

CONTRACT No _____

(INSTRUMENT type)

The [European Community] [European Atomic Energy Community] (the "*Community*"), represented by the **Commission of the European Communities** (the "*Commission*"), itself represented for the signature of this *contract* by (*name*), Director-General for (*name of the DG*) or [his] [her] duly authorised representative,

of the **one part**,

and (*name of the coordinator and legal form*) (*acronym*), established in (*full address city/state/province/country*), represented by (name of legal representative), (function), or her/his/their authorised representative the *contractor* acting as *coordinator* of the *consortium*,

(the "*coordinator*") [*RTD Performer/ SME/ Enterprise grouping*¹] and the other *contractors* identified in Article 1.2 below,

of the **other part**

HAVE AGREED to the following terms and conditions established in this contract and its annexes ("*the contract*").

Article 1 – Scope

1. The *Community* agrees to grant a financial contribution for the implementation of a *project* called (*name of project*) within the framework of the specific research and technological development programme (*name of specific RTD programme*) (the "*specific programme*").

2. The *consortium* is composed of the *contractor* acting as *coordinator* and the following legal entities, who shall accede to the *contract* in accordance with the procedure referred to in Article 2, as *contractors* assuming the rights and obligations established by the *contract* with effect from the date on which it enters into force:

- (**full name and legal form of the contractor** [*RTD Performer/ SME/ Enterprise grouping/Other enterprise or end user*²] established in (*full address city/state/province/country*) represented by (name of legal representative), (function), or her/his/their authorised representative ("*contractor*"),

- (**full name and legal form of the contractor** [*RTD Performer/ SME/ Enterprise grouping / Other enterprise or end user*³] established in (*full address city/state/province/country*) represented by (name of legal representative), (function), or her/his/their authorised representative ("*contractor*"),

- (...)

(hereinafter referred to as the "*contractors*")

¹ for Cooperative research and Collective research contracts.

² for Cooperative research and Collective research contracts.

³ for Cooperative research and Collective research contracts.

3. The *consortium* shall carry out the work set out in Annex I to this *contract* (the "*project*") [up to the milestone specified in Annex I] [up to (*specify the milestone*)] in accordance with the conditions set out in this *contract*.

4. **[Option A: When consortium agreement is required– e.g. at least IP, NOE & SME specific projects]** The *contractors* are deemed to have concluded a *consortium agreement* regarding the internal operation and management of the *consortium*. The *consortium agreement* shall include all aspects necessary for the management of the *consortium* and the implementation of the *project* as well as any necessary intellectual property provisions.

[Option B: When consortium agreement is optional - other instruments where exempted by call] The *consortium* shall make appropriate arrangements for its internal operation and management which may include any intellectual property provisions. To this end, a *consortium agreement* may be established, which will cover any other additional aspects necessary for the *consortium* management and the implementation of the *project*.

Article 2 – Constitution of the *consortium*

1. The *coordinator* shall ensure that the legal entities identified in Article 1.2 complete the formalities for them to accede to the *contract*. At the latest [30][45][60] calendar days after the entry into force of the *contract*, the *coordinator* shall send to the *Commission* one of the three duly completed and signed originals of Form A (set out in Annex IV), which shall be obtained from each of the *contractors* identified in Article 1.2. The two remaining signed originals shall be kept by the *coordinator* and the *contractor* concerned and be made available for consultation at the request of any other *contractor*.

2. Should any legal entity identified in Article 1.2 fail or refuse to accede to the *contract* within the deadline established in the previous paragraph, the *Commission* is no longer bound by its offer to contract with the said legal entity(ies). The *Commission* may terminate the *contract* in accordance with Article II.15.5, where any legal entity identified in Article 1.2 does not accede to the *contract* in accordance with the provisions established by the *Commission*.

3. However, the *consortium* may propose appropriate solutions to the *Commission* to ensure the implementation of the *project* including, where necessary, the accession to the *contract* of legal entities other than those identified in Article 1.2 in accordance with the provisions in Article 3.

