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1. Participation by the JRC

1. The Community shall carry out part of the project through its Joint Research Centre (JRC) subject to the following conditions:
  - (a) For the purposes of this grant agreement, the JRC shall be considered as a beneficiary. It shall have the same rights and same obligations as the other beneficiaries and shall be a member of the consortium identified in Article 1.1.
  - (b) An amount of [insert amount] Euro of the pre-financing referred to in Article 6.a shall be kept by the Commission for the JRC.
  - (c) In addition to the documents referred to in Article II.4, the consortium shall indicate to the Commission the amount of each of the payments referred to in Article 6.b and 6.c to be transferred by the Commission to the JRC.
  - (d) This grant agreement takes precedence over any consortium agreement signed by the Commission, represented by the JRC.
2. Relations within the Commission between DG [...] and the JRC shall be regulated by an administrative arrangement as set out in Annex [...] to the grant agreement, without prejudice to the rights of the other beneficiaries.

2. International organisations (general rule)

1. Arbitration

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

The two arbitrators shall, by joint agreement and within three months of the appointment of the second Party's arbitrator, appoint a third arbitrator who shall be the chairman of the arbitration committee, unless a sole arbitrator is agreed by both Parties.
- c. Within one month of the appointment of the third arbitrator, the Parties shall agree on the terms of reference of the arbitration committee, including the procedure to be followed.
- d. The arbitration proceedings shall take place in Brussels.
- e. The arbitration committee shall apply the terms of the grant agreement. The arbitration committee shall set out in the award the detailed grounds for its decision.
- f. The arbitral award shall be final and binding upon the Parties, who hereby expressly agree to renounce any form of appeal or revision.
- g. The costs, including all reasonable fees expended by the Parties to any arbitration hereunder, shall be apportioned between the Parties by the arbitration committee.

2. Certificates on the financial statements or on the methodology

With reference to Article II.4.4, certificates on the financial statements or on the methodology to be provided by an international organisation may be established by its regular internal or external auditor, in accordance with its internal financial regulations and procedures.

### 3. Controls and audits

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

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

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

### 4. Governing law

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

### 5. Privileges and immunities

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

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

### 1. Settlement of dispute

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

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

With regard to [name of the beneficiary], the "Agreement on the application of the verification clause to operations administered by the United Nations and financed or co-financed by the European Community" annexed to the FAFA Agreement prevails over this grant agreement, and in particular over its Articles II.4.4, II.22 and II.23.

### 3. Governing law

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

4. Privileges and immunities

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

4. Sole beneficiary clause-for CSA (support actions) that cannot be multi-beneficiary

All references to the "beneficiaries" or to the "consortium" or to the "coordinator" in this grant agreement and in the Annexes thereto shall be interpreted as references to the "beneficiary".

5. Project review

1. A project review shall be held preferably at a mid-term stage and at the end of the project.
2. At least two months before the date of the review the Commission shall communicate to the consortium in accordance with Article 8 the modalities of the project review, including, where appropriate, any meeting it may propose to convene and that it may request the consortium to organise. [Each beneficiary is requested by the Commission to attend such meeting in accordance with Article II.3.g.]

Costs incurred by the consortium in relation to the project review shall be eligible under the activity referred to in Article II.16.5.

3. The project review shall be made on the basis of the satisfactory completion of due deliverables, milestones listed in the technical annex as well as on the progress reported in the periodic report for the considered period.

6. Late payment of the pre-financing

Notwithstanding the provisions of Article 6.a, the pre-financing shall be paid not earlier than 45 days before the start date of the project.

7. Limit of reimbursement rates for certain beneficiaries and certain activities

Notwithstanding Article II.16., the reimbursement rate for [name of beneficiary(ies)] regarding [research and technological development activities],[and][demonstration activities],[and][other activities] may reach a maximum of [ insert percentage % (< than the one mentioned in Article II.16)]

8. Beneficiaries with flat rate overheads of less than 20%

Notwithstanding the provisions of Articles II.15, the percentage of overheads for beneficiary [name] is fixed at [x<20%] of the total eligible direct cost.

