for the purposes of the *project*;
 - c) inform the *Commission* of the distribution of the financial contribution of [*the Union*] [*Euratom*] and the date of transfers to the *beneficiaries*, when required by this *grant agreement* or by the *Commission*;
 - d) review the reports to verify consistency with the *project* tasks before transmitting them to the *Commission*;

- e) monitor the compliance by *beneficiaries* with their obligations under this *grant agreement*.

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

4. *Beneficiaries* shall fulfil the following obligations as a *consortium*:

- a) provide all detailed data requested by the *Commission* for the purposes of the proper administration of this *project*;
- b) carry out the *project* jointly and severally vis-à-vis [*the Union*] [*Euratom*], taking all necessary and reasonable measures to ensure that the *project* is carried out in accordance with the terms and conditions of this *grant agreement*.
- c) make appropriate internal arrangements consistent with the provisions of this *grant agreement* to ensure the efficient implementation of the *project*. When provided for in Article 1.4 these internal arrangements shall take the form of a written *consortium agreement* (the "*consortium agreement*"). The *consortium agreement* governs *inter alia* the following:
 - i. the internal organisation of the *consortium* including the decision making procedures;
 - ii. rules on *dissemination* and *use*, and *access rights*;
 - iii. the distribution of the financial contribution of [*the Union*] [*Euratom*];
 - iv. the settlement of internal disputes, including cases of abuse of power;
 - v. liability, indemnification and confidentiality arrangements between the *beneficiaries*.
- d) engage, whenever appropriate, with actors beyond the research community and with the public in order to foster dialogue and debate on the research agenda, on research results and on related scientific issues with policy makers and civil society; create synergies with education at all levels and conduct activities promoting the socioeconomic impact of the research.
- e) allow the *Commission* to take part in meetings concerning the *project*.

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

Each *beneficiary* shall:

- a) carry out the work to be performed, as identified in Annex I. However, where it is necessary for the implementation of the *project* it may call upon third parties to carry out certain elements, according to the conditions established in Article II.7 or any special clause in Article 7. The *beneficiary* may use resources that are made available by third parties in order to carry out its part of the work;
- b) ensure that any agreement or contract related to the project, entered into between the *beneficiary* and any third party contain provisions that this third party, including the auditor providing the certificate on the financial statements or on the methodology, shall have no rights vis-à-vis the *Commission* under this *grant agreement*;
- c) ensure that the rights of the *Commission* and the Court of Auditors to carry out audits are extended to the right to carry out any such audit or control on any third party whose costs

- are reimbursed in full or in part by the financial contribution of *[the Union] [Euratom]*, on the same terms and conditions as those indicated in this *grant agreement*;
- d) ensure that the conditions applicable to it under Articles II.4.4, II.10, II.11, II.12, II.13, II.14 and II.22 are also applicable to any third party whose costs are claimed under the *project* according to the provisions of this *grant agreement*;
- e) ensure that the tasks assigned to it are correctly and timely performed;
- f) inform the other *beneficiaries* and the *Commission* through the *coordinator* in due time of:
- the names of the person(s) who shall manage and monitor its work, and its contact details as well as any changes to that information;
 - any event which might affect the implementation of the *project* and the rights of *[the Union] [Euratom]*;
 - any change in its legal name, address and of its legal representatives, and any change with regard to its legal, financial, organisational or technical situation including change of control and, in particular, any change of status as regards *non-profit public bodies*, secondary and higher education establishments, *research organisations* and *SMEs*;
 - any circumstance affecting the conditions of participation referred to in the *Rules for Participation*¹, the *Financial Regulation*² and its *Rules of Application*³ or of any requirements of the *grant agreement*, especially if and when any eligibility criteria cease(s) to be met during the duration of the *project*.
- g) provide the *Commission* including the European Anti-Fraud Office (OLAF) and Court of Auditors directly with all information requested in the framework of controls and audits;
- h) take part in meetings concerning the supervision, monitoring and evaluation of the *project* which are relevant to it;
- i) take all necessary steps to avoid commitments that are incompatible with the obligations provided for in this *grant agreement* and inform the other *beneficiaries* and the *Commission* of any unavoidable obligations which may arise during the duration of the *grant agreement* which may have implications for any of its obligations under the *grant agreement*;
- j) ensure that it complies with the provisions of the state aid framework;

¹ European Parliament and Council Regulation (EC) No 1906/2006 of 18 December 2006 OJ L391, 30.12.2006, p.1 and Council Regulation (Euratom) No 1908/2006 of 19 December 2006 OJ L 400, 30.12.2006, p.1, corrigendum JO L 54, 22.2.2007, p. 4.

² Regulation (EU, Euratom) No 966/2012 of the European Parliament and the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002, OJ L 298, 26.10.2012, p.1.

³ Commission Delegated Regulation (EU) 1268/2012 of 29.10.2012 on the rules of application of the Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union, OJ L 362, 31.12.2012, p.1.

- k) carry out the *project* in accordance with fundamental ethical principles;
- l) endeavour to promote equal opportunities between men and women in the implementation of the *project*;
- m) have regard to the general principles of the Commission Recommendation of 11 March 2005 on the European Charter for Researchers and the Code of Conduct for the Recruitment of Researchers⁴, in particular concerning the working conditions, transparency of recruitment processes, and career development of the researchers recruited for the *project*;
- n) take every necessary precaution to avoid any risk of conflict of interest relating to economic interests, political or national affinities, family or emotional ties or any other interests liable to influence the impartial and objective performance of the *project*;
- o) designate a legal entity appointed representative (LEAR) as the authorised person to perform the role and tasks stipulated in its document of appointment. If a LEAR has already been appointed the beneficiary agrees that the role and tasks of this LEAR are replaced by those stipulated in the document of appointment in force on the date of signature of this grant agreement.

SECTION 2 – REPORTING AND PAYMENTS

II.4. Reports and deliverables

1. The *consortium* shall submit a **periodic report** to the *Commission* for each reporting period within 60 days after the end of each respective period. The report shall comprise:
 - a) an overview, including a publishable summary, of the progress of work towards the objectives of the *project*, including achievements and attainment of any milestones and deliverables identified in Annex I. This report should include the differences between work expected to be carried out in accordance with Annex I and that actually carried out,
 - b) an explanation of the use of the resources, and
 - c) a financial statement, from each *beneficiary* together with a summary financial report consolidating the claimed contribution of *[the Union] [Euratom]* of all the *beneficiaries* in an aggregate form, based on the information provided in Form C (Annex VI) by each *beneficiary*.
2. The *consortium* shall submit a **final report** to the *Commission* within 60 days after the end of the *project*. The report shall comprise:
 - a) a final publishable summary report covering results, conclusions and socio-economic impact of the *project*.
 - b) a report covering the wider societal implications of the *project*, including gender equality actions, ethical issues, efforts to involve other actors and spread awareness as well as the plan for the *use* and *dissemination* of *foreground*.

⁴ OJ L075, 22.03.2005, p.67.

3. The *coordinator* shall submit a report on the distribution of the financial contribution of *[the Union] [Euratom]* between *beneficiaries*. This report must be submitted 30 days after receipt of the final payment.
4. A **certificate on the financial statements** shall be submitted for claims of interim payments and final payments when the amount of the financial contribution of *[the Union] [Euratom]* claimed by a *beneficiary* under the form of reimbursement of costs is equal to or superior to EUR 375 000, when cumulated with all previous payments for which a certificate on the financial statements has not been submitted. This certificate must be forwarded in the form of a detailed description verified as factual by its external auditor (Form D - Annex VII). However, for *projects* of a duration of 2 years or less, the certificate on the financial statements shall be submitted only for claims on final payments when the amount of the financial contribution of *[the Union] [Euratom]* claimed by a *beneficiary*, in the form of reimbursement of costs, is equal to or superior to EUR 375 000 when cumulated with all previous payments.

Certificates on the financial statements shall certify that the costs claimed and the *receipts* declared during the period for which they are provided, - meet the conditions required by this *grant agreement*. Where third parties' costs are claimed under the *grant agreement*, such costs shall be certified in accordance with the provisions of this Article. The auditor shall include in its certificate that no conflict of interest exists between itself and the *beneficiary* in establishing this certificate.

The *Commission* may, at its sole discretion, accept at the request of a *beneficiary*, that it submits a **certificate on the methodology** for the calculation of costs, which it used to prepare its claims with regard to both personnel and indirect costs, and the related control systems. This certificate must be forwarded in the form of a detailed description verified as factual by its external auditor (Form E - Annex VII). When this certificate is accepted by the *Commission*, the requirement to provide an intermediate certificate on the financial statements for claims of interim payments shall be waived.

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

- i) the auditor must be independent from the *beneficiary*;
- ii) the auditor must be qualified to carry out statutory audits of accounting documents in accordance with national legislation implementing the 8th Council Directive on statutory audits of annual accounts and consolidated accounts⁵ or any European Union legislation replacing this Directive. *Beneficiaries* established in *third countries* shall comply with national regulations in the same field and the certificate on the financial statement provided shall consist of an independent report of factual findings based on procedures specified by the *Commission*.

⁵ Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC

Public bodies, secondary and higher education establishments and research organisations may opt for a competent public officer to provide their certificate on the financial statements and on the methodology, provided that the relevant national authorities have established the legal capacity of that competent public officer to audit that entity and that the independence of that officer, in particular regarding the preparation of the financial statements, can be ensured.

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

5. The *consortium* shall transmit the reports and other deliverables through the *coordinator* to the *Commission* using the electronic exchange system set up by the *Commission*. In particular:
 - Form C, must be transmitted and electronically signed through the electronic exchange system by the authorised person(s) within the *beneficiary's* organisation,
 - The certificates on the financial statements and on the methodology must be hand-signed by an authorised person of the auditing entity on paper and the beneficiary shall keep the originals according to Article II.22.3. A scanned copy of the certificates shall be transmitted through the electronic exchange system.
6. The layout and content of the reports shall conform to the instructions and guidance notes established by the *Commission*.
7. The reports submitted to the *Commission* for publication should be of a suitable quality to enable direct publication and their submission to the *Commission* in publishable form indicates that no confidential material is included therein.
8. Deliverables identified in Annex I shall be submitted as foreseen therein.
9. The *Commission* may be assisted by external experts in the analysis and evaluation of the reports and deliverables.

II.5. Approval of reports and deliverables, time-limit for payments

1. At the end of each reporting period, the *Commission* shall evaluate *project reports and deliverables* required by the provisions of Annex I and disburse the corresponding payments within 90 days of their receipt unless the time-limit, the payment or the *project* has been suspended.
2. Payments shall be made after the *Commission's* approval of reports and/or deliverables. The absence of a response from the *Commission* within this time-limit shall not imply its approval. However, the *Commission* should send a written reply to the *consortium* in accordance with paragraph 3. The *Commission* may reject reports and deliverables even after the time-limit for payment. Approval of the reports shall not imply recognition of their regularity or of the authenticity of the declarations and information they contain and do not imply exemption from any audit or review.
3. After reception of the reports the *Commission* may:
 - a) approve the reports and deliverables, in whole or in part or make the approval subject to certain conditions.

- b) reject the reports and deliverables by giving an appropriate justification and, if appropriate, start the procedure for termination of the *grant agreement* in whole or in part.
- c) suspend the **time limit** if one or more of the reports or appropriate deliverables have not been supplied, or are not complete or if some clarification or additional information is needed or there are doubts concerning the eligibility of costs claimed in the financial statement and/or additional checks are being conducted. The suspension will be lifted from the date when the last report, deliverable or the additional information requested is received by the *Commission*, or where the *Commission* decides to proceed with an interim payment in part in accordance with paragraph 4.

The *Commission* shall inform the *consortium* in writing via the *coordinator* of any such suspension and the conditions to be met for the lifting of the suspension.

Suspension shall take effect on the date when notice is sent by the *Commission*.

- d) suspend the **payment** at any time, in whole or in part for the amount intended for the *beneficiary(ies)* concerned:
 - if the work carried out does not comply with the provisions of the *grant agreement*;
 - if a *beneficiary* has to reimburse to its national state an amount unduly received as state aid;
 - if the provisions of the *grant agreement* have been infringed or if there is a suspicion or presumption thereof, in particular in the wake of any audits and checks provided for in Articles II.22 and II.23.;
 - if there is a suspicion of *irregularity* committed by one or more *beneficiary(ies)* in the performance of the *grant agreement*;
 - if there is a suspected or established *irregularity* committed by one or more *beneficiary(ies)* in the performance of another *grant agreement* funded by the general budget of the European Union or by budgets managed by it. In such cases, suspension of the payments will occur where the *irregularity* (or suspected *irregularity*) is of a serious and systematic nature which is likely to affect the performance of the current *grant agreement*.

When the *Commission* suspends the payment the *consortium* shall be duly informed of the reasons why payment in whole or in part will not be made.

4. The *Commission* may proceed with an interim payment in part if some reports or deliverables are not submitted as required, or only partially or conditionally approved. The reports and deliverables due for one reporting period which are submitted late will be evaluated together with the reports and deliverables of the next reporting period.
5. On expiry of the time-limit for approval of the reports and payments, and without prejudice to suspension by the *Commission* of this time-limit, the *Commission* shall pay interest on the late payment, according to the conditions foreseen in the *Financial Regulation* and its *Rules of Application*, at the rate applied by the European Central Bank for its main refinancing operations in euros, plus three and a half points. The reference rate to which the increase

applies shall be the rate in force on the first day of the month of the final date for payment, as published in the C series of the Official Journal of the European Union.

This provision shall not apply to *beneficiaries* that are *public bodies* of the Member States of the European Union.

Interest on late payment shall cover the period from the final date of the period for payment, exclusive, up to the date when the payment is debited to the *Commission's* account, inclusive. The interest shall not be treated as a *receipt* for the *project* for the purposes of determining the final grant. Any such interest payment is not considered as part of the financial contribution of *[the Union] [Euratom]*.