4. In the case of termination, no costs incurred by the *consortium* under the *project* up to the date of *contract* termination can be approved or accepted as eligible for reimbursement by the *Community* financial contribution. Any *pre-financing* provided to the *consortium* and any interest generated by the *pre-financing* must be returned in full to the *Commission* within 30 days of notification of termination.

Article 3 - Evolution of the *consortium*

The *consortium* may be enlarged to include other legal entities, which shall accede to the *contract* by means of Form B (set out in Annex V). The *Commission* is deemed to have accepted this legal entity as a *contractor* in the *consortium*, if it does not object within six weeks of receipt of Form B. Any new *contractor* shall comply with the participation rules established by the *Rules for Participation*. This is subject to any condition required by the *Financial Regulation* or other formalities that may be required by any other provision of this *contract*.

They shall assume the rights and obligations of *contractors* as established by the *contract* with effect from the date of their accession to the *contract*. *Contractors* leaving the *consortium* shall be bound by the provisions of the *contract* regarding the terms and conditions applicable to the termination of their participation.

Article 4 – Entry into force of the *contract* and duration of *project*

1. This *contract* shall enter into force on the day of its signature by the *coordinator* and the *Commission*.

2. The duration of the *project* shall be [insert number] months from [the first day of the month after the signature by the *Commission*] [fixed starting date (insert date)/(date to be communicated by *Commission* – cooperative and collective research only)] [the date of signature of this *contract*] [the effective starting date notified by the *coordinator/contractor*, which must be within [insert number] months from the date the *contract* enters into force] (hereinafter referred to as the “*start date*”).

This *contract* shall be completed once the rights and obligations of all the parties to the *contract* have been met. The implementation and payment phases relating to the *project* must be completed by the *final implementation date* of the *contract*⁴.

The provisions set out in Articles II.7, II.9, II.10, II.11, II.29, II.30, II.31 and Part C of Annex II shall continue to apply after the *final implementation date* as well as any provisions in Annex III which specifically state that they shall continue to apply after the *final implementation date*.

Article 5 – *Community* financial contribution

The *Community* financial contribution shall be in the form of a [lump sum][grant to the budget][grant for integration].

[Option 1: *When the Community contribution is in the form of grant to the budget and grant for integration*] The maximum *Community* contribution to the *project* shall be EUR (insert amount in words XXXXXX EURO). The *Community* financial contribution shall be limited to the maximum rates of contribution to the activities identified in Part B of Annex II, as modified by any provision of Annex III. Annex I indicates the estimated breakdown of costs and activities to be carried out under the *project*.]

[Option 2: *When the Community contribution is a lump sum*] The maximum *Community* financial contribution shall be EUR (insert amount in words XXXXXX EURO).]

Article 6 – Reporting periods

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

- P1: from month 1 to month X
- P2: from month X+1 to month Y
- P3: from month Y+1 to month Z
- (...)
- [final]: from month [N+1] to the last month of the *project*

Article 7 – Reports

1. [Option 1: (*for projects with more than one reporting period*): Reports referred to in Article II.7.2 shall be submitted for each reporting period identified in Article 6 within 45 days of the end of the period in question. Reports shall be submitted in [language]]

⁴ The *final implementation date* is determined by taking into account, after the end date of the *project*, the maximum periods allowed for the *contractors* to submit all the required reports and other deliverables, for the *Commission* to approve them and for it to make the final payment. If the periods indicated are extended by means of an amendment to the *contract*, the *final implementation date* shall be modified accordingly.

[Option 2: (*for projects with only one reporting period*): Reports shall be submitted to the *Commission* at the latest 45 days after the end of the *project*, except for the report referred to in Article II.7.4.d. This delay may be increased by 45 days at the request of the *consortium*. Where the work is completed before the end of the duration of the *project*, the related activity and financial reports shall cover the period up to that date. The final reports referred to in Article II.7.4 shall include the information required under Article II.7.2 for the whole period covered by the *project*. Reports shall be submitted in [language]]

2. [not applicable to lump sum contracts]

[Option 1:(*optional for all instruments and compulsory for IPs and NoEs*): Reports referred to in Article II.7.3 covering each period shall be submitted at the latest 45 days after the end of each reporting period]