9. Beneficiaries with costs incurred in relation to the project but no EC contribution (e.g. usually from third countries)

1. Costs incurred by the following beneficiary(s) shall not be taken into consideration for determining the Community financial contribution:

[name of beneficiary]

2. Beneficiary(s) mentioned in the previous paragraph need not submit the reports mentioned in Article II.4.4 and [is] [are] not subject to financial audits and controls referred to in Article II.22.
  3. The beneficiary(s) mentioned in paragraph 1 shall not contribute to the Guarantee Fund.
10. Third parties linked to a beneficiary [Joint research units (unités mixtes de recherche, unités propres de recherche etc.) Eeigs/ groupings/ affiliates]
1. The following third parties are linked to [name of the beneficiary]
    - [name of the legal entity].
    - [name of the legal entity].]
  2. This beneficiary may charge costs incurred by the above mentioned third parties in carrying out the project, in accordance with the provisions of the grant agreement. These contributions shall not be considered as receipts of the project.
 

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

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

When submitting reports referred to in Article II.4, the consortium shall identify work performed and resources deployed by each third party linking it to the corresponding beneficiary.
  3. The eligibility of the third parties' costs charged by the beneficiary is subject to controls and audits of the third parties, in accordance with Article II.22 and 23.
  4. The beneficiary shall retain sole responsibility toward the Community and the other beneficiaries for the third parties linked to it. The beneficiary shall ensure that the third parties abide by the provisions of the grant agreement.
11. For EC - NOTIFICATION TO THE COMMISSION REQUIRED IN CASE OF AN INTENDED TRANSFER OF OWNERSHIP AND/OR AN INTENDED GRANT OF AN EXCLUSIVE LICENCE
1. Where a beneficiary intends to transfer ownership of foreground or to grant an exclusive licence regarding foreground to a third party established in a third country not associated to the Seventh Framework Programme during the project and for a period of X<sup>1</sup> years after its completion, it shall notify the Commission 90 days prior to the intended transfer or grant. However, excluded from this additional notification requirement are transfers or

<sup>1</sup> To be determined in function of the project's research field, aims and likely results.

grants intended by beneficiaries that do not receive a Community financial contribution as long as the intended transfer or grant concerns foreground generated by them.

A notification may only relate to existing and specifically defined foreground. It must include sufficient details regarding such foreground, the intended assignee or licensee and the (potential) use of the foreground and possible access rights thereto. Furthermore, a reasoned assessment of the intended transfer or grant must be included with regard to its impact on the competitiveness of the European economy, its consistency with ethical principles and its implications on security considerations.

The Commission may at any time notify the beneficiary that a notification is not complete or request additional information. No transfer or grant may take place until the Commission has, within the period set out in the next paragraph, had the opportunity to object.

2. The Commission may object to such an intended transfer of ownership of foreground or grant of an exclusive licence regarding foreground within 60 days of respectively having received a complete notification, or where applicable, having received the requested additional information, if it considers that the intended transfer or grant 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 or grant shall not take place unless the Commission is satisfied that appropriate safeguards will be put in place.

11 bis) FOR EURATOM - NOTIFICATION TO THE COMMISSION REQUIRED IN CASE OF AN INTENDED TRANSFER OF OWNERSHIP AND/OR AN INTENDED GRANT OF A LICENCE

- 1) Where a beneficiary intends to transfer ownership of foreground or to grant a licence regarding foreground to a third party established in a third country not associated to the Seventh Framework Programme during the project and for a period of X<sup>2</sup> years after its completion, it shall notify the Commission 90 days prior to the intended transfer or grant. However, excluded from this additional notification requirement are transfers or grants intended by beneficiaries that do not receive a Community financial contribution as long as the intended transfer or grant concerns foreground generated by them.