6. The suspension of the time-limit, of payment or of the project by the *Commission* may not be considered as late payment.
7. At the end of the *project*, the *Commission* may decide not to make the payment of the corresponding financial contribution of *[the Union] [Euratom]* subject to one month's written notice of non-receipt of a report, of a certificate on the financial statements or of any other *project* deliverable.
8. The *Commission* shall inform the *coordinator* of the amount of the final payment of the financial contribution of *[the Union] [Euratom]* and shall justify this amount. The *coordinator* shall have two months from the date of receipt to give reasons for any disagreement. After the end of this period such requests will no longer be considered and the *consortium* is deemed to have accepted the *Commission's* decision. The *Commission* undertakes to reply in writing within two months following the date of receipt, giving reasons for its reply. This procedure is without prejudice to the *beneficiary's* right to appeal against the *Commission's* decision.

II.6. Payment modalities

1. The *Commission* shall make the following payments:
 - a) a **pre-financing** in accordance with Article 6,
 - b) for *projects* with more than one reporting period, the *Commission* shall make **interim payments** of the financial contribution of *[the Union] [Euratom]* corresponding to the amount accepted for each reporting period.
 - c) the *Commission* shall make a **final payment** of the financial contribution of *[the Union] [Euratom]* corresponding to the amount accepted for the last reporting period plus any adjustment needed.

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

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

2. The total amount of the pre-financing and interim payments shall not exceed 90% of the maximum financial contribution of *[the Union] [Euratom]* defined in Article 5.

3. Payments by the *Commission* shall be made in Euro.
4. Costs shall be reported in Euro. *Beneficiaries* with accounts in currencies other than the Euro shall report costs by using, either the conversion rate published by the European Central Bank that would have applied on the date that the actual costs were incurred, or its rate applicable on the first day of the month following the end of the reporting period. *Beneficiaries* with accounts in Euro shall convert costs incurred in other currencies according to their usual accounting practice.
5. N/A.
6. Any payment may be subject to an audit or review and may be adjusted or recovered based on the results of such audit or review.
7. Payments by the *Commission* shall be deemed to be effected on the date when they are debited to the *Commission's* account.

SECTION 3 – IMPLEMENTATION

II.7. Subcontracting

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

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

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

2. Where it is necessary for the *beneficiaries* to subcontract certain elements of the work to be carried out, the following conditions must be fulfilled:
 - subcontracts may only cover the execution of a limited part of the *project*;
 - recourse to the award of subcontracts must be duly justified in Annex I having regard to the nature of the *project* and what is necessary for its implementation;
 - recourse to the award of subcontracts by a *beneficiary* may not affect the rights and obligations of the *beneficiaries* regarding *background* and *foreground*;
 - Annex I must indicate the tasks to be subcontracted and an estimation of the costs;

Any subcontract, the costs of which are to be claimed as an eligible cost, must be awarded according to the principles of best value for money (best price-quality ratio), transparency and equal treatment. Subcontracts concluded on the basis of framework contracts entered into between a *beneficiary* and a *subcontractor*, prior to the beginning of the *project* in accordance with the *beneficiary's* usual management principles may also be accepted.

3. *Beneficiaries* may use external support services for assistance with minor tasks that do not represent per se *project* tasks as identified in Annex I.

II.8. Suspension of the *project*

1. The *coordinator* shall immediately inform the *Commission* of any event affecting or delaying the implementation of the *project*.
2. The *coordinator* can propose to suspend the whole or part of the *project* if *force majeure* or exceptional circumstances render its execution excessively difficult or uneconomic. The *coordinator* must inform the *Commission* without delay of such circumstances, including full justification and information related to the event, as well as an estimation of the date when the work on the *project* will begin again.
3. The *Commission* may suspend the whole or part of the *project* where it considers that the *consortium* is not fulfilling its obligations according to this *grant agreement*. The *coordinator* shall be informed without delay of the justification for such an event and the conditions necessary to reinstate the work again. The *coordinator* shall inform the other *beneficiaries*. This suspension takes effect 10 days after the receipt of the notification by the *coordinator*.
4. During the period of suspension, no costs may be charged to the *project* for carrying out any part of the project that has been suspended.
5. The suspension of the whole or part of the *project* may be lifted once the parties to the *grant agreement* have agreed on the continuation of the project and, as appropriate, any necessary modification, including extension of the duration of the *project*, has been identified by means of a written amendment.

II.9. Confidentiality

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

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

2. Paragraph 1 no longer applies where:
 - the *confidential information* becomes publicly available by means other than a breach of confidentiality obligations;
 - the disclosing party subsequently informs the recipient that the *confidential information* is no longer confidential;
 - the *confidential information* is subsequently communicated to the recipient without any obligation of confidence by a third party who is in lawful possession thereof and under no obligation of confidentiality;
 - the disclosure or communication of the *confidential information* is foreseen by other provisions of this *grant agreement* or the *consortium agreement*;

- the disclosure or communication of *confidential information* is required by the national law of one of the *beneficiaries* and this exception to the confidentiality requirement is foreseen in the *consortium agreement*⁶.
3. The *beneficiaries* undertake to use such confidential information only in relation to the execution of the *project* unless otherwise agreed with the disclosing party.
 4. Notwithstanding the preceding paragraphs, the treatment of data, documents or other material which are classified ("*classified information*") or subject to security restrictions or export- or transfer- control, must follow the applicable rules established by the relevant national and [European Community and European Union] legislation for such information, including the *Commission's* internal rules for handling *classified information*⁷. Where a *beneficiary* is established in a *third country*, any security agreements between that *third country* and [the Union] [the Union or Euratom] shall also apply.

II.10. Communication of data for evaluation, impact assessment and standardisation purposes

1. *Beneficiaries* shall provide, at the request of the *Commission*, the data necessary for:
 - the continuous and systematic review of the specific programme and the Seventh Framework Programme;
 - the evaluation and impact assessment of activities of [the Union] [Euratom], including the *use and dissemination of foreground*.

Such data may be requested throughout the duration of the *project* and up to five years after the end of the *project*.

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

2. Without prejudice to the provisions regarding protection of *foreground* and confidentiality, the *beneficiaries* shall, where appropriate, during the *project* and for two years following its end, inform the *Commission* and the European standardisation bodies about *foreground* which may contribute to the preparation of European or international standards.

II.11. Information to be provided to Member States or Associated Countries

1. The *Commission* shall, upon request, make available to any Member State or *Associated country* any useful information in its possession on *foreground*, provided that the following cumulative conditions are met:
 - the information concerned is relevant to public policy;

⁶ As certain national laws (for example regarding freedom of information) may provide that proprietary information made available under a confidentiality requirement must nevertheless be made public in case access is requested, the *beneficiaries* should inform each other of the existence of such national laws and make appropriate arrangements in the *consortium agreement*.

⁷ Commission Decision 2001/844/EC, ECSC, Euratom of 29 November 2001 OJ L 317, 3.12.2001, p. 1.

- the *beneficiaries* have not provided sound and sufficient reasons for withholding the information concerned;
 - the applicable [*Euratom* and European Union] [European Community and European Union] law on *classified information* does not prohibit such action.
2. As stipulated in the *Rules for Participation*, the provision of information pursuant to paragraph 1 shall not transfer to the recipient any rights or obligations and the recipient shall be required to treat any such information as confidential unless it becomes duly public, or it was communicated to the *Commission* without restrictions on its confidentiality.

II.12. Information and communication

1. The *beneficiaries* shall, throughout the duration of the *project*, take appropriate measures to engage with the public and the media about the *project* and to highlight the financial support of [*the Union*] [*Euratom*]. Unless the *Commission* requests otherwise, any publicity, including at a conference or seminar or any type of information or promotional material (brochure, leaflet, poster, presentation etc), must specify that the *project* has received research funding from [*the Union*] [*Euratom*] and display the European emblem. When displayed in association with a logo, the European emblem should be given appropriate prominence. This obligation to use the European emblem in respect of *projects* to which [*the Union*] [*Euratom*] contributes implies no right of exclusive use. It is subject to general third-party use restrictions which do not permit the appropriation of the emblem, or of any similar trademark or logo, whether by registration or by any other means. Under these conditions, *beneficiaries* are exempted from the obligation to obtain prior permission from the *Commission* to use the emblem. Further detailed information on the EU emblem can be found on the Europa web page.

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

2. The *Commission* shall be authorised to publish, in whatever form and on or by whatever medium, the following information:
- the name of the *beneficiaries*;
 - contact addresses of *beneficiaries*;
 - the general purpose of the *project* in the form of the summary provided by the *consortium*;
 - the amount and rate of the financial contribution of [*the Union*] [*Euratom*] foreseen for the *project*; after the final payment, the amount and rate of the financial contribution of [*the Union*] [*Euratom*] accepted by the *Commission*;
 - the estimated amount and rate of the financial contribution of [*the Union*] [*Euratom*] foreseen for each *beneficiary* in the table of the estimated breakdown of budget in Annex I; after the final payment, the amount and rate of the financial contribution of [*the Union*] [*Euratom*] accepted by the *Commission* for each *beneficiary*;
 - the geographic location of the activities carried out;

- the list of *dissemination* activities and/or of patent (applications) relating to *foreground*;
- the details/references and the abstracts of scientific publications relating to *foreground* and, where provided pursuant to Article II.30.4, the published version or the final manuscript accepted for publication;
- the publishable reports submitted to it;
- any picture or any audiovisual or web material provided to the *Commission* in the framework of the *project*.

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

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

II.13. Processing of personal data

1. All personal data contained in the *grant agreement* shall be processed in accordance with Regulation (EC) No 45/2001 of the European Parliament and of the Council on the protection of individuals with regard to the processing of personal data by the institutions and bodies of the Union and on the free movement of such data. Such data shall be processed by the Controller solely in connection with the implementation and follow-up of the *grant agreement* and the evaluation and impact assessment of activities of *[the Union] [Euratom]*, including the *use* and *dissemination* of *foreground*, without prejudice to the possibility of passing the data to the bodies in charge of a monitoring or inspection task in accordance with *[Euratom and European Union] [European Community and European Union]* legislation and this *grant agreement*.
2. *Beneficiaries* may, on written request, gain access to their personal data and correct any information that is inaccurate or incomplete. They should address any questions regarding the processing of their personal data to the Controller. *Beneficiaries* may lodge a complaint against the processing of their personal data with the European Data Protection Supervisor at any time.
3. For the purposes of this *grant agreement*, the Controller identified in Article 8.5 shall be the contact for the *Commission*.

Part B FINANCIAL PROVISIONS

SECTION 1 – GENERAL FINANCIAL PROVISIONS

II.14. Eligible costs of the *project*

1. Costs incurred for the implementation of the *project* shall meet the following conditions in order to be considered eligible:
 - a) they must be actual;

- b) they must be incurred by the *beneficiary*;
- c) they must be incurred during the duration of the *project*, with the exception of costs incurred in relation to final reports and reports corresponding to the last period as well as certificates on the financial statements when requested at the last period and final reviews if applicable, which may be incurred during the period of up to 60 days after the end of the *project* or the date of termination whichever is earlier;
- d) they must be determined in accordance with the usual accounting and management principles and practices of the *beneficiary*. The accounting procedures used in the recording of costs and *receipts* shall respect the accounting rules of the State in which the *beneficiary* is established. The beneficiary's internal accounting and auditing procedures must permit direct reconciliation of the costs and receipts declared in respect of the *project* with the corresponding financial statements and supporting documents;
- e) they must be used for the sole purpose of achieving the objectives of the *project* and its expected results, in a manner consistent with the principles of economy, efficiency and effectiveness;
- f) they must be recorded in the accounts of the *beneficiary*; in the case of any contribution from third parties, they must be recorded in the accounts of the third parties;
- g) they must be indicated in the estimated overall budget in Annex I.

Notwithstanding point a) of the first subparagraph, *beneficiaries* may opt to declare average personnel costs if the following cumulative criteria are fulfilled:

- (a) The average personnel cost methodology shall be the one declared by the *beneficiary* as its usual cost accounting practice; as such it shall be consistently applied to all the participations of the *beneficiary* in the Framework Programmes.
- (b) The methodology shall be based on the actual personnel costs of the *beneficiary* as registered in its statutory accounts, without estimated or budgeted elements;
- (c) The methodology shall exclude from the average personnel rates any ineligible cost item as referred to in paragraph 3 and any costs claimed under other costs categories in order to avoid double funding of the same costs;
- (d) The number of productive hours used to calculate the average hourly rates shall correspond to the usual management practice of the *beneficiary* provided that it reflects the actual working standards of the *beneficiary*, in compliance with applicable national legislation, collective labour agreements and contracts and that it is based on auditable data.

Beneficiaries may submit a certified methodology for approval by the *Commission* on the basis of the criteria referred to in points (a) to (d) of the second subparagraph.

Such a certificate shall be issued in accordance with the provisions laid down in Article II.4 and the relevant part of Form E in Annex VII, unless it has already been submitted for a previous *grant agreement* under the Seventh Framework Programme and the methodology certified has not changed.

Average personnel costs charged on the basis of methodologies which comply with the criteria referred to in points (a) to (d) of the second subparagraph shall be deemed not to differ significantly from actual costs.

SME owners who do not receive a salary and other natural persons who do not receive a salary shall charge as personnel costs a flat rate based on the ones used in the People Specific Programme for researchers with full social security coverage, adopted by Council Decision No 2006/973/EC⁸, and specified in the annual Work Programme of the year of the publication of the call to which the proposal has been submitted⁹.

The value of the personal work of those SME owners and natural persons shall be based on a flat rate to be determined by multiplying the hours worked in the project by the hourly rate to be calculated as follows:

{Annual living allowance corresponding to the appropriate research category published in the 'People' Work Programme of the year of the publication of the call to which the proposal has been submitted / standard number of annual productive hours} multiplied by {country correction coefficient published in the 'People' Work programme of the year of the publication of the call /100}

The standard number of productive hours is equal to 1 575. The total number of hours claimed for European Union projects in a year cannot be higher than the standard number of productive hours per SME owner/natural person.

The value of the personal work shall be considered as a direct eligible cost of the project.

2. Costs incurred by third parties in relation to resources they make available free of charge to a *beneficiary*, can be declared by the *beneficiary* provided they meet the conditions established in paragraphs 1 and 3, *mutatis mutandis* and are claimed in conformity with Article II.17.
3. The following costs shall be considered as non-eligible and may not be charged to the *project*:
 - a) identifiable indirect taxes including value added tax,
 - b) duties,
 - c) interest owed,
 - d) provisions for possible future losses or charges,
 - e) exchange losses, cost related to return on capital,
 - f) costs declared or incurred, or reimbursed in respect of another *project of the Union* or of *Euratom*,
 - g) debt and debt service charges, excessive or reckless expenditure.

