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## FRAMEWORK PARTNERSHIP AGREEMENT

NUMBER FPA2016/EIT/CLIMATE-KIC

This 'Framework Partnership Agreement' is between the following parties:

on the one part,

The **European Institute of Innovation and Technology ('the EIT')**  
represented for the purposes of signature of this Framework Partnership Agreement by  
Interim Director, Martin Kern

and

on the other part,

1. The Knowledge and Innovation Community Legal Entity ('the KIC LE'):

**Climate-KIC Holding B.V. ('Climate-KIC')**, a Corporation duly incorporated under the Laws of The Netherlands with registered office located at Heidelberglaan 2, 3584CS Utrecht, The Netherlands, registered in the Netherlands under the Commercial Register number 63299658, represented for the purpose of signing the Framework Partnership Agreement by its Interim CEO, Ian Frederick Short, hereinafter referred to as the "**KIC LE**".

2. and the other Knowledge and Innovation Community ('KIC') Partners listed in Annex 2, if they have signed their 'Accession Form' (see Annex 4 and Article 62),

Unless otherwise specified, references to 'KIC Partner' or 'KIC Partners' include the KIC LE.

The parties referred to above have agreed to enter into the Framework Partnership Agreement under the terms and conditions below.

The Framework Partnership Agreement is composed of:

Terms and Conditions

Annex 1 Strategic Agenda of the KIC

Annex 2 List of KIC Partners

Annex 3 Model Specific Agreement

Annex 1 Description of the specific action

Annex 2 Estimated budget

Annex 3 Model for the financial statements

Annex 4 Model for the certificate on the financial statements

Annex 4 Accession Forms

Annex 5 List of linked third parties

Annex 6 Model for the certificate on the methodology



## TERMS AND CONDITIONS

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## CHAPTER 1 GENERAL

### ARTICLE 1 — SUBJECT MATTER OF THE AGREEMENT

This Agreement establishes a long term cooperation ('framework partnership') and sets out its terms and conditions and the general terms and conditions and rights and obligations applicable to the specific grants that may be awarded by the EIT for specific actions under the framework partnership.

## CHAPTER 2 FRAMEWORK PARTNERSHIP

### ARTICLE 2 — STRATEGIC AGENDA — AWARD OF SPECIFIC GRANTS — SPECIFIC AGREEMENTS — MAXIMUM EIT FINANCIAL CONTRIBUTION

#### 2.1 Strategic Agenda

The strategy, objectives, expected impact and activities under the framework partnership are set out in the '**Strategic Agenda**' in Annex 1.

#### 2.2 Award of specific grants for specific actions — Specific Agreements

The EIT may award '**specific grants**' for '**specific actions**' to be implemented under the framework partnership.

The specific action consists of '**KIC added value activities**' under a Business Plan for a given time period. In accordance with Article 2(11) of the EIT Regulation, '**KIC added-value activities**' means activities carried out by KIC Partners, contributing to the integration of the knowledge triangle of higher education, research and innovation, including the establishment, administrative and coordination activities of the KICs, and contributing to the overall objectives of the EIT.

In order to obtain proposals for specific grants, the EIT will consult the KIC LE on the basis of an invitation to submit a proposal that sets out the award criteria it will apply.

The EIT will decide on the award of the specific grants following an evaluation of the proposal and a competitive review across KICs. The proposal consists of a Business Plan, including short, mid and long-term objectives and targets, key performance indicators, and describing the KIC activities which consist of KIC added value activities to be supported by the specific grant and KIC complementary activities having a clear link with at least one KIC added value activity and not financed from the EIT contribution.

If the EIT decides to award a specific grant, it will propose the KIC LE to conclude a '**Specific Agreement (SGA)**' (see Annex 3).

By the signature of the Specific Agreement by the KIC LE and by the signature of the Accession Form by the KIC Partners, the KIC Partners accept the specific grant and agree to implement the specific action under their own responsibility, without prejudice to and in

accordance with Article 47.1, and in accordance with the Framework Partnership Agreement and this Specific Agreement, with all the obligations and conditions they set out.

Specific Agreements must be concluded before the end of the framework partnership (see Article 3).

After the end of the framework partnership or its termination, the Framework Partnership Agreement continues to apply to specific actions that are implemented under Specific Agreements which have entered into force before end of the duration.

## **2.3 Maximum EIT financial contribution**

The sum of the final amounts of the grants (see Article 10.3) under the specific grant agreements signed under this Framework Partnership Agreement until 31 December 2022 may not exceed 25% of the KIC overall funding.

The KIC overall funding consists of the costs incurred by the KIC Partners, their linked third parties (see Article 19) and/or third parties receiving financial support (see Article 20) in implementing the KIC activities (KIC added value activities and KIC complementary activities) as described in the Business Plans (see Annex 1 SGA).

The costs of KIC complementary activities shall be

- proportionate to the cost of KIC added value activities and/or to the expected impact in furthering the mission of a framework partnership (i.e. the relative weight of KIC complementary activities within KIC activities must be suitable and reasonable to achieve the objectives of the activity);
- incurred after the designation date of the framework partnership;
- identifiable and verifiable.

If the sum of the final amount of the grants exceeds 25% of the KIC overall funding, the EIT will recover the difference at the time of the last payment of the balance of a grant awarded under this Framework Partnership Agreement until 31 December 2022 (see Article 50).

## **ARTICLE 3 — DURATION AND STARTING DATE OF THE FRAMEWORK PARTNERSHIP**

The Framework Partnership Agreement is concluded for a period of 7 years as of its entry into force (see Article 64). This period may be extended.

## **ARTICLE 4 — RIGHTS AND OBLIGATIONS UNDER THE FRAMEWORK PARTNERSHIP**

### **4.1 General obligation to properly implement the framework partnership**

Without prejudice to and in accordance with Article 47.1, the KIC Partners must respect the objectives of the framework partnership and implement it as described in Annex 1 and endeavour to achieve those objectives also in the specific actions.

The KIC Partners must maintain relations of mutual co-operation and regular and transparent exchanges of information with the EIT on:

- the implementation and follow-up of the Strategic Agenda, the Business Plans and the specific grants and
- other matters of common interest related to the Framework Partnership Agreement.

The KIC Partners must implement the framework partnership in compliance with Articles 39, 40, 41, 42, 44, 45, 52 — *mutatis mutandis*.

## 4.2 KIC Internal Agreement

The KIC Partners must have internal arrangements regarding their operation and co-ordination to ensure that the framework partnership and the specific actions are implemented properly. These internal arrangements must be set out in writing and may cover:

- internal organisation of the KIC, notably governance arrangements reflecting the knowledge triangle of higher education, research and innovation, and openness to new KIC Partners if they add value to the KIC;
- the principles of good governance;
- distribution of EIT funding;
- additional rules on rights and obligations related to background and results (including whether access rights remain or not, if a KIC Partner is in breach of its obligations) (see Subsection 3 of Chapter 3);
- settlement of internal disputes;
- liability, indemnification and confidentiality arrangements between the KIC Partners.

These internal arrangements shall be included in the '**Internal Agreements**' between the KIC LE and other KIC Partners or shall be included in the statutes or by-laws of the KIC LE.

The internal arrangements must not contain any provision contrary to the Framework Partnership Agreement and the Specific Agreements.

## 4.3 EIT Labelled degrees and diplomas

4.3.1 Degrees and diplomas relating to the KIC education and training activities awarded by Higher Education Institutions participating in the KIC may be labelled as EIT degrees and diplomas, provided they fulfil the following quality criteria:

- a. Robust entrepreneurship education





- b. Highly integrated, innovative "learning by doing" curricula
- c. Mobility, European dimension and openness to the world
- d. Outreach strategy and access policy

4.3.2 The EIT, in close cooperation with the KIC LE, must define the modalities for assessment, labelling and follow up review and governance of EIT labelled degrees and diplomas. EIT labelled degrees and diplomas must build on the experience gained in the context of the European Higher Education Area.

4.3.3 Education and training activities not being awarded with the EIT label must not use the EIT label. Such activities must use the KIC brand adopted by the EIT.

## ARTICLE 5 — SUSPENSION OF FRAMEWORK PARTNERSHIP IMPLEMENTATION

The parties may suspend the implementation of the framework partnership on the grounds and according to the procedure — *mutatis mutandis* — set out in Article 55.

If the EIT suspends the framework partnership implementation, the implementation of the specific actions is also deemed suspended (see Article 55), from the date of suspension of the framework partnership.

## ARTICLE 6 — TERMINATION OF THE FRAMEWORK PARTNERSHIP AGREEMENT OR OF THE PARTICIPATION OF ONE OR MORE KIC PARTNERS

### 6.1 Termination of the Agreement

The parties signing the Framework Partnership Agreement may terminate the Framework Partnership Agreement at any time.

The party terminating the Framework Partnership Agreement must formally notify termination to the other party, stating the date the termination will take effect. This date must be after the notification.

Without prejudice to and in accordance with Article 47.1, termination of the Framework Partnership Agreement does not release the parties from their obligations under Specific Agreements which have entered into force before the date on which the termination takes effect, unless they have been terminated.

Neither party may claim damages due to termination by the other party.

## 6.2 Termination of the participation of one or more KIC Partners

The parties may terminate participation of one or more KIC Partners in the framework partnership on the grounds and according to the procedures – *mutatis mutandis* – set out in Article 56.2.1, 56.3.1 and 56.3.2.

The KIC LE must submit a request for amendment (see Article 61) to adapt Annex 1 and, if necessary, the addition of one or more new KIC Partners (see Article 62).

If the request for amendment is rejected by the EIT, the Framework Partnership Agreement may be terminated (see above).

Without prejudice to and in accordance with Article 47.1, termination of participation in the framework partnership does not release the KIC Partner concerned from its obligations under Specific Agreements. It cannot however participate in specific actions for which specific grants are awarded after the date on which the termination takes effect.

## CHAPTER 3 SPECIFIC GRANTS

### SECTION 1 SPECIFIC ACTIONS

#### ARTICLE 7 — SPECIFIC ACTIONS TO BE IMPLEMENTED – BUSINESS PLANS

The specific actions to be implemented are set out in the Specific Agreements (see Article 2 and Annex 1 SGA).

The Business Plan containing the specific action to be implemented as well as the KIC complementary activities are set out in the Specific Agreement (see Annex 1 SGA).

#### ARTICLE 8 — DURATION OF THE SPECIFIC ACTIONS

The duration of the specific actions is set out in the Specific Agreements (see Article 3 SGA).

#### ARTICLE 9 — ESTIMATED BUDGET AND BUDGET TRANSFERS

##### 9.1 Estimated budget

The estimated budget for the specific action is set out in Annex 2 to the Specific Agreement.

It contains the estimated eligible costs, broken down by KIC Partners and linked third party and budget category. It also contains the estimated costs of the KIC Partners not receiving EIT funding, if applicable (see Article 6 SGA).

##### 9.2 Budget transfers

The estimated budget breakdown indicated in Annex 2 to the Specific Agreement may be adjusted by transfers of amounts between KIC Partners or budget categories. This does not



require an amendment according to Article 61, if the specific action is implemented as described in Annex 1 to the Specific Agreement.

However the KIC Partners may not add costs relating to subcontracts not provided for in Annex 1 to the Specific Agreement, unless such additional subcontracts are approved in accordance with Article 18.

Lump sums set out in Annex 1 to the Specific Agreement can never be adjusted.

## **SECTION 2    SPECIFIC GRANTS**

### **ARTICLE 10 — GRANT AMOUNT, FORM OF GRANT, REIMBURSEMENT RATES AND FORMS OF COSTS**

#### **10.1 Maximum grant amount**

The maximum grant amount for the specific grants is set out in the Specific Agreements (see Article 4 SGA).

#### **10.2 Form of grant, reimbursement rates and form(s) of costs**

The form of the grant, reimbursement rate(s), estimated eligible costs and the form(s) of costs of the specific grants are set out in the Specific Agreements (see Article 4 SGA).

#### **10.3 Final grant amount — Calculation**

The final grant amount of a specific grant depends on the actual extent to which the specific action is implemented in accordance with the terms and conditions of the Framework Partnership Agreement and the Specific Agreement concerned.

This amount is calculated by the EIT — when the payment of the balance is made (see Article 17 SGA) — in the following steps:

Step 1 – Application of the reimbursement rates to the eligible costs

Step 2 – Limit to the maximum grant amount

Step 3 – Reduction due to the no-profit rule

Step 4 – Reduction due to improper implementation or breach of other obligations

##### **10.3.1 Step 1 — Application of the reimbursement rates to the eligible costs**

The reimbursement rate (see Article 4 SGA) is applied to the eligible costs (actual costs, unit costs, flat-rate costs and lump sum costs; see Article 5 SGA) declared by the KIC Partners and the linked third parties (see Article 16 SGA) and approved by the EIT (see Article 17 SGA).

### 10.3.2 Step 2 — Limit to the maximum grant amount

If the amount obtained following Step 1 is higher than the maximum grant amount (see Article 4 SGA), it will be limited to the latter.

### 10.3.3 Step 3 — Reduction due to the no-profit rule

The specific grant must not produce a profit.

**‘Profit’** means the surplus of the amount obtained following Steps 1 and 2 plus the specific action's total receipts, over the specific action's total eligible costs.

The **‘specific action's total eligible costs’** are the consolidated total eligible costs approved by the EIT.

The **‘specific action's total receipts’** are the consolidated total receipts generated during its duration (see Article 3 SGA).

The following are considered **receipts**:

- a) income generated by the specific action; if the income is generated from selling equipment or other assets purchased for the specific action under the Specific Agreement, the receipt is up to the amount declared as eligible under the Specific Agreement;
- b) financial contributions given by third parties to the KIC Partner or to a linked third party specifically to be used for the specific action, and
- c) in-kind contributions provided by third parties free of charge specifically to be used for the specific action, if they have been declared as eligible costs.

The following are however not considered receipts:

- (a) income generated by exploiting the specific action's results (see Article 34);
- (b) financial contributions by third parties, if they may be used to cover costs other than the eligible costs (see Article 5 SGA);
- (c) financial contributions by third parties with no obligation to repay any amount unused at the end of the period set out in Article 3 of the Specific Agreement.

If there is a profit, it will be deducted from the amount obtained following Steps 1 and 2.

### 10.3.4 Step 4 — Reduction due to improper implementation or breach of other obligations — Reduced grant amount — Calculation

If the specific grant is reduced (see Article 49), the EIT will calculate the reduced grant amount by deducting the amount of the reduction (calculated in proportion to the improper implementation of the specific action or to the seriousness of the breach of obligations in accordance with Article 49.2) from the maximum grant amount (see Article 4 SGA).

The final grant amount will be the lower of the following two:

- the amount obtained following Steps 1 to 3 or
- the reduced grant amount following Step 4.

#### 10.4 Revised final grant amount — Calculation

If — after the payment of the balance (in particular, after checks, reviews, audits or investigations; see Article 28) — the EIT rejects costs (see Article 48) or reduces the specific grant (see Article 49), it will calculate the '**revised final grant amount**' for the KIC Partner concerned by the findings.

This **amount** is calculated by the EIT on the basis of the findings, as follows:

- in case of **rejection of costs**: by applying the reimbursement rate to the revised eligible costs approved by the EIT for the KIC Partner concerned;
- in case of **reduction of the specific grant**: by calculating the concerned KIC Partner's share in the grant amount reduced in proportion to its improper implementation of the specific action or to the seriousness of its breach of obligations (see Article 49.2).

In case of **rejection of costs and reduction of the specific grant**: the revised final grant amount for the KIC Partner concerned will be the lower of the two amounts above.

### ARTICLE 11 — ELIGIBLE AND INELIGIBLE COSTS

#### 11.1 Eligible costs

The general and specific conditions for costs to be eligible under the specific grants are set out in the Specific Agreements (see Article 5 SGA).

#### 11.2 Ineligible costs

The conditions under which costs are considered ineligible under the specific grants are set out in the Specific Agreements (see Article 5 SGA).

#### 11.3 Consequences of declaration of ineligible costs

Declared costs that are ineligible will be rejected (see Article 48).

This may also lead to any of the other measures described in Section 5.

## **SECTION 3 RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THE SPECIFIC GRANTS**

### **SUBSECTION 1 RIGHTS AND OBLIGATIONS RELATED TO IMPLEMENTING THE SPECIFIC ACTIONS**

#### **ARTICLE 12 — GENERAL OBLIGATION TO PROPERLY IMPLEMENT THE SPECIFIC ACTIONS**

##### **12.1 General obligation to properly implement the specific actions**

Without prejudice to and in accordance with Article 47.1, the KIC Partners must implement the specific actions as described in Annex 1 to the Specific Agreements and in compliance with the provisions of the Framework Partnership Agreement and the Specific Agreements and all legal obligations applicable under EU, international and national law.

Annex 1 of the Specific Agreement indicates the KIC Partners participating in the implementation of each KIC added value activity.

##### **12.2 Consequences of non-compliance**

If a KIC Partner breaches any of its obligations under this Article, the specific grants may be reduced (see Article 49).

Such breaches may also lead to any of the other measures described in Section 5.

#### **ARTICLE 13 — RESOURCES TO IMPLEMENT THE SPECIFIC ACTIONS – THIRD PARTIES INVOLVED IN THE SPECIFIC ACTIONS**

The rules on the resources to implement the specific actions and involvement of third parties in the action are set out in the Specific Agreements (see Article 6 SGA).

#### **ARTICLE 14 — IMPLEMENTATION OF ACTION TASKS BY KIC PARTNERS NOT RECEIVING EIT FUNDING**

The Specific Agreements may provide for rules for the implementation of tasks forming part of the specific actions by KIC Partners not receiving EIT funding (see Article 7 SGA).

#### **ARTICLE 15 — PURCHASE OF GOODS, WORKS OR SERVICES**

The Specific Agreements may provide for rules for the purchase of goods works and services (see Article 8 SGA).

#### **ARTICLE 16 — USE OF IN-KIND CONTRIBUTIONS PROVIDED BY THIRD PARTIES AGAINST PAYMENT**

The Specific Agreements may provide for rules for the use of in-kind contributions provided by third parties against payment (see Article 9 SGA).



**ARTICLE 17 — USE OF IN-KIND CONTRIBUTIONS PROVIDED BY THIRD PARTIES FREE OF CHARGE**

The Specific Agreements may provide for rules for the use of in-kind contributions provided by third parties free of charge (see Article 10 SGA).

**ARTICLE 18 — IMPLEMENTATION OF ACTION TASKS BY SUBCONTRACTORS**

The Specific Agreements may provide for rules for subcontracting action tasks (see Article 11 SGA).

**ARTICLE 19 — IMPLEMENTATION OF ACTION TASKS BY LINKED THIRD PARTIES**

The affiliated entities and third parties with a legal link to a KIC Partner ('linked third parties') listed in Annex 5 may implement action tasks attributed to them in Annex 1 to a Specific Agreement.

The rules for calling on linked third parties are set out in the Specific Agreements (see Article 12 SGA).

**ARTICLE 20 — FINANCIAL SUPPORT TO THIRD PARTIES**

The Specific Agreements may provide for rules for providing financial support to third parties (see Article 13 SGA).

**ARTICLE 21 — SUPPORT TO OR IMPLEMENTATION OF TRANS-NATIONAL PROJECTS**

Not applicable

**ARTICLE 22 — PROVISION OF TRANS-NATIONAL OR VIRTUAL ACCESS TO RESEARCH INFRASTRUCTURES**

Not applicable

**SUBSECTION 2 RIGHTS AND OBLIGATIONS RELATED TO THE GRANT ADMINISTRATION****ARTICLE 23 – GENERAL OBLIGATION TO INFORM****23.1 General obligation to provide information upon request**

The KIC Partners must provide — during implementation of the specific actions or afterwards and in accordance with Article 47.1— any information requested in order to verify eligibility of the costs, proper implementation of the specific actions and compliance with any other obligations under the Framework Partnership Agreement and the Specific Agreements.

**23.2 Obligation to keep information up to date and to inform about events and circumstances likely to affect the Agreements**

Each KIC Partner must immediately inform the KIC LE — which must immediately inform the EIT and the other KIC Partners — of any of the following:

- (a) **events** which are likely to affect significantly or delay the implementation of a specific action or the EIT's financial interests, in particular:
  - (i) changes in its legal, financial, technical, organisational or ownership situation or those of its linked third parties and
  - (ii) changes in the name, address, legal form, organisation type of its linked third parties;
- (b) **circumstances** affecting:
  - (i) the decision to award a specific grant and the Framework Partnership Agreement, or
  - (ii) compliance with requirements under the Framework Partnership Agreement or the Specific Agreements.

### 23.3 Consequences of non-compliance

If a KIC Partner breaches any of its obligations under this Article, the specific grant may be reduced (see Article 49).

Such breaches may also lead to any of the other measures described in Section 5.

## ARTICLE 24 — KEEPING RECORDS — SUPPORTING DOCUMENTATION

### 24.1 Obligation to keep records and other supporting documentation

For each specific grant, the KIC Partners must — for a period of five years after the payment of the balance — keep records and other supporting documentation in order to prove the proper implementation of the specific action and the costs they declare as eligible.

They must make them available upon request (see Article 23) or in the context of checks, reviews, audits or investigations (see Article 28).

If there are on-going checks, reviews, audits, investigations, litigation or other pursuits of claims under a Specific Agreement (including the extension of findings; see Article 28), the KIC Partners must keep the records and other supporting documentation until the end of these procedures.

The KIC Partners must keep the original documents. Digital and digitalised documents are considered originals if they are authorised by the applicable national law. The EIT may accept non-original documents if it considers that they offer a comparable level of assurance.



### 24.1.1 Records and other supporting documentation on the scientific and technical implementation

The KIC Partners must keep records and other supporting documentation on the implementation of the specific action in line with the accepted standards in the respective field.

### 24.1.2 Records and other documentation to support the eligible costs declared

The KIC Partners must keep the records and documentation supporting the eligible costs declared, in particular the following:

- (a) for **actual costs**: adequate records and other supporting documentation to prove the eligible costs declared, such as contracts, subcontracts, invoices and accounting records. In addition, the KIC LE or KIC Partners' usual cost accounting practices and internal control procedures must enable direct reconciliation between the amounts declared, the amounts recorded in their accounts and the amounts stated in the supporting documentation;
- (b) for **unit costs**: adequate records and other supporting documentation to prove the number of units declared. KIC Partners do not need to identify the actual eligible costs covered or to keep or provide supporting documentation (such as accounting statements) to prove the amount per unit.

In addition, for **direct personnel costs declared as unit costs calculated in accordance with the KIC Partner's usual cost accounting practices**, the KIC Partners must keep adequate records and documentation to prove that the cost accounting practices used comply with the eligibility conditions set out in the Specific Agreements (see Point A of Article 5 SGA).

The KIC Partners and their linked third parties may submit to the EIT, for approval by the Commission, a certificate (drawn up in accordance with Annex 6) stating that their usual cost accounting practices comply with these conditions (**'certificate on the methodology'**). If the certificate is approved, costs declared in line with this methodology will not be challenged subsequently, unless the KIC Partners have concealed information for the purpose of the approval.

- (c) for **flat-rate costs**: adequate records and other supporting documentation to prove the eligibility of the costs to which the flat-rate is applied. The KIC Partners do not need to identify the costs covered or provide supporting documentation (such as accounting statements) to prove the amount declared at a flat-rate.
- (d) for **lump sum costs**: adequate records and other supporting documentation to prove that the corresponding tasks or part of the specific action as described in Annex 1 to the Specific Agreement concerned were implemented properly. The KIC Partners do not need to identify the actual eligible costs covered or provide supporting

documentation (such as accounting statements) to prove the amount declared as a lump sum.

In addition, for **personnel costs** (declared as actual costs or on the basis of unit costs), the KIC Partners must keep **time records** for the number of hours declared. The time records must be in writing and approved by the persons working on the specific action and their supervisors, at least monthly. In the absence of reliable time records of the hours worked on the specific action, the EIT may accept alternative evidence supporting the number of hours declared, if it considers that it offers an adequate level of assurance.

As an exception, for **persons working exclusively on the specific action**, there is no need to keep time records, if the KIC Partner signs a **declaration** confirming that the persons concerned have worked exclusively on the specific action.

For costs declared by linked third parties (see Article 19), it is the KIC Partner that must keep the originals of the financial statements and the certificates on the financial statements of the linked third parties.

## 24.2 Consequences of non-compliance

If a KIC Partner breaches any of its obligations under this Article, costs of the specific action insufficiently substantiated will be ineligible (see Article 5 SGA) and will be rejected (see Article 48), and the specific grant may be reduced (see Article 49).

Such breaches may also lead to any of the other measures described in Section 5.

## ARTICLE 25 — SUBMISSION OF DELIVERABLES

The provisions on submission of deliverables for the specific grants are set out in the Specific Agreements (see Article 15 SGA).

## ARTICLE 26 — REPORTING — PAYMENT REQUESTS

The provisions on reporting and payment requests for the specific grants are set out in the Specific Agreements (see Article 16 SGA).

## ARTICLE 27 — PAYMENTS AND PAYMENT ARRANGEMENTS

The provisions on payments and payment arrangements for the specific grants are set out in the Specific Agreements (see Article 17 SGA).

## ARTICLE 28 — CHECKS, REVIEWS, AUDITS AND INVESTIGATIONS — EXTENSION OF FINDINGS

### 28.1 Checks, reviews and audits by the EIT and the Commission

#### 28.1.1 Right to carry out checks

The EIT will — during the implementation of a specific action or afterwards — check the proper implementation of the specific action and compliance with the obligations under the Framework Partnership Agreement and the Specific Agreement, including assessing deliverables and reports.

For this purpose the EIT may be assisted by external persons or bodies.

The EIT may also request additional information in accordance with Article 23. The EIT may request KIC Partners to provide such information to it directly.

Information provided must be accurate, precise and complete and in the format requested, including electronic format.

### 28.1.2 Right to carry out reviews

The EIT may — during the implementation of a specific action or afterwards — carry out reviews on the proper implementation of the specific action (including assessment of deliverables and reports), compliance with the obligations under the Framework Partnership Agreement and the Specific Agreement.

Reviews may be started **up to two years after the payment of the balance**. They will be formally notified to the KIC LE or KIC Partner concerned and will be considered to have started on the date of the formal notification.

If the review is carried out on a third party (see Articles 15 to 22), the KIC Partner concerned must inform the third party.

The EIT may carry out reviews directly (using its own staff) or indirectly (using external persons or bodies appointed to do so). It will inform the KIC LE or the KIC Partner concerned of the identity of the external persons or bodies. They have the right to object to the appointment on grounds of commercial confidentiality.

The KIC LE or KIC Partner concerned must provide — within the deadline requested — any information and data in addition to deliverables and reports already submitted (including information on the use of resources).

The KIC LE or KIC Partner concerned may be requested to participate in meetings, including with external experts.

For **on-the-spot** reviews, the KIC Partners must allow access to their sites and premises, including to external persons or bodies, and must ensure that information requested is readily available.

Information provided must be accurate, precise and complete and in the format requested, including electronic format.

On the basis of the review findings, a '**review report**' will be drawn up.



The EIT will formally notify the review report to the KIC LE or KIC Partner concerned, which has 30 days to formally notify observations ('**contradictory review procedure**').

Reviews (including review reports) are in English.

### 28.1.3 Right to carry out audits

The EIT or the Commission may — during the implementation of a specific action or afterwards — carry out audits on the proper implementation of the specific action and compliance with the obligations under the Framework Partnership Agreement and the Specific Agreement.

Audits may be started **up to two years after the payment of the balance**. They will be formally notified to the KIC LE or KIC Partner concerned and will be considered to have started on the date of the formal notification.

If the audit is carried out on a third party (see Articles 15 to 22), the KIC Partner concerned must inform the third party.

The EIT or the Commission may carry out audits directly (using its own staff) or indirectly (using external persons or bodies appointed to do so). It will inform the KIC LE or the KIC Partner concerned of the identity of the external persons or bodies. They have the right to object to the appointment on grounds of commercial confidentiality.

The KIC LE or the KIC Partner concerned must provide — within the deadline requested — any information (including complete accounts, individual salary statements or other personal data) to verify compliance with the Framework Partnership Agreement and Specific Agreements. The EIT or the Commission may request KIC Partners to provide such information to it directly.

For **on-the-spot** audits, the KIC Partners must allow access to their sites and premises, including to external persons or bodies, and must ensure that information requested is readily available.

Information provided must be accurate, precise and complete and in the format requested, including electronic format.

On the basis of the audit findings, a '**draft audit report**' will be drawn up.

The EIT or the Commission will formally notify the draft audit report to the KIC LE or the KIC Partner concerned, which has 30 days to formally notify observations ('**contradictory audit procedure**'). This period may be extended by the EIT or the Commission in justified cases.

The '**final audit report**' will take into account observations by the KIC LE or KIC Partner concerned. The report will be formally notified to it.



Audits (including audit reports) are in English.

The EIT or the Commission may also access the KIC Partners' statutory records for the periodical assessment of unit costs, flat-rate amounts or lump sums.

## **28.2 Investigations by the European Anti-Fraud Office (OLAF)**

Under Regulations No 883/2013<sup>1</sup> and No 2185/96<sup>2</sup> (and in accordance with their provisions and procedures), the European Anti-Fraud Office (OLAF) may — at any moment during implementation of a specific action or afterwards — carry out investigations, including on-the-spot checks and inspections, to establish whether there has been fraud, corruption or any other illegal activity under the Framework Partnership Agreement or Specific Agreement affecting the financial interests of the EU.

## **28.3 Checks and audits by the European Court of Auditors (ECA)**

Under Article 287 of the Treaty on the Functioning of the European Union (TFEU) and Article 111 of the EIT Financial Regulation<sup>3</sup>, the European Court of Auditors (ECA) may — at any moment during implementation of a specific action or afterwards — carry out audits.

The ECA has the right of access for the purpose of checks and audits.

## **28.4 Checks, reviews, audits and investigations for international organisations**

Not applicable

## **28.5 Consequences of findings in checks, reviews, audits and investigations —Extension of findings**

### **28.5.1 Findings in a specific grant**

Findings in checks, reviews, audits or investigations carried out in the context of a specific grant may lead to the rejection of ineligible costs (see Article 48), reduction of the specific grant (see Article 49), recovery of undue amounts (see Article 50) or to any of the other measures described in Section 5.

Rejection of costs or reduction of the specific grant after the payment of the balance will lead to a revised final grant amount (see Article 4 SGA).

<sup>1</sup> Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.09.2013, p. 1).

<sup>2</sup> Council Regulation (Euratom, EC) No 2185/1996 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.1996, p. 2).

<sup>3</sup> Decision of the Governing Board of the European Institute of Innovation and Technology (EIT) of 27 December 2013 on adopting the financial regulation for the European Institute of Innovation and Technology



Findings in checks, reviews, audits or investigations may lead to a request for amendment for the modification of Annex 1 to the Specific Agreement (see Article 61).

Checks, reviews, audits or investigations that find systemic or recurrent errors, irregularities, fraud or breach of obligations may also lead to consequences in other EIT, EU or Euratom grants awarded under similar conditions (**'extension of findings from the specific grant to other grants'**).

Moreover, findings arising from an OLAF investigation may lead to criminal prosecution under national law.

### 28.5.2 Findings in other grants

The EIT or the Commission may extend findings from other grants to a specific grant (**'extension of findings from other grants to a specific grant'**), if:

- (a) the KIC Partner concerned is found, in other EIT, EU or Euratom grants awarded under similar conditions, to have committed systemic or recurrent errors, irregularities, fraud or breach of obligations that have a material impact on the specific grant and
- (b) those findings are formally notified to the KIC Partner concerned — together with the list of grants affected by the findings — no later than two years after the payment of the balance of the specific grant.

The extension of findings may lead to the rejection of costs (see Article 48) reduction of the specific grant (see Article 49), recovery of undue amounts (see Article 50), suspension of the action implementation (see Article 55) or termination of the specific grant (see Article 56).

### 28.5.3 Procedure

The EIT or the Commission will formally notify the KIC Partner concerned the systemic or recurrent errors, and its intention to extend these audit findings together with the list of grants affected.

28.5.3.1 If the findings concern **eligibility of costs**: the formal notification will include:

- (a) an invitation to submit observations on the list of grants affected by the findings;
- (b) the request to submit **revised financial statements** for all grants affected;
- (c) the **correction rate for extrapolation** established by the EIT or the Commission on the basis of the systemic or recurrent errors, to calculate the amounts to be rejected if the KIC Partner concerned:

- (i) considers that the submission of revised financial statements is not possible or practicable or
- (ii) does not submit revised financial statements.

The KIC Partner concerned has 90 days from receiving notification to submit observations, revised financial statements or to propose a duly substantiated **alternative correction method**. This period may be extended by the EIT or the Commission in justified cases.

The amounts to be rejected will be determined on the basis of the revised financial statements, subject to their approval.

If the EIT or the Commission does not receive any observations or revised financial statements, does not accept the observations or the proposed alternative correction method or does not approve the revised financial statements, it will formally notify to the KIC Partner concerned the application of the initially notified correction rate for extrapolation.

If the EIT or the Commission accepts the alternative correction method proposed by the KIC Partner concerned, it will formally notify to the KIC Partner concerned the application of the accepted alternative correction method.

28.5.3.2 If the findings concern **improper implementation** or **breach of other obligations**, the formal notification will include:

- (a) an invitation to submit observations on the list of grants affected by the findings and
- (b) the flat-rate the EIT or the Commission intends to apply according to the principle of proportionality.

The KIC Partner concerned has 90 days from receiving notification to submit observations or to propose a duly substantiated alternative flat-rate.

If the EIT or the Commission does not receive any observations or does not accept the observations or the proposed alternative flat-rate, it will formally notify to the KIC Partner concerned the application of the initially notified flat-rate.

If the EIT or the Commission accepts the alternative flat-rate proposed by the KIC Partner, it will formally notify the KIC Partner concerned the application of the accepted alternative flat-rate.

## 28.6 Consequences of non-compliance

If a KIC Partner breaches any of its obligations under this Article, any insufficiently substantiated costs of specific actions will be ineligible (see Article 5 SGA) and will be rejected (see Article 48).



Such breaches may also lead to any of the other measures described in Section 5.