[Option 2 (*applicable to instruments other than IPs and NoEs*): Reports referred to in Article II.7.3 shall be submitted at the latest 45 days after the end of the following periods⁵:

P(x) covering reporting periods from P1 to P(x)

P(y) covering reporting periods from P(x+1) to P(y)

P(z) covering reporting periods from P(y+1) to P(z)

P(last) covering reporting periods from P(n+1) to the last reporting period of the *project*]

3. [(*for projects with more than one reporting period*) In addition to the reports for the last period, final activity and financial reports referred to in Article II.7.4 (except for the report referred to in Article II.7.4.d) shall be submitted to the *Commission* at the latest 45 days after the end of the *project*. This delay may be increased by 45 days at the request of the *consortium*. Where the work is completed before the end of the duration of the *project*, the related activity and financial reports shall cover the period up to that date.]

Article 8 – Payment modalities

1. The *Community* financial contribution to the *project* shall be paid to the *coordinator* on behalf of the *contractors* in accordance with the following provisions:

a) the *consortium* shall determine the allocation of each tranche of the *Community* financial contribution between the *contractors*, in accordance with this *contract* and any relevant provisions in their *consortium agreement*.

b) the payment of the *Community* financial contribution to the *coordinator* discharges the *Commission* from its obligation to make this payment to the *contractors*.

c) the *coordinator* shall distribute the *Community* financial contribution without unjustified delay. [However, the initial *pre-financing* shall not be distributed to the *contractors* until the minimum number of *contractors* required by the *Rules for Participation* have acceded to the *contract*⁶.]

2. The *Community* financial contribution shall be paid in accordance with the provisions of Article II.28 and the following:

⁵ Audit certificates can be requested for any appropriate period depending on the duration of the *project*, its nature and the estimated budget. However, in certain cases audit certificates are obligatory (where the EC contribution requested by a contractor exceeds €750,000.)

⁶ Applies only when the option: [the date of entry into force of the *contract*] is chosen in Article 8.2 a).

[Option A: projects with one single reporting period]

(a) *pre-financing* of [amount of XXXX Euro][up to 80% to 85%⁷] of the estimated *Community* financial contribution indicated in the table of estimated breakdown of costs for this period in Annex I within 45 days following [the date of entry into force of the *contract*][the date the *Commission* is informed of the accession of the last *contractor* required to constitute the minimum number of participants established by *the Rules for Participation*, and as detailed in the call for proposals to which the *project* is related][the date the *Commission* is informed of accession to the *contract* of all the *contractors* identified in Article 1.2]

(b) the outstanding balance shall be paid within 45 days following the approval by the *Commission* of the reports referred to in Article II.7. This payment shall be considered as final, subject to the results of any audit or review, which may be carried out pursuant to the provisions of Article II.29. Where the amount justified and accepted is less than the *pre-financing* the *Commission* shall recover the difference.

[Option B: projects with more than one reporting period]

(a) *pre-financing* of [amount of XXXX Euro] [85%][...<85% (see footnote 7)] of the estimated *Community* financial contribution corresponding to the first reporting period and the first six months of the subsequent reporting period indicated in the table of estimated breakdown of costs for this period in Annex I, within 45 days following [the date of entry into force of the *contract*][the date the *Commission* is informed of the accession of the last *contractor* required to constitute the minimum number of participants established by *the Rules for Participation*, and as detailed in the call for proposals to which the *project* is related][the date the *Commission* is informed of accession to the *contract* of all the *contractors* identified in Article 1.2];

[Option B 1: Projects with more than one reporting period with an audit certificate for each period:]

- (b) within 45 days following approval by the *Commission* of the reports related to each reporting period:
- i) a payment which settles the amounts justified and accepted during the reporting period.
 - ii) *pre-financing* of [85%][...<85% (see footnote 7)] of the estimated *Community* financial contribution corresponding to the subsequent period and the first six months of the period following, indicated in the table of estimated breakdown of costs for this period in Annex I.