⁸ OJ L 400, 30.12.2006, p.272.

⁹ For calls published in 2006 the flat rates to be applied are those of the People Work Programme 2007.

II.15. Identification of direct and indirect costs

1. Direct costs are all those eligible costs which can be attributed directly to the *project* and are identified by the *beneficiary* as such, in accordance with its accounting principles and its usual internal rules.

With regard to personnel costs, only the costs of the actual hours worked by the persons directly carrying out work under *the project* may be charged. Such persons must:

- be directly hired by the *beneficiary* in accordance with its national legislation,
- work under the sole technical supervision and responsibility of the latter, and
- be remunerated in accordance with the normal practices of the *beneficiary*.

Costs related to parental leave for persons who are directly carrying out the *project* are eligible costs, in proportion to the time dedicated to the *project*, provided that they are mandatory under national law.

2. Indirect costs are all those eligible costs which cannot be identified by the *beneficiary* as being directly attributed to the *project* but which can be identified and justified by its accounting system as being incurred in direct relationship with the eligible direct costs attributed to the *project*. They may not include any eligible direct costs.

Indirect costs shall represent a fair apportionment of the overall overheads of the organisation. They may be identified according to one of the following methods:

- a) Based on actual indirect costs for those *beneficiaries* which have an analytical accounting system to identify their indirect costs as indicated above.

For this purpose, a *beneficiary* is allowed to use a simplified method of calculation of its full indirect eligible costs at the level of its legal entity if this is in accordance with its usual accounting and management principles and practices. Use of such a method is only acceptable where the lack of analytical accounting or the legal requirement to use a form of cash-based accounting prevents detailed cost allocation. The simplified approach must be based on actual costs derived from the financial accounts of the last closed accounting year.

- b) A *beneficiary* may opt for a flat rate of 20% of its total direct eligible costs, excluding its direct eligible costs for subcontracting and the costs of resources made available by third parties which are not used on the premises of the *beneficiary*.
- c) *Non-profit public bodies*, secondary and higher education establishments, *research organisations* and *SMEs*, which, due to the lack of analytical accounting, are unable to identify with certainty their real indirect costs for the *project*, when participating in funding schemes which include research and technological development and demonstration activities, as referred to in the table of Article II.16, may opt for a flat rate of 60% of the total direct eligible costs excluding its direct eligible costs for subcontracting and the costs of resources made available by third parties which are not used on the premises of the *beneficiary*. This flat rate shall be applied for the whole duration of the project, even if these beneficiaries change their status during the life of the project.

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

3. The *beneficiary* shall apply the option chosen in all *grant agreements* under the Seventh Framework Programme.

However, any *beneficiary* that has opted for the possibilities described in paragraphs 2b) and 2c) for reimbursement of its indirect costs in a previous *grant agreement* funded under the Seventh Framework Programme may opt in this *grant agreement* for one of the methods described in paragraph 2a). However, it must then use that method in subsequent *grant agreements* established under the Seventh Framework Programme.

II.16. Upper funding limits

1. For **research and technological development activities**, the financial contribution of *[the Union]* *[Euratom]* may reach a maximum of 50% of the total eligible costs.

However, for *beneficiaries* that are *non-profit public bodies*, secondary and higher education establishments, *research organisations* and *SMEs*, the rate may reach a maximum of 75% of the total eligible costs. This rate shall be applied for the whole duration of the project, even if these beneficiaries change their status during the life of the project.

2. For **demonstration activities**, the financial contribution of *[the Union]* *[Euratom]* may reach a maximum of 50% of the total eligible costs.
3. For **coordination and support actions**, the financial contribution of *[the Union]* *[Euratom]* may reach a maximum of 100% of the total eligible costs.
4. For **other activities** not covered by paragraphs 1 and 2, *inter alia*, management activities, training, coordination, networking and *dissemination* (including publications), the contribution may reach a maximum of 100% of the total eligible costs.

Paragraphs 1 to 4 shall apply also in the case of *projects* where flat rate financing or lump sum financing is used for the whole or for part of the *project*.

5. **Management** of the *consortium* activities includes:

- maintenance of the *consortium agreement*, if it is obligatory,
- the overall legal, ethical, financial and administrative management including, for each of the *beneficiaries*, the obtaining of the certificates on the financial statements and on the methodology and costs relating to financial audits and technical reviews,
- implementation of competitive calls by the *consortium* for the participation of new *beneficiaries*, where required by Annex I of this *grant agreement*,
- any other management activities foreseen by the annexes, except coordination of research and technological development activities.

6. For **training activities**, the salary costs of those being trained are not eligible costs under this activity.

The table illustrates the maximum rates of the financial contribution of [the Union] [Euratom] for the activities relating to the funding schemes below:

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

(*) Research and technological development includes scientific coordination.

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

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

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

II.17. Receipts of the project

Receipts of the *project* may arise from:

- a) Resources made available by third parties to the *beneficiary* by means of financial transfers or contributions in kind which are free of charge:
 - i. shall be considered a *receipt* of the *project* if they have been contributed by the third party specifically to be used on the *project*;
 - ii. shall not be considered a *receipt* of the *project* if their use is at the discretion of the *beneficiary's* management.
- b) Income generated by the *project*:
 - i. shall be considered a *receipt* for the *beneficiary* when generated by actions undertaken in carrying out the *project* and from the sale of assets purchased under the *grant agreement* up to the value of the cost initially charged to the *project* by the *beneficiary*;
 - ii. shall not be considered a *receipt* for the *beneficiary* when generated from the *use* of *foreground* resulting from the *project*.

II.18. The financial contribution of [the Union] [Euratom]

1. The financial contribution of [the Union] [Euratom] to the *project* shall be determined by applying the upper funding limits indicated in Article II.16, per activity and per *beneficiary* to the actual eligible costs and/or to the flat rates and/or lump sums accepted by the *Commission*.
2. The financial contribution of [the Union] [Euratom] shall be calculated by reference to the cost of the *project* as a whole and its reimbursement shall be based on the accepted costs of each *beneficiary*.
3. The financial contribution of [the Union] [Euratom] cannot give rise to any profit for any *beneficiary*. For this purpose, at the time of the submission of the last financial statement, the final amount of the financial contribution of [the Union] [Euratom] will take into account any *receipts* of the *project* received by each *beneficiary*. For each *beneficiary*, the financial contribution of [the Union] [Euratom] cannot exceed the eligible costs minus the *receipts* for the *project*.
4. The total amount of payments by [the Union] [Euratom] shall not exceed in any circumstances the maximum amount of the financial contribution of [the Union] [Euratom] referred to in Article 5.
5. Without prejudice to the right to terminate the *grant agreement* under Article II.38, and without prejudice to the right of the *Commission* to apply the penalties referred to in Articles II.24 and II.25 if the *project* is not implemented or is implemented poorly, partially or late, the *Commission* may reduce the grant initially provided for in line with the actual implementation of the *project* on the terms laid down in this *grant agreement*.

II.19. Pre-financing provided by the Commission

1. *Pre-financing* remains the property of [the Union] [Euratom] until the final payment.
2. Interest yielded by the pre-financing made to the coordinator shall not be due to the Union in accordance with the *Financial Regulation* and its *Rules of Application*.

SECTION 2 – GUARANTEE FUND AND RECOVERIES**II.20. Guarantee Fund**

1. The financial responsibility of each *beneficiary* shall be limited to its own debt, subject to the following paragraphs.
2. In accordance with Article 6, *beneficiaries* shall contribute to the Guarantee Fund (hereinafter *the Fund*) established in order to manage the risk associated with non-recovery of sums due to [the Union] [Euratom] by *beneficiaries* of *grant agreements* under FP7. That contribution to be transferred by the *Commission* on their behalf may not be offset against any pending debt they may have towards [the Union] [Euratom].
3. *The Fund* is the property of the *beneficiaries* of on-going *grant agreements* under FP7. [The Union] [Euratom] represented by the *Commission* shall manage it, as executive agent, on their behalf. *The Fund* shall be deposited in a bank (hereinafter *the Bank*)

chosen by *[the Union] [Euratom]* represented by the *Commission*, in its quality of executive agent.

4. Interest generated by *the Fund* shall be added to it and shall be used by the *Commission* for transfers from or recoveries from the Fund referred to in paragraphs 1 and 2 of Article II.21 (hereinafter *the Operations*).

Operations may be undertaken from the day of entry into force of the first *grant agreement* under FP7 until the day of the final payment of the last one. At the end of that period, any remaining interest shall become the property of *[the Union] [Euratom]*.

Where interest is insufficient to cover *Operations*, contributions to *the Fund* may be used within a limit not exceeding 1% of the financial contribution of *[the Union] [Euratom]* due to *beneficiaries* other than those referred to in paragraph 5, at the end of the period referred to in the above paragraph. Beyond these limits or after that period, the *Commission* shall recover directly from *beneficiaries* any amount owed.

5. At the final payment made after the end of the *project*, the amount contributed to *the Fund* under this *grant agreement* shall be returned to the *beneficiaries* via the *coordinator*.

The amount to be returned shall be equal to:

“contribution to the Fund under this grant agreement” x “Fund index”

The “Fund index” is established at the end of each month by *the Bank* to be applied during the following month, and shall equal the following ratio reduced to 1 when superior:

$$\text{Fund index} = (C + I + B)/C$$

where:

C= contributions to *the Fund* of all on-going *projects* when establishing the index

I = cumulated interest generated by *the Fund* since the start of the period

B= (recoveries to the profit of *the Fund*) - (transfers from & recoveries on the *Fund*)

Where, following this calculation, the amount to be returned to the *beneficiaries* is lower than the amount contributed to *the Fund* under this *grant agreement*, that deduction shall not exceed 1% of the financial contribution of *[the Union] [Euratom]* and shall not apply to amounts due to *public bodies* or legal entities whose participation in the *grant agreement* is guaranteed by a Member State or an *Associated country*, and higher and secondary education establishments.

Each *beneficiary* hereby accepts that the amount to be returned to it, is assigned to the payment of any debt due by the said *beneficiary* to *the Union or Euratom* under this *grant agreement* or under any other obligation irrespective of its origin, without any further formality.

II.21. Reimbursement and recoveries

1. Where, following a written request from the *Commission*, a *beneficiary* in an on-going *grant agreement* under the FP7 does not reimburse to the *coordinator* any requested amount at the

latest 30 days after receipt of the request, and where the remaining *beneficiaries* agree to implement the said *grant agreement* identically regarding its objectives, the *Commission* shall order *the Bank* to directly transfer from *the Fund* an equivalent amount to the *coordinator*. Amounts transferred from *the Fund* shall substitute the financial contribution of *[the Union] [Euratom]* not reimbursed by the *beneficiary*.

Where an amount due to *[the Union] [Euratom]* by a *beneficiary* is to be recovered after termination or completion of any *grant agreement* under the FP7, the *Commission* shall request, by means of a recovery order issued against the *beneficiary* concerned, the reimbursement of the amount due. If payment has not been made by the due date, sums owed to *[the Union] [Euratom]* may be recovered by offsetting them against any sums it owes to the *beneficiary* concerned, after informing the latter accordingly. In exceptional circumstances, justified by the necessity to safeguard the financial interests of *[the Union] [Euratom]*, the *Commission* may recover by offsetting before the due date of the payment. The *beneficiary's* prior consent shall not be required. Where offsetting is not possible, the *Commission* shall recover effectively from *the Fund* the amounts due.

2. Where an amount due by a *beneficiary* has been transferred or recovered from *the Fund* according to paragraphs 1 and 2, the said *beneficiary* shall reimburse that amount to *the Fund*. For this purpose, the *Commission* shall issue against that beneficiary a recovery order to the benefit of *the Fund*.
3. Each *beneficiary* hereby accepts that:
 - any pending payment excluding *pre-financing* due by *the Union* or *Euratom* to the said *beneficiary*, irrespective of its origin, is assigned to the payment of that *beneficiary's* debt towards the *Fund*;
 - the *Commission* may adopt a recovery decision in accordance with paragraph 5.
4. *Beneficiaries* understand that under Article 299 of the Treaty on the Functioning of the European Union, Articles 164 and 192 of the Treaty establishing the European Atomic Energy Community and as provided by the *Financial Regulation*, the *Commission* may adopt an enforceable decision formally establishing an amount as receivable from persons other than States.
5. If the obligation to pay the amount due is not honoured by the date set by the *Commission*, the sum due shall bear interest at the rate indicated in Article II.5. Interest on late payment shall cover the period between the date set for payment, exclusive and the date on which the *Commission* receives full payment of the amount owed is reimbursed in full, inclusive. Any partial payment shall first be entered against charges and interest on late payment and then against the principal.

SECTION 3 – CONTROLS AND SANCTIONS

II.22. Financial audits and controls

1. The *Commission* may, at any time during the implementation of the *project* and up to five years after the end of the *project*, arrange for financial audits to be carried out, by external auditors, or by the *Commission* services themselves including OLAF. The audit procedure shall be deemed to be initiated on the date of receipt of the relevant letter sent by the *Commission*. Such audits may cover financial, systemic and other aspects (such as accounting and management principles) relating to the proper execution of the *grant agreement*. They shall be carried out on a confidential basis.
2. The *beneficiaries* shall make available directly to the *Commission* all detailed information and data that may be requested by the *Commission* or any representative authorised by it, with a view to verifying that the *grant agreement* is properly managed and performed in accordance with its provisions and that costs have been charged in compliance with it. This information and data must be precise, complete and effective.
3. The *beneficiaries* shall keep the originals or, in exceptional cases, duly authenticated copies – including electronic copies - of all documents relating to the *grant agreement* for up to five years from the end of the *project*. These shall be made available to the *Commission* where requested during any audit under the *grant agreement*.
4. In order to carry out these audits, the *beneficiaries* shall ensure that the *Commission's* services and any external body(ies) authorised by it have on-the-spot access at all reasonable times, notably to the *beneficiary's* offices, to its computer data, to its accounting data and to all the information needed to carry out those audits, including information on individual salaries of persons involved in the *project*. They shall ensure that the information is readily available on the spot at the moment of the audit and, if so requested, that data be handed over in an appropriate form.
5. On the basis of the findings made during the financial audit, a provisional report shall be drawn up. It shall be sent by the *Commission* or its authorised representative to the *beneficiary* concerned, which may make observations thereon within one month of receiving it. The *Commission* may decide not to take into account observations conveyed or documents sent after that deadline. The final report shall be sent to the *beneficiary* concerned within two months of expiry of the aforesaid deadline.
6. On the basis of the conclusions of the audit, the *Commission* shall take all appropriate measures which it considers necessary, including the issuing of recovery orders regarding all or part of the payments made by it and the application of any applicable sanction.
7. The European Court of Auditors shall have the same rights as the *Commission*, notably right of access, for the purpose of checks and audits, without prejudice to its own rules.
8. In addition, the *Commission* may carry out on-the-spot checks and inspections in accordance with Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the *Commission* in order to protect the European Communities' financial interests against fraud and other irregularities¹⁰ and

¹⁰ OJ L 292, 15.11.1996, p.2.