## **ARTICLE 29 —MONITORING AND EXTERNAL EVALUATION OF THE KIC**

### **29.1 Right to monitor and evaluate the KIC**

The EIT or the Commission may carry out interim and final evaluations of the output, results and impact of the KIC.

Evaluations may be started during implementation of a specific action and up to a period of five years after the payment of the balance. The evaluation is considered to start on the date of the formal notification to the KIC LE or KIC Partners.

The EIT or the Commission may make these evaluations directly (using its own staff) or indirectly (using external bodies or persons it has authorised to do so).

The KIC LE and KIC Partners must provide any information requested to evaluate its impact, including information in electronic format.

### **29.2 Consequences of non-compliance**

If a KIC Partner breaches any of its obligations under this Article, the EIT may apply the measures described in Section 5.

## **SUBSECTION 3 RIGHTS AND OBLIGATIONS RELATED TO BACKGROUND AND RESULTS OF THE SPECIFIC ACTIONS**

### **SUBSUBSECTION 1 GENERAL**

## **ARTICLE 29a — MANAGEMENT OF INTELLECTUAL PROPERTY**

### **29a.1 Obligation to take measures to implement the Commission Recommendation on the management of intellectual property in knowledge transfer activities**

KIC Partners that are universities or other public research organisations must take measures to implement the principles set out in Points 1 and 2 of the Code of Practice annexed to the Commission Recommendation on the management of intellectual property in knowledge transfer activities.

This does not change the obligations set out in Subsubsections 2 and 3 of this Subsection.

The KIC Partners must ensure that researchers and third parties involved in the specific actions are aware of them.

### **29a.2 Consequences of non-compliance**





If a KIC Partner breaches its obligations under this Article, the EIT may apply any of the measures described in Section 5.

## SUBSUBSECTION 2 RIGHTS AND OBLIGATIONS RELATED TO BACKGROUND

### ARTICLE 30 — AGREEMENT ON BACKGROUND

#### 30.1 Agreement on background

**‘Background’** means any data, know-how or information held by any KIC Partner — whatever its form or nature (tangible or intangible), including any rights such as intellectual property rights — that:

- (a) is held by the KIC Partners before they entered into the Specific Agreement concerned or no later than before the commencement of the particular KIC added value activity and
- (b) is needed to implement the KIC added-value activities in which they participate under the specific action or exploit the results thereof.

The KIC Partners must identify and agree (in writing) on the background for the KIC added value activities in which they participate under the specific action (**‘agreement on background’**).

#### 30.2 Consequences of non-compliance

If a KIC Partner breaches any of its obligations under this Article, the grant may be reduced (see Article 49).

Such breaches may also lead to any of the other measures described in Section 5.

### ARTICLE 31 — ACCESS RIGHTS TO BACKGROUND

#### 31.1 Exercise of access rights — Waiving of access rights — No sub-licensing

To exercise access rights, this must first be requested in writing (**‘request for access’**).

**‘Access rights’** means rights to use results or background under the terms and conditions laid down in this Agreement.

Waivers of access rights are not valid unless in writing.

Unless agreed otherwise, access rights do not include the right to sub-license.

#### 31.2 Access rights for other KIC Partners, for implementing their own tasks under the specific action

The KIC Partners participating in the same KIC added value activity under the specific action must give each other access — on a royalty-free basis — to background needed to implement their own tasks under the particular KIC added value activity, unless the KIC Partner that holds the background has — no later than before the commencement of the particular KIC added value activity —:

- (a) informed the other KIC Partners participating in the same KIC added value activity that access to its background is subject to legal restrictions or limits, including those imposed by the rights of third parties (including personnel), or
- (b) agreed with the other KIC Partners participating in the same KIC added value activity that access would not be on a royalty-free basis.

### **31.3 Access rights for other KIC Partners, for exploiting their own results of the specific action**

The KIC Partners participating in the same KIC added value activity must give each other access — under fair and reasonable conditions— to background needed for exploiting their own results of the same KIC added value activity, unless the KIC Partner that holds the background has — no later than before the commencement of the particular KIC added value activity — informed the other KIC Partners participating in the same KIC added value activity that access to its background is subject to legal restrictions or limits, including those imposed by the rights of third parties (including personnel).

**‘Fair and reasonable conditions’** means appropriate conditions, including possible financial terms or royalty-free conditions, taking into account the specific circumstances of the request for access, for example the actual or potential value of the results or background to which access is requested and/or the scope, duration or other characteristics of the exploitation envisaged.

Request for access may be made — unless agreed otherwise — up to one year after the period set out in Article 3 of the Specific Agreement.

### **31.4 Access rights for other KIC Partners, for other KIC added value activities under the specific action**

The Specific Agreement may provide for access rights to background for other KIC Partners for other KIC added value activities under the specific action (under the framework partnership) (see Article 18 SGA).

### **31.5 Access rights for affiliated entities**

Unless otherwise agreed in the Internal Agreement, access to background must also be given — under fair and reasonable conditions (see above Article 31.3) and unless it is subject to legal restrictions or limits, including those imposed by the rights of third parties (including



personnel) — to affiliated entities<sup>4</sup> established in an EU Member State or ‘associated country’<sup>5</sup>, if this is needed to exploit the results generated by the KIC Partners to which they are affiliated.

Unless agreed otherwise (see above, Article 31.1), the affiliated entity concerned must make the request directly to the KIC Partner that holds the background.

Requests for access may be made — unless agreed otherwise — up to one year after the period set out in Article 3 of the Specific Agreement.

### 31.6 Access rights for third parties

The Specific Agreement may provide for access rights for third parties to background (see Article 18 SGA).

### 31.7 Consequences of non-compliance

If a KIC Partner breaches any of its obligations under this Article, the specific grant may be reduced (see Article 49).

Such breaches may also lead to any of the other measures described in Section 5.

## SUBSUBSECTION 3 RIGHTS AND OBLIGATIONS RELATED TO RESULTS

### ARTICLE 32 — OWNERSHIP OF RESULTS

#### 32.1 Ownership by the KIC Partner that generates the results

Results of the specific action are owned by the KIC Partner that generates them.

‘Results’ means any (tangible or intangible) output of the specific action such as data, knowledge or information — whatever its form or nature, whether it can be protected or not — that is generated in the specific action, as well as any rights attached to it, including intellectual property rights.

#### 32.2 Joint ownership by the several KIC Partners

Two or more KIC Partners own results jointly if:

- (a) they have jointly generated them and
- (b) it is not possible to:
  - (i) establish the respective contribution of each KIC Partner, or

<sup>4</sup> As defined in the Article 2.1(2) of the Horizon 2020 Rules for Participation, Regulation (EU) No 1290/2013.

<sup>5</sup> As defined in the Article 2.1(3) of the Horizon 2020 Rules for Participation, Regulation (EU) No 1290/2013.



- (ii) separate them for the purpose of applying for, obtaining or maintaining their protection (see Article 33).

The joint owners must agree (in writing) on the allocation and terms of exercise of their joint ownership (**'joint ownership agreement'**), to ensure compliance with their obligations under the Framework Partnership Agreement and the Specific Agreement.

Unless otherwise agreed in the joint ownership agreement, each joint owner may grant non-exclusive licences to third parties to exploit jointly-owned results (without any right to sub-license), if the other joint owners are given:

- (a) at least 45 days advance notice and
- (b) fair and reasonable compensation.

Once the results have been generated, joint owners may agree (in writing) to apply another regime than joint ownership (such as, for instance, transfer to a single owner (see Article 36) with access rights for the others).

### 32.3 Rights of third parties (including personnel)

If third parties (including personnel) may claim rights to the results, the KIC Partner concerned must ensure that it complies with its obligations under the Framework Partnership Agreement and the Specific Agreement.

If a third party generates results, the KIC Partner concerned must obtain all necessary rights (transfer, licences or other) from the third party, in order to be able to respect its obligations as if those results were generated by the KIC Partner itself.

If obtaining the rights is impossible, the KIC Partner must refrain from using the third party to generate the results.

### 32.4 EIT ownership, to protect results

32.4.1 The EIT may — with the consent of the KIC Partner concerned — **assume ownership** of the results of a specific action to protect them, if a KIC Partner intends — up to four years after the period set out in Article 3 of the Specific Agreement — to disseminate its results without protecting them, except in any of the following cases:

- (a) the lack of protection is because protecting the results is not possible, reasonable or justified (given the circumstances);
- (b) the lack of protection is because there is a lack of potential for commercial or industrial exploitation, or



- (c) the KIC Partner intends to transfer the results to another KIC Partner or third party established in an EU Member State or associated country, which will protect them.

Before the results are disseminated and unless any of the cases above under Points (a), (b) or (c) applies, the KIC Partner must formally notify the EIT and at the same time inform it of any reasons by the KIC Partner for refusing consent. The KIC Partner may refuse consent only if it can show that its legitimate interests would suffer significant harm.

If the EIT decides to assume ownership, it will formally notify the KIC Partner within 45 days of receiving notification.

No dissemination relating to these results may take place before the end of this period or, if the EIT takes a positive decision, until it has taken the necessary steps to protect the results.

32.4.2 The EIT may — with the consent of the KIC Partner concerned — assume ownership of the results of a specific action to protect them, if a KIC Partner intends — up to four years after the period set out in Article 3 of the Specific Agreement— to stop protecting them or not to seek an extension of protection, except in any of the following cases:

- (a) the protection is stopped because of a lack of potential for commercial or industrial exploitation;
- (b) an extension would not be justified given the circumstances.

A KIC Partner that intends to stop protecting results or not seek an extension must — unless any of the cases above under Points (a) or (b) applies — formally notify the EIT at least 60 days before the protection lapses or its extension is no longer possible and at the same time inform it of any reasons for refusing consent. The KIC Partner may refuse consent only if it can show that its legitimate interests would suffer significant harm.

If the EIT decides to assume ownership, it will formally notify the KIC Partner concerned within 45 days of receiving notification.

## **32.5 Consequences of non-compliance**

If a KIC Partner breaches any of its obligations under this Article, the specific grant may be reduced (see Article 49).

Such breaches may also lead to the any of the other measures described in Section 5.

## **ARTICLE 33 — PROTECTION OF RESULTS — VISIBILITY OF EU FUNDING**

### **33.1 Obligation to protect the results**

Each KIC Partner must examine the possibility of protecting its results of the specific action and must adequately protect them — for an appropriate period and with appropriate territorial coverage — if:



- (a) the results can reasonably be expected to be commercially or industrially exploited and
- (b) protecting them is possible, reasonable and justified (given the circumstances).

When deciding on protection, the KIC Partner must consider its own legitimate interests and the legitimate interests (especially commercial) of the other KIC Partners.

### **33.2 EIT ownership, to protect the results**

If a KIC Partner intends not to protect its results, to stop protecting them or not seek an extension of protection, the EIT may — under certain conditions (see Article 32.4) — assume ownership to ensure their (continued) protection.

### **33.3 Information on EIT and EU funding**

Applications for protection of results (including patent applications) filed by or on behalf of a KIC Partner must — unless the EIT requests or agrees otherwise or unless it is impossible — include the following:

“The activity leading to this application has received funding from the European Institute of Innovation and Technology (EIT) under grant agreement No [number]. This European body receives support from the European Union's the Horizon 2020 research and innovation programme”.

### **33.4 Consequences of non-compliance**

If a KIC Partner breaches any of its obligations under this Article, the specific grant may be reduced (see Article 49).

Such a breach may also lead to any of the other measures described in Section 5.

## **ARTICLE 34 — EXPLOITATION OF RESULTS**

### **34.1 Obligation to exploit the results**

Each KIC Partner must — up to four years after the period set out in Article 3 of the Specific Agreement — take measures aiming to ensure ‘exploitation’ of its results of the specific action (either directly or indirectly, in particular through transfer or licensing; see Article 36) by:

- (a) using them in further research activities (outside the specific action);
- (b) developing, creating or marketing a product or process;
- (c) creating and providing a service;



- (d) using them in standardisation activities, or
- (e) using them in further knowledge triangle activities.

The Specific Agreement may provide for additional exploitation obligations (see Article 18 SGA).

This does not change the security obligations in Article 43, which still apply.

### **34.2 Results that could contribute to European or international standards — Information on EIT and EU Funding**

The Specific Agreement may provide for additional exploitation provisions (see Article 18 SGA).

If results are incorporated in a standard, the KIC Partner concerned must — unless the EIT requests or agrees otherwise or unless it is impossible — ask the standardisation body to include the following statement in (information related to) the standard:

“Results incorporated in this standard received funding from the European Institute of Innovation and Technology (EIT) under grant agreement No [Number]. This European body receives support from the European Union's Horizon 2020 research and innovation programme”.

### **34.3 Consequences of non-compliance**

If a KIC Partner breaches any of its obligations under this Article, the specific grant may be reduced in accordance with Article 49.

Such a breach may also lead to any of the other measures described in Section 5.

## **ARTICLE 35 — DISSEMINATION OF RESULTS — OPEN ACCESS — VISIBILITY OF EIT AND EU FUNDING**

### **35.1 Obligation to disseminate results**

Unless it goes against their legitimate interests, each KIC Partner must — as soon as possible — ‘disseminate’ its results of the specific action by disclosing them to the public by appropriate means (other than those resulting from protecting or exploiting the results), including in scientific publications (in any medium).

The Specific Agreement may provide for additional dissemination obligations (see Article 18 SGA).

This does not change the obligation to protect results in Article 33, the confidentiality obligations in Article 42, the security obligations in Article 43 or the obligations to protect personal data in Article 45, all of which still apply.

A KIC Partner that intends to disseminate its results must give advance notice to the other KIC Partners of — unless agreed otherwise — at least 45 days, together with sufficient information on the results it will disseminate.

Any other KIC Partner may object within — unless agreed otherwise — 30 days of receiving notification, if it can show that its legitimate interests in relation to the results or background would be significantly harmed. In such cases, the dissemination may not take place unless appropriate steps are taken to safeguard these legitimate interests.

If a KIC Partner intends not to protect its results, it may — under certain conditions (see Article 32.4.1) — need to formally notify the EIT before dissemination takes place.

### 35.2 Open access to scientific publications

Each KIC Partner must ensure open access (free of charge, online access for any user) to all peer-reviewed scientific publications relating to its results.

In particular, it must:

- (a) as soon as possible and at the latest on publication, deposit a machine-readable electronic copy of the published version or final peer-reviewed manuscript accepted for publication in a repository for scientific publications;

Moreover, the KIC Partner must aim to deposit at the same time the research data needed to validate the results presented in the deposited scientific publications.

- (b) ensure open access to the deposited publication — via the repository — at the latest:
  - (i) on publication, if an electronic version is available for free via the publisher, or
  - (ii) within six months of publication (twelve months for publications in the social sciences and humanities) in any other case.
- (c) ensure open access — via the repository — to the bibliographic metadata that identify the deposited publication.

The bibliographic metadata must be in a standard format and must include all of the following:

- the terms "EIT", "European Union (EU)" and "Horizon 2020";
- the name of the specific action, acronym and grant number;



- the publication date, and length of embargo period if applicable, and
- a persistent identifier.

### 35.3 Open access to research data

The Specific Agreement may provide for additional dissemination obligations concerning open access to research data (see Article 18 SGA).

### 35.4 Information on EIT and EU funding — Obligation and right to use the EIT KIC logo and EU emblem

Unless the EIT requests or agrees otherwise or unless it is impossible, any dissemination of results (in any form, including electronic) must:

- (a) display the EIT KIC logo as adopted by the EIT (hereafter referred to as “EIT KIC logo”);
- (b) display the EU emblem and
- (c) include the following text:

“This activity has received funding from the European Institute of Innovation and Technology (EIT) under grant agreement No [Number]. This European body receives support from the Horizon 2020 research and innovation programme”.

When displayed together with another logo, the EIT KIC logo and EU emblem must have appropriate prominence.

For the purposes of their obligations under this Article, the KIC Partners may use the EIT KIC logo and the EU emblem without first obtaining approval from the EIT or the Commission.

This does not however give them the right to exclusive use.

Moreover, they may not appropriate the EIT KIC logo and the EU emblem (or any similar trademark or logo), either by registration or by any other means.

### 35.5 Disclaimer excluding EIT responsibility

Any dissemination of results must indicate that it reflects only the author's view and that the EIT is not responsible for any use that may be made of the information it contains.

### 35.6 Consequences of non-compliance

If a KIC Partner breaches any of its obligations under this Article, the specific grant may be reduced (see Article 49).



Such a breach may also lead to any of the other measures described in Section 5.

## **ARTICLE 36 — TRANSFER AND LICENSING OF RESULTS**

### **36.1 Transfer of ownership**

Each KIC Partner may transfer ownership of its results of the specific action.

It must however ensure that its obligations under Articles 32.2, 32.4, 33, 34, 35, 36 and 37 also apply to the new owner and that this owner has the obligation to pass them on in any subsequent transfer.

This does not change the security obligations in Article 43, which still apply.

Unless agreed otherwise (in writing) for specifically-identified third parties or unless impossible under applicable laws on mergers and acquisitions, a KIC Partner that intends to transfer ownership of results must give at least 45 days advance notice (or less if agreed in writing) to the other KIC Partners that still have (or still may request) access rights to the results. This notification must include sufficient information on the new owner to enable any KIC Partner concerned to assess the effects on its access rights.

Unless agreed otherwise (in writing) for specifically-identified third parties, any other KIC Partner may object within 30 days of receiving notification (or less if agreed in writing), if it can show that the transfer would adversely affect its access rights. In this case, the transfer may not take place until agreement has been reached between the KIC Partners concerned.

### **36.2 Granting licences**

Each KIC Partner may grant licences to its results of the specific action (or otherwise give the right to exploit them), if:

- (a) this does not impede access rights (see Article 37) and
- (b) the KIC Partner complies with its additional exploitation obligations (if any) (see Article 34.1).

In addition to Points (a) and (b), exclusive licences for results may be granted only if all the other KIC Partners concerned have waived their access rights (see Article 37.1).

This does not change the dissemination obligations in Article 35 or security obligations in Article 43, which still apply.

### **36.3 EIT right to object to transfers or licensing**

The Specific Agreement may provide for the right of the EIT to object to a transfer of ownership or the licencing of results (see Article 18 SGA).



### **36.4 Consequences of non-compliance**

If a KIC Partner breaches any of its obligations under this Article, the specific grant may be reduced (see Article 49).

Such a breach may also lead to any of the other measures described in Section 5.

## **ARTICLE 37 — ACCESS RIGHTS TO RESULTS**

### **37.1 Exercise of access rights — Waiving of access rights — No sub-licensing**

The conditions set out in Article 31.1 apply.

The obligations set out in this Article do not change the security obligations in Article 43, which still apply.

### **37.2 Access rights for the other KIC Partners, for implementing their own tasks under the specific action**

The KIC Partners participating in the same KIC added value activity must give each other access — on a royalty-free basis — to results needed for implementing their own tasks in the same KIC added value activity under the specific action.

### **37.3 Access rights for the other KIC Partners, for exploiting their own results**

For each specific action, the KIC Partners participating in the same KIC added value activity must give each other — under fair and reasonable conditions (see Article 31.3) — access to results needed for exploiting their own results from the same KIC added value activity.

Requests for access may be made — unless agreed otherwise — up to one year after the period set out in Article 3 of the Specific Agreement.

### **37.4 Access rights for the other KIC Partners, for other KIC added value activities under the specific action**

The Specific Agreement may provide for access rights to results for the other KIC Partners for other KIC added value activities under the specific action (under the framework partnership) (see Article 18 SGA).

### **37.5 Access rights of affiliated entities**

Unless agreed otherwise in the Internal Agreement, access to results must also be given — under fair and reasonable conditions (see Article 31.3) — to affiliated entities established in an EU Member State or associated country, if this is needed for those entities to exploit the results generated by the KIC Partners to which they are affiliated.

Unless agreed otherwise (see Article 37.1), the affiliated entity concerned must make any such request directly to the KIC Partner that owns the results.

Requests for access may be made — unless agreed otherwise — up to one year after the period set out in Article 3 of the Specific Agreement.

### **37.6 Access rights for the EU institutions and bodies and EU Member States**

The Specific Agreement may provide for access rights for EU institutions and bodies and EU Member States to results (see Article 18 SGA).

### **37.7 Access rights for third parties**

The Specific Agreement may provide for access rights for third parties to results (see Article 18 SGA).

### **37.8 Consequences of non-compliance**

If a KIC Partner breaches any of its obligations under this Article, the specific grant may be reduced (see Article 49).

Such breaches may also lead to any of the other measures described in Section 5.

## **SUBSECTION 4 OTHER RIGHTS AND OBLIGATIONS**

### **ARTICLE 38 — RECRUITMENT AND WORKING CONDITIONS FOR RESEARCHERS**

#### **38.1 Obligation to take measures to implement the European Charter for Researchers and Code of Conduct for the Recruitment of Researchers**

The KIC Partners must take all measures to implement the principles set out in the Commission Recommendation on the European Charter for Researchers and the Code of Conduct for the Recruitment of Researchers<sup>6</sup>, in particular regarding:

- working conditions;
- transparent recruitment processes based on merit, and
- career development.

The KIC Partners must ensure that researchers and third parties involved in the specific action are aware of them.

#### **38.2 Consequences of non-compliance**

<sup>6</sup> Commission Recommendation 2005/251/EC of 11 March 2005 on the European Charter for Researchers and on a Code of Conduct for the Recruitment of Researchers (OJ L 75, 22.3.2005, p. 67).



If a KIC Partner breaches its obligations under this Article, the EIT may apply any of the measures described in Section 5.

## ARTICLE 39 — GENDER EQUALITY

### 39.1 Obligation to aim for gender equality

The KIC Partners must take all measures to promote equal opportunities between men and women in the implementation of the specific actions. They must aim, to the extent possible, for a gender balance at all levels of personnel assigned to the specific actions, including at supervisory and managerial level.

### 39.2 Consequences of non-compliance

If a KIC Partner breaches its obligations under this Article, the EIT may apply any of the measures described in Section 5.

## ARTICLE 40 — ETHICS

### 40.1 Obligation to comply with ethical principles

The KIC Partners must carry out the specific actions in compliance with:

- (a) ethical principles (including the highest standards of research integrity — as set out, for instance, in the European Code of Conduct for Research Integrity<sup>7</sup> — and including, in particular, avoiding fabrication, falsification, plagiarism or other research misconduct) and
- (b) applicable international, EU and national law.

Funding will not be granted for activities carried out outside the EU if they are prohibited in all Member States.

The KIC Partners must ensure that the activities under the specific actions have an exclusive focus on civil applications.

The KIC Partners must ensure that the activities under the specific actions do not:

- (a) aim at human cloning for reproductive purposes;

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<sup>7</sup> The European Code of Conduct for Research Integrity of ALLEA (All European Academies) and ESF (European Science Foundation) of March 2011.  
[http://www.esf.org/fileadmin/Public\\_documents/Publications/Code\\_Conduct\\_ResearchIntegrity.pdf](http://www.esf.org/fileadmin/Public_documents/Publications/Code_Conduct_ResearchIntegrity.pdf)



- (b) intend to modify the genetic heritage of human beings which could make such changes heritable (with the exception of research relating to cancer treatment of the gonads, which may be financed), or
- (c) intend to create human embryos solely for the purpose of research or for the purpose of stem cell procurement, including by means of somatic cell nuclear transfer.

#### 40.2 Activities raising ethical issues

Activities raising ethical issues must comply with the 'ethics requirements' set out in Annex 1 to the Specific Agreements (if applicable).

Before the beginning of an activity raising an ethical issue, the KIC LE must submit (see Article 58) to the EIT a copy of:

- (a) any ethics committee opinion required under national law, and
- (b) any notification or authorisation for activities raising ethical issues required under national law.

If these documents are not in English, the KIC LE must also submit an English summary of the submitted opinions, notifications and authorisations (containing, if available, the conclusions of the committee or authority concerned).

If these documents are specifically requested for a specific action, they must contain an explicit reference to the action title. The KIC LE must submit a declaration by each KIC Partner concerned that these documents specifically cover the action tasks.

#### 40.3 Activities involving human embryos or human embryonic stem cells

Activities involving research on human embryos or human embryonic stem cells may be carried out, only if:

- they are set out in Annex 1 to the Specific Agreements or
- if the KIC LE has obtained explicit approval (in writing) from the EIT (see Article 58).

#### 40.4 Consequences of non-compliance

If a KIC Partner breaches any of its obligations under this Article, the specific grant may be reduced (see Article 49) and the Specific Agreement concerned or participation of the KIC Partner may be terminated (see Article 56).

Such breaches may also lead to any of the other measures described in Section 5.

## ARTICLE 41 — CONFLICT OF INTERESTS

### 41.1 Obligation to avoid a conflict of interests

The KIC Partners must take all measures to prevent any situation where the impartial and objective implementation of the specific actions is compromised for reasons involving economic interest, political or national affinity, family or emotional ties or any other shared interest ('**conflict of interests**').

They must formally notify to the EIT without delay any situation constituting or likely to lead to a conflict of interests and immediately take all the necessary steps to rectify this situation.

The EIT may verify that the measures taken are appropriate and may require additional measures to be taken by a specified deadline.

### 41.2 Consequences of non-compliance

If a KIC Partner breaches any of its obligations under this Article, the grant may be reduced (see Article 49) and the Specific Agreement or participation of the KIC Partner may be terminated (see Article 56).

Such breaches may also lead to any of the other measures described in Section 5.

## ARTICLE 42 — CONFIDENTIALITY

### 42.1 General obligation to maintain confidentiality

During implementation of the specific action and for four years after the period set out in Article 3 of the Specific Agreement, the parties must keep confidential any data, documents or other material (in any form) that is identified as confidential at the time it is disclosed ('**confidential information**').

If a KIC Partner requests, the EIT may agree to keep such information confidential for an additional period beyond the initial four years.

If information has been identified as confidential only orally, it will be considered to be confidential only if this is confirmed in writing within 15 days of the oral disclosure.

Unless otherwise agreed between the parties, they may use confidential information only to implement the Framework Partnership Agreement or Specific Agreement.

The KIC Partners may disclose confidential information to their personnel or third parties involved in the specific action only if they:

- (a) need to know to implement the Framework Partnership Agreement or Specific Agreements and



- (b) are bound by an obligation of confidentiality.

This does not change the security obligations in Article 43, which still apply.

The EIT may disclose confidential information to its staff, other EU institutions and bodies or third parties, if:

- (a) this is necessary to implement the Framework Partnership Agreement or Specific Agreement or safeguard the EIT's financial interests and
- (b) the recipients of the information are bound by an obligation of confidentiality.

The confidentiality obligations no longer apply if:

- (a) the disclosing party agrees to release the other party;
- (b) the information was already known by the recipient or is given to him without obligation of confidentiality by a third party that was not bound by any obligation of confidentiality;
- (c) the recipient proves that the information was developed without the use of confidential information;
- (d) the information becomes generally and publicly available, without breaching any confidentiality obligation, or
- (e) the disclosure of the information is required by EU or national law.

## 42.2 Consequences of non-compliance

If a KIC Partner breaches any of its obligations under this Article, the specific grant may be reduced (see Article 49).

Such breaches may also lead to any of the other measures described in Section 5.

## ARTICLE 43 — SECURITY-RELATED OBLIGATIONS

### 43.1 Results with a security recommendation

Before disclosing 'results with a security recommendation' to a third party (including linked third parties, such as affiliated entities), a KIC Partner must inform the KIC LE — which must request written approval from the EIT.

### 43.2 Classified results

Activities related to 'classified results' (see Annex 1 to the Specific Agreement) must comply with the '**security requirements**' (Security Aspect Letter (SAL) and the Security Classification





Guide (SCG) (if applicable), set out in Annex 1 to the Specific Agreement until they are declassified.

Action tasks related to classified results may not be subcontracted without prior explicit written approval from the EIT.

The KIC Partners must inform the KIC LE — which must immediately inform the EIT — of any changes in the security context and — if necessary — request for Annex 1 to the Specific Agreement to be amended (see Article 61).

### **43.3 Activities involving dual-use goods or dangerous materials and substances**

Activities involving dual-use goods or dangerous materials and substances must comply with applicable EU, national and international law.

Before the beginning of the activity, the KIC LE must submit to the EIT (see Article 58) a copy of any export or transfer licences required under EU, national or international law.

### **43.4 Consequences of non-compliance**

If a KIC Partner breaches any of its obligations under this Article, the specific grant may be reduced (see Article 49).

Such breaches may also lead to any of the other measures described in Section 5.

## **ARTICLE 44 — PROMOTING THE KIC — VISIBILITY OF THE EIT AND EU FUNDING**

### **44.1 Communication activities by the KIC Partners**

#### **44.1.1 Obligation to promote the specific action and its results**

The KIC Partners must promote the specific action and its results by providing targeted information to multiple audiences (including the media and the public) in a strategic and effective manner.

This does not change the specific dissemination obligations in Article 35, the confidentiality obligations in Article 42 or the security obligations in Article 43, all of which still apply.

Before engaging in a communication activity expected to have a major media impact, the KIC Partners must inform the EIT (see Article 58).

#### **44.1.2 Information on EIT and EU funding — Obligation and right to use the EIT KIC logo and the EU emblem**

Unless the EIT requests or agrees otherwise or unless it is impossible, any communication activity related to the specific action (including in electronic form, via social media, etc.) as well as any infrastructure, equipment and major results funded by the specific grants must:



- (a) display the EIT KIC logo as adopted by the EIT;
- (b) display the EU emblem;
- (c) follow the brand guidelines outlined in the EIT Community Brand Book as adopted by the EIT; and
- (d) include the following text:

For communication activities: 'This activity has received funding from the European Institute of Innovation and Technology (EIT). This body of the European Union receives support from the European Union's Horizon 2020 research and innovation programme.'

For infrastructure, equipment and major results: 'This *[infrastructure]* *[equipment]* *[insert type of result]* is part of an activity that has received funding from the European Institute of Innovation and Technology (EIT). This body of the European Union receives support from the European Union's Horizon 2020 research and innovation programme.'

When displayed together with another logo, the EIT KIC logo and the EU emblem must have appropriate prominence.

For the purposes of their obligations under this Article, the KIC Partners may use the EIT KIC logo and the EU emblem without prior approval from the EIT.

This does not, however, give them the right to exclusive use.

Moreover, they may not appropriate the EIT KIC logo or the EU emblem (or any similar trademark or logo), either by registration or by any other means.

#### **44.1.3 Disclaimer excluding EIT responsibility**

Any communication activity related to the specific action must indicate that it reflects only the author's view and that the EIT is not responsible for any use that may be made of the information it contains.

### **44.2 Communication activities by the EIT**

#### **44.2.1 Right to use KIC's materials, documents or information**

The EIT may use, for its communication and dissemination activities, information relating to the specific action, documents notably summaries for publication and public deliverables as well as any other material, such as pictures or audio-visual material that it receives from any KIC Partner (including in electronic form).



This does not change the confidentiality obligations in Article 42 and the security obligations in Article 43, all of which still apply.

However, if the EIT's use of these materials, documents or information would risk compromising legitimate interests, the KIC Partner concerned may request the EIT not to use it (see Article 58).

The right to use a KIC Partner's materials, documents and information includes:

- (a) **use for its own purposes** (in particular, making them available to persons working for the EIT or any other EU institution, agency or body, or institutions in EU Member States; and copying or reproducing them in whole or in part, in unlimited numbers);
- (b) **distribution to the public** (in particular, publication as hard copies and in electronic or digital format, publication on the internet, as a downloadable or non-downloadable file, broadcasting by any channel, public display or presentation, communicating through press information services, or inclusion in widely accessible databases or indexes);
- (c) **editing or redrafting** for communication and publicising activities (including shortening, summarising, inserting other elements (such as meta-data, legends, other graphic, visual, audio or text elements), extracting parts (e.g. audio or video files), dividing into parts, use in a compilation);
- (d) **translation**;
- (e) giving **access in response to individual requests** under Regulation No 1049/2001 , without the right to reproduce or exploit;
- (f) **storage** in paper, electronic or other form;
- (g) **archiving**, in line with applicable document-management rules, and
- (h) the right to authorise **third parties** to act on its behalf or sub-license the modes of use set out in Points (b),(c),(d) and (f) to third parties, if needed for the communication and publicising activities of the EIT.

If the right of use is subject to rights of a third party (including personnel of the KIC Partner), the KIC Partner must ensure that it complies with its obligations under the Framework Partnership Agreement and the Specific Agreement (in particular, by obtaining the necessary approval from the third parties concerned).

Where applicable (and if provided by the KIC Partners), the EIT will insert the following information:

"© - [year] - [name of the copyright owner]. All rights reserved. Licensed to the European Institute of Innovation and Technology (EIT) under conditions."



### 44.3 Consequences of non-compliance

If a KIC Partner breaches any of its obligations under this Article, the specific grant may be reduced (see Article 49).

Such breaches may also lead to any of the other measures described in Section 5.

## ARTICLE 45 — PROCESSING OF PERSONAL DATA

### 45.1 Processing of personal data by the EIT and the Commission

Any personal data under the Framework Partnership Agreement and the Specific Agreements will be processed by the EIT or the Commission under Regulation No 45/2001<sup>8</sup> and according to the '**notifications of the processing operations**' to the Data Protection Officer (DPO) of the EIT or of the Commission (publicly accessible in the DPO register).

Such data will be processed by the '**data controller**' of the EIT or of the Commission for the purposes of implementing, managing and monitoring of those agreements or protecting the financial interests of the EIT, the EU or Euratom (including checks, reviews, audits and investigations; see Article 28).

The persons whose personal data are processed have the right to access and correct their own personal data. For this purpose, they must send any queries about the processing of their personal data to the data controller, via the contact point indicated in the '**service specific privacy statement**' on the EIT's and the Commission's website.

They also have the right to have recourse at any time to the European Data Protection Supervisor (EDPS).

### 45.2 Processing of personal data by the KIC Partners

The KIC Partners must process personal data under the Framework Partnership Agreement and Specific Agreements in compliance with the applicable EU and national law on data protection (including authorisations or notification requirements).

The KIC Partners may grant their personnel access only to data that is strictly necessary for implementing, managing and monitoring of those agreements.