A notification may only relate to existing and specifically defined foreground. It must include sufficient details regarding such foreground, the intended assignee or licensee and the (potential) use of the foreground and possible access rights thereto. Furthermore, a reasoned assessment of the intended transfer or grant must be included with regard to its impact on the competitiveness of the European economy, its consistency with ethical principles and its implications on defence interests of the Member States within the meaning of Article 24 of the Treaty establishing the European Atomic Energy Community (Euratom).

The Commission may at any time notify the beneficiary that a notification is not complete or request additional information. No transfer or grant may take place until the Commission has, within the period set out in the next paragraph, had the opportunity to object.

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<sup>2</sup> To be determined in function of the project's research field, aims and likely results.

- 2) The Commission may object to such an intended transfer of ownership of foreground or grant of a licence regarding foreground within 60 days of respectively having received a complete notification, or where applicable, having received the requested additional information, if it considers that the intended transfer or grant is not in accordance with the interests of developing the competitiveness of the European economy or is inconsistent with ethical principles or the defence interests of the Member States within the meaning of Article 24 of the Treaty establishing the European Atomic Energy Community (Euratom).

In such cases, the transfer or grant shall not take place unless the Commission is satisfied that appropriate safeguards will be put in place.

## 12. NO ACCESS RIGHTS FOR AFFILIATES

Paragraph 3 of Article II.XX of Annex II regarding access rights for affiliates does not apply to this grant agreement.

## 13. ETHICAL RULES

1. The beneficiaries shall comply with the ethical framework of FP7, all applicable legislation, any relevant future legislation and FP7 specific programmes on "Cooperation", "People", "Ideas", "Capacities" (2007-2013) and "Euratom" (2007-2011)<sup>3</sup>.
2. The beneficiaries undertake not to carry out research under this project involving any of the following activities:
  - (a) research activities aiming at human cloning for reproductive purposes,
  - (b) research activities intended to modify the genetic heritage of human beings which could make such change heritable and
  - (c) research activities intended to create human embryos solely for the purpose of research or for the purpose of stem cell procurement, including by means of somatic cell nuclear transfer.

## 14. RESEARCH ACTIVITIES INVOLVING THE USE OF HUMAN EMBRYOS AND HUMAN EMBRYONIC STEM CELLS

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

## 15. ETHICAL REVIEW

1. The beneficiary(s) shall provide the Commission with a written confirmation that it has received (a) favourable opinion(s) of the relevant ethics committee(s) and, if applicable, the regulatory approval(s) of the competent national or local authority(ies) in the country in which the research is to be carried out before beginning any Commission approved research

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<sup>3</sup> Council Decision 200X/XXX/EC on the specific programmes on "Cooperation", "People", "Ideas", "Capacities" and 200X/XXX/EC on "Euratom".



requiring such opinions or approvals. The copy of the official approval from the relevant national or local ethics committees must also be provided to the Commission.

[2. The beneficiaries shall ensure that, where an ethical review has been carried out by the Commission, the research carried out under the project fully complies with the following additional requirements resulting from the ethical review:

Free text with clear operational conclusions from the ethical review.]

16. CLINICAL RESEARCH (FOR BIOMEDICAL RESEARCH INVOLVING HUMAN BEINGS):

1. The beneficiary(s) shall provide the Commission with a statement confirming that it has received (a) favourable opinion(s) of the relevant ethics committee(s) and, if applicable, the regulatory approval of the competent national authority(ies) in the country concerned before beginning any biomedical research involving human beings.
2. (for biomedical research involving human beings including clinical or other trials) The Commission shall never be considered as a sponsor for clinical trials in the sense of Directive 2001/20/EC of the European Parliament and of the Council of 4 April 2001 on the approximation of the laws, regulations and administrative provisions of the Member States relating to the implementation of good clinical practice in the conduct of clinical trials on medicinal products for human use.

Annex I shall indicate the name(s) of any such sponsor(s).