Regulation (EC) No 1073/1999 of the European Parliament and of the Council of 25 May 1999 concerning investigations conducted by the European Anti-Fraud Office (OLAF)¹¹
Council Regulation (Euratom) No 1074/1999 of 25 May 1999 concerning investigations conducted by the European Anti-Fraud Office (OLAF)¹².

II.23. Technical audits and reviews

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

¹¹ OJ L 136, 31.5.1999

¹² OJ L 136, 31.5.1999

a view to verifying that the *project* is being/has been properly implemented and performed in accordance with the provisions of this *grant agreement*.

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

II.24. Liquidated damages

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

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

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

3. The *Commission* shall inform the *beneficiary* which it considers liable to pay *liquidated damages* in writing of its claim by way of a registered letter with acknowledgement of receipt. The *beneficiary* shall have a period of 30 days to answer the claim of *[the Union] [Euratom]*.

4. The procedure for repayment of unjustified financial contribution of *[the Union]* *[Euratom]* and for payment of *liquidated damages* will be determined in accordance with the provisions of Article II.21. *Liquidated damages* will be deducted from any further payment or will be subject to recovery by the *Commission*.
5. The *Commission* shall be entitled to *liquidated damages* in respect of any overstated amount which comes to light after the end of the *project*, in accordance with the provisions of paragraphs 1 to 4.

II.25. Financial penalties

1. A *beneficiary* that has been guilty of making false declarations or has been found to have seriously failed to meet its obligations under this *grant agreement* shall be liable to financial penalties of between 2% and 10% of the value of the financial contribution of *[the Union]* *[Euratom]* received by that *beneficiary*. The rate may be increased to between 4% and 20% in the event of a repeated offence within five years following the first infringement.
2. In the cases of paragraph 1, *beneficiaries* shall be excluded from all *Union and Euratom* grants for a maximum of two years from the date the infringement has been established.
3. The provisions in this Article shall be without prejudice to any administrative or financial sanction that may be imposed on any defaulting *beneficiary* in accordance with the *Financial Regulation* or to any other civil remedy to which *[the Union]* *[Euratom]* or any other *beneficiary* may be entitled. Furthermore, these provisions shall not preclude any criminal proceedings which may be initiated by the Member States' authorities.

Part C INTELLECTUAL PROPERTY RIGHTS, USE AND DISSEMINATION

SECTION 1 – FOREGROUND

II.26. Ownership

1. *Foreground* shall be the property of the *beneficiary* carrying out the work generating that *foreground*.
2. Where several *beneficiaries* have jointly carried out work generating *foreground* and where their respective share of the work cannot be ascertained, they shall have joint ownership of such *foreground*. They shall establish an agreement¹³ regarding the allocation and terms of exercising that joint ownership.

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

- a) at least 45 days prior notice must be given to the other joint owner(s); and

¹³ The joint owners may of course agree not to continue with joint ownership but decide on an alternative regime (for example, a single owner with access rights for the other *beneficiaries* that transferred their ownership share).

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

II.27. Transfer

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

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

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

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

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

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

In *projects* funded by *Euratom*, security considerations must be understood as being the defence interests of the Member States within the meaning of Article 24 of the Treaty establishing the European Atomic Energy Community.

II.28. Protection

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

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

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

The work leading to this invention has received funding from the [European Union] [European Atomic Energy Community] Seventh Framework Programme ([FP7/2007-2013] [FP7/2007-2011]) under grant agreement n° [xxxxxx].¹⁴

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

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

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

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

II.29. Use

1. The *beneficiaries* shall *use* the *foreground* which they own or ensure that it is used.
2. The *beneficiaries* shall report on the expected *use* to be made of *foreground* in the plan for the *use* and *dissemination* of *foreground*. The information must be sufficiently detailed to permit the *Commission* to carry out any related audit.

II.30. Dissemination

1. Each *beneficiary* shall ensure that the *foreground* of which it has ownership is disseminated as swiftly as possible. If it fails to do so, the *Commission* may disseminate that *foreground*.
2. *Dissemination* activities shall be compatible with the protection of intellectual property rights, confidentiality obligations and the legitimate interests of the owner(s) of the *foreground*.

¹⁴ This statement will have to be translated into the language of the patent filing. Translations in all European Union languages will be provided.

In projects funded by *Euratom*, *dissemination* activities shall also be compatible with the defence interests of the Member States within the meaning of Article 24 of the Treaty establishing the European Atomic Energy Community.

3. At least 45 days prior notice of any *dissemination* activity shall be given to the other *beneficiaries* concerned, including sufficient information concerning the planned *dissemination* activity and the data envisaged to be disseminated.

Following notification, any of those *beneficiaries* may object within 30 days of the notification to the envisaged *dissemination* activity if it considers that its legitimate interests in relation to its *foreground* or *background* could suffer disproportionately great harm. In such cases, the *dissemination* activity may not take place unless appropriate steps are taken to safeguard these legitimate interests.

The *beneficiaries* may agree in writing on different time-limits to those set out in this paragraph, which may include a deadline for determining the appropriate steps to be taken.

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

The research leading to these results has received funding from the [European Union] [European Atomic Energy Community] Seventh Framework Programme ([FP7/2007-2013] [FP7/2007-2011]) under grant agreement n° [xxxxxx].¹⁵

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

SECTION 2 – ACCESS RIGHTS

II.31. Background covered

Beneficiaries may define the *background* needed for the purposes of the *project* in a written agreement and, where appropriate, may agree to exclude specific *background*¹⁶.

II.32. Principles

1. All requests for *access rights* shall be made in writing.

¹⁵ This statement will have to be translated into the language of the dissemination activity. Translations in all European Union languages will be provided.

¹⁶ Such an exclusion may be temporary (e.g. to permit the adequate protection of the *background* prior to providing access) or limited (e.g. to exclude only one or more specific *beneficiaries*). As *background* is by definition considered to be needed for implementation or use, the impact of such an exclusion on the *project*, particularly regarding an exclusion which does not have a temporary character, should be examined by the *beneficiaries*.

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

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

In *projects* funded by the European Atomic Energy Community, the *Commission* may also object to the intended grant of any non-exclusive licence to a third party established in a *third country* not associated to the Seventh Framework Programme on the same conditions as set out in this paragraph. Security considerations shall in case of such *projects* be understood as being the defence interests of the Member States within the meaning of Article 24 of the Treaty establishing the European Atomic Energy Community.

II.33. Access rights for implementation

1. *Access rights* to *foreground* shall be granted to the other *beneficiaries*, if it is needed to enable those *beneficiaries* to carry out their own work under the *project*.

Such *access rights* shall be granted on a royalty-free basis.

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

Such *access rights* shall be granted on a royalty-free basis, unless otherwise agreed by all *beneficiaries* before their accession to this agreement.

II.34. Access rights for use

1. *Beneficiaries* shall enjoy *access rights* to *foreground*, if it is needed to use their own *foreground*.

Subject to agreement, such *access rights* shall be granted either under *fair and reasonable conditions* or be royalty-free.

2. *Beneficiaries* shall enjoy *access rights* to *background*, if it is needed to use their own *foreground* provided that the *beneficiary* concerned is entitled to grant them.

Subject to agreement, such *access rights* shall be granted either under *fair and reasonable conditions* or be royalty-free.

3. An *affiliated entity* established in a Member State or *Associated country* shall also enjoy *access rights*, referred to in paragraphs 1 and 2, to *foreground* or *background* under the same conditions as the *beneficiary* to which it is affiliated, unless otherwise provided for in the *consortium agreement*. As the *access rights* referred to in paragraphs 1 and 2 require that access is needed to use own *foreground*, this paragraph only applies to the extent that ownership of *foreground* was transferred to an affiliate entity established in a Member State or *Associated country*. The *beneficiaries* may provide for arrangements regarding *access rights* for affiliated entities in their *consortium agreement*, including regarding any notification requirements.

4. A request for *access rights* under paragraphs 1, 2 or 3 may be made up to one year after either of the following events:

- a) the end of the *project*; or
- b) termination of participation by the owner of the *background* or *foreground* concerned.

However, the *beneficiaries* concerned may agree on a different time-limit¹⁷.

FINAL PROVISIONS**II.35. Competitive calls**

1. When required by the terms of Annex I, the *consortium* shall identify and propose to the *Commission* the participation of new *beneficiaries* following a competitive call in accordance with the provisions of this Article.
2. The *consortium* shall publish the competitive call at least in one international journal and in three different national newspapers in three different Member States or *Associated countries*. It shall also be responsible for advertising the call widely using specific information support, particularly Internet sites on the Seventh Framework Programme, the specialist press and brochures and through the national contact points set up by Member States and *Associated countries*. In addition, the publication and advertising of the call shall conform to any instructions and guidance notes established by the *Commission*. The

¹⁷ This can be a longer or shorter time-limit.

consortium shall inform the *Commission* of the call and its content at least 30 days prior to its expected date of publication.

3. The competitive call shall remain open for the submission of proposals by interested parties for a period of at least five weeks.
4. The *consortium* shall evaluate offers received in the light of the criteria that governed the *Commission's* evaluation and selection of the *project*, defined in the relevant call for proposals, and with the assistance of at least two independent experts appointed by the *consortium* on the basis of the criteria described in the *Rules for Participation*.
5. The *consortium* shall notify the *Commission* of the proposed accession of a new *beneficiary(ies)* in accordance with Article II.36. At the same time, it will inform the *Commission* of the means by which the competitive call was published and of the names and affiliation of the experts involved in the evaluation. The *Commission* may object to the accession of any new *beneficiary* within 45 days of the receipt of the notification.

II.36. Requests for amendments and termination at the initiative of the *consortium*

1. Amendments to this *grant agreement* may be requested by any of the parties. Requests for amendments and termination shall be signed by the legal representative of the parties and submitted in accordance with Article 8. Any request or acceptance by the *consortium* or a *beneficiary(ies)* shall be submitted by the *coordinator*. The *coordinator* is deemed to act on behalf of all *beneficiaries* when signing a request, an acceptance or rejection letter concerning an amendment as well as when requesting a termination. The *coordinator* shall ensure that adequate proof of the *consortium's* agreement to such an amendment or termination exists and is made available in the event of an audit or upon request of the *Commission*.
2. In the case of change of *coordinator* without its agreement, the request shall be submitted by all other *beneficiaries* or by one of them representing the others.
3. A request for amendment including more than one modification to the agreement shall be considered a package that cannot be separated into several requests and shall be approved or rejected by the other party as a whole, except where the request explicitly states that it contains separate requests that can be approved independently.
4. Requests for the addition of a new *beneficiary* shall include a completed Form B (Annex V), duly signed by such new entity. Any addition is subject to the conditions required by the *Rules for Participation*, the related call for proposals and the *Financial Regulation*. Such additional entity shall assume the rights and obligations of *beneficiaries* as established by the *grant agreement* with effect from the date of its accession specified in the signed Form B.
5. The amendments may not have the purpose or the effect of making changes to the agreement which might call into question the decision awarding the grant or result in unequal treatment of the *beneficiaries*.
6. Requests for termination of the participation of one or more *beneficiaries* shall include:
 - the *consortium's* proposal for reallocation of the tasks and budget of that *beneficiary*,

- the reasons for requesting the termination,
- the proposed date on which the termination shall take effect,
- a letter containing the opinion of the *beneficiary* whose participation is requested to be terminated and
- the reports and deliverables referred to in Article II.4, relating to the work carried out by this *beneficiary* up to the date on which the termination takes effect, together with a comment of the *coordinator* on behalf of the *consortium* on these reports and deliverables and a declaration on distribution of payments to this *beneficiary* by the *coordinator*.

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

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

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

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

II.37. Approval of amendments and termination requested by the consortium

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

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

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

3. The *Commission's* approval of the requested amendment or termination shall be notified to the *coordinator*, which receives it on behalf of the *consortium*. In case of termination of the

participation of one or more *beneficiaries*, the *Commission* shall send a copy to the *beneficiary* concerned.

4. Amendments and terminations shall take effect on the date agreed by the parties; where there is no date specified they shall take effect on the date of the *Commission's* approval.