The KIC Partners must inform the personnel whose personal data are collected and processed by the EIT or the Commission. For this purpose, they must provide them with the service specific privacy statement (see above), before transmitting their data to the EIT or the Commission.

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<sup>8</sup> Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data (OJ L 8, 12.01.2001, p. 1).

### 45.3 Consequences of non-compliance

If a KIC Partner breaches any of its obligations under Article 45.2, the EIT may apply any of the measures described in Section 5.

### ARTICLE 46 — ASSIGNMENTS OF CLAIMS FOR PAYMENT AGAINST THE EIT

The KIC Partners may not assign any of their claims for payment against the EIT to any third party, except if approved by the EIT on the basis of a reasoned, written request by the KIC LE (on behalf of the KIC Partner concerned).

If the EIT has not accepted the assignment or the terms of it are not observed, the assignment will have no effect on it.

In no circumstances will an assignment release the KIC Partners from their obligations towards the EIT.

## SECTION 4 DIVISION OF KIC PARTNERS' ROLES AND RESPONSIBILITIES

### ARTICLE 47 — DIVISION OF KIC PARTNERS' ROLES AND RESPONSIBILITIES

#### 47.1 Roles and responsibilities towards the EIT

The KIC Partners have full responsibility for implementing the action ("action" in the context of this article means the particular KIC added value activity in which the KIC Partner participates) as described in Annex 1 to the Specific Agreement and complying with the Framework Partnership Agreement and the Specific Agreement.

The KIC Partners are jointly and severally liable for the **technical implementation** of the action as described in Annex 1 to the Specific Agreement. If a KIC Partner fails to implement its part of the action, the other KIC Partners become responsible for implementing this part (without being entitled to any additional EIT funding for doing so), unless the EIT expressly relieves them of this obligation.

The **financial responsibility** of each KIC Partner is governed by Articles 50, 51 and 52.

#### 47.2 Internal division of roles and responsibilities

The internal roles and responsibilities of the KIC Partners are divided as follows:

- (a) Each KIC Partner must:
  - (i) not applicable;



- (ii) inform the KIC LE immediately of any events and circumstances likely to affect significantly or delay the implementation of a specific action (see Article 23);
- (iii) submit to the KIC LE in good time:
  - individual financial statements for itself and its linked third parties and, if required, certificates on the financial statements (see Article 16 SGA);
  - the data needed to draw up the technical report (see Article 16 SGA);
  - ethics committee opinions and notifications or authorisations for activities raising ethical issues (see Article 40);
  - any other documents or information required by the EIT under the Framework Partnership Agreement or the Specific Agreement, unless those agreements require the KIC Partner to submit this information directly to the EIT.

(b) The KIC LE must:

- (i) monitor that the specific action is implemented properly (see Article 12);
- (ii) act as the intermediary for all communications between the KIC Partners and the EIT (in particular, providing the EIT with the information described in Article 23), unless the Framework Partnership Agreement or the Specific Agreement specify otherwise;
- (iii) request and review any documents or information required by the EIT and verify their completeness and correctness and consolidate them before passing it on to the EIT;
- (iv) submit the deliverables and reports to the EIT (see Articles 25 and Article 16 SGA);
- (v) ensure that all payments are made to the other KIC Partners without unjustified delay (see Article 17 SGA);
- (vi) inform the EIT of the amounts paid to each KIC Partner, when required under the Framework Partnership Agreement (see Articles 50 and 56) or requested by the EIT.

The KIC LE may not delegate the above-mentioned tasks to any other KIC Partner or subcontract them to any third party.

### 47.3 Internal arrangements

The KIC Partners must have internal arrangements regarding their operation and co-ordination to ensure that the specific actions are implemented properly (see Article 4).

#### 47.4 Relationship with complementary beneficiaries — Collaboration agreement

Not applicable

#### 47.5 Relationship with participants of a joint action — Coordination agreement

Not applicable

### SECTION 5 REJECTION OF COSTS — REDUCTION OF THE GRANT — RECOVERY — PENALTIES — DAMAGES — SUSPENSION — TERMINATION — FORCE MAJEURE

#### SUBSECTION 1 REJECTION OF COSTS — REDUCTION OF THE GRANT — RECOVERY — PENALTIES

#### ARTICLE 48 — REJECTION OF INELIGIBLE COSTS

##### 48.1 Conditions

48.1.1 The EIT will — at the time of the payment of the balance or afterwards — reject any costs for a specific action which are ineligible (see Article 5 SGA), in particular, following checks, reviews, audits or investigations (see Article 28).

48.1.2 The rejection may also be based on the extension of findings from other grants to a specific grant, under the conditions set out in Article 28.5.2.

##### 48.2 Ineligible costs to be rejected — Calculation — Procedure

Ineligible costs will be rejected in full, except for lump sum costs, which will be rejected proportionally to the tasks or parts of the specific action not implemented.

If the EIT rejects costs **without reduction of the specific grant** (see Article 49) or **recovery of undue amounts** (see Article 50), it will formally notify the KIC LE or the KIC Partner concerned the rejection of costs, the amounts and the reasons why (if applicable, together with the notification of amounts due; see Article 27). The KIC LE or the KIC Partner concerned may — within 30 days of receiving notification — formally notify the EIT of its disagreement and the reasons why.

If the EIT rejects costs **with reduction of the specific grant** or **recovery of undue amounts**, it will formally notify the rejection in the 'pre-information letter' on reduction or recovery set out in Articles 49 and 50.

##### 48.3 Effects

If the EIT rejects costs at the time of the **payment of the balance**, it will deduct them from the total eligible costs declared, for the specific action, in the financial statement (see Article 16 SGA). It will then calculate the payment of the balance (see Article 17 SGA).

If the EIT rejects costs **after the payment of the balance**, it will deduct the amount rejected from the total eligible costs declared, by the KIC Partner, in the financial statement. It will then calculate the revised final grant amount as set out in Article 10.4.

## ARTICLE 49 — REDUCTION OF THE GRANT

### 49.1 Conditions

49.1.1 The EIT may — **at the payment of the balance** or **afterwards** — reduce the maximum grant amount (see Article 4 SGA), if a specific action has not been implemented properly as described in Annex 1 to the Specific Agreement concerned or another obligation under the Framework Partnership Agreement or that Specific Agreement has been breached.

49.1.2 The EIT may also reduce the maximum grant amount on the basis of the **extension of findings from other grants to a specific grant**, under the conditions set out in Article 28.5.2.

### 49.2 Amount to be reduced — Calculation — Procedure

The amount of the reduction will be proportionate to the improper implementation of the specific action or to the seriousness of the breach.

Before reduction of the specific grant, the EIT will formally notify a '**pre-information letter**' to the KIC LE or the KIC Partner concerned:

- informing it of its intention to reduce the grant, the amount it intends to reduce and the reasons why and
- inviting it to submit observations within 30 days of receiving notification.

If the EIT does not receive any observations or decides to pursue reduction despite the observations it has received, it will formally notify **confirmation** of the reduction (if applicable, together with the notification of amounts due; see Article 17 SGA).

### 49.3 Effects

If the EIT reduces the specific grant **at the time of the payment of the balance**, it will calculate the reduced grant amount for the specific action and then determine the amount due as payment of the balance (see Article 10.3.4 and Article 17 SGA).

If the EIT reduces the specific grant **after the payment of the balance**, it will calculate the revised final grant amount for the KIC Partner concerned (see Article 10.4). If the revised final grant amount for the KIC Partner concerned is lower than its share of the final grant amount, the EIT will recover the difference (see Article 50).





## ARTICLE 50 — RECOVERY OF UNDUE AMOUNTS

### 50.1 Amount to be recovered — Calculation — Procedure

The EIT will — **after termination of the participation of a KIC Partner, at the payment of the balance or afterwards** — claim back any amount that was paid but is not due for a specific grant under the Framework Partnership Agreement and the Specific Agreement concerned.

Each KIC Partner's financial responsibility in case of recovery is limited to its own debt including undue amounts paid by the EIT for costs declared by its linked third parties, except for the amount retained for the Guarantee Fund (see Article 17 SGA).

#### 50.1.1 Recovery after termination of a KIC Partner's participation

If recovery takes place after termination of a KIC Partner's participation (including the KIC LE), the EIT will claim back the undue amount from the KIC Partner concerned by formally notifying it a debit note (see Article 56.2 and 56.3). This note will specify the amount to be recovered, the terms and the date for payment.

If payment is not made by the date specified in the debit note, the EIT will recover the amount as follows:

- (a) by **'offsetting'** it — without the KIC Partner's consent — against any amounts owed to the KIC Partner concerned by the EIT.

In exceptional circumstances, to safeguard the EU's financial interests, the EIT may offset before the payment date specified in the debit note;

- (b) not applicable;

- (c) **taking legal action** (see Article 63).

If payment is not made by the date specified in the debit note, the amount to be recovered (see above) will be increased by **late-payment interest** at the rate set out in Article 17 of the Specific Agreement, from the day following the payment date in the debit note, up to and including the date the EIT receives full payment of the amount.

Partial payments will be first credited against expenses, charges and late-payment interest and then against the principal.

Bank charges incurred in the recovery process will be borne by the KIC Partner, unless Directive 2007/64/EC<sup>9</sup> applies.

<sup>9</sup> Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 on payment services in the internal market amending Directives 97/7/EC, 2002/65/EC, 2005/60/EC and 2006/48/EC and repealing Directive 97/5/EC (OJ L 319, 05.12.2007, p. 1).



### 50.1.2 Recovery at payment of the balance

If the payment of the balance takes the form of a recovery (see Article 17 SGA), the EIT will formally notify a '**pre-information letter**' to the KIC LE:

- informing it of its intention to recover, the amount due as the balance and the reasons why;
- specifying that it intends to deduct the amount to be recovered from the amount retained for the Guarantee Fund;
- requesting the KIC LE to submit a report on the distribution of payments to the KIC Partners within 30 days of receiving notification, and
- inviting the KIC LE to submit observations within 30 days of receiving notification.

If no observations are submitted or the EIT decides to pursue recovery despite the observations it has received, it will **confirm recovery** (together with the notification of amounts due; see Article 17 SGA) and:

- pay the difference between the amount to be recovered and the amount retained for the Guarantee Fund, **if the difference is positive** or
- formally notify to the KIC LE a **debit note** for the difference between the amount to be recovered and the amount retained for the Guarantee Fund, **if the difference is negative**. This note will also specify the terms and the date for payment.

If the KIC LE does not repay the EIT by the date in the debit note and has not submitted the report on the distribution of payments: the EIT will **recover** the amount set out in the debit note from the KIC LE (see below).

If the KIC LE does not repay the EIT by the date in the debit note, but has submitted the report on the distribution of payments: the EIT will

- a) identify the KIC Partners for which the amount calculated as follows is negative:

{{{{KIC Partner's costs declared in the final summary financial statement and approved by the EIT multiplied by the reimbursement rate set out in Article 4 of the Specific Agreement for the KIC Partner concerned

[plus

its linked third parties' costs declared in the final summary financial statement and approved by the EIT multiplied by the reimbursement rate set out in Article 4 of the Specific Agreement for each linked third party concerned]]

divided by

the EU contribution for the specific action calculated according to Article 10.3.1}

multiplied by

the final grant amount (see Article 10.3)),

minus

{pre-financing payment received by the KIC Partner}}.

- b) formally notify to each KIC Partner identified according to point (a) a debit note specifying the terms and date for payment. The amount of the debit note is calculated as follows:

{{amount calculated according to point (a) for the KIC Partner concerned  
divided by

the sum of the amounts calculated according to point (a) for all the KIC Partners  
identified according to point (a)}

multiplied by

the amount set out in the debit note formally notified to the KIC LE}.

If payment is not made by the date specified in the debit note, the EIT will recover the amount:

- (a) by **offsetting** it — without the KIC Partner's consent — against any amounts owed to the KIC Partner concerned by the EIT.

In exceptional circumstances, to safeguard the EU's financial interests, the EIT may offset before the payment date specified in the debit note;

- (b) by **drawing on the Guarantee Fund**. The EIT will formally notify the KIC Partner concerned the debit note on behalf of the Guarantee Fund and recover the amount by taking legal action (see Article 63).

If payment is not made by the date in the debit note, the amount to be recovered (see above) will be increased by **late-payment interest** at the rate set out in Article 17 of the Specific Agreement, from the day following the payment date in the debit note, up to and including the date the EIT receives full payment of the amount.

Partial payments will be first credited against expenses, charges and late-payment interest and then against the principal.

Bank charges incurred in the recovery process will be borne by the KIC Partner, unless Directive 2007/64/EC applies.

### 50.1.3 Recovery of amounts after payment of the balance

If for a KIC Partner, the revised final grant amount (see Article 10.4) is lower than its share of the final grant amount, it must repay the difference to the EIT.

The KIC Partner's share of the final grant amount is calculated as follows:

{{KIC Partner's costs declared in the final summary financial statement and approved by the EIT multiplied by the reimbursement rate set out in Article 4 of the Specific Agreement for the KIC Partner concerned

[plus

its linked third parties' costs declared in the final summary financial statement and approved by the EIT multiplied by the reimbursement rate set out in Article 4 of the Specific Agreement for each linked third party concerned}}

divided by

the EIT contribution for the action calculated according to Article 10.3.1}

multiplied by

the final grant amount (see Article 10.3)).

If the KIC LE has not distributed amounts received (see Article 17 SGA), the EIT will also recover these amounts.

The EIT will formally notify a **pre-information letter** to the KIC Partner concerned:

- informing it of its intention to recover, the due amount and the reasons why and
- inviting it to submit observations within 30 days of receiving notification.

If no observations are submitted or the EIT decides to pursue recovery despite the observations it has received, it will **confirm** the amount to be recovered and formally notify to the KIC Partner concerned a **debit note**. This note will also specify the terms and the date for payment.

If payment is not made by the date specified in the debit note, the EIT will **recover** the amount:

- (a) by **offsetting** — without the KIC Partner's consent — it against any amounts owed to the KIC Partner concerned by the EIT.

In exceptional circumstances, to safeguard the EU's financial interests, the EIT may offset before the payment date specified in the debit note;

- (b) by **drawing on the Guarantee Fund**. The EIT will formally notify the KIC Partner concerned the debit note on behalf of the Guarantee Fund and recover the amount by **taking legal action** (see Article 63).

If payment is not made by the date in the debit note, the amount to be recovered (see above) will be increased by **late-payment interest** at the rate set out in Article 17 SGA, from the day following the date for payment in the debit note, up to and including the date the EIT receives full payment of the amount.

Partial payments will be first credited against expenses, charges and late-payment interest and then against the principal.

Bank charges incurred in the recovery process will be borne by the KIC Partner, unless Directive 2007/64/EC applies.

## ARTICLE 51 — ADMINISTRATIVE AND FINANCIAL PENALTIES

### 51.1 Conditions

Under Articles 109 and 131(4) of the Financial Regulation No 966/2012, the EIT may impose **administrative and financial penalties** if a KIC Partner:

- (a) has committed substantial errors, irregularities or fraud or is in serious breach of its obligations under the Framework Partnership Agreement or a Specific Agreement or
- (b) has made false declarations about information required under those agreements or for the submission of a proposal (or has not supplied such information).

Each KIC Partner is responsible for paying the financial penalties imposed on it.

Under Article 109(3) of the Financial Regulation No 966/2012, the EIT may — under certain conditions and limits — publish decisions imposing administrative or financial penalties.

### 51.2 Duration — Amount of penalty — Calculation

**Administrative penalties** exclude the KIC Partner from all EIT contracts and grants for a maximum of five years from the date the infringement is established by the EIT.

If the KIC Partner commits another infringement within five years of the date the first infringement is established, the EIT may extend the exclusion period up to 10 years.

**Financial penalties** will be between 2% and 10% of the maximum EIT contribution indicated, for the KIC Partner concerned, in the estimated budget (see Annex 2 SGA).



If the KIC Partner commits another infringement within five years of the date the first infringement is established, the EIT may increase the rate of financial penalties to between 4% and 20%.

### 51.3 Procedure

Before applying a penalty, the EIT will formally notify the KIC Partner concerned:

- informing it of its intention to impose a penalty, its duration or amount and the reasons why and
- inviting it to submit observations within 30 days.

If the EIT does not receive any observations or decides to impose the penalty despite of observations it has received, it will formally notify **confirmation** of the penalty to the KIC Partner concerned and — in case of financial penalties — deduct the penalty from the payment of the balance or formally notify a **debit note**, specifying the amount to be recovered, the terms and the date for payment.

The EIT will inform the Commission of any penalty imposed.

If payment is not made by the date specified in the debit note, the EIT may **recover** the amount:

- (a) by **offsetting** it— without the KIC Partner's consent — against any amounts owed to the KIC Partner concerned by the EIT.

In exceptional circumstances, to safeguard the EU's financial interests, the EIT may offset before the payment date in the debit note;

- (c) by **taking legal action** (see Article 63).

If payment is not made by the date in the debit note, the amount to be recovered (see above) will be increased by **late-payment interest** at the rate set out in Article 17 of the Specific Agreement, from the day following the payment date in the debit note, up to and including the date the EIT receives full payment of the amount.

Partial payments will be first credited against expenses, charges and late-payment interest and then against the principal.

Bank charges incurred in the recovery process will be borne by the KIC Partner, unless Directive 2007/64/EC applies.

## SUBSECTION 2 LIABILITY FOR DAMAGES

## ARTICLE 52 — LIABILITY FOR DAMAGES

### 52.1 Liability of the EIT

The EIT cannot be held liable for any damage caused to the KIC Partners or to third parties as a consequence of implementing the Framework Partnership Agreement or a Specific Agreement, including for gross negligence.

The EIT cannot be held liable for any damage caused by any of the KIC Partners or third parties involved in the specific action, as a consequence of implementing the Framework Partnership Agreement or a Specific Agreement.

### 52.2 Liability of the KIC Partners

#### 52.2.1 Conditions

Except in case of force majeure (see Article 57), the KIC Partners must compensate the EIT for any damage the EIT sustains as a result of the implementation of a specific action or because a specific action was not implemented in full compliance with the Framework Partnership Agreement or a Specific Agreement.

Each KIC Partner is responsible for paying the damages claimed from it.

#### 52.2.2 Amount of damages - Calculation

The amount the EIT can claim from a KIC Partner will correspond to the damage caused by that KIC Partner.

#### 52.2.3 Procedure

Before claiming damages, the EIT will formally notify the KIC Partner concerned:

- informing it of its intention to claim damages, the amount and the reasons why and
- inviting it to submit observations within 30 days.

If the EIT does not receive any observations or decides to claim damages despite the observations it has received, it will formally notify **confirmation** of the claim for damages and a **debit note**, specifying the amount to be recovered, the terms and the date for payment.

If payment is not made by the date specified in the debit note, the EIT may recover the amount:

- (a) by **offsetting** it — without the KIC Partner's consent — against any amounts owed to the KIC Partner concerned by the EIT.

In exceptional circumstances, to safeguard its financial interests, the EIT may offset before the payment date in the debit note;

- (b) by **taking legal action** (see Article 63).

If payment is not made by the date in the debit note, the amount to be recovered (see above) will be increased by **late-payment interest** at the rate set out in Article 17 SGA, from the day following the payment date in the debit note, up to and including the date the EIT receives full payment of the amount.

Partial payments will be first credited against expenses, charges and late-payment interest and then against the principal.

Bank charges incurred in the recovery process will be borne by the KIC Partner, unless Directive 2007/64/EC applies.

### SUBSECTION 3 SUSPENSION AND TERMINATION

#### ARTICLE 53 — SUSPENSION OF PAYMENT DEADLINE

##### 53.1 Conditions

The EIT may — at any moment — suspend the payment deadline in a specific grant (see Article 17 SGA) if a request for payment (see Article 16 SGA) cannot be approved because:

- (a) it does not comply with the provisions of the Specific Agreement (see Article 16 SGA);
- (b) the final report has not been submitted or is not complete or additional information is needed, or
- (c) there is doubt about the eligibility of the costs declared in the financial statements and additional checks, reviews, audits or investigations are necessary.

##### 53.2 Procedure

The EIT will formally notify the KIC LE of the suspension and the reasons why.

The suspension will **take effect** the day notification is sent by the EIT (see Article 58).

If the conditions for suspending the payment deadline are no longer met, the suspension will be **lifted** — and the remaining period will resume.

If the suspension exceeds two months, the KIC LE may request the EIT if the suspension will continue.





If the payment deadline has been suspended due to the non-compliance of the final report (see Article 16 SGA) and the revised report or statement is not submitted or was submitted but is also rejected, the EIT may also terminate the Specific Agreement concerned or the participation of the KIC Partner (see Article 56.3.1(j)).

## ARTICLE 54 — SUSPENSION OF PAYMENTS

### 54.1 Conditions

The EIT may — at any moment — suspend for a specific grant, in whole or in part, the pre-financing payment for one or more KIC Partners or the payment of the balance for all KIC Partners, if a KIC Partner:

- a) has committed or is suspected of having committed substantial errors, irregularities, fraud or serious breach of obligations in the award procedure or under the Framework Agreement or a Specific Agreement or
- b) has committed — in other EIT, EU or Euratom grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on the specific grant (**extension of findings from other grants to the specific grant**; see Article 28.5.2).

### 54.2 Procedure

Before suspending payments, the EIT will formally notify the KIC LE:

- informing it of its intention to suspend payments and the reasons why and
- inviting it to submit observations within 30 days of receiving notification.

If the EIT does not receive observations or decides to pursue the procedure despite the observations it has received, it will formally notify confirmation of the suspension. Otherwise, it will formally notify that the suspension procedure is not continued.

The suspension will **take effect** the day the confirmation notification is sent by the EIT.

If the conditions for resuming payments are met, the suspension will be lifted. The EIT will formally notify the KIC LE.

The KIC Partners may suspend implementation of the specific action (see Article 55.1) or terminate the Specific Agreement concerned or the participation of the KIC Partner concerned (see Articles 56.1 and 56.2).

## ARTICLE 55 — SUSPENSION OF THE IMPLEMENTATION OF THE SPECIFIC ACTION

### 55.1 Suspension of the implementation of the specific action, by the KIC Partners

### 55.1.1 Conditions

The KIC Partners may suspend implementation of a specific action or any part of it, if exceptional circumstances — in particular *force majeure* (see Article 57) — make implementation impossible or excessively difficult.

### 55.1.2 Procedure

The KIC LE must immediately formally notify to the EIT of the suspension (see Article 58), stating:

- the reasons why and
- the expected date of resumption.

The suspension will **take effect** the day this notification is received by the EIT.

Once circumstances allow for implementation to resume, the KIC LE must immediately formally notify the EIT and request an amendment of the Specific Agreement concerned to set the date on which the specific action will be resumed, extend the duration of the specific action and make other changes necessary to adapt the specific action to the new situation (see Article 61) — unless the Specific Agreement or the participation of a KIC Partner has been terminated (see Article 56).

The suspension will be lifted with effect from the resumption date set out in the amendment. This date may be before the date on which the amendment enters into force.

Costs incurred during suspension of the implementation of the specific action are not eligible (see Article 5 SGA).

## 55.2 Suspension of the implementation of the specific action, by the EIT

### 55.2.1 Conditions

The EIT may suspend implementation of a specific action or any part of it:

- (a) if a KIC Partner has committed or is suspected of having committed substantial errors, irregularities, fraud or serious breach of obligations in the award procedure or under the Framework Partnership Agreement or a Specific Agreement;
- (b) if a KIC Partner has committed — in other EIT, EU or Euratom grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on the specific grant (**extension of findings from other grants to the specific grant**; see Article 28.5.2).
- (c) not applicable.

### 55.2.2 Procedure

Before suspending implementation of the specific action, the EIT will formally notify the KIC LE:

- informing it of its intention to suspend the implementation and the reasons why and
- inviting it to submit observations within 30 days of receiving notification.

If the EIT does not receive observations or decides to pursue the procedure despite the observations it has received, it will formally notify confirmation of the suspension. Otherwise, it will formally notify that the procedure is not continued.

The suspension will **take effect** five days after the confirmation notification is received by the KIC LE (or on a later date specified in the notification).

It will be **lifted** if the conditions for resuming implementation of the specific action are met. The KIC LE will be formally notified of the lifting and the Specific Agreement concerned will be amended to set the date on which the specific action will be resumed, extend the duration of the specific action and make other changes necessary to adapt the specific action to the new situation (see Article 61) — unless the Agreement has already been terminated (see Article 56).

The suspension will be lifted with effect from the resumption date set out in the amendment. This date may be before the date on which the amendment enters into force.

Costs incurred during suspension are not eligible (see Article 5 SGA).

The KIC Partners may not claim damages due to suspension by the EIT (see Article 52).

Suspension of the implementation of the specific action does not affect the EIT's right to terminate the Agreement or participation of a KIC Partner (see Article 56), reduce the grant or recover amounts unduly paid (see Articles 49 and 50).

## ARTICLE 56 — TERMINATION OF THE SPECIFIC AGREEMENT OR OF THE PARTICIPATION OF ONE OR MORE KIC PARTNERS

### 56.1 Termination of the Specific Agreement, by the KIC Partners

#### 56.1.1 Conditions and procedure

The KIC Partners may terminate a Specific Agreement.

The KIC LE must formally notify termination to the EIT (see Article 58), stating:

- the reasons why and

- the date the termination will take effect. This date must be after the notification.

If no reasons are given or if the EIT considers the reasons do not justify termination, the Specific Agreement concerned will be considered to have been **'terminated improperly'**.

The termination will **take effect** on the day specified in the notification.

### 56.1.2 Effects

The KIC LE must — within 60 days from when termination takes effect — submit **a final report** (see Article 16 SGA).

If the EIT does not receive the report within the deadline (see above), no costs are considered as eligible.

The EIT will **calculate** the final grant amount (see Article 10.3) and the balance (see Article 17 SGA) on the basis of the report submitted. Only costs incurred until termination are eligible. Costs relating to contracts due for execution only after termination are not eligible.

Improper termination may lead to a reduction of the grant (see Article 49).

After termination, the KIC Partners' obligations (in particular Articles 26, 28, 29, Subsection 3 of Section 3 of Chapter 3, 42, 43, 44, 46) continue to apply.

## 56.2 Termination of the participation of one or more KIC Partners, by the KIC Partners

### 56.2.1 Conditions and procedure

The participation of one or more KIC Partners in a specific action may be terminated by the KIC LE, on request of the KIC Partner concerned or on behalf of the other KIC Partners; such a request shall be made in compliance with the KIC's governance rules.

The KIC LE must formally notify termination to the EIT (see Article 58) and inform the KIC Partner concerned.

If the KIC LE's participation is terminated, the formal notification must be done by another KIC Partner (acting on behalf of all the other KIC Partners).

The notification must include:

- the reasons why;
- the opinion of the KIC Partner concerned (or proof that this opinion has been requested in writing);
- the date the termination takes effect. This date must be after the notification;



- a request for amendment (see Article 61), with a proposal for reallocation of the tasks and the estimated budget of the KIC Partner concerned (see Annexes 1 and 2 SGA) and, if necessary, the addition of one or more new KIC Partners (see Article 62). If termination takes effect after the period set out in Article 3 of the Specific Agreement, no request for amendment must be included unless the KIC Partner concerned is the KIC LE. In this case, the request for amendment must propose a new KIC LE.

If this information is not given or if the EIT considers that the reasons do not justify termination, the participation will be considered to have been **terminated improperly**.

The termination will **take effect** on the day specified in the notification.

### 56.2.2 Effects

The KIC LE must — within 30 days from when termination takes effect — submit:

- (i) a report on the distribution of payments to the KIC Partner concerned and
- (ii) if termination takes effect during the period set out in Article 3 of the Specific Agreement, a **'termination report'** from the KIC Partner concerned, containing an overview of the progress of the work until termination, an overview of the use of resources, the individual financial statement and, if applicable, the certificate on the financial statement (see Article 16 SGA).

The information in the termination report must also be included in the final report (see Article 16 SGA).

If the request for amendment is rejected by the EIT (because it calls into question the decision awarding the specific grant or breaches the principle of equal treatment of applicants or the KICs), the Specific Agreement concerned may be terminated according to Article 56.3.1(c).

If the request for amendment is accepted by the EIT, the Specific Agreement concerned is **amended** to introduce the necessary changes (see Article 61).

The EIT will **calculate** — on the basis of the termination report and the report on the distribution of payments — if the pre-financing payment received by the KIC Partner concerned exceed the KIC Partner's EIT contribution (calculated by applying the reimbursement rate(s) to the eligible costs declared by the KIC Partner and its linked third parties and approved by the EIT. Only costs incurred by the KIC Partner concerned until termination takes effect are eligible (see Article 5 SGA). Costs relating to contracts due for execution only after termination are not eligible.

- If the payments received **exceed the amounts due**:

- if termination takes effect during the period set out in Article 3 of the Specific Agreement and the request for amendment is accepted, the KIC Partner concerned must repay to the KIC LE the amount unduly received. The EIT will formally notify the amount unduly received and request the KIC Partner concerned to repay it to the KIC LE within 30 days of receiving notification. If it does not repay the KIC LE, the EIT will draw upon the Guarantee Fund to pay the KIC LE and then notify a debit note on behalf of the Guarantee Fund to the KIC Partner concerned (see Article 50);
- in all other cases (in particular if termination takes effect after the period set out in Article 3 of the Specific Agreement), the EIT will formally notify a debit note to the KIC Partner concerned. If payment is not made by the date in the debit note, the Guarantee Fund will pay to the EIT the amount due and the EIT will notify a debit note on behalf of the Guarantee Fund to the KIC Partner concerned (see Article 50);
- if the KIC Partner concerned is the former KIC LE, it must repay the new KIC LE the amount unduly received;

In this case, the EIT will formally notify a debit note to the former KIC LE. If payment is not made by the date in the debit note, the Guarantee Fund will pay to EIT the amount due. The EIT will then pay the new KIC LE and notify a debit note on behalf of the Guarantee Fund to the former KIC LE (see Article 50).

- If the payments received **do not exceed the amounts due**: amounts owed to the KIC Partner concerned will be included in the payment of the balance.

If the EIT does not receive the termination report within the deadline (see above), the EIT will not consider any cost as eligible.

If the EIT does not receive the report on the distribution of payments within the deadline (see above), it will consider that:

- the KIC LE did not distribute any payment to the KIC Partner concerned, and that
- the KIC Partner concerned must not repay any amount to the KIC LE.

Improper termination may lead to a reduction of the specific grant (see Article 49) or termination of the Specific Agreement concerned (see Article 56).

After termination, the concerned KIC Partner's obligations (in particular Articles 26, 28, 29, Subsection 3 of Section 3 of Chapter 3, 42, 43, 44, 46) continue to apply.

### 56.3 Termination of the Specific Agreement or participation for one or more KIC Partners, by the EIT

#### 56.3.1 Conditions



The EIT may terminate a Specific Agreement or the participation of one or more KIC Partners in a specific action, if:

- (a) one or more KIC Partner do not accede to the Framework Partnership Agreement
- (b) a change to their legal, financial, technical, organisational or ownership situation (or those of its linked third parties) is likely to substantially affect or delay the implementation of the specific action or calls into question the decision to award the specific grant;
- (c) following termination of participation for one or more KIC Partners (see above), the necessary changes to the Specific Agreement would call into question the decision awarding the specific grant or breach the principle of equal treatment of applicants or the KICs (see Article 61);
- (d) implementation of the specific action is prevented by force majeure (see Article 57) or suspended by the KIC LE (see Article 55.1) and either:
  - (i) resumption is impossible, or
  - (ii) the necessary changes to the Specific Agreement would call into question the decision awarding the specific grant or breach the principle of equal treatment of applicants or the KICs;
- (e) a KIC Partner is declared bankrupt, being wound up, having its affairs administered by the courts, has entered into an arrangement with creditors, has suspended business activities, or is subject to any other similar proceedings or procedures under national law;
- (f) a KIC Partner (or a natural person who has the power to represent or take decisions on its behalf) has been found guilty of professional misconduct, proven by any means;
- (g) a KIC Partner does not comply with the applicable national law on taxes and social security;
- (h) not applicable;
- (i) a KIC Partner (or a natural person who has the power to represent or take decisions on its behalf) has committed fraud, corruption, or is involved in a criminal organisation, money laundering or any other illegal activity affecting the EU's financial interests;
- (j) a KIC Partner (or a natural person who has the power to represent or take decisions on its behalf) has — in the award procedure or under the Framework Partnership Agreement or the Specific Agreement — committed:



- (i) substantial errors, irregularities, fraud or
- (ii) serious breach of obligations, including improper implementation of the specific action, submission of false information, failure to provide required information, breach of ethical principles;
- (k) a KIC Partner has committed — in other EIT, EU or Euratom grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on the specific grant (**'extension of findings from other grants to the specific grant'**);

The Specific Agreements may provide for additional grounds for termination (see Article 20 SGA).

### 56.3.2 Procedure

Before terminating the Specific Agreement or participation of one or more KIC Partners, the EIT will formally notify the KIC LE:

- informing it of its intention to terminate and the reasons why and
- inviting it, within 30 days of receiving notification, to submit observations and — in case of Point (j.ii) above — to inform the EIT of the measures to ensure compliance with the obligations under the Framework Partnership Agreement and the Specific Agreement concerned.

If the EIT does not receive observations or decides to pursue the procedure despite the observations it has received, it will formally notify to the KIC LE **confirmation** of the termination and the date it will take effect. Otherwise, it will formally notify that the procedure is not continued.

The termination will **take effect**:

- for terminations under Points (b), (c), (e), (g), (h) and (j.ii) above: on the day specified in the notification of the confirmation (see above);
- for terminations under Points (a), (d), (f), (i), (j.i) and (k) above: on the day after the notification of the confirmation is received by the KIC LE.

### 56.3.3 Effects

- (a) for **termination of the Agreement**:

The KIC LE must — within 60 days from when termination takes effect — submit the final report (see Article 16 SGA).



If the Specific Agreement is terminated for breach of the obligation to submit the final report (see Article 52.3.1(j) and Article 16 SGA) the KIC LE may not submit any reports after termination.

If the EIT does not receive the report within the deadline (see above), the EIT will not consider any cost as eligible for the specific action.

The EIT will calculate the final grant amount (see Article 10.3) and the balance (see Article 17 SGA) on the basis of the report submitted. Only costs incurred until termination takes effect are eligible (see Article 5 SGA). Costs relating to contracts due for execution only after termination are not eligible.

This does not affect the EIT's right to reduce the specific grant (see Article 49) or to impose administrative and financial penalties (Article 51).

The KIC Partners may not claim damages due to termination by the EIT (see Article 52).

After termination, the KIC Partners' obligations (in particular Articles 26, 28, 29, Subsection 3 of Section 3 of Chapter 3, 42, 43, 44, 46) continue to apply.

(b) for **termination of the participation of one or more KIC Partners:**

The KIC LE must — within 60 days from when termination takes effect — submit:

- (i) a report on the distribution of payments to the KIC Partner concerned;
- (ii) a request for amendment (see Article 61), with a proposal for reallocation of the tasks and the estimated budget of the KIC Partner concerned (see Annexes 1 and 2 SGA) and, if necessary, the addition of one or more new KIC Partners (see Article 62). If termination takes effect after the period set out in Article 3 of the Specific Agreement, no request for amendment must be included unless the KIC Partner concerned is the KIC LE. In this case, the request for amendment must propose a new KIC LE, and
- (iii) if termination takes effect during the period set out in Article 3 of the Specific Agreement, a **termination report** from the KIC Partner concerned, containing an overview of the progress of the work until termination, an overview of the use of resources, the individual financial statement and, if applicable, the certificate on the financial statement (see Article 16 SGA);

The information in the termination report must also be included in the final report (see Article 16 SGA).

If the request for amendment is rejected by the EIT (because it calls into question the decision awarding the grant or breaches the principle of equal treatment of applicants or the KICs), the Specific Agreement may be terminated according to Article 56.3.1(c).



If the request for amendment is accepted by the EIT, the Specific Agreement is **amended** to introduce the necessary changes (see Article 61).

The EIT will **calculate** — on the basis of the termination report and the report on the distribution of payments — if the pre-financing payment received by the KIC Partner concerned exceed the KIC Partner's EU contribution (calculated by applying the reimbursement rate(s) to the eligible costs declared by the KIC Partner and its linked third parties and approved by the EIT). Only costs incurred by the KIC Partner concerned until termination takes effect are eligible (see Article 5 SGA). Costs relating to contracts due for execution only after termination are not eligible.

- If the payments received **exceed the amounts due**:
  - if termination takes effect during the period set out in Article 3 of the Specific Agreement and the request for amendment is accepted, the KIC Partner concerned must repay to the KIC LE the amount unduly received. The EIT will formally notify the amount unduly received and request the KIC Partner concerned to repay it to the KIC LE within 30 days of receiving notification. If it does not repay the KIC LE, the EIT will draw upon the Guarantee Fund to pay the KIC LE and then notify a debit note on behalf of the Guarantee Fund to the KIC Partner concerned (see Article 50);
  - in all other cases, in particular if termination takes effect after the period set out in Article 3 of the Specific Agreement, the EIT will formally notify a debit note to the KIC Partner concerned. If payment is not made by the date in the debit note, the Guarantee Fund will pay to the EIT the amount due and the EIT will notify a debit note on behalf of the Guarantee Fund to the KIC Partner concerned (see Article 50) ;
  - if the KIC Partner concerned is the former KIC LE, it must repay the new KIC LE the amount unduly received.

In this case, the EIT will formally notify a **debit note** to the former KIC LE. If payment is not made by the date in the debit note, the Guarantee Fund will pay to the EIT the amount due. The EIT will then pay the new KIC LE and notify a debit note on behalf of the Guarantee Fund to the former KIC LE (see Article 50).

- If the payments received **do not exceed the amounts due**: amounts owed to the KIC Partner concerned will be included in the payment of the balance.

If the EIT does not receive the termination report within the deadline (see above), the EIT will not consider any cost as eligible.

If the EIT does not receive the report on the distribution of payments within the deadline (see above), it will consider that:

- the KIC LE did not distribute any payment to the KIC Partner concerned, and that
- the KIC Partner concerned must not repay any amount to the KIC LE.

After termination, the concerned KIC Partner's obligations (in particular Articles 26, 28, 29, Subsection 3 of Section 3 of Chapter 3, 42, 43, 44, 46) continue to apply.

## **SUBSECTION 4 FORCE MAJEURE**

### **ARTICLE 57 — FORCE MAJEURE**

'Force majeure' means any situation or event that:

- prevents either party from fulfilling their obligations under the Agreement,
- was unforeseeable, exceptional situation and beyond the parties' control,
- was not due to error or negligence on their part (or on the part of third parties involved in the action), and
- proves to be inevitable in spite of exercising all due diligence.

The following cannot be invoked as force majeure:

- any default of a service, defect in equipment or material or delays in making them available, unless they stem directly from a relevant case of force majeure,
- labour disputes or strikes, or
- financial difficulties.

Any situation constituting force majeure must be formally notified to the other party without delay, stating the nature, likely duration and foreseeable effects.

The parties must immediately take all the necessary steps to limit any damage due to force majeure and do their best to resume implementation of the action as soon as possible.

The party prevented by force majeure from fulfilling its obligations under the Framework Partnership Agreement or a Specific Agreement cannot be considered in breach of them.

## **CHAPTER 4 FINAL PROVISIONS**

### **ARTICLE 58 — COMMUNICATIONS BETWEEN THE PARTIES SIGNING THE FRAMEWORK PARTNERSHIP AGREEMENT**

## 58.1 Form and means of communications

Communication under the Framework Partnership Agreement and the Specific Agreements (information, requests, submissions, formal notifications, etc.) must:

- be made in writing and
- bear the number of the Framework Partnership Agreement and the Specific Agreement concerned;
- be submitted to the addresses listed in Article 58.3.

Communication may be made either:

- through the EIT dedicated electronic exchange platform and using the forms and templates provided there;
- electronically in the form of e-mail; or
- by registered post with proof of delivery ('formal notification on paper').

If the electronic exchange system is temporarily unavailable, instructions will be provided by the EIT.

Formal notifications must be made by registered post with proof of delivery.

Electronic communications must be confirmed by an original signed paper version of that communication, if requested by any of the parties signing the Framework Partnership Agreement, provided that this request is submitted without unjustified delay. The sender shall send the original signed paper version without unjustified delay.

Communications from the other KIC Partners shall be channelled via the KIC LE.

## 58.2 Date of communications

**Communications** are considered to have been made when they are received by the receiving party, unless the Framework Partnership Agreement or the Specific Agreement refers to the date when the communication was sent.

**Electronic communications** are considered to have been made on the day of successful dispatch of the communication, provided that it is sent to the addressees listed in Article 58.3. Dispatch is considered unsuccessful if the sending party receives a message of non-delivery. In this case, the sending party must immediately send again such communication to any of the other addresses listed in Article 58.3. In case of unsuccessful dispatch, the sending party will not be held in breach of its obligation to send such communication within a specified deadline.

**Formal notifications on paper** sent by registered post with proof of delivery are considered to have been made on either:

- the delivery date registered by the postal service or
- the deadline for collection at the post office.

**Formal notifications through the EIT dedicated electronic exchange platform** are considered to have been made when they are received by the receiving party (i.e. on the date and time of acceptance by the receiving party). A formal notification that has not been accepted within 30 days after sending is considered to have been accepted.

### 58.3 Addresses for communication

Communications addressed to the EIT must be sent to the following address:

Director  
European Institute of Innovation and Technology - EIT  
Infopark, Building E, 1 Neumann Janos Street  
1117 Budapest  
Hungary

E-mail address:

[EIT-director@eit.europa.eu](mailto:EIT-director@eit.europa.eu)

Communications from the EIT to the KIC Partners must be sent to the KIC LE's legal address or e-mail address as specified in the preamble.

The electronic exchange platform can be accessed via the following URL:

<https://duna.eit.europa.eu>

The EIT will formally notify the KIC LE in advance of any changes to this platform.

## ARTICLE 59 — INTERPRETATION OF THE FRAMEWORK PARTNERSHIP AGREEMENT AND THE SPECIFIC AGREEMENTS

### 59.1 Precedence of the Terms and Conditions over the Annexes

The provisions in the Terms and Conditions of the Framework Partnership Agreement and the Specific Agreements take precedence over their Annexes.

The provisions in Annex 2 to the Specific Agreement take precedence over its Annex 1.

### 59.2 Precedence of the Terms and Conditions of the Specific Agreements over the Framework Partnership Agreement



The provisions in the 'Terms and Conditions' of the Specific Agreements take precedence over the Framework Partnership Agreement.

## **ARTICLE 60 — CALCULATION OF PERIODS, DATES AND DEADLINES**

In accordance with Regulation No 1182/71<sup>10</sup>, periods expressed in days, months or years are calculated from the moment the triggering event occurs.

The day during which that event occurs is not considered as falling within the period.

## **ARTICLE 61 — AMENDMENTS TO THE FRAMEWORK PARTNERSHIP AGREEMENT AND THE SPECIFIC AGREEMENTS**

### **61.1 Conditions**

The Framework Partnership Agreement and the Specific Agreements may be amended, unless the amendment entails changes to those agreements which would call into question the decisions awarding the framework partnership or specific grants concerned or breach the principle of equal treatment of the applicants or KICs.

Amendments may be requested by any of the parties signing the Framework Partnership Agreement.

### **61.2 Procedure**

The party requesting an amendment must submit a request for amendment (see Article 58).

The KIC LE submits and receives requests for amendment on behalf of the KIC Partners (see Annex 4).

If a change of the KIC LE is requested, the submission must be done by another KIC Partner (acting on behalf of the other KIC Partners).

The request for amendment must include:

- the reasons why;
- the appropriate supporting documents, and
- for a change of the KIC LE: the opinion of the KIC LE (or proof that this opinion has been requested in writing).

The EIT may request additional information.

<sup>10</sup> Regulation (EEC, Euratom) No 1182/71 of the Council of 3 June 1971 determining the rules applicable to periods, dates and time-limits (OJ L 124, 8.6.1971, p. 1).



If the party receiving the request agrees, it must sign the amendment within 45 days of receiving notification (or any additional information the EIT has requested). If it does not agree, it must formally notify its disagreement within the same deadline. The deadline may be extended, if necessary for the assessment of the request. If no notification is received within the deadline, the request is considered to have been rejected.

An amendment **enters into force** on the day of the signature of the receiving party.

An amendment **takes effect** on the date agreed by the parties or, in the absence of such an agreement, on the date on which the amendment enters into force.

## **ARTICLE 62 — ACCESSION TO THE FRAMEWORK PARTNERSHIP AGREEMENT AND THE SPECIFIC AGREEMENTS**

### **62.1 Accession of the KIC Partners mentioned in Annex 2**

The other KIC Partners must accede to the Framework Partnership Agreement by signing the Accession Form (see Annex 4), within 120 days after its entry into force (see Article 64).

All KIC Partners having acceded to the Framework Partnership Agreement must be part of the Specific Agreements. The KIC Partners will accede to the Specific Agreement by signature of the KIC LE (mandate in Annex 4).

They will assume the rights and obligations under the agreements with effect from the date of their entry into force (see Article 64 and Article 21 SGA).

If a KIC Partner does not accede to the Framework Partnership Agreement within the above deadline, the KIC LE must — within 30 days — request an amendment to make any changes necessary to ensure proper implementation of the Strategic Agenda. This does not affect the EIT's right to terminate the agreements (see Articles 6 and 56).

### **62.2 Addition of new KIC Partners**

In justified cases, the KIC Partners may request the addition of a new KIC Partner.

For this purpose, the KIC LE must submit a request for amendment of the Framework Partnership Agreement and the ongoing Specific Agreement in accordance with Article 61. The request must include an Accession Form (see Annex 4) signed by the new KIC Partner.

New KIC Partners must assume the rights and obligations under the agreements with effect from the date of their accession specified in the Accession Form (see Annex 4).

## **ARTICLE 63 — APPLICABLE LAW AND SETTLEMENT OF DISPUTES**

### **63.1 Applicable law**

The Framework Partnership Agreement and the Specific Agreements are governed by the applicable EU law, supplemented if necessary by the law of Belgium.

## 63.2 Dispute settlement

If a dispute concerning the interpretation, application or validity of the Framework Partnership Agreement or a Specific Agreement cannot be settled amicably, the General Court — or, on appeal, the Court of Justice of the European Union — has sole jurisdiction. Such actions must be brought under Article 272 of the Treaty on the Functioning of the EU (TFEU).

As an exception, if such a dispute is between the EIT and non-EU KIC Partner(s) (except KIC Partners established in an associated country with an association agreement to Horizon 2020 that stipulates sole jurisdiction of the European Court of Justice), the competent Belgian courts have sole jurisdiction.

For KIC Partners not receiving EIT funding under a Specific Agreement, such disputes must — if they cannot be settled amicably — be referred to arbitration.

The Permanent Court of Arbitration Optional Rules for Arbitration Involving International Organisations and States in force at the date of entry into force of the Agreement will apply.

The appointing authority will be the Secretary-General of the Permanent Court of Arbitration following a written request submitted by either party signing the Framework Partnership Agreement.

The arbitration proceedings must take place in Brussels and the language used in the arbitral proceedings will be English.

The arbitral award will be binding on all parties and will not be subject to appeal.

If a dispute concerns administrative or financial penalties or offsetting (see Articles 50, 51 and 52), the KIC Partners must bring action before the General Court — or, on appeal, the Court of Justice of the European Union — under Article 263 TFEU.

## ARTICLE 64 — ENTRY INTO FORCE OF THE FRAMEWORK PARTNERSHIP AGREEMENT

The Framework Partnership Agreement shall enter into force with retroactive effect on 01 January 2016.

By the entry into force of the present Framework Partnership Agreement, the Framework Partnership Agreement signed by the parties on 16/02/2011 shall be repealed.

The KIC Partners will ensure the transition from the currently applicable KIC IP Policy to comply with the Articles 29a-37 of the FPA in the course of 2016.





SIGNATURES

For the KIC LE,

For the EIT,

Ian Frederick Short  
Climate-KIC Interim CEO

Martin Kern  
EIT Interim Director

Done in English at      on

Done in English at      on



## Annex I

Annex I of the Framework Partnership Agreement contains the Strategic Agenda of the KIC.

# CLIMATE-KIC STRATEGIC AGENDA 2016-22

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## EXECUTIVE SUMMARY<sup>1</sup>

The impacts of climate change have continued unabated in 2015 with extreme events experienced globally, generating huge economic and societal problems. The crucial 2°C threshold of warming is what separates manageable impact from the unmanageable, yet analyses suggest we are on a track for 4°C; which would have severe consequences for societies worldwide. With increasing heat waves, rising sea level, droughts and crop failures human adaptability could face unprecedented challenges<sup>2</sup>: that sit at the core our global societal resilience<sup>3</sup>. We must tackle climate change with urgency and impact.

Meanwhile, there is a growing recognition that affordable, scalable solutions can be developed to enable leapfrogging to cleaner, more resilient economies. These need to be forged in *'cooperative multi-stakeholder partnerships, not just amongst governments, but amongst businesses and investors, states and regions, cities and communities to catalyse growth and reduce emissions'*<sup>4</sup>. The EU target (economy-wide, domestic at least 40% GHG emission reduction by 2030) creates immediate market opportunities for scaling up innovative products and services. Europe is well placed to lead this challenge.

EIT and Climate-KIC were created to bring a systemic approach to innovation, harnessing the actors, skills and strengths across the knowledge triangle. Europe needs more than new technologies; it also needs new business models, legal frameworks and social practices and cross-sectorial action. The societal challenge of climate change calls on all sectors for the transition to a low-carbon economy, by embedding climate action in market and policy mechanisms alike. Climate-KIC is the vehicle for this change in Europe.

Key to Climate-KIC's systemic approach is partnership, a balanced cross-sector community of >250 first-class knowledge institutions, leading corporations, SMEs and ambitious actors from the public sector. We bring this community together at our co-location centres (CLCs) and our Regional Innovation and Implementation Community (RIC) to assure a strong supply of ideas and the latest thinking on transformational barriers, to stimulate market uptake and a clear view of demand side needs and to deliver innovation built on new forms of cooperation.

<sup>1</sup> This is an extract from section E of the 2016 Business Plan. Please refer to it for further details.

<sup>2</sup> IPCC report 2015.

<sup>3</sup> Global Risks 2015 report of the World Economic Forum

<sup>4</sup> New Climate Economy report, 2015

## COSTS – indicative budget 2016-2022

Sources of funding (in million EUR)	2016	2017	2018	2019 - 2022	TOTAL
EIT funding	81	85	85	280	531
NON-EIT funding of which:	397	370	383	1,374	2,524
1) Overall partners' contribution	391	355	355	1,180	2,281
2) Other sources	6	15	28	194	243
<b>TOTAL</b>	<b>478</b>	<b>455</b>	<b>468</b>	<b>1,654</b>	<b>3,055</b>

The amounts indicated in the budget table are purely forecasts and do not in any way reflect a commitment to a particular level of financing by the EIT.

# 1. Strategy

## 1.1 Strategic objectives of the KIC

**We bring together, inspire and empower a dynamic community to build a zero-carbon economy and climate resilient society**

Climate-KIC aims to deliver:

1. Better exploitation of the knowledge triangle to enhance our innovation potential.
2. Increased climate action through an end-to-end pipeline that scales innovation.
3. Improved Climate-KIC governance further reducing the potential for conflicts of interest.
4. Step change in operational efficiency through new systems and refining our organisational structure and processes.
5. Improved financial sustainability by diversifying our funding.

The 2016 Business Plan represents an evolution on strong performance through 2015 and a transition to a refreshed multiannual strategy that will continue to guide us through to 2018.

### Exploiting the Knowledge Triangle<sup>5</sup>

Climate-KIC remains committed to the knowledge triangle and indeed sees opportunities to exploit it further. Our work to date has provided tangible evidence of the correlation between the volume and quality of interactions and the likelihood of transformational innovations. Put simply, the more we can foster high quality interactions between relevant actors in the knowledge triangle, the more innovation we can expect to create and support. While the engagement model of Education is most mature, we still see that Research and Business do not always engage optimally. Our thematic focus motivates integration around common interests and therefore the interaction that drives ideas. We have identified four core Themes along with a fifth foundation Theme, Education.

**Urban Transitions:** Develop integrated, interoperable, scalable and replicable systemic solutions to underpin the carbon-negative, responsive, resilient cities of the future.

The Urban Transitions Theme will be integrating many stakeholder networks and disciplines in a very dynamic knowledge triangle. The Climate-KIC differentiator will be our focus on the practical application of systemic solutions, making the innovation that we already have work better, rather than looking for new Point Innovations. The Smart Sustainable Districts (SSD) and Building Technology Accelerator (BTA) Flagships are already spearheading this.

<sup>5</sup> This is an extract from section A and C of the 2016 Business Plan. Please refer to it for further details.

**Sustainable Land Use Systems:** Produce innovative scalable solutions to generate value for actors using land resources while reducing emissions, increasing carbon sequestration and societal resilience.

Land is both an emitter and sink of carbon, it provides food for consumption and feedstock for industry and of course, it provides a habitat for those living on it. In this complex environment, Climate-KIC has to address changing land use in the context of the value chains that it supports, to ensure we avoid zero-sum diversions. More specifically, this Theme sees most innovation potential in agriculture and forestry activities, which will be addressed through integrated landscape approaches. There is a particular emphasis on agriculture through the Climate Smart Agriculture (CSA) Flagship.

**Sustainable Production Systems:** Accelerate the transition to economically viable circular models, decoupling growth from resource use and GHG emissions.

At the heart of our ambition to decarbonise Europe's industry, is the premise that economic growth must be decoupled from resource use and GHG emissions. To achieve this aim, we have prioritised: bio-based feedstock, CO<sub>2</sub> capture and reuse, by-product valorisation and the circular economy. Notably our EnCO<sub>2</sub>re Flagship brings together cross-sectorial Partners to produce mid-stream chemicals from large-scale CO<sub>2</sub> emitters.

**Decision Metrics and Finance:** Create innovative, transformative tools and systems to monitor and model climate impact and risk, unlock investment and change behaviour.

As all of our Themes illustrate, addressing climate change is a complex endeavour and this complexity can often hinder confident action. This Theme aims to make the process of planning and decision-making more straightforward and thereby unlock investment to where it can make the biggest difference. The very same tools and systems also bring clarity to where human action can make a difference – behavioural change from a personal or collective perspective. The LoCal Flagship specifically supports cities in mobilising action against climate change whether in mitigation or adaptation.

**Education:** Inspiring and empowering innovators to catalyse climate action.

Education is at the heart of Climate-KIC and continues in its broader remit of inspiring and building human capital. In addition to that role, Education now more directly supports the Themes, addressing knowledge and competency gaps that were previously performed within other pillars. Education will continue to evolve its highly developed formats from targeted learning-by-doing through to broad reaching online education.

### Increase climate action<sup>6</sup>

As the societal challenge of climate change becomes more acute, the pressure to deliver climate action increases, catalysing further opportunities for Climate-KIC. While we welcome this positive pressure stimulating the zero-carbon economy and climate resilient societies, we must accept that we cannot pursue every opportunity. We need to be selective. We must assure ourselves that we are most focused on end outcomes that make a significant material difference.

The awkward truth is that innovation is inherently unpredictable, both in deviating from original expectations and also in the non-linear manner in which progress is experienced. While designing the new thematic structure, Climate-KIC took the opportunity to consider how we can address this discord and better manage progress to outcomes and impact. The result was a revised Innovation Framework based on an integrated end-to-end approach that supports, rather than dictates progress.



From the knowledge and competencies of our partner community that helps set our priorities, through to innovations that have scaled and delivered real climate action, this framework guides all our innovation activities. The five specific programmes have a specific purpose linked to the progress of innovation. Each one has minimum entry criteria focused on the dimensions of progress that Climate-KIC supports. Each unlocks new Climate-KIC funding aligned with expectations for delivery.

**Defining Priorities:** Identify the most potential for climate action within our network.

**Ideator:** Make connections that generate innovation opportunities

**Accelerator:** Validate business models to accelerate the vision and guide investment

**Demonstrator:** Implement the innovation and demonstrate its potential to deliver climate action

**Scaler:** Scale innovation to realise climate action.

The Themes manage each pipeline, leveraging the partner consortia, start-ups and other actors built by our geographies, into a unique network that can create scale on a pan-European level.

This framework best suits Point Innovation - those innovations often sourced from a single insight whether technological, business model or behaviour. However, Systems Innovation

<sup>6</sup> This is an extract from section A and C of the 2016 Business Plan. Please refer to it for further details.

involving the interplay of problems, actors and innovations to achieve a meaningful outcome, will be more important in our ambition. Climate-KIC recognised that the practice of Systems Innovation is very nascent, so in 2014 implemented the Flagship concept on the premise that the best way of learning is by doing.

Reflecting the strategic importance of Systems Innovation, our Flagship programmes will continue to be very prominent in our portfolio and will lead the development of our approach to Systems Innovation for 2016. Where best practice is identified and established in Flagships, we will complete an enhanced Innovation Framework that better embraces both Systems and Point Innovation.

### Our geographic footprint

The foundation of our multi-annual strategy is our geographic distribution and corresponding partner ecosystems. Our geographies<sup>7</sup> represented through Co-Location Centres (CLCs), Regional Innovation Implementation Community (RIC) and our Regional Innovation Scheme (RIS) links is where innovation is put into practice. It is where we build our knowledge and competency assets. It is where we manage the delivery and it is where we learn. By better connecting inputs, outputs, outcomes and impact our geographies will ensure we deliver climate action.

## 1.2 Innovation and synergies of the Strategic Agenda

### Synergies and complementarities with other EU initiatives<sup>8</sup>

Climate change is a major global issue with vast challenges intervening across all sectors of the economy and society, thus **collaboration** is inherent to our strategy. Climate-KIC has impressive pan-European capability, know-how and reputation in managing climate innovation. We believe that Climate-KIC is a natural vehicle for the EU to increase its efforts to tackle climate change through innovation, to mainstream climate action and to turn Europe into the most innovative low-carbon economy and climate resilient society. Nevertheless, to achieve real impact we must collaborate with a large variety of actors in the climate and sustainability area and need to work closely across disciplines and sectors and KICs.

Collaboration with the other KICs and EIT is an important element of scaling of our impact and it also provides an efficient platform for knowledge sharing and **adoption of best practice**, such as the simplification agenda within the EIT-KIC business system or exchanges of lessons learnt on structural matters across the KICs (both with first and second phase).

Developing strong, integrated relationships with the key DGs is crucial to the dissemination of our results and scaling our impact. Climate innovation is vital in addressing EU's sustainable development goals and is a strong component of the European Energy Strategy. We continue to

<sup>7</sup> CLCs in Germany, France, Netherlands, Nordics (Denmark, Finland, Norway and Sweden), Switzerland, UK; RIC in Germany, Hungary, Poland, Italy, Spain, UK, RIS links to Estonia, Slovenia, Romania, Ireland, Portugal and a Brussels liaison office.

<sup>8</sup> This is an extract from section E of the 2016 Business Plan. Please refer to it for further details.



work from our Brussels hub in a structured liaison with DG EAC, DG CLIMA, DG RTD, DG GROW and DG REGIO, involving EIT. In parallel, we will work on specific impact-oriented activities in alliance with ESA, EEA, EIB, JRC, EASME and ERRIN.

Regions across Europe play leading role in the delivery of the EU's climate and energy agenda, The European Structural and Investment Funds (ESIF) for 2014-2020 delivered at regional level is the largest coordinated **investment programme** in Europe to support low-carbon innovation, while the European Fund for Strategic Investments (EFSI) will mobilise private and strategic investments in the real economy creating growth and jobs. Climate-KIC's strategy is designed to engage with this agenda and by mainstreaming climate innovation to accelerate the transition to the low-carbon economy in Europe.

Working together with EIT, our **Regional Innovation Scheme (RIS)** enhances outreach activities and impact across the whole of Europe. RIS is a coherent and structured programme - forging excellent partnerships and thematic alignment for enhanced innovation capacity. The Climate-KIC RIS regions, with our RIC regions, act as test beds for scaling up KIC activities, integrating the knowledge triangle for result-driven innovation and adding value to the exchange of talent and ideas. This provides EIT and the KICs with the knowledge of how activities could be replicated; how lessons learnt and emerging good practices can be disseminated.

### 1.3 Partnership

The Partners are at the core of the Climate-KIC community. The Climate-KIC Holding Company and subsidiaries represent the management company working on behalf of all Partners, being the neutral agent and thus avoiding conflicts of interest. Through our Partnership model, we bring into play the content knowledge and competencies that enable us to create, support and deliver innovation for climate action.

#### The Climate-KIC Partnership model<sup>9</sup>

The Climate-KIC Partner community is an integral part of Climate-KIC, enabling us to create a far broader range of knowledge and competency than could be assembled in any one organisation. The ageing of expertise in a fast-moving environment is an important consideration. By choosing Partners who are very active in their specific fields, we can assure ourselves that their expertise is continuously refreshed, and relevant to the task at hand. It is also a flexible model that allows us to seek and bring aboard new Partners as we learn what is required and relevant to drive innovation through our pipeline.

Our new governance model, introduction of membership fees, and the new Framework Partner Agreement have been major changes, but our Partnership has responded positively.

The Climate-KIC Partnership model operates on two very distinct levels:

<sup>9</sup> This is an extract of section C of the 2016 Business Plan. Please refer to it for further details.

- i. Through the Climate-KIC Association, it co-creates and shapes the strategy of the Climate-KIC Holding Company to manage funding for maximum climate action.
- ii. Through participation in Climate-KIC KAVAs it delivers climate-relevant innovation that can be measured through KPIs.

These two levels will be considered in turn.

### Validating the Climate-KIC strategy

The Core Partners set the strategic direction for the Climate-KIC. This draws on their collective expertise as world-leading organisations (and individuals) representing the knowledge triangle. The Climate-KIC Executive facilitates dialogue to articulate a strategy that meets the diverse perspectives and interests of the Partner community and, on behalf of the Core Partners, ensures this strategy is maintained. The Assembly is consulted regularly to secure wider Partnership alignment. We are confident that the refined strategy we have put in place in 2015 is consistent with its 2009–2015 predecessor and sets clear priorities and actions to 2018 and beyond.

### KAVA participation

For the 2016 Business Plan, Climate-KIC has made a more conscious effort to segment and structure KAVAs to better convey the nature and types of work that they address. We hope to make it easier for our community to understand where they can best contribute and what our expectations are likely to be regarding their outcomes. In line with the EIT GA2016 guidelines, we have adopted a stronger, portfolio-based approach, clustering activities in fewer (high-value) KAVAs.

From a Partner perspective, Climate-KIC KAVAs broadly divide into three areas to which they can contribute to:

- i. **Doing innovation:** Our Innovation Framework not only guides us towards this goal, but is also the framework Partners use to participate in innovation. Whether in the exchange of knowledge in the Ideator, or the transforming of intellectual property into reality in the Demonstrator, the framework provides greater clarity on how and where Partners engage, and greater clarity on how these engagements connect in the lifecycle of innovation. These KAVAs are exclusively found in our four core Themes and it is our Themes that coordinate the open calls and distribution of grants.
- ii. **Supporting innovation:** Through our experience and experimentation we have built knowledge assets that can be either packaged as services, products and tools, or that show us how to manage those services, products and tools. Our Partners are in the unique position to package the knowledge, while Climate-KIC is in the unique position to deploy and manage those packages effectively. Together this is how we exploit the knowledge triangle to sow the seeds of innovation and then cultivate them to deliver climate action. These KAVAs are to be found across all five Themes.
- iii. **Performing Climate-KIC duties:** Although Climate-KIC must build its own core capability, there are some Climate-KIC duties that can be best performed by our Partner community. Examples might include: leading and contributing to strategy exercises; hosting events to

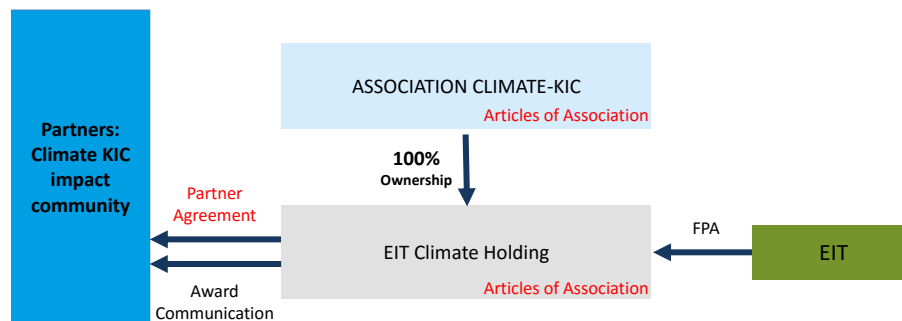
bring together actors in the knowledge triangle; supporting Climate-KIC in influencing decision and policy makers; or supporting Climate-KIC's efforts to broaden its funding model. We will identify our specific needs in the course of 2016, and these will be offered to our Partners to contribute.

## 2. OPERATIONS

### 2.1 Governance and Operations

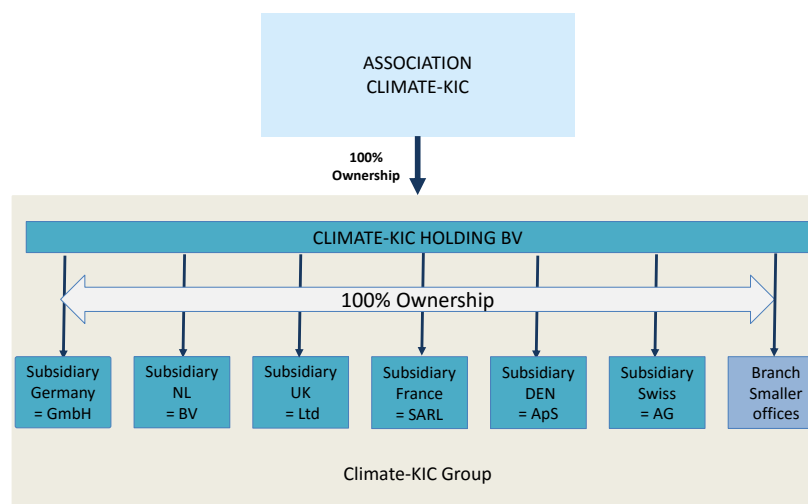
#### Governance

In 2015, working in close consultation with our Core Partners and taking guidance from EIT's Executive and Governing Board, we made some key changes to improve our governance and management. We established the Climate-KIC Association as the single shareholder of the Climate-KIC Holding Company, which is now our legal entity. The relationship between the EIT and KIC entities is summarised in the diagram below:



Note: Legal agreements to be approved by Assembly.

The Holding Company has subsidiaries in each Climate-KIC country and operates as one system, the Climate-KIC Group, with the legal structure being subordinate to the management structure. We also established a Supervisory Board with an Independent Chair and Financial Specialist. The structure separating ownership from management is shown below.



The key features are:

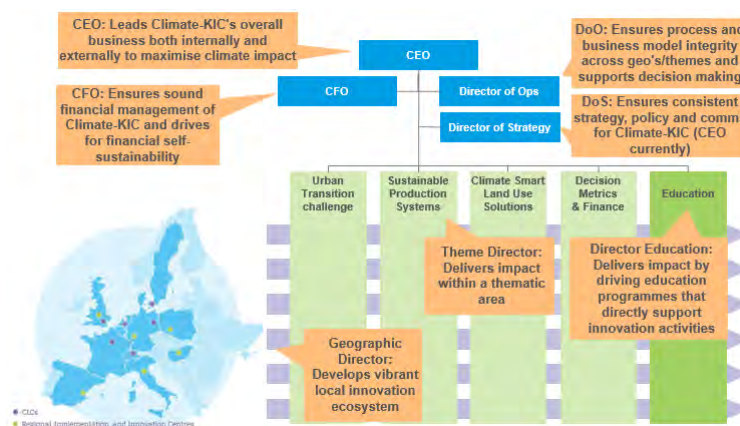
- Core partners are organized into a not-for-profit Association under Dutch law. The Association Climate-KIC is managed by a Governing Board (GB) selected from the Core Partners.
- The Association is the shareholder body owning 100% of the management company (the BV).
- Climate-KIC Holding BV, a Dutch limited liability company is the management company.
- The BV is the 100% owner of limited liability companies in countries with more staff and/or local funding and branch offices for countries with smaller staff complements and no local funding.
- Branch offices can be converted to subsidiaries as required.
- The collective of the limited companies and branches is the Climate-KIC Group.

In this structure, a Supervisory Board (SB) supervises the Climate-KIC Holding Company. The SB is selected by the Association Climate-KIC GB and consists of three members from Core Partners (to represent the knowledge triangle) and an independent Chair and financial specialist. The SB provides strategic direction and objectives, approves the multi-annual strategy, signs-off on major decisions and oversees on-going activities. The SB receives regularly reports/updates from the CEO.

The Climate-KIC Holding Company, led by the CEO, elaborates the KIC strategic objectives, details the strategy through annual business plans and is responsible for the execution of the KIC business plan through the Themes and the subsidiaries, representing the geographies. The Holding Company is the main interface with EIT and the other KICs.

All decision making associated with executing the KIC business plan, the selection and management of EIT Climate-KIC grants is now undertaken by staff fully employed by the Holding Company and its subsidiaries. The separation of partner supervision via the SB and the execution of decisions with the Holding Company further addresses the potential for conflict-of-interest.

## Operations



The Holding Company operates a pan-European matrix management structure bringing together our themes and our geographies, with a Executive Team (ET) providing functional leadership<sup>10</sup>. The ET consists of the Chief Executive Officer (currently undertaking the additional Director of Strategy role), Chief Financial Officer, Director of Operations, five Theme Directors and six Geographic Directors.

We are exploring how far Geographic Directors can support the CLCs, RICs and the RIS with the aim to:

- Increase cross-fertilisation of knowledge, ideas and opportunities between CLCs, RIC and RIS.
- Provide the RIC and RIS with a stronger voice in the ET.
- Enhance geographic interaction to make the network more balanced.
- Increase intra-KIC cooperation and pan-European collaboration.
- Embed our business model, where geographic units focus on the supply side of our Innovation activities (the knowledge and competencies to deliver innovation) and the Themes focus on the demand side of innovation (the knowledge and competencies to identify the challenges and priorities).

The combination of Themes that gather actors around common areas of interest and an Innovation Framework that guides these actors to achieve climate relevant impact are the two main principles in driving knowledge triangle integration. Our Theme Directors executing on Innovation Framework, bring the pan-European focus on knowledge triangle integration, whilst our Geography Directors stimulate on-the-ground knowledge triangle integration.

### The Themes<sup>11</sup>

Climate-KIC remains committed to the knowledge triangle and indeed sees opportunities to exploit it further. Our work to date has provided tangible evidence of the correlation between the volume and quality of interactions and the likelihood of transformational innovations. Put simply, the more we can foster high quality interactions between relevant actors in the knowledge triangle, the more innovation we can expect to create and support. While the engagement model of Education is most mature, we still see that Research and Business do not always engage optimally. We have responded through a combination of two changes. Firstly, we have moved from our eight platforms to four better-distilled core Themes that now replace the Pillars as our top-level focus. Secondly, we have integrated our Innovation and Entrepreneurship pillars into a single Innovation Framework that is described later. To embed these two changes,

<sup>10</sup> The cost of the 13-person Executive Team comprises salary; employer taxes, social security and pension charges; and indirect cost for those employed by partners. We expect the total 2015 cost to be €2.6m including €0.3m indirect cost charge for the eight members employed by partners during 2015. This information is provided in response to a specific request in the BP review process.

<sup>11</sup> This is an extract of section A of the 2016 Business Plan. Please refer to it for further details.

we continue to build on the strong ecosystems in each Climate-KIC location, where the knowledge triangle is physically put into practice.

What are the drivers of this change? While our existing pillars are aligned with the three apexes of the triangle, the true task at hand is to integrate them. We need to work in a way that more overtly pushes the integration agenda and we need to make it easier for actors to coalesce around common areas of interest. By moving to a thematic focus we motivate integration around common interests and therefore the interaction that drives ideas.

We have identified four core Themes along with a fifth foundation Theme, Education, to be implemented in 2016, and remain a constant in the multi-annual strategy:

**Urban Transitions:** Develop integrated, interoperable, scalable and replicable systemic solutions to underpin the carbon-negative, responsive, resilient cities of the future.

The Urban Transitions Theme will be integrating many stakeholder networks and disciplines in a very dynamic knowledge triangle. The Climate-KIC differentiator will be our focus on the practical application of systemic solutions, making the innovation that we already have work better, rather than looking for new Point Innovations. The Smart Sustainable Districts (SSD) and Building Technology Accelerator (BTA) Flagships are already spearheading this.

**Sustainable Land Use Systems:** Produce innovative scalable solutions to generate value for actors using land resources while reducing emissions, increasing carbon sequestration and societal resilience.

Land is both an emitter and sink of carbon, it provides food for consumption and feedstock for industry and of course, it provides a habitat for those living on it. In this complex environment, Climate-KIC has to address changing land use in the context of the value chains that it supports, to ensure we avoid zero-sum diversions. More specifically, this Theme sees most innovation potential in agriculture and forestry activities, which will be addressed through integrated landscape approaches. There is a particular emphasis on agriculture through the Climate Smart Agriculture (CSA) Flagship.

**Sustainable Production Systems:** Accelerate the transition to economically viable circular models, decoupling growth from resource use and GHG emissions.

At the heart of our ambition to decarbonise Europe's industry, is the premise that economic growth must be decoupled from resource use and GHG emissions. To achieve this aim, we have prioritised: bio-based feedstock, CO<sub>2</sub> capture and reuse, by-product valorisation and the circular economy. Notably our EnCO<sub>2</sub>re Flagship brings together cross-sectorial Partners to produce mid-stream chemicals from large-scale CO<sub>2</sub> emitters.

**Decision Metrics and Finance:** Create innovative, transformative tools and systems to measure, unlock investment and change behaviour.



As all of our Themes illustrate, addressing climate change is a complex endeavour and this complexity can often hinder confident action. This Theme aims to make the process of planning and decision-making more straightforward and thereby unlock investment to where it can make the biggest difference. The very same tools and systems also bring clarity to where human action can make a difference – behavioural change from a personal or collective perspective. The LoCal Flagship specifically supports cities in mobilising action against climate change whether in mitigation or adaptation.

**Education:** Empowering innovators to catalyse climate action.

Education is at the heart of Climate-KIC and continues in its broader remit of inspiring and building human capital. In addition to that role, Education now more directly supports the Themes, addressing knowledge and competency gaps that were previously performed within other pillars. Education will continue to evolve its highly developed formats from targeted learning-by-doing through to broad reaching online education.

Collectively, the thematic changes should deliver the following outcomes:

- **Attracting new actors** with complementary experience and competency, due to fewer, stronger focus areas.
- **Greater community interaction** around fewer hubs, increasing the probability of collaboration and innovation opportunities.
- **End-to-end focus on delivering impact** through ownership of the Innovation Framework and leveraging pan-European opportunities to scale.
- **Developing new revenue streams and funder relationships** based on our reputation for delivery and action.
- **Better collaboration with other KICs** by aligning scope and possible joint projects.

## 2.2 Multi-annual Business Model Priorities and Financial Sustainability Plan<sup>12</sup>

In 2015 we set out our financial self-sustainability strategy and our 2016 Business Plan builds on this experience. A €5m target for 2015 was instituted early on and the sharper focus from the strategy refresh has clarified our go-to-market model. Our Themes, geographies and central support functions will each have annual fundraising targets from 2016; this will require new skills and cultural change.

### Strategy

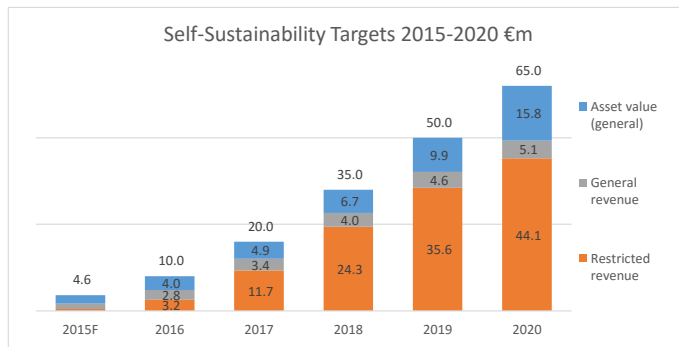
Our strategy focuses on two main revenue sources:

<sup>12</sup> This is an extract of section C of our 2016 Business Plan. Please refer to it for further details.



- i. **Restricted revenue:** Most revenue will be from new customers, typically public sector bodies (EU, national, regional/local governments) and, to a lesser extent, philanthropic foundations. In this terminology, EIT is our first (and founding) customer. Our go-to-market model assigns specific customer segments within the Theme geography structure. This revenue will be 'restricted' in that it will be given in return for specific climate deliverables and reporting.
- ii. **General funds:** The secondary source will be via commercial exploitation of existing activities, for example charging for education interventions, equity stakes in start-ups, and partnership fees. Although this will be a lesser source in absolute revenue terms, the funding will be "general" in that it is not tied to specific deliverables or reporting. For the avoidance of doubt, we have followed EIT guidance in taking equity stakes in return for services.

Our self-sustainability financial targets are summarised in the figure (right), with 2015 representing current forecast (see right) and 2016 will be underpinned by detailed plans to be finalised in Q4 2015. Targets include both revenue and asset values from equity stakes; equity stakes are not revenue and are included for visibility.



We do not yet have enough experience of monetising an investment portfolio to project revenues from equity stakes.

## Implementation

### Implementation – new customers

We are applying sales prospect development principles, as shown in the seven-stage model summarised in the table (right). As at end of August 2015, we had 43 customer relationships in our new revenue pipeline with Total Contract Value potential of €28.2m.

Stage of Prospect Development	No. of Potential Customers	TCV potential €m
1. Lead = new target; no contact yet	19	n/a
2. Prospect = contact made and next step agreed	10	€0.5m
3. Qualified prospect - wants a proposal and has funding to deliver	6	€13.1m
4. Customer deciding = proposal for funding delivered	3	€14.0m
5. Win = Funding proposal successful and contract in preparation	1	€0.4m
6. Contract signed	0	€0.0m
(0.)Lost since previous month-end (including 'but might return')	4	€0.2m
<b>Totals</b>	<b>43</b>	<b>€28.2m</b>

Our 2016 Business Plan will result in more customers at each stage of the pipeline. Our go-to-market model categorises potential customers: Geographic Directors pursue local, national and regionally oriented customers across all Themes, while Theme Directors and the Education Director will pursue multi-territory funding specific to their Themes. Multi-Theme, multi-territory targets (including EIT) will be owned at CEO level.

## Implementation – commercial exploitation

Climate-KIC set a €5m target for 2015 in order to build experience of delivering and, our August 2015 month-end forecast was for €4.6m [see table to the right].

### Intellectual Property and co-funding

As the Climate-KIC Company we do not aim to own intellectual property, just to share in the commercial exploitation of intellectual property. Co-funding has a key role in extending our overall impact, using funding genuinely to leverage Partner contributions in kind. Co-funding does not, however, contribute directly to making us self-sustainable. Our actual co-funding is higher than reported to EIT as KAVA qualification criteria are more stringent than international accounting standards and we will develop our own reporting to capture the full extent of co-funding.

Product	Value €m
Entrepreneurship equity stake value	1.4
Entrepreneurship Accelerator for corporates	0.2
Innovation project equity participation value	1.1
Innovation project revenue shares	-
Education executive education fees	0.2
Education e-learning fees	0.1
New customers	0.6
Partnership fees	0.9
<b>Total</b>	<b>4.6</b>

### Challenges

We welcome the EIT's November 2014 briefing note which formed the basis of the EIT Governing Board's Decision 04/2015 on "Principles on KICs' Financial Sustainability" for (1) conceptual clarification of the bell shape pattern for EIT funding to a KIC; (2) confirmation that tailing off will definitely begin in 2021, though it may begin earlier; and (3) the role of the EIT impact funding from 2025.

Moreover, the November 2014 draft of the note encouraged us quickly to set an ambitious sustainability target at €65m for 2020 (see figure above) to be sure we are ready to manage an eventual decline in EIT funding. The draft note predated the Juncker package and its impact on EIT funding, but we were prepared mentally and were ready for the challenge.

Our implementation experience to date has involved and identified other challenges, some solved - some yet to be solved:

- **Cash flow:** We expect most of our funding to be from the public sector where funding is materially in arrears compared to when costs are incurred. We welcome moves at EIT to maximise pre-finance, but the fundamental problem will remain, requiring us to fund our working capital by borrowing from Partners (explicitly or implicitly by paying late) or third parties via overdraft or loan. We will only be able to borrow commercially when we have reliable 'general' income.
- **Fundraising skills:** We do not have the requisite fundraising sales skills in our Themes or geographies and we expect to have to recruit people with these skills.
- **Climate-KIC role in requests for funding:** Our primary value proposition to funders is that we have the experience and ready-made Partnership to achieve better positive climate impact than funders could achieve by managing projects and consortia themselves. A secondary value proposition, with Climate-KIC as the management member of a consortium in a bid application lead by Partners, is already tested and effective.

- **Cost reimbursement rate:** We have twice had to decline Horizon 2020 funding as we would only have been reimbursed at 70% of cost. We can't afford to take funding on these terms and we are being assisted by EIT to ensure that we identify and implement the changes necessary to get 100% reimbursement from Horizon 2020 and other EU funding.
- **Culture change:** We set the €5m target to begin the culture change to being a more commercial organisation in 2015, and this imperative is now broadly understood. We are learning as an organisation to balance climate and financial goals. Financial targets are easily and quickly quantified, while positive climate impact is less immediate and we have been clear that positive climate impact is why we exist and commercial exploitation is a by-product.

## 3. IMPACT AND RESULTS

### 3.1 Impact<sup>13</sup>

Climate-KIC has been a strong performer since our 2009 launch and we have delivered our original performance projections. Analysis in 2014 indicated that we achieved 82% of our original targets and a further 10% partially. The following table summarises our general performance and the learnings that are informing our strategy for impact moving forward.

	<i>What did we do well?</i>	<i>What did we learn?</i>
<b>Community</b>	Increased strength and collaboration of Partnership. Dynamic >1,500 alumni network Established network of experts to build on.	Room to align Partnership with mission. Relationship "offer and ask" needs better definition. Strengthen communications with Partners.
<b>Innovation pipeline</b>	Programmes continue to gain traction and recognition. Start-up pipeline attracted follow-on investment. Growing integration of knowledge triangle.	Closer integration of Innovation and Entrepreneurship could enhance ability to deliver greater impact. Education should be more aligned with Themes.
<b>Thematic focus</b>	Strengthened climate innovation link to markets. Platform community engagement underpinned Theme strategy.	Focus on specific and well-defined Themes builds expertise and profile. Focus enables targeting of external stakeholders' engagement to increase impact.
<b>Governance</b>	New governance structure that separates ownership and management. Maintained a collective ownership involving many Partners.	Both EIT and Climate-KIC identified conflicts of interest. Differentiating strategic from operational decision-making will significantly increase effectiveness.
<b>Self-sustainability</b>	We've learnt from earlier pilots and experience. €5m target set and currently on track at time of writing. Long term plan in place following the strategy refresh	Largest immediate opportunity is diversification to other public funding instruments. Additional income could be obtained from education course fees, equity share and start-ups.

Our specific achievements have been delivered in line with our existing Pillar approach to Innovation.

#### Education Achievements

- **Graduate School:** The attractiveness of the label programme continued to be high with more than 550 applications with a well-balanced demographic and gender mix. Students continue to graduate with industry relevant skillsets. The Organisation for Economic Co-operation and Development (OECD) included the Journey in their HEInnovate<sup>14</sup> best practice case collection.

<sup>13</sup> This is an extract from section B and C of the 2016 Business Plan. Please refer to that document for further detail.

<sup>14</sup> HEInnovate is a self-assessment tool for Entrepreneurial Higher Education Institutions. It is an initiative of the European Commission, DG Education and Culture and the OECD LEED forum. <https://heinnovate.eu/intranet/main/>

- **Pioneers into Practice (PiPs):** Integration into the Education portfolio has allowed Education to be strategically active in European regions offering mobility and transfer of knowledge.
- **Industry engagement:** Climate-KIC industry-specific short courses are contributing to revenue generation and utilising Higher Education Institution Partners to provide essential insights into climate change. Our professional competency based certification for innovators and entrepreneurs, endorsed by the European Commission, is attracting interest in DG EAC and EIT.
- **Climathon:** Global invitation to gather new ideas for city level solutions. More than 1,000 citizens in 19 cities across six continents. Broader International participation already expressed for 2016.
- **Online education:** Our state of the art platform continues to inspire and educate climate innovators, attracting interest from corporates, universities and funding agencies. Revenue leads include UNEP and Global Reporting Initiative (GRI). Income during 2015 is currently €35,000.

### Entrepreneurship Achievements

- **Climate-KIC Accelerator:** This highly successful start-up programme scouted and accelerated more than 200 start-ups in 2015. Our Masterclasses were fully booked and highly rated. Our start-ups have generated over 2,000 jobs.
- **Climate LaunchPad:** Now the most recognised European climate business ideas competition, in 2015 over 700 early stage climate-business ideas were submitted in 28 countries unlocking high quality climate business ideas and teams. The winning ideas will be showcased at COP21.
- **European entrepreneurial culture:** Our LaunchPad and Accelerator created local role models and an entrepreneurial culture combining innovations and successful entrepreneurship.
- **Capital attracted:** The success of 2014 where 64 start-ups raised a cumulative €68m of investment, is expected to be repeated. The start-up Nordic Power Converters raised almost €2m.
- **Contribution to Climate-KIC sustainability:** Climate-KIC signs service-equity agreements with stage 3 start-ups and takes a 10% equity stake.

### Innovation Achievements

- **Idea flow:** There were 130 ideas submitted to our Pathfinder programme, with 42 selected for implementation.
- **Portfolio:** A strengthened portfolio of five Flagship programmes (two new), 27 Innovation projects (eight new), 55 Pathfinders (42 new) enabling transformations like involving the insurance sector in adaptation measures with cities and developing additives to reduce ruminant methane emissions. Projects exceeded their targets in 2014 with more than 100 knowledge transfer/adoptions and more than 50 new products or services launched. Scaling of some projects leveraged external funding of €338,240 in 2014.
- **Contribution to KIC sustainability:** Initial return on investment achieved through equity participation in start-up SmarterBetterCities. ROI principles are included in our Award letter and agreement negotiated with projects launched in 2015. Flagship programmes have developed their own multi-annual business plan and will all be managed by KIC legal entity staff in 2016.

- **Operational improvements:** The stage gate approach is officialised in our legal documents. The legal and operational framework for Flagships is stabilised with governance principles adopted.

To achieve more, Climate-KIC is ready to move into the next phase, focusing on outcome and impact, rather than the input/output performance used to build Climate-KIC in 2009 to 2014. The plan to deliver mid and long-term pan-European impact on human capital, job creation and economic growth will be tackled along three dimensions:

- Four core ***Themes*** (distilled from the eight existing platforms) driving the “knowledge triangle” to address market needs and opportunities, that are support by a fifth foundation Theme, Education.
- An integrated ***Innovation Framework*** guiding the end-to-end lifecycle of innovation through to positive climate impact.
- A refined ***geographic*** approach to better connect our CLCs, RIC and RIS networks to get more people ‘on the ground’ stimulating innovation (covered in *section B. 2. Partnership, Governance and Management*)

These areas have already been described elsewhere in this document and are further elaborated in the 2016 Business Plan.

### 3.2 KPIs<sup>15</sup>

We have completed figures for EIT Core KPIs in line with figures included in our BP2016 submission.

Our future forecast is based on the combination of expectations of EIT future funding and increasing the emphasis on quality and impact of KPIs, rather than a focus on numerical growth.

KPIs	Unit	16	17	18	19-22	TOTAL
<b>EIT Core KPIs</b>						
<b>Attractiveness of Education Programme</b>	#	600	600	600	2,400	4,200
<b>Number of new graduates</b>	#	165	190	250	1,000	1,605
<b>Business ideas incubated</b>	#	280	300	400	1,600	2,580
<b>Number of start-ups/ spin-offs created</b>	#	90	95	100	400	685
<b>Knowledge transfer/adoption</b>	#	166	180	200	800	1,346
<b>New or Improved products/services/ processes launched</b>	#	111	125	150	600	986

<sup>15</sup> This is an extract from section C of the 2016 Business Plan. Please refer to that document for further details.

### Approach for developing and monitoring Climate-KIC specific KPIs and other Operational KPIs

Climate-KIC also operates its own KPI framework. We anticipate developing this and sharing the details with EIT within the following context:-

- Aligning with EIT's KPI review (underway at time of writing)
- Aligning any changes in Climate-KIC specific KPIs with our new KAVA structure, which flows from the Innovation Framework activities in each Theme.
- The routine monitoring of management information by Climate-KIC's Executive, Supervisory Board and Governing Board.

We hold monthly reviews using management dashboards owned by the responsible directors. In 2016 KPIs will be produced from our new GMS.

### 3.3 Communication, outreach/ EIT RIS and dissemination<sup>16</sup>

EIT aims to enhance Europe's ability to innovate successfully by instigating and promoting a more innovative and entrepreneurial culture. Climate-KIC is an integral part of the EIT Community, contributing to its visibility and disseminating joint results. The shared EIT Community brand reflects the EIT support and financing in the implementation of our strategy, across our Partners and start-ups.

**Collaboration with the other KICs** and EIT is essential in scaling our impact, but it also provides an efficient platform for knowledge sharing and adoption of best practices, such as the ambitious simplification agenda within the EIT-KIC business or exchanging lessons learnt on structural matters across the KICs (with both the first and second phase of KICs).

**Education** is a key tool in our global response to climate change. Climate-KIC Education aims to be the leading centre of excellence worldwide, inspiring and empowering the next generation of climate leaders and entrepreneurs. Our strong, pan-European network of education specialists builds the skills and capacity necessary to drive positive climate impact through innovation and entrepreneurship.

We provide learning materials that build on Climate-KIC's innovation experience. These materials are used in the executive and professional training programmes of our Climate Business School, and are disseminated more widely via e-primers, MOOCs and the joint cross-KIC MOOPs, which are in development. Increasing numbers of European and international students are graduating from our successful Graduate School with an **EIT labelled degree**, spreading an innovation-savvy, entrepreneurial culture that supports knowledge-driven economic growth.

<sup>16</sup> This is an extract from section C of the 2016 Business Plan. Please refer to that document for further details.



Our Climate-KIC Alumni Association was established by our first (2010) student cohort and is a growing diaspora across Europe and worldwide, with membership expected to reach over 5,000 by 2020. In close collaboration with the larger **EIT Alumni** they aim to increase the retention rate of young innovators and entrepreneurs, integrating new members by creating a diverse and dynamic body of expertise that supports Europe's economies.

### **Visibility of EIT-KIC support and financing**

Proactive PR and communications will position EIT Climate-KIC as the principal climate innovator across Europe. Results, good practice and lessons learnt within the Community will become content for proactive marketing communications. Examples of the types of stories that will be generated include: Partner acquisition; commissioning of projects; end-of-project achievements; case studies of collaboration with Partners; and news or opinion pieces around the core Themes. These examples will be pitched to the media across Europe and will feature in Climate-KICs marketing materials, both print and digital. Key audiences to reach include potential Partners in the private sector, policy makers in Brussels, entrepreneurs eligible for Climate-KIC funding, and public sector bodies willing to test and implement innovations. Effective media are vital in disseminating our successes and opportunities.

### **Outreach across Europe and worldwide**

The EU developed its knowhow of public-private partnerships (PPPs) to launch the existing five KICs of the EIT Community. In its five years of operation Climate-KIC has used this PPP model to develop and test mechanisms in a number of areas, including capacity building, growing successful climate businesses and creating integrated solutions for cities. Providing these services and knowledge to stakeholders who may not otherwise have access to them helps to build climate innovation globally in support of the low-carbon economy.

Climate-KIC offers scalable solutions to policy makers and business leaders, supporting the European leadership in climate innovation. We share our success stories and innovative climate actions as part of the repertoire of European solutions and best practices. Building on our COP21 activities and the outreach activities to Australia, we also collaborate with a variety of organisations advocating for open innovation and cross-sector collaboration.

Part of Climate-KIC's COP21 campaign is to conduct a piece of market research with industry to promote the adoption of innovation as a vital route for resilience. The research will prove that partnering with Climate-KIC is an invaluable way to protect economic resilience in the post COP21 world. The market research will be launched to the world's media at COP21 in Paris in December 2015.

### **EIT Regional Innovation Scheme (RIS)**

Regions across Europe are playing a leading role in the delivery of the EU's climate and energy agenda. The new European Structural and Investment Funds for 2014–2020, delivered at regional level, will be the largest coordinated investment programme in Europe to support zero-carbon innovation during this period. Climate-KIC's RIS is designed to engage with this agenda





and enhance our outreach activities and impact across Europe. Climate-KIC's plan will build on 2014-15 progress and follow the principles set out in the EIT RIS implementation guidance:

- **A coherent and structured programme:** A consistent programme across all participating regions built around Climate-KIC's multi-annual strategy – thematic focus, education and our Innovation Framework.
- **Excellent Partnership:** Consolidating the existing Partnership developed with Estonia; Lisbon and North Portugal; Slovenia; and Timis County (Romania) with a particular focus on developing the local ecosystem (across the knowledge triangle) and integrating the RIS regions in Climate-KIC's geographic clusters.
- **Thematic alignment:** Each region will focus on at least one of Climate-KIC's four priority Themes, with clear connections to the priorities set out in its Smart Specialisation Strategy and European Structural Investment Fund programme for 2014–2020.
- **Transition measures:** For Dublin–Cork (Ireland) and Helsinki–Uusimaa (Finland), which enable the continuation of successful activities with these regions through wider outreach.

In 2016 we will integrate Climate-KIC's RIS in line with the governance and strategic changes outlined in this 2016 Business Plan. We will expand the RIS in 2017.

## Annex II

Annex II of the Framework Partnership Agreement contains the List of the KIC partners.

### List of KIC partners

KIC PARTNER	SHORT NAME	LEGAL FORM	SME	AREA	WEBSITE	OFFICIAL ADDRESS IN FULL	VAT NUMBER	ELIGIBILITY PERIOD STARTS	ELIGIBILITY PERIOD ENDS	CODE
Universiteit Utrecht	UU	Public		Higher Education		Heidelberglaan 8 Utrecht 3584 CS NL		2010.03.01		P001
Potsdam Institute for Climate Impact Research	PIK	Private		Research		P.O.BOX 601203 Potsdam D -14412 DE		2010.03.01		P002
Fondation de coopération scientifique Campus Paris Saclay	FCS	Private		Research		Route de l'Orme des Merisiers - RD 128 Saint Aubin 91190 FR		2012.03.01		P003
Imperial College of Science, Technology and Medicine	ICL	Public		Higher Education		Exhibition Road London SW7 2AZ GB		2010.01.01		P004
Eidgenössische Technische Hochschule Zürich/Swiss Federal Institute of Technology	ETHZ	Public		Higher Education		Ramistrasse 101 Zurich CH-8092 CH		2011.03.01		P005
Electricite de France	EDF	Private		Business		1 avenue du General de Gaulle BP 498 CLAMART CEDEX 92 141 FR		2010.03.01		P009
Thales Alenia Space France	Thales	Private		Business		100 Boulevard du Midi BP99 Cannes CEDEX 06156 FR		2011.03.01		P010
Schiphol Nederland BV	Schiphol	Private		Business		Evert v.d. Beekstraat 364 Schiphol 1118 CZ		2011.03.01		P011

						NL				
Bayer Technology Services GmbH	Bayer TS	Private		Research		Gebäude K9 Leverkusen D - 51368 DE		2010.03.01		P012
Solarvalley Mitteldeutschland	Solar	Private		Business		Konrad-Zuse Strasse 14 Erfurt D- 99099 DE		2011.03.01		P015
Technische Universiteit Delft	TU Delft	Public		Higher Education		Faculty 3mE, Mekelweg 2 Delft 2628 CD NL		2011.03.01		P017
Wageningen University	WU	Public		Higher Education		Costerweg 50 Wageningen 6701 BH NL		2010.03.01		P018
Fundación Comunidad Valenciana - Región Europea	FCV-RE	Private		Cities, Regions, NGOs		Juristas 10 Valencia 46001 ES		2011.03.01		P019
ASTER - Regional Technology Development Agency	Aster	Private		Business		Pierro Gobetti 101 Bologna 40129 IT		2011.03.01		P020
Wrocławskie Centrum Badania EIT plus Sp. z o.o.	EITplus	Private		Research		Ul. Stablowicka 147/149 54-066 Wrocław PL		2011.03.01		P021
Helmholtz German Research Centre for Geosciences	GFZ	Public		Research		Telegrafenberg Potsdam D- 14473 DE		2010.03.01		P024
Technische Universität Berlin	TU Berlin	Public		Higher Education		Straße des 17 Juni 135 Berlin D-10623 DE		2010.03.01		P025
Commissariat à l'Energie Atomique et aux Energies Alternatives	CEA	Public		Research		Saclay Gif-sur -Yvette, cedex 91191 FR		2010.03.01		P026
Université de St. Quentin en Yvelines	UvSQ	Public		Higher Education		55 avenue de Paris Versailles Cedex 78035		2010.03.01		P027

						FR				
L'Association pour le développement du pôle de compétitivité Advancity	Advancity	Private		Research		c/o Groupe ESIEE, 2 Boulevard Blaise Pascal NOISY-le-GRAND CEDEX 93162 FR		2010.03.01		P029
ARIA Technologies SA	ARIA	Private		Business		8 -10 Rue de la France Boulogne-Billancourt 92100 FR		2010.03.01		P030
Centre National de la Recherche Scientifique	CNRS	Public		Research		3 rue Michel Ange Paris Cedex 16 75794 FR		2010.03.01		P031
l'Institut national de la recherche agronomique	INRA	Public		Research		147 rue de L'Université Paris cedex 07 75338 FR		2010.03.01		P032
NUMTECH	Numtech	Private		Research		06 Allee Alan Turing Aubiere Cedex 63175 FR		2010.03.01		P035
Stichting Deltares	Deltares	Private		Business		Rotterdamseweg 185 Delft 2629 HD NL		2010.03.01		P036
Forschungszentrum Jülich GmbH	FZ Jülich	Private		Research		Wilhelm Johnen Strasse Jülich D- 52428 DE		2010.03.01		P037
Hamburg University	Uni H	Public		Higher Education		Edmund Siemens Allee 1 Hamburg D - 20146 DE		2010.03.01		P039
Nederlandse Organisatie voor Toegepast Natuurwetenschappelijk Onderzoek	TNO	Public		Research		Schoema kerstraat 97, P.O.Box 6000 Delft 2600 JA NL		2010.03.01		P040
Technische Universität München	TU Muenchen	Public		Higher Education		Arcisstrasse 21 Munchen D - 80333 DE		2010.03.01		P041

GDF Suez SA	GDF	Private		Business		1 place Samuel de Champlain Courbevoie 924 00 FR		2011.03.01		P042
Institute for Sustainability	TG-lfS	Private		Research		The Red Sheds, 1 Heron Quay London E14 4JB GB		2011.03.01		P043
Covestro AG	Covestro	Private		Business		Kaiser-Wilhelm-Allee Gebäude K 12 Leverkusen D - 51368 DE		2011.01.01		P044
GASAG Berliner Gaswerke AG	GASAG	Private		Business		Volkstrasse 10 Berlin D - 10117 DE		2011.03.01		P045
Vattenfall Europe AG	Vattenfall	Private		Business		Chausseestrasse 23 Berlin D- 10115 DE		2011.03.01		P046
Institut des Sciences et Industrie du Vivant et de l'Environnement - AgroParisTech	AgroParisTech	Public		Research		16 Rue Claude Bernard Paris Cedex 05 75231 FR		2011.03.01		P047
Climpact SA	Climpact	Private		Business		79 Rue du Faubarg Poissoniere Paris 75009 FR		2011.03.01		P048
Ecole Polytechnique	Ecole	Public		Higher Education		Route de Saclay Palaiseau Cedex 91128 FR		2011.03.01		P049
Mines ParisTech	Mines PT	Private		Higher Education		60 Boulevard Saint Michel Paris 75006 FR		2011.03.01		P050
Suez Environnement SA	SUEZ Env.	Private		Business		Tour CB21- 16 place de Paris Paris La Defense 92040		2011.03.01		P051

						FR				
Universite Pierre et Marie Curie - Paris 6	UPMC	Public		Higher Education		4 place Jussieu Paris cedex 75252 FR		2011.03.01		P052
Stichting Dienst Landbouwkundig Onderzoek	DLO	Private		Research		Costerweg 50 Wageningen 6701 BH NL		2011.03.01		P053
The Province of Utrecht	ProvU	Public		Cities, Regions, NGOs		Postbus 80300 Utrecht 3508 TH NL		2011.03.01		P054
Provdas School of International Management and Technology A.G.	Provdas	Private		Higher Education		Industriepark Höchst, Geb. B845 Frankfurt am Main 65926 DE		2011.03.01		P055
Instituto Tecnológico de la Construcción	AIDICO	Private		Research		Avda Benjamin Franklin 17, Paterna Valencia 46980 ES		2011.03.01		P056
Universidad Cardenal Herrera-CEU	CEU	Public		Higher Education		Avda. Seminario S/N Moncada Valencia 46113 ES		2011.03.01		P058
EDINN Global S.A.	EDINN	Private		Business		Waksman 25 Valencia  ES		2011.03.01		P059
Federación Valenciana de Empresarios de la Construcción	FEVEC	Public		Cities, Regions, NGOs		CIMusico Peydro, 34 - 4 planta Valencia 46001 ES		2011.03.01		P060
Instituto Tecnológico de la Energía	ITE	Private		Research		Avda. Juan de la Cierva, 24 Parque Tecnológico de Valencia Valencia 46980 ES		2011.03.01		P061

Asociación de Investigación de las Industrias Cerámicas	AICE-ITC	Private		Research		Campus Univesitario Riu Sec, Avda Vi cent Sos Baynat s/n Castellon 12006 ES		2011.03.01		P062
Instituto Valenciano de la Edificación	IVE	Private		Cities, Regions, NGOs		Tres Forques 98 Valencia 46018 ES		2011.03.01		P063
MIDEME S.L.U.	Mideme	Private		Business		Navarro Reverter 1- 4 Valencia 46004 ES		2011.03.01		P064
Universidad de Alicante	UA	Public		Higher Education		Campus San Vincente del Raspeig, Ctra. San Vincente s/n Alicante 03690 ES		2011.03.01		P065
Universitat Politècnica de València	UPVLC	Public		Higher Education		Camino de Vera, s/n Valencia 46022 ES		2011.03.01		P066
Federacion Valenciana de Municipios y Provincias	FCVRE	Public		Cities, Regions, NGOs		CIGuillem de Castro, 46 Valencia 46 001 ES		2011.03.01		P068
Adding Technology S.A.	Adding	Private		Business		C/Palleter, 6-BAJO-Derecha, 46008 Valencia, Spain Valencia 46008 ES		2011.03.01		P069
Stichting Historie der Techniek	St-HT	Private		Cities, Regions, NGOs		c/o Eindhoven University of Technology, IPO Building 2.31, P.O.Box 513 Eindhoven 5600 MB NL		2011.03.01		P071
Aston University	Uni Aston	Public		Higher Education		Aston Triangle Birmingham B4 7ET GB		2011.03.01		P072



Birmingham City Council	B'ham City	Public		Cities, Regions, NGOs		1 Lancaster Circus Birmingham B4 7QJ GB		2011.03.01		P073
Birmingham City University	B'ham City Uni	Public		Higher Education		City North Campus, Perry Barr Birmingham B42 2SU GB		2011.03.01		P074
Birmingham Science Park - Aston Ltd	BSPA	Private		Business		Faraday Wharf, Holt Street Birmingham B7 4BB GB		2011.03.01		P075
Coopers International Associates	Coope	Private		Business		43 Knaves Castle Avenue, Brownhills, Walsall West Midlands WS8 7PN GB		2011.03.01		P076
Dave Green Energy Services	DaveG	Private		Business		41 Ralecourse Avenue Shrewsbury Shropshire SY2 SBS GB		2011.03.01		P077
Green Hill Sustainability Ltd	Green Hill	Private		Business		47 Cecil Street Walsall WS4 2AZ GB		2011.03.01		P079
Greenwatt Technology Ltd	Greenwatt	Private		Business		Roseleigh House, Oversley Green Alcester B496PG GB		2011.03.01		P080
Innovation-Bridge- Consulting	InnoBridge	Private		Business		High Green, Cradley, Malvern WR13 SNF GB		2011.03.01		P081
The University of Birmingham, incorporated by Royal charter under the Laws of England and Wales	Uni B'ham	Public		Higher Education		Edgbaston Birmingham B15 2TT GB		2011.03.01		P083
The University of Warwick	Uni Warwick	Public		Higher Education		University House, The University of Warwick Coventry CVH 8UW GB		2011.03.01		P084

Aberystwyth University	Uni Aberystwyth	Public		Higher Education		Old College, King Street Aberystwyth, Wales SY232AX GB		2011.03.01		P085
Imperial Innovations Ltd.	Imp. Innov.	Private		Business		52 Princes Gate, Exhibition Road London SW7 2AZ GB		2011.03.01		P086
The University of Reading	Uni.Reading	Public		Higher Education		Whiteknights House, PO BOX 217 Whiteknights RG6 6AH GB		2011.03.01		P091
Rothamsted Research Ltd.	Rotha	Private		Research		Harpenden Hertfordshire ALS 2JO GB		2011.03.01		P092
Stadshavens Rotterdam	Port Rotterdam	Private		Business		Coolsingel 40 Rotterdam 3000 KP NL		2011.03.01		P095
Naked Energy	Naked	Private		Business		The White House, Hight Street Dereham, Norfolk NR19 1OR GB		2011.03.01		P096
The University of Kassel	Uni Kassel	Public		Higher Education		M oncheberg str. 19 Kassel 34109 DE		2011.03.01		P097
Bayer Crop Science AG	Bayer CS	Private		Business		Alfred-Nobeli-Strasse 50 Manheim am Rhein 40789 DE		2011.03.01		P098
The Castellón City Council (City of Castellon)	Caste	Public		Cities, Regions, NGOs		Piazza Mayor 1 Castellon 12001 ES		2011.03.01		P099
Economics For The Environment Consultancy Ltd.	EconEnviro nment	Private		Business		73-75 Mortimer Street London W1W 7SQ GB		2011.03.01		P100
StartLife	Start	Private		Cities, Regions,		Hollandseweg 1		2012.01.01		P103

				NGOs		Wageningen 6706 NL				
Yes!Delft	Yes!Delft	Private		Business		Molengraafsingel 12-14 Delft 2629 JD NL		2012.01.01		P104
TU Delft Vastgoed B.V.	Yes!Delft Vastgoed	Private		Business		Molengraafsingel12-14 Delft 2629 JD NL		2012.01.01		P105
Yes!Delft Students	Yes!Delft Students	Private		Cities, Regions, NGOs		Molengraafsingel 12-14 Delft 2629 JD NL		2012.01.01		P106
Frankfurt am Main City	Frankfurt	Public		Cities, Regions, NGOs		Alte Mainergasse 4 d Frankfurt am Main 60311 DE		2012.04.24		P108
SouthPole Carbon	SouthPole	Private		Business		Technopark Strasse 1 Zurich 8005 CH		2012.04.24		P109
RWTH AACHEN University	Aachen	Public		Higher Education		Templergraben 59 Aachen 52062 DE		2012.04.24		P110
Knight Frank	Company (non SME)	Private		Business		55 Baker street London W1U 8AN GB		2012.04.24		P112
Agenzia per L'energia a lo sviluppo sostenibile	AESS	Public		Cities, Regions, NGOs		Via E. Caruso 3 Modena 41122 IT		2012.04.24		P113
Comune di Bologna	Bologna	Public		Cities, Regions, NGOs		Piazza Liber Paradiso 10 Bologna 40129 IT		2012.04.24		P114
Instituto Valenciano de Competitividad Empresarial	IVACE	Public		Cities, Regions, NGOs		Ciutat Administrativa 9 d'Octubre, Calle Castañ Tobeñas 77 Valencia 46018		2012.04.24		P115

						ES				
Berliner Stadtreinigungsbetriebe	0	Private		Business		Ringbahnstrasse 96 Berlin 12103 DE		2012.05.03		P116
Berliner Verkehrsbetriebe	BVG	Private		Business		Holzmarktstrasse 15 -17 Berlin 10179 DE		2012.05.03		P117
Unternehmer TUM GmbH	UnternehmerTUM	Private	SME	Business, SME		Lichtenbergstrasse 8 Garching 85748 DE		2012.05.03		P118
Arcadis Nederlands BV	Arcadis	Private		Business		Nieuwe Stationsstraat 10 Arnhem 6811 KS NL		2012.06.29		P119
TU-Campus EUREF GmbH	TUCEUREF	Private		Business		Torgauer Str. 12-15 Berlin 10829 DE		2012.06.29		P121
NEGOS Negotiation Consulting Plc.	NEGOS Plc.	Private		Business		Ag utca 3 Budapest 1016 HU		2012.09.07		P122
Meteorological Environmental Earth Observation	MEEO	Private		Business		Via Saragat 9 Ferrara 44122 IT		2012.09.07		P123
Consiglio Nazionale delle Ricerche Istituto de Biometeorologia	CNR-IBIMET	Public		Research		Via P. Gobetti 101 Bologna 40129 IT		2012.09.07		P124
Alma Mater Studiorum - Università di Bologna	UNIBO	Public		Higher Education		via Zamboni 33 Bologna 40126 IT		2012.09.07		P125
Wroclaw University of Environmental and Life Sciences	WUELS	Public		Higher Education		CK Norrida 25/27 Wroclaw 50375 PL		2012.08.30		P127
Porta Capena	Porta Capena	Private		Business		Ul. Swidnicka 19/315 Wroclaw 50-066		2012.09.07		P128

						PL				
Association SIDE Cluster	SIDE	Private		Business		Ul. Sw. Antoniego 23 Wroclaw 50-073 PL		2012.09.07		P131
Organica Technologies Private Company Limited by Shares	Organica	Private		Business		Tuzolto u. 59 Budapest 1094 HU		2012.09.07		P132
SEED Foundation	SEED	Public		Cities, Regions, NGOs		Romer Floris u. 22-24 V/15 Budapest 1024 HU		2012.09.07		P133
Hungarian Investment and Trade Agency	HITA	Public		Cities, Regions, NGOs		Honved u. 20 Budapest 1055 HU		2012.09.07		P134
Iparfejlesztési Közalapítvány	IFKA	Public		Cities, Regions, NGOs		Munkacsy M. u. 16 Budapest 1063 HU		2012.09.07		P135
University of Debrecen, Centre for Agricultural and Applied Economic Sciences	DE-AGTC	Public		Higher Education		Boszormenyi u. 138 Debrecen 4032 HU		2012.09.07		P137
Interinn Energy Holding Nyrt.	Interinn	Private		Business		Krisztina krt. 32 Budapest 1013 HU		2012.09.07		P138
Budapest University of Technology and Economics	BME	Public		Higher Education		Muegyetem rkp 3 Budapest 1111 HU	HU15308799	2012.09.07		P139
Ecole Nationale superieure des Ponts et Chaussées	ENPC	Public		Higher Education		6-8 av. Blaise Pascal -Cite Descartes Champs-sur-Marne, Marne-la-vallee CEDEX 2 75455 FR		2012.09.07		P140
Etablissement Public d'Aménagement de la Ville Nouvelle de Marne-la- Vallée	EPAMarne	Public		Cities, Regions, NGOs		5 boulevard Pierre Carle Noisiel 77 448 FR		2012.09.07		P141

Ecole des Ingenieurs De La Ville De Paris	EIVP	Public		Higher Education		15 Rue Fenelon Paris 75010 FR		2012.09.07		P142
Airbus Defence & Space	Astrium	Private		Business		12 Rue Pasteur Suresnes 92150 FR		2012.09.07		P143
Association Airparif	Airparif	Public		Cities, Regions, NGOs		7 rue Crillon Paris 75004 FR		2012.09.07		P144
Veolia Environnement	Veolia	Private		Business		38 avenue Kleber Paris 75116 FR		2012.09.07		P145
National Physical Laboratory	NPL	Private		Research		Hampton Road, Teddington TW11 0LW GB		2012.09.07		P146
Poplar HARCA	Poplar HARCA	Private		Cities, Regions, NGOs		167 A, East India, Dock road London E14 OEA GB		2012.09.07		P148
LCA Works Limited	LCAW	Private		Business		The Glasshouse, 177-187 Arthur Rd Wimbledon Parks SW19 8AE GB		2012.09.07		P150
ESRI	ESRI	Private		Business		Technopark Strasse 1 Zurich 8005 CH		2012.09.07		P151
IBM Research GmbH	IBM	Private		Business		Saumerstrasse 4 Ruschlikon 8803 CH		2012.09.07		P152
Future Water	Future Water	Private		Business		Costerweg 1V Wageningen 6702AA NL		2012.09.07		P154
Carthago Consultancy BV	Carthago	Private		Business		Oostzeedijk Beneden 23a Rotterdam		2012.09.07		P155

						3062 VK NL				
Bosch Slabbers Den Haag BV	Bosch Slabbers	Private	SME	Business, SME		1e Schweenlinckstraat The Hague 2517 GD DE		2012.11.28		P156
Climate-KIC Alumni Association	Alumni	Private		Business		Heidelberglaan 2 Utrecht 3508 TC NL		2012.11.28		P157
Unternehmer TUM GmbH	Unternehmer TUM projekt	Public		Cities, Regions, NGOs		Lichtenbergstrasse 8 Garching 85748 DE		2012.11.28		P158
Agenzia Regionale Prevenzione e Ambiente dell' Emilia-Romagna	ARPA	Public		Cities, Regions, NGOs		Via Po, 5 Bologna 40139 IT		2012.11.28		P159
Consorzio per il Controllo dei Prodotti Biologici S.r.l	CCPB	Private	SME	Business, SME		Via J Barozzi 8 Bologna 40126 IT		2012.11.28		P160
Centro Euro-Mediterraneo sui cambiamenti climatici s.c.ar.l.	CECC	Public		Cities, Regions, NGOs		via Augusto Imperatore, 16 Lecce I-73100 IT		2012.11.28		P161
Limon GmbH	Limon	Private	SME	Business, SME		Grasse Rosenstrasse 21 Kassel 34117 DE		2012.11.28		P163
Lower-Silesia Regional Development Agency	DARR SA.	Public		Cities, Regions, NGOs		ul. Szczawieńska 2 Szczawno-Zdrój 58-310 PL		2012.11.28		P164
University of Valencia	Uni. Valencia	Public		Higher Education		P.O.Box 22085 Valencia 46010 ES		2012.11.28		P165
CDC Climat	CDC Climat	Private		Business		47 Rue de La Vidair Paris 75009 FR		2012.11.28		P168
Ingenieurgesellschaft Prof. Dr. Sieker GmbH	IPS	Private	SME	Business, SME		Rennbahnallee 109A Hoppegarten		2012.11.28		P169

						15366 DE				
Vattenfall-Europe- Innovation GmbH	Vattenfall- EU-Inno	Private		Business		Überseering 12 Hamburg 22297 DE		2012.11.28		P170
Climate Change Organisation	Climate Group	Public		Cities, Regions, NGOs		Riverside Building, County Hall, Bevedere Road London SE1 7PB GB		2012.11.28		P171
KLM	KLM	Private		Business		Postbus 7700 Schiphol 1117 ZL NL		2013.01.15		P172
Hiflux	Hiflux	Private	SME	Business, SME		55 Gower Street London WC1E6HQ GB		2013.01.17		P173
Laborelec	Laborelec	Private		Research		Roodestraat 125 Linkebeek 1630 BE		2013.01.17		P174
Sky Energy BV		Private		Business		Stadhouderskade 141 Amsterdam 1074 BA NL		2013.04.26		P176
Cornelissen Consulting Services	COCOS	Private	SME	Business, SME		Welle 36 Deventer 7411 CC NL		2013.04.26		P177
Twynstra Gudde Adviseurs en Managers BV		Private		Business		P.O. Box 907 Amersfoort 3800 AX NL		2013.04.26		P178
Seif Management and Consulting GmbH		Private	SME	Business, SME		Förrlibuckstrasse 30 Zurich 8005 CH		2013.04.26		P179
The HUB Zürich Association		Private		Cities, Regions, NGOs		Viaduktstrasse 93-95 Zurich 8005 CH		2013.04.26		P181



WWF Switzerland		Private		Cities, Regions, NGOs		Hohlstrasse 110 Zurich 8010 CH		2013.04.26		P182
Chalmers tekniska högskola AB		Public		Higher Education		Maskingränd 2 Goeteborg SE-412 58 SE		2013.04.26		P183
CRESS Carbon Reducing Energy Storage Systems Limited		Private	SME	Business, SME		9 Heathwood Close Yateley GU46 7TP GB		2013.06.14		P186
Asociación Valenciana de Empresas del Sector de la Energía		Private		Cities, Regions, NGOs		Avada Juan de la Cierva No 24 Valencia 46980 ES		2013.06.14		P188
Tourisme, Transports, Territoires Environnement Conseil	TEC	Private	SME	Business, SME		38 Rue Senac de Meilhan Marseille 13001 FR		2013.06.14		P189
Climate Neutral Investments Ltd		Private	SME	Business, SME		Technoparkstrasse 1 Zurich 8005 CH		2013.06.14		P190
E4tech (UK) Ltd.		Private	SME	Business, SME		83 Victoria Street London SW1H 0HW GB		2013.06.19		P191
GreenTEG AG		Private	SME	Business, SME		Technoparkstrasse 1 Zurich 8005 CH		2013.06.14		P192
SmarterBetterCities AG		Private	SME	Business, SME		Technoparkstrasse 1 Zurich 8005 CH		2013.06.14		P193
ABGnova GmbH		Private		Business		Ginnheimer Straße 48 Frankfurt am Main 60487 DE		2013.08.16		P194
Department of Energy and Climate Change		Public		Cities, Regions, NGOs		86-88 Guild Street Aberdeen AB11 6AR		2013.08.16		P195

						GB				
Antaco UK Ltd		Private	SME	Business, SME		Station House, Connaught Road Surrey GU24 OER GB		2013.08.16		P197
Fraunhofer Institute for Wind Energy and Energy Systems Technology		Private		Cities, Regions, NGOs		Hansastraße 27 C München 80686 DE		2013.08.27		P198
Tygron Serious Gaming B V		Private	SME	Business, SME		Saturnusstraat 60 The Hague 2516 AH NL		2013.08.27		P199
HaskoningDHV Nederland B V		Private		Business		Laan 1914, nr. 35 Amersfoort 3818 EX NL		2013.08.27		P200
Valenciana De Aprovechamiento Energetico de Residuos S A		Private		Cities, Regions, NGOs		C/Mariano Cuber 17- CP Valencia 46011 ES		2013.08.27		P201
Philips Electronics Nederland B.V.		Private		Business		Boschdijk 525 Eindhoven 5621JG NL		2013.08.16		P202
IVeridis UK Limited		Private	SME	Business, SME		York House, 23 Kingsway London WC2 6UJ GB		2013.08.27		P203
Computational Modelling Cambridge Limited		Private	SME	Business, SME		Sheraton House, Castle Park Cambridge CB3 0AX UK GB		2013.08.27		P204
Select Innovation Limited		Private	SME	Business, SME		Unit P, Loddon Industrial Estate Loddon NR14 6JD GB		2013.08.16		P205
Stowarzyszenie Centrum Rozwiazan Systemowych	CRS	Private	SME	Business, SME		Podwale 75 Wroclaw 50-449 PL		2013.08.16		P207

Municipality of Wroclaw		Public		Cities, Regions, NGOs		Plac Nowy Targ 1-8 Wroclaw 50-141 PL		2013.08.16		P208
Free Enterprise Association		Private		Cities, Regions, NGOs		2 Stalowa str. Swidnica 58-100 PL		2013.08.16		P210
Instituto Valenciano de Investigaciones Agrarias		Private		Research		CTRA Mondcada-Naquera KM.5 Moncada 46113 ES		2013.08.16		P211
SAFEGE		Private		Business		Pare de l'Tie, 115/27, rue du Port Nanterre 92022 FR		2013.09.19		P212
Brandenburg University of Technology Cottbus- Senftenberg	BTU Cottbus Senftenberg	Public		Higher Education		Postfach, 101344 Cottbus 03013 DE		2013.11.28		P213
Bildung and Projekt Netzwerk	BUPNET	Private	SME	Business, SME		Am Leinekanal 4 D -37073 Göttingen DE		2013.11.28		P214
Carbon Disclosure Project GMBH	CDP	Private		Cities, Regions, NGOs		Reinhardtstrasse 12 10117 Berlin DE		2013.11.28		P215
CMF Climate Media Factory (UG) (Haftungsbeschränkt)	CMF	Private	SME	Business, SME		Friedrich-Ebert-Strasse 82 Postdam 14469 DE		2013.11.28		P216
InnDEA Valencia	InnDEA	Public		Cities, Regions, NGOs		Cl Antigua Senda Senent, 8-4 Valencia 46023 ES		2013.11.28		P219
National Non-food Crops Centre	NNFCC	Private		Cities, Regions, NGOs		Biocentre, York Science Park, Innovation Way York YO 10 5DG GB		2013.11.28		P222

Oasis Palm Tree Ltd	Palmtree	Private	SME	Business, SME		Great Streele Oast House, Etchingwood Lane Framfield TN22 5SA GB		2013.11.29		P223
PANNON Pro Innovation Services	Pannon	Private	SME	Business, SME		Fo ut 39 Ujbarok 2066 HU		2013.11.28		P224
Proambiente S.C.r.	Proambiente	Private	SME	Business, SME		Via Gobetti 101 Bologna 40129 IT		2013.11.28		P225
ROBIN Pepinieres E.A.R.L.	ROBIN	Private	SME	Business, SME		Le Village St Laurent Du Cros 05500 FR		2013.11.28		P226
The Ecological Sequestration Trust	TEST	Private		Cities, Regions, NGOs		2-6 Cannon Street London EC4M 6YH GB		2013.11.28		P227
The Valenciaport Foundation for Research, Promotion and Commercial Studies of the Valencia Region	Valenciaport Foundation	Private		Cities, Regions, NGOs		Av. Muelle del Turia, s/n Valencia 46024 ES		2013.11.29		P228
Agolin S.A.	Agolin	Private	SME	Business, SME		Route de la Picarde 20 Biere 1145 CH		2014.01.23		P229
ElectricFeel Mobility Systems GmbH	ElectricFeel	Private		Business, SME		Technoparkstrasse 1 / CH Zurich 8005 CH		2013.11.05		P230
Aequator Groen & Ruimte B.V.	Aequator	Private	SME	Business, SME		De Drieslag 25 8251 JZ Dronten NL		2014.01.23		P231
RB Biobased Institute B.V.	Biopolymers	Private	SME	Business, SME		Denariusstraat 19 Oosterhout 4903 RC NL		2014.01.23		P232
Aqdot Ltd	Aqdot	Private	SME	Business, SME		St John's Innovation Park, Cowley Road		2014.01.23		P233

						Cambridge CB4 0DS GB				
Cogent Heat Energy Storage Systems Ltd	CHESS	Private	SME	Business, SME		42 Churchway, Haddenham Aylesbury HP17 8HE GB		2014.01.23		P234
City of Copenhagen	CPH	Public		Cities, Regions, NGOs		Radhusel 1 Copenhagen 1559 DK		2014.01.23		P235
Cowi A/S	Cowi	Private		Business		Parallelvej 2 Kongens Lyngby 2800 DK		2014.01.23		P236
Novozymes A/S	Novozymes	Private		Business		Krogshoejvej 36, Bagsvaerd 2880 DK		2013.10.24		P237
Rockwool International A/S	RI	Private		Business		Hovedgaden 584 Hedehusene 2640 DK		2014.01.23		P239
Technical University of Denmark	DTU	Public		Higher Education		Anker Engelundsvej 1 Lyngby DK-2800 DK		2014.01.23		P240
Grundfos Holding A/S	Grundfos	Private		Business		Poul Due Jensens Vej 7 Bjerringbro 8850 DK		2014.01.23		P241
Københavns Universitet	UCPH	Public		Higher Education		Norregade 10 Copenhagen DK-11654 DK		2014.01.23		P242
Velux A/S	Velux	Private		Business		Adalsvej 99 Horsholm 2970 DK		2014.01.23		P243
EigenOssische MaterialsprOfungs- und Forschungsanstalt	EMPA	Public		Research		Überlandstrasse 129 Dobendorf CH-8600 CH		2014.03.13		P244

Esri Schweiz AG	Esri Schweiz	Private	SME	Business, SME		Josefstrasse 218 Zurich 8005 CH		2014.03.13		P245
Transition Pathways Ltd	TPL	Private	SME	Business, SME		Orwell House, 50 High Street Hungerford RG17 ONE GB		2014.03.13		P247
Kompetenzzentrum HessenRohstoffe (HeRo) e.V.	HeRo	Private		Cities, Regions, NGOs		Am Sande 20 Witzenhausen 37213 DE		2014.03.13		P249
City of Kassel	Kassel	Public		Cities, Regions, NGOs		Rathaus, Obere Königsstr.8 Kassel 34117 DE		2014.07.09		P250
TA Heimeier GmbH	TA Heimeier	Private	SME	Business, SME		Völlinghauser Weg Erwitte D-59597 DE		2014.07.09		P252
Lower Silesia Voivodeship	MOLS	Public		Cities, Regions, NGOs		Wybrzeze Juliusza Slowackiego 12-14 Wroclaw 50-411 PL		2014.07.09		P253
ONF International	ONFI	Private	SME	Business, SME		45 bis Avenue de la Belle Gabrielle Nogen Sur Marne Cedex 94736 FR		2014.07.09		P254
AgriCircle AG	AgriCircle	Private	SME	Business, SME		Herrenberg 35 Rapperswil CH-8640 CH		2014.08.13		P257
Stichting Wetsus Centre of Excellence for Sustainable Water Technology	Wetsus	Private		Research		Agora 1 (P.O. Box 1113) Leeuwarden 8900CC NL		2014.09.24		P258
Wuppertal Institut fuer Klima, Umwelt, Energie GmbH (Wuppertal Institute)	WI	Private		Research		Doppersberg 19 Wuppertal 42103 DE		2014.09.24		P259
British	BT	Public		Business		81 Newgate Street		2014.09.24		P260

Telecommunications public limited company						London EC1A 7AJ GB				
RYW Community Systems Ltd	RYW	Private		Business		Chiltern House, 45 Station Road Henley-on-Thames RG9 1AT GB		2014.09.24		P261
Cranfield University	Cranfield	Private		Higher Education		College Road, Cranfield University Cranfield MK43 0AL GB		2014.09.24		P262
Rezatec Limited	Rezatec	Private	SME	Business, SME		2 Chawley Park, Cumnor Hill Oxford OX2 9GG GB		2014.09.24		P263
Global Biotechnology Transfer Foundation	GBTF	Private		Cities, Regions, NGOs		Headquarters House, Brookenby Business Park, Brookenby Market Rasen, Lincolnshire LN8 6HF GB		2014.09.24		P264
The Energy Saving Trust Foundation	ESTF	Public		Cities, Regions, NGOs		21 Dartmouth Street London SW1H 9BP GB		2014.09.24		P265
Centre for Excellence for Low Carbon and Fuel Cell Technologies	Cenex	Private		Cities, Regions, NGOs		55 Colmore Row Birmingham B3 2AS GB		2014.07.09		P266
Virent, Inc.		Private		Business	<a href="http://www.virent.com#">www.virent.com#</a> <a href="http://www.virent.com#">http://www.virent.com#</a>	3571 Anderson Street Madison WI 53704 US	456-0001836509-03	2015.02.27		P267
Indorama Ventures Europe B.V.	IVE	Private		Business	<a href="http://www.indorama.net">www.indorama.net</a>	Markweg 201 Rotterdam 3198 NB NL	853143936	2015.02.27		P268
HarvestaGG Green Goods B.V.	HarvestaGG	Private	SME	Business, SME	<a href="http://www.harvestagg.nl">www.harvestagg.nl</a>	Pellkaanweg 46 Lelystad 8218PG NL	NL8514396641301	2015.02.27		P269

Havenbedrijf Rotterdam N.V.		Private		Business	www.portofrotterdam.com	P.O. Box 6622 Rotterdam 3002 AP NL	NL812506339B01	2015.02.27		P270
ABC-Kroos BV		Private	SME	Business, SME		Oude Apeldoornseweg Apeldoorn 7333 NR NL		2015.05.01		P271
ARTELIA EAU ET ENVIRONNEMENT	Artelia	Private	SME	Business, SME	www.arteliagroup.com#http://www.arteliagroup.com#	6 rue de Lorraine Echirolles 38130 FR	FR 22 503 646 572	2015.05.01		P272
Arx-IT Consulting	Arx-IT	Private	SME	Business, SME	www.arxit.com#http://www.arxit.com#	45 Av De la Praille Geneva 1227 CH	CHE 109 440 676	2015.05.01		P273
Carbon Trust Advisory Ltd		Private	SME	Business, SME	www.carbontrust.com#http://www.carbontrust.com#	27-45 Stamford Street Dorset SE19NT GB	G B-8680-4938-8	2015.05.01		P274
Fovarosí Csatornazási Művek Zrt.	FCSM	Private		Business		4 Asztalos Sándor utca Budapest 1087 HU	HU 10893850-2-44	2015.05.01		P275
Norwegian University of Science and Technology	NTNU	Public		Higher Education	www.nynu.no#http://www.nynu.no#	Høgskoleringen 1 Trondheim 7491 NO	VAT 974 767 880	2015.05.01		P276
Sinergis		Private		Business	www.sinergis.it#http://www.sinergis.it#	Località Palazzina 120/f Trento 38121 IT	01727860221	2015.05.01		P277
Lunds universitet	ULUND	Public		Higher Education	http://www.lunduniversity.lu.se	Paradisgatan 2, P.O. Box 117 Lund SE-221 00 SE	SE202100321101	2015.06.09		P278
AALTO-KORKEAKOULUSÄÄTIÖ	AALTO	Private		Higher Education		00076 Aalto Espoo 11000 FI	FI22283574	2015.06.09		P279
CybeleTech		Private	SME	Business, SME	http://cybeletech.com	2 rue de la Piquetterie Bruyères-le-Chatel 91680	FR 95 535 136 741	2015.06.09		P280



						FR				
virtualcitySystems GmbH	vcs	Private	SME	Business, SME	<a href="http://www.virtualcitysystems.de">www.virtualcitysystems.de</a>	Tauentzienstrasse 7b/c Berlin 10789 DE	DE244937391	2015.07.14		P281
TEP Energy GmbH	TEP	Private	SME	Business, SME	<a href="http://www.tep-energy.ch">www.tep-energy.ch</a> <a href="http://www.tep-energy.ch">http://www.tep-energy.ch</a>	Rotbuchstr. 68 Zurich 8037 CH	CHE 114.421.466	2015.07.14		P282
The Gold Standard Foundation	GSF	Private		Cities, Regions, NGOs	<a href="http://www.goldstandard.org">http://www.goldstandard.org</a>	Avenue Louis Casai 79 Geneva CH-1216 CH	CHE-113.192.582 MWST	2015.08.28		P283
Global Climate Adaptation Partnership	GCAP	Private		Higher Education	<a href="http://www.climateadaptation.cc">www.climateadaptation.cc</a>	Oxford Centre for Innovation, New Road Oxford OX11BY GB	991716093	2015.08.28		P284
TRIVECTOR Traffic AB		Private	SME	Business, SME	<a href="http://www.trivector.se">www.trivector.se</a>	Trivector Traffic AB, Aldemansgatan 13, Lund, Sweden, SE 227 64	SE556555170101	26/11/2015		P290
NTU International A/S	NTU	Private	SME	Business, SME	<a href="http://www.nto.eu">www.nto.eu</a>	NTU, Ved Stranden 22, Aalborg, Denmark, 9000	DK31079543	26/11/2015		P289
Malmö stad [City of Malmö]		Public		Cities, Regions, NGO's	<a href="http://www.malmo.se">www.malmo.se</a>	City of Malmo, Bergsgatan 17, Malmo, Sweden, 20580	SE212000112401	26/11/2015		P288
Helsinki-Uusimaa Regional Council		Public		Cities, Regions, NGO's	<a href="http://www.uudenmaanliito.fi">www.uudenmaanliito.fi</a>	Helsinki Uusimaa, Esterinportti 2B, Helsinki, Finland, 00240	FI02012961	26/11/2015		P287
EbusPlan GmbH		Private	SME	Business, SMA	<a href="http://www.ebusplan.com">www.ebusplan.com</a>	Ebusplan GmbH, Huettenstrasse 7, Aachen, Germany, 52068	DE815578734	26/11/2015		P285
CDP Worldwide	CDP	Private		Cities, Regions, NGO's	<a href="http://www.cdp.net">www.cdp.net</a>	CDP Worldwide, 2 <sup>nd</sup> Floor, Quadrant House, 4 Square, Thomas More Street, London, England, E1W 1YW	923257921	26/11/2015		P286

## Annex III

Annex III of the Framework Partnership Agreement contains the Model Specific Agreement.

It composes the following elements:

Annex 3	Model Specific Agreement
Annex 3.1	Description of the specific action
Annex 3.2	Estimated budget
Annex 3.3	Model for the financial statements
Annex 3.4	Model for the certificate on the financial statements

## MODEL SPECIFIC AGREEMENT





Ref.: .....EIT.2015.I

## SPECIFIC AGREEMENT

Contract No. EIT/CLIMATE-KIC/SGA20XX/X

This 'Specific Agreement' is **between** the following parties:

**on the one part,**

The **European Institute of Innovation and Technology ('the EIT')**,  
represented for the purposes of signature of this Specific Agreement by its Interim Director  
Martin Kern,

**and**

**on the other part,**

1. The Knowledge and Innovation Community Legal Entity ('the KIC LE'):

**Climate-KIC Holding B.V. ('Climate-KIC')**, a Corporation duly incorporated under the Laws of  
The Netherlands with registered office located at Heidelberglaan 2, 3584CS Utrecht, The  
Netherlands registered in the Netherlands under the Commercial Register number 63299658,  
represented for the purpose hereof by its CEO Bertrand Maxwell VAN EE duly empowered  
and authorised by a Resolution from the General Assembly of the Holding on 4 June 2015, a  
copy of which is attached in Annex III of the Grant Agreement, hereinafter referred to as the  
"KIC LE".

2. and the other Knowledge and Innovation Community ('KIC') Partners listed in Annex 2 of  
the Framework Partnership Agreement, represented for the purposes of signing the Specific  
Agreement by the KIC LE (see the mandate in Annex 4 of the Framework Partnership  
Agreement and Article 62 of the Framework Partnership Agreement).

By entering into the Specific Agreement, the KIC Partners accept the grant and agree to  
implement the specific action under their own responsibility and in accordance with the  
Framework Partnership Agreement and this Specific Agreement, with all the obligations and  
conditions they set out.



The Specific Agreement is composed of:

Terms and Conditions

Annex 1: Description of the specific action

Annex 2: Estimated budget 20XX;

Annex 3: Model for the financial statements

Annex 4: Model for the certificate on the financial statements

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## CHAPTER 1    GENERAL

### ARTICLE 1 — SUBJECT OF THE AGREEMENT

This Agreement sets out the specific terms and conditions and rights and obligations applicable to the specific grant awarded to the KIC Partners for implementing a specific action under the Framework Partnership Agreement No FPA2016/EIT/EIT DIGITAL - FPA2016/EIT/EIT DIGITAL ('Framework Partnership Agreement (FPA)')

## CHAPTER 2    ACTION

### ARTICLE 2 — ACTION TO BE IMPLEMENTED

The specific action to be implemented is described in Annex 1.

### ARTICLE 3 — DURATION AND STARTING DATE OF THE ACTION

The duration of the specific action will be from 1 January 20XX ('starting date of the specific action') until 31 December 20XX.

## CHAPTER 3    SPECIFIC GRANT

### ARTICLE 4 — GRANT AMOUNT, FORM OF GRANT, REIMBURSEMENT RATES AND FORMS OF COSTS

#### 4.1    Financing of the KIC Business Plan

The total cost of the implementation of the KIC Business Plan is estimated at EUR [insert amount (insert amount in words)], as set out in Annex 2.

#### 4.2    Maximum grant amount

The 'maximum grant amount' for the specific grant is EUR [insert amount (insert amount in words)].

#### 4.3    Form of grant, reimbursement rates and forms of costs

The grant reimburses [insert amount] % of the specific action's eligible costs (see Article 5) ('reimbursement of eligible costs') (see Annex 2).

The estimated eligible costs of the specific action are EUR [insert amount (insert amount in words)].

Eligible costs (see Article 5) must be declared under the following forms ('forms of costs'):



a.) for direct **personnel costs** [(excluding personnel costs covered by the unit cost/lump sum under Point f)]<sup>1</sup>:

- as actually incurred costs ('actual costs') or
- on the basis of an amount per unit calculated by the KIC Partner in accordance with its usual cost accounting practices ('unit costs').

Personnel costs for **SME owners or for KIC Partners that are natural persons** not receiving a salary (see Points A4 and A5 of Article 5.2) must be declared on the basis of the amount per unit set out in Annex 2 (**unit costs**);

b.) for direct costs of **subcontracting** [(excluding subcontracting costs covered by the unit cost/lump sum under Point f)]<sup>2</sup>: as actually incurred costs (**actual costs**);

c.) for direct costs of **providing financial support to third parties** [(excluding costs of financial support covered by the unit cost/lump sum under Point f)]<sup>3</sup>: as actually incurred costs (**actual costs**);

d.) for **other direct costs** [(excluding other direct costs covered by the unit cost/lump sum under Point (f))]<sup>4</sup>: as actually incurred costs (**actual costs**);

e.) for **indirect costs** [(excluding indirect costs for the unit cost/lump sum under Point (f))]<sup>5</sup>: on the basis of a flat-rate applied as set out in Article 5.2, Point E ('flat-rate costs');

(f) [OPTION for specific unit costs (if unit cost foreseen by Commission decision and applicable to the grant): for [insert name of specific cost category(ies)]<sup>6</sup>: on the basis of the amount(s) per unit set out in Annex 2<sup>7</sup> (**unit costs**).]

[OPTION for specific lump sum costs (if lump sum foreseen by Commission decision and applicable to the grant): for [insert name of specific cost category(ies)]: as the lump sum set out in Annex 2 (**lump sum cost**).]

[OPTION: specific cost category(ies): not applicable.]]

<sup>1</sup> To be used only if option in Point (f) is used.

<sup>2</sup> To be used only if option in Point (f) is used.

<sup>3</sup> To be used only if option in Point (f) is used.

<sup>4</sup> To be used only if option in Point (f) is used.

<sup>5</sup> To be used only if option in Point (f) is used.

<sup>6</sup> Insert precise name of cost category (as in the Commission decision authorising the use of the unit cost/lump-sum). For example: 'costs for clinical studies'; 'costs for energy efficiency measures in buildings'.

<sup>7</sup> Annex 2 must clearly show, for each KIC Partner (and linked third party) concerned, all the parameters for the unit cost (i.e. the unit(s), the amount(s) per unit, e.g. the clinical study for which it is used, etc).

## ARTICLE 5 — ELIGIBLE AND INELIGIBLE COSTS

### 5.1 General conditions for costs to be eligible

'Eligible costs' are costs of KIC added value activities, which meet the following criteria:

a.) for **actual costs**:

- (i) they must be actually incurred by the KIC Partner;
- (ii) they must be incurred in the period set out in Article 3, with the exception of costs relating to the submission of the final report (see Article 16);
- (iii) they must be indicated in the estimated budget set out in Annex 2;
- (iv) they must be incurred in connection with the specific action as described in Annex 1 and necessary for its implementation;
- (v) they must be identifiable and verifiable, in particular recorded in the KIC Partner's accounts in accordance with the accounting standards applicable in the country where the KIC Partner is established and with the KIC Partner's usual cost accounting practices;
- (vi) they must comply with the applicable national law on taxes, labour and social security, and
- (vii) they must be reasonable, justified and must comply with the principle of sound financial management, in particular regarding economy and efficiency;

b.) for **unit costs**:

- (i) they must be calculated as follows:  
  
    {amounts per unit set out in Annex 2 or calculated by the KIC Partner in accordance with its usual cost accounting practices (see Article 5.2, Point A)}  
  
    multiplied by  
  
    the number of actual units};
- (ii) the number of actual units must comply with the following conditions:
  - the units must be actually used or produced in the period set out in Article 3;
  - the units must be necessary for implementing the specific action or produced by it, and

- the number of units must be identifiable and verifiable, in particular supported by records and documentation (see Article 24 FPA).

c.) for **flat-rate costs**:

- (i) they must be calculated by applying the flat-rate set out in Annex 2, and
- (ii) the costs (actual costs or unit costs or lump-sum costs) to which the flat-rate is applied must comply with the conditions for eligibility set out in this Article[;][.]

d.) *[OPTION if lump sum foreseen in Article 4.2: for lump sum costs:*

- (i) *the eligible amount is equal to the amount set out in Annex 2, and*
- (ii) *the corresponding tasks or parts of the specific action must have been properly implemented in accordance with Annex 1.]*

## 5.2 Specific conditions for costs to be eligible

Costs are eligible if they comply with the general conditions (see above) and the specific conditions set out below for each of the following budget categories:

- A. direct personnel costs;
- B. direct costs of subcontracting;
- C. direct costs of providing financial support to third parties;
- D. other direct costs;
- E. indirect costs;
- F. ***[OPTION for specific unit[/lump sum] costs: [insert name(s) of specific cost category(ies)]<sup>8</sup>][OPTION: not applicable].***

'Direct costs' are costs that are directly linked to the implementation of the specific action and can therefore be attributed to it directly. They must not include any indirect costs (see Point E below).

'Indirect costs' are costs that are not directly linked to the implementation of the specific action and therefore cannot be attributed directly to it.

### A. Direct personnel costs *[(not covered by in Point F)]*

#### Types of eligible personnel costs

A.1 Personnel costs are eligible, if they are related to personnel working for the KIC Partner under an employment contract (or equivalent appointing act) and assigned to the specific action ('**costs for employees (or equivalent)**'). They must be limited to salaries (including

<sup>8</sup> Insert precise name of the cost (as in the Commission decision authorising the use of the unit cost or lump sum). For example: 'costs for clinical studies'; 'costs for energy efficiency measures in buildings'.

during parental leave), social security contributions, taxes and other costs included in the remuneration, if they arise from national law or the employment contract (or equivalent appointing act).

The KIC Partners that are non-profit legal entities<sup>9</sup> may also declare as personnel costs **additional remuneration** for personnel assigned to the action (including payments on the basis of supplementary contracts regardless of their nature), if:

- (a) it is part of the KIC Partner's usual remuneration practices and is paid in a consistent manner whenever the same kind of work or expertise is required;
- (b) the criteria used to calculate the supplementary payments are objective and generally applied by the KIC Partner, regardless of the source of funding used.

Additional remuneration for personnel assigned to the action is eligible up to the following amount:

- (a) if the person works full time and exclusively on the action during the full year: up to EUR 8 000;
- (b) if the person works exclusively on the action but not full-time or not for the full year: up to the corresponding pro-rata amount of EUR 8 000, or
- (c) if the person does not work exclusively on the action: up to a pro-rata amount calculated as follows:

{{EUR 8 000 divided by

the number of annual productive hours (see below)},

multiplied by

the number of hours that the person has worked on the action during the year}.

A.2 The costs for **natural persons working under a direct contract** with the KIC Partner other than an employment contract are eligible personnel costs, if:

- (a) the person works under the KIC Partner's instructions and, unless otherwise agreed with the KIC Partner, on the KIC partner's premises;
- (b) the result of the work carried out belongs to the KIC Partner, and

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<sup>9</sup> For the definition, see Article 2.1(14) Rules for Participation Regulation (EU) No 1290/2013: '**non-profit legal entity**' means a legal entity which by its legal form is non-profit-making or which has a legal or statutory obligation not to distribute profits to its shareholders or individual members.

- (c) the costs are not significantly different from those for personnel performing similar tasks under an employment contract with the KIC Partner.

A.3 The costs of **personnel seconded by a third party against payment** are eligible personnel costs if the conditions in Article 9 are met.

A.4 **Costs of owners of KIC Partners that are small and medium-sized enterprises ('SME owners')** who are working on the action and who do not receive a salary are eligible personnel costs, if they correspond to the amount per unit set out in Annex 2 multiplied by the number of actual hours worked on the action.

A.5 Costs of **'KIC Partners that are natural persons'** not receiving a salary are eligible personnel costs, if they correspond to the amount per unit set out in Annex 2 multiplied by the number of actual hours worked on the action.

### Calculation

Personnel costs must be calculated by the KIC Partners as follows:

{{hourly rate

multiplied by

the number of actual hours worked on the action},

plus

for non-profit legal entities: additional remuneration to personnel assigned to the action under the conditions set out above (Point A.1)}.

The number of actual hours declared for a person must be identifiable and verifiable (see Article 24 FPA).

The total number of hours declared in EIT, EU or Euratom grants, for a person for a year, cannot be higher than the annual productive hours used for the calculations of the hourly rate. Therefore, the maximum number of hours that can be declared for the specific grant are:

{number of annual productive hours for the year (see below)

minus

total number of hours declared by the KIC Partner for that person for that year, for other EIT, EU or Euratom grants}.

The **'hourly rate'** is one of the following:

- (a) for personnel costs declared as **actual costs**: the hourly rate is the amount calculated as follows:

{actual annual personnel costs (excluding additional remuneration) for the person  
divided by  
the number of annual productive hours}.

The KIC Partners must use the annual personnel costs and the number of annual productive hours for each financial year covered by the reporting period concerned. If a financial year is not closed at the end of the action, the KIC Partners must use the hourly rate of the last closed financial year available.

For the 'number of annual productive hours', the KIC Partners may choose one of the following:

- (i) 'fixed number of hours': 1 720 hours for persons working full time (or corresponding pro-rata for persons not working full time);
- (ii) 'individual annual productive hours': the total number of hours worked by the person in the year for the KIC Partner, calculated as follows:

{annual workable hours of the person (according to the employment contract, applicable collective labour agreement or national law)

Plus

overtime worked minus

absences (such as sick leave and special leave)}.

'Annual workable hours' means the period during which the personnel must be working, at the employer's disposal and carrying out his/her activity or duties under the employment contract, applicable collective labour agreement or national working time legislation.

If the contract (or applicable collective labour agreement or national working time legislation) does not allow to determine the annual workable hours, this option cannot be used.

- (iii) 'standard annual productive hours': the 'standard number of annual hours' generally applied by the KIC Partner for its personnel in accordance with its usual cost accounting practices. This number must be at least 90% of the 'standard annual workable hours'.

If there is no applicable reference for the standard annual workable hours, this option cannot be used.

For all options, the actual time spent on **parental leave** by a person assigned to the action may be deducted from the number of annual productive hours;

(b) for personnel costs declared on the basis of unit costs: the hourly rate is one of the following:

- (i) for SME owners or for KIC Partners that are natural persons: the hourly rate set out in Annex 2 (see Points A.4 and A.5 above), or
- (ii) for personnel costs declared on the basis of the KIC Partner's usual cost accounting practices: the hourly rate calculated by the KIC Partner in accordance with its usual cost accounting practices, if:

- the cost accounting practices used are applied in a consistent manner, based on objective criteria, regardless of the source of funding;
- the hourly rate is calculated using the actual personnel costs recorded in the KIC Partner's accounts, excluding any ineligible cost or costs included in other budget categories.  
The actual personnel costs may be adjusted by the KIC Partner on the basis of budgeted or estimated elements. Those elements must be relevant for calculating the personnel costs, reasonable and correspond to objective and verifiable information;

and

- the hourly rate is calculated using the number of annual productive hours (see above).

**B. Direct costs of subcontracting** *[(not covered by Point F)]* (including related duties, taxes and charges such as non-deductible value added tax (VAT) paid by the KIC Partner) are eligible if the conditions in Article 11.1.1 are met.

**C. Direct costs of providing financial support to third parties** *[(not covered by Point F)]* are eligible if the conditions set out in Article 13.1.1 or 13.2.1 are met.

**D. Other direct costs** *[(not covered by Point F)]*

**D.1 Travel costs and related subsistence allowances** (including related duties, taxes and charges such as non-deductible value added tax (VAT) paid by the KIC Partner) are eligible if they are in line with the KIC Partner's usual practices on travel.

**D.2 The depreciation costs for equipment, infrastructure or other assets** (new or second-hand) as recorded in the KIC Partner's accounts are eligible, if they were purchased in accordance

with Article 8.1.1 and written off in accordance with international accounting standards and the KIC Partner's usual accounting practices.

The costs of renting or leasing equipment, infrastructure or other assets (including related duties, taxes and charges such as non-deductible value added tax (VAT) paid by the KIC Partner are also eligible, if they do not exceed the depreciation costs of similar equipment, infrastructure or assets and do not include any financing fees.

The costs of equipment, infrastructure or other assets contributed in-kind against payment are eligible, if they do not exceed the depreciation costs of similar equipment, infrastructure or assets, do not include any financing fees and if the conditions in Article 9.1 are met.

The only portion of the costs that will be taken into account is that which corresponds to the duration of the action and rate of actual use for the purposes of the action.

**D.3 Costs for other goods and services** (including related duties, taxes and charges such as non-deductible value added tax (VAT) paid by the KIC Partner are eligible if they are:

- (a) purchased specifically for the specific action and in accordance with Article 8.1.1 or
- (b) contributed in kind against payment and in accordance with Article 9.1.

Such goods and services include, for instance, consumables and supplies, dissemination (including open access), protection of results, certificates on the financial statements (if they are required by the Agreement), certificates on the methodology, translations and publications.

**D.4 Capitalised and operating costs of 'large research infrastructure'**<sup>10</sup> *[OPTION by default: directly used for the specific action are eligible, if:*

- (a) the value of the large research infrastructure represents at least 75% of the total fixed assets (at historical value in its last closed balance sheet before the date of the signature of the Agreement or as determined on the basis of the rental and leasing costs of the research infrastructure<sup>11</sup>);*

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<sup>10</sup> 'Large research infrastructure' means research infrastructure of a total value of at least EUR 20 million, for a partner, calculated as the sum of historical asset values of each individual research infrastructure of that partner, as they appear in its last closed balance sheet before the date of the signature of the Agreement or as determined on the basis of the rental and leasing costs of the research infrastructure.

<sup>11</sup> For the definition, see Article 2(6) of the H2020 Framework Programme Regulation No 1291/2013: 'Research infrastructure' are facilities, resources and services that are used by the research communities to conduct research and foster innovation in their fields. Where relevant, they may be used beyond research, e.g. for education or public services. They include: major scientific equipment (or sets of instruments); knowledge-based resources such as collections, archives or scientific data; e-infrastructures such as data and computing systems and communication networks; and any other infrastructure of a unique nature essential to achieve excellence in research and innovation. Such infrastructures may be 'single-sited', 'virtual' or 'distributed'.



- (b) *the partner's methodology for declaring the costs for large research infrastructure has been positively assessed by the EIT ('ex-ante assessment');*
- (c) *the partner declares as direct eligible costs only the portion which corresponds to the duration of the action and the rate of actual use for the purposes of the action, and*
- (d) *they comply with the conditions as further detailed in the annotations to the H2020 Grant Agreements.]*

#### **E. Indirect costs [(not covered by Point F)]**

**Indirect costs** are eligible if they are declared on the basis of the flat-rate of 25% of the eligible direct costs (see Article 4.3 and Points A to D above), from which are excluded:

- (a) costs of subcontracting;
- (b) costs of in-kind contributions provided by third parties which are not used on the KIC Partner's premises;
- (c) costs of providing financial support to third parties; and
- (d) *[OPTION if Point F applies and the unit or lump sum cost includes indirect costs: unit costs under Article 4.2 f.) and Point F below), lump sum costs under Article 4.2(f) and Point F below.] [OPTION: not applicable.]*

KIC Partners receiving an operating grant <sup>12</sup> financed by the EU or Euratom budget cannot declare indirect costs for the period covered by the operating grant.

**F. [OPTION: [Insert name of specific cost category(ies)]<sup>13</sup>][OPTION if no specific cost categories applicable to grant: Specific cost category(ies)]**

*[OPTION for specific unit costs (if unit cost foreseen by Commission decision and applicable to the grant): [Insert name of specific cost category] are eligible, if they correspond to the amount per unit set out in Annex 2 multiplied by the number of actual units [and if [insert eligibility conditions]].]*

*[OPTION for specific lump sum costs (lump sum foreseen by Commission decision and applicable to the grant): [Insert name of specific cost category] are eligible, if they correspond to the lump*

<sup>12</sup> For the definition, see Article 121(1)(b) of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 218, 26.10.2012, p.1) ('Financial Regulation No 966/2012'): 'operating grant' means direct financial contribution, by way of donation, from the budget in order to finance the functioning of a body which pursues an aim of general EU interest or has an objective forming part of and supporting an EU policy.

<sup>13</sup> Insert precise name of cost category (as in the Commission decision authorising the use of the unit cost/lump-sum). For example: 'costs for clinical studies'; 'costs for energy efficiency measures in buildings'



*sum set out in Annex 2 and the corresponding tasks or parts of the action have been properly implemented in accordance with Annex 1.]*

*[same for each specific cost category]*

*[OPTION: Not applicable]*

### 5.3 Conditions for costs of linked third parties to be eligible

Costs incurred by linked third parties are eligible if they fulfil — mutatis mutandis — the general and specific conditions for eligibility set out in this Article (Article 5.1 and 5.2) and Article 12.1.1.

### 5.4 Conditions for in-kind contributions provided by third parties free of charge to be eligible

**In-kind contributions provided free of charge** are eligible direct costs (for the KIC Partner or linked third party), if the costs incurred by the third party fulfil — mutatis mutandis — the general and specific conditions for eligibility set out in this Article (Article 5.1 and 5.2) and Article 10.1.

### 5.5 Ineligible costs

'Ineligible costs' are:

- (a) costs of implementing KIC complementary activities;
- (b) costs that do not comply with the conditions set out above (Article 5.1 to 5.4), in particular:
  - (i) costs related to return on capital;
  - (ii) debt and debt service charges;
  - (iii) provisions for future losses or debts;
  - (iv) interest owed;
  - (v) doubtful debts;
  - (vi) currency exchange losses;
  - (vii) bank costs charged by the KIC LE's bank for transfers from the EIT;
  - (viii) excessive or reckless expenditure;
  - (ix) deductible VAT;

- (x) costs incurred during suspension of the implementation of the specific action (see Article 55 FPA);
- (c) costs declared under another EIT, EU or Euratom grant (including grants awarded by a Member State and financed by the EU or Euratom budget and grants awarded by bodies other than the EIT for the purpose of implementing the EU or Euratom budget); in particular, indirect costs if the KIC Partner is already receiving an operating grant financed by the EU or Euratom budget in the same period.

## **5.6 Consequences of declaration of ineligible costs**

Declared costs that are ineligible will be rejected (see Article 48 FPA).

This may also lead to any of the other measures described in Section 5 of the Framework Partnership Agreement.

## **CHAPTER 4 RIGHTS AND OBLIGATIONS OF THE PARTIES**

### **SECTION 1 RIGHTS AND OBLIGATIONS RELATED TO IMPLEMENTING THE SPECIFIC ACTIONS**

#### **ARTICLE 6 — RESOURCES TO IMPLEMENT THE SPECIFIC ACTION — THIRD PARTIES INVOLVED IN THE SPECIFIC ACTION**

The KIC Partners must have the appropriate resources to implement specific action.

If it is necessary to implement the specific action, the KIC Partners may:

- purchase goods, works and services (see Article 8);
- use in-kind contributions provided by third parties against payment (see Article 9);
- use in-kind contributions provided by third parties free of charge (see Article 10);
- call upon subcontractors to implement action tasks described in Annex 1 (see Article 11);
- call upon linked third parties to implement action tasks described in Annex 1 (see Article 12).

In these cases, the KIC Partners retain sole responsibility towards the EIT and the other KIC Partners for implementing the specific action.

#### **ARTICLE 7 — IMPLEMENTATION OF ACTION TASKS BY KIC PARTNERS NOT RECEIVING EIT FUNDING**

##### **7.1 Rules for the implementation of action tasks by KIC Partners not receiving EIT funding**

KIC Partners not receiving EIT funding must implement the specific action tasks attributed to them in Annex 1 according to Article 12 of the Framework Partnership Agreement.

Their costs are estimated in Annex 2 but:

- will not be reimbursed and
- will not be taken into account for the calculation of the specific grant (see Articles 4 and Article 17 SGA and Article 10 FPA.)

For KIC Partners not receiving EIT funding which do not have linked third parties receiving EIT funding, Articles 4, 5, 8 to 13, 16.3(b), 16.4(b), 16.6, 17 of the Specific Agreement and Articles 24.1.2, 29a, 32.4, 33.2, 34.1 (with the exception of additional exploitation obligations), 34.2, 36.3, 37.5, 46, 48, 49, 50, 53, 54 of the Framework Partnership Agreement do not apply.

They will not be subject to financial checks, reviews and audits under Article 28 of the Framework Partnership Agreement for their own costs.

For KIC Partners not receiving EIT funding which have linked third parties receiving EIT funding, Articles 4, 5, 8 to 13, 16.6 of the Specific Agreement and articles 29a and 46 of the Framework Partnership Agreement do not apply.

Articles 32.4, 33.2, 34.1, 34.2, 36.3, 37.5 of the Framework Partnership Agreement do not apply to results generated without EU funds.

They will not be subject to financial checks, reviews and audits under Article 28 of the Framework Partnership Agreement for their own costs.

KIC Partners not receiving EU funding may provide in-kind contributions to another KIC Partner. In this case, they will be considered as a third party for the purpose of Articles 9 and 10 of the Specific Agreement.

## **7.2 Consequences of non-compliance**

If a KIC Partner not receiving EU funding breaches any of its obligations under this Article, its participation of the Agreement may be terminated (see Article 56 FPA).

Such breaches may also lead to any of the other measures described in Section 5 of the Framework Partnership Agreement that are applicable to it.

## **ARTICLE 8 — PURCHASE OF GOODS, WORKS AND SERVICES**

### **8.1 Rules for purchasing goods, works or services**

8.1.1 If necessary to implement the specific action, the KIC Partners may purchase goods, works or services.

The KIC Partners must make such purchases ensuring the best value for money or, if appropriate, the lowest price. In doing so, they must avoid any conflict of interests (see Article 41 FPA).

The KIC Partners must ensure that the EIT, the Commission, the European Court of Auditors (ECA) and the European Anti-fraud Office (OLAF) can exercise their rights under Articles 28 and 29 of the Framework Partnership Agreement also towards their contractors.

8.1.2 KIC Partners that are ‘contracting authorities’ within the meaning of Directive 2004/18/EC<sup>14</sup> or ‘contracting entities’ within the meaning of Directive 2004/17/EC<sup>15</sup> must comply with the applicable national law on public procurement.

## **8.2 Consequences of non-compliance**

If a KIC Partner breaches any of its obligations under Article 8.1.1, the costs related to the contract concerned will be ineligible (see Article 5) and will be rejected (see Article 48 FPA).

If a KIC Partner breaches any of its obligations under Article 8.1.2, the specific grant may be reduced (see Article 49 FPA).

Such breaches may also lead to any of the other measures described in Section 5 of the Framework Partnership Agreement.

## **ARTICLE 9 — USE OF IN-KIND CONTRIBUTIONS PROVIDED BY THIRD PARTIES AGAINST PAYMENT**

### **9.1 Rules for the use of in-kind contributions against payment**

If necessary to implement the specific action, the KIC Partners may use in-kind contributions provided by third parties against payment.

The KIC Partners may declare costs related to the payment of in-kind contributions as eligible (see Article 5), up to the third parties’ costs for the seconded persons, contributed equipment, infrastructure or other assets or other contributed goods and services.

The third parties and their contributions must be set out in Annex 1. The EIT may however approve in-kind contributions not set out in Annex 1 without amendment (see Article 61 FPA), if:

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<sup>14</sup> Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public work contracts, public supply contracts and public service contracts (OJ L 134, 30.04.2004, p. 114).

<sup>15</sup> Directive 2004/17/EC of the European Parliament and of the Council of 31 March 2004 coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors (OJ L 134, 30.04.2004, p. 1).



- they are specifically justified in the final report, and
- their use does not entail changes to the Specific Agreement which would call into question the decision awarding the specific grant or breach the principle of equal treatment of applicants or the KICs.

The KIC Partners must ensure that the EIT, the Commission, the European Court of Auditors (ECA) and the European Anti-Fraud Office (OLAF) can exercise their rights under Articles 28 and 29 of the Framework Partnership Agreement also towards the third parties.

## **9.2 Consequences of non-compliance**

If a KIC Partner breaches any of its obligations under this Article, the costs related to the payment of the in-kind contribution will be ineligible (see Article 5) and will be rejected (see Article 48 FPA).

Such breaches may also lead to any of the other measures described in Section 5 of the Framework Partnership Agreement.

## **ARTICLE 10 — USE OF IN-KIND CONTRIBUTIONS PROVIDED BY THIRD PARTIES FREE OF CHARGE**

### **10.1 Rules for the use of in-kind contributions free of charge**

If necessary to implement the specific action, the KIC Partners may use in-kind contributions provided by third parties free of charge.

The KIC Partners may declare costs incurred by the third parties for the seconded persons, contributed equipment, infrastructure or other assets or other contributed goods and services as eligible in accordance with Article 5.

The third parties and their contributions must be set out in Annex 1. The EIT may however approve in-kind contributions not set out in Annex 1 without amendment (see Article 61 FPA), if:

- they are specifically justified in the final report, and
- their use does not entail changes to the Specific Agreement which would call into question the decision awarding the specific grant or breach the principle of equal treatment of applicants.

The KIC Partners must ensure that the EIT, the Commission, the European Court of Auditors (ECA) and the European Anti-Fraud Office (OLAF) can exercise their rights under Articles 28 and 29 of the Framework Partnership Agreement also towards the third parties.

### **10.2 Consequences of non-compliance**

If a KIC Partner breaches any of its obligations under this Article, the costs incurred by the third parties related to the in-kind contribution will be ineligible (see Article 5) and will be rejected (see Article 48 FPA).

Such breaches may also lead to any of the other measures described in Section 5 of the Framework Partnership Agreement.

## **ARTICLE 11 — IMPLEMENTATION OF ACTION TASKS BY SUBCONTRACTORS**

### **11.1 Rules for subcontracting action tasks**

11.1.1 If necessary to implement the specific action, the KIC Partners may award subcontracts covering the implementation of certain action tasks described in Annex 1.

Subcontracting may cover only a limited part of the specific action.

The KIC Partners must award the subcontracts ensuring the best value for money or, if appropriate, the lowest price. In doing so, they must avoid any conflict of interests (see Article 41 FPA).

The tasks to be implemented and the estimated cost for each subcontract must be set out in Annex 1. The EIT may however approve subcontracts not set out in Annex 1 without amendment (see Article 61 FPA), if:

- they are specifically justified in the final report, and
- they do not entail changes to the Specific Agreement which would call into question the decision awarding the specific grant or breach the principle of equal treatment of applicants or the KICs.

The KIC Partners must ensure that the EIT, the Commission, the European Court of Auditors (ECA) and the European Anti-Fraud Office (OLAF) can exercise their rights under Articles 28 and 29 of the Framework Partnership Agreement also towards their subcontractors.

11.1.2 The KIC Partners must ensure that their obligations under Articles 41, 42, 44 and 52 of the Framework Partnership Agreement also apply to the subcontractors.

KIC Partners acting as 'contracting authorities' within the meaning of Directive 2004/18/EC or as 'contracting entities' within the meaning of Directive 2004/17/EC must comply with the applicable national law on public procurement.

### **11.2 Consequences of non-compliance**

If a KIC Partner breaches any of its obligations under Article 11.1.1, the costs related to the subcontract concerned will be ineligible (see Article 5) and will be rejected (see Article 48 FPA).

If a KIC Partner breaches any of its obligations under Article 11.1.2, the specific grant may be reduced (see Article 49 FPA).

Such breaches may also lead to any of the other measures described in Section 5 of the Framework Partnership Agreement.

## **ARTICLE 12 — IMPLEMENTATION OF ACTION TASKS BY LINKED THIRD PARTIES**

### **12.1 Rules for calling upon linked third parties to implement part of the specific action**

12.1.1 The linked third parties listed in Annex 5 to the Framework Partnership Agreement may implement action tasks attributed to them in Annex 1.

They may declare as eligible the costs they incur for implementing the action tasks in accordance with Article 5.

The KIC Partners must ensure that EIT, the Commission, the European Court of Auditors (ECA) and the European Anti-Fraud Office (OLAF) can exercise their rights under Articles 28 and 29 of the Framework Partnership Agreement also towards their linked third parties.

12.1.2 The KIC Partners must ensure that their obligations under Articles 24, 26, 41, 42 and 44 of the Framework Partnership Agreement also apply to their linked third parties.

### **12.2 Consequences of non-compliance**

If any obligation under Article 12.1.1 is breached, the costs of the linked third party will be ineligible (see Article 5) and will be rejected (see Article 48 FPA).

If any obligation under Article 12.1.2 is breached, the specific grant may be reduced (see Article 49 FPA).

Such breaches may also lead to any of the other measures described in Section 5 of the Framework Partnership Agreement.

## **ARTICLE 13 — FINANCIAL SUPPORT TO THIRD PARTIES**

### **13.1 Rules for providing financial support to third parties**

13.1.1 The KIC Partners must provide financial support in accordance with the conditions set out in Annex 1.

At a minimum, these conditions must include:

- (a) the maximum amount of financial support for each third party.



The maximum amount may not exceed EUR 60 000 for each third party, unless it is necessary to achieve the objectives of the specific action as described in Annex 1;

- (b) the criteria for calculating the exact amount of the financial support;
- (c) the different types of activity that qualify for financial support, on the basis of a closed list;
- (d) the persons or categories of persons that may receive financial support, and
- (e) the criteria for giving financial support.

The KIC Partners must ensure that the EIT, Commission, the European Court of Auditors (ECA) and the European Anti-fraud Office (OLAF) can exercise their rights under Articles 28 and 29 of the Framework Partnership Agreement also towards the third parties receiving financial support.

13.1.2 The KIC Partners must ensure that their obligations under Articles 41, 42, 44 and 52 of the Framework Partnership Agreement also apply to the third parties receiving financial support.

### **13.2 Financial support in the form of prizes**

13.2.1 The KIC Partners must provide prizes in accordance with the conditions described in Annex 1.

At a minimum, these conditions must include:

- (a) the conditions for participation;
- (b) the award criteria;
- (c) the amount of the prize, and
- (d) the payment arrangements.

The KIC Partners must ensure that the EIT, Commission, the European Court of Auditors (ECA) and the European Anti-fraud Office (OLAF) can exercise their rights under Articles 28 and 29 of the Framework Partnership Agreement also towards the third parties receiving a prize.

13.2.2 The KIC Partners must ensure that their obligations under Articles 41, 42, 44 and 52 of the Framework Partnership Agreement also apply to the third parties receiving a prize.

### **13.3 Consequences of non-compliance**

If a KIC Partner breaches any of its obligations under Articles 13.1.1 or 13.2.1, the costs related to the financial support or prize will be ineligible (see Article 5) and will be rejected (see Article 48 FPA).

If a KIC partner breaches any of its obligations under Articles 13.1.2 or 13.2.2, the specific grant may be reduced (see Article 49 FPA).

Such breaches may also lead to any of the other measures described in Section 5 of the Framework Partnership Agreement.

#### **ARTICLE 13a — SUPPORT TO OR IMPLEMENTATION OF TRANS-NATIONAL PROJECTS**

Not applicable

#### **ARTICLE 14 — PROVISION OF TRANS-NATIONAL OR VIRTUAL ACCESS TO RESEARCH INFRASTRUCTURE**

Not applicable

### **SECTION 2 — RIGHTS AND OBLIGATIONS RELATED TO THE GRANT ADMINISTRATION**

#### **ARTICLE 15 — SUBMISSION OF DELIVERABLES**

##### **15.1 Obligation to submit deliverables**

The KIC LE must submit the 'deliverables' identified in Annex 1, in accordance with the timing and conditions set out in it.

##### **15.2 Consequences of non-compliance**

If the KIC LE breaches any of its obligations under this Article, the EIT may apply any of the measures described in Section 5 of the Framework Partnership Agreement.

#### **ARTICLE 16 — REPORTING — PAYMENT REQUESTS**

##### **16.1 Obligation to submit reports**

The KIC LE must submit to the EIT (see Article 58 FPA) the final report set out in this Article. This report includes the request for payment of the balance and must be drawn up in conformity with EIT guidelines on reporting and using the forms and templates provided by the EIT (see Article 58 FPA).

##### **16.2 Final report**

The KIC LE must submit the final report within 90 days following the end of the period set out in Article 3.

The **final report** must include the following:

(a) a **'technical report'** containing:

- (i) an **explanation of the work carried** out by the KIC Partners in implementing the specific action;
- (ii) an **overview of the progress** towards the objectives of the specific action, including milestones and deliverables identified in Annex 1;

This report must include explanations justifying the differences between work expected to be carried out in accordance with Annex 1 and that actually carried out;

- (iii) a **summary** for publication by the EIT;
- (iv) an **overview of the results** and their exploitation and dissemination;
- (v) the **conclusions on the specific action**, and
- (vi) a description of the **socio-economic impact** of the specific action;

(b) a **'financial report'** containing:

- (i) an **'individual financial statement'** (see Annex 7) from each KIC Partner and from each linked third party, for the period set out in Article 3.

The individual financial statement must detail the eligible costs (actual costs, unit costs, flat-rate costs and lump sum costs; see Article 5) for each budget category (see Annex 2).

The KIC Partners and linked third parties must declare all eligible costs, even if — for actual costs, unit costs and flat-rate costs — they exceed the amounts indicated in the estimated budget (see Annex 2). Amounts which are not declared in the individual financial statement will not be taken into account by the EIT.

The individual financial statements must also detail the receipts of the specific action (see Article 10 FPA).

Each KIC Partner and each linked third party must certify that:

- the information provided is full, reliable and true;
- the costs declared are eligible (see Article 5);

- the costs can be substantiated by adequate records and supporting documentation (see Article 24 FPA) that will be produced upon request (see Article 23 FPA) or in the context of checks, reviews, audits and investigations (see Article 28 FPA), and
  - that all the receipts have been declared (see Article 10 FPA);
- (ii) an **explanation of the use of resources and the information on subcontracting** (see Article 18 FPA) and in-kind contributions provided by third parties (see Articles 16 and 17 FPA) from each KIC Partner and from each linked third party for the period set out in Article 3;
- (iii) a **'summary financial statement'**, consolidating the individual financial statements including the request for payment of the balance and
- (iv) a **'certificate on the financial statement'** (drawn up in accordance with Annex 4) for each KIC Partner and for each linked third party, if it requests a total contribution of EUR 325 000 or more, as reimbursement of actual costs and unit costs calculated on the basis of its usual cost accounting practices (see Articles 4.2 and 5.2. Point A).

### 16.3 Currency for financial statements and conversion into euro

Financial statements must be drafted in euro.

KIC Partners and linked third parties with accounting established in a currency other than the euro must convert the costs recorded in their accounts into euro at the average of the daily exchange rates published in the C series of the Official Journal of the European Union calculated over the corresponding reporting period.

If no daily euro exchange rate is published in the Official Journal of the European Union for the currency in question, they must be converted at the average of the monthly accounting rates published on the Commission's website calculated over the corresponding reporting period.

KIC Partners and linked third parties with accounting established in euro must convert costs incurred in another currency into euro according to their usual accounting practices.

### 16.4 Language of reports

The final report must be submitted in English.

### 16.5 Consequences of non-compliance — Suspension of the payment deadline — Termination

If the final report submitted does not comply with this Article, the EIT may suspend the payment deadline (see Article 53 FPA) and apply any of the other measures described in Section 5 of the Framework Partnership Agreement.

If the KIC LE breaches its obligation to submit the final report and if it fails to comply with this obligation within 30 days following a written reminder sent by the EIT, the Specific Agreement may be terminated (see Article 56 FPA).

## ARTICLE 17 — PAYMENTS AND PAYMENT ARRANGEMENTS

### 17.1 Payments to be made

The following payments will be made to the KIC LE:

- one **pre-financing payment**;
- one **payment of the balance**, on the basis of the request for payment of the balance (see Article 16).

### 17.2 Pre-financing payment — Amount — Amount retained for the Guarantee Fund

The aim of the pre-financing is to provide the KIC Partners with a float.

It remains the property of the EIT until the payment of the balance.

The amount of the pre-financing payment will be EUR [insert amount (insert amount in words)].

The EIT will — except if Article 54 of the Framework Partnership Agreement applies — make the pre-financing payment to the KIC LE within 30 days either from the entry into force of the Specific Agreement (see Article 21) or from 10 days before the starting date of the specific action (see Article 3), whichever is the latest.

An amount of EUR [insert amount (insert amount in words)], corresponding to 5% of the maximum grant amount (see Article 4.1), is retained by the EIT from the pre-financing payment and transferred into the 'Guarantee Fund'.

### 17.3 Interim payments — Amount — Calculation

Not applicable

### 17.4 Payment of the balance — Amount — Calculation — Release of the amount retained for the Guarantee Fund

The payment of the balance reimburses the remaining part of the eligible costs incurred by the KIC Partners for the implementation of the specific action.

If the total amount of earlier payments is greater than the final grant amount (see Article 10 FPA), the payment of the balance takes the form of a recovery (see Article 50 FPA).

If the total amount of earlier payments is lower than the final grant amount, the EIT will pay the balance within 90 days from receiving the final report (see Article 16), except if Articles 53 or 54 of the Framework Partnership Agreement apply.

Payment is subject to the approval of the final report. Its approval does not imply recognition of the compliance, authenticity, completeness or correctness of its content.

The **amount due as the balance** is calculated by the EIT by deducting the pre-financing payment already made, from the final grant amount determined in accordance with Article 10 of the Framework Partnership Agreement:

{final grant amount (see Article 10 of the Framework Partnership Agreement)

minus

{pre-financing payment (if any) made}}.

At the payment of the balance, the amount retained for the Guarantee Fund (see above) will be released and:

- if the balance is positive: the amount released will be paid in full to the KIC LE together with the amount due as the balance;
- if the balance is negative (payment of the balance taking the form of recovery): it will be deducted from the amount released (see Article 50 FPA). If the resulting amount:
  - is positive, it will be paid to the KIC LE
  - is negative, it will be recovered.

The amount to be paid may however be offset — without the KIC Partner's consent — against any other amount owed by the KIC Partner to the EIT, up to the maximum EIT contribution indicated, for that KIC Partner, in the estimated budget (see Annex 2).

### 17.5 Notification of amounts due

When making payments, the EIT will formally notify to the KIC LE the amount due as the payment of the balance, specifying the final grant amount.

In the case of reduction of the specific grant or recovery of undue amounts, the notification will be preceded by the contradictory procedure set out in Articles 49 and 50 of the Framework Partnership Agreement.

### 17.6 Currency for payments

The EIT will make all payments in euro.

## 17.7 Payments to the KIC LE — Distribution to the KIC Partners

Payments will be made to the KIC LE.

Payments to the KIC LE will discharge the EIT from its payment obligation.

The KIC LE must distribute the payments between the KIC Partners without unjustified delay.

Pre-financing may however be distributed only:

- (a) if the minimum number of KIC Partners set out in the call for proposals has acceded to the Framework and Specific Agreement (see Article 62 FPA) and
- (b) to KIC Partners that have entered into the Specific Agreement (see Article 62 FPA).

## 17.8 Bank account for payments

All payments will be made to the following bank account:

Name of bank: [...]  
Address of branch: [...]  
Full name of the account holder: [...]  
Full account number (including bank codes): [...]  
[IBAN code: [...]]<sup>16</sup>

## 17.9 Costs of payment transfers

The cost of the payment transfers is borne as follows:

- the EIT bears the cost of transfers charged by its bank;
- the KIC partner bears the cost of transfers charged by its bank;
- the party causing a repetition of a transfer bears all costs of the repeated transfer.

## 17.10 Date of payment

Payments by the EIT are considered to have been carried out on the date when they are debited to its account.

## 17.11 Consequences of non-compliance

17.11.1 If the EIT does not pay within the payment deadlines (see above), the KIC Partners are entitled to **late-payment interest** at the rate applied by the European Central Bank (ECB)

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<sup>16</sup> BIC or SWIFT code applies to for countries if the IBAN code does not apply.

for its main refinancing operations in euros ('reference rate'), plus three and a half points. The reference rate is the rate in force on the first day of the month in which the payment deadline expires, as published in the C series of the Official Journal of the European Union.

If the late-payment interest is lower than or equal to EUR 200, it will be paid to the KIC LE only upon request submitted within two months of receiving the late payment.

Suspension of the payment deadline or payments (see Articles 53 and 54 FPA) will not be considered as late payment.

Late-payment interest covers the period running from the day following the due date for payment (see above), up to and including the date of payment.

Late-payment interest is not considered for the purposes of calculating the final grant amount.

17.11.2 If the KIC LE breaches any of its obligations under this Article, the specific grant may be reduced (see Article 49 FPA) and the Specific Agreement may be terminated (see Article 56 FPA).

Such breaches may also lead to any of the other measures described in Section 5 of the Framework Partnership Agreement.

### **SECTION 3 RIGHTS AND OBLIGATIONS RELATED TO PRE-EXISTING RIGHTS (BACKGROUND) AND RESULTS**

#### **ARTICLE 18 — ADDITIONAL RIGHTS AND OBLIGATIONS RELATED TO BACKGROUND AND RESULTS**

Not applicable

### **CHAPTER 5 DIVISION OF PARTNERS' ROLES AND RESPONSIBILITIES — RELATIONSHIP WITH COMPLEMENTARY BENEFICIARIES — RELATIONSHIP WITH PARTICIPANTS OF A JOINT ACTION**

#### **ARTICLE 19 — DIVISION OF PARTNERS' ROLES AND RESPONSIBILITIES - RELATIONSHIP WITH COMPLEMENTARY BENEFICIARIES— RELATIONSHIP WITH PARTICIPANTS OF A JOINT ACTION**

##### **19.1 Relationship with complementary beneficiaries — Collaboration agreement**

Not applicable

##### **19.2 Relationship with partners of a joint action — Coordination agreement**

Not applicable



## 19.3 Governance

19.3.1 The KIC LE and KIC Partners must set up a governance structure that:

- a) Reflects the diversity in the composition of the partnership, in particular the balance within the knowledge triangle;
- b) Separates ownership/membership from operational management;
- c) Ensures an open and high-quality decision-making process, composed of top-management from KIC Partners' as well as independent high-level members;
- d) Separates the supervisory function from the operations and integrates a system of checks and balances, the body with supervisory function should have an independent chairperson;
- e) Has a size allowing to function in an effective and efficient way.

The members of the governance structure must act in the best interest of the KIC, safeguarding its goals, mission and identity, in an independent way.

19.3.2. The KIC LE and KIC Partners must set up an effective operational structure ensuring that the KIC management has executive power to implement the integrated KIC Strategic Agenda and yearly KIC Business Plans.

The KIC management must act in the best interest of the KIC, safeguarding its goals, mission and identity, independently from the particular interest of individual KIC Partners.

19.3.3. Within six months after the signature of the FPA, the KIC LE and KIC Partners must adopt a code of good conduct including a policy on conflict of interests.

19.3.4. These principles shall be transposed in the KIC Internal Agreements.

19.3.5. The KIC LE will notify the EIT of the above arrangements, its code of conduct and any modifications thereof.

## CHAPTER 6 REJECTION OF COSTS — REDUCTION OF THE GRANT — RECOVERY — PENALTIES — DAMAGES — SUSPENSION — TERMINATION — FORCE MAJEURE

### ARTICLE 20 — ADDITIONAL GROUNDS FOR TERMINATION

Not applicable

## CHAPTER 7 FINAL PROVISIONS

## ARTICLE 21 — ENTRY INTO FORCE OF THE SPECIFIC AGREEMENT

The Specific Agreement will enter into force on the day of signature by the EIT or the KIC LE, depending on which is later.

### SIGNATURES

For the KIC LE

[function/forename/surname]

[signature]

For the EIT

[forename/surname]

[signature]

Done in [English] at [place] on [date]

Done in [English] at [place] on [date]



### SGA Annex 2 - Estimated budget for Year N KIC Business Plan (in EURO) (activity based)

1. The estimated budget must be provided at the level of specific activity. The Activity Titles used in the Estimated Budget shall be identical with those presented in the Business Plan and Annexes;
2. Budget Heading corresponds to the Area as described in the Business Plan (e.g. Education; Research; Business; EIT RIS; Governance, management and communication);
3. Budget Subheading (if applicable) corresponds to the Segment (if applicable) as described in the Business Plan (e.g.: master, doctoral, continuous professional development programmes within the education area, thematic scope of innovation projects, etc.);
4. Budget Item corresponds to the KIC Activity (e.g.: specific master, specific doctoral school within the education area, specific innovation projects, etc.) as described in the Business Plan;
5. Costs of governance, management, including operational costs of the Legal Entity and co-location centres should be budgeted under a separate area/heading. It will include the cost of services that directly derive from the requirements of the Grant Agreement (e.g. cost of certificates on the financial statements). For the estimation of EIT contribution of salaries at the KIC management (i.e. KIC LE and Co-Location Centres), the remuneration levels according to the EU Staff Regulations shall be considered as benchmark. This benchmark concerns only the EIT contribution while KIC has own autonomy and responsibility with regards to their employees and overall salary levels set. Deviations from this approach are possible but should be justified.
6. RIS specific costs should be budgeted under a separate area/ segment.
7. The overall percentage of EIT funding under KAVA shall in principle be applied as the single reimbursement rate introduced in the Specific Grant Agreement. This rate shall be used at reimbursement of eligible cost of KAVA.

Title	KIC Added Value Activities (KAVA)					KIC complementary activities (KCA)		KIC ACTIVITIES (KAVA+KCA)
	Costs	Sources of Funding						
	(A) Total	(B) EIT grant	(C) KIC Partners/LE	(D) Third Party				
[X]. Total of Area								
X.Y Total of Segment								
X.Y.1 Activity Title								
X.Y.2 Activity Title								
X.2 Total of Segment								
X.Y.1. Activity Title								
Total [1+2+3+X]								

(A) Estimated full costs of KIC Added Value activities (KAVA), both direct (including financial support to third parties and sub-contracting) and indirect.

(B), (C), (D) Breakdown of estimated sources of funding for each KAVA: EIT grant, KIC Partner/LE and third party (not a KIC partner)

(E) Estimated full costs of KCA

(A+E): Total costs of KIC activity: sum of KAVA and KCA costs

**Estimated budget for Year N KIC Business Plan (in EURO) (partner based)**



KIC Partner / linked third parties	Indicative KAVA cost	Indicative EIT contribution
TOTAL EIT CONTRIBUTION		



### MODEL FOR THE FINANCIAL STATEMENT

Consolidated statements of the costs and sources of funding incurred during the year N

EIT DIGITAL Summary Financial Report & Signature								
Grant Agreement [year N]								

(I.1) Cost Declaration for KIC Added Value Activities (Total eligible costs and EIT claim in Euro)								
KIC action id.	Title	Personnel	Other direct costs	Sub-contracting	Financial support to third parties	Indirect costs	Total KAVA	Unit costs
			1.Travel 2.Equipment 3.Cost of other goods and services 4.Cost of large infrastructure					
1	Area-1							
2	Area-2							
3	Area-3							
4	Area-4							
5	Area-5							
	Total costs							

(I.2) Funding summary (amounts in Euro) and ratios							
	EIT funding	KIC Partner own resources	Receipt	National or Regional	Private	Other Sources	Total funding
KIC Added Value Activities							

(I.3) Receipts	
Grant Agreement [year N]	

(I.4) KIC LE's statement	
I as CEO:	

o	ensured that the BP was implemented in accordance with the agreement and the provisions of Specific Agreements
o	supplied, obtained, verified and submitted information to the EIT related to this Specific Agreements
o	establish the payment requests to the EIT, detailing the exact share and amount assigned to each KIC added value activity, as defined in this Specific Agreement, the estimated eligible costs and the costs incurred
o	ensure that payments made by the EIT and which are designed for the KIC partners are transmitted by the KIC LE in due time
o	ensure that, in the event of audits, checks or evaluations, all the necessary documents in accordance with the FPA and Specific Agreements, related to the implementation of KIC activities, including the original accounting documents pertaining thereto and signed copies of sub-contracts and sub-grant agreements, are provided
<b>KIC LE stamp</b>	
CEO	
Date	
Signature	

(I.8.a) Total costs of KIC activities for year N (with examples)										
Title	KIC Added Value Activities (KAVA)								KIC complementary activities (KCA)	KIC ACTIVITIES (KAVA+KCA)
	Costs			Sources of Funding					(E)	(A)+(E) Total
	Budgeted	(A) Actual	%	EIT contribution budgeted	(B) EIT contribution requested	%	(C) KIC Partners/LE	(D) <u>Third Party</u>		
[X]. Total of Area										
X.Y Total of Segment										
X.Y.1 Activity Title										
X.Y.2 Activity Title										
X.2 Total of Segment										
X.Y.1. Activity Title										
Total [1+2+3+X]										



## MODEL FOR THE CERTIFICATE ON THE FINANCIAL STATEMENTS

- For options [*in italics in square brackets*]: choose the applicable option. Options not chosen should be deleted.
- For fields in [grey in square brackets]: enter the appropriate data

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### **Terms of Reference for an Independent Report of Factual Findings on costs declared under a Specific Agreement financed under the Horizon 2020 Research and Innovation Framework Programme**

This document sets out the ‘**Terms of Reference (ToR)**’ under which

*[OPTION 1: [insert name of the partner] (‘the Partner’)] [OPTION 2: [insert name of the linked third party] (‘the Linked Third Party’), third party linked to the Partner [insert name of the partner] (‘the Partner’)]*

agrees to engage

**[insert legal name of the auditor]** (‘the Auditor’)

to produce an independent report of factual findings (‘the Report’) concerning the Financial Statement(s)<sup>1</sup> drawn up by the *[Partner] [Linked Third Party]* for the Horizon 2020 specific agreement *[insert number of the specific agreement, title of the specific action, acronym and duration from/to]* (‘the Agreement’), and

to issue a Certificate on the Financial Statements’ (‘CFS’) referred to in Article 16 of the Specific Agreement based on the compulsory reporting template stipulated by the Commission.

The Agreement has been concluded under the Horizon 2020 Research and Innovation Framework Programme (H2020) between the KIC LE on behalf of the Partner and *EIT*.

The *EIT* is mentioned as a signatory of the Agreement with the KIC LE on behalf of the *Partner* only. The *EIT* is not a party to this engagement.

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<sup>1</sup> By which costs under the Agreement are declared (see template ‘Model Financial Statements’ in Annex 4 to the Specific Agreement).

## 1.1 Subject of the engagement

The KIC LE must submit to the *EIT* the final report within 60 days following the end of the last reporting period which should include, amongst other documents, a CFS for each *partner* and for each linked third party that requests a total contribution of EUR 325 000 or more, as reimbursement of actual costs and unit costs calculated on the basis of its usual cost accounting practices (see Article 16 of the Specific Agreement). The CFS must cover all reporting periods of the partner or linked third party indicated above.

The *Partner* must submit to the EIT the CFS for itself and for its linked third party(ies), if the CFS must be included in the final report according to Article 16 of the Specific Agreement..

The CFS is composed of two separate documents:

- The Terms of Reference ('the ToR') to be signed by the *[Partner]* *[Linked Third Party]* and the Auditor;
- The Auditor's Independent Report of Factual Findings ('the Report') to be issued on the Auditor's letterhead, dated, stamped and signed by the Auditor (or the competent public officer) which includes the agreed-upon procedures ('the Procedures') to be performed by the Auditor, and the standard factual findings ('the Findings') to be confirmed by the Auditor.

If the CFS must be included in the final report according to Article 16 of the Specific Agreement, the request for payment of the balance relating to the Agreement cannot be made without the CFS. However, the payment for reimbursement of costs covered by the CFS does not preclude the Commission *EIT* the European Anti-Fraud Office and the European Court of Auditors from carrying out checks, reviews, audits and investigations in accordance with Article 28 of the Framework Partnership Agreement.

## 1.2 Responsibilities

The *[Partner]* *[Linked Third Party]*:

- must draw up the Financial Statement(s) for the action financed by the Agreement in compliance with the obligations under the Agreement. The Financial Statement(s) must be drawn up according to the *[Partner's]* *[Linked Third Party's]* accounting and book-keeping system and the underlying accounts and records;
- must send the Financial Statement(s) to the Auditor;
- is responsible and liable for the accuracy of the Financial Statement(s);
- is responsible for the completeness and accuracy of the information provided to enable the Auditor to carry out the Procedures. It must provide the Auditor with a written representation letter supporting these statements. The written representation letter must state the period covered by the statements and must be dated;
- accepts that the Auditor cannot carry out the Procedures unless it is given full access to the *[Partner's]* *[Linked Third Party's]* staff and accounting as well as any other relevant records and documentation.

The Auditor:

- *[Option 1 by default:* is qualified to carry out statutory audits of accounting documents in accordance with Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending

Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC or similar national regulations].

- *[Option 2 if the Partner or Linked Third Party has an independent Public Officer: is a competent and independent Public Officer for which the relevant national authorities have established the legal capacity to audit the Partner].*
- *[Option 3 if the Partner or Linked Third Party is an international organisation: is an [internal] [external] auditor in accordance with the internal financial regulations and procedures of the international organisation].*

The Auditor:

- must be independent from the Partner *[and the Linked Third Party]*, in particular, it must not have been involved in preparing the *[Partner's] [Linked Third Party's]* Financial Statement(s);
- must plan work so that the Procedures may be carried out and the Findings may be assessed;
- must adhere to the Procedures laid down and the compulsory report format;
- must carry out the engagement in accordance with this ToR;
- must document matters which are important to support the Report;
- must base its Report on the evidence gathered;
- must submit the Report to the *[Partner] [Linked Third Party]*.

The Commission sets out the Procedures to be carried out by the Auditor. The Auditor is not responsible for their suitability or pertinence. As this engagement is not an assurance engagement, the Auditor does not provide an audit opinion or a statement of assurance.

### 1.3 Applicable Standards

The Auditor must comply with these Terms of Reference and with<sup>2</sup>:

- the International Standard on Related Services ('ISRS') 4400 *Engagements to perform Agreed-upon Procedures regarding Financial Information* as issued by the International Auditing and Assurance Standards Board (IAASB);
- the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants (IESBA). Although ISRS 4400 states that independence is not a requirement for engagements to carry out agreed-upon procedures, the EIT requires that the Auditor also complies with the Code's independence requirements.

The Auditor's Report must state that there is no conflict of interests in establishing this Report between the Auditor and the Partner *[and the Linked Third Party]*, and must specify - if the service is invoiced - the total fee paid to the Auditor for providing the Report.

### 1.4 Reporting

The Report must be written in the language of the Agreement (see Article 16 SGA).

Under Article 28 of the Framework Partnership Agreement, the EIT, the European Anti-Fraud Office and the Court of Auditors have the right to audit any work that is carried out under the specific action

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<sup>2</sup> Supreme Audit Institutions applying INTOSAI-standards may carry out the Procedures according to the corresponding International Standards of Supreme Audit Institutions and code of ethics issued by INTOSAI instead of the International Standard on Related Services ('ISRS') 4400 and the Code of Ethics for Professional Accountants issued by the IAASB and the IESBA.

and for which costs are declared from EIT budget. This includes work related to this engagement. The Auditor must provide access to all working papers (e.g. recalculation of hourly rates, verification of the time declared for the action) related to this assignment if the *EIT*, Commission, the European Anti-Fraud Office or the European Court of Auditors requests them.

### 1.5 Timing

The Report must be provided by [dd Month yyyy].

### 1.6 Other terms

*[The [Partner] [Linked Third Party] and the Auditor can use this section to agree other specific terms, such as the Auditor's fees, liability, applicable law, etc. Those specific terms must not contradict the terms specified above.]*

[legal name of the Auditor]

[legal name of the [Partner][Linked Third Party]]

[name & function of authorised representative]

[name & function of authorised representative]

[dd Month yyyy]

[dd Month yyyy]

Signature of the Auditor

Signature of the [Partner][Linked Third Party]

## Independent Report of Factual Findings on costs declared under Horizon 2020 Research and Innovation Framework Programme

*(To be printed on the Auditor's letterhead)*

To

[ name of contact person(s)], [Position]  
[ *[Partner's] [Linked Third Party's] name* ]  
[ Address]  
[ dd Month yyyy]

Dear [Name of contact person(s)],

As agreed under the terms of reference dated [dd Month yyyy]

with [OPTION 1: *[insert name of the partner] ('the Partner')*] [OPTION 2: *[insert name of the linked third party] ('the Linked Third Party')*, third party linked to the Partner *[insert name of the partner] ('the Partner')*],

we

[name of the auditor ] ('the Auditor'),

established at

[full address/city/state/province/country],

represented by

[name and function of an authorised representative],

have carried out the procedures agreed with you regarding the costs declared in the Financial Statement(s)<sup>3</sup> of the *[Partner] [Linked Third Party]* concerning the Specific Agreement

[insert specific agreement reference: number, title of the action and acronym] ('the Agreement'),

with a total cost declared of

[total amount] EUR,

and a total of actual costs and 'direct personnel costs declared as unit costs calculated in accordance with the *[Partner's] [Linked Third Party's]* usual cost accounting practices' declared of

[sum of total actual costs and total direct personnel costs declared as unit costs calculated in accordance with the *[Partner's] [Linked Third Party's]* usual cost accounting practices] EUR

and **hereby provide our Independent Report of Factual Findings ('the Report')** using the compulsory report format agreed with you.

### The Report

<sup>3</sup> By which the Partner declares costs under the Specific Agreement (see template 'Model Financial Statement' in Annex 3 to the Specific Agreement).

Our engagement was carried out in accordance with the terms of reference ('the ToR') appended to this Report. The Report includes the agreed-upon procedures ('the Procedures') carried out and the standard factual findings ('the Findings') examined.

The Procedures were carried out solely to assist the EIT in evaluating whether the [partner's] [Linked Third Party's] costs in the accompanying Financial Statement(s) were declared in accordance with the Agreement. The EIT draws its own conclusions from the Report and any additional information it may require.

The scope of the Procedures was defined by the Commission. Therefore, the Auditor is not responsible for their suitability or pertinence. Since the Procedures carried out constitute neither an audit nor a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, the Auditor does not give a statement of assurance on the Financial Statements.

Had the Auditor carried out additional procedures or an audit of the [Partner's] [Linked Third Party's] Financial Statements in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to its attention and would have been included in the Report.

### **Not applicable Findings**

We examined the Financial Statement(s) stated above and considered the following Findings not applicable:

*Explanation (to be removed from the Report):*

*If a Finding was not applicable, it must be marked as 'N.A.' ('Not applicable') in the corresponding row on the right-hand column of the table and means that the Finding did not have to be corroborated by the Auditor and the related Procedure(s) did not have to be carried out.*

*The reasons of the non-application of a certain Finding must be obvious i.e.*

- i) if no cost was declared under a certain category then the related Finding(s) and Procedure(s) are not applicable;*
- ii) if the condition set to apply certain Procedure(s) are not met the related Finding(s) and those Procedure(s) are not applicable. For instance, for Partners with accounts established in a currency other than euro' the Procedure and Finding related to 'partners with accounts established in euro' are not applicable. Similarly, if no additional remuneration is paid, the related Finding(s) and Procedure(s) for additional remuneration are not applicable.*

**List here all Findings considered not applicable for the present engagement and explain the reasons of the non-applicability.**

....

### **Exceptions**

Apart from the exceptions listed below, the [Partner] [Linked Third Party] provided the Auditor all the documentation and accounting information needed by the Auditor to carry out the requested Procedures and evaluate the Findings.

*Explanation (to be removed from the Report):*

- *If the Auditor was not able to successfully complete a procedure requested, it must be marked as 'E' ('Exception') in the corresponding row on the right-hand column of the table. The reason such as the inability to reconcile key information or the unavailability of data that prevents the Auditor from carrying out the Procedure must be indicated below.*
- *If the Auditor cannot corroborate a standard finding after having carried out the corresponding procedure, it must also be marked as 'E' ('Exception') and, where possible, the reasons why the Finding was not fulfilled and its possible impact must be explained here below.*

**List here any exceptions and add any information on the cause and possible consequences of each exception, if known. If the exception is quantifiable, include the corresponding amount.**

....

*Example (to be removed from the Report):*

1. *The Partner was unable to substantiate the Finding number 1 on ... because ....*
2. *Finding number 30 was not fulfilled because the methodology used by the partner to calculate unit costs was different from the one approved by the Commission. The differences were as follows: ...*
3. *After carrying out the agreed procedures to confirm the Finding number 31, the Auditor found a difference of \_\_\_\_\_ EUR. The difference can be explained by ...*

### **Further Remarks**

In addition to reporting on the results of the specific procedures carried out, the Auditor would like to make the following general remarks:

*Example (to be removed from the Report):*

1. *Regarding Finding number 8 the conditions for additional remuneration were considered as fulfilled because ...*
2. *In order to be able to confirm the Finding number 15 we carried out the following additional procedures: ....*

### **Use of this Report**

This Report may be used only for the purpose described in the above objective. It was prepared solely for the confidential use of the [Partner] [Linked Third Party] and the EIT, and only to be submitted to the EIT in connection with the requirements set out in Article 16 of the Specific Agreement. The Report may not be used by the [Partner] [Linked Third Party] or by the EIT for any other purpose, nor may it be distributed to any other parties. The EIT may only disclose the Report to authorised parties, in particular to the European Anti-Fraud Office (OLAF) and the European Court of Auditors.

This Report relates only to the Financial Statement(s) submitted to the EIT by the [Partner] [Linked Third Party] for the Agreement. Therefore, it does not extend to any other of the [Partner's] [Linked Third Party's] Financial Statement(s).

There was no conflict of interest<sup>4</sup> between the Auditor and the Partner *[and Linked Third Party]* in establishing this Report. The total fee paid to the Auditor for providing the Report was EUR [REDACTED] (including EUR [REDACTED] of deductible VAT).

We look forward to discussing our Report with you and would be pleased to provide any further information or assistance.

[legal name of the Auditor]

[name and function of an authorised representative]

[dd Month yyyy]

Signature of the Auditor

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<sup>4</sup> A conflict of interest arises when the Auditor's objectivity to establish the certificate is compromised in fact or in appearance when the Auditor for instance:

- was involved in the preparation of the Financial Statements;
- stands to benefit directly should the certificate be accepted;
- has a close relationship with any person representing the Partner;
- is a director, trustee or partner of the Partner; or
- is in any other situation that compromises his or her independence or ability to establish the certificate impartially.



### Agreed-upon procedures to be performed and standard factual findings to be confirmed by the Auditor

The EIT reserves the right to i) provide the auditor with additional guidance regarding the procedures to be followed or the facts to be ascertained and the way in which to present them (this may include sample coverage and findings) or to ii) change the procedures, by notifying the Partner in writing. The procedures carried out by the auditor to confirm the standard factual finding are listed in the table below.

If this certificate relates to a Linked Third Party, any reference here below to 'the Partner' is to be considered as a reference to 'the Linked Third Party'.

The 'result' column has three different options: 'C', 'E' and 'N.A.':

- 'C' stands for 'confirmed' and means that the auditor can confirm the 'standard factual finding' and, therefore, there is no exception to be reported.
- 'E' stands for 'exception' and means that the Auditor carried out the procedures but cannot confirm the 'standard factual finding', or that the Auditor was not able to carry out a specific procedure (e.g. because it was impossible to reconcile key information or data were unavailable),
- 'N.A.' stands for 'not applicable' and means that the Finding did not have to be examined by the Auditor and the related Procedure(s) did not have to be carried out. The reasons of the non-application of a certain Finding must be obvious i.e. i) if no cost was declared under a certain category then the related Finding(s) and Procedure(s) are not applicable; ii) if the condition set to apply certain Procedure(s) are not met then the related Finding(s) and Procedure(s) are not applicable. For instance, for 'Partners with accounts established in a currency other than the euro' the Procedure related to 'partners with accounts established in euro' is not applicable. Similarly, if no additional remuneration is paid, the related Finding(s) and Procedure(s) for additional remuneration are not applicable.

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
A	<b>ACTUAL PERSONNEL COSTS AND UNIT COSTS CALCULATED BY THE PARTNER IN ACCORDANCE WITH ITS USUAL COST ACCOUNTING PRACTICE</b>		
	<p>The Auditor draws a sample of persons whose costs were declared in the Financial Statement(s) to carry out the procedures indicated in the consecutive points of this section A.</p> <p><i>(The sample should be selected randomly so that it is representative. Full coverage is required if there are fewer than 10 people (including employees, natural persons working under a direct contract and personnel seconded by a third party), otherwise the sample should have a minimum of 10 people, or 10% of the total, whichever number is the highest)</i></p>		

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	The Auditor sampled _____ people out of the total of _____ people.		
A.1	<b>PERSONNEL COSTS</b> <u>For the persons included in the sample and working under an employment contract or equivalent act (general procedures for individual actual personnel costs and personnel costs declared as unit costs)</u> To confirm standard factual findings 1-5 listed in the next column, the Auditor reviewed following information/documents provided by the Partner: <ul style="list-style-type: none"> <li>o a list of the persons included in the sample indicating the period(s) during which they worked for the action, their position (classification or category) and type of contract;</li> <li>o the payslips of the employees included in the sample;</li> <li>o reconciliation of the personnel costs declared in the Financial Statement(s) with the accounting system (project accounting and general ledger) and payroll system;</li> <li>o information concerning the employment status and employment conditions of personnel included in the sample, in particular their employment contracts or equivalent;</li> <li>o the Partner's usual policy regarding payroll matters (e.g. salary policy, overtime policy, variable pay);</li> <li>o applicable national law on taxes, labour and social security and</li> <li>o any other document that supports the personnel costs declared.</li> </ul> The Auditor also verified the eligibility of all components of the retribution (see Article 5 SGA) and	1) The employees were i) directly hired by the Partner in accordance with its national legislation, ii) under the Partner's sole technical supervision and responsibility and iii) remunerated in accordance with the Beneficiary's usual practices.	
		2) Personnel costs were recorded in the Partner's accounts/payroll system.	
		3) Costs were adequately supported and reconciled with the accounts and payroll records.	
		4) Personnel costs did not contain any ineligible elements.	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	recalculated the personnel costs for employees included in the sample.	5) There were no discrepancies between the personnel costs charged to the action and the costs recalculated by the Auditor.	
	<p><i>Further procedures if 'additional remuneration' is paid</i></p> <p>To confirm standard factual findings 6-9 listed in the next column, the Auditor:</p> <ul style="list-style-type: none"> <li>o reviewed relevant documents provided by the Partner (legal form, legal/statutory obligations, the Partner's usual policy on additional remuneration, criteria used for its calculation...);</li> <li>o recalculated the amount of additional remuneration eligible for the action based on the supporting documents received (full-time or part-time work, exclusive or non-exclusive dedication to the action, etc.) to arrive at the applicable FTE/year and pro-rata rate (see data collected in the course of carrying out the procedures under A.2 'Productive hours' and A.4 'Time recording system').</li> </ul> <p><i>IF ANY PART OF THE REMUNERATION PAID TO THE EMPLOYEE IS NOT MANDATORY ACCORDING TO THE NATIONAL LAW OR THE EMPLOYMENT CONTRACT ