



EUROPEAN COMMISSION  
DIRECTORATE GENERAL RESEARCH

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**MODEL CONTRACT**  
**Research Training Networks**

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## CONTRACT N° HPRN-CT-2002-00287

The European Community ("the Community"), represented by the Commission of the European Communities ("the Commission"), itself represented for the signature of this contract by Mr MITSOS ACHILLEAS, Director-General for Research or his duly authorised representative,

of the one part

and

Universitaet Bielefeld (UBIE.FM) ("the coordinator"), established in Universitätsstraße 25, 33501, BIELEFELD, Germany, represented by its legal/statutory/authorised representative, Mr. HUELSMANN Heinz, Financial Officer,

(hereinafter "*the principal contractor*"),

of the other part,

(collectively "*the contracting parties*")

HAVE AGREED to a *project* called "Algebraic K-Theory, Linear Algebraic Groups and Related Structures" consisting in a "research training network" to be carried out in the framework of the specific research and technological development programme/specific research and training programme "Improving the Human Research Potential and the Socio-Economic Knowledge Base" (the "specific programme") according to the following provisions.

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## Article 1 – Scope

The *principal contractor*<sup>1</sup> shall carry out the work set out in Annex I to this contract ("*the project*") in accordance with the conditions set out in this contract.

Subject to cases of *force majeure*, the *principal contractor* shall use reasonable endeavours to achieve the results aimed at by the *project*.

Without prejudice to the first paragraph, the *principal contractor* shall entrust the performance of part of the work set out in Annex I to *members* listed in this Annex in accordance with the conditions of Article 5 of Annex II and the *membership agreement*. *Members* shall use reasonable endeavours to carry out the part of the *project* specifically assigned to them.

The *principal contractor* shall be technically and financially responsible for his *members* in accordance with the terms and conditions set out in Articles 5, 22 and 23 of Annex II to this contract. The principal contractor and the members ("*the Participants*") are jointly and severally responsible for the performance of the project under the membership agreement (Part F) of this contract.

## Article 2 – Duration

1. The *duration of the project* shall be 48 months from the first day of the month after the last signature of the *contracting parties*.
2. This contract shall enter into force following its signature by all the *contracting parties*.

This contract shall be completed on the date of the final payment of the Community's financial contribution. However,

- Articles 5, 6 and 8 of this contract,
- Article 2(1) points a), e), f) and g), Article 2 (2) point (c), Article 3(4) and (5), Article 4(5), Article 7, Articles 10 to 16, Articles 21, 22 and 23 of Annex II to this contract.

shall continue to apply after that date subject any limitations specified in those Articles.

## Article 3 - Estimated costs and maximum financial contribution of the Community

1. The total estimated eligible costs of the *project* are EUR 1499938 (one million four hundred and ninety nine thousand nine hundred and thirty eight euro).
2. The Community shall fund the eligible costs of the *project* in accordance with the table of the indicative breakdown of the estimated eligible costs which follows the signatures affixed to this contract up to a maximum of EUR 1355785 (one million three hundred and fifty five thousand seven hundred and eighty five euro).

<sup>1</sup> The terms in italics are used in accordance with the definition given in Article 1 of Annex II to this contract.

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Where the eligible costs of the project are lower than the total estimated eligible costs for the project, the Community's financial contribution shall be limited to the amount which results from the application of the percentages of the financial participation as laid down in the indicative breakdown of estimated eligible costs which follows the signatures to this contract.

3. The Community's financial contribution to the *project* shall be paid as specified in Article 3 of Annex II to this contract to the *principal contractor's* bank account:

Account Number: WELADE 3B 61036 051812464528211

Bank Name: Westdeutsche Landesbank

Bank Address: Niedernwall 26 33602 Bielefeld GERMANY

The initial advance for the *project* is fixed at EUR 406736 (four hundred and six thousand seven hundred and thirty six euro). It is distributed among the *participants* in proportion to the Community's total contribution for each *participant* as laid down in the table of the indicative breakdown of the estimated eligible costs.

The total amount of the initial advance and the periodic payments shall not exceed the maximum amount of the financial contribution referred to in paragraph 2 of this Article, less a guarantee retention. The guarantee retention shall be 15% of the maximum amount of that contribution.

#### **Article 4 - *Project deliverables* and summary statements of amounts transferred by the principal contractor to be submitted to the Commission**

1. Two copies of the reports and of the cost statements required under this contract shall be submitted by the *principal contractor* in accordance with Article 4 of Annex II to this contract. The reports shall be in English.

The other *project deliverables* shall be submitted in accordance with the conditions specified in Annex I to this contract.

2. The periodic and final report, the corresponding cost statements, including each integrated cost statement, as well as each summary statement of amounts transferred to the *members* by the *principal contractor* shall cover successive periods of 12 months from the *project commencement date*.

Where the work is completed before the end of the *duration of the project*, the final report and the corresponding cost statements, including the integrated cost statement, as well as the summary statement of amounts transferred to the *members* by the *principal contractor* shall cover the period ending on that date.

The other *project deliverables* shall cover the periods set out in Annex I to this contract.



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## Article 5 - Applicable law and jurisdiction

1. The law of Belgium shall govern this contract.
2. The Court of First Instance of the European Communities and, in the case of an appeal, the Court of Justice of the European Communities shall have sole jurisdiction to hear any disputes between the Community, on the one hand, and the *principal contractor*, on the other hand, as regards the validity, the application or any interpretation of this contract.

## Article 6 - Special conditions

The following special conditions apply to this contract :

- (a) On the date of signature of this contract, Associated States are Bulgaria, the Czech Republic, the Republic of Cyprus, Estonia, Hungary, Iceland, Israel, Latvia, Liechtenstein, Lithuania, Malta, Norway, Poland, Romania, Slovakia, Slovenia and Switzerland.
- (b) The costs of protection of the *knowledge* and of measures to demonstrate the potential for *exploitation* of the *knowledge* shall also exclude the costs of creating and marketing a product and process and the costs of creating and providing a service.
- (c) To be added to Article 6 of Annex II of the contract: The *contractors* shall bear sole responsibility for assessing that the use of acronyms within the framework of this contract, including but not limited to the acronyms of the project, does not infringe existing trademarks, registered patents and other similar rights.

## Article 7 - Amendments

This contract, including the Annexes thereto, may be amended only by written agreement between the authorised representatives of the *contracting parties*. No verbal agreement may be binding on the *contracting parties* for this purpose.

Any request for amendment must be received by the Commission at least two months before the expiry of the *duration of the project*.

## Article 8 - Final provisions

1. The following Annexes are an integral part of this contract:  
Annex I - Description of work  
Annex II - General conditions
2. In the event of any conflict between Annex I and any other provision of this contract, the latter shall take precedence.
3. The special conditions set out in Article 6 of this contract shall take precedence over any other provisions

**ORIGINAL****Article 9 - Signature and language of the contract**

Two copies of the contract in English shall be signed by the *contracting parties* and only that language version shall be authentic.

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Done at Brussels/Luxembourg,

Universität Bielefeld  
Rektorat Der Kanzler

9 AUG. 2002

On behalf of Universitaet Bielefeld (UBIE.FM):

Name: (written out in full) **Hölmann**

Title: Administrative Officer

Signature:   


(stamp of the organisation)

On behalf of the Commission:

Name: (written out in full)

Title:

Signature:

Date:

Table – Indicative breakdown of estimated eligible costs

Participants	Estimated costs in euro <sup>2</sup>	Rate of financial participation	Maximum Community contribution in euro	Distribution of estimated eligible costs by category		
				Personnel <sup>3</sup>	Networking <sup>4</sup>	Overheads <sup>5</sup>
Principal contractor Universitaet Bielefeld (UBIE.FM)	207682	100 %	207682	158400	14506	34776
Member(s) Universitaet Regensburg (UREG.IM)	156209	100 %	156209	118800	11377	26032
Member(s) Université de Franche-Comté (UBEO.EMB)	233100	100 %	233100	158300	36546	38254
Member(s) Université de Paris VII Denis Diderot (UPAR7.IM)	154847	100 %	154847	105909	22550	26388
Member(s) Université Catholique de Louvain (UCL.MATH)	177989	100 %	177989	130646	17678	29665
Member(s) Università degli Studi di Genova (UGOA.DM)	129502	100 %	129502	91000	16919	21583
Member(s) University of Edinburgh (UEDIN.DM)	75066	100 %	75066	48320	14235	12511
Member(s) National University of Ireland, Dublin (NUID.MATH)	68164	100 %	68164	45505	11299	11360
Member(s) Ecole Polytechnique Federale de Lausanne (EPFL.DMAT)	144153	0 %	0	131195	12958	0
Member(s) Bar Ilan University (UBAR.MS)	123226	100 %	123226	80550	22139	20537
Member(s) Institute of Mathematics - Belarus Academy of Sciences (IMABY.ALG)	10000	100 %	10000	0	8400	1600

<sup>2</sup> This is the sum of personnel costs, costs linked to networking and overhead costs

<sup>3</sup> See Article 18 of Annex II

<sup>4</sup> This heading covers the cost categories indicated in Article 19 of Annex II

<sup>5</sup> See Article 20 of Annex II

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Member(s) A. Razmadze Mathematical Institute (ARMIAD)	10000	100 %	10000	0	8400	1600
Member(s) Shteklov Mathematical Institute - Russian Academy of Sciences (RASMILA)	10000	100 %	10000	0	8400	1600
TOTAL	1499938		1355785	1068625	205407	225906

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## ANNEX I

### LIST OF PARTICIPANTS AND DESCRIPTION OF WORK

Network Title:

**Algebraic K-Theory, Linear Algebraic Groups and Related Structures**

Network Short Title: **K-Theory and Algebraic Groups**

#### Part A – The Participants

The Principal Contractor and the Members listed below shall be jointly and severally liable in the execution of work defined in Part B of this Annex:

##### **The Principle Contractor**

1. University of Bielefeld established in Germany

##### **The Members**

2. University of Regensburg established in Germany
3. Université de Franche Comté, Besançon established in France
4. Université Paris 7-Denis Diderot [UP7-DD] established in France
5. Université catholique de Louvain [UCL] established in Belgium
6. Università di Genova [DIMA UGOA] established in Italy
7. University of Edinburgh [UEDIN] established in United Kingdom
8. University College Dublin [NUID/UCD] established in Ireland
9. École Polytechnique Fédérale de Lausanne [EPFL] established in Switzerland
10. University of Bar-Ilan established in Israel
11. Institute of Mathematics,  
National Academy of Sciences [Minsk] established in Belarus
12. A. Razmadze Mathematical Institute [RMI] established in Georgia
13. St. Petersburg Branch of  
Steklov Mathematical Institute  
Russian Academy of Sciences [RAS] established in Russia

The Principal Contractor and the Members are referred to jointly as “the Participants”.

## **Part B – The Joint Programme of Work**

### **1 Project Objectives**

The objectives of this proposal are:

To investigate problems in algebraic K-theory, linear algebraic groups, in particular, reductive groups, and their related structures like Azumaya algebras, Jordan algebras, Brauer groups, quadratic and Hermitean forms, by applying and combining methods from all these disciplines, in order to gain methodological synergy and to thereby considerably extend and stretch the range of the underlying theories.

Due to recent progress in these fields already made, and due to the fact that the proposed network combines leading experts in all its areas, major breakthroughs can be expected in all fields covered by this network, in particular in algebraic K-theory, in the theory of anisotropic reductive groups, their internal structures, and their cohomological invariants, and in the related theories mentioned above.

While reductive groups are well understood insomuch they are isotropic, due to the fruitful research of the last century, initiated by Killing in 1888, it still is a major challenge to understand anisotropic reductive groups and their underlying structures, about which still very little is known in general.

Homological methods like Galois Cohomology and K-Theory will play a prominent role in these research efforts.

It is the main objective of this proposal to bring together the expertises of these fields in order to promote their research significantly by mutual benefit, and, in particular, to attract young researchers at the postdoc level into this broad area by international exchange and intensive training.

### **2 Research Method**

This project combines areas which have developed their own "mathematical culture", like algebraic K-theory, linear algebraic groups, quadratic and Hermitean forms, Brauer groups, Azumaya algebras and others.

As history and recent research have shown that these fields can influence each other in a very fruitful way, it is the incentive of this proposal to bring scientists of these various branches together for useful cooperation.

Since the scientific resources of the single EC countries are limited, it is intended to overcome these limitations by extensive exchange of scientists, in particular, of postdoc scientists.

In order to solve all project tasks given below, a sequence of 14 conferences, workshops, and summerschools are organized in order to enable the participants to work jointly by cooperation and consulting.

Postdocs should have the possibility to work for 12 to 18 months, say, in a team of a country different from their nationality in order to be trained by the host team's expertises. Since individual research or research in small groups is the appropriate method in the field of mathematics, and since all the teams involved in this project are guided by internationally very well recommended and experienced researchers, who have significant experiences in the training and the educating of young scientists it is guaranteed that this methodological approach is appropriate and consistent with the objectives of this proposal.

The work in small teams is accompanied by a reasonably chosen number of conferences and workshops, which allow a regular exchange of new ideas in the various scientific areas of this project.

Since all the fields mentioned in the proposal are represented in the teams of this proposal by internationally leading experts, it is also obvious that the proposed network integrates complementary techniques in an adequate and effective manner.

Each team integrates its postdocs in regular research seminars, workshops, etc. in such a way that they can learn an expertise which is complementary to the one they learned in their home country.

### 3 Work Plan

The work will consist in research on the topics mentioned below.

Milestones which can be used as assessment criteria for the midterm or final report are any of the network workshops and conferences given below as well as any major publication in an area marked by a '\*' in the list of tasks below, but also it could turn out that a research result in any other topic should be counted as a "milestone".

For most research projects, a list of team numbers of cooperating teams (in square brackets) is given.

#### **Team 1: Bielefeld**

(Cooperation with Duisburg, Göttingen, Münster, Osnabrück)

- Algebraic  $K$ -Theory of non-linear projective spaces and of non-linear toric varieties [4,7,12]
- \* Exotic ring maps of  $\mathbb{Z}$  (the ring of natural integers) distinguished by means of formal group laws [4,7,12]
- \* The algebraic closure of the sphere spectrum [4,7,12]
- \* Topological Hochschild homology and  $A_\infty$  rings [4,7,12]
- \* Structure of maximal tori in anisotropic semisimple groups [2,10,13]



- ★ Crystallographic subgroups of a linear group [10]
- Galois cohomological invariants of semisimple groups [9,10,13]

### Team 2: Regensburg

- ★ Composition and Jordan algebras, exceptional simple algebraic groups [1,13]
- ★ Book project: Specialization of quadratic and symmetric bilinear forms [1,8]
- ★ Higher-dimensional class field theory for varieties over local fields, Hasse principles and rigidity for complexes of Bloch-Ogus type [4,6]
- Diophantine equations [6,13]

### Team 3: Besançon

Cooperation with Strasbourg)

- ★ Quadratic forms over arbitrary fields (stable birationality, birationality, motivic equivalence, similarity), and invariants of fields with respect to quadratic forms [1,2,4,5,8,9,13]
- ★ Rationality questions for algebraic groups [5,9,13]
- Algebras with involution, in particular invariants of such algebras and of their involutions [5,9,13]
- Trace forms of algebras [5,9,13]

### Team 4: UP7 – Paris

- ★ Motivic cohomology and homotopy theory of schemes [6,13]
- ★ Number theory and cyclic homology [1,3,9]
- ★ Knot invariants, topological field theories [1,7]
- Mac Lane homology, homotopy theory of functors [1,7,12]
- Representation of discrete groups and K-theory [1]
- ★ A project milestone is the IHP semester planned during Spring and Summer 2004 : it will start on March 1st and will end in July with a 2-weeks conference. See the section "Training" below.

### Team 5: UCL – Louvain-la-Neuve

(Cooperation with Ghent, Lens)

- ★ Systems of quadratic forms over fields. [1,2,3,8]
- ★ Model theoretic methods and quadratic forms. [1,2,3,8]
- ★ Quadratic forms, classical groups and their cohomological invariants. [1,3,8,9]
- Field invariants associated to division algebras and quadratic forms [10,11]
- Splitting patterns of quadratic forms of dimension at most 20. [1,2,3]
- ★ Motives of homogeneous varieties. Pfister neighbors in terms of Rost projectors. [1,3,6,13]
- ★ Orthogonal representations of classical groups [4,9,10].

### Team 6: DIMA – Genova

(Cooperation with Roma, Napoli, Bologna)

- ★ Algebraic cycles and motivic cohomology [5,13]
- Real geometry [1,4]
- ★  $A^1$ -homotopy of schemes [1,4,13]

- ★ Chow motives of complex surfaces [1,4,13]
- Homological properties of graded algebras, applications to computer algebra [3,4,12]

**Team 7: UEDIN – Edinburgh**

(Cooperation with Aberdeen, Durham)

- ★ Applications of algebraic K-theory to the classification of manifolds in topology [1,4,12]
- ★ Algebraic K-theory of spaces [1,4,12]
- The theory of  $n$ -valued groups [1,4,12]

**Team 8: NUID/UCD – Dublin**

- ★ Quadratic forms and central simple algebras with involution. [1,2,5,9,11,13]
- ★ Exterior and symmetric powers of forms, Schur functors and quadratic forms. [1,2,5]
- $K_2$  of integers in number fields, tame and wild kernels [1,4,6]
- Group-invariant integral lattices [1,10]

**Team 9: EPFL – Lausanne**

(Cooperation with UNI Lausanne and ETH Zürich)

- ★ Galois Cohomology of Linear Algebraic Groups [1,3,5]
- Finite Subgroups of Linear Algebraic Groups [1,10]
- Algebras with Involution [3,5]
- ★ Quadratic and Hermitean Forms [1,2,3,5,7,8,13]
- ★ Ideal Lattices and Tamagawa Numbers [1]

**Team 10: Bar-Ilan**

(Cooperation with Tel Aviv)

- Identities in linear groups [1,6,10]
- ★ Semisimple algebraic groups and their homogeneous spaces [1,5,13]
- ★ Crystallographic subgroups of linear groups [1,6,9]
- Fibrations into homogeneous varieties with prescribed local invariants [4,11,13]

**Team 11: Minsk**

- ★ Two-torsion of Brauer groups of curves, Shafarevich-Tate and Selmer groups of their Jacobians [1,5]
- ★ Invariants of central simple  $F$ -algebras over algebraic curves, pencils of Severi-Brauer varieties with prescribed degeneration data [1,5,8]
- Essential dimension cohomological invariants,  $R$ -equivalence for algebraic groups. [1,4,9,13]
- Motives and algebraic cycles of surfaces of general type [2,4,6,13]

**Team 12: RMI – Tbilisi**

- ★ Mac Lane homology, polynomial functors and functor homology [1,3,4,7]
- Homotopy invariance properties for higher K-theory of toric varieties and a generalized algebraic K-theory via groups of automorphisms of toric varieties [1,3,4,7]
- ★ Cohomological investigation of associative algebras and related objects: Lie and Leibniz algebras and algebras up to homotopy [1,3,4,7]

**Team 13: RAS – St.Petersburg**

- ★ Riemann-Roch theorem for a multiplicative transformation of oriented cohomology theories. [4,6,9]
- ★ Rigidity theorems for any cohomology theory (in the sense of Voevodsky and Morel) on algebraic varieties. [4,6,9]
- Extend Voevodsky's results on functors with transfers to the case of "locally extendible" functors. [4,6,9]
- ★ Fundamental class of a projective variety [1,4,9]
- Dimensions and canonical forms of intersections of conjugacy classes with cells; dimensions of products of orbits of semisimple groups. [1,4,6,9]

<b>Table 1: Professional research effort on the network project</b>			
Participant	Young researchers to be financed by the contract (person-months)	Researchers to be financed from other sources (person-months)	Researchers likely to contribute to the project (number of individuals)
	(a)	(b)	(c)
1. Bielefeld	44	144	18
2. Regensburg	33	60	9
3. Besancon	53	144	18
4. UP7	28	144	17
5. UCL	36	144	17
6. DIMA	36	96	12
7. UEDIN	15	84	9
8. NUID/UCD	15	84	9
9. EPFL	30	228	22
10. Bar-Ilan	30	72	10
11. Minsk	0	24	3
12. RMI	0	56	7
13. RAS	0	40	5
Totals	320	1320	156

#### 4 Organisation and Management

- i) *Structure for decision making:* Decisions concerning the network as a whole will be made by the local coordinators, either on the basis of email discussions, or on network meetings the occasion of of the planned workshops or conferences. Decisions concerning meetings or other events will be made by the respective scientific committees on a similar basis.
- ii) *Means of communication:* Personal email and broadcasts of bulk email are the tools to communicate about network events. A well established preprint server on "Linear Algebraic Groups and Related Structures" (<http://www.mathematik.uni-bielefeld.de/LAG/>) is used to disseminate the research results among the network researchers. The meetings of the network will be used for formal and informal communication.
- iii) *Workshops/meetings:* Network members/young researchers are invited to participate in these meetings and to contribute by giving talks (see Table 2).
- iv) *Tools for monitoring progress:* Progress is monitored on the occasion of the (networkwide published) annual progress reports. Research preprints are published on the network preprint server, every time such a preprint is published this is broadcasted by email to the network community.
- v) *'Mentors' for foreign young researchers:* Since all the partners employing young researcher are mathematical departments of Universities, the young researchers are working int the context of well established research seminars, which are guided by experienced senior scientists, who will act as mentors for the young scientists. On the occasion of the establishment of their working contract the young researchers will be informed about the network facilities, their rights and obligations.

**Team 13: RAS – St.Petersburg**

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- ★ Rigidity theorems for any cohomology theory (in the sense of Voevodsky and Morel) on algebraic varieties. [4,6,9]
- Extend Voevodsky's results on functors with transfers to the case of "locally extendible" functors. [4,6,9]
- ★ Fundamental class of a projective variety [1,4,9]
- Dimensions and canonical forms of intersections of conjugacy classes with cells; dimensions of products of orbits of semisimple groups. [1,4,6,9]

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12. RMI	0	56	7
13. RAS	0	40	5
Totals	320	1320	156

<b>Table 2: Schedule of Conferences, Workshops and Summerschools, and other Training Events</b>				
	Month	Date	Event	Organizing Teams
i.	(-1)	May 12-18, 2002	Oberwolfach Conference on quadratic forms	[3], [5]
ii.	(0)	Jun 2002	Lens: Summerschool (4 days)	[5],[3]
1.	1	July 8-26, 2002	Trieste: School and Conference on Algebraic K-Theory and its Applications	[6], [4]
2.	2	Aug 4-10, 2002	Oberwolfach conference on K-theory	[2], [4]
3.	11	May 2003	Regensburg: Workshop on quadratic forms: "Generic Splitting"	[2], [1]
4.	12	Jun 2003	Lens: Summerschool (4 days)	[5],[3]
5.	13	Jul 2003	Trento: Summer School "K-Theory and its applications to Algebra and Topology" (1 week)	[6],[1], [10],[13]
6.	21	May 2004	Bar-Ilan: Workshop on algebraic groups and related topics (2 weeks)	[10], [1], [11], [13]
7.	(19-24)	Feb-Jun 2004	Paris: IHP Semester on K-theory and non commutative geometry	[4]
8.	24	Jun 2004	Lens: Summerschool (4 days)	[5],[3]
9.	25	Jul 2004	Edinburgh: Summerschool on the applications of algebra to knot theory	[7], [1], [12]
10.	25	Jul 2004	Dublin: Training conference on "K-theory, quadratic forms, and algebras with involution"	[9], [1], [4], [5]
11.	27	Sep 2004	Bielefeld: Midterm Review Meeting and Postdoc Conference (5 days)	[1] + all teams
12.	35	May 2005	Regensburg: Workshop on quadratic forms: "Witt-Rings of Varieties"	[2], [13]
13.	36	Jun 2005	Lens: Summerschool (4 days)	[5],[3]
14.	45	Mar 2005	Bielefeld: Final Postdoc Conference on K-Theory, algebraic groups and related structures (1 week)	[1] + all teams

5 Training• Appointment of Young Researchers

A minimum overall total of 320 (see the table below) person-months will be provided by young researchers whose employment will be financed by the contract.

Young researchers to be financed by the contract				
Participant	Young pre-doctoral researchers to be financed by the contract (person-months) (a)	Young post-doctoral researchers to be financed by the contract (person-months) (b)	Total (a+b) (c)	Scientific specialties in which training will be provided (d)
1. Bielefeld		44	44	M02,M03
2. Regensburg		33	33	M02
3. Besançon	12	41	53	M02
4. UP7		28	28	M02,M03
5. UCL	12	24	36	M02
6. DIMA	12	24	36	M02
7. UEDIN		15	15	M02,M03
8. NUID/UCD		15	15	M02
9. EPFL		30	30	M02
10. Bar-Ilan		30	30	M02
11. Minsk		0	0	M02
12. RMI		0	0	M02,M03
13. RAS		0	0	M02
Totals	36	284	Overall Total 320	

Position vacancies for young researchers will be published on the network home page and will be broadcasted by bulk email to lists of scientists and institutes working in appropriate areas. Also, if necessary, the newsletters of the national mathematical societies will be used to publish those vacancies.

Based on the experiences of the network during the past 4 years (contract TMR-Network ERB FMRX CT-97-0107), difficulties in hiring are not anticipated.

- Training Programme

This network offers an exchange program consisting of 320 months of fellowships for pre- and postdoctoral scientists, and in addition it will organize short term visits for all participating scientists.

Also, the network offers a total of 14 *accompanying conferences, summer schools and workshops*.

UP7 – Paris offers a particular training semester at the Institut Henri Poincaré (IHP) in Spring 2004 with courses on Motivic cohomology, algebraic K-theory, rational homotopy of algebraic varieties, cyclic homology and related subjects. This event as well as all the workshops and summerschools will be milestones for the training offered by the network.

All network teams are guided by experienced senior scientists, who are among the leading in their fields, working in well established groups, usually with many international scientific visitors, in mathematics departments with elaborated training programmes including *lectures, seminars, workshops*, on both, pre-doctoral and post-doctoral level.

Hence visiting pre- and post-doctorals and other staff working on the project are guaranteed to receive optimal training in an academic environment.

The organization of the workshops and summer school of this project will, for example, be based on experiences from TMR-Network ERB FMRX CT-97-0107, since many such events have been organized in that frame.

The network will integrate the young researcher into the network organization, e.g., will encourage them to become members of scientific committees of the various workshops and conferences.

This programme offers some intra-mathematics multidisciplinary aspects. A combined offer of training in algebra as well as in topology is given, since there are many occasions where a combination of methods yield unexpected and otherwise unreachable results.



## ANNEX II - GENERAL CONDITIONS

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## PART A: IMPLEMENTATION OF THE PROJECT

### Article 1 - Definitions

1. "*Decision*" means [Council Decision 1999/65/EC of 22 December 1998 concerning the rules for the participation of undertakings, research centres and universities and for the dissemination of research results for the implementation of the Fifth Framework Programme of the European Community (1998-2002)]<sup>6</sup> [Council Decision 1999/66/Euratom of 22 December 1998 concerning the rules for the participation of undertakings, research centres and universities in the implementation of the Fifth Framework Programme of the European Atomic Energy Community (1998-2002)]<sup>7</sup>.
2. "*Regulation*" means [Commission Regulation (EC) No 996/99 of 11 May 1999 on the implementation of Council Decision 1999/65/EC concerning the rules for the participation of undertakings, research centres and universities and for the dissemination of research results for the implementation of the Fifth Framework Programme of the European Community (1998-2002)]<sup>8</sup> [Commission Regulation (EC) No 1605/1999 of 22 July 1999 on the implementation of Council Decision 1999/66/Euratom concerning the rules for the participation of undertakings, research centres and universities in the implementation of the Fifth Framework Programme of the European Atomic Energy Community (1998-2002)]<sup>9</sup>.
3. "Contracting parties" means the Community and the *principal contractor*.
4. "*Principal contractor*" means a legal entity, an international organisation, or the Joint Research Centre (JRC), which has concluded this contract with the Community.
5. "*Member*" means a legal entity, an international organisation, or the JRC, which has concluded a membership agreement signed with a *principal contractor* in agreement with the Community and in accordance with this contract and having, by virtue of that membership agreement, the same rights and obligations as the *principal contractor* unless the former stipulates otherwise.
6. "Participants" means the *principal contractor* and the *members*.
7. "*Membership agreement*" means the agreement concluded between the *participants* for the specific needs of the *project* in accordance with the conditions of this contract and whereby they act jointly and severally towards the Community for the implementation of the *project*.

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<sup>6</sup> [OJ L 26, 1.2.1999, p. 46.]

<sup>7</sup> [OJ L 26, 1.2.1999, p. 56.]

<sup>8</sup> [OJ L 122, 12.5.1999, p. 9.]

<sup>9</sup> [OJ L 190, 23.7.1999, p. 3.]

8. "*Subcontract*" means an agreement to provide services, supplies or goods concluded between a *participant* and one or more *subcontractors* for the specific needs of the *project*.
9. "*Subcontractor*" means a legal entity, an international organisation or the JRC, which has concluded a *subcontract*.
10. "*Project*" means all the work referred to in Annex I to this contract.
11. "*Project commencement date*" means the date referred to in Article 2 (1) of this contract.
12. "*Duration of the project*" means the period of performance of the *project* as referred to in Article 2 (1) of this contract.
13. "*Contract completion date*" means the date referred to in Article 2(2), second subparagraph, of this contract.
14. "*Project deliverables*" means the reports and the cost statements referred to in Article 4 of this contract and Article 4 of this Annex as well as any element designated as such in Annex I to this contract.
15. "*Associated State*" means a State party to an international agreement concluded with the Community, in particular on the basis of [Article 170 of the Treaty establishing the European Community]. [Article 101 of the Treaty establishing the European Atomic Energy Community] under which [that State makes a financial contribution to the framework programme] [the State in question makes a financial contribution to the framework programme. That agreement relates to co-operation on research and development].
16. "*Third country*" means a country other than a *Member State* or an *Associated State*.
17. "*Change of control*" means any change in the control exercised over the participant, within the meaning of Article 5(1), third subparagraph, of the *Regulation*. Such control may result, in particular, from:
  - direct or indirect holding of a majority of the share capital of a participant or a majority of the voting rights of the latter's shareholders or associates,
  - or
  - direct or indirect holding, in fact or in law, of decision-making powers within a participant

18. "*Force majeure*" means any unforeseeable and insuperable event affecting the carrying out of the *project* by one or more *participants*.
19. The "*interests of the Community*" are to be assessed in particular with regard to:
- the objective of strengthening the international competitiveness of Community industry,
  - the objective of providing appropriate incentives for maintaining and creating jobs in the Community,
  - the objective of promoting sustainable development and improving the quality of life in the Community,
  - the needs of other Community policies in support of which indirect RTD actions are carried out,
  - the existence of scientific and technical co-operation agreements between the Community and third countries or international organisations.
20. "*Knowledge*" means the results, including information, arising from any *project* covered by [Decision No 182/1999/EC of the European Parliament and Council of 22 December 1998 relating to the Fifth Framework Programme of the European Community for research, technological development and demonstration activities (1998 to 2002)]<sup>10</sup> [Council Decision 1999/64/Euratom of 22 December 1998 concerning the Fifth Framework Programme of the European Atomic Energy Community for research and training activities (1998 to 2002)]<sup>11</sup> as well as copyright or rights attaching to the results following applications for or the issue or registration of patents, designs and models, plant varieties, additional certificates or other similar forms of protection.
21. "*Pre-existing know-how*" means information, other than *knowledge*, held by the *participants* prior to the conclusion of the contract or the *membership agreement* or acquired in parallel with them and necessary for carrying out the *project*, as well as copyright or rights attaching to such information following applications for or the issue or registration of patents, designs and models, plant varieties, additional certificates or other similar forms of protection.
22. "*Dissemination*" means the disclosure of *knowledge* by any appropriate means other than publication resulting from the formalities for protecting the *knowledge* for the purpose of promoting scientific and technical progress.
23. "*Legitimate interest*" means any interest, in particular of a commercial nature, of a *participant* which may be invoked in the cases provided for in this Annex provided that this *participant* demonstrates that damage to that interest is likely, given the

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<sup>10</sup> [OJ L 26, 1.2.1999, p. 1.]

<sup>11</sup> [OJ L 26, 1.2.1999, p. 34.]

circumstances, to cause a prejudice that is disproportionate, considering the objectives of the provision in respect of which it is invoked.

24. "*Favourable conditions*" means conditions more favourable than market conditions owing to discounts of any kind.
25. "*Non-commercial user rights*" means user rights relating to *knowledge* or *pre-existing know-how* transferred under the conditions provided for in this Annex for non-commercial purposes and solely carrying out the *project*.
26. "*Young researcher*" refers to a researcher aged 35 years or less at the time of his appointment by a *participant* in the frame of this contract under the conditions specified in article 18 (2) of this annex. An allowance to this age limit may be made for the actual time spent in compulsory military or civil service or child care (a maximum of two years per child for the actual time spent off work)
27. "*Eligible costs*" means the costs referred to in Articles 18, 19 and 20 of this Annex, in compliance with the conditions set out in Article 17 thereof.
28. "*Scientific Network Co-ordinator*" refers to a member of the staff of the *principal contractor* who shall direct and co-ordinate the *project* under the responsibility of the *principal contractor*.

## Article 2 - Management of the *project*

### 1. The *Principal Contractor*

Without prejudice to paragraph 2 of this Article, the *principal contractor* shall be in charge of the scientific, financial and administrative co-ordination of the *project*. In this respect,

- a) he is the intermediary between the *members* and the Commission. In particular, he shall be responsible for transmitting to the Commission all documents and correspondence relating to the *project*. Any written notice requested or approval required under the contract should be sent by recorded delivery or registered post,
- b) he shall inform the Commission of
  - the actual date of commencement of the work,
  - the person designated by each member in accordance with paragraph 2(a) of this Article,
  - the designated *scientific network co-ordinator* as referred to under point i) of this paragraph and the scientist in charge, if different from the *scientific network co-ordinator*,
- c) he shall transmit to the Commission a copy of the *membership agreement* duly signed by the *participants* and guarantee that the *membership agreement* is in conformity with this contract,
- d) he shall submit to the Commission
  - the cost statements provided for in Article 4 of this contract and of this Annex,
  - the reports provided for in Article 4 of this contract and of this Annex after incorporating the content of the data provided by all the *members* and verifying their consistency with the corresponding cost statements,
- e) in his capacity as representative of the *members*, he shall receive, subject to the special conditions set out in Article 6 of this contract, all the payments made by the Commission to the account referred to in Article 3 (3) first subparagraph of this contract,
- f) not being the beneficiary of payments intended for the *members* pursuant to this contract, he shall transfer to them within 30 days of receipt of the funds paid by the Commission the amount owing to them up to the maximum provided under Article 3(3) subparagraph 3 of this contract. He shall inform the Commission of the distribution of the funds and of the date of transfer by means of the form in Part E-3,
- g) he shall inform the Commission of any event liable of which he is aware, to substantially affect the *project*, including any damage in a person referred to in paragraph 2 (a) of this article, any *change of control* with regard to him and any

circumstance affecting the conditions of participation referred to in Articles 3 to 12 of the *Decision*,

- h) he shall inform the Commission of transfers in the budget set out in the table of indicative breakdown of the estimated eligible costs, between the *participants* carried out in compliance with article 17 (4) of this Annex,
- i) he shall designate a member of his staff who as *scientific network co-ordinator* shall direct and co-ordinate the project under his responsibility.

Without prejudice to Article 8(3) point b), should the *principal contractor* fail to meet his obligations, the Commission may, in agreement with the *members*, designate another *principal contractor* from among the *members*. An amendment to the contract and to the *membership agreement* will be necessary.

## 2. The *Members*

- a) shall agree upon appropriate arrangements for the proper performance of the work incumbent upon them pursuant to Annex I to this contract. To this end, they shall designate among their staff a scientist in charge who shall direct the work and ensure that the tasks assigned to each *member* according to Annex I to this contract are correctly performed,
- b) shall inform the *principal contractor* of any event which they are aware of which is liable to substantially affect the *project*, including any change of the person mentioned at point a) of this paragraph, any *change of control* at their level and any circumstance affecting the conditions of participation referred to in Articles 3 to 12 of the *Decision*,
- c) shall forward to the *principal contractor* the data needed to draw up the reports provided for in Article 4 of this contract and this Annex and forward the corresponding cost statements,

## 3. The *Participants*

- a) shall take decisions on a re-apportionment of the indicative breakdown of the estimated eligible costs in compliance with the conditions set out in Article 17 (4) of this Annex,
- b) shall take part in meetings concerning the supervision, monitoring and evaluation of the *project* which are relevant to them,
- c) shall provide all detailed data requested by the Commission for the purposes of the proper administration of this contract,

## 4. The Commission may be assisted by independent experts in the framework of the meetings referred to under paragraph (3)(b) of this Article.



circumstance affecting the conditions of participation referred to in Articles 3 to 12 of the *Decision*,

- h) he shall inform the Commission of transfers in the budget set out in the table of indicative breakdown of the estimated eligible costs, between the *participants* carried out in compliance with article 17 (4) of this Annex,
- i) he shall designate a member of his staff who as *scientific network co-ordinator* shall direct and co-ordinate the project under his responsibility.

Without prejudice to Article 8(3) point b), should the *principal contractor* fail to meet his obligations, the Commission may, in agreement with the *members*, designate another *principal contractor* from among the *members*. An amendment to the contract and to the *membership agreement* will be necessary.

## 2. The *Members*

- a) shall agree upon appropriate arrangements for the proper performance of the work incumbent upon them pursuant to Annex I to this contract. To this end, they shall designate among their staff a scientist in charge who shall direct the work and ensure that the tasks assigned to each *member* according to Annex I to this contract are correctly performed,
- b) shall inform the *principal contractor* of any event which they are aware of which is liable to substantially affect the *project*, including any change of the person mentioned at point a) of this paragraph, any *change of control* at their level and any circumstance affecting the conditions of participation referred to in Articles 3 to 12 of the *Decision*,
- c) shall forward to the *principal contractor* the data needed to draw up the reports provided for in Article 4 of this contract and this Annex and forward the corresponding cost statements,

## 3. The *Participants*

- a) shall take decisions on a re-apportionment of the indicative breakdown of the estimated eligible costs in compliance with the conditions set out in Article 17 (4) of this Annex,
- b) shall take part in meetings concerning the supervision, monitoring and evaluation of the *project* which are relevant to them,
- c) shall provide all detailed data requested by the Commission for the purposes of the proper administration of this contract,

## 4. The Commission may be assisted by independent experts in the framework of the meetings referred to under paragraph (3)(b) of this Article.

It shall take appropriate steps to ensure that such experts treat confidentially the data that are communicated to them. Prior to such meetings, it shall disclose to the *principal contractor* the identity of the experts scheduled to attend. It shall take account of any objection on the part of the *participants* based on *legitimate interests*.

### Article 3 - The Community's financial contribution

1. The Community's financial contribution shall be paid to the *principal contractor* in accordance with the following principles:

- a) An initial advance shall be paid within a maximum period of 60 days running from the date of the last signature of the *contracting parties*. The period of 60 days may be suspended until the date of receipt by the Commission of the *membership agreement* duly signed by all the *participants*. The *principal contractor* shall allocate the advance in accordance with Article 3 (3) of the contract.

If the *project* has not effectively commenced within three months of the payment of the initial advance, the Commission may:

- (i) either terminate the contract pursuant to Article 8 (3)(a) of this Annex, or
- (ii) decide to add interest to the initial advance from the date of payment until the effective date of commencement of the work at the monthly rate applied by the European Central Bank for its main refinancing operations applicable on the first day of the month during which the three-month time-limit has expired.

Such interest shall be deducted from the subsequent payment made by the Commission.

- b) Periodic payments shall be made within a maximum period of 60 days from the date on which the Commission approves or is deemed, in accordance with Article 4(3), fourth subparagraph, of this Annex, to have approved the periodic reports and the corresponding cost statements, or other *project deliverables*.

The amounts of the periodic payments shall be calculated on the basis of the eligible costs approved by the Commission. On each periodic payment, an amount corresponding to part of the initial advance shall be recovered, which amount is calculated on the basis of the relationship between the eligible costs approved by the Commission and the forecasts of expenses for the period in question.

- c) The final payment of the Community's financial contribution shall be made within a maximum period of 60 days from the date on which the Commission approves or is deemed, in accordance with Article 4 (3), fourth subparagraph, of this Annex, to have approved the last *project deliverable*.

The final payment shall correspond to the difference between the total amount of *eligible costs* approved by the Commission and the amount of the initial advance

and any periodic payments. However, the Community's total financial contribution may not exceed the maximum amount provided for in Article 3(2) of this contract.

The payments referred to at points (a) to (c) of the first subparagraph of this paragraph shall be regarded as having been effected on the date on which the Commission's account is debited.

The Commission may suspend the period of 60 days referred to under b) and c) of the first subparagraph of this paragraph at any time by notifying the *principal contractor* that it considers that additional checks should be carried out. The period shall continue to run once the Commission has completed the additional checks.

On expiry of the period provided for and without prejudice to the third subparagraph of this paragraph, the *principal contractor* may claim, at the latest within two months of receiving the late payment, interest at the rate applied by the European Central Bank for its main refinancing operations applicable on the first day of the month during which the time-limit has expired, plus one and a half percentage points. The interest shall cover the period running from the day after the time-limit for payment until the date of actual payment.

2. Where the Commission suspects fraud or serious financial irregularity on the part of a *participant*, it may suspend payments or order the *principal contractor* to refrain from making any payment to the *member* concerned. The *participant* concerned shall remain bound by his contractual obligations pursuant to this contract or the *membership agreement*.
3. Subject to Article 22 of this Annex, all payments shall be treated as advances until the last *project deliverable* is approved.
4. Where the total financial contribution due from the Community, taking into account any adjustments, including as a result of a financial audit as referred to in Article 22 of this Annex, is less than the total amount of the payments referred to in paragraph 1, first subparagraph, of this Article, the *participant* concerned shall reimburse the difference in euro, within the time-limit set by the Commission in its request sent by registered letter with acknowledgement of receipt.

In the event of non-reimbursement by the *participant* within the settime limit set out by the Commission, the latter shall add interest to the sums due at the rate applied by the European Central Bank for its main refinancing operations on the first day of the month during which the time limit set by the Commission has expired, plus one and a half percentage points, unless interest is due pursuant to another provision of this contract. The interest shall cover the period running from the day after the expiry of the time-limit of its reimbursement request until the date of receipt of the funds to be reimbursed.

Bank charges resulting from any reimbursement of sums due to the Community shall be borne exclusively by the *participant* concerned.

The recovery order regarding payments made by the Commission drawn up by the latter and transmitted to the *principal contractor* in accordance with Article 22 (4) of this Annex, shall be enforceable within the meaning of [Article 256 of the Treaty establishing the European Community] [Article 164 of the Treaty establishing the European Atomic Energy Community].

The Commission may decide to set off sums to be reimbursed to the Community against sums of any kind due to the *principal contractor* or *member* concerned.

5. After the *contract completion date*, the termination of the contract or of the participation of the *principal contractor* or a *member*, the Commission may or shall, as appropriate, request from the *principal contractor*, including with regard to one of his *members*, repayment of the entire Community contribution paid to it, where fraud or serious financial irregularities are discovered in the course of an audit. Interest at the rate applied by the European Central Bank for its main refinancing operations on the first day of the month during which the *principal contractor* received the funds plus two percentage points shall be added to the amount to be repaid. The interest shall cover the period between the receipt of the funds and their repayment.

**Article 4 - Submission of *project deliverables* and summary statements of amounts transferred by the principal contractor**

1. As regards reports:

- a) The *principal contractor* shall submit the following reports for approval to the Commission, after incorporating the content of data provided by the *members* and verifying their consistency with the corresponding cost statements, where applicable:
  - (i) a database report, to be updated annually, suitable for publication in an electronic database. The database report shall be submitted initially within two months of the *project commencement date*,
  - (ii) periodic progress reports, each 12 months from the *project commencement date*, containing information about the progress of the joint programme of work, details of the execution of training programme and the networking activities, departures from the work schedule, and results,
  - (iii) a mid-term review report, to be the basis of the discussion at the Mid-Term Review Meeting<sup>7</sup>,
  - (iv) a final report covering all the *project's* work, objectives, results and conclusions, including a summary of the latter suitable for publication,
- b) The layout of the reports shall conform to the rules communicated by the Commission. Each report should be of a suitable quality to enable direct reproduction.

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See Article 23(5)

2. As regards the cost statements:

- a) The Cost statements shall be expressed in Euro and in the currency used in the accounting of the *participant*. The Euro conversion and exchange rates for cost statements and related payments shall be the rates published by the Commission for the implementation of the budget and in force on the first working day of the month following the period covered by the cost statement concerned. No account shall be taken of exchange rate gains or losses between the time of establishment of the cost statement and the receipt of the corresponding payment.
- b) *Participants* shall submit their cost statements to the Commission through the *principal contractor* in the format specified in part E-1. In addition, the *principal contractor* shall submit the corresponding integrated cost statement in euro in the format specified in part E-2.

*Participants* that do not benefit from a financial contribution from the Community are required to submit only a description of the efforts deployed and the resources used in order to carry out the *project*.

3. Each periodic progress report and the corresponding cost statements, including the integrated cost statement, a data base report, as well as, where applicable, each supplementary report shall be submitted to the Commission within two months of the end of the period covered by the report.

The final report and the cost statements for the final period, including the integrated cost statement, shall be submitted to the Commission within two months of the end of the *duration of the project*.

The other *project deliverables* shall be submitted by the deadlines specified in Annex I to this contract.

In the absence of observations by the Commission, the reports mentioned in paragraph 1 and related cost statements shall be deemed to be approved within two months of their receipt.

4. The Commission reserves the right to withhold part or, exceptionally, all of the payment of the Community's financial contribution until the period covered by the next cost statement in case of failure to submit, within the time limit laid down in paragraph 3 of this Article or in Annex I as relevant, a cost statement or a periodic report or other *project deliverables*.

The Commission may decide not to make the payment corresponding to the costs incurred during the final period in case of failure to submit, within the time-limit set out in paragraph 3 of this Article:

- the cost statements for the final period,

- the final report(s) or other *project deliverables*,

subject to one month's written notice of non-receipt of that document.

5. The *principal contractor* shall attach to the cost statements the summary statements referred to in Article 2(1) first subparagraph point f) second sentence of this Annex. However, where they concern the transfer of the final payment of the Community's financial contribution, the *principal contractor* shall submit them to the Commission immediately following such transfer.

#### **Article 5 – Membership agreement**

1. The *principal contractor* shall conclude a *membership agreement* with the *members*. No *member* may enjoy the benefits of this contract until the *membership agreement* has entered into force.

a) When concluding the *membership agreement*, the *principal contractor* shall ensure that:

(i) the *membership agreement* is in conformity this contract,

(ii) that his *members*

- perform the tasks assigned to them in accordance with Annex I to this contract,
- acquire identical rights to those of the *principal contractor* pursuant to this contract,
- receive their share of the Community's financial contribution in accordance with the conditions of the *membership agreement* concluded in accordance with this Article after receipt of the funds paid by the Commission,
- are jointly and severally responsible with the *principal contractor* in the fulfilment of the work defined in Annex I to this contract, in particular, as regards the training of *young researchers*.

- b) The *membership agreement* shall be drawn up on the basis of the model specified in part F of this Annex.

A copy of the *membership agreement* duly signed by the authorised representatives of the *principal contractor* and the *members* shall immediately be sent to the Commission.

- c) The *principal contractor* shall include in the *membership agreement* appropriate provisions to enable the Commission or its authorised representatives as well as, where appropriate, the Court of Auditors, to carry out the financial audits and technical verifications in accordance with Articles 22 and 23 of this Annex.

## Article 6 - Subcontracts

1. *Participants* may conclude *subcontracts* where this proves necessary for the performance of their work under the contract. No *subcontract* may be concluded for the performance of co-ordination tasks pursuant to this contract.

Unless Annex I to this contract contains sufficient detailed data, the Commission's prior approval is required:

- a) where the cumulative amount of the *subcontracts* for the *participant* exceeds :

- 20% of its estimated eligible costs,
- EUR 50,000

whichever amount is the lower,

- b) where the *subcontractor* is established in a *third country*, unless the *participant* is established there.

In the absence of observations within one month of receipt of the request made by the *principal contractor*, the written Commission's approval shall be deemed to be granted.

2. The *participants* shall ensure that *subcontracts* include an obligation for the *subcontractors*:
  - to submit invoices making reference to the *project* and giving details of the service or supply concerned,
  - to submit to the audits provided for in Articles 22 and 23 of this Annex.

## Article 7 – Liability

1. The liability of the *contracting parties* amongst themselves with regard to any losses, damages or injuries suffered in the context of the performance of this contract shall be governed by the law indicated in Article 5(1) of the contract.
2. The measures to be taken in the event of *force majeure* shall be agreed between the *contracting parties*. The *contracting parties* expressly agree that any defect in respect of a product or service used in the performance of this contract and affecting such performance, including, for example, anomalies in the functioning or performance of such product or service resulting from or linked to the millennium date change (year 2000 problem), does not constitute *force majeure*.
3. The Community cannot be held liable for acts or omissions of the *participants* in the performance of this contract. It shall not be liable for any defects in respect of any products or services created on the basis of *knowledge* resulting from the *project*,

including, for example, anomalies in the functioning or performance thereof resulting from or linked to the millennium date change (year 2000 problem).

The *participants* shall fully guarantee the Community, and shall undertake to indemnify it in the event of any action, complaint or proceeding brought by a third party against it as a result of damage caused either by an act or omission of the *participants* in the performance of this contract or on account of any products or services created on the basis of *knowledge* resulting from the *project* only to the extent that the *participants* have contributed to or are responsible for the loss or damage concerned.

4. In the event of any action brought by a third party against the Community in connection with the performance of this contract, the *principal contractor* who may bear responsibility shall be required to assist the Community.
5. In the event of any action brought by a third party against the *principal contractor* in connection with the performance of this contract, the Commission may, without prejudice to paragraph 1 of this Article, assist the latter upon written request. The costs incurred by the Commission in this connection shall be borne by the *principal contractor* concerned.

#### **Article 8 - Termination of the contract or of the participation of a *participant***

1. The Commission may terminate the contract or the participation of the *principal contractor* for major technical or economic reasons substantially affecting the *project* (including where the resumption of the performance of the contract following its suspension on account of *force majeure* proves impossible).

The Commission shall determine, in a registered letter with acknowledgement of receipt, the notice period, which shall not exceed one month from the date of receipt of such letter.

2. The Commission shall not object to the termination of the contract, at the written request of the *principal contractor*, on the grounds mentioned in paragraph 1 of this Article,

The termination of the contract or the withdrawal of the *principal contractor* shall be effective:

- on the date of the letter of acceptance by the Commission notified by registered letter with acknowledgement of receipt,
  - at the latest one month following receipt of notification by the *principal contractor* in the absence of written observations by the Commission within that time-limit.
3. The Commission may immediately terminate this contract or the participation of the *principal contractor* or request the *principal contractor* to terminate the participation of one of his *members* from the date of receipt of the registered letter with acknowledgement of receipt sent by the Commission or, in the case of a *member*, by the *principal contractor* in accordance with paragraph 6, third subparagraph, of this Article:



- (a) where the *project* has not effectively commenced within three months of the payment of the initial advance and the new date proposed is considered unacceptable by the Commission,
  - (b) where the *participant* has not fully performed his contractual obligations despite a written request from the Commission, or, in the case of a *member*, the *principal contractor*, to remedy a failure to comply with such obligations within a period not exceeding one month,
  - (c) where a *change of control* over a *participant* is likely substantially to affect the *project* or the *interests of the Community*,
  - (d) in the event of bankruptcy, of winding up, of cessation of trading, of winding up by court order or composition, suspension of activities of a *participant* or any similar proceeding provided for by national laws or regulations and leading to a similar result,
  - (e) in the event of a serious financial irregularity.
4. The Commission shall immediately terminate this contract or the participation of the *principal contractor* or shall request the *principal contractor* to terminate the participation of one of his *members* from the date of receipt of the registered letter with acknowledgement of receipt sent by the Commission or, in the case of a *member*, by the *principal contractor* in accordance with paragraph 6, third subparagraph, of this Article:
    - (a) where the conditions for participation in the *project* mentioned in Articles 3 to 12 of the *Decision* are no longer satisfied, unless it considers that the *project* is essential to the implementation of the specific programme,
    - (b) where the *participant* has made false declarations for which he may be held responsible or has deliberately withheld information in order to obtain the Community's financial contribution or any other advantage provided for in the contract.
  5. Any letter from the Commission to terminate the participation of the *principal contractor* or a *member* or to terminate a contract shall be addressed to the *principal contractor* in accordance with the procedures set out in paragraphs (1) to (4) of this Article.
  6. The *principal contractor* shall take appropriate action to cancel or reduce his commitments upon receipt of the letter from the Commission notifying him of the termination of the contract or of his participation or upon the dispatch of his termination or withdrawal request, as the case may be.

The same obligation shall apply to *members* from the date of receipt of the letter from the *principal contractor* notifying them of the termination of the contract or of their participation in accordance with the third subparagraph of this paragraph.

In the case of a request from the Commission to the *principal contractor* to terminate the participation of a *member*, the *principal contractor* shall have a period of 15 days to send to the *member* the Commission's request to terminate the participation of that *member*.

The Commission will not reimburse a *member's* costs if they are due to the fact that the *principal contractor* omitted to send the termination notice referred to in paragraph 3, points (b), (c), (d) and (e) or paragraph 4, points (a) and (b) of this Article within the time-limit specified in the third subparagraph of this paragraph.

In the event of termination of the contract or of the participation of the *principal contractor* pursuant to paragraph 1 or paragraph 2, first subparagraph, point (a), of this Article, the Community's financial contribution shall cover eligible costs relating to *project deliverables* approved by the Commission and also eligible costs subsequently incurred in good faith before the date mentioned in the first subparagraph of this paragraph.

In the event of termination of the contract or of the participation of the *principal contractor* or a *member*:

- (a) pursuant to paragraph 3, first subparagraph, point (b) or (d) of this Article, the Commission may require repayment of all or part of the Community's financial contribution, taking into account the nature and results of the work carried out and its usefulness to the Community in the context of the specific programme concerned,
  - (b) pursuant to paragraph (3)(c) or paragraph (4)(a) of this Article, only the eligible costs relating to *project deliverables* approved by Commission and incurred before the event which caused the termination of the contract or of the participation of the *principal contractor* or *member*, and also eligible costs subsequently incurred in good faith before the date mentioned in the first subparagraph of this paragraph in the case of the *principal contractor* or in the second subparagraph of this paragraph in the case of a *member*, shall be reimbursable,
  - (c) pursuant to paragraph 3(a) or (e) or paragraph 4(b) of this Article, the Commission may require reimbursement of all or part of the Community's financial contribution. Interest at a rate of 2% above the rate applied by the European Central Bank for its main refinancing operations on the first day of the month during which the *principal contractor* received the funds will be added to the amount to be repaid. The interest shall cover the period between the receipt of the funds and their repayment.
7. The termination of the participation of the *principal contractor* or a *member* shall not prejudice the non-commercial user rights for the carrying out of the *project* which he granted before that date pursuant to Article 11 of this Annex. He must grant such rights under the conditions set out in that Article to any *participant* taking over all or part of the work incumbent on him.
8. The *participants* shall submit the *project deliverables* relating to the work performed until the date of termination of the contract or when their participation ends.

9. The contract shall not be terminated in the event of the termination of the participation of the *principal contractor* pursuant to the first paragraph of this Article. However, the replacement of the *principal contractor* by a *member* or by a third party proposed by the *members* shall require express approval by the Commission.

Except in the case of duly substantiated exceptions, the contract shall be terminated in the event of the termination of the participation of the *principal contractor* pursuant to the paragraphs 3 and 4 of this Article.

**PART B: RULES RELATING TO INTELLECTUAL AND INDUSTRIAL PROPERTY, PUBLICITY AND CONFIDENTIALITY**

**Article 9 - Ownership of *knowledge***

1. *Knowledge* resulting from the *project* shall be owned by the *principal contractor* and the *members* who carried out the work generating that *knowledge*.
2. Where several *participants* have carried out work generating *knowledge* resulting from the *project*, they shall agree among themselves on the allocation and the terms of exercising the ownership of the *knowledge* in accordance with this contract.
3. If persons employed by a *participant* may claim rights to *knowledge* resulting from the *project*, this *participant* shall take steps or reach appropriate agreements to ensure that these rights are exercised in a manner compatible with its obligations under this contract.
4. Where a *participant* transfers ownership of *knowledge* resulting from the *project*, it shall take steps or conclude agreements to pass on its obligations under this contract to the assignee, in order to take account, *inter alia*, of the *interests of the Community* and in compliance with international agreements concluded by the Community.

The *participant* concerned shall give the Commission and the other *participants* prior warning of the terms and conditions of the assignment.

**Article 10 - Protection of *knowledge***

*Participants* shall provide adequate and effective protection for *knowledge* which they own.

**Article 11 - Making available *knowledge* not resulting from the *project* and *pre-existing know-how***

1. *Non commercial user rights* shall be granted any *participant*, on request and in accordance with the conditions provided for in paragraphs 2 to 4 of this Article, provided that the *participant* concerned is free to grant such rights.
2. The granting of *non commercial user rights* may be subject to the conclusion of specific agreements aimed at ensuring that they are used only for the purpose for which they are

granted, and of appropriate undertakings as to confidentiality.

3. The *participants* shall enjoy, on a royalty-free basis, *non commercial user rights* to the *knowledge* not resulting from the *project* and to the *pre-existing know-how*, generated at the time of the implementation of research work associated with the content of the *project* and needed to carry out their own work in the framework of the *project*.
4. The *participants* shall enjoy, under *preferential conditions*, from *non commercial user rights* to the *knowledge* not resulting from the *project* and to *pre-existing know-how*, generated at the time of the implementation of research work non associated with the content of the *project* and needed to carry out their own work in the framework of the *project*.
5. The *non commercial user rights* shall be granted until the end of the *duration* of the *project*.

#### **Article 12 - Dissemination of *knowledge***

1. The *participants* shall disseminate or arrange the dissemination of the *knowledge* resulting from the *project* which could be disseminated and of which they are the owners.
2. The *participants* shall agree with the Commission on terms for the *dissemination* of *knowledge* within a reasonable time, having regard to the need to safeguard the intellectual and industrial property rights, the confidentiality and their *legitimate interests*.

#### **Article 13 - Publicity and communications concerning the *project* and *knowledge* resulting from the *project***

1. Taking into account their *legitimate interests*, the *participants* shall, throughout the *duration of the project*, take appropriate measures to ensure suitable publicity for the *project* in order to highlight the support provided by the Community. The Commission may agree on such measures with the *participants*.

*Participants* shall give the Commission general data in advance concerning the proposed publicity.

2. The Commission may disseminate, by any appropriate means and for as long as necessary, general data relating in particular to the objectives, the total estimated cost, the duration and the state of progress of the *project*, to the Community's financial contribution and to the *knowledge* resulting from the *project*. The legal denomination of the *participants* and the names of the laboratories carrying out the work shall also be published unless they object to this in advance on the basis of essential *legitimate interests*.

Where the measures referred to in subparagraph 1 of this paragraph presuppose access by the Commission or its duly authorised representatives to the premises of the *participants*, the latter may refuse such access on the basis of *legitimate interests*.

On request and where he is free to do so, each *participant* shall grant the Commission an irrevocable non-exclusive right, on a royalty-free basis, to translate, reproduce and distribute articles for scientific and technical journals, conference papers and other documents drawn up in the framework of the *project* and published by the *participant*.

3. Any communication or publication, whatever the form or medium (including the Internet), concerning the state of progress of the *project* or concerning the *knowledge*:
  - shall mention the relevant specific programme and the support provided by the Community,
  - and
  - shall, where it is made by the *participant*, specify that the information provided is the sole responsibility of the author and does not reflect the Community's opinion, and that the Community is not responsible for any use that might be made of data appearing in this communication or publication.

Where the utilisation of the European emblem is envisaged, it shall require prior approval by the Commission. Standards, in particular with regard to graphics, in force within the Commission must be complied with.

#### **Article 14 - Confidentiality**

1. Without prejudice to Article 13 of this Annex and any other obligation contained in this contract, the *contracting parties* and the *members* shall be required to keep confidential any data, *knowledge*, documents and *pre-existing know-how* communicated to them on a confidential basis or the disclosure of which may be prejudicial to one of them.

This obligation shall no longer apply:

- where the content of these data, *knowledge*, documents and *pre-existing know-how* becomes publicly available through work or actions lawfully performed outside this contract and not based on activities under it,
  - where these data, *knowledge*, documents and *pre-existing know-how* have been communicated without any confidentiality restrictions or where the disclosing party subsequently waives their confidentiality.
2. Where this contract provides for the communication of any data, *knowledge*, document or *pre-existing know-how* referred to in paragraph 1 of this Article, the *contracting parties* and the *members* shall first satisfy themselves that the recipient will keep it confidential and use it only for the purpose for which it is to be communicated.
  3. The *participants* shall take the appropriate steps to ensure that the experts referred to in Article 19 paragraph (1) point c) of this Annex preserve the confidentiality of information, *knowledge*, and of any other element communicated to them on a confidential basis.

## **Article 15 -Communication of data for evaluation and standardisation purposes**

1. Without prejudice to Article 14 of this Annex, the *participants* shall be required to provide, at the request of the Commission or its authorised representatives, data necessary for:
  - the continuous review of the specific programme concerned and the fifth framework programme,
  - and
  - the evaluation of Community activities over the five years preceding that evaluation.

Such a request may be made throughout the duration of the contract and up to five years after the *contract completion date*.

The data collected shall be used exclusively in a statistical form.

2. Without prejudice to the provisions regarding the protection and use of *knowledge* and confidentiality, set out respectively in article 9, 10, and 19 of this annex, the *Participants* must inform the Commission and the standardisation bodies without delay, of knowledge resulting from the *project* which may contribute to the preparation of European or, where appropriate, international standards, or to an industrial consensus on technical issues. To this end, they shall communicate appropriate data on such *knowledge* to the Commission and to the standardisation bodies during the entire duration of the contract and the two years following the *contract completion date*.

The provisions of this contract shall be without prejudice to the rules applicable, within the standardisation bodies, to data transmitted to them.

## **Article 16 - Incompatible or restrictive commitments**

1. *Participants* shall take all necessary steps to avoid commitments that are incompatible with the obligations provided for in Articles 10 to 15 of this Annex.
2. Without prejudice to paragraph 1 of this Article, the *participants* shall be informed, as soon as possible, by the *participant* required to grant the *non commercial user rights*, as referred to in Article 11 of this Annex, as the case may be, of any limitations to the granting of these *rights*, obligations to grant rights to *knowledge* or any restriction which might substantially affect the granting of the *non commercial user rights*.

## **Part C : REIMBURSEMENT OF COSTS**

## Article 17 - Eligible costs - general principles

1. *Eligible costs* are the costs defined in Articles 18 to 20 of this Annex. They shall fulfil the following conditions:

- be necessary for the *project*, especially for the networking of the research work and the appointment of young researchers,
- be incurred during the *duration of the project*,
- be determined in accordance with the accounting principle based on historic costs and the usual internal rules of the *participant*, provided that they are regarded as acceptable by the Commission,
- be recorded in the accounts no later than the *contract completion date* or in the tax documents,
- exclude any profit margin.

A *participant* may not commit himself to costs before the date of entry into force of the *membership agreement*.

2. Non-eligible costs are in particular the following:

- costs related to capital employed,
- provisions for possible future losses or charges
- interest owed,
- provisions for doubtful debts,
- resources made available to a *participant* free of charge,
- value of contributions in kind,
- unnecessary or ill-considered expenses,
- marketing, sales and distribution costs for products and services,
- indirect taxes and duties, including VAT,
- entertainment or hospitality expenses, except such expenses accepted by the Commission as being absolutely necessary for carrying out the contract,
- any cost incurred or reimbursed, in particular in respect of another Community, international or national project,
- any cost related to the research itself.

3. A cost shall only be charged to one of the eligible cost categories set out in Articles 18 to 20 of this Annex.

4. Subject to the agreement of the *principal contractor*, the *participants* directly concerned shall be authorised to transfer between themselves the budget provided for in the table which follows the signatures to this contract, provided that:

- they inform the Commission of such transfer upon signing an agreement confirming that the scope of the *project* and the conditions of participation referred to in Articles 3 to 12 of the *Decision* are not fundamentally altered,

and

- the amounts successively transferred do not exceed 20% of the amount allocated to the beneficiary in the table which follows the signatures to this contract.

Any other properly substantiated transfer approved by all the *participants* directly concerned shall require prior written approval by the Commission.

The *principal contractor* shall ensure that at least 60% of the estimated eligible costs of the *project*, as specified in Article 3.2 of the contract, is used to support personnel costs (specified in Article 18 of this Annex).

In case the 60% of the total estimated eligible costs are not used as stipulated in the precedent paragraph, the Commission reserves the right to diminish its contribution for the other eligible costs in proportion of the percentage not used on personnel costs.

#### Article 18 – Personnel Costs

- (1) Personnel costs shall relate to the actual costs of reinforcing the research staffs of the *participants* through the temporary appointment of *young researchers*, and shall be limited to:
  - the actual salaries or grants paid to the *young researchers*,
  - any social charges and pension costs related to their appointment,
  - any registration or tuition fees specific to their appointment,
  - relocation costs of the *young researchers* when taking up the appointment at a *participant*,
  - travel costs (public transport costs only) for one visit to their home scientific community, per nine-monthly period of their appointment by a *participant*, only in the case of travel to a Member State or *Associated State*.
- (2) For the personnel costs of a *young researcher* to be charged to the *project*, the following conditions must be satisfied:
  - the *young researcher* must be a holder of a doctoral degree or of a degree, obtained from a university or equivalent institution of higher education, which qualifies him to embark on a doctoral degree; and
  - his appointment must be temporary and for a fixed-term starting after the *project commencement date* of the contract; and
  - he must be appointed specifically either to carry out research associated with the *project* or to assist the *principal contractor* in the scientific co-ordination of the *project*; and
  - he must be a national of a Member State of the Community or of an *Associated State* or residing in the Community for at least five years prior to his appointment by a *participant* in the frame of this contract; and
  - he must not be a national of the state in which the *participant's* research team



appointing him is located and he must not have carried out his normal activities in that state for more than 12 of the 24 months prior to his appointment.

- in the case of a national of a third country, he is not permitted to move to a host country in which he was residing for more than two years in the last five years immediately prior to the appointment date.

- (3) Personnel costs shall exclude the costs of all other persons employed by or working in the research teams of the *participants*.
- (4) The appointment of *young researchers* does not require the prior approval of the Commission.
- (5) All personnel time charged to the *project* must be recorded and certified. This requirement will be satisfied by, at the minimum, the maintenance of attendance records, certified at least monthly by the designated scientist in charge, or an authorised senior employee, of the *participant* concerned.
- (6) Personnel costs related to the appointment of a *young researcher* shall be charged to the contract in accordance with the internal rules (including pay and conditions) of the *participant* concerned.

#### **Article 19 –Costs linked to the Networking**

The cost categories summarised under this heading may be charged to the *project* only to the extent that they relate to the networking of the research work associated with the *project*:

- (1) Travel and subsistence costs
  - (a) for mobility of those research staff and technical support staff, working on the *project* in the *participants*’ teams, relating to:
    - meetings with other *participants* in the *project*,
    - secondments between the *participants* of *young researchers*,
    - secondments between the *participants* of more experienced researchers and technical support staff not exceeding three months,
    - representation of the *project* at international workshops, seminars and conferences;
  - (b) for interviewing prospective *young researchers* for an appointment by a *participant*;
  - (c) for *young researchers* who are or had previously been appointed by a *participant* and who are invited to take part in the Mid-Term Review Meeting.
  - (d) for invited external experts participating in a network meeting, seminar or workshop of the *participants*.

Travel and subsistence shall be charged to the *project* in accordance with the normal internal rules and procedures of the *participant* concerned. Travel and subsistence costs may not be charged for mobility within a single state, unless the mobility concerns a *young researcher* or a meeting of the *project* at which all *participants* are to be represented.

The prior agreement of the Commission shall be required for any travel outside (to or from) the territory of the Member States and the *Associated States* or a *third country* where a *participant* is established, unless it is provide for in Annex I to this contract. The approval of the Commission shall be deemed as given in the absence of observations within one month of receipt of the request made by the *principal contractor*.

(2) Subcontracting

With the exception of costs charged to the contract pursuant to Article 18, the actual costs of *subcontracts* may be charged to the contract if:

- they are incurred in compliance with the conditions set out in Article 6 of this Annex,
- the *subcontracts* are awarded and concluded in accordance with the usual procedures of the *participants*,
- they are in accordance with market prices,

and

- the copies of the relevant invoices, certified by the *participants* concerned, are attached to the corresponding cost statements.

(3) Consumables

Costs for consumables necessary for the execution of the *project*.

The costs of day-to-day telephone and postal services as well as the costs for routine and minor usage of computing and consumables are not eligible, as they are deemed to be included in the contribution to indirect costs (overheads).

(4) Computing

Computing costs, including the costs resulting from the use of computer services and media at the disposal of *participants*, may be charged to the contract. They must be substantiated in accordance with the rules applicable to the *participants*.

(5) Protection of knowledge

The costs of the protection of *knowledge* generated in the framework of the *project*

shall comprise the actual costs necessary for adequate and effective protection for such *knowledge*, taking into account the *interests of the Community*. They shall be eligible only in so far as the Commission has given its prior written approval to the *contractors* and in so far as the competition rules, in particular those under the Community framework for State aid to research and development, are complied with.

They comprise:

- the costs of documentary research preliminary to the filing of an application for the granting of an industrial property right,
- the fees paid to the competent authorities that are necessary with a view to the granting of an industrial property right or its territorial extension, provided that prior documentary research, as referred to in the first indent, has been carried out,
- and
- the fees paid to the competent authorities to extend the duration of the industrial property right.

The costs of protection of knowledge and measures to demonstrate the potential for use of knowledge exclude also the costs of creating and marketing a product or process and the costs of creating and providing a service.

(6) Durable equipment

Cost relating to the purchase or leasing with option to buy of durable equipment may be charged to the contract with the prior approval of the Commission, but only if it is used to equip a *Participant's* research team situated in a *Less-Favoured Region* of the Community in which a researcher who has been trained abroad for a minimum duration of one year at a post-doctoral level is appointed to an established position in that legal entity and will be active in the *project*. Only those researchers having held an established position for 5 years or less are eligible for the research team's reimbursement of durable equipment.

The *eligible costs* for durable equipment leased with option to buy shall not exceed the costs that would have been incurred if the equipment had been purchased, taking account of the formula below.

The costs to be charged to the contract shall be calculated according to the following formula:

$$A/B \times C \times D$$

- A = the period in months during which the durable equipment is used for the *project* after invoicing,
- B = the depreciation period for the durable equipment: 36 months for computer equipment costing less than EUR 25 000 or 60 months for other equipment,

- C = the actual cost of the durable equipment,  
D = the percentage of usage of the durable equipment for the *project*.

The durable equipment may have been purchased or leased with option to buy:

- within the six months preceding the *project commencement date*,
- for a previous contract concluded with the Community, provided that the depreciation period has not been exceeded. Only the costs relating to the unexpired depreciation period may be charged.

(7) Other Specific Costs

- (a) For the organisation of network meetings of the *participants*.
- (b) International workshop, seminar and conference fees for research staff of the *participants* when representing the *project* at such events.
- (c) Costs of exchanging information between the *participants*, including the costs of setting up and maintaining a site on the Internet, the use of high-bandwidth communication networks, the access to electronic-based information transfer systems and the costs of newsletters.
- (d) Costs of joint publications, aimed at disseminating the collective results of the *project* (the costs of publishing the results of an individual *participant* will not be supported).
- (e) User fees for the access to external scientific research facilities.
- (f) Costs of exchanging materials and reference products between the *participants*.

**Article 20 – Indirect Costs**

A flat-rate amount of 20% of the direct costs, but excluding subcontracting costs, may be charged as overheads related to the carrying out of the work specified in the *project*. Such overheads are intended to include *inter alia* the costs of non-specialist personnel, administrative personnel and secretarial personnel not charged as direct costs pursuant to Article 18 of this Annex, as well as the depreciation of buildings and equipment, water, electricity, telecommunications and postal charges, and office supplies.

**Article 21 - Justification of costs**

*Eligible costs* shall be reimbursed where they are justified by the *participant*.

To this end, the *participant* shall maintain, on a regular basis and in accordance with the normal accounting conventions of the State in which it is established, the accounts for the *project* and appropriate documentation to support and justify in particular the costs and time reported in his cost statements.

This documentation must be precise, complete and effective.

#### **PART D : AUDITING**

##### **Article 22 - Financial audit**

1. The Commission, or any representative authorised by it, may initiate an audit in respect of a *participant* at any time during the contract and up to five years after each payment of the Community contribution, as referred to in Article 3(1), first subparagraph, of this Annex.

The audit procedure in respect of the *principal contractor* shall be deemed to be initiated on the date of receipt of the relevant registered letter with acknowledgement of receipt sent by the Commission to the *principal contractor* concerned.

In the case of an audit procedure in respect of a *member*, the *principal contractor* shall have a period of 15 days to send to the *member* concerned the registered letter with acknowledgement of receipt from the Commission.

The audit procedure in respect of a *member* shall be deemed to start on the date of receipt of a registered letter with acknowledgement of receipt from the Commission sent by the *principal contractor* concerned to the *member* concerned.

The audit procedure shall be carried out on a confidential basis.

2. The Commission or any authorised representative may have access, at any reasonable time, in particular to the personnel of the *participant* connected with the *project*, the documentation referred to in Article 21 of this Annex, computer records and equipment that it considers relevant. In this connection, it may request that data be handed over to it in an appropriate form in order, for instance, to ascertain the eligibility of the costs.

The Commission shall take appropriate steps to ensure that its authorised representatives treat confidentially the data to which they have access or which have been provided to them.

3. On the basis of the findings made during the financial audit in respect of the *principal contractor*, a provisional report shall be drawn up. It shall be sent by the Commission to the *principal contractor*, who may make observations thereon within one month of receiving it.

The final report is sent to the principal contractor. The latter may make his observations to the Commission within one month of receiving it. The Commission may decide not to

take into account the observations conveyed after the deadlines.

Where findings are established during a financial audit in respect of a *member*, the *principal contractor* shall have a maximum period of 15 days to send the *member* concerned, by registered letter with acknowledgement of receipt, the provisional report drawn up by the Commission.

The former shall have a maximum period of one month from the date of receipt thereof to transmit observations to the *principal contractor* by registered letter with acknowledgement of receipt.

The *principal contractor* concerned shall then have a maximum period of 15 days to transmit to the Commission, by registered letter with acknowledgement of receipt, the observations of the *member* concerned.

The procedure and time-limits indicated in paragraph 3, third, fourth and fifth subparagraphs, of this Article shall apply *mutatis mutandis* to the final report from the Commission in the case of a financial audit in respect of a *member*.

The Commission may decide not to take into account observations conveyed after the deadlines.

4. On the basis of the conclusions of the audit, the Commission shall take all appropriate measures which it considers necessary, including the issuing of a recovery order regarding all or part of the payments made by it. The recovery order shall be addressed to the *principal contractor* concerned or involved in the case of financial audit in respect of one of his *members*.
5. The Court of Auditors may verify the use made of the Community's financial contribution in the framework of this contract, on the basis of its own rules.

#### **Article 23 - Technical verification of the project**

1. The Commission, or any representative authorised by it, may initiate a technical verification in respect of a *participant* up to the *contract completion date* in order to verify that the *project* is being or has been carried out in accordance with the conditions indicated by the *principal contractor* or his *members*.

The verification procedure in respect of a *principal contractor* shall be deemed to be initiated on the date of receipt of the relevant registered letter with acknowledgement of receipt sent by the Commission to the *principal contractor* concerned.

In the case of a technical verification procedure in respect of a *member*, the *principal contractor* concerned shall have a period of 15 days to transmit the letter relating to it to the *member* from the date of the letter from the Commission.

The technical verification procedure in respect of a *member* shall be deemed to start on the date of receipt of the registered letter with acknowledgement of receipt concerning it

from the *principal contractor*.

The technical verification procedure shall be carried out on a confidential basis.

2. The Commission or any authorised representative may have access to the locations and premises where the work is being carried out, and to any document concerning the work, and may request the submission of documents under the same conditions as those set out in Article 22(2) of this Annex.

Prior to the carrying out of the technical verification, the Commission shall communicate to the *principal contractors* and the *members* through the *principal contractor* the identity of the authorised representatives who are intended to perform the verification. It shall take account of any objection on the part of *participants* based on *legitimate interests*.

3. *Participants* shall provide appropriate assistance to the Commission or its authorised representatives.
4. A report on the technical verification of the *project* shall be sent to the *principal contractor*. The latter may communicate his observations to the Commission within one month of receiving it.

In the case of a technical verification procedure in respect of a *member*, the *principal contractor* shall have a period of 15 days to transmit to the *member* concerned the report on the technical verification of the *project* from the Commission. The *member* may, through the *principal contractor*, communicate his observations to the Commission within one month of receipt of the report.

The Commission may decide not to take into account observations conveyed after these deadlines.

## 5. The Mid-Term Review

The *principal contractor* shall organise a Mid-Term Review Meeting between representatives of all the *participants* and the Commission. The meeting shall take place no later than when two-thirds of the duration of the work to be performed under the contract has elapsed. The *principal contractor* shall agree with the Commission the date and the agenda for the meeting at least two months in advance of the meeting.