II.38. Termination of the *grant agreement* or of the participation of one or more *beneficiaries* at the *Commission's* initiative

1. The *Commission* may terminate the *grant agreement* or the participation of a *beneficiary* in the following cases:
 - a) where one or more of the legal entities identified in Article 1 does not accede to this *grant agreement*.
 - b) in case of non-performance or poor performance of the work or breach of any substantial obligation imposed by this *grant agreement* that is not remedied following a written request to the *consortium* to rectify the situation within a period of 30 days;
 - c) where the *beneficiary* has deliberately or through negligence committed an *irregularity* in the performance of any *grant agreement* with the *Commission*;
 - d) where the *beneficiary* has contravened fundamental ethical principles;
 - e) where the required reports or deliverables are not submitted or the *Commission* does not approve the reports or deliverables submitted;
 - f) for major technical or economic reasons substantially adversely affecting the completion of the *project*;
 - g) if the potential *use* of the *foreground* diminishes to a considerable extent;
 - h) where a legal, financial, organisational or technical change or *change of control* of a *beneficiary* calls into question the decision of the *Commission* to accept its participation;
 - i) where any such change identified in h) above or termination of the participation of the *beneficiary(ies)* concerned substantially affects the implementation of the *project*, or the interests of [the Union] [Euratom], or calls into question the decision to grant the contribution of [the Union] [Euratom];
 - j) in case of *force majeure* notified in conformity with Article II.40, where any reactivation of the *project* after suspension is impossible;
 - k) where the conditions for participation in the *project* established by the *Rules for Participation* or as amended by the call for proposals to which the *project* was submitted are no longer satisfied, unless the *Commission* considers that the continuation of the *project* is essential to the implementation of the specific programme;
 - l) where a *beneficiary* is found guilty of an offence involving its professional conduct by a judgment having the force of *res judicata* or if it is guilty of grave professional misconduct proven by any justified means;
 - m) where further to the termination of the participation of one or more *beneficiaries*, the *consortium* does not propose to the *Commission* an amendment to the *grant agreement*

with the necessary modifications for the continuation of the *project* including the reallocation of task of the *beneficiary* whose participation is terminated within the time-limit determined by the *Commission*, or where the *Commission* does not accept the proposed modifications.

n) where a *beneficiary* is declared bankrupt or is being wound up.

2. Termination of the participation of one or more *beneficiaries* at the *Commission's* initiative shall be notified to the *beneficiary(ies)* concerned, with a copy to the *coordinator* and shall take effect on the date indicated in the notification and at the latest 30 days after its receipt by the *beneficiary*.

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

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

3. Within 45 days after the effective date of termination, the *beneficiary(ies)* whose participation is terminated shall submit (through the *coordinator*) all required reports and deliverables referred to in Article II.4 relating to the work carried out up to that date. In the absence of receipt of such documents within the above time-limits, the *Commission* may, after providing 30 days notice in writing of the non-receipt of such documents, determine not to take into account any further cost claims and not to make any further reimbursement and, where appropriate, require the reimbursement of any *pre-financing* due by the *beneficiary(ies)*.
4. The *consortium* has up to 30 days after the effective date of termination of the *beneficiary's* participation to provide the *Commission* with information on the share of the contribution of *[the Union] [Euratom]* that has been effectively transferred to such *beneficiary* since the beginning of the *project*.
5. In the absence of receipt of such information within the time-limits, the *Commission* shall consider that the *beneficiary* whose participation is terminated owes no money to the *Commission* and that the contribution of *[the Union] [Euratom]* already paid is still at the disposal of the *consortium* and under its responsibility.
6. Based on documents and information referred to in the paragraphs above, the *Commission* shall establish the debt owed by the *beneficiary* whose participation is terminated.
7. Where the participation of one or more *beneficiaries* is terminated, the *beneficiary(ies)* whose participation is terminated shall reimburse the amount due to the *Commission* or transfer it to the *coordinator* as requested by the *Commission*, within 30 days. The *Commission* shall send a copy of such a request to the *coordinator*. In the latter case, the *coordinator* shall inform the *Commission* at the latest 10 days after the end of this time-limit whether the amount has been transferred to it.
8. Where the *grant agreement* is terminated, the *Commission* shall establish the debt owed by the *consortium* and notify it to the *coordinator*.

II.39. Financial contribution after termination and other termination consequences

1. In the event of termination any financial contribution from *[the Union] [Euratom]* is limited to those *eligible costs* incurred and accepted up to the effective date of such termination and of any legitimate commitments taken prior to that date, which cannot be cancelled.
2. By derogation to the above paragraph:
 - in the case of Article II.38.1.a), no costs incurred by the *consortium* under the *project* can be approved or accepted as eligible for reimbursement by *[the Union] [Euratom]*. Any *pre-financing* provided to the *consortium* must be returned in full to the *Commission*.
 - in the case of Article II.38.1.b), any financial contribution from *[the Union] [Euratom]* is limited to those eligible costs incurred up to the date of receipt of the written request to rectify the breach.
3. In addition, in the cases of Article II.38.1.b), c), d), e), l) and m) the *Commission* may require reimbursement of all or part of the financial contribution of *[the Union] [Euratom]*. In the case of Article II.38.1.b) and m) the *Commission* shall take into account the nature and results of the work carried out and its usefulness to *[the Union] [Euratom]* in the context of the specific programme concerned.
4. Reports and deliverables submitted in the framework of a termination are deemed to be submitted at the end of the corresponding reporting period.
5. Where *[the Union] [Euratom]* makes a payment after the termination of the participation of a *beneficiary* or after termination of the *grant agreement*, this payment shall be considered as a final payment in relation to such *beneficiary(ies)* or the *project*, respectively and in any case shall be done through the *coordinator*.

Notwithstanding the termination of the *grant agreement* or the participation of one or more *beneficiaries*, the provisions identified in Articles II.9, II.10, II.11, II.12, II.21, II.22, II.23, II.24, II.25, II.35, II.36, II.38, II.41, II.42 and Part C of Annex II continue to apply after the termination of the *grant agreement* or the termination of the participation of such *beneficiary(ies)*.

II.40. Force majeure

1. *Force majeure* shall mean any unforeseeable and exceptional event affecting the fulfilment of any obligation under this *grant agreement* by the parties, which is beyond their control and cannot be overcome despite their reasonable endeavours. Any default of a product or service or delays in making them available for the purpose of performing this *grant agreement* and affecting such performance, including, for instance, anomalies in the functioning or performance of such product or service, labour disputes, strikes or financial difficulties do not constitute *force majeure*.
2. If any of the *beneficiaries* is subject to *force majeure* liable to affect the fulfilment of its obligations under this *grant agreement*, the *coordinator* shall notify the *Commission* without delay, stating the nature, likely duration and foreseeable effects.
3. If *[the Union] [Euratom]* is subject to *force majeure* liable to affect the fulfilment of its obligations under this *grant agreement*, it shall notify the *coordinator* without delay, stating the nature, likely duration and foreseeable effects.

4. No party shall be considered to be in breach of its obligation to execute the *project* if it has been prevented from complying by *force majeure*. Where *beneficiaries* cannot fulfil their obligations to execute the *project* due to *force majeure*, remuneration for accepted eligible costs incurred may be made only for tasks which have actually been executed up to the date of the event identified as *force majeure*. All necessary measures shall be taken to limit damage to the minimum.

II.41. Assignment

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

II.42. Liability

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

In the event of any action brought by a third party against a *beneficiary* in connection with the performance of this *grant agreement*, the *Commission* may assist the latter upon written request. The costs incurred by the *Commission* in this connection shall be borne by the *beneficiary* concerned.
3. Each *beneficiary* shall bear sole responsibility for ensuring that their acts within the framework of this *project* do not infringe third parties rights.
4. [The Union] [Euratom] cannot be held liable for any consequences arising from the proper exercise of the rights of [the Union] [Euratom] under the *Rules for Participation* or this *grant agreement*.

FP7 GRANT AGREEMENT
ANNEX IV - FORM A – ACCESSION OF BENEFICIARIES TO THE GRANT
AGREEMENT

(to be filled in by each *beneficiary* identified in Article 1.1 of the *grant agreement*)

[full name and legal form of the beneficiary], represented for the purpose hereof by *[name of legal representative] (function) [and/or (name of legal representative), (function)], or her/his/their authorised representative, established in (full address: city/state/province/country (person legally authorised to act on behalf of the legal entity))]* acting as its legal authorised representative, hereby consents to become a beneficiary ("*beneficiary no.*") to *grant agreement No°* (relating to *project [title]*) concluded between the European Commission and *[name of the coordinator and legal form (acronym) established in (full address: city/state/province/country)]* and accepts in accordance with the provisions of the aforementioned *grant agreement* all the rights and obligations of a *beneficiary*.

Done in 3 copies, of which one shall be kept by the *coordinator* and one by *[name of the beneficiary]*, the third being sent to the *Commission* by the *coordinator* in accordance with Articles 1.1 and 1.2 and Article 8 of the *grant agreement*.

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

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

Signature of legal representative(s):

Date:

Stamp of the organisation

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

Name of legal representative: (written out in full)

Signature of legal representative:

Date:

Stamp of the organisation

**FP7 GRANT AGREEMENT
ANNEX V - FORM B – REQUEST FOR ACCESSION OF A NEW BENEFICIARY
TO THE GRANT AGREEMENT**

(to be filled in by each *new legal entity* willing to become a *beneficiary*)

[full name and legal form of new beneficiary], represented for the purpose hereof by *[(name of legal representative) (function) [and/or (name of legal representative), (function)], or her/his/their authorised representative established in (full address: city/state/province/country)]* acting as its legal authorised representative, hereby requests to become a *beneficiary* ("*beneficiary no.*") to grant agreement No (relating to project *[title]*) concluded between the European Commission and *[name of the coordinator]* and accepts, in accordance with the provisions of the aforementioned *grant agreement*, all the rights and obligations of a *beneficiary* starting on *[date]*, should the *Commission* not oppose this request within six weeks of its receipt.

[name of the coordinator and legal form (acronym) established in (full address: city/state/province/country)], represented for the purpose hereof by *[(name of legal representative), (function) [and/or (name of legal representative), (function)], or her/his/their authorised representative established in (full address: city/state/province/country)]* acting as its legal authorised representative, hereby certifies as representative of the *beneficiary* to grant agreement No..... (relating to project *[title]*) that the *consortium* proposes and agrees to the accession of *[full name and legal form of new beneficiary]* to the aforementioned *grant agreement* as *beneficiary* starting on the above-mentioned date.

Enclosures:

- Grant Agreement Preparation Forms duly completed and signed by the new *beneficiary*.
- modified Annex I to the *grant agreement* describing the work to be performed by the new *beneficiary*.
- where the new *beneficiary* is proposed by the *consortium* following a competitive call, documents required by the grant agreement shall be provided in addition to this Form. If a competitive call has not been carried out to select this/these *beneficiary(ies)*, justification for selection of this/these *beneficiary(ies)* and, where necessary, justification for not having used a competitive call.

Done in 3 copies, of which one shall be kept by the *coordinator* and one by *[name of new beneficiary]*, the third being sent to the *Commission* by the *coordinator* in accordance with Articles 8 and II.36 of the *Grant Agreement*

[name of the new beneficiary (legal entity)]
Name of legal representative(s): (written out in full)
Signature of legal representative(s):

Date:
Stamp of the organisation

[name of the coordinator (legal entity)]
Name of legal representative: (written out in full)
Signature of legal representative:
Date:
Stamp of the organisation

FP7 - Grant Agreement - Annex VI - Coordination and Support Action

Version 4, 14/12/2012

Summary Financial Report - Coordination and Support Action - to be filled in by the coordinator

Project acronym	XXXXXXXXXXXXXXXXXXXX	Project nr	nnnnn	Reporting period from	dd/mm/yy	to:	dd/mm/yy	Page	1/1
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Funding scheme		CSA		Type of activity													
Beneficiary n°	If 3rd Party, linked to beneficiary	Adjustment (Yes/No)	Organisation Short Name	RTD (A)		Demonstration (B)		Coordination/Support (C)		Management (D)		Other (E)		Total (C)+(D)+(E)		Revenue	Interest
				Total	Max (EU) [Euratom] Contribution	Total	Max (EU) [Euratom] Contribution	Total	Max (EU) [Euratom] Contribution	Total	Max (EU) [Euratom] Contribution	Total	Max (EU) [Euratom] Contribution	Total	Max (EU) [Euratom] Contribution		
1																	
2																	
3																	
4																	
5																	
6																	
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17																	
18																	
19																	
20																	
21																	
22																	
23																	
24																	
25																	
TOTAL																	

Requested [EU][Euratom] contribution for the reporting period (in €)

FP7 - Grant Agreement - Annex VI - Coordination and Support Action

Version 4, 14/12/2012

Form C - Financial Statement (to be filled in by each beneficiary)

Project nr	nnnnnn	Funding scheme	Coordination and Support Action
Project Acronym	xxxxxxxxxxxxxxxxxxxx		
Period from	dd/mm/yy	Is this an adjustment to a previous statement ?	Yes/No
To	dd/mm/yy		
Legal Name		Participant Identity Code	nn
Organisation short Name		Beneficiary nr	nn
Funding % for RTD activities (A)		If flat rate for indirect costs, specify %	%

1- Declaration of eligible costs/lump sum/flat rate/scale of unit (in €)

	Type of Activity					TOTAL (C+D+E)
	RTD (A)	Demonstration (B)	Coordination/ Support (C)	Management (D)	Other (E)	
Personnel costs						
Subcontracting						
Other direct costs						
Indirect costs						
Maximum reimbursement indirect costs						
Lump sum/flat rate/scale of unit declared						
Total						
Maximum (EU) (Euratom) contribution						
Requested (EU) (Euratom) contribution						

2- Declaration of receipts

Did you receive any financial transfers or contributions in kind, free of charge from third parties or did the project generate any income which could be considered a receipt according to Art. II.17 of the grant agreement ?

Yes/No

If yes, please mention the amount (in €)

3- Declaration of interest yielded by the pre-financing (to be completed only by the coordinator)

Did the pre-financing you received generate any interest until 31/12/2012 according to Art. II.19 ?

Yes/No

If yes, please mention the amount (in €)

4- Certificate on the methodology

Do you declare average personnel costs according to Art. II.14.1 ?

Yes/No

Is there a certificate on the methodology provided by an independent auditor and accepted by the Commission according to Art. II.4.4 ?

Yes/No

Name of the auditor		Cost of the certificate (in €), if charged under this project	
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5- Certificate on the financial statements

Is there a certificate on the financial statements provided by an independent auditor attached to this financial statement according to Art. II.4.4 ?

Yes/No

Name of the auditor		Cost of the certificate (in €)	
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6- Beneficiary's declaration on its honour

We declare on our honour that:

- the costs declared above are directly related to the resources used to attain the objectives of the project and fall within the definition of eligible costs specified in Articles II.14 and II.15 of the grant agreement, and, if relevant, Annex III and Article 7 (special clauses) of the grant agreement;

- the receipts declared above are the only financial transfers or contributions in kind, free of charge, from third parties and the only income generated by the project which could be considered as receipts according to Art. II.17 of the grant agreement;

- the interest declared above is the only interest yielded until 31/12/2012 by the pre-financing which falls within the definition of Art. II.19 of the grant agreement ;

- there is full supporting documentation to justify the information hereby declared. It will be made available at the request of the Commission and in the event of an audit by the Commission and/or by the Court of Auditors and/or their authorised representatives.