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

17. RULES SPECIFIC PROVISIONS FOR REIMBOURSEMENT OF ACCESS OF ACCESS TO SCIENTIFIC SERVICES FREELY AVAILABLE THROUGH COMMUNICATION NETWORK

A : Performance obligations

The beneficiary that is in charge of providing access to the infrastructure(s) or installation(s), as specified in Annex I, access provider, shall, in addition to the other provisions of this grant-agreement:

- a) Provide access through communication network to the scientific services described in Annex I free of charge
- b) The services offered to the scientific community will be periodically assessed by an external board composed of international experts in the field, appointed by the consortium with written approval of the Commission.

B : Financial provisions

Community financial support for access costs shall not exceed 20% of the operating costs incurred by the installation providing the access over the duration of the project, excluding all contributions to the capital investments of the infrastructure.

18. SPECIAL CLAUSE FOR E-INFRASTRUCTURE ACTIVITIES

Definitions

In addition to those of Article II.1, the following definitions apply to the grant agreement:

Connectivity: means a set of one or more circuits allowing for the transmission of full duplex bit streams between defined end points, as specified in Annex I.

Connectivity services: means any other activities as foreseen in Article II.16 to provide connectivity.

#### Financial provisions

As an exception to Article II.16, for the continued provision and upgrading of the required connectivity services as specified in Annex I, the maximum reimbursement rate shall be 50% of the total eligible costs.

#### 19. LIMITATION OF OVERHEADS FOR INTEGRATING ACTIVITIES /INFRASTRUCTURES AND PREPARATORY PHASE

Overheads related to the coordination and support activities are limited to a maximum of 7% of the direct eligible costs relating to these activities, excluding the direct eligible costs for subcontracting and the costs of reimbursement of resources made available by third parties which are not used on the premises of the beneficiary.

#### 20. PAYMENT OF FIRST PRE-FINANCING (DG TREN)

Notwithstanding Article 6 a), the pre-financing shall be paid to the coordinator within 45 days following the date the Commission is informed of accession to the grant agreement of all the beneficiaries identified in Article 1.1.

#### 21. CLASSIFIED INFORMATION (MAINLY FOR SECURITY ACTIVITIES)

When classified information is used as background or is planned to be produced as foreground, or if export or transfer licences are required for the transfer of sensitive material, a Security Aspect Letter is annexed to this Grant Agreement.

As defined in 2006/548/EC, Euratom:

"Classified contract": any contract or grant agreement to supply products, execute works, render available buildings or provide services, the performance of which requires or involves access to or creation of EU classified information;

"Security Aspects Letter (SAL)": a set of special contractual conditions, issued by the contracting authority, which forms an integral part of a classified contract involving access to or generation of EU classified information, and that identifies the security requirements or those elements of the classified contract requiring security protection;

"Security Classification Guide (SCG)": a document which describes the elements of a programme, contract or grant agreement which are classified, specifying the applicable security classification levels. The SCG may be expanded throughout the life of the programme, contract or grant agreement, and the elements of information may be reclassified or downgraded. The SCG must be part of the SAL."

#### 22. TREATMENT OF CONFIDENTIAL AND CLASSIFIED INFORMATION AND DATA

1. The beneficiaries shall – under penalty of termination of the Grant Agreement – comply with any security requirements prescribed by the Security Aspect Letter (SAL – Annex XX to the Grant Agreement) attached to this Grant Agreement.

2. This SAL is valid throughout the duration of the project.
3. The beneficiaries of this Grant Agreement shall via the Coordinator inform the Commission of any change of security requirements emerging during the performance of the project. Any such change shall be introduced in the SAL by means of an amendment following the rules on amendments of Annex I.
4. In cases the beneficiaries can not comply with increased security requirement, the Grant Agreement shall be terminated.

The beneficiaries shall ensure that the security requirements are complied with by any subcontractor or third party.

## 23. ACTIVITIES AIMING TO THE DEVELOPMENT OF HIGHLY RELIABLE CAPABILITIES HAVING AN IMPACT ON THE SECURITY OF THE EUROPEAN CITIZENS (FOR SECURITY ACTIVITIES)

Notwithstanding the provisions of Article II.16.1, for security related research and technological development activities, the Community financial contribution may reach for all beneficiaries a maximum of 75% of the total eligible cost, in the case of the development of highly reliable capabilities having an impact on the security of the European citizens and targeted to a limited number of public users.

