

UNECA

Version 4.0

Unified Networks of Excellence Consortium Agreement
first public version
2003-06-12

This UNECA is offered to you as a model to use for a consortium agreement for Networks of Excellence under the 6th framework programme of the European Community, by four European organisations which embarked at the huge task to make a model for an instrument not well defined yet. We had to device the whole legal, financial and organisational system needed to run such a Network. It took half a year, many meetings, long and sometimes fierce discussions between the members of this international group to decide on main subjects; it took many very long days and small conferences for the writing team to put all that results on paper and rediscuss whole chapters. But we are proud to bring out this public version in the end: At your service !



We encourage you to distribute this UNECA model inside your establishment, to be read by your topmanagement and to be used by projectleaders, but it must be kept intact as a whole, including elucidating pages and attachments. If you make any changes to the model -not generally advise d- clearly indicate what and where, so your counterparts will have no misunderstanding what is put on the table by you.

Note that we offer our UNECA in good faith but without any warranty; none of our organisations or individuals offering it can be held responsible for its contents or the use you make of it. Always contact your local officer for formal advice.

The UNECA_V4 consists of a package of files, which belong together

The main text is called UNECA_V4 and available in .PDF .DOC and .WPD formats

The main text of the UNECA model agreement is made in two columns:

- the **left** column sets forth the **legal text**
- the right column serves to give background information and comments to the legal text

The attachments -which are quite empty in this native model- are comprised the in UNECA_V4 file, as they will form a part of the legal document.

There are 3 appendixes, which are not part of the legal text, but can not be missed.

The appendixes A1–A5 give a basic introduction and elucidation in non legal wording.

- A1 illustrates the basic **management** principles used
- A2 gives an overview of **legal structures** and introduces additional agreements
- A3 introduces the **financial system** developed for Networks
- A4 illustrates basic principles of **planning** in the given management setting
- A5 defines the *basic format* for **handling the finances** , and gives some background info .

It is **highly recommended to read these basics appendixes first** and use them as reference when filling in your own Network consortium agreement, based on the UNECA.

Appendix B. is the model needed for **accession** of Parties to the consortium agreement. It is a bit critical in text, so it is wise to use this model only.

Appendix C. is a useful simple model for **material transfer**

The working group for the UNECA consists of 22 people from all over Europe, including a writing team of 4 and two main editors. Most have long standing experience with the Framework Programmes and some key figures were involved in the conception of the main consortium agreements for research projects in FP5 and FP6.

For any questions you can send a mail to: contract@anrt-europe.com or on the discussion list consortiumforum@nic.surfnet.nl .
Entrance will normally be given to members of a university or of one of the initiating organisations. An e-mail to forum@unite.be with 'apply' as subject and indicating your membership will do.

Editable versions of the UNECA legal kernel are available on the websites of the initiating organisations:

www.earma.org

www.earto.org

www.anrt.asso.fr

www.unite.be for the mother files and latest versions

*Unified Model for
Network of Excellence Consortium Agreement (UNECA)*

(Version 4, 12 June 2003)

<u>TEXT</u>	<u>CONSIDERATIONS / ANNOTATIONS</u>
<p style="text-align: center;"><u>NETWORK OF EXCELLENCE</u></p> <p style="text-align: center;"><u>CONSORTIUM AGREEMENT</u></p>	
	<p>It is generally recommendable to conclude a Memorandum of Understanding, Letter of Intent or other Agreement, including non-disclosure provisions during the negotiation phase (pre-proposal/pre-project phase).</p>
<p>THIS AGREEMENT is made</p> <p>BETWEEN:</p> <p>(1) <PARTY> (hereinafter referred to as ...) established in <country> whose registered office is at <address>, the <i>Co-ordinator</i></p> <p>(2) <PARTY> (hereinafter referred to as ...) established in <country> whose registered office is at <address>,</p> <p>.....</p> <p>herein individually or collectively referred to as a "<i>Party</i>" or the "<i>Parties</i>"</p>	
<p>Preamble</p> <p>WHEREAS:</p> <p>(A) In consideration of Decision No. 1513/2002/EC of the European Parliament and of the Council of 27 June 2002 concerning the sixth framework programme of the European Community for research, technological development and demonstration activities, contributing to the creation of the European Research Area and to innovation (2002 to 2006), (OJEC L 232/1) and of Regulation (EC) No. 2321/2002 (OJEC L 355/23) of the European Parliament and of the Council concerning the rules for the participation of undertakings, research centres and universities and for the dissemination of research results for the implementation of the European Community Sixth Framework Programme 2002-2006,</p> <p>(B) The <i>Parties</i>, possessing considerable excellence in the field concerned, have submitted or intend to submit as <i>Consortium a Proposal for a Network of Excellence Project</i> entitled <NAME OF PROJECT> to the <i>Commission</i> in the Sixth Framework Programme and intend to perform and execute such Project according to the terms and conditions of a <i>Contract</i> and its Annexes to be entered into between the <i>Parties</i> and the <i>Community</i>,</p>	

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	<p>and their process of integration:</p> <p>1) The possibility to include additional activities beyond the <i>Joint Programme of Activities</i> in the overall "<i>Plan of Activities</i>"; in such case these activities will be ruled by the mechanisms of the Consortium Agreement; i.e. for research activities the <i>Joint Programme of Activities</i> will address the integration of the research, while actual research activities and their planning are normally covered by the Plan of Activities.</p> <p>2) The express possibility of concluding "<i>Additional Agreements</i>" to agree on the specific terms and conditions of joint activities <u>as a result of the <i>Parties</i>' integration process</u>. The functioning of <i>Additional Agreements</i> is further explained in Appendix A (UNECA Legal Structure).</p>
Section A: Subject, Purpose and Duration	
Article 2: Subject and Scope	
<p>(1) The subject of this <i>Agreement</i> is to specify with respect to the <i>Project</i> the organisation of the work between the <i>Parties</i>, to organise the management of the <i>Project</i>, to define rights and obligations of the <i>Parties</i>, including, but not limited to, their contribution, liability and indemnification, and to supplement the provisions of the <i>Contract</i>, including those concerning <i>Access rights</i> and to set out any other rights and obligations of the <i>Parties</i> related to the <i>Project</i>, but not conflicting with those of the <i>Contract</i>.</p>	
<p>(2) For the avoidance of doubt, the rights set forth in this <i>Agreement</i> shall only extend to the <i>Parties</i> hereto in their own legal personality and capacity and shall not extend to any third persons or parties even if such third party should be an affiliate of a <i>Party</i>. No special rights or status are recognised for affiliates of <i>Parties</i>, which are not <i>Parties</i> to this <i>Agreement</i> in their own right. Unless provided otherwise in this <i>Agreement</i> or by mandatory law, no such rights may be assigned by a <i>Party</i> to a third party without having obtained the prior written agreement from all other <i>Parties</i>.</p>	<p>Please note: In view of the co-operative structure of a network of excellence, no special rights or status are recognised for affiliates of Parties, which are not Parties to the Consortium Agreement in their own right.</p> <p>This does explicitly not exclude that affiliated legal entities could become Parties to the Consortium Agreement.</p>
Article 3: Purpose	
<p>The purpose of the <i>Project</i> and of this <i>Agreement</i>, is to take steps for achieving progressive complementarity and integration among the <i>Parties</i> in the field set forth in Annex I of the <i>Contract</i> and to establish durable structures to this end, on terms and conditions to be agreed upon between the <i>Parties</i> during the course of the <i>Project</i> and in accordance with the provisions of the <i>Contract</i>.</p>	
Article 4: Agreements on Integration	
<p>(1) The provisions of this <i>Agreement</i> shall apply to and thus rule and regulate all activities, contributions and obligations agreed upon among the <i>Parties</i> in the current <i>Plan of Activities</i>.</p>	
<p>(2) In order to achieve the purpose of this <i>Agreement</i>, <i>Parties</i> may also conclude,</p>	

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<p>during and/or as a result of the <i>Project, Additional Agreements</i> in the fields set forth in Annex I of the <i>Contract</i> beyond the scope and duration of this <i>Agreement</i>, in order to achieve a durable integration of activities and/or the sharing of assets or in order to otherwise determine details and modalities of intensifying co-operation of the <i>Parties</i> in such fields. In such case, the <i>Parties</i> concerned will conclude agreements in writing to specify their respective mutual rights and obligations. The <i>Parties</i> concerned shall inform beforehand the other <i>Parties</i> in the <i>Assembly</i> of their intent to conclude such an <i>Additional Agreement</i>.</p>	
<p>Article 5: Duration</p>	
<p>(1) A person or entity becomes a <i>Party</i> to this <i>Agreement</i> upon signature of this <i>Agreement</i> by a duly authorised representative.</p>	
<p>(2) Upon and as from the date of signature by at least five <i>Parties</i>, this <i>Agreement</i> shall enter into force for these <i>Parties</i>. For all other <i>Parties</i> signing this <i>Agreement</i> before signature of the <i>Contract</i>, it enters into force upon signature.</p>	
<p>(3) For all and any parties intending to accede to this <i>Agreement</i> after signature of the <i>Contract</i>, the provisions of Article 38 of this <i>Agreement</i> shall apply. For those <i>Parties</i> this <i>Agreement</i> shall enter into force as from the date of signature of such <i>Party's</i> declaration of accession to this <i>Agreement</i> or the respective decision of accession by the <i>Assembly</i>, whichever is the later.</p>	
<p>(4) Without prejudice to the provisions of Article 41 of this <i>Agreement</i>, this <i>Agreement</i> shall continue in full force and effect</p> <p style="padding-left: 40px;">a) until the fulfilment the <i>Contract</i> and complete discharge of all obligations for the carrying out of the <i>Project</i> undertaken by the <i>Parties</i> under the <i>Contract</i> or under this <i>Agreement</i>, whichever is the later, or</p> <p style="padding-left: 40px;">b) until terminated earlier in accordance with Articles 39 or 40 of this <i>Agreement</i>.</p>	<p>The provision under a) gives a possibility to the <i>Parties</i> to extend their co-operation under the Consortium Agreement, by agreeing on further obligations than the obligations under the <i>Contract</i>.</p>

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<p>Section B: Organisation and Management</p>	<p>In this Model Agreement, the organisation and management of the Consortium is divided into:</p> <p>1° Governance level ("<i>Assembly</i>" or "Governing Board");</p> <p>2° Executive level (<i>Executive Committee</i> & Co-ordinator); (which may be supported by a management team or secretariat);</p> <p>- both, the <i>Assembly</i> and the <i>Executive Committee</i>, are supported by a Scientific Advisory Board (with the power to issue recommendations to 1°&2°)</p> <p>3° Operational level (<i>Task Forces</i>): <i>Task Forces</i> are those "who do the work"</p> <p>NB: All operational work should indeed be handled by <i>Task Forces</i> rather than any additional committees, e.g. exchange of personnel, ethics, gender, IPR</p> <p>The terms (names) used in this Model Agreement for the different managerial committees/levels are not mandatory and should be revised and replaced according to the terms and names used in the respective proposal to the Community.</p>
<p>Article 6: Assembly</p>	
<p>(1) In order to take decisions on the overall organisation of the <i>Network</i>, the <i>Parties</i> shall meet in the <i>Assembly</i>.</p>	
<p>(2) To this end, each <i>Party</i> shall appoint an authorised representative to the <i>Assembly</i> by notice in writing sent to the <i>Co-ordinator</i>. First appointments shall take place not later than 20 days after the entry into force of this <i>Agreement</i>. Substitutes for representatives may also be appointed. Replacements of representatives as well as substitutes shall be possible. In meetings of the <i>Assembly</i> the representatives may be accompanied by advisors.</p>	<p>Replacement of representatives is possible, however, it should be a goal of the <i>Parties</i> to ensure continuity of their representatives.</p>
<p>(3) The <i>Parties'</i> representatives acting in the <i>Assembly</i> shall be referred to collectively as "<i>Assembly</i>" for the purposes of convenience only and without creating any partnership or agency between or on behalf of the <i>Parties</i>.</p>	
<p>(4) In the <i>Assembly</i>, the <i>Parties</i> shall, in accordance with this <i>Agreement</i> and the <i>Contract</i>, take the necessary decisions relating to the <i>Network</i> and shall in this regard particularly deal with the following:</p>	
<p>i) with respect to the Parties obligations under the <i>Contract</i> and their relation with the <i>Community</i>, any revision of the current <i>Joint Programme of Activities</i> and adoption of any new <i>Joint Programme of Activities</i>;</p>	
<p>ii) on a six-months basis, adoption and any revision of the <i>Plan of Activities</i> in accordance with Article 14 of this <i>Agreement</i>;</p>	<p>The <i>Plan of Activities</i> comprises the <i>Joint Programme of Activities</i> and may include additional tasks the Parties wish to cover with respect to their integration process. A detailed distribution of tasks and contributions should be part of the <i>Plan of Activities</i>.</p>

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iii) on a six-months basis, agreement on the <i>Network Budget</i> (as part of the <i>Plan of Activities</i>)	
iv) exchange of information on any third party receipts by a <i>Party</i> in relation to the <i>Network</i> activities;	
v) in accordance with Article 8 of this <i>Agreement</i> , establishment of <i>Task Forces</i> for the implementation of the <i>Plan of Activities</i> as well as appointment and revocation of appointment of the respective <i>Task Forces'</i> chairpersons and, after the first year of the <i>Project</i> , of the chairperson of the <i>Executive Committee</i> ;	
vi) establishment of a <i>Scientific Advisory Board</i> , including the appointment, revocation of appointment and determination of the rules for selection of its members in accordance with Article 10 of this <i>Agreement</i> ;	
vii) in a manner not unduly obstructing the timely delivery of such reports, approval of any reports to be delivered under the <i>Contract</i> ;	It seems necessary that all Participants' representatives take note and agree with the joint reporting to the Community.
viii) acceptance of new parties to this <i>Agreement</i> ;	
ix) proposals to the <i>Parties</i> regarding the acceptance of new parties to the <i>Contract</i> , in consideration of the respective steps to be taken in such case in accordance with the <i>Contract</i> including the modalities of the accession process;	
x) proposals to the <i>Parties</i> for the conclusion of <i>Additional Agreements</i> and information on any <i>Additional Agreements</i> planned to be concluded between one or more of the <i>Parties</i> ;	
xi) proposals to the <i>Parties</i> for the amendment of terms of this <i>Agreement</i>	
xii) proposals to the <i>Contractors</i> for the review and/or for amendments of terms of the <i>Contract</i> ;	
xiii) subject to and in accordance with the provisions of Article 37(4) of this <i>Agreement</i> , deciding on additional procedures and policies on management of <i>Knowledge</i> ;	
xiv) in case of the <i>Default</i> of a <i>Party</i> , decision on any actions to be taken, including decisions on serving any notices required and a request to the <i>Commission</i> for an audit on <i>Contract</i> issues, and proposals to the <i>Parties</i> to assign such <i>Party's</i> tasks and if appropriate to agree upon a new entity to join the <i>Consortium</i> for that purpose; in case of a <i>Default</i> of the <i>Co-ordinator</i> in the performance of its tasks as a <i>Co-ordinator</i> , this also includes the possible nomination of a new <i>Co-ordinator</i> ;	It has to be taken into account, that a default of a <i>Party</i> might not only affect the execution of the <i>Contract</i> with the <i>Community</i> but also other substantial interests of the <i>Parties</i> .
xv) establishment of any advisory committees, including agreement on appointment and revocation of appointment of its members in accordance with Article 11 of this <i>Agreement</i> ;	
xvi) appointing additional Signatories for the withdrawal of funds in accordance with Art. 22 of this <i>Agreement</i> ;	
xvii) agreement on the suspension of all or part of the activities under this	