Beneficiary's Stamp (if applicable)	Name of the Person(s) Authorised to sign this Financial Statement
	Date & hand signature / electronic transmission and signature*

* Electronic transmission and signature only for grant agreements signed as of 01 January 2013 or amended in order to use the possibility of an electronic transmission and signature.

FP7 - Grant Agreement - Annex VI - Coordination and Support Action

Version 4, 14/12/2012

Form C - Financial Statement (to be filled in by Third Party) Only applicable if special clause nr 10 is used

Project nr	nnnnnn	Funding scheme	Coordination and Support Action
Project Acronym	xxxxxxxxxxxxxxxxxxxxxx		
Period from	dd/mm/yy	Is this an adjustment to a previous statement ?	Yes/No
To	dd/mm/yy		
3rd party legal Name		Third Party Identity Code (PIC)	nn
3rd party Organisation short Name		Working for and linked to beneficiary nr	nn
Funding % for RTD activities (A)		If flat rate for indirect costs, specify %	%

1- Declaration of eligible costs/lump sum/flat rate/scale of unit (in €)

	Type of Activity					TOTAL	(C+D+E)
	RTD (A)	Demonstration (B)	Coordination/ Support (C)	Management (D)	Other (E)		
Personnel costs							
Subcontracting							
Other direct costs							
Indirect costs							
Maximum reimbursement indirect costs							
Lump sum/flat rate/scale of unit declared							
Total							
Maximum [EU] [Euratom] contribution							
Requested [EU] [Euratom] contribution							

2- Declaration of receipts

Did you receive any financial transfers or contributions in kind, free of charge from third parties or did the project generate any income which could be considered a receipt according to Art. 11.17 of the grant agreement ?

Yes/No

If yes, please mention the amount (in €)

3- Declaration of interest yielded by the pre-financing (to be completed only by the coordinator)

Did the pre-financing you received generate any interest until 31/12/2012 according to Art. 11.19 ?

Yes/No

If yes, please mention the amount (in €)

4- Certificate on the methodology

Do you declare average personnel costs according to Art. 11.14.1 ?

Yes/No

Is there a certificate on the methodology provided by an independent auditor and accepted by the Commission according to Art. 11.4.4 ?

Yes/No

Name of the auditor		Cost of the certificate (in €), if charged under this project	
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5- Certificate on the financial statements

Is there a certificate on the financial statements provided by an independent auditor attached to this financial statement according to Art. 11.4.4 ?

Yes/No

Name of the auditor		Cost of the certificate (in €)	
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6- Third Party's declaration on its honour

We declare on our honour that:

- the costs declared above are directly related to the resources used to attain the objectives of the project and fall within the definition of eligible costs specified in Articles 11.14 and 11.15 of the grant agreement, and, if relevant, Annex II) and Article 7 (special clauses) of the grant agreement;

- the receipts declared above are the only financial transfers or contributions in kind, free of charge, from third parties and the only income generated by the project which could be considered as receipts according to Art. 11.17 of the grant agreement;

- the interest declared above is the only interest yielded until 31/12/2012 by the pre-financing which falls within the definition of Art. 11.19 of the grant agreement ;

- there is full supporting documentation to justify the information hereby declared. It will be made available at the request of the Commission and in the event of an audit by the Commission and/or by the Court of Auditors and/or their authorised representatives.

Third Party's Stamp (if applicable)	Name of the Person(s) Authorised to sign this Financial Statement
	Date & hand signature / electronic transmission and signature*

* Electronic transmission and signature only for grant agreements signed as of 01 January 2013 or amended in order to use the possibility of an electronic transmission and signature

**FP7 GRANT AGREEMENT –
ANNEX VII - FORM D - TERMS OF REFERENCE FOR THE
CERTIFICATE OF FINANCIAL STATEMENTS**

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TERMS OF REFERENCE FOR AN INDEPENDENT REPORT OF FACTUAL FINDINGS ON COSTS CLAIMED UNDER A GRANT AGREEMENT FINANCED UNDER THE SEVENTH RESEARCH FRAMEWORK PROGRAMME (FP7)	2
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INDEPENDENT REPORT OF FACTUAL FINDINGS ON COSTS CLAIMED UNDER A GRANT AGREEMENT FINANCED UNDER THE SEVENTH RESEARCH FRAMEWORK PROGRAMME (FP7)	3
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The Terms of Reference should be completed by the Beneficiary and be agreed with the Auditor

The Independent Report of Factual Findings should be provided by the Auditor

Terms of Reference for an Independent Report of Factual Findings on costs claimed under a Grant Agreement financed under the Seventh Research Framework Programme (FP7)

The following are the terms of reference ('ToR') on which *<name of the Beneficiary>* 'the Beneficiary' agrees to engage *< name of the audit firm>* 'the Auditor' to provide an independent report of factual findings on a Financial Statement(s)¹ prepared by the Beneficiary and to report in connection with a European Union/European Atomic Energy Community financed grant agreement concerning the Seventh Research Framework Programme (FP7), concerning *< title and number of the grant agreement>* (the 'Grant Agreement'). Where in these ToR the 'European Commission' is mentioned this refers to its quality as signatory of the Grant Agreement with the Beneficiary. The [European Union] [Euratom] is not a party to this engagement.

1.1 Responsibilities of the Parties to the Engagement

'The Beneficiary' refers to the legal entity that is receiving the grant and that has signed the Grant Agreement with the European Commission².

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

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

The Auditor must be independent from the Beneficiary.

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

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

² Where special clause 10 for the FP7 Model Grant Agreement applies, or where special clause 10 bis for the FP7 Marie Curie Grant Agreement applies, this Form shall be filled in also by Third Parties linked to a beneficiary. In that case, the wording "the Beneficiary" shall be read as "the Third Party".

1.2 Subject of the Engagement

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

1.3 Reason for the Engagement

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

1.4 Engagement Type and Objective

This constitutes an engagement to perform specific agreed-upon procedures regarding an independent report of factual findings on costs claimed under the Grant Agreement.

As this engagement is not an assurance engagement the Auditor does not provide an audit opinion and expresses no assurance. The European Commission derives its assurance by drawing its own conclusions from the factual findings reported by the Auditor on the Financial Statement and the payment request of the Beneficiary relating thereto.

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

1.5 Scope of Work

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

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

1.5.2 Planning, procedures, documentation and evidence

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

1.6 Reporting

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

1.7 Timing

The Report should be provided by [DATE].

1.8 Other Terms

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

[legal name of the audit firm]

[name & function of authorised representative]

<dd Month yyyy>

<Signature of the Auditor>

[legal name of the Beneficiary]

[name & function of authorised representative]

<dd Month yyyy>

<Signature of the Beneficiary>

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

Independent Report of Factual Findings on costs claimed under a Grant Agreement financed under the Seventh Research Framework Programme (FP7)

To be printed on letterhead paper of the Auditor

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

< Beneficiary's name>

<Address>

<dd Month yyyy>

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

Objective

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

Scope of Work

Our engagement was carried out in accordance with :

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

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

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

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

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

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

Sources of Information

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

Factual Findings

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

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

Exceptions

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

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

Use of this Report

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

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

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

No conflict of interest⁴ exists between the Auditor and the Beneficiary in establishing this Report. The fee paid to the Auditor for providing the Report was € _____.

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

[legal name of the audit firm]

[[name and function of an authorised representative]

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

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

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

Procedures performed by the Auditor

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

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

Procedures	Standard factual finding and basis for exception reporting
Personnel Costs	
1. Recalculate hourly personnel and overhead rates for personnel (full coverage if less than 20 employees, otherwise a sample of minimum 20, or 20% of employees, whichever is the greater), indicate the number of productive hours used and hourly rates. Where sampling is used, selection should be random with a view to producing a representative sample. 'Productive hours' represent the (average) number of hours made available by the employee in a year after the deduction of holiday, sick leave and other entitlements. The auditor obtained the calculation of the productive hours after inspecting all necessary records, national legislation, labour agreements, contracts, any other relevant documentation. The calculation should be based on the period(s) corresponding to the Financial Statement(s) or on the last closed financial year (whichever is used by the beneficiary).	<p>The auditor sampled _____ employees out of the total of _____ employees.</p> <p>For each employee in the sample of ____, the Auditor obtained the personnel costs (salary and employer's costs) from the payroll system together with the productive hours from the time records of each employee.</p> <p>For each employee selected, the Auditor recomputed the hourly rate by dividing the actual personnel costs by the actual productive hours, which was then compared to the hourly rate charged by the Beneficiary.</p> <p>No exceptions were noted.</p> <p>The average number of productive hours for the employees selected was _____.</p> <p>The productive hours calculation corresponds to the usual accounting practice of the beneficiary.</p> <p>If the productive hours or costs of personnel cannot be identified, they should be listed (together with the amounts) as exceptions in the main report.</p> <p>If the productive hours calculation does not correspond to the usual accounting practice of the beneficiary, this should be listed as an exception in the main report.</p>
2. For the same selection examine and describe time recording of employees (paper/ computer, daily/weekly/monthly, signed, authorised).	<p>Employees record their time on a daily/ weekly/ monthly basis using a paper/computer-based system.</p> <p>The time-records selected were authorised by the project manager or other superior.</p> <p>If no time records are available which fit the above description, this should be listed as an exception in the main report.</p>
3. Employment status and employment conditions of personnel. The Auditor should obtain the employment contracts of the employees	<p>For the employees selected, the Auditor inspected their employment contracts and found that they were:</p> <p>– directly hired by the Beneficiary in accordance with its national legislation,</p>

Procedures	Standard factual finding and basis for exception reporting
<p>selected and compare with the standard employment contract used by the Beneficiary. Differences which are not foreseen by the Grant Agreement should be noted as exceptions.</p>	<p>– under the sole technical supervision and responsibility of the latter, and – remunerated in accordance with the normal practices of the Beneficiary. Personnel who do not meet all three conditions should be listed (together with the amounts) as exceptions in the main report.</p>
<p>4. Use of average personnel costs Apply 4a, 4b or 4c according to the existence or not of an approved Methodology Certificate (CoMAv or CoM if it concerns average personnel costs)_</p> <p>4a. With an approved Methodology Certificate including average personnel costs:</p> <p>4b. Without an approved Methodology Certificate (not applicable to SME owners and natural persons not receiving a salary):</p> <ul style="list-style-type: none"> • The auditor reviewed all relevant manuals and/or internal guidance describing the methodology used to calculate average personnel costs; • The auditor obtained a list of all average personnel rates calculated by the beneficiary in accordance with the methodology used; • The auditor verified that the calculation of the average personnel costs excludes ineligible items as defined in Art.II.14.3, Annex II to ECGA or any costs claimed under other cost categories • The auditor obtained a list of all relevant employees (working on EU projects + not working on EU 	<p>4a.</p> <p>The Auditor found that the personnel costs charged to the financial statement:</p> <ul style="list-style-type: none"> • are calculated using average costs in accordance with the methodology as specified in the Report of findings on the methodology dated _____. • have been calculated using amounts derived from the relevant period which can be reconciled to the accounting records of the relevant period. • Where categories are used, the Auditor verified that the researcher (or research-related person) had been correctly classified. • The Auditor obtained confirmation from the Beneficiary that the rates used were not budgeted or estimated amounts. <p>If amounts cannot be reconciled, or if estimates or budgeted amounts were used, this should be reported as an exception in the main report.</p> <p>4b.</p> <p>The auditor found:</p> <ul style="list-style-type: none"> • no discrepancies between the method described in the relevant documents and the method used by the beneficiary; • The methodology used to calculate the average personnel hourly rate(s) represent(s) the usual cost accounting practice of the organisation; • no differences arose from the numerical reconciliation

Procedures	Standard factual finding and basis for exception reporting
<p>projects) based on which the average personnel rate(s) are calculated;</p> <ul style="list-style-type: none"> • The auditor reviewed the allocation of employees to the relevant group and verified the correctness of the Full Time Equivalent (FTE). • The auditor performed a numerical reconciliation between the total amount of personnel costs taken into consideration for the calculation of the average personnel rate and the total amount of personnel costs recorded in the statutory accounts. • The auditor verified on a sample basis that the appropriate average hourly rate was used for the personnel costs claimed on the audited project. <p>4c. Without an approved Methodology Certificate – applicable only for SME owners and natural persons not receiving a salary:</p> <ul style="list-style-type: none"> • The auditor reviewed payroll and accounting records, contracts and other relevant legal documents in order to verify that the SME owners and the natural persons concerned do not receive any salary. • The auditor obtained documents (such as employment records, CVs, diplomas and other relevant documents) proving professional experience of the persons concerned and supporting determination of appropriate research category in line with 'People' Work Programme. • The auditor verified that the annual living allowance corresponds to the reference year of the publication of the call under which the project was selected for funding and that the beneficiary applied the appropriate country coefficient correction as published in the 'People' work programme of the year of publication of the call. • The auditor recomputed the hourly rate by dividing the applicable living allowance corresponding to the appropriate research category by the standard number 	<ul style="list-style-type: none"> • The Auditor confirms that the rates used for the calculation of the average personnel costs were not based on budgeted or estimated amounts. <p>If amounts cannot be reconciled, or if estimates or budgeted amounts were used, this should be reported as an exception in the main report.</p> <p>If the usual accounting practice differs from the one described, this should be reported as an exception in the main report.</p> <p>4c.</p> <ul style="list-style-type: none"> • SME owners and natural persons charging personnel costs based on a flat rate, do not receive salary. <p>If they receive any salary, it should be listed as an exception in the main report.</p> <ul style="list-style-type: none"> • Time spent on projects was duly recorded by the persons whose personal work costs are charged on the basis of a flat rate. These time-records have been verified by a superior or another person involved in the project. In the absence of any superior or other person working closely with such persons, the Auditor confirms that documentation is available to ascertain the reliability of the time

