



Enabling Grids for  
E-science in Europe

*EGEE GR Third Parties  
Induction Course,  
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# Overview of contract and FP6 procedures

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# Objectives of this session

- Common understanding about EGEE commitments
  - EGEE Contract and Annexes
  - Consortium Agreement
- Clarification of FP6 administrative issues and procedures
  - eligible costs
  - quarterly reports
  - cost claims
  - third parties
  - pre-financing

# Outline

- EGEE Contract Overview
- FP6 structure
- New Procedures
- Main Contract Articles
- Annexes

# EGEE Contract overview

- Project name:
  - EGEE: Enabling Grids for E-science in Europe
- Specific programme and project area:
  - Structuring the European Research Area (ERA)
    - Research Infrastructures (1<sup>st</sup> call)
      - Area 3.2.3: Communication Network Development – Grids
        - » Instrument: **Integrated Infrastructure Initiative (I3)**
- Contract number:
  - 508833
- Main body (14 Articles) + Annexes
  - Annex I – Description of Work (DoW) – in FP4 was called Technical Annex
  - Annex II – General Conditions
  - Annex III – Special Conditions related to I3
  - Annex IV – Form A (Accession Form of contractors)
  - Annex V – Form B (Accession Form of new contractors)
  - Annex VI – Form C (Financial Statement)

# EGEE Area in FP6 structure

INTEGRATING EUROPEAN RESEARCH	
<b>PRIORITY THEMATIC AREAS</b>	<b>ANTICIPATING S/T NEEDS</b>
Genomic & biotechnology for health	Research for policy support Frontier research, unexpected developments Specific SME activities Specific international co-operation activities JRC activities
Information Society technologies	
Nanotechnologies, intelligent mat., new production processes	
Aeronautics & space	
Food safety & health risks	
Sustainable development	
Citizens & governance in the knowledge society	
<b>STRUCTURING THE ERA</b>	<b>STRENGTHENING THE FOUNDATIONS OF ERA</b>
Research & innovation	Development of research / innovation policies
Human resources & mobility	Coordination of research activities
Research infrastructures <b>EGEE Area</b>	Science & society

# EGEE Contract procedures

- In FP6 the contract is signed **ONLY** between EC and the coordinator - CERN
  - I have already asked for a copy of the signed contract
    - Copy received this week!
- 69 contractors accede to the contract through the Accession Forms (A forms)
  - All forms received
  - All SEE partners are contractors and have sent their A forms
- **Third parties and unfunded partners do not have a direct relationship with the contract**
  - Relationship only with the contractor but
  - They DO sign the Consortium Agreement to follow the consortium procedures
  - Matching funds (for public bodies) should be requested mainly by the contractor

# EGEE Contract – Articles (1)

- Article 1- Scope
- Article 2 – Constitution of the Consortium
  - 30 days for all A forms
- Article 3 – Evolution of the consortium
  - New partners through Form B
- Article 4 – Entry into force and duration
  - By the signature by EC and CERN
  - 1<sup>st</sup> April and 24 months
- Article 5 – Community financial contribution
  - Grant to the budget – 31.867.000 Euros
- Article 6 – Reporting periods
  - P1 Months 1-9, P2 M10-18, P3 M19-24
- Article 7 – Reports (Cost statements or claims)
  - 45 days after the end of the period P(1), P(2), P(3)
  - Through Form C
  - EGEE requested to EC no project ceiling (usually 10% retention at the end of the project)

# EGEE Contract – Articles (2)

- **Article 8 – Payment modalities**
  - Payment to coordinator
  - Distribution according to the Consortium Agreement
  - Pre-financing (= advance payment) : 14.400.000 Euros
  - The rest within 45 days by the Commission’s approval of reports
  - Audit certificates are needed for every claim– 6000 Euros for each partner available
- **Article 9 – Special Clauses**
  - 9.1
    - Arbitration - Disputes shall be referred to arbitration committee
    - Audit certificates (by each’ institutes internal or external auditor)
      - Controls ad audits
  - 9.2 US: Unfunded partners
  - 9.3 Accession countries (UCY in our consortium): access to contract valid from 01.05.2004 – but costs are eligible from project start date
- **Article 10 – Amendments**
  - Contract amendments guidelines (In fact a amendment is planned soon)
- **Article 11 – Communication (mail addresses, etc.)**
- **Article 12 – Applicable law (Belgium)**
- **Article 13 – Jurisdiction (Court of First Instance or Court of Justice of EC)**
- **Article 14 – Annexes**