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<i>Agreement</i> or the <i>Project</i> , or to terminate all or part of the <i>Contract</i> , and the modalities for such suspension or termination, including bringing forward such proposal to the <i>Commission</i> ;	
xviii) any decision to instruct the <i>Co-ordinator</i> to ask the <i>Commission</i> on behalf of the <i>Consortium</i> to terminate the participation of one or more <i>Contractors</i> .	
(5) The <i>Parties</i> acting in the <i>Assembly</i> may, upon request by a <i>Party</i> and after hearing the members of the <i>Executive Committee</i> , also overrule any decision taken by the <i>Executive Committee</i> .	
(6) Each <i>Party</i> shall have one vote in the <i>Assembly</i> . The <i>Parties</i> shall not deliberate and are not able to decide validly in the <i>Assembly</i> unless all of the <i>Parties</i> but two are represented in the respective meeting and the <i>Assembly</i> has been duly convened in accordance with the provisions of Article 7(4) of this <i>Agreement</i> . This provision is without prejudice to the possibility of the <i>Parties</i> to take a decision in accordance with Article 7(5) of this <i>Agreement</i> .	Quorum : cf. Art. 16, para. (1) a <i>Party</i> , whose representatives to not appear in the <i>Assembly</i> for two consecutive meetings, is considered in breach. [Provision changed from earlier version pursuant to subsequent comments – to make a standstill less possible.]
(7) A unanimous decision shall be required with respect to the items mentioned in Article 6, paragraph 4 i), ii), iii), v), viii) and xiii) of this <i>Agreement</i> . In all other cases, decisions shall be taken by a majority of two thirds of the votes of the <i>Parties</i> . For decisions relating to the <i>Default</i> of a <i>Party</i> the vote of such <i>Party</i> , shall not be required nor counted.	This also applies to the <i>Co-ordinator</i> (also a <i>Party</i>).
Article 7: Assembly Meetings	
(1) The first meeting of the <i>Assembly</i> shall take place not later than thirty (30) calendar days after the <i>Co-ordinator</i> has signed the <i>Contract</i> in order to take the first decisions for setting up the <i>Network</i> . Thereafter, the <i>Assembly</i> meetings shall take place at least once every six (6) months.	
(2) Additional meetings shall be convened at any time upon a written request by one <i>Party</i> to the <i>Co-ordinator</i> .	Executive Committee is responsible for the preparation of contents, whatever the reason of convocation.
(3) The meetings of the <i>Assembly</i> shall be prepared by the <i>Executive Committee</i> .	
(4) The meetings shall be convened by the <i>Co-ordinator</i> by a notice to be sent to the representatives of all the <i>Parties</i> not less than thirty (30) calendar days before the date of the meeting. The notice shall be accompanied by the draft agenda prepared by the <i>Executive Committee</i> . All necessary background information on any decisions proposed to be taken shall be delivered in parallel in readable format by any regular means of communication. Each <i>Party</i> may suggest any additional agenda items by notice to all other <i>Parties</i> at least seven (7) calendar days prior to the meeting date.	
(5) In emergency situations, determined as such by the <i>Co-ordinator</i> and two other members of the <i>Executive Committee</i> , meetings of the <i>Assembly</i> may also be held: (i) without the prior notices required in the preceding paragraph, and/or (ii) via audio- or video-teleconferences and/or (iii) decisions required to be taken or permitted to be taken by the <i>Assembly</i> may be taken via email. In any such cases, in derogation of Article 6 paragraph (6) of this <i>Agreement</i> , a decision taken in such way or in such meeting is only taken validly, if a consent in writing, setting forth the decision so taken, is signed by all <i>Parties'</i> representatives to the <i>Assembly</i> and sent to the <i>Co-ordinator</i> [with a copy to the other <i>Parties'</i>	

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representatives.]	
<p>(6) If not decided otherwise by the <i>Assembly</i>, the meetings shall be chaired by the representative of the <i>Co-ordinator</i> appointed to the <i>Assembly</i>. A vice-chairperson shall be elected from among the other representatives.</p> <p>During deliberations and decisions relating to the tasks of the <i>Co-ordinator</i>, the meeting shall be chaired by the vice-chairperson or, failing the presence of the vice-chairperson in a meeting, by a chairperson to be elected from among the other <i>Parties'</i> representatives present at the meeting.</p>	
<p>(7) Unless decided otherwise in the <i>Assembly</i>, the <i>Co-ordinator</i> may also invite one or more representatives from the <i>Commission</i> to attend the meetings of the <i>Assembly</i> during its deliberations related to the <i>Contract</i>. In such case, the representatives of the Commission shall have speaking rights.</p>	
<p>(8) The meetings in the <i>Assembly</i> shall be minuted by the <i>Co-ordinator</i>. The minutes shall record inter alia all decisions taken. A draft of the minutes shall be sent to the representatives of the <i>Parties</i> to the <i>Assembly</i> and all participants to the meeting within [thirty (30)] calendar days after the closing date of the meeting. The minutes shall be considered as accepted, if within [twenty (20)] calendar days, no objections against the minutes have been raised. Thereafter, the chairperson and the vice-chairperson of the <i>Assembly</i> meeting shall sign the minutes. The original minutes thus compiled and signed shall be kept by the <i>Co-ordinator</i> and serve as prima facie evidence for the decisions taken. The <i>Co-ordinator</i> shall distribute copies to all the <i>Parties'</i> representatives.</p>	
<p>Article 8: Task Forces</p>	<p>The work and activities should be done in <i>Task Forces</i> (incl. ethics, safety, IPR, gender, dissemination issues, etc.)</p>
<p>(1) In order to achieve and to carry out the <i>Plan of Activities</i>, the <i>Parties</i> shall establish <i>Task Forces</i> not later than [thirty (30)] calendar days after the entry into force of this <i>Agreement</i> or after the revision of or agreement on the <i>Plan of Activities</i> that defines such <i>Task Force</i>.</p>	<p>Note: special provision on an IPR <i>Task Force</i> in Article 37.</p>
<p>(2) The <i>Plan of Activities</i> shall not foresee more than eight lines of activity, for which <i>Task Forces</i> may be established. In case a line of activity requires additional distribution and subdivision, the respective <i>Task Force</i> shall be subdivided in <i>Task Force Groups</i>.</p>	
<p>(3) Each <i>Task Force</i> shall consist of a team, to which each of the <i>Parties</i> taking part in the respective line of activity appoints one or more team members as decided by the <i>Assembly</i> in the respective <i>Plan of Activities</i>. Substitutes may be appointed as well. Each <i>Party</i> shall have the right to revoke appointment of its team member(s). In such case, the respective <i>Party</i> shall immediately appoint a new member.</p>	
<p>(4) Each <i>Task Force</i> shall be chaired by a <i>Task Force</i> member appointed for such task by the <i>Assembly</i>. A deputy chairperson shall also be appointed.</p>	<p>Provision of the "chairperson" is understood as an "institutional task" or responsibility of a particular "Party".</p>
<p>(5) Each <i>Party</i> participating in a <i>Task Force</i> shall be responsible for the coordination of the activities allocated to such <i>Task Force</i> in the <i>Plan of Activities</i>.</p>	
<p>(6) Meetings of the <i>Task Force</i> shall take place as required in accordance with the <i>Plan of Activities</i>, but not less than once per month. Meetings may also take place by telephone conferences.</p>	

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(7) The <i>Parties</i> participating in a <i>Task Force</i> shall be in particular responsible for:	
i) for each planning period, preparing a work plan and budget plan for its line of activity in preparation of the <i>Plan of Activities</i> to be forwarded to the <i>Executive Committee</i> and the <i>Assembly</i> ;	cf. Articles 6, paragraph (4) ii) and iii)
ii) follow-up and report on the use of the <i>Network Budget</i> with respect to this <i>Task Force</i> in general and in respect of the <i>Parties</i> participating in such <i>Task Force</i> in detail and report on any reallocations under viii) of this paragraph;	
iii) delivery of quarterly reports to the <i>Executive Committee</i> on the progress of the <i>Task Force's</i> activities, not later than on the dates set out for such delivery in the <i>Plan of Activities</i>	
iv) preparation of deliverables and of their presentation towards the <i>Commission</i> via the <i>Co-ordinator</i> , satisfying respective reporting requirements;	
v) preparation of proposals to the <i>Executive Committee</i> for new parties to this <i>Agreement</i> and/or proposals for the accession of new parties to the <i>Contract</i> for the purpose of participation in the activities of the <i>Task Force</i> ;	
vi) alerting the <i>Executive Committee</i> and the <i>Co-ordinator</i> in case of a delay in the implementation of the <i>Task Force</i> activities or in case of Default of any <i>Party</i> with respect to its participation in the <i>Task Force's</i> activities;	
vii) analysing and documenting any <i>Default</i> of a <i>Party</i> in relation to the <i>Task Force's</i> activities and prepare a respective proposal for an action plan to the <i>Executive Committee</i> ;	
viii) deciding on any transfer of tasks and activities allocated in the <i>Plan of Activities</i> – including any financial re-allocations which are neutral to the total of the <i>Task Force's</i> budget – between the <i>Parties</i> participating in the <i>Task Force</i> , except in the case that this exchange has an impact beyond the scope of the <i>Task Force</i> activities within the overall <i>Plan of Activities</i> .	
(8) Each <i>Task Force</i> member shall have one vote. The <i>Task Force</i> members shall not deliberate and decide validly unless two thirds of its members are present or represented. In the cases of paragraph (7), sub paragraph i), ii) and viii), decisions shall be taken unanimously by all members of the <i>Task Force</i> . In all other cases, while consensus among the <i>Task Force</i> members should be a general aim, decisions shall be taken by a majority of two thirds of the votes of the <i>Task Force</i> members present or represented. A <i>Party</i> shall have no vote in decisions relating to its own <i>Default</i> .	
(9) The chairpersons of the <i>Task Forces</i> shall coordinate each <i>Task Force's</i> activities and maintain the documentation of these activities. The chairpersons of the <i>Task Forces</i> shall also present the <i>Task Forces'</i> decisions and conclusions to the <i>Executive Committee</i> and the <i>Assembly</i> . They shall further transmit any documents and information in relation to the <i>Task Force</i> activities between the <i>Parties</i> concerned and to the <i>Co-ordinator</i> .	
(10) All <i>Task Force</i> meetings shall be minuted by the <i>Task Force</i> members on the basis of rotation and shall be approved by all <i>Task Force</i> members.	
Article 9: Executive Committee	(Management level)

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	"Executive Committee could also be named "Management Board"
(1) The <i>Executive Committee</i> consists of all the <i>Task Forces</i> chairpersons and the representative(s) of the <i>Co-ordinator</i> appointed according to Article 12(4) of this <i>Agreement</i> . In the case of unavailability of a chairperson of a <i>Task Force</i> , the deputy chairperson of such <i>Task Force</i> shall take his/her place in the <i>Executive Committee</i> .	
(2) The <i>Executive Committee</i> shall perform the management and coordination of the <i>Network</i> and co-ordinate its operability. It shall in particular be in charge of coordinating the activities within the <i>Network</i> and prepare the decisions of the <i>Parties</i> within the <i>Assembly</i> . In particular its members shall in accordance with this <i>Agreement</i> and the decisions of the <i>Assembly</i> be responsible for the following:	The Executive Committee shall handle the task of "coordination" among the Parties and/or the Task Forces in relation to the Network activities (not to be confused with the tasks of the "Co-ordinator"). The Executive Committee may propose to the Assembly to instigate a management team to assist in coordination tasks, cf. Article 13.
i) co-ordinating its own tasks and those of the <i>Task Forces</i> with respect to the implementation of the current <i>Plan of Activities</i> ;	
ii) initiating, co-ordinating and adapting the proposals of the <i>Task Forces</i> and its plans regarding its own tasks for the next <i>Plan of Activities</i> and, on this basis, prepare an overall draft for the <i>Plan of Activities</i> , including the <i>Network Budget</i> , and present such plan to the <i>Assembly</i> for decision;	
iii) the overall follow-up of the performance of the tasks and activities and deliverables to be provided by the <i>Parties</i> under the <i>Contract</i> and the current <i>Plan of Activities</i> as well as information of the representatives of the other <i>Parties</i> on any non-performance;	
iv) approval of calls for and the conclusion of any <i>Subcontracts</i> by a <i>Party</i> , which were not foreseen in Annex I of the <i>Contract</i> ;	
v) providing regular information to the <i>Parties</i> on the overall <i>Network</i> activities and, distribution of any documents and exchange information with respect to the <i>Network</i> activities to and between the <i>Task Forces</i> and the <i>Parties</i> concerned;	
vi) drawing up and compiling the reports to be delivered by the <i>Consortium</i> to the <i>Commission</i> ;	
vii) supporting the <i>Co-ordinator</i> in the preparation of meetings with the <i>Commission</i> and in the compilation of related data;	
viii) preparing proposals of the <i>Assembly</i> for the acceptance of new parties to this <i>Agreement</i> and the accession of new parties to the <i>Contract</i> , including, in case of a positive decision by the <i>Assembly</i> on conducting a Competitive Call ;	
ix) preparing the implementation of any such accession of new parties including the administrative preparation of the accession process and of a Competitive Call;	Annex III.3 sees competitive call as a task of the Consortium
x) drawing up proposals to the <i>Parties</i> for <i>Additional Agreements</i> ;	
xi) drawing up proposals to the <i>Assembly</i> for the review and/or amendment of terms of the <i>Contract</i> or to the <i>Parties</i> for the review and/or amendment of terms of this <i>Agreement</i> ;	
xii) in accordance with the decisions of the <i>Assembly</i> and the provisions	

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of this <i>Agreement</i> and any amendments thereto, implementing and deciding on the application of measures of controls and audit procedures in order to ensure the effective day-to-day coordination and monitoring of the <i>Network</i> activities;	
xiii) comment on proposals by the IPR <i>Task Force</i> in accordance with the provisions of Article 37(4) of this <i>Agreement</i> , on additional procedures and policies on management of <i>Knowledge</i> and submit the proposals and its comments to the <i>Assembly</i> for approval;	
xiv) review of a <i>Task Force's</i> documentation on the <i>Default</i> of a <i>Party</i> , compile a report on such <i>Default</i> to the <i>Assembly</i> and propose actions to be taken against the <i>Defaulting Party</i> to the <i>Assembly</i> in accordance with Article 6(4) xv) of this <i>Agreement</i> ;	
xv) subject to other provisions of this <i>Agreement</i> , propose modalities for any additional rules for the financial management of funds;	
xvi) propose the establishment of any advisory committees, including the appointment of its members;	
xvii) propose to the <i>Assembly</i> the decision to suspend all or part of the <i>Project</i> or to terminate all or part of the <i>Contract</i> , including the modalities of such termination with respect to ongoing activities; or propose a decision regarding a request by the <i>Co-ordinator</i> to the <i>Commission</i> to terminate the participation of one or more <i>Parties</i> in the <i>Contract</i> ;	Since the existence of a Network of Excellence is of overall programme importance, it seems that the Parties should have sufficient opportunity to discuss such a decision and its ramification (winding up) within their entities.
xviii) co-ordination of agreements or activities in accordance with Annex II.12 of the <i>Contract</i> on publications or press releases by <i>Parties</i> or by the <i>Commission</i> and co-ordinate the required actions and agreements on planned press releases or publications in accordance with the provisions of Article 36 of this <i>Agreement</i> ;	
(3) In case of the <i>Default</i> of the <i>Co-ordinator</i> in the performance of its tasks as a <i>Co-ordinator</i> , at least three members of the <i>Executive Committee</i> acting jointly shall document such <i>Default</i> and bring the issue to the vice-chairperson of the <i>Assembly</i> , who shall inform the <i>Parties</i> of the issue for a decision to be taken within the <i>Assembly</i> .	
(4) The <i>Executive Committee</i> shall be chaired by the representative(s) of the <i>Co-ordinator</i> for a period of one year. Thereafter the <i>Executive Committee</i> shall nominate a chairperson, to be appointed by the <i>Assembly</i> for a period of one year. Reappointments of the same chairperson shall be possible. The chairperson of the <i>Executive Committee</i> shall usually be responsible for the transmission and presentation of the proposals of the <i>Executive Committee</i> to the <i>Assembly</i> .	
(5) Meetings of the <i>Executive Committee</i> shall take place at least once per month or upon request by any of its members. The meetings shall be convened by the <i>Co-ordinator</i> with a notice period of fourteen (14) calendar days. The convocation shall identify the agenda of the meeting, all decisions to be taken and be accompanied by the necessary supporting material and documentation for such decision. Any member of the <i>Executive Committee</i> may suggest any additional agenda items by giving notice of such request to all other members not later than 36 hours in advance to the meeting. Notice periods may be waived by unanimous <i>Agreement</i> from all members of the <i>Executive Committee</i> .	
(6) In the decisions of the <i>Executive Committee</i> each <i>Task Force</i> chairperson or their deputies shall have one vote; the representative(s) of the <i>Co-ordinator</i> not acting as <i>Task Force</i> chairpersons shall have no voting rights arising from their	

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<p>capacity as representatives of the <i>Co-ordinator</i>. Decisions in meetings of the <i>Executive Committee</i> shall require a quorum of all members of the <i>Executive Committee</i> either being present or represented by deputies. Decisions shall be taken by a majority of two thirds of the votes. The chairperson of a <i>Task Force</i>, whose tasks or activities are existentially impacted by such decision, may object to such decision. In such case the matter, shall be brought to and decided in the <i>Assembly</i>, where the reasons for the decision as well as the reasons for the objection shall be presented.</p>	
<p>(7) Meetings of the <i>Executive Committee</i> may also be held</p> <ul style="list-style-type: none"> (i) without the prior notices required under Article 9 (5) of this <i>Agreement</i>, and/or (ii) via audio- or video-teleconferences and/or (iii) decisions required to be taken or permitted to be taken by the <i>Executive Committee</i> may be taken via email, on the pre-condition that all other members of the <i>Executive Committee</i> receive copies of all related communications from all other members. 	
<p>(8) All meetings and decisions of the <i>Executive Committee</i>, including those based on non-personal meetings according to paragraph (7) of this Article, shall be minuted by the <i>Co-ordinator</i> and agreed upon by the members who attended that meeting. The minutes shall record inter alia all decisions taken and shall be sent to all members within seven (7) calendar days. The minutes shall be considered as accepted, if until the next meeting of the <i>Executive Committee</i> no member or attendee has objected against the minutes towards the <i>Co-ordinator</i>. Thereafter, the chairperson of the <i>Executive Committee</i> shall sign the minutes. The original minutes thus compiled and signed shall be kept by the <i>Co-ordinator</i> and serve as prima facie evidence for the decisions taken. The <i>Co-ordinator</i> shall distribute copies to all members and attendees.</p>	
<p>(9) Unless otherwise decided by the <i>Assembly</i>, the members of the <i>Executive Committee</i> shall attend all meetings of the <i>Assembly</i>, shall have the right to speak at these meetings and shall give any explanations requested by the <i>Parties'</i> representatives to the <i>Assembly</i>.</p>	
<p>(10) Neither the <i>Executive Committee</i> nor its chairperson or any of its members, including in their position as <i>Task Force</i> chairpersons, shall be entitled to act or to make legally binding declarations on behalf of the <i>Parties</i> altogether or on behalf of a single <i>Party</i> to this <i>Agreement</i> nor shall a member enlarge its role beyond the one described herein.</p>	
<p>Article 10: Scientific Advisory Board</p>	<p>The establishment of a Scientific Advisory Board is optional.</p>
<p>(1) The <i>Assembly</i> may decide on the establishment of a <i>Scientific Advisory Board</i>, in accordance with Article 6 of this <i>Agreement</i>.</p>	
<p>(2) In such case, the <i>Scientific Advisory Board</i> shall consist of scientists conducting research in the field of the <i>Network</i> activities. The members of the <i>Scientific Advisory Board</i> shall be appointed by unanimous decision of the <i>Parties'</i> representatives in the <i>Assembly</i> and according to a selection procedure to be agreed upon within the <i>Assembly</i>. The rules and agreements related to the appointment must ensure that matters of confidentiality are observed and that all members of the <i>Scientific Advisory Board</i> sign a non-disclosure agreement.</p>	<p>The Consortium may find that, instead of scientists, stakeholders or other persons should take part in the <i>Scientific Advisory Board</i> (NB: S.A.B. has power of recommendation). Thus the description of the heading and composition may be changed according to the objectives of the <i>Network</i>.</p>
<p>(3) The <i>Scientific Advisory Board</i> should deliberate on science-related matters of the <i>Network</i> and formulate recommendations to the <i>Assembly</i> and <i>Executive Committee</i> and can also be requested by the <i>Assembly</i> and the <i>Executive Committee</i> to deliberate on further specific topics. To this end, the <i>Scientific Advisory Board</i> shall in particular:</p>	<p>The <i>Scientific Advisory Board</i> reports to the <i>Assembly</i> and the <i>Executive Committee</i>.</p>

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i) formulate recommendations to the <i>Assembly</i> and the <i>Executive Committee</i> on the content, planning and execution of the <i>Parties'</i> joint research programme within the <i>Network</i> ;	
ii) formulate recommendations to the <i>Assembly</i> and the <i>Executive Committee</i> with respect to any other scientific aspects and requirements of the <i>Network</i> ;	
(4) The <i>Scientific Advisory Board</i> shall meet at least [twice] per year or upon request by the <i>Assembly</i> or the <i>Executive Committee</i> . The <i>Scientific Advisory Board</i> shall elect a moderator for its deliberations and take its decisions according to internal rules to be agreed upon by the <i>Scientific Advisory Board</i> and approved by the <i>Assembly</i> .	
[(5) Should the <i>Assembly</i> or the <i>Executive Committee</i> not follow the recommendations of the <i>Scientific Advisory Board</i> , the reasons for such decision must be recorded in the respective minutes of meeting.]	End user: Please remove brackets or delete paragraph according to the requirements of the <i>Project</i> .
[(5)/6] The <i>Assembly</i> or the <i>Executive Committee</i> may invite the members of the <i>Scientific Advisory Board</i> to attend their meetings in order to give further explanations on its recommendations.	
Article 11: Advisory Committees	
The <i>Parties'</i> representatives may agree in the <i>Assembly</i> on the establishment of any advisory committees considered necessary and shall decide on the modalities of such committees.	Advisory committees should only be established in case this work cannot be done by a <i>Task Force</i>
Article 12: The Co-ordinator	
(1) The <i>Co-ordinator</i> shall be the intermediary between the <i>Parties</i> and the <i>Commission</i> in relation to the <i>Parties'</i> obligations as <i>Contractors</i> under the <i>Contract</i> .	Model Agreement adopts a restrictive role of the Co-ordinator, as suggested by the official report on FP5.
(2) The <i>Co-ordinator</i> shall promptly perform all tasks assigned to it pursuant to the <i>Contract</i> and shall do so in the interest of all <i>Parties</i> and as further described in this <i>Agreement</i> .	
(3) Additional tasks shall be performed by the <i>Co-ordinator</i> to the extent as determined in this <i>Agreement</i> , or as otherwise agreed upon between the <i>Parties</i> in the <i>Plan of Activities</i> .	
(4) To this end, the <i>Co-ordinator</i> shall appoint and make promptly known to all <i>Parties</i> and their representatives involved in the <i>Project</i> , the person(s) in charge of the execution of the <i>Co-ordinator's</i> tasks.	
(5) With respect to the <i>Co-ordinator's</i> tasks under paragraph (2) of this Article, the <i>Co-ordinator</i> shall in particular be responsible for:	
i) assistance in the <i>Executive Committee</i> in the overall follow-up of the performance of the tasks and activities and deliverables to be provided by the <i>Parties</i> under the <i>Contract</i> as well as information of the representatives of the other <i>Parties</i> on any non-performance;	
ii) upon timely approval by the <i>Assembly</i> where necessary, transmission of reports and other deliverables to the <i>Commission</i> ;	
iii) timely delivery of cost and other statements as well as financial audit certificates from the <i>Parties</i> to the <i>Commission</i> ;	

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iv) forwarding any documents and information connected with the <i>Contract</i> performance to the <i>Executive Committee</i> and the <i>Parties</i> concerned;	
v) performing in due diligence its tasks in the proper administration of any funds and maintaining financial accounts as provided for in Article 22 and 23 of this <i>Agreement</i> ;	
vi) arranging for the payment and, in case of <i>Default</i> , the withholding of payments allocated among the <i>Parties</i> in accordance with the respective <i>Plan of Activities</i> and in consideration of any agreement in a <i>Task Force</i> in accordance with Article 8 paragraph (7) viii) of this <i>Agreement</i> ;	
vii) upon prior information to the members of the <i>Executive Committee</i> , administering and forwarding any unilateral requests for the termination of a <i>Party's</i> participation in the <i>Contract</i> to the <i>Assembly</i> and the <i>Commission</i> ;	
(6) If one or more <i>Parties</i> is late in submission of deliverables under the <i>Contract</i> , the <i>Co-ordinator</i> may submit the other <i>Parties'</i> deliverables to the Commission. [If the <i>Assembly</i> is late in the approval of reports, the <i>Co-ordinator</i> may submit earlier drafts of the reports to the Commission.].	
(7) Besides its other tasks, the <i>Co-ordinator</i> shall also administer and prepare minutes of meetings and shall provide the chairperson of the <i>Assembly</i> and, if so determined, the <i>Executive Committee</i> ;	
(8) Neither the <i>Co-ordinator</i> , nor any of its representatives shall be entitled to act or to make legally binding declarations on behalf of the <i>Parties</i> altogether or on behalf of a single <i>Party</i> to this <i>Agreement</i> or to enlarge its role beyond the one described herein and in the <i>Contract</i> .	
Article 13: Administrative Support Team	
(1) Upon proposal by the <i>Executive Committee</i> , the <i>Parties</i> may decide in the <i>Assembly</i> to make personnel or other resources available for administrative support of the <i>Network</i> activities.	
(2) In such case, the administrative team shall assist the <i>Executive Committee</i> as well as the <i>Assembly</i> , the <i>Scientific Advisory Board</i> and the <i>Co-ordinator</i> in the fulfilment of administrative and organisational tasks in accordance with the <i>Plan of Activities</i> and respective decisions of the <i>Executive Committee</i> , to be communicated to the administrative team by the chairperson of the <i>Executive Committee</i> .	
(3) [Staff members of the administrative team shall normally be made available by the <i>Parties</i> .]	Outsourcing of administrative support is possible; but not advisable, as it can show to be critical (in which case the <i>Contract</i> prevents it) and will not lead to internal Network Knowledge.
(4) The costs of administrative support will be planned by the <i>Executive Committee</i> and included in the <i>Network Budget</i> .	
(5) The members of the administrative team shall not be entitled to act or to make legally binding declarations on behalf of the <i>Parties</i> altogether nor on behalf of a single <i>Party</i> to this <i>Agreement</i> .	
Section C: Performance responsibilities of the Parties	
Article 14: Obligations - Plan of Activities	

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<p>(1) The obligations of the <i>Parties</i> are specified in the <i>Contract</i>, including the <i>Joint Programme of Activities</i>, as detailed or supplemented in the <i>Plan of Activities</i> agreed upon according to the provisions of this Agreement.</p>	<p>Note: The fact that the Plan of Activities is adopted on a half yearly basis does not mean that it should not foresee tasks and obligations beyond that period! However, it is recommended to include a masterplan for the whole period of funding.</p> <p>The contribution of each Party has to be clearly and precisely defined in the Plan of Activities to be agreed in the Assembly.</p> <p>Please note that the plan for use and dissemination is included in the obligations of the Parties under the <i>Contract</i>.</p>
<p>(2) The first <i>Plan of Activities</i> is set forth in Attachment I of this Agreement. In the adoption of any subsequent <i>Plan of Activities</i>, a <i>Party</i> may only refuse to contribute additional resources beyond the contributions that would be due to meet the agreed level of integration stated in the most recent Annex I to the <i>Contract</i>.</p>	<p>The level of integration is defined by the set of indicators/deliverables in the <i>Contract</i>.</p>
<p>Article 15: Responsibilities of the Parties and liability</p>	<p>Collective liability of <i>Contractors</i></p>
<p>(1) Each <i>Party</i> hereby undertakes to use all reasonable endeavours to perform and fulfil, promptly, and on time, all of its obligations under the <i>Contract</i> and this <i>Agreement</i>, to be actively engaged to fulfil the purpose and objectives of the <i>Project</i> and act in a spirit of cooperation and mutual trust. For the avoidance of doubt, this includes that the <i>Parties</i> shall also make all reasonable endeavours to provide their respective contributions to deliverables, information, and reports as required for the <i>Task Forces</i>, the <i>Executive Committee</i> and the <i>Co-ordinator</i> to fulfil their tasks under the <i>Contract</i> and this <i>Agreement</i>.</p>	
<p>(2) Without prejudice to the <i>Parties</i> information obligations under the <i>Contract</i>, each <i>Party</i> undertakes to notify the <i>Executive Committee</i> via the appropriate <i>Task Force</i> chairperson promptly of any significant problem or delay likely to affect the success of the <i>Project</i>.</p>	<p>According to the Model Contract Annex II.11(3) nr. 2 litra c), the Party is obliged to inform the <i>Co-ordinator</i> as well, but this is already done by addressing the <i>Executive Committee</i>.</p>
<p>(3) Each <i>Party</i> shall use reasonable endeavours to ensure the accuracy of any information or materials it supplies under this <i>Agreement</i> or under the <i>Contract</i> and promptly to correct any error therein, of which it is notified. The recipient <i>Party</i> shall be entirely responsible for its own use to which it puts such information and materials and the supplying <i>Party</i> shall be under no obligation or liability other than as stated in Article 15 (4) of this <i>Agreement</i>, and no warranty condition or representation of any kind is made, given or to be implied as to the sufficiency, accuracy or fitness for purpose of such information or materials. The latter shall not apply for the <i>Co-ordinator</i>, who may rely on the accuracy of the information or materials received for the purpose of transmission to the <i>Commission</i>.</p>	
<p>(4) Each <i>Party</i> agrees not to use knowingly, as part of a deliverable or in the design of such deliverable or in any information supplied hereunder or under the <i>Contract</i>, any proprietary rights of a third party for which such <i>Party</i> has not acquired the right to grant licences and user rights to the other <i>Parties</i> in accordance with the <i>Contract</i>, unless all of the other <i>Parties</i> have accepted such use in writing, such acceptance not to be unreasonably withheld.</p>	
<p>(5) Without prejudice to any specific provisions of the <i>Contract</i> or this <i>Agreement</i>, each <i>Party</i> shall be solely liable for any loss, damage or injury to third parties resulting solely from the performance of its obligations under this <i>Agreement</i>.</p>	<p>Note: More detailed provisions on liability towards third parties (including the Commission) have been dropped according to the wish of the majority of the drafting team, since third party claims do not seem probable.</p>

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<p>(6) No <i>Party</i> shall be responsible to any other <i>Party</i> for indirect or consequential loss or damages such as, but not limited to, loss of profit, loss of revenue, or loss of contracts. A <i>Party's</i> liability towards the other <i>Parties</i> shall be limited to the total maximum amount such <i>Party</i> would have been entitled to receive under the last <i>Plan of Activities</i>.</p>	<p>Note: Limitation of liability between the <i>Parties</i> does not restrict liability under the <i>Contract</i>.</p>
<p>Article 16: Defaults and remedies</p>	<p>To be checked against Belgian law of obligations.</p>
<p>(1) For the purposes of this <i>Agreement</i>, the non-performance or default, including delay, in performance of its obligations under this <i>Agreement</i> or the <i>Contract</i> (<i>Default</i>) by a <i>Party</i> (in such case referred to as <i>Defaulting Party</i>) shall be considered a breach, if it is not due to <i>Force Majeure</i> and if it is irremediable or is not remedied within [sixty (60)] calendar days of a notice in writing from the <i>Co-ordinator</i> upon a respective decision by the <i>Executive Committee</i>, requiring that such non-performance be remedied. The lack of representation of a <i>Party</i> in two consecutive meetings of the <i>Assembly</i> or in two consecutive meetings of the <i>Executive Committee</i> shall be considered a breach by the respective <i>Party</i> without requiring notice.</p>	
<p>(2) In the event of a breach of the <i>Contract</i> or any other obligation in relation to this <i>Agreement</i> by a <i>Defaulting Party</i>, the other <i>Parties</i> may decide jointly in the <i>Assembly</i> to terminate this <i>Agreement</i> in relation to such <i>Party</i> by a written notice of not less than thirty (30) calendar days to be sent by the <i>Co-ordinator</i>.</p>	
<p>(3) In the event of a breach of its obligations under the <i>Contract</i>, the <i>Defaulting Party</i> shall be deemed to have agreed to the termination of the <i>Contract</i> in respect of its participation therein under the relevant provisions of the <i>Contract</i>, as the other <i>Contractors</i> and/or the <i>Commission</i> shall decide.</p>	<p>Check against Belgian law</p>
<p>(4) In the event of a breach, all and any claim to a reimbursement or consideration, if any, related to the obligation breached shall be deemed to be waived by the <i>Defaulting Party</i> after the date of receipt of the request to remedy a non-performance.</p>	
<p>(5) Unless decided otherwise unanimously by the <i>Parties</i> in the <i>Assembly</i> and without prejudice to the provisions of Article 15 of this <i>Agreement</i>, in the event of a breach by a <i>Party</i> and if a respective decision of termination is taken by the other <i>Parties</i> in accordance with paragraph (1) of this Article, the following shall apply:</p> <ul style="list-style-type: none"> i) any and all <i>Access rights</i> granted to the <i>Defaulting Party</i> by the other <i>Parties</i> under this <i>Agreement</i> as well as under the <i>Contract</i>, shall cease immediately while any and all <i>Access rights</i> granted by the <i>Defaulting Party</i> to the other <i>Parties</i> under this <i>Agreement</i> as well as under the <i>Contract</i> shall remain in full force and effect; ii) the work and tasks remaining to be performed by the <i>Defaulting Party</i>, may be assigned, by decision of the other <i>Parties</i> within the <i>Assembly</i>, to one or more of the <i>Parties</i> or to third parties, which are acceptable to the <i>Commission</i> and agree to be bound by the terms of this <i>Agreement</i>. iii) the <i>Defaulting Party</i> shall, within the limits specified in Article 15 (5) of this <i>Agreement</i>: <ul style="list-style-type: none"> - assume all reasonable direct cost increase (if any) resulting from the assignment referred to in ii) above in comparison with the costs of the work to be performed by the <i>Defaulting Party</i> as specified in the <i>Plan of Activities</i> defining such work; 	

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<p>- be liable for any so resulting additional direct cost incurred by the other <i>Parties</i>.</p> <p>Consequently, any further amount required pursuant to any joint liability of the <i>Parties</i> to perform the <i>Contract</i> shall be equally borne between the <i>Parties</i>.</p>	
(6) Without prejudice to any other rights of the other <i>Parties</i> , the provisions of paragraph (5) of this Article shall also apply in the event that a <i>Party's</i> participation in the <i>Contract</i> is terminated by the <i>Commission</i> .	
(7) If a <i>Party</i> enters into bankruptcy or liquidation or any other arrangement for the benefit of its creditors, the other <i>Parties</i> shall take over the fulfilment of such <i>Party's</i> obligations and receive subsequent payments under the <i>Contract</i> in respect thereof. In such event all rights and obligations under the <i>Contract</i> and this <i>Agreement</i> shall in good faith be redistributed among the remaining <i>Parties</i> on the basis of the work performed by the affected <i>Party</i> prior to the occurrence of the above circumstance.	
Article 17: Force Majeure	
(1) The <i>Parties</i> agree that the definition for <i>Force Majeure</i> and the consequences with respect to the <i>Parties'</i> rights and obligations in case of <i>Force Majeure</i> under this <i>Agreement</i> shall be the same as provided for in the <i>Contract</i> (Annex II.4) as these may be amended from time to time between the <i>Parties</i> and the <i>Community</i> .	
(2) A <i>Party</i> shall promptly notify the <i>Executive Committee</i> in writing of any <i>Force Majeure</i> that may affect the fulfilment of its obligations under the <i>Contract</i> or under this <i>Agreement</i> .	
Article 18: Exchange of Personnel	
(1) The <i>Parties</i> undertake to encourage the exchange of personnel and staff mobility for the purpose including, without limitation, of providing training, carrying out joint research, coordinating activities and/or implementing common research tools and platform.	
(2) The following principles shall apply for exchange of personnel: i) The visiting person will continue to be employed by the original employer during the exchange. ii) The visiting person will be subject to and required to observe all rules, regulations, policy and requirements of the host <i>Party</i> , including but not limited to non-disclosure of confidential information, health and safety, security and export control requirements, conduct, hours of work and predetermined firm holidays.	
(3) <i>Knowledge</i> developed by the visiting person during his/her assignment shall be handled in accordance with the provisions of Section E on Intellectual Property Rights of this <i>Agreement</i> .	
(4) Additional provisions or, if legally necessary, modifications on the above principles shall be laid down by the <i>Parties</i> concerned in <i>Additional Agreements</i> .	Note: coverage of extra-costs within employment (move, travel) should be agreed upon.
Article 19: Subcontracting	
(1) Subcontracts planned by a <i>Party</i> in relation to its obligations under the <i>Contract</i> and which are not clearly identified in Annex I of the <i>Contract</i> , shall require the approval of the <i>Executive Committee</i> and shall be approved by such Committee in the light of the provisions of Annex II.6 of the <i>Contract</i> .	According to the Contract subcontracting is not possible for main tasks, just for minor subcontracting. It is therefore advisable to avoid subcontracting (to be differentiated from additional services). External

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	services, which cannot be done by the Parties, may be needed as part of the Network activities.
<p>(2) In case a <i>Party</i> uses a subcontractor in the performance of its obligations under the <i>Contract</i> or in the performance of other obligations under this <i>Agreement</i>, such <i>Party</i> shall remain fully responsible for the performance of any part of such obligations and, unless otherwise approved by the <i>Assembly</i>, bear all costs and obligations resulting from such subcontracting.</p> <p>For the avoidance of doubt, such <i>Party</i> shall also be fully responsible for the supervision of its <i>Subcontractors</i> and shall ensure that</p> <ul style="list-style-type: none"> (i) such subcontracts fully comply with the requirements of the <i>Contract</i>; (ii) that obligations of non-disclosure under Article 42 of this <i>Agreement</i> are extended to such Subcontractor by appropriate contractual obligations; (iii) that the other <i>Parties' Access rights</i> are fully preserved ; and (iv) that the third party shall have no access to any other <i>Party's Knowledge</i> or Pre-Existing know-how without the latter's prior written consent. 	
<p>Section D: Financial provisions</p>	<p>In FP6, and especially in Networks of Excellence, nearly all financial provisions have to be taken care of by the Consortium itself as a consequence of the political decision towards "increased autonomy"</p> <p>Note that Network of Excellence Projects requires institutional funding from the Parties and that the total of eligible cost must exceed the grant from the Community.</p> <p>In employing the system as presented here, this condition will be easily met.</p>
<p>Article 20: Financial contribution of the Community</p>	
<p>The financial contribution of the <i>Community</i> shall be distributed according to the <i>Network Budget</i>, which reflects the provisions of the <i>Contract</i>, this <i>Agreement</i> and the decisions of the <i>Assembly</i>.</p>	<p>The Network Budget comprises both the Community contribution and the own contributions of the Parties.</p> <p>The Community contribution is always on basis of one of the allowed financial regimes: FC, FCF, AC, as the case may be for the specific Party concerned. Budgeting of this contribution has to be done on the same basis.</p>
<p>Article 21: Resources</p>	
<p>(1) Each <i>Party</i> shall make available the resources for performing its obligations as agreed in the <i>Plan of Activities</i>. These resources may take the form of money or comprise assets of any other nature.</p>	
<p>(2) All resources made available for the performance of the <i>Network</i> activities shall be valued and included in the <i>Network Budget</i>.</p>	<p>This includes contributions in kind.</p>
<p>(3) All resources not provided by the <i>Commission</i>, shall be valued on a basis of Differential Costs, defined as those cost which would not have been incurred, if the <i>Network</i> activities did not exist.</p>	
<p>(4) Costs arising from a <i>Party's</i> performance or contribution or any participation in the <i>Network</i> shall be borne fully and solely by such <i>Party</i>, if not explicitly determined otherwise in the <i>Network Budget</i>.</p>	
<p>Article 22: Custody of funds</p>	
<p>(1) Any money made available for the execution of the <i>Plan of Activities</i>, including</p>	<p>This provision makes sure that when any money is</p>

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<p>the <i>Community</i> financial contribution, shall be received and administered by the <i>Co-ordinator</i> in clearly separated and identified special accounts.</p>	<p>made available by the <i>Parties</i> for "central administration" by the <i>Co-ordinator</i> and in addition to the <i>Community</i> financial contribution that in such case a special account must be established to show the development of such financial means. Otherwise formulated: If the <i>Parties</i> themselves make money available, this implies that at least two special accounts are established (which may be sub-accounts): One (sub)account for the money of the <i>Commission</i> and one (sub)account for the intermediate placing of funds of the <i>Parties</i>.</p>
<p>(2) In case the <i>Co-ordinator</i> is not a <i>Public body</i>, this account must be separated from its normal business accounts and its own assets and property. Such separation shall be made by means of a notary public deposit or similar means provided for in the national laws and regulations of the country where the money is deposited. The latter shall not apply, if the <i>Co-ordinator</i> is a wholly owned subsidiary of one or more <i>Public bodies</i>, as long as these guarantee the custody.</p>	
<p>(3) The <i>Assembly</i> shall designate two <i>Parties</i>, which shall act with the <i>Co-ordinator</i> as signatories (hereinafter including the <i>Co-ordinator</i> referred to as <i>Signatories</i>) for any payments to the <i>Parties</i> [or to any third parties, including the <i>Community</i>.]</p>	
<p>Article 23: Payments</p>	
<p>(1) Any payments shall require authorisation of at least two <i>Signatories</i> who shall act jointly and in accordance with this <i>Agreement</i> and/or with any specific decision of the <i>Assembly</i>.</p>	<p>Note: All payments decided on the allocation of the <i>Community</i> financial contribution are paid as "pre-financing".</p>
<p>(2) Not later than thirty (30) days from a formal <i>Assembly</i> decision on the <i>Network Budget</i>, the <i>Co-ordinator</i> will, on the basis of such authorisation, transfer the amounts available to it and due to the <i>Parties</i> concerned, and will notify those <i>Parties</i> promptly of the date and composition of the amount transferred to its bank account and shall give the relevant references. The <i>Co-ordinator</i> shall maintain financial accounts tracing payments made and identifying what portion of the <i>Community</i> financial contribution has been paid to each <i>Party</i>.</p>	
<p>(2) Notwithstanding the existence of the <i>Network Budget</i>, each <i>Party</i> shall be solely responsible for demonstrating its costs with respect to the <i>Project</i> towards the <i>Commission</i> – in accordance with its own financial system as allowed for by the <i>Commission</i>. Neither the <i>Co-ordinator</i> nor any of the other <i>Parties</i> shall be in any way liable or responsible for such demonstration towards the <i>Commission</i>.</p>	<p>The financial report towards the <i>Commission</i> is solely to each <i>Party</i>; it shall be based on the part of the <i>Network Budget</i> and the time period of reporting relevant to that <i>Party</i>, plugged into that <i>Parties</i> own - allowed- financial system.</p>
<p>Article 24: Budgeting specific costs</p>	
<p>(1) Costs for management shall be budgeted in the following order:</p> <ul style="list-style-type: none"> i) banking and transaction costs related to the handling of any financial resources made available for the <i>Network</i> by the <i>Co-ordinator</i>; ii) reasonable costs of <i>Parties</i> related to the delivery of audit certificates according to Annex II.26 of the <i>Contract</i>; iii) costs related to calls for new <i>Contractors</i> iv) costs related to updating this <i>Agreement</i> v) costs for the <i>Co-ordinator</i> and the administrative team, if any; vi) costs for the tasks of the <i>Task Force</i> chairpersons, and tasks of the <i>Executive Committee</i>; vii) any other categories of management costs. <p>(2) The above sequence shall be taken into account by the <i>Parties</i> when agreeing on the <i>Network Budget</i>.</p>	<p>The distinction between Management Costs and Coordination Costs is based on the fact that the first are fully paid for under the contract, but that there is a ceiling of 7% of the <i>Community</i> contribution to the whole <i>Network</i> on the reimbursement of these management costs.</p> <p>Note that all the costs mentioned must be covered to keep the network running and should be included in the <i>Network Budget</i> under the heading of "Management Costs" or under "Coordination Costs" in case the ceiling on Management Costs is reached.</p>

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<i>The Network Budget</i> has to cover the reimbursement of the coordination costs that remain from the items above, if the management budget is fully used.	Coordination costs may be covered either from the contribution of the Commission or shared by the Parties.
(3) The following costs shall always be separately identified in the <i>Network Budget</i> : i) costs for the <i>Scientific Advisory Board</i> , if any; ii) budget for protection of Intellectual Property, which can be re-distributed to specific Activities.	
(4) All other costs are to be handled within the budget lines of the <i>Task-Forces</i> concerned.	
Article 25: Financial planning and reporting data	
(1) Each <i>Party</i> shall, within the organisational structures set-forth in this Agreement, make available all relevant financial data as needed for the setting-up of the <i>Network Budget</i> .	Provision shall make financial planning and control inside the Network possible. Forms for financial data providing can be found in Appendix A5
(2) The <i>Co-ordinator</i> shall provide consolidated data about definitive payments by the <i>Commission</i> and about the financial statements of all <i>Parties</i> as delivered to the <i>Commission</i> , in order to be able to prepare new <i>Network Budgets</i> .	
(3) Each <i>Party</i> shall be solely liable for its financial data. No other <i>Party</i> , including the <i>Co-ordinator</i> , nor their representatives acting within the scope of this Agreement may change these data without a written permission of the <i>Party</i> concerned.	
Article 26. Suspension of payment by the Commission	
(1) In case the Commission decides to suspend the <i>Project</i> , the Parties shall meet in the <i>Assembly</i> in order to decide unanimously on the further procedure and the modalities of continuation of the <i>Network</i> activities.	If the Commission suspends payments, a emergency meeting of the Assembly should be called upon, where appropriate decisions regarding the situation should be made.
(2) In case no agreement on the further procedure or continuation of the <i>Network</i> activities can be reached, those activities within the <i>Network</i> , which are necessary to the other <i>Parties</i> in order to continue their activities in the field of the <i>Network</i> , shall continue for the current period of the <i>Plan of Activities</i> , to the extent that adequate reimbursement and sharing of costs ensuing from such activities has already been agreed upon or can be agreed upon among the <i>Parties</i> concerned.	
Section E: Intellectual Property Rights	Specific provisions on <i>Access rights</i> to Software have not been included, in order not to introduce too much detail, but can be taken over from the EU-CA if needed.
Article 27: Relation to Contract provisions	
Each <i>Party</i> is bound by the terms and conditions of the Commission contractual rules, Annex II General Conditions – Part C entitled “Intellectual Property Rights” as hereby complemented or specified.	
Article 28: Pre-existing Know-how	
The <i>Parties</i> have identified and listed in Attachment II of this Agreement the <i>Pre-existing know-how</i> needed for the <i>Project</i> and the <i>Pre-Existing know-how</i>	

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<p>explicitly excluded from <i>Access rights</i>. The Parties agree that all other <i>Pre-Existing know-how</i> shall be considered as unnecessary for the implementation of the <i>Project</i> and/or excluded, provided however the <i>Parties</i> may update Attachment II to extend the listed <i>Pre-Existing know-how</i>.</p>	
Article 29: Ownership of Knowledge	
(1) <i>Knowledge</i> arising from work carried out under the <i>Project</i> shall be the property of the <i>Party(ies)</i> carrying out the work leading to that <i>Knowledge</i> .	
<p>(2) Where several <i>Parties</i> have jointly carried out work generating the <i>Knowledge</i> and where their respective share of the work cannot be ascertained, they shall have joint ownership of such <i>Knowledge</i>. They shall agree among themselves on the allocation and the terms of exercising the ownership of said <i>Knowledge</i>.</p> <p>Subject to any specific agreement between the <i>Parties</i> owning the <i>Knowledge</i> and to the provisions of the <i>Contract</i> and this <i>Agreement</i>, each co-owner shall be entitled to use the joint <i>Knowledge</i> as it sees fit, without compensation, provided said use does not conflict with the <i>Network</i>.</p>	
(3) In addition to the obligations pursuant to the Annex II.30.3 of the <i>Contract</i> , each <i>Party</i> shall ensure that it can fulfil its obligations under the <i>Contract</i> and this <i>Agreement</i> , notwithstanding any rights of its faculty, employees, post-docs or students under the <i>Knowledge</i> or <i>Pre-existing know-how</i> .	
Article 30: Protection of Knowledge	
(1) The <i>Parties</i> shall make reasonable endeavours to protect the <i>Knowledge</i> arising out of their performance of the <i>Project</i> , according to their own policy and legitimate interest and in observance of their obligations under the <i>Contract</i> .	<p>This paragraph makes clear that the wording "shall protect" as used in II.33.1. in the Contract is mitigated by the reference to "legitimate interest" in the same article.</p> <p>For academia publishing can often be such a legitimate interest, so reference has to be made both to the Contract and to own policy.</p>
<p>(2) Each <i>Party</i> shall be entitled to protect its own <i>Knowledge</i> under its own name and at its sole expense unless specifically agreed otherwise between the parties concerned.</p> <p>Such <i>Party</i> shall inform the other <i>Parties</i> on a timely fashion and, where necessary, under appropriate non-disclosure agreement of any patent filing and other intellectual property rights.</p>	
(3) <i>Parties</i> will act together to protect jointly owned <i>Knowledge</i> . A co-ownership agreement will be established between those <i>Parties</i> who share rights to <i>Knowledge</i> in accordance with Article 29 of this <i>Agreement</i> to define the arrangement between them for applying for, obtaining and/or maintaining the relevant patent protection or any other intellectual property right.	
(4) Each <i>Party</i> shall be entitled to request that protection costs for its own <i>Knowledge</i> be considered in a coming <i>Network Budget</i> for recovery from the <i>Community</i> financial contribution. If not unreasonable, such budget request will be honoured in such <i>Network Budget</i> .	
Article 31: Access rights – General principles	
(1) For the purpose of clarification, the terms " <i>Needed</i> " and " <i>Commercial</i> " when used with regard to <i>Access rights</i> shall have the following meanings:	

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<p>- '<i>Needed</i>' shall mean that, without the grant of the requested <i>Access rights</i>, the <i>Party's</i> work under the <i>Project</i>, or its ability to <i>Use</i> its own <i>Knowledge</i> would be impossible, or would require significant additional resources, or would be significantly delayed. The requesting <i>Party</i> bears the burden to demonstrate that the <i>Access rights</i> are <i>Needed</i>.</p> <p>- "<i>Commercial</i>" shall refer to the transfer of <i>Knowledge</i> or <i>Pre-existing know-how</i> to a for-profit organisation [by sale, lease, licence, by inclusion in further research for third parties or any other means including performing contract research service] in such a way that a for-profit organisation is enabled to <i>Use</i> this <i>Knowledge</i> or <i>Pre-existing know-how</i>.</p>	<p>For many non-profit organisations inside a NoE it could intensify integration if more IPR possibilities were given between them, as long as commercial Use is avoided.</p> <p>One has to be aware that this definition here does NOT imply the research market to be an commercial market, so the definition of Use in the Contract is still fully in force.</p>
(2) All <i>Needed Access rights</i> shall be granted on a non-exclusive basis and upon written request stating the extent of the <i>Access rights Needed</i> and reasons for its need.	
(3) No transfer costs shall be charged for the granting of <i>Access rights</i> .	
(4) Unless explicitly agreed on a case-by-case basis by the <i>Party</i> or <i>Parties</i> owning the <i>Knowledge</i> and/or the <i>Pre-Existing know-how</i> , <i>Access rights</i> shall not be granted to affiliates of <i>Parties</i> , nor include the right to grant sub-licenses.	
(5) Upon request of the <i>Party</i> granting <i>Access rights</i> and without prejudice to the <i>Contract</i> provisions, a bilateral agreement will be concluded between the <i>Parties</i> to specify the conditions of <i>Access</i> but not restricting the principal rights.	
Article 32: Access rights for execution of the project	
All <i>Access rights Needed</i> for carrying out the <i>Project</i> are granted on a royalty-free basis.	For the purpose of exchanging <i>Pre-existing know-how</i> and/or <i>Knowledge</i> , a "simple letter of agreement for the transfer of materials" is provided for in Appendix C to the UNECA Model Agreement
Article 33: Access rights to Pre-existing Know-how for Use of own Knowledge	
(1) <i>Access rights</i> to <i>Pre-Existing know-how needed</i> for <i>Use</i> of own <i>Knowledge</i> shall be granted on fair and non-discriminatory market conditions subject to a separate agreement between the <i>Parties</i> concerned, unless decided otherwise by the <i>Party</i> owning the <i>Pre Existing know-how</i> and/or unless granted for <i>Use</i> purposes defined under paragraph (2) hereunder,.	
(2) <i>Access rights</i> to <i>Pre-Existing know-how needed</i> for <i>Use</i> of own <i>Knowledge</i> in <i>not Commercial</i> research that enter into the scope/purpose of the <i>Network</i> and this <i>Agreement</i> shall be granted on royalty-free conditions subject to a separate agreement between the <i>Parties</i> concerned.	It is up to the granting party -who will act in good faith.- to decide, which activities "enter into the scope/purpose of the Network"
Article 34: Access-rights to Knowledge for Use of own Knowledge	
(1) The granting of <i>Access rights</i> to <i>Knowledge Needed</i> for <i>Use</i> of own <i>Knowledge</i> is made conditional on the conclusion of separate agreements aimed at specifying the terms and conditions of <i>Use</i> .	
(2) Unless granted for <i>Use</i> purposes defined in paragraphs (3) and (4)	

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<p>hereunder, <i>Access rights to Knowledge needed for Use of own Knowledge</i> shall be granted on preferential conditions to be agreed between the parties concerned.</p> <p>(3) <i>Access rights needed for Use of own Knowledge</i> for teaching and for not <i>Commercial</i> research shall be granted on royalty-free conditions.</p> <p>(4) <i>Access rights to Knowledge</i> for needed for <i>Use of own Knowledge</i> the purpose of carrying out research in collaboration with and/or for a third party shall be granted on royalty-free conditions, provided the research carried out enters into the scope/purpose of the <i>Network</i> and this <i>Agreement</i> and enhance the <i>Network</i>.</p>	
Article 35: Identification of restrictive commitments	
<p>(1) It is understood that each of the <i>Parties</i> may have ongoing research activities in the field as set forth in Annex I of the <i>Contract</i>, that are subject to third party obligations, such as, but not limited to grants funded by governmental agencies, contracts with private companies, and material transfer agreements governing the use of third party proprietary materials in the research project.</p>	
<p>(2) Each <i>Party</i> undertakes to inform promptly the other <i>Parties</i> of pre-existing contracts and grant projects which may in its opinion affect <i>Access rights</i> as per the provisions of the Commission contractual rules, Annex II.36 of the <i>Contract</i>. In the event of conflict between the terms of this <i>Agreement</i> and those obligations, the obligations undertaken by the <i>Parties</i> prior to this <i>Agreement</i> shall take precedence.</p>	
Article 36: Publication	
<p>(1) The <i>Parties</i> acknowledge their common interest in publishing the <i>Knowledge</i> to obtain recognition and to advance the state of knowledge in the field as set forth in Annex I of the <i>Contract</i>. The <i>Parties</i> also recognise their common interest in obtaining valid intellectual property protection and in protecting business interests.</p> <p>(2) It is contemplated that results of the <i>Project</i> will be jointly published; in such case <i>authorship</i> on publications will be based on academic standards and custom. The <i>Parties</i> each separately have the right to publish their own <i>Knowledge</i>.</p> <p>(3) All written or oral public disclosures concerning <i>Knowledge</i> will expressly reflect that it has been developed within the <i>Network</i>.</p> <p>(4) The <i>Party</i> or <i>Parties</i> wishing to make the publication will provide a copy of the abstract or publication manuscript and a reasonably detailed description of any oral presentation to the other <i>Parties</i> and the Commission via the <i>Co-ordinator</i> at the earliest practicable time, but in any event within at least 30 days prior to any proposed submission for publication of any manuscript or any presentation or other public disclosure date, including abstracts.</p>	
<p>(5) The other <i>Parties</i> may comment upon, but may not change, the conclusions and content of any such publication or presentation. Each of the other <i>Parties</i> is however entitled to request that its proprietary confidential information, <i>Pre-existing know-how</i> and <i>Knowledge</i> be deleted from any such publication or communication. Each of the other <i>Parties</i> including the Commission may also object to the publication within a period of 30 days from receipt of the proposed publication, if they consider that the protection of their <i>Knowledge</i> would be adversely affected. In such case, the <i>Parties</i> agree to delay the publication up to a maximum of 60 days after objection to allow for protection.</p>	

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(6) The Parties undertake to cooperate to allow the timely submission, examination, publication and defence of any dissertation or thesis for a degree which includes their <i>Knowledge</i> and <i>Pre-Existing know-how</i> .	
(7) Nothing in this <i>Agreement</i> shall be construed as conferring rights to use in advertising, publicity, or otherwise the name of the <i>Parties</i> or any of their marks, without their prior written approval.	
Article 37: Principles for an integrated management of Intellectual Property Rights	
(1) The <i>Parties</i> intend to cooperate at <i>Network</i> level with respect to the management of all matters relating to the protection and exploitation of all <i>Knowledge</i> arising from the <i>Project</i> and of the intellectual property rights pertaining to such <i>Knowledge</i> , with the view to promote innovation.	
(2) For that purpose, the <i>Parties</i> intend to establish a <i>Task Force (IPR Task Force)</i> , in accordance with Article 6 of this <i>Agreement</i> , composed of intellectual property and technology licensing specialists of the <i>Parties</i> or designated by the <i>Parties</i> .	
(3) The <i>IPR Task Force</i> shall provide: <ul style="list-style-type: none"> i) advise, expertise and support for the assessment of intellectual property and the best strategy, ii) legal advice on IP law and regulations, iii) advise, expertise and support for developing and exploiting the intellectual property, and the best strategy (licensing, start-up) 	
(4) Further, the <i>IPR Task Force</i> will develop and propose to the <i>Parties</i> guidelines to <ul style="list-style-type: none"> - establish an integrated support infrastructure to scientists of the <i>Network</i> with regard to intellectual property matters and - a policy for licensing and commercialisation of all <i>Knowledge</i>, with the view to foster innovation. 	
Section F: Termination and changes in the Consortium parties	
Article 38: Accession to the Contract	
(1) Third parties may accede to this <i>Agreement</i> and the <i>Contract</i> subject to a decision by the <i>Assembly</i> and , where required, the <i>Commission</i> .	
(2) When the accession to the <i>Contract</i> is the result of a competitive call, the entering party shall be accepted in accordance with this <i>Agreement</i> and the additional financial requirements set up in the competitive call.	
(3) When the accession to the <i>Contract</i> is not the result of a competitive call, the entering party will be accepted in accordance with this <i>Agreement</i> and the financial additional requirement set up by the <i>Assembly</i> .	
Article 39: Termination	
(1) This <i>Agreement</i> shall automatically terminate without any further required decision in case the <i>Project</i> work is not awarded to the <i>Parties</i> within a period of 12 months from the entry into force of this <i>Agreement</i> .	
(2) In the case of a termination of the entire <i>Contract</i> by the <i>Commission</i> or by the	

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Parties, the Parties may terminate this <i>Agreement</i> by unanimous agreement, provided that decisions can be reached on the modalities of termination or the continuation of ongoing activities within the current <i>Plan of Activities</i> between the Parties involved in such activities.	
(3) Termination of this Agreement with respect to an individual <i>Party</i> shall be possible according to the provisions of Article 16 or pursuant to the withdrawal of a <i>Party</i> in accordance with Article 40 of this <i>Agreement</i> .	
Article 40: Withdrawal of Parties	
<p>(1) No <i>Party</i> shall be entitled to withdraw from this <i>Agreement</i> and/or participation in the Project unless:</p> <ul style="list-style-type: none"> i) that <i>Party</i> has obtained the prior written consent of the other <i>Parties</i> (such consent not to be unreasonably withheld), and also of the Commission, to the withdrawal from, or termination of, the <i>Contract</i>; or ii) the <i>Contract</i> is terminated by the <i>Commission</i> in relation to that <i>Party</i> for any reason whatsoever <p>(2) However, a <i>Party</i> shall not by withdrawal or termination be relieved from</p> <ul style="list-style-type: none"> i) its responsibilities under this <i>Agreement</i>, including the current <i>Plan of Activities</i> or the <i>Contract</i> in respect of that part of that <i>Party's</i> work on the <i>Project</i> which has been carried out (or which should have been carried out) up to the date of withdrawal or termination; or ii) any of its obligations or liabilities arising out of such withdrawal or termination. 	
<p>(3) Notwithstanding the provisions of paragraph (1), a <i>Party</i> intending to unilaterally terminate its part of the <i>Contract</i> or to withdraw from this <i>Agreement</i> ("the <i>Withdrawing Party</i>") is entitled to request the other <i>Parties' consent</i> with respect to such withdrawal, if:</p> <ul style="list-style-type: none"> a. modifications of its statute prevent the <i>Withdrawing Party</i> to further participate in the <i>Network</i>, b. a <i>Party's</i> activities in the field of the <i>Network</i> are substantially impaired due to a substantial decrease in the appropriation of public funds with respect to such activity or if the respective field has been entirely abandoned following a relevant executive decision within that entity or by its sponsors. <p>(3) If, due to integrative steps taken in fact by the <i>Parties</i> during the course of the <i>Project</i> without providing for an <i>Additional Agreement</i> setting forth details on withdrawal and termination from the concrete integrated activity, the other <i>Parties</i> vitally depend on the ongoing performance of technical responsibilities and obligations by the <i>Withdrawing Party</i>, the <i>Withdrawing Party</i> shall in any case continue to be obliged to perform such technical responsibilities and obligations against full reimbursement of costs for a period to be agreed upon between the remaining <i>Parties</i> and the <i>Withdrawing Party</i>, but which shall not exceed one year.</p>	We need to offer a possibility to withdraw (by negotiation), if there is no Agreement on the withdrawal, it must be considered as a breach which leads to damages. But to be successful in the integration process (scientific achievement), we should not permit to enter and to exit easily from a Network.
Article 41: Survival of provisions	
The provisions related to liability, confidentiality, intellectual property rights and publications shall survive the term or termination of this <i>Agreement</i> for any reason whatsoever, to the extent needed to enable the <i>Parties</i> to pursue the remedies and benefits provided for in those provisions. For the avoidance of doubt,	

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<p>termination or withdrawal shall not affect any rights or obligations incurred prior to the date of the termination.</p>	
<p>Section G: General contractual provisions</p>	
<p>Article 42: Non-disclosure of information</p>	
<p>(1) In respect of all and any information in whatever form or mode of transmission, which has been explicitly marked as "confidential", acquired prior to or during the period of this <i>Agreement</i> by a <i>Party</i> ("<i>Receiving Party</i>") from an other <i>Party</i> (the "<i>Disclosing Party</i>") relating in any way whatsoever to the <i>Project</i> or the activities of the <i>Parties</i> within the Network, the <i>Receiving Party</i> or <i>Receiving Parties</i> hereby undertake(s) in addition and without prejudice to any commitment of non-disclosure under the <i>Contract</i>, for a period of five years from the date of disclosure of the information:</p>	
<ul style="list-style-type: none"> i) not to use such information otherwise than for the purpose, for which it was disclosed; ii) not to disclose such information to any third person without the prior written consent by the <i>Disclosing Party</i>; iii) that internal distribution of information by a <i>Receiving Party</i> shall take place on a strict need-to-know basis. iv) that such information shall neither be copied, nor otherwise reproduced nor duplicated in whole or in part where such copying, reproduction or duplication have not been specifically authorised in writing by the <i>Disclosing Party</i>; v) to return to the <i>Disclosing Party</i> on demand all information which has been supplied to or acquired by the <i>Receiving Party</i> including all copies thereof and to delete all information stored in a machine readable form ; <p>The <i>Receiving Party</i> shall be responsible for the fulfilment of the above obligations on the part of its employees and shall ensure that its employees shall be respectively obligated, as far as legally possible, during and after the end or after the termination of employment.</p>	
<p>(2) The <i>Receiving Party</i> shall not be liable for disclosure or use of confidential information, if and in so far as without breach of this provision:</p> <ul style="list-style-type: none"> i) it is in or comes available to the public at any time from a source other than the <i>Disclosing Party</i>, or ii) is released for disclosure by the <i>Disclosing Party</i>, or iii) is fully received from third parties, or; iv) is, at any time, developed by the <i>Receiving Party</i> completely independently of any such disclosure by the <i>Disclosing Party</i> ; v) was already known to the <i>Receiving Party</i> prior to disclosure, or vi) is disclosed to comply with the law or legal process to which the <i>Receiving Party</i> is subject and the <i>Receiving Party</i> has exercised its best efforts to obtain reliable assurance that confidential treatment will be accorded to the information disclosed within that process. 	