Procedures	Standard factual finding and basis for exception reporting
<p>of productive hours (1575) and by multiplying it by the appropriate country correction coefficient.</p> <ul style="list-style-type: none"> The auditor reviewed the time-sheets completed by the persons whose personal work costs were claimed on a flat rate basis. 	<p>records.</p> <p>If no time records are available, this should be listed as an exception in the main report.</p> <ul style="list-style-type: none"> The hourly rates applicable to all SME owners and natural persons who do not receive a salary are correctly calculated. The total number of hours claimed for the European Union project in a year is in line with their time-sheets but is not higher than the standard number of productive hours per SME owner or natural person (1575). <p>If the calculation is not correct, this should be listed as an exception in the main report.</p>
Subcontracting	
<p>5. Obtain a written description from the Beneficiary regarding 3rd party resources used and compare with Annex 1 to the Grant Agreement.</p>	<p>The Auditor compared the description of the 3rd party resources provided by the Beneficiary to the specification in Annex 1 to the Grant Agreement, and found them to be the same</p> <p>If the descriptions do not clearly match, this should be reported as an exception in the main report.</p>
<p>6. Inspect documents and obtain confirmations that subcontracts are awarded according to a procedure including an analysis of best value for money (best price-quality ratio), transparency and equal treatment.</p> <p>Full coverage if less than 20 items, otherwise a sample of minimum 20, or 20% of the items, whichever is the greater.</p>	<p>The Auditor obtained tendering documents for each subcontract entered into and found that the tendering process was followed and that a written analysis of value-for-money had been prepared by the Beneficiary in support of the final choice of subcontractor, or that the contract had been awarded as part of an existing framework contract entered into prior to the beginning of the project.</p> <p>If the Auditor is not provided with evidence of either of the above situations, the amount of the subcontract should be listed as an exception in the main report.</p>
Other Direct Costs	
<p>7. Allocation of equipment subject to depreciation is correctly identified and allocated to the project.</p> <p>Full coverage if less than 20 items, otherwise a sample of minimum 20, or 20% of the items, whichever is the greater.</p>	<p>The Auditor traced the equipment charged to the project to the accounting records and the underlying invoices. The Beneficiary has documented the link with the project on the invoice and purchase documentation, and, where relevant, the project accounting. The asset value was agreed to the invoice and no VAT or other identifiable indirect taxes were charged. The depreciation method used to charge the equipment to the project was compared to the Beneficiary's normal accounting policy and found to be the same.</p> <p>If assets have been charged which do not comply with the above, they should be listed (together with the amounts) as exceptions in the main report.</p>
<p>8. Travel costs correctly identified and allocated to the project (and in line with Beneficiary's normal policy for non-[EU] [Euratom] work regarding first-class travel, etc.)</p> <p>Full coverage if less than 20 items, otherwise a sample of</p>	<p>The Auditor inspected the sample and found that the Beneficiary had allocated travel costs to the project by marking of invoices and purchase orders with the project reference, resulting in traceable allocation in the project accounts.</p> <p>The costs charged were compared to the invoices and found to be the same. No VAT or other identifiable</p>

FP7 Grant Agreement – Annex VII – Form D
Version 5, 14.12.2012

Procedures	Standard factual finding and basis for exception reporting
<p>minimum 20, or 20% of the items, whichever is the greater. The Beneficiary should provide written evidence of its normal policy for travel costs (e.g. use of first class tickets) to enable the Auditor to compare the travel charged with this policy.</p>	<p>indirect taxes were charged. The use of first class travel was in line with the written policy provided by the Beneficiary. Costs which are not allocated to project accounts and do not have a clear attribution (normally by writing the project number on the original invoice) should be listed (together with the amounts) as exceptions in the main report.</p>
<p>9. Consumables correctly identified and allocated to the project. Full coverage if less than 20 items, otherwise a sample of minimum 20, or 20% of the items, whichever is the greater.</p>	<p>The Auditor inspected the sample and found that the Beneficiary had allocated consumable costs to the project by marking of invoices and purchase orders with the project reference, resulting in traceable allocation in the project accounts. The costs charged were compared to the invoices and found to be the same. No VAT or other identifiable indirect taxes were charged. Costs which are not allocated to project accounts and do not have a clear attribution (normally by writing the project number on the original invoice) should be listed (together with the amounts) as exceptions in the main report.</p>
Indirect costs	
<p>10. Obtain and review a detailed breakdown of Indirect costs (reconciled to the accounting records) and confirm that the following costs are not present:</p> <ol style="list-style-type: none"> identifiable indirect taxes including value added tax, duties, interest owed, provisions for possible future losses or charges, exchange losses, cost related to return on capital, costs declared or incurred, or reimbursed in respect of another Union or Euratom project, debt and debt service charges, excessive or reckless expenditure⁵. <p>The above does not apply to beneficiaries using a flat rate to claim indirect costs in accordance with Annex II of the ECGA attached to the grant agreement being reviewed. In such case the procedure to</p>	<p>The Auditor obtained the total overhead amount which was allocated and reconciled this to the accounting records for the period in question. The Auditor recalculated the ratio of indirect costs [as a percentage of personnel costs/ as a fixed personnel hourly rate / as another cost driver specified by the Beneficiary] and agreed it to the rate used in the Financial Statement(s). The Auditor obtained a detailed breakdown from the accounting system of the indirect costs which have been charged to the contract, and reconciled the individual amounts to the general ledger of the Beneficiary. The Auditor found that costs for the non-research activities of the Beneficiary, such as manufacturing, education, marketing of products or services, etc., had not been included in the calculation. For each element of the breakdown, the Auditor obtained the Beneficiary's confirmation that it contained none of the ineligible costs specified (typical examples are leasing costs, loan charges, provisions for doubtful debt (but not normal accruals), local business and property taxes, customs duties, exchange losses from billing in a foreign currency). Only the types of excessive and reckless expenditure listed in the Commission's guidance should be considered, the Auditor is not required to exercise professional judgement or provide assurance in this matter. Amounts which do not meet the above criteria or where the Auditor is not provided with sufficient information in order to inspect and compare the types of cost should be listed (together with the amounts) as exceptions in the main report.</p> <p>Only for beneficiaries using a flat rate to claim indirect costs:</p>

⁵ Excessive or reckless expenditure as defined in guidance notes issued by the Commission.

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Version 5, 14.12.2012

Procedures	Standard factual finding and basis for exception reporting
<p>apply is:</p> <ul style="list-style-type: none"> • The auditor confirmed that the flat rate applied on the Financial Statement(s) is consistent with the one provided in Annex II of the ECGA. • The auditor recalculated the indirect costs claimed on the basis of the flat rate for <u>arithmetical accuracy</u>. 	<p>The auditor found:</p> <ul style="list-style-type: none"> • that the flat rate has been charged in accordance with Annex II of the ECGA and computed on direct eligible costs excluding costs for sub-contracting and the costs of resources made available by third parties which are not used on the premises of the beneficiary. • that <u>no differences arose from the numerical reconciliation</u>
<p>11. Assess use of a simplified method of calculation of overheads at the level of the legal entity. The Beneficiary may use a simplified method of calculation (either due to the lack of analytical accounting or legal requirement to use a form of cash-based accounting). This does not permit the use of a generalised estimate, or the use of a 'standard' rate that is not derived from the accounting records of the period in question. Thus the rate (but not the methodology) should be updated for each accounting period.</p>	<p>The Beneficiary's accounting system does not permit indirect costs to be separately identified for the individual departments. [and/ or] The Beneficiary's accounting system is cash-based and year-end adjustments are made using accounting estimates in order to charge certain accrued costs.</p> <p>The Auditor obtained the breakdown of overhead costs and the adjusting entries together with the source of the relevant accounting entries.</p> <p>The Beneficiary provided the Auditor with underlying calculations showing the basis for additional accounting entries. The Auditor agreed these calculations to the relevant sources of management information. Any elements of a simplified calculation which represent percentage estimates and which cannot be compared to underlying data should be listed (together with the amounts) as exceptions in the main report.</p>
<p>12. Inspect and compare exchange rates into Euros.</p>	<p>The Auditor compared the exchange rates used for conversion with the applicable official exchange rates established by the European Union and the Beneficiary used [choose one]:</p> <ul style="list-style-type: none"> • the conversion rate of the date where the actual costs were incurred • the rate applicable on the first day of the month following the end of reporting period <p>Where rates cannot be agreed, an exception should be noted, (together with the amount) in the main report.</p>
<p>13. Identification of receipts. The Beneficiary is obliged to declare in its claim any receipts related to the project (income from events, rebates from suppliers, etc.)</p>	<p>The Auditor examined the relevant project accounts and obtained representations from the Beneficiary that the amounts listed represent a complete record of the sources of income connected with the project. The amount included in the claim regarding receipts is the same as the amount recorded in the project accounting.</p> <p>Any discrepancies in the receipts noted in the accounts and those reported by the Beneficiary should be noted (together with the amount) as exceptions in the main report.</p>
<p>14. Identification of interest yielded until 31.12.2012 on pre-financing.</p>	<p>The Auditor compared the relevant project accounts with the interest shown in the bank statements and found them to be the same.</p>

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Version 5, 14.12.2012

Procedures	Standard factual finding and basis for exception reporting
The Beneficiary, when it is the coordinator of the project, is obliged to declare interest yielded until 31.12.2012 on pre-financing.	Any discrepancies in the interest noted in the accounts and those reported by the Beneficiary should be noted (together with the amount) as exceptions in the main report.

[legal name of the audit firm]

[name and function of an authorised representative]

<dd Month yyyy>

<Signature of the Auditor>

FP7 GRANT AGREEMENT

ANNEX VII - FORM E - TERMS OF REFERENCE FOR THE CERTIFICATE ON THE METHODOLOGY

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The Terms of Reference should be completed by the Beneficiary and be agreed with the Auditor

**The Independent Report of factual findings on the methodology should be provided by the
Auditor**

Terms of Reference for an Independent Report of factual findings on the methodology concerning a Grant Agreement financed under the Seventh Research Framework Programme (FP7)

The following are the terms of reference ('ToR') on which *<name of the Beneficiary>* 'the Beneficiary' agrees to engage *<name of the audit firm>* 'the Auditor' to provide an Independent Report of Factual Findings in connection with European Union/European Atomic Energy Community financed grant agreements concerning the Seventh Research Framework Programme (FP7), *<title and number of the grant agreements>* (the 'Grant Agreements'), concerning the Beneficiary's methodology for calculating personnel costs and overhead costs (indirect costs). Where in these ToR the 'European Commission' is mentioned this refers to its quality as signatory of the Grant Agreements with the Beneficiary. The European Union/*Euratom* is not a party to this engagement.

1.1 Responsibilities of the Parties to the Engagement

'The Beneficiary' refers to the legal entity that is receiving the grant funding and that has signed the Grant Agreements with the European Commission¹.

- The Beneficiary is responsible for preparing a Financial Statement² for the Action financed by the Grant Agreements in compliance with such agreements and providing it to the Auditor, and for ensuring that this Financial Statement can be properly reconciled to the Beneficiary's accounting and bookkeeping system and to the underlying accounts and records. This Financial Statement will be used as a basis for the procedures which the Auditor will carry out in the framework of this engagement. Notwithstanding the procedures to be carried out, the Beneficiary remains at all times responsible and liable for the methodology in place and the accuracy of the Financial Statement.
- The Beneficiary is responsible for the factual statements which will enable the Auditor to carry out the procedures specified, and will provide the Auditor with a written representation letter supporting these statements, clearly dated and stating the period covered by the statements.
- The Beneficiary accepts that the ability of the Auditor to perform the procedures required by this engagement effectively depends upon the Beneficiary providing full and free access to the Beneficiary's staff and its accounting and other relevant records.

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

The Auditor must be independent from the Beneficiary.

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

¹ Where special clause 10 for the FP7 Model Grant Agreement applies, or where special clause 10 bis for the FP7 Marie Curie Grant Agreement applies, this Form shall be filled in also by Third Parties linked to a beneficiary. In that case, the wording "the Beneficiary" shall be read as "the Third Party".

² Financial Statement in this context refers solely to Form C - Annex VI by which the Beneficiary claims costs under the Grant Agreement.

1.2 Subject of the Engagement

The subject of this engagement is the methodology implemented and applied by *the Beneficiary* for claiming personnel costs and overhead rates (indirect costs).

1.3 Reason for the Engagement

The Beneficiary submits to the European Commission a certificate on the methodology in the form of an independent report of factual findings on the methodology produced by an external auditor in accordance with Article II.4 of the Grant Agreements. The Authorising Officer of the Commission requires this Report as he makes the payments of costs requested by the Beneficiary conditional on the factual findings of this Report.

1.4 Engagement Type and Objective

This constitutes an engagement to perform specific agreed-upon procedures regarding an independent report of factual findings on methodology concerning the Grant Agreements. The objective of this Report is for the Auditor to present factual findings on methodology used by the Beneficiary to calculate costs in its Financial Statements for the actions financed by the Grant Agreements. The procedures to be carried out will enable the Commission to conclude on the existence of the Beneficiary's methodology and its suitability to ensure that costs claimed will be in compliance with the terms of the Grant Agreements.

As this engagement is not an assurance engagement the Auditor does not provide an audit opinion and expresses no assurance. The European Commission derives its assurance by drawing its own conclusions from the factual findings reported by the Auditor on the methodology of the Beneficiary.

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

1.5 Scope of Work

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

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

1.5.2 Planning, procedures, documentation and evidence

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

1.6 Reporting

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

1.7 Timing

The Report should be provided by [DATE]

1.8 Other Terms

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

[legal name of the audit firm]

[name & function of authorised representative]

<dd Month yyyy>

<Signature of the Auditor>

[legal name of the Beneficiary]

[name & function of authorised representative]

<dd Month yyyy>

<Signature of the Beneficiary>

1.9 Scope of Work – Compulsory Report Format and Procedures to be Performed**Independent Report of factual findings on the methodology concerning a Grant Agreement financed under the Seventh Research Framework Programme (FP7)**

To be printed on letterhead paper of the Auditor

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

< Beneficiary's name>

<Address>

<dd Month yyyy>

Dear <Name of contact person(s)>

In accordance with our contract dated *<dd Month yyyy>* with *<name of the Beneficiary>* “the Beneficiary” and the terms of reference attached thereto (appended to this Report), we provide our independent report of factual findings (“the Report”), with respect to the methodology used to calculate personnel costs and overhead rates (indirect costs). You requested certain procedures to be carried out in connection with the grant concerning *[title and number of the agreement]*, the ‘Grant Agreement’. The Report covers the methodology used during the period [date]. In the event that the Beneficiary changes the methodology, the Report will not be applicable to Financial Statements³ submitted thereafter.