# Contract Annexes (1)

- **Annex I – Description of work (v. 34)**
  - <https://edms.cern.ch/document/400278>
- **Annex II – General Conditions (common for all projects)**
  - Part A – Implementation of the project
    - Section 1- Implementation and deliverables (some points)
      - Types of Activities (Research, Management, Other specific etc.)
      - Obligations (consortium, contractor, coordinator, commission)
      - **Subcontracting** (if major, stated in Annex I – In any case, bid needed)
      - Reports and deliverables (procedures, audit certificates, etc.)
      - Confidentiality (documents, pre-existing know-how)
      - Publicity (acknowledgements, publishing information)
      - Liability (of contractors vs. community)

# Contract Annexes (2)

- Annex II – General Conditions (common for all projects)
  - Part A– Implementation of the project
    - Section 2- Termination of the contract and responsibility
      - Technical collective responsibility
      - Financial collective responsibility
  - Part B– Financial Provisions
    - Section 1- General
      - II.19. **Eligible costs** (page 20): actual, economic and necessary, in accordance with contractor’s accounting principles, during project duration, recorded in the accounts
      - II.20. **Direct costs**: (page 21) For AC: temporary contracts for the project or doctorate, or a contract for additional (to the normal recurring) funding
      - II.21. **Indirect costs** – (or overheads) direct relationship with direct costs!  
For FCF, AC flat (20% - subcontracts)
      - II.22. **Cost models**: FC, FCF, AC. Default is FC. FCF for non-profit, non-commercial, SMEs etc. AC even more strict (not having an accounting system allowing the share of direct and indirect costs)

# Contract Annexes (3)

- Annex II – General Conditions (common for all projects)
  - Part B– Financial Provisions
    - Section 1- General
      - II.23. Receipts: receiving contributions (money or kind) by third parties or project income
      - II.24. Community contribution: eligible costs, per specific activity, according to cost model, based on financial statement (Form C), audit certificate
      - II.25. Reimbursement rates – per activity (table page 25)
      - II.26. Audit certificates: signed by an auditor certifying actual costs (not EC audit!)
    - Section 2 – Controls, recoveries and sanctions
      - II.29. Control and audits: At any time during the project and up to 5 years after the end
      - II.30. Liquidated damages: Community entitled to claim liquidated damages from a contractor who is found to overstated expenditures

# Contract Annexes (4)

- **Annex II – General Conditions** (*common for all projects*)
  - Part C– Intellectual Property Rights (IPR) – also related to the Consortium Agreement (CA)
    - II.32. **Ownership**: to each contractor’s work, or joint ownership
    - II.33. **Protection of knowledge**: By its owner + CA
    - II.34. **Use and dissemination**: *contractors set the terms of use + CA*
    - II.35. **Access rights**: *Upon written request, commission may object, pre-existing know-how needs to be declared beforehand*
- **Annex III – Special Conditions for III**
  - Part A– General
    - III.1. **Definitions**: implementation plan (DoW) – detailed and outline
    - III.2 **Update of the Implementation plan**: after each reporting period
    - III.3 **Review**: Review and examination of work progress: After reports. Revised implementation plan if needed.
  - *Part B – not relevant to EGEE (transnational access)*
  - *Part C – Specific for Communication Network Development (CND)*
    - *Connectivity: up to 50% (more related to GEANT-GN2 project)*

# Contract Annexes (5)

- Annex IV – Form A (Accession Form of contractors)
- Annex V – Form B (Accession Form of new contractors)
- Annex VI – Form C (Financial Statement)
  - 1. Third party resources: Yes/No
    - If yes: Legal name + cost model
  - 2. Declaration of eligible costs
    - Total: Costs requested to be EC funded + non EC funded (“matching funds”)
    - Per activity / Direct / Subcontracting / Indirect
    - Note now no labor, travel, equipment, consumables – only direct and indirect eligible costs: “*actual, economic and necessary, in accordance with contractor’s accounting principles, during project duration, recorded in his accounts*”
    - **Recommendation (travel not more than 10% of total budget)**
  - 3. **Receipts:** receiving contributions (money or kind) by third parties or project income (not very clear at this stage)
  - 4. **Interest:** N/A (only for coordinator)
  - 5. **Requested contribution:** The EC requested funding
  - 6. **Audit certificates:** For the contractor and its third parties! (6000 for each of us for certificates under NA1)
  - 7. Conversion rates
  - 8. Contractor’s certificate: Signature of Team leader and Financial officer

# Consortium Agreement

- Between CERN and all partners who are involved in the actual work (All contractors, all third parties, some of the unfunded partners)
  - Pages 1-55, Main body + annexes
    - Annexes:
      - 1. Reference to the Contract
      - 2. Summary of budget distribution
      - 3. List of federations
      - 4. Detailed Reporting procedures
      - 5. Pre-existing know-how
      - 6. List of affiliates
      - 7. List of unfunded parties (which may accede to the agreement)
  - Page 56 – 126 – Signature of contractors
  - Pages 127-161 – Signature of non-signatories to the contract

# Action points