<u>TEXT</u>	<u>CONSIDERATIONS / ANNOTATIONS</u>
(3) The Receiving <i>Party</i> shall apply the same degree of care with regard to the confidential information disclosed within the scope of this <i>Agreement</i> as with its own confidential and/or proprietary information.	Any additional provision on defence security classification would have to be inserted by the Parties
(4) Each <i>Party</i> shall promptly advise the other in writing of any disclosure, misappropriation or misuse by any person of information as soon as practicable after it becomes aware of such disclosure, misappropriation or misuse. Each <i>Party</i> shall also promptly advise the other <i>Party</i> of any request by authorities of disclosure under strict legal requirements (such as legal processes) as soon as such a request is received.	
(5) The expiration or termination of this <i>Agreement</i> shall not relieve the <i>Parties</i> of any rights or any obligations that have arisen under this Article during the term of this <i>Agreement</i> .	
Article 43: Severability	
Should any provision of this <i>Agreement</i> prove to be invalid or incapable of fulfilment, or subsequently become invalid or incapable of fulfilment, whether in whole or in part, this shall not affect the validity of the remaining provisions of this <i>Agreement</i> . In such a case, the <i>Party</i> concerned shall be entitled to demand that a valid and practicable provision be negotiated which most nearly fulfils the purpose of the invalid or impracticable provision.	Check with Belgian law
Article 44: Attachments, Conflicts, Inconsistency	
(1) The Attachments of this Agreement, which are an integral part thereof are: <ul style="list-style-type: none"> - Attachment I: First <i>Plan of Activities</i> - Attachment II: Excluded Pre-Existing Know-How 	
(2) In the event of conflict or inconsistency between any provision contained in the body of this Agreement and any provision contained in its Attachments, the provisions contained in the body shall prevail.	
(3) In the event of conflict or inconsistency between any provision contained in this <i>Agreement</i> and the provisions of the <i>Contract</i> , the provisions of the <i>Contract</i> shall prevail.	
(4) In the event of conflict or inconsistency in a matter falling under the subject of this Agreement between any provision contained in this <i>Agreement</i> and an <i>Additional Agreement</i> concluded in connection with the integration process of the Parties, the conditions of this <i>Agreement</i> shall prevail.	
Article 45: No Partnership or Agency	
This <i>Agreement</i> is not intended to and nothing in this <i>Agreement</i> shall be deemed to constitute, create, give effect to, or otherwise recognise such creation of a joint venture, agency, partnership, interest grouping or any other kind of formal business grouping or entity between the <i>Parties</i> .	
Article 46: Notices	
(1) If not explicitly stated in this <i>Agreement</i> that a notice shall be in writing, any notices, requests, consents and other communications to be given by a <i>Party</i> under this <i>Agreement</i> may also be effected by email or by telefax. Notices in writing shall be deemed to be valid and effective, if the notice	Note: Parties may want to include a fourth item of communication: "by intranet or guarded internet"

<u>TEXT</u>	<u>CONSIDERATIONS / ANNOTATIONS</u>
<p>i) has been personally served, ii) sent by registered prepaid airmail, or iii) sent by recorded delivery mail to the representatives of the <i>Parties</i> to the <i>Assembly</i> at their addresses listed in the most current address list to be kept by the <i>Coordinator</i>.</p> <p>Notices by email or telefax shall be deemed to be valid and effective, if sent to representatives of the <i>Parties</i> at the addresses as listed in such address list and if delivery was recorded and a transmission report has been received by the sender.</p>	<p>When sending emails <i>Parties</i> will have to take precautions of encrypting emails with important content!</p>
<p>(2) The address list to be kept by the <i>Co-ordinator</i> shall show full addresses and names of the <i>Parties'</i> authorised representatives to the <i>Assembly</i>. For the purpose of convenience, it shall also show the contact details of other persons designated under the <i>Contract</i> or otherwise designated by the <i>Parties</i> in connection with the <i>Project</i>.</p>	<p>The points of contact for the <i>Parties</i> to the Consortium Agreement should, as far as possible, indicate the same persons as indicated in the Contract.</p>
<p>(3) Any change of persons or contact details shall immediately be notified by the respective <i>Party</i> to the <i>Co-ordinator</i>. The <i>Co-ordinator</i> will forthwith distribute a respectively modified address list to all the other contact persons and the <i>Commission</i>. The address list shall be accessible to all concerned.</p>	
<p>Article 47: Assignment, Amendments</p>	
<p>(1) Any rights or obligations of the <i>Parties</i> arising from this <i>Agreement</i> may not be assigned or transferred in all or in part to any third party without the other <i>Parties'</i> prior written approval.</p>	
<p>(2) All and any amendments and modifications to the main body of this <i>Agreement</i> require consent in writing between all <i>Parties</i>, duly signed by respectively authorised representatives of the <i>Parties</i>.</p>	
<p>(3) All and any amendments and modifications to Attachment I requires respective decisions of the <i>Assembly</i> as specified in Article 6 and 7 of this <i>Agreement</i>. Attachment II of this <i>Agreement</i> may be amended as specified in Article 28.</p>	
<p>Article 48: Language</p>	
<p>This <i>Agreement</i> is drawn up in English, which language shall govern all documents, notices and meetings for its performance and application and/or extension or in any other way relative thereto.</p>	
<p>Article 49: Governing Law</p>	
<p>This <i>Agreement</i> shall be construed in accordance with and governed by the laws of the same country, by which the <i>Contract</i> is governed.</p>	
<p>Article 50: Settlement of Disputes</p>	
<p>(1) The <i>Parties</i> endeavour to settle disputes amicably.</p>	
<p>(2) In the event of any dispute, difference, controversy or claim arising out of or in connection with this <i>Agreement</i>, the <i>Parties</i> will first attempt to settle such dispute by consultations in at least two minuted meetings on the subject. The second meeting shall be held among the respective <i>Parties'</i> representatives to the <i>Assembly</i>. In case of a dispute on issues related to intellectual property rights, the first of these meetings shall be held between the <i>Parties'</i> respective members to the IPR <i>Task Force</i>, if such <i>Task Force</i> exists.</p>	

<u>TEXT</u>	<u>CONSIDERATIONS / ANNOTATIONS</u>
<p>(3) If in application of paragraph (2) of this Article, the <i>Parties</i> concerned have not reached a settlement of such dispute at the expiration of sixty (60) days after the second meeting, the dispute shall be finally settled by arbitration in accordance with the Rules of Arbitration of the ICC as presently in force. The number of arbitrators shall be three. In disputes, where the value of the dispute does not exceed 250.000 million Euro, the dispute shall be settled by arbitration with a sole arbitrator. The place of arbitration shall be Brussels and the language to be used in the arbitral procedure shall be English.</p>	<p>Alternative: Take UNCITRAL Rules, but then an appointing authority has to be determined.</p>

ATTACHMENT I – First Plan of Activities

ATTACHMENT II – Excluded Pre-Existing Know-How

Declaration of Accession to the Consortium Agreement

(to be filled in by each participant joining the *Project* in accordance with the decision taken by the General Assembly)

[name of Party (legal entity)], represented for the purpose hereof by [name and title of person written out in full (person legally authorised to act on behalf of the legal entity)] acting as its legal authorised representative, hereby consents to become a *Party* to the *Consortium Agreement* [identification of final version of the Consortium Agreement] (*relating to project [title]*) and accepts in accordance with the terms and decisions hereto by the Assembly of the Consortium, all the rights and obligations of a *Party*.

Done in 2 copies, of which one shall be kept by the *Co-ordinator* and one by [name of Party (legal entity)].

Name of Legal Entity [name of participant]

Name of legally authorised representative (written out in full)

Title of legally authorised representative

Signature of legally authorised representative

Date

Name of Legal Entity [name of Co-ordinator]

Name of legally authorised representative (written out in full)

Title of legally authorised representative

Signature of legally authorised representative

Date

UNECA FINANCIAL SYSTEM

The combination of the new FP6

- model *Contract*
 - financial Guidelines
 - special texts for the *Networks of Excellence*,
- results in the most complicated financial system ever seen inside a Framework Programme.

We have to discriminate between the financial input side and the financial output side, each confronted with a row of criteria to be met.

The easiest is the

input side

The financial input can consist of four different branches:

1. Grant to integration by the Commission
2. Own contributions by the Parties
3. Direct income to the Project
4. Income to the Network from third parties.

Ad.1. Commission

The *Commission* will decide on the *Grant to Integration* on basis of headcount and a row of more subjective criteria as stated in the *Rules, Contract* and *Guidelines*.

The yearly amount necessary and any peak or low to be foreseen can be discussed during the Contract negotiations.

The result is a yearly heap of money, which is -in principle- totally free to be spent in the way the Network sees fit. To be clear: even though the Grant is based on headcount there is no return on headcount.

The *Commission* will not judge the way the money is spent; it judges the amount of integration. The auditors will not judge how the money is spent, either: only if it is spent according to some general rules for Public (Commission) Money and according to the financial system applied (and accorded to be used) by the *Contractors [=Parties]*.

The way the money is spent, has to be decided only by the Network itself. So:

a mechanism for budgeting, decision making, control and reporting has be put in place.

There are 'some' constraints:

1. spending along Parties own financial system and one of the CEC's allowed financial regimes: AC, FC, FCF (see *financial guidelines*).
2. though the cost-categories have officially gone, they enter via the backdoor by application of the *financial guidelines*
3. more than the Commissions Grant has to be spent by the Parties for integration
4. the 25 % criterium for the total Network volume applies.

Which leads to:

Ad.2. Own contribution

The Network aims to really integrate *Parties*. That implies that the volume of work integrated by the Network will perhaps be an order of magnitude bigger than the Grant to Integration. The *Parties* are bound to each other to pursue this amount of work by signing the EUNECA. In this way the 4th constraint is met.

In order to prove and bind each other to said volume of work, the **financial system** applied inside the Network has to **facilitate the full volume** of work done under auspices of the Network.

Another form of own contribution, is the financial contribution to common tasks as coordination, reporting, management. This will nearly always apply and cater for the 3rd restraint.

Ad.3. Direct income

To keep things simple, restrict the direct income to two posts:

- interest on accounts
- depreciation of hardware

both are to be handled as negative budgets, the first by the coordinator (for the Network) , the second by the Party involved. See Financial Guidelines for details.

Ad.4. Income from 3rd parties.

To avoid complications it is better to refrain from income from 3rd parties to the Network during to duration of the Contract, if possible.

Third party income could be:

- direct sponsoring to a network task or network project. This could have the form of a grant to a research project, etc.
Such income must be direct and fully subtracted from any Commission grant, cf. the new budget law, so in all normal circumstances not very attractive option
- indirect income as generated by licences, etc. This should be handled by each Party individually and not by the Network. In that case such income is seen as independent of the Grant of the Commission. Feasible as long as a common IPR-platform is not in place.

The only contribution from third Parties that in a NoE is foreseen on a regular base, consists of conference fees and the like. Indeed, these should be subtracted from the Commissions Grant.

Financial output side

Here the following can be distinguished:

For the Network:

1. Budgeting
2. Payments

For the Parties:

3. Spending
4. Certificate
5. Audits

We jump in the deep, and start with

budgeting:

In order to make capitalisation of own contributions possible in a way that is

- independent of the allowed financial system to each *Party*, and
- to use the available Grant in the most efficient way,

the budget system employed inside the Network will be based on the notion of **Differential Costs**.

Differential Costs can be defined as those costs which would not have been incurred, if the Network activities did not exist.

[Differential costs are not the same as Additional Costs as defined by the Commission, but will be identical for some entities, though many times there will be bigger differences: Differential Costs allow for permanent staff employed in the Network, as these costs are Differential by the definition; normally these costs are not allowed under the Additional Cost system. [see Financial Guidelines for details]

In using Differential Costs all actions under the umbrella of the Network can be planned in an easy and reliable way by all concerned.

In practice this will result in budgeting all costing categories for a given action by all parties concerned, and indicating for each of these categories the amount asked for from the Grant and the amount of own contribution of a Party.

In appendix 5 the form for such a budgeting process is provided.

In order to exercise basic control and to permit rough primary planning it is foreseen that every Party delivers a table of basic tariffs for each costing category indicated.

A form for such table is provided in appendix 5.

The budgeting process will be done at several levels (see UNECA management system) and in several rounds:

At the level of the Task Force, *Plans of Activities* will be made and every proposed contributor [*Party*] will be asked to deliver a budget proposal for its part, using the Differential Costs model and form nr. Xxx. Each Task Force leader will gather all this proposed plans and budgets and bring these to discussion in the Executive Committee.

At this level, the Executive Committee has to combine the Task Force plans with those to be developed for actions outside the Task Forces (management, etc) and deliberate about meeting demands and means available, taking into account the goals of the Network, position reached, plans accorded by the Commission in the recent Annex I, the recent *Plan of Activities*, etc, etc. This will give rise to the common planning/budgeting spiral, known to all.

The definitive plans (including budgets) will be brought -including alternatives, if necessary- to the level of the Assembly, where decisions are made.

The resulting *Plan of Activities* includes the *Network Budget* decided upon for the planning period.

As the planning horizons of the Commission are foreseen in 18 months, 12 months and 6 month intervals, the financial planning should be done in batches of 6 months, leading to the same period for refreshing the actual *Plan-of-Activities* and its *Network Budget*.

This in itself will generate a continuous action of planning, reporting, deliberation and changing.

It must be clear that the tariffs brought forward by the Parties concerned, have to be recognized. If budget constraints appear, the only solution will be re-planning of tasks. [Reverting to the "cheapest" will not cure, as that will never lead to real integration of all Parties.]

On the basis of the actual *Network Budget*, the *coordinator* will go to the action of payment.

payment

Payment will be done by the *coordinator*, enabled to do so by the signs of two *Signatories*, as soon as possible after the Assembly decision on the newest (amended) Network Budget.

Payment will be done in Euro's only, according to schedules in the Network Budget -if any.

The Coordinator will inform all concerned -including the Commission- of all payments and needed references, and keep track of the execution of the payments.