Objective

Our engagement was an engagement to perform agreed-upon procedures regarding the methodology used to calculate personnel costs and overhead rates (indirect costs) in the context of the grant agreements signed between you and the European Commission under the Seventh Research Framework Programme (FP7). It involved performing certain specified procedures in order to confirm the factual basis of the responses and descriptions provided by the Beneficiary, the results of which the European Commission uses to draw conclusions from the procedures performed by us.

The objective of this Report is for the Auditor to present factual findings on the methodology used by the Beneficiary to claim costs in its Financial Statements for the actions financed by the Grant Agreements.

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

Scope of Work

Our engagement was undertaken in accordance with:

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

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

The scope of these agreed upon procedures has been determined solely by the European Commission and the procedures were performed solely to assist the European Commission in evaluating whether the methodology for preparing cost claims by the Beneficiary is in accordance with the requirements of the EU/*Euratom* financed Grant Agreement. The Auditor is not responsible for the suitability and appropriateness of these procedures.

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

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

Sources of Information

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

Factual Findings

The Auditor's factual findings based on the procedures carried out are presented in the table appended to this Report.

Exceptions

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

[exceptions such as inability to reconcile key information, unavailability of data which prevented the Auditor from carrying out the procedures, etc. should be listed here.]

Use of this Report

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

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

This Report relates only to the methodology specified above and does not constitute a report on the Financial Statements of the Beneficiary.

No conflict of interest⁴ exists between the Auditor and the Beneficiary in establishing this Report. The fee paid to the Auditor for providing the Report was € _____.

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

Yours sincerely

[legal name of the audit firm]

[name and function of an authorised representative]

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

⁴ A conflict of interest arises when the auditor's objectivity to establish the certificate is compromised in fact or in appearance when the auditor for instance;

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

Statements to be made by the Beneficiary and corresponding procedures carried out by the Auditor.

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

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

Statements to be made by the Beneficiary and corresponding procedures to be carried out by the Auditor with examples of factual findings. <i>For a methodology to be considered compatible with the requirements of the Grant Agreement a positive answer should be provided to all of the statements below regarding the Beneficiary's methodology. Any exception should be highlighted in the main summary of the Report.</i>	
Statement to be made by Beneficiary	Procedure to be carried out by the Auditor & factual findings
<p>The methodology described below has been in use since [date].</p> <p>The next planned alteration to the methodology used by the Beneficiary will be from [date]</p>	<p>Procedure: The Auditor has inspected records and documents which support the date given by the Beneficiary.</p> <p>Finding: The dates given by the Beneficiary are consistent with the management information provided by the Beneficiary.</p>
<p>Personnel</p> <p>1. Time recording exists, with authorisation, which enables all personnel hours to be allocated to project work, management and administrative time, holidays, etc.</p> <p>The time recording enables the time of employees working on multiple projects to be allocated to those projects, and includes a check to prevent double charging of time.</p> <p>'Productive hours' represent the (average) number of hours made available by the employee in a year after the deduction of holiday, sick leave and other entitlements. This calculation should be provided by the Beneficiary, based on the period(s) corresponding to the Financial Statement(s) or to the last closed financial year (whichever is used by the beneficiary).</p>	<p>Procedure: For 10 employees selected at random, the Auditor checked: That the employee had recorded management and administrative tasks separately from project time; That an authorisation check exists which checks, inter alia, double-charging of time; The Auditor obtained the calculation of the productive hours after inspecting all necessary records, national legislation, labour agreements, contracts and any other relevant documentation</p> <p>Finding: For the items checked, the time recording includes separation of time as specified above, and an authorisation including a check for double charging of time. For the most recent full calendar year: The average productive hours for the 10 employees was _____. The average productive hours per employee for the organisation as a whole, as recorded by the Beneficiary's time records was _____.</p>

Statements to be made by the Beneficiary and corresponding procedures to be carried out by the Auditor with examples of factual findings. For a methodology to be considered compatible with the requirements of the Grant Agreement a positive answer should be provided to all of the statements below regarding the Beneficiary's methodology. Any exception should be highlighted in the main summary of the Report.	
Statement to be made by Beneficiary	Procedure to be carried out by the Auditor & factual findings
	The productive hours calculation corresponds to the usual accounting practice of the beneficiary.
2. Personnel costs of the employees only include standard salaries, employer's costs, etc. and no special conditions exist for employees on European Union or Euratom projects, unless they are explicitly foreseen in the Grant Agreement.	<p>Procedure: The Auditor reconciled the personnel costs used in the personnel cost calculation to the payroll system and accounting records.</p> <p>Finding: The amounts used in the costs calculation and those in the accounting records were the same. The costs consisted of standard salaries and statutory employers' costs, and did not include bonuses and confirmation was obtained from the Beneficiary that no special conditions exist for employees on European Union or Euratom projects.</p>
<p>3. Hourly rates are correctly calculated using (3a or 3b as appropriate) :</p> <p>3a: Actual personnel costs based on one of the following possibilities [choose one]:</p> <ul style="list-style-type: none"> • Actual personnel costs <i>per person</i> divided by actual productive hours <i>per person</i>; • Actual personnel costs <i>per person</i> divided by <i>standard</i> productive hours; <p>3b: For the average costing approach, the Beneficiary should state that:</p> <ul style="list-style-type: none"> • The methodology used to calculate the average personnel hourly rate(s) represent(s) the usual cost accounting practice of the organisation; • Persons are allocated to the appropriate groups in accordance with the described methodology and the Full Time Equivalent (FTE) ratio is applied correctly; • Average personnel costs charged are based on the personnel costs registered in the statutory accounts of the organisation; • The calculation of the average personnel costs excludes ineligible items as defined in Art.II.14.3, Annex II to ECGA or any costs claimed under other cost categories. <p>—).</p>	<p>Procedure (apply 3a or 3b according to the method of calculation of personnel costs):</p> <p>3a:</p> <ul style="list-style-type: none"> • The Auditor reviewed the calculation and confirmed that hourly rates are calculated as specified by the Beneficiary. • The Auditor multiplied the personnel hourly rate by the total productive hours for e the period of the Financial Statement(s) or to the last closed financial year (whichever is used by the beneficiary) and reconciled the result to the accounting records ('chargeable' personnel costs). <p>3b:</p> <ul style="list-style-type: none"> • The auditor reviewed all relevant manuals and/or internal guidance describing the methodology used to calculate average personnel cost; • Obtained a list of all average personnel rates calculated by the beneficiary in accordance with the methodology used; • Obtained a list of all relevant employees (working on EU projects + not working on EU projects) based on which the average personnel rate(s) are calculated; • The auditor reviewed the allocation of employees to the relevant group(s) and verified the correctness of the Full Time Equivalent (FTE). • The auditor performed a numerical reconciliation between the total amount of personnel costs taken into consideration for the calculation of

SEVENTH FRAMEWORK PROGRAMME GRANT AGREEMENT - ANNEX VII - FORM E

<p>Statements to be made by the Beneficiary and corresponding procedures to be carried out by the Auditor with examples of factual findings. <i>For a methodology to be considered compatible with the requirements of the Grant Agreement a positive answer should be provided to all of the statements below regarding the Beneficiary's methodology. Any exception should be highlighted in the main summary of the Report.</i></p>	
Statement to be made by Beneficiary	Procedure to be carried out by the Auditor & factual findings
	<p>the average personnel rate and the total amount of personnel costs recorded in the statutory accounts;</p> <ul style="list-style-type: none"> The auditor reviewed that any ineligible items in particular those enumerated in Article II.14.3 of Annex II to ECGA or any costs claimed under other costs categories are excluded from the average personnel costs calculation <p>Finding:</p> <p>3a:</p> <ul style="list-style-type: none"> No differences arose from the comparisons listed above. The result of the above reconciliation ('chargeable' personnel costs) in all cases did not exceed the costs recorded in the accounting records. The Auditor confirms that the rates used were not budgeted or estimated amounts. <p>3b:</p> <ul style="list-style-type: none"> <u>The auditor found no discrepancies between the method described in the relevant documents and the method used by the beneficiary;</u> <u>No differences arose from the numerical reconciliation.</u> The Auditor confirms that the rates used for the calculation of the average personnel costs were not based on budgeted or estimated amounts.
Overheads/ Indirect costs	
<p>4. The Beneficiary confirms the following:</p> <p>Indirect costs only include those costs which cannot be allocated to specific projects and support the functioning of the organisation as a whole.</p> <p>The indirect costs do not include costs which relate exclusively to non-research parts of the organisation.</p> <p>If the organisation carries out activities other than research (e.g., manufacturing, education etc), these indirect costs are transparently separated via cost accounting and do not form part of the claim.</p> <p><i>(This procedure does not apply to beneficiaries using a flat rate to claim indirect costs in</i></p>	<p>Procedure:</p> <p>The Auditor obtained the calculation of hourly overhead rates (indirect costs), including a detailed breakdown of the indirect costs to be allocated to research activity;</p> <p>Finding:</p> <p>This breakdown did not contain costs relating to direct project activity, such as the cost of research personnel, project consumables and expenses;</p> <p>This breakdown does not contain costs relating to education or manufacturing, or other non-research activities of the Beneficiary;</p> <p>The breakdown of indirect costs used to calculate overhead rates was reconciled to the accounting records.</p>

Statements to be made by the Beneficiary and corresponding procedures to be carried out by the Auditor with examples of factual findings. For a methodology to be considered compatible with the requirements of the Grant Agreement a positive answer should be provided to all of the statements below regarding the Beneficiary's methodology. Any exception should be highlighted in the main summary of the Report.	
Statement to be made by Beneficiary	Procedure to be carried out by the Auditor & factual findings
<p>accordance with Annex II of the ECGA attached to the grant agreement being reviewed.)</p> <p>5. The accounting system provides for fully traceable elimination of:</p> <ul style="list-style-type: none"> a) identifiable indirect taxes including value added tax, b) duties, c) interest owed, d) provisions for possible future losses or charges, e) exchange losses, cost related to return on capital, f) costs declared or incurred, or reimbursed in respect of another European Union or Euratom project, g) debt and debt service charges, excessive or reckless expenditure⁵. <p>With regard to excessive or reckless expenditure, the Beneficiary confirms that purchases are made according to the principles of best value for money (best price-quality ratio), transparency and equal treatment between European Union or Euratom funded grant agreement and any other agreement or convention that the Beneficiary may have.</p> <p>Where the Beneficiary is allocating shared costs, they should provide a list of allocation methods used (usage records, floor space, activity-based-costing, headcount, etc.)</p> <p><i>(This procedure does not apply to beneficiaries using a flat rate to claim indirect costs in accordance with Annex II of the ECGA attached to the grant agreement being reviewed.)</i></p>	<p>Procedure:</p> <p>The Auditor inspected the accounting records and chart of accounts.</p> <p>The Auditor reviewed the breakdown provided by the Beneficiary in order to check that the ineligible items specified were eliminated;</p> <p>The Auditor also checked (if necessary also via a written declaration/representation of the Beneficiary) that no implicit interest was included, e.g., by finance leasing or other credit arrangements.</p> <p>Finding:</p> <p>The Auditor was able to obtain confirmation that no implicit interest was included, and did not find costs which explicitly relate to any of the items specified.</p> <p>For each allocation method used by the Beneficiary, the Auditor reconciled the amount to be allocated to the accounting records, and reconciled the allocation basis to the relevant management accounting information (usage records, floor space, activity-based-costing, headcount, etc.)</p> <p>Only the types of excessive and reckless expenditure listed in the Commission's guidance should be considered, the Auditor is not required to exercise professional judgement or provide assurance in this matter.</p>
<p>6. If the organisation is using a simplified indirect cost calculation (either due to the lack of analytical accounting or use of a form of cash-based accounting) all estimates are clearly described and are based on factual criteria which can be objectively confirmed.</p> <p>The Beneficiary must provide a list of cost allocations which are not based on underlying accounting information.</p> <p>In general costs which cannot be identified and allocated using a traceable source of information should not be included in the indirect cost calculation.</p> <p><i>(This procedure does not apply to beneficiaries using a flat rate to claim indirect costs in accordance with Annex II of the ECGA attached to the grant agreement being reviewed.)</i></p>	<p>Procedure:</p> <p>The Auditor was able to trace all cost allocation to underlying accounting and management information.</p> <p>Finding:</p> <p>Percentage estimates were traced to the supporting factual criteria used by the Beneficiary and were found to be in agreement.</p>
<p>7. Allocation of indirect costs to the project is via</p> <p>- a percentage of personnel costs</p>	<p>Procedure:</p> <p>The Auditor checked that the allocation of indirect costs to the project</p>

⁵ Excessive or reckless expenditure as defined in guidance notes issued by the Commission.

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Statement to be made by Beneficiary	Procedure to be carried out by the Auditor & factual findings
<ul style="list-style-type: none"> - a fixed personnel hourly rate - another cost driver to be specified by the beneficiary <p><i>(This procedure does not apply to beneficiaries using a flat rate to claim indirect costs in accordance with Annex II of the ECGA attached to the grant agreement being reviewed.)</i></p>	<p>corresponds with the methodology specified by the Beneficiary;</p> <p>Finding:</p> <p>The allocation of indirect costs to the project corresponds with the methodology specified by the Beneficiary;</p> <p>Where percentages are used the Auditor found that, the 'chargeable' personnel costs (defined above) multiplied by the overhead percentage does not exceed the total indirect costs to be allocated defined above;</p> <p>Where a fixed hourly rate is used, the productive hours figures used to distribute indirect costs and personnel were found to be the same.</p> <p>Where another cost driver not based on personnel is used, the Auditor found that the result of its application does not exceed the total amount of indirect costs to be allocated.</p>

[legal name of the Beneficiary]
[name and function of an authorised representative]
 <dd Month yyyy>
 <Signature of the Beneficiary>

[legal name of the audit firm]
[name and function of an authorised representative]
 <dd Month yyyy>
 <Signature of the Auditor>