Where the amount justified and accepted for the reporting period is less than the *pre-financing* already paid to the *consortium*, that part of the *pre-financing* is re-qualified as a payment and the *Commission* shall deduct the difference from the subsequent *pre-financing*.

Where the amount justified and accepted for the reporting period is more than the *pre-financing* already paid to the *consortium*, the *pre-financing* is re-qualified as a payment and the *Commission* shall add the difference as a complementary payment at the time of the payment of the subsequent *pre-financing*.

⁷ Total *pre-financing* is limited to a maximum of 80% of the *Community* financial contribution for instruments without collective responsibility or where the coverage provided by the collective responsibility is deemed insufficient by the *Commission* to cover its financial interests). This percentage can be increased to a maximum of 85% of the *Community* financial contribution if a bank guarantee is provided by each *contractor*.

[Option B 2: Projects with more than one reporting period but without an audit certificate for each period:]

- (b) - within 45 days following approval by the *Commission* of the reports relating to each reporting period:

If an audit certificate has been submitted:

- i) a payment to settle the amounts justified and accepted during the reporting period; and
- ii) an intermediate *pre-financing* of [85%][...<85% (see footnote 7)] of the estimated *Community* financial contribution corresponding to the subsequent period and the first six months of the period following, indicated in the table of estimated breakdown of costs for this period in Annex I.

Where the amount justified and accepted for the reporting period is less than the *pre-financing* already paid to the *consortium*, that part of the *pre-financing* is re-qualified as a payment and the *Commission* shall deduct the difference from the subsequent *pre-financing*.

Where the amount justified and accepted for the reporting period is more than the *pre-financing* already paid to the *consortium*, the *pre-financing* is re-qualified as a payment and the *Commission* shall add the difference as a complementary payment at the time of the payment of the subsequent *pre-financing*.

If an audit certificate has not been submitted:

- i) an intermediate *pre-financing* of [85%][...<85%⁸] of the estimated *Community* financial contribution corresponding to the subsequent period and the first six months of the period following, indicated in the table of estimated breakdown of costs for this period in Annex I.

Where the amount justified and accepted for the reporting period is less than the *pre-financing* already paid to the *consortium*, the *Commission* shall deduct the difference from the subsequent *pre-financing*.

Where the amount justified and accepted for the reporting period is more than the *pre-financing* already paid to the *consortium*, the *Commission* shall add the difference to the subsequent *pre-financing*, within the limits established by the *Financial Regulation*.

[For B1 and B2 - all projects with more than one reporting period]

- (c) within 45 days following approval by the *Commission* of the reports relating to the last period and the final reports referred to in Article II.7, the *Commission* shall pay a final payment for that period.

[For all projects except option C]

- (d) Any payment at the end of a reporting period accompanied by an audit certificate shall be considered as final, subject to the results of any audit or review, which may be carried out pursuant to the provisions of Article II.29.

⁸ See footnote 7.

[⁹Total *pre-financing* may not exceed 80% of the *Community* financial contribution or, where final payments referred to in paragraph d have been effected, of the difference between the *Community* financial contribution and those final payments.]

[¹⁰Where less than 70% of a *pre-financing* has been used at the end of a reporting period, and notwithstanding the approval by the *Commission* of the related reports, subsequent intermediate *pre-financing* may be paid only:

- (i) if an audit certificate is provided for that reporting period; or
- (ii) on the basis of a complementary periodic management report referred to in Article II.7.2 b that shall be submitted to the *Commission* once the above-mentioned spending rate has been achieved.]
- (e) Where no comments, changes or substantial corrections to any of the *project* activity reports or financial statements are required or where the *Commission* approves the reports more than 45 days after reception, the *Commission* shall make the appropriate payment within 90 days of receipt of the *project* activity reports and associated financial statements.

Where substantial comments, changes, further information or adjustments are requested by the *Commission* within this period, the delay is suspended upon notification by the *Commission*. The remainder of the 90 day payment period begins again only after submission by the *contractors* of the required information.

Option C : Community contribution = lump sum for projects with one single reporting period]

(a) *pre-financing* of [amount of XXXX Euro (*total pre-financing may not exceed 80% of the Community financial contribution unless bank guarantee(s)is (are)provided, in which case a maximum of 85% is possible*)] within 45 days following [the date of entry into force of the *contract*][the date the *Commission* is informed of the accession of the last *contractor* required to constitute the minimum number of participants established by *the Rules for Participation*, and as detailed in the call for proposals to which the *project* is related][the date the *Commission* is informed of accession to the *contract* of all the *contractors* identified in Article 1.2].

(b) the outstanding balance shall be paid within 45 days following the approval by the *Commission* of the reports referred to in Articles II.7.4.a and II.7.4.c. This payment shall be considered as final, subject to the results of any audit or review, which may be carried out pursuant to the provisions of Article II.29.

(c) Where no comments, changes or substantial corrections to the *project* activity reports are required or where the *Commission* approves the reports more than 45 days after reception, the *Commission* shall make the appropriate payment within 90 days of receipt of the *project* activity reports.

Where substantial comments, changes, further information or adjustments are requested by the *Commission* within this period, the delay is suspended upon notification by the *Commission*. The remainder of the 90 day payment period begins again only after submission by the *contractors* of the required information.

Article 9 – Special clauses

[No special condition applies to this *contract*.]

⁹ If option B1 or B2 **AND** instrument without collective liability or insufficient collective liability as assessed by the *Commission* and no bank guarantee is provided by the *contractor(s)*.

¹⁰ If option B2 only.

[The following special conditions apply to this *contract*.]

Article 10 - Amendments

Any request for amendment to the *contract* shall be submitted in accordance with Article 11. Proposals for amendments submitted by the *coordinator* are requested on behalf of the *consortium*. The *coordinator* shall ensure that adequate proof of the *consortium's* agreement to such a request exists and is made available in the event of an audit.

The *Commission* shall undertake to approve or reject any request for an amendment within 45 days of its receipt. The absence of a response from the *Commission* within 45 days of receipt of such a request, or any other period provided for in the *contract*, does not constitute approval of the request, except for any modification or evolution of the *consortium* as foreseen in Article 3.

All amendments to the *contract* shall be in writing.

Article 11 – Communication

1. Requests for amendments and any communication foreseen by the *contract* shall identify the nature and details of the request or communication and be submitted in writing by means of registered mail with acknowledgement of receipt to the following addresses:

For the *Commission*: Commission of the European Communities
 DG [name]
 [B-1049 Brussels
 Belgium] [Luxembourg]

For the *coordinator*: [contact address]

2. Where the *contract* foresees that information or documents are to be transferred by electronic means, the following functional mailboxes shall be used:

For the *Commission*:

For the *coordinator*:

3. The bank account of the *coordinator* to which all payments of the *Community* financial contribution shall be made is:

Name of account holder:

Name of bank:

Account reference: IBAN/sort code and number

4. Each party to the *contract* shall inform the other parties without delay of any changes in the names or addresses identified in paragraphs 1 and 2 above.

Article 12 - Applicable law

The law of [Belgium/Luxembourg] shall govern this *contract*.

Article 13 - Jurisdiction

The Court of First Instance or the Court of Justice of the European Communities, as is appropriate in the specific case, shall have sole jurisdiction to hear any disputes between the *Community* and the *contractors* as regards the validity, the application or any interpretation of this *contract*.

Article 14 - Annexes forming an integral part of this *contract*:

1. The following annexes form an integral part of this *contract*:

- Annex I - Description of work
- Annex II - General conditions
- [Annex III - Specific provisions related to [this instrument]]
- [Annex IV - Form A - consent of *contractors* to accede to the *contract*]
- [Annex V - Form B – accession of new legal entities to the *contract*]
- [Annex VI - Form C – financial statement per instrument]

2. In the event of any conflict between the provisions of the Annexes to this *contract* and any provision of this part of the *contract*, the latter shall take precedence. 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.

3. The special conditions set out in Article 9 shall take precedence over any other provisions of this *contract*.

Done at [Brussels][Luxembourg], in [language]