The payments -still based on the Differential Costs budget- flow into the special accounts for the Network at each Party, where it can be used for

spending

The Parties will spend the money received and the means of their budgeted ! "own contribution" to perform the tasks planned. In doing so, they will inform the Task Force(s) concerned about the budget depletion when reporting on progress of the task/action.

The money received will nearly always be money derived from the Commissions Grant. So, the spending of that money will be prone to the rulings that apply for the financial system employed by that *Party* for FP6 Projects.

This implies that the *Party* has to prepare internal bookings in conformation with that financial system. These can divert from the [Differential Costs] depletion of their Network Budget.

In practical terms that mechanism will be easier to imply than perhaps feared, as normally the money received will already be based on that Commission induced system and the rest of the allocated budget is seen as "own contribution".

certificate

On the basis of this bookings the recognized Auditor(see Contract) will be able to make up a Cost Certificate, to be sent to the Commission -via the Coordinator. This Certificate is normally not very detailed, [nothing compared to the forms used by the Commission under FP5] but bears the sign of the Auditor to warrant the Commission that the money is spent indeed and according to the financial system that applies to that Party.

audits

At least once during the lifetime of the Network there will be an external (Commissions) financial audit. The system employed and the money spent will be reviewed at that occasion. Any consequences will be for the *Party* under audit; only total failure could have a consequence for other Parties, not being Public Bodies.

Well,

this system is complicated but is geared to the needs of the Commission, provides a stable system with good insight in the real volume of Actions and can be used as such at the moment the Network Consortium decides on more intense integration under new legal status.

Besides, using this system and putting this forward in the network proposal to the Commission, will enhance the changes to be selected.

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UNECA Financial Forms

The financial forms are a little hard, as on the time of writing [June 2003] the financial provisions in the Rules, the Contract, the Financial Guidelines and other publications by the Commission are not fully known or are not consistent. We have gone a long way with the Commission to device a realistic financial regime, but one has to proof the pudding in the eating.

First

theory

the **reporting**

to the Commission, as far as Networks are concerned, in principle can be very short:

It is not needed to show details about activities per Contractor, no cost categories exist anymore. So, the reports to be delivered by each contractor [FR=financial Report and CC=cost certificate] could be very brief indeed:

FR: give the sum of the budgets allocated for all your tasks in the reporting period, give the amount used, the difference, adjustment for next period and total. That should do.

CC: your auditor delivers a paper stating the total costs endured in the reporting period, and declares they are in conformity to your running system and the regime chosen/allowed for the CEC grant. Nothing more.

The form-C as delivered by the CEC has to be filled in, but -as the contract states that there is no need to show a reimbursement per Activity, this shrinks to the FR.

Apart from that the coordinator has to deliver a periodic report on the distribution of pre-financing.

At the **budget** side

the CEC asks for 3 formats for the Consortium as a whole, all indicating the own contribution and CEC-Grant:

- * Global budget entire project (total and indicative distribution per Contractor)
- * More detailed budget for first 18 months
- * Detailed budget for 12 months period.

Also here there is officially no need to give details down to Activities, so the detailed budgets can be quite simple.

Now we come to

practice

which will show an other world, I'm afraid. Human nature and the mood of CEC project officers will lead to a situation where they will ask -not formal backed, but just-for much more details. If a Network does not show details, there will be a tendency to state that it is not possible to judge the Projects situation and at review time the CEC will ask for much more insight anyhow. We must also recognise that Networks of Excellence are a brand new instrument, and -though those who detailed it really want to look to the Network from a distance and only see that real integration is reached- nearly all other people at CEC are trained into the details of research project and will have trouble to re-orientate.

At the other side, inside the Network it is of prime importance to be able to plan all Tasks and Activities in enough detail in order to really manage the Network and to be sure the work is performed and integration will be reached. [see also our appendix on management and planning]
Therefore we designed the internal financial system and corresponding formats in such a way, that this financial management is made as easy as possible.

In using this Network-internal system, it will be found easy to filter all information needed for the reporting to the CEC. One can even think of opening the books much more, so the CEC can see what the real spending of the Network is and thereby develop a more positive attitude to the Network (performance).

In order to develop a common ground for all financial data of the Network and the Parties, we designed a basis format for the most detailed level needed: the

basic form

as shown as an example at the next page. The use of this form throughout the Network on all occasions brings two big advantages:

- * the *basic form* can be used in all three normal situations: Planning the Budget, Deciding on the Budget, and Reporting on Budget use.

- * the *basic form* can be used as the primary layer of data {especially when put into a database, not into a spreadsheet. (my hobby, sorry .bb)} for all types of aggregated data needed or for the Network internal financial procedures, or for the CEC. Two pages below we give an indication of such a mechanism, to be detailed by your network financial officer(s).

The only other form needed consists of a very basic form indicating

tariffs

In this form (see 3 pages below) each Party indicates the Tariffs applicable now foreseen for his establishment for the near future. This Tariffs will be used for all planning and budgeting, but not for the reporting, as reporting should be based on the real costs incurred and permitted by the accorded financial-CEC-system. This difference will not lead to difficulties, as always the real depletion of a budget will be based on real costs and the difference is normally taken aboard in the planning of the next budget cycle.

be aware

As the whole regime of the CEC is based on using your own, regular, financial system, there will be no difficulty to couple the differential costs you endure to the allowed CEC-costing system [AC,FC.FCF]: as the basis is the same, the CEC is a subset of your differential cost, as the CEC systems do not allow you to put on cost they define as not legitimate or costs that are explicitly not allowed under one or more of this systems. [see *Contract* and *financial guidelines*]

PROPOSAL for budget // BUDGET allocated // REPORT resources used //

< - choose one

PERIOD ¹	TASK FORCE ²	TASK	PARTY
030612-040112	GENDER	DEMONSTRATION	INSWR

Net acronym	Contract-nr	contact	tel	fax	mail	AC / FC / FCF ³
NUTS	48937t959	mr.BEAN	44-123-444	44-123-555	bean@INSWR.fr	AC

		Management ⁴		Coordination		IPR		Innovation		Demonstration		RTD		XX		YY	
		CEC	OWN	CEC	OWN	CEC	OWN	CEC	OWN	CEC	OWN	CEC	OWN	CEC	OWN	CEC	OWN
Direct costs ⁵																	
	Personel ⁶																
	cat.1 ⁷																

¹ Period much be 6 month cycle in line with the dates set in the *Plan of Activity*

² Could be Ex.com, Sc.ADv.Board, etc. where needed

³OWN amounts from your own regular financial system on basis of your DIFFERENTIAL costs;
CEC amounts bases on the same system and the regime allowed/choosen for CEC as indicated
N.B. The CEC system is by definition as subset of your own differential-costs system !

⁴Shown are the task explicit indicated by CEC; in some networks these may not be applicable; most networks need more colums for all TF's

⁵Though officially cost categories do not exists anymore, they come in via the backdoor of the *Financial Guidelines*. It is advised to use these.

⁶If Reporting: on basis of time sheets as used in your establishment

⁷Use the categories and names normally used in your own establishment

	cat2.																
	Prof																
	etc.																
	Durable ⁸ equipment																
	cat.1																
	cat.2																
	etc. ⁹																
	Travel & Subs.																
	Consumables																
	IPR ¹⁰ protection																
	Access ¹¹																
	Exchange																
	Audits																
	Subcontracts																
	SUB total																
	Indirect Costs ¹²																
	Adjustments																
	Total																

⁸Look carefully to the depreciation mechanism allowed to you in the *Financial Guidelines*. It is easy to go wrong here.

⁹Use the categories and names normally used in your own establishment

¹⁰Protection is made an explicit category in the UNECA, to avoid budgeting these costs is forgotten

¹¹Normally zero inside the UNECA, but can be handy in cross network or cross IP situations.

¹²The indirect cost according to your accorded financial system for the CEC [AC/FC/FCF]

On this page an indication of consolidating data from the *basis form* into the formats needed for different purposes. The most illustrative is perhaps a small matrix of binding factors, that can be applied to the total heap of all sheets of basic forms as made in principle available by the Parties to the Task Force and up to the Ex.com and the Assembly. Such real heap must be consolidated to those data needed at the appropriate level with the just-needed details.

status	period	task force	task	party
proposal/budget/report	½ year---- 8 years	one or two or all	one or two or all	one ore more or all
prop	ALL	ALL	ALL	ALL
report	1/2	ALL	gender	ALL
budget	1,5	ex.com	adm.supprt.team	ALL
budget	ALL	RTD	ALL	INSWR

The first row gives the main characteristics of the *basic form*, but also of all formats needed.

The second row gives an indication of the possible content

Row 3-6 give a simple indication of the way consolidation is reached:

Row 3 will give you a view of all proposals for all future budget cycles (if known), for all Task forces combined, for all tasks, for all Parties: the global planned budget.

Row 4 will give you a view of all reports of the last closed reporting period of all Task Forces, on the tasks defined as “gender” , of all Parties.

Row 5 is a peculiar one, giving the budget available for the next 18 months as once proposed by the Ex.com , for the work of the Administrative Support Team .

Row 6 indicates the whole available budget for the whole rest of the Project duration (if planned at all) on all RTD task of the Party named INSWR.

Now the mechanism should be clear, the implementation is to your Network.

Be sure you will be able to derive all data in all formats needed to deliver to whomever will be legally needing it.

Of cause one may decide for each case the level of details needed for the costing categories as defined in the *basic form*.

In many cases one may just summarise all personal cost to 1 figure, or even all costs to 1 figure, depending on the use and need of the format so derived .

On this page we present a simple TARIFF sheet, to be used for actual and near future planning purposes, which has to be delivered and updated when appropriate by each and every Party.

Statement of Tariffs

date	base year	% per year expected		Party
2003-06-12	2001	2,1		INSWR

Net acronym	<i>Contract</i> -nr	contact	tel	fax	mail	AC / FC / FCF ¹³
NUTS	48937t959	mr. KNOWNOT	44-123-111	44-123-222	kn.not@INSWR.fr	AC

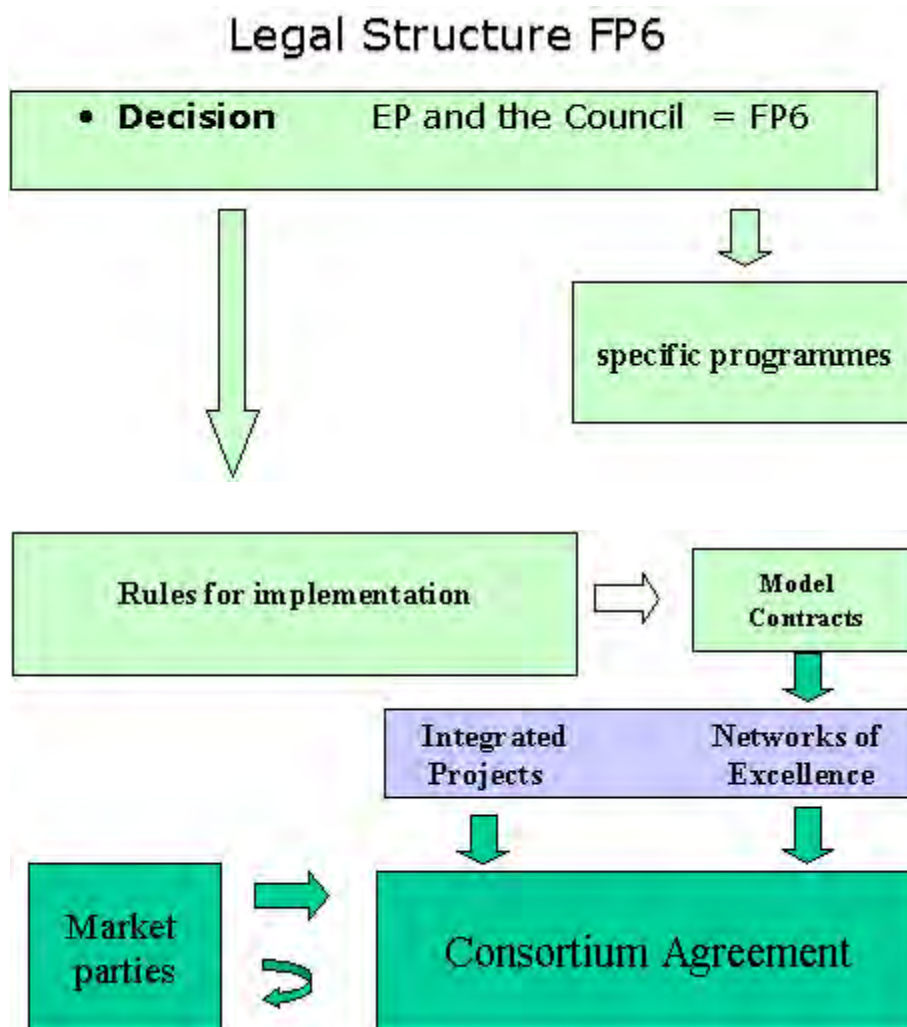
Tariffs			
personnel	kind of personnel	category¹⁴	rate per month¹⁵
	management	cat 1.	
	Research	prof	
		junior	
	coordination	cat2	
		cat4	
	etc.		
facilities	kind of facility	category	rate per ...
	Nano-lab	level 1	
	greenhouse	level 4	

¹⁴See note 8

¹⁵According to your own system.If there is a choise: use MONTHLY RATES as these avoid many difficulties.

UNECA Legal Structure

The basic legal structure for the UNECA lies in the legal structure of the 6th Framework Programme. This structure is briefly repeated hereunder as a reminder.



It is good to remind that any Consortium Agreement -including the UNECA- has to be in conformity with the legal chain depicted here, and to be aware that the Commission is not involved in any direct way to any Consortium Agreement.

Another point to remember is that the Member State where the Commission concludes the Contract will govern the Contract and the UNECA [normally this will be Belgian law, sometimes Luxembourg law].

Given the above, the UNECA will regulate the relations between the Parties inside the Consortium.

We have foreseen the mechanism of

Additional Agreements

Such agreements can be used in several ways; we distinguish two for the moment:

Additional Agreement's inside the UNECA

This kind of Additional Agreement will be useful if the Assembly has decided to a common activity where it could be handy to leave the details of performance to the Parties involved.

Such an Additional Agreement will fall under the umbrella of the UNECA (and may not contradict it).

[e.g. in performing a research task it may be practical -and good for integration- to concentrate certain parts just to some of the labs and/or specialised infrastructure. In such a case the details of entrance, security, health measures, etc. may be dealt with in an Additional Agreement]

Additional Agreement's (partly) outside the UNECA

This kind of Additional Agreement will be useful in case two or more Parties -during the time span of the Network- decide to integrate more intensely than others.

The Additional Agreement concluded may very well have implications that go far beyond the scope of the Network and may encompass new legal entities to be formed, etc.

Such an Additional Agreement does not necessary fall under the umbrella of the UNECA, but the Parties involved must be aware that their Additional Agreement's may not contradict the rights and obligations of the UNECA to which they have bound themselves earlier.

[e.g. in the research performance, two Parties embark on setting up a common facility, where all their actual equipment will be concentrated, including all supporting staff. This implies new legal entity, transfer of goods and people, etc. to which end they will shape and conclude an Additional Agreement]

Since there is no experience whatsoever with Networks of Excellence, the UNECA offers the possibilities for Additional Agreement's, but does at this moment not accommodate the two models above in detail.

Otherwise expressed

The instrument of a Network of Excellence requires a certain process of integration. Therefore, the Parties usually will have proposals for certain joint activities, the details of which will be elaborated during the Project itself. The conclusion of such integration processes may very well be a Deliverable under the Contract. It may not be practicable to have the Consortium Agreement covering such Project result for several reasons:

- a) Parties have not determined the terms and conditions for integration (e.g. ownership of facilities, sharing of facilities, establishment of a new joint-venture, etc.) when concluding the Consortium A
- b) Parties may want to apply different structures to different joint activities and/or may want to apply longer duration terms or more strict termination clauses to these joint activities than the Consortium Agreement provides for.

Therefore the Additional Agreements are proposed, which, on the one hand, need to be understood as a result of the Project, but, on the other hand, may be agreed as legal (contractual) structures independent from the validity of the Consortium Agreement, whose provisions are mainly related to the Project. The obligations in the Consortium Agreement facilitate and oblige the Parties to a certain transparency when concluding addition agreements.

Be aware

In formulating an Additional Agreement Parties must make explicit reference to the fact if such an Additional Agreement is under the umbrella of the Consortium Agreement or not. [inside/outside]

{ reactions are always welcomed at the common service e-mail list consortiumforum@nic.surfnet.nl }

UNECA MANAGEMENT SYSTEM

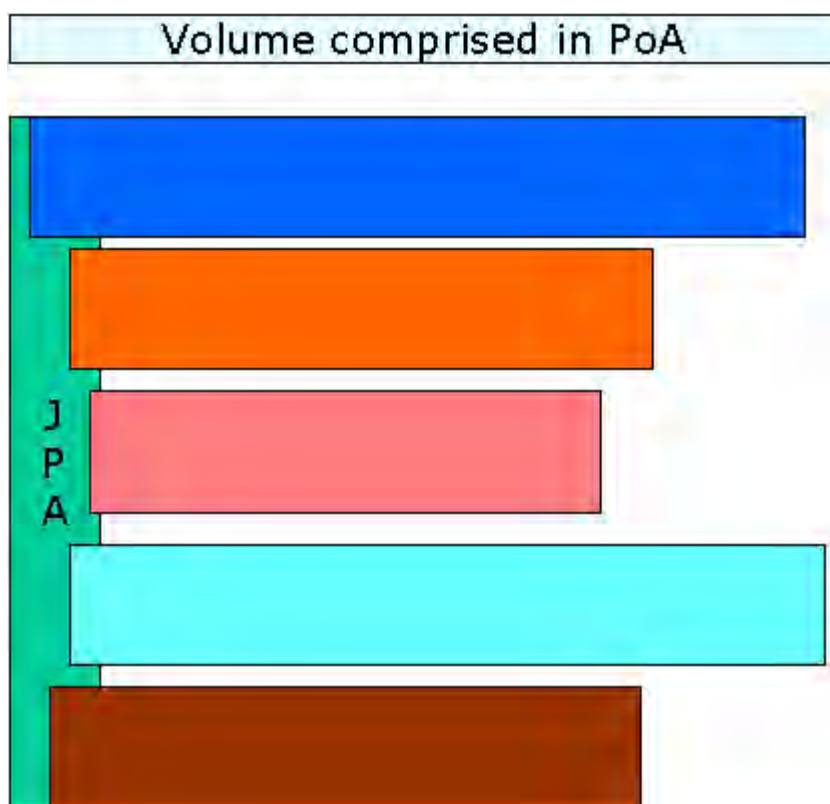
The new instrument of “Networks of Excellence” , combined with the provisions of the Regulation and the Contract of the Commission, all lead to a situation where the consortium agreement (this UNECA) has to provide for nearly all internal and external management.

The magnitude of the new instrument requires a more formal management system than ever before in a Framework Programme. It also leads to a system that can be seen as complicated.

This appendix deals with the management structure; others with planning, the financial system, etc.

Before elucidating you on the management system, it is needed to make you aware of the impact on your organisation of being a Party in a NoE.

The figure shows you the volumes of work/money/resources that such a network may enclose:



The vertical volume of integration activities binds the Network together and will be financed for the greater part by the Commission

The horizontal blocks represent the volume of activities which each Party (here 5) brings into the Network for integration.
[if it was a Network on HIV, all Parties should bring in all their -existing and planned-activities on HIV]

Only small and different parts of these volumes will be financed with the Commissions money for integration - as illustrated.

The essence is that every Party is bound to bring into the Network the whole volume as shown, even though only part of the financing of that volume is derived from the Commission.

Well, that is the game of financing the formation of a Network, bringing together existing volumes..... !

The UNECA has to cover all management, planning and finance of the whole volumes shown, and *not* only the vertical part for integration.

For that reason it is critically important that at the top management level, where decisions for the Network are taken, top managers of the Parties are present and they have the power to decide on the whole volume of their organisation, thereby binding their organisation on that (planning) volume for many years to come.

In order to achieve the integration goal of a NoE, the UNECA covers the whole volume of the Network by a yearly updated *Plan of Activities [PoA]*, where all details -regarding content , planning and finance- are settled.

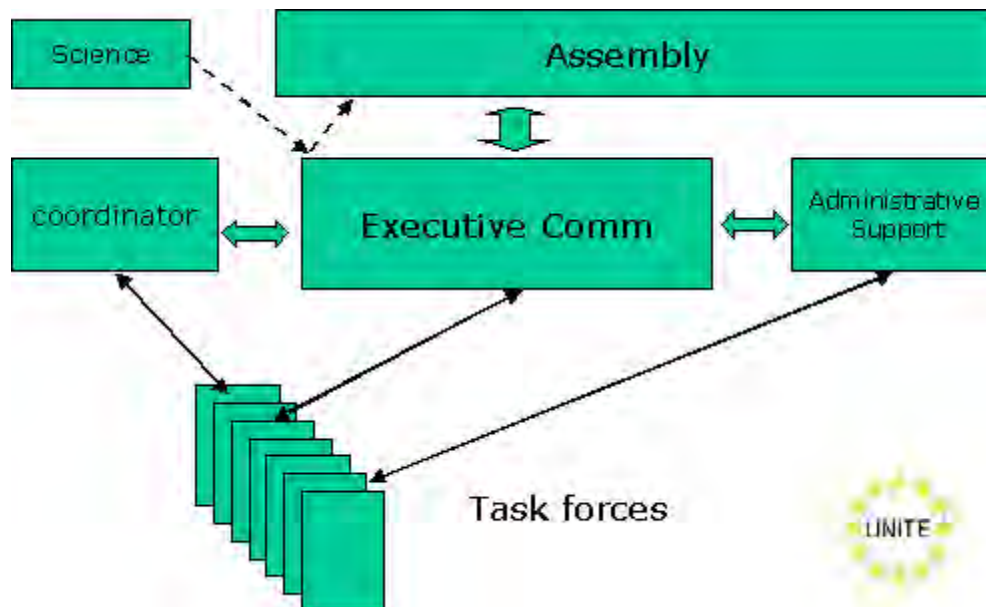
This plan has a formal status and is the basis for all activities and any money transfer.

The financial part of the PoA is called the *Network Budget* for handling reasons, but has no own status or decision route.

Reporting to the Commission only relates to integration, not to the contents of the work performed inside the PoA. [one reports on integration of research activities, not on the research contents: this is different from IP's indeed] On the other hand inside the Network reporting is on all activities, including the contents: that is the only way any integration is possible.

As can be understood from the description the task of management is a huge one compared to the expectations induced by the amount of the grant given for integration by the Commission.

The management model used in the UNECA is simple:



and consists of three layers:

1. The top decision making level and high level advise
2. The management level
3. The work level

This model seems to be adaptable for all Commission projects Europe wide as being the most practical. The UNECA is made as simple and straightforward as possible in order to get as clear management lines as possible.

Assembly

As already indicated, the Assembly consists of fully authorised representatives of all Parties. Normally the Assembly will meet twice a year and decide with one_party_one _vote. The decisions to be taken have such an impact on all Parties, that not showing up for a meeting is considered as a serious threat to the Network.

The decisions the Assembly need to take require careful preparation by the constituency of the Assembly representative. Therefore, no party should be surprised by the plans presented for decision. The decisions of the Assembly are binding for all Parties. There is no way out, be it where tasks are allocated outside the scope of the degree of integration as laid down in the actual *Plan of Activities*.

Coordinator

In FP6 the general view on the project coordinator is to restrict its influence in order to avoid dictatorial behaviour. Especially in Networks such would be the end of integration. Therefore the tasks of the Coordinator are kept to the bare minimum: "postman" and "banker". That includes the task to be performed towards the Commission.

In order to optimise communication, the Coordinator will chair the Assembly. Moreover the Coordinator as such will be a member of the Executive Committee and be its chair for at least the first term.

Executive Committee

This *Ex.com* forms the managerial heart of the Network. It consist of the leaders of the Task Forces and the Coordinator. They meet regularly and really jointly coordinate of the Network (not the coordinator).

All Network planning, reporting and archiving is done under their supervision and guidance, though the Assembly has the decision power on all main subjects.

The typical tasks of management and coordination are budgeted, planned and performed by the Ex.com itself.

Given the planning and budgeting cycle of 6 months given by the Commission, the Ex.com will be very busy, especially if one takes into account the volumes of activities to be covered. [see above]

It is realistic that the Ex.com, in order to cope with this amount of work, will set up an

Administrative Support Team

This AST will consist of trained managers, normally made available by the Parties, who handle most of the administrative burden of the Network on behalf of the Ex.com.

Care has to be taken that a head of office does not put himself into too much power, what could easily happen, but is prevented by the construction chosen.

As for the Coordinator, a realistic budget has to be made for such a team and Parties have to be aware this could imply putting real money or contributions-in-kind into a common fund, if the Community grant is not used to this effect.

Task Forces

The Task Forces perform all real work on the subject of the Network.

Some special Task Forces needed are indicated by the Contract (as management & coordination, here in UNECA in the Ex.com; gender equality could be another one). A special Task Force on IPR is foreseen in our model.

The Task Forces consist of representatives of all Parties performing the given Task/Activity. In order to ensure good cooperation and integration the decision basis is 1-party-1-vote.

Given the accorded Task and the part of the Network Budget attached, the Task Force optimises during the planning period its own work. That could imply that sub tasks and sub budgets are changed in order to get better or faster results. The drawback of too many changes is that Parties affected by it in a negative way, possibly have to be compensated, which in itself could form a nice budget constraint.

This freedom of a Task Force ends where changes possibly affect other Task Forces or the Network in general.

Also inside a Task Force, Parties must accept a (new) job/task, if this does not comply with the level of integration as laid down in the PoA's.

[again: once Parties decide to integrate, they are bound to the decisions made to that effect in the Assembly]

Scientific Advisory Board

On purpose the UNECA model concentrates all work in Task Forces. The only exception foreseen is the Scientific Advisory Board. This Board has to overview the science field of the Network and provide for (un)asked advice and/or scientific roadmaps for the Network. The standing of its membership should be such, that advises are to be taken serious. It is foreseen that not following an advise has to be well documented.

{dilemma: where to find high level experts if all are supposed to be inside the Network..?}

be aware

- * A higher management level can reject decisions made at a lower level (given the principle of good faith !)
- * When no agreement can be reached at one management level, the higher level may be alerted and can take over.
- * Disputes at the highest level are taken care of in special articles in the UNECA

UNECA PLANNING SYSTEM

Other appendices cover the Management and Finance of UNECA, here we concentrate on planning, though it closely interrelates to the other subjects. It is advisable to read the other ones before this one.

As shown in the appendix on management, the planning is performed at two levels:

- management level for planning the Network as a whole
- task force level for planning inside a Task Force.

The basis philosophy for planning is thus downside-up, but the general ideas and indicative budgets are delivered upside-down.

Task Forces

The Assembly, on advice of both the Scientific Advisory Committee -if any- and the Executive Committee, decides upon the sheer existence of an activity.

The Task Force is installed by Assembly decision; the description of the Task is given, and an preliminary budget is allocated for first planning.

The Parties involved in the Task Force decide between them on distribution of sub activities/tasks and planning, including budgeting.

The budgeting has to be done along the lines set out in appendix 3: financial system.

The primary planning done by the Task Force, is forwarded to the Executive Committee, who will comment it. The Executive Committee will - if needed- ask the Task Force to refine or review and deliver a secondary planning, which will be the basis of the Network planning of the Executive Committee.

If the comments of the Executive Committee obstruct the goals to be reached, the chair of the Task Force formally acknowledges the objection in the Executive Committee; in case no agreement is reached the Executive Committee forwards the objection for decision to the Assembly.

Anyhow, in the end the Assembly will decide on the definitive plans and budgets of all Task Forces incorporated in the (next version of) the Plan_of_Activities.

That Plan-of-Activity (including the budget) forms the basis for the Task Force to start/continue its work for the planning period, and for the coordinator to divide and pay out the money needed -if any.
[Be aware that the CEC provides only the integration budget, the network activities stretch out much wider, see the appendixes on UNECA-management and -financial system]

In a 6 months cycle the task-results and budget-use are reported to the Executive Committee. The task Force will use its report as a basis for the next primary budget proposal for the next planning cycle. Etc.etc.

Executive Committee

The Executive Committee provides the primary planning of the whole Network to the Assembly, which can decide on (re)distribution of activities and resources along the Task Forces.

The primary Network planning is the result of the combination of the primary plans of the Task Forces and the planning for centralised activities like management and coordination.

If requested by the Assembly, the Executive Committee provides the Assembly with a secondary plan for approval. The definitive plans form the kernel of the new Plan-of-Activities for the next period, as approved by the Assembly.

It is important to realise that the Commission expects three integrated plans for the network integration: one for the long term, one on a 18 months cycle and a more detailed one on a yearly cycle. All these, and plans on use and dissemination, have to be part of the Plan-of-Activities.

Be aware: the financial planning and reporting to the Commission is on a 6 months cycle.

Simple Letter Agreement for the Transfer of Materials

In response to the RECIPIENT's request for the MATERIAL [insert description]

..... The PROVIDER asks that the RECIPIENT and the RECIPIENT SCIENTIST agree to the following before the RECIPIENT receives the MATERIAL:

The above MATERIAL is the property of the PROVIDER and is made available in the frame of the [name of the Project] project.

THIS MATERIAL IS NOT FOR USE IN HUMAN SUBJECTS.

The MATERIAL will be used for not-for-profit research purposes only.

The MATERIAL will not be further distributed to others without the PROVIDER's written consent. The RECIPIENT shall refer any request for the MATERIAL to the PROVIDER. To the extent supplies are available, the PROVIDER or the PROVIDER SCIENTIST agree to make the MATERIAL available, under a separate Simple Letter Agreement to other scientists for teaching or not-for-profit research purposes only.

The RECIPIENT agrees to acknowledge the source of the MATERIAL in any publications reporting use of it.

Any MATERIAL delivered pursuant to this Agreement is understood to be experimental in nature and may have hazardous properties. THE PROVIDER MAKES NO REPRESENTATIONS AND EXTENDS NO WARRANTIES OF ANY KIND, EITHER EXPRESSED OR IMPLIED. THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR THAT THE USE OF THE MATERIAL WILL NOT INFRINGE ANY PATENT, COPYRIGHT, TRADEMARK, OR OTHER PROPRIETARY RIGHTS. Unless prohibited by law, RECIPIENT assumes all liability for claims for damage against it by third parties which may arise from the use, storage or disposal of the MATERIAL except that, to the extent permitted by law, the PROVIDER shall be liable to the RECIPIENT when the damage is caused by the gross negligence or wilful misconduct of the PROVIDER.

The RECIPIENT agrees to use the MATERIAL in compliance with all applicable statutes and regulations.

The MATERIAL is provided at no cost.

The PROVIDER, RECIPIENT and RECIPIENT SCIENTIST must sign both copies of this letter and return one signed copy to the PROVIDER. The PROVIDER will then send the MATERIAL.

PROVIDER INFORMATION and AUTHORISED SIGNATURE

Provider Scientist:

Provider Organisation:

Address:

Name of Authorised Official:

Title of Authorised Official:

Certification of Authorised Official: This Simple Letter Agreement __has / __has not [check one] been modified. If modified, the modifications are attached.

Signature of Authorised Official *Date*

RECIPIENT INFORMATION and AUTHORISED SIGNATURE

Provider Scientist:
Provider Organisation:
Address:
Name of Authorised Official:
Title of Authorised Official:
Signature of Authorised Official:
Date:

Certification of Recipient Scientist: I have read and understood the conditions outlined in this Agreement and I agree to abide by them in the receipt and use of the MATERIAL.

Recipient Scientist *Date*