## 24. DISSEMINATION OF FOREGROUND OR BACKGROUND OUTSIDE OF THE CONSORTIUM<sup>4</sup>

Any foreground or background subject to rules on classification on national or European level, generated or used in the course of the project shall not be disseminated to any legal entity outside of the existing consortium.

This rule also applies for affiliates or parent companies.

## 25. SCIENTIFIC AND TECHNOLOGICAL REVIEWS IN PROJECTS RELATED TO SECURITY RESEARCH WHICH DEAL WITH CLASSIFIED INFORMATION AND DATA<sup>5</sup>

Notwithstanding the rights of the beneficiaries set out in Article II.23, the beneficiaries shall have the right to refuse the participation of a particular expert on grounds of security.

## 26. SUBCONTRACTING IN GRANTS TO PRE-DEFINED BENEFICIARIES<sup>6</sup>

Article II.7 of the Grant Agreement is replaced as follows:

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 parts of the tasks related to the project.

Where the beneficiaries enter into any such agreement, they remain bound by their obligations towards the Commission and the other beneficiaries under the grant agreement and retain sole responsibility for compliance with the provisions of the grant agreement.

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<sup>4</sup> For the use in security related projects.

<sup>5</sup> Legal basis: Rules for Participation, Article 20 (2), Article 22 (3)

<sup>6</sup> Relevant for Space-research in the case of beneficiaries mentioned in the specific programme and / or work programme "Space" in application of Article 14 of the Rules for Participation (in the following "pre-defined beneficiary"), applying for a grant under the funding scheme of a coordination and support action.

2. Where the beneficiaries subcontract certain elements of the tasks to be carried out, the following conditions must be fulfilled:

- the overall total of subcontracts can not exceed 80% of the total eligible costs of the project;
- recourse to the award of subcontracts must be duly justified and described in detail in Annex I having regard to the nature of the project and what is necessary for its implementation;
- recourse to the award of subcontract by a beneficiary may not affect the rights and obligations of the beneficiaries regarding background and foreground;
- Annex I must indicate the task to be subcontracted and an estimation of the costs;

3. Any subcontract, the costs of which are to be claimed as eligible cost, must be awarded according to the principles of best value for money (best price-quality ratio), transparency and equal treatment. The rules governing any such awarding procedures are subject to prior approval by the Commission and form part of Annex I of this Grant Agreement.

Framework contracts between a beneficiary and a subcontractor, entered into prior to the beginning of the project and that comply with the above-mentioned principles may also be accepted.

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

Framework contracts for support services for assistance with minor tasks, between a beneficiary and a subcontractor, entered into prior to the beginning of the project that are according to the beneficiary's usual management principles may also be accepted.

5. The Commission and the Court of Auditors enjoys the right to exercise their powers of control, on documents and on premises, over all beneficiaries and subcontractors who have received Community funds.

## 27. ENLARGEMENT OF THE CONSORTIUM<sup>7</sup>

Notwithstanding the obligations of a consortium mentioned in Article II.36, the rules and procedures governing any such competitive call shall be subject to the prior approval of the Commission, which shall be informed at least 90 days prior to the expected date of publication.

## 28. BANK ACCOUNT SPECIFICALLY DEDICATED TO THE PROJECT<sup>8</sup>

The bank account referred to Art. 5 (3) of the Grant Agreement shall be dedicated specifically the project.

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<sup>7</sup> Legal basis: Rules for Participation, Article 19 (3), Article 26 (3). To be used in the case of space-related projects with pre-defined beneficiaries, who were selected by the Commission without any competitive call themselves. At least, any additional beneficiary should be selected on the basis of a competition, following the rules of transparency and equal treatment, to be maintained in the respective rules and procedures of a competitive call for the enlargement of the consortium.

<sup>8</sup> For the use in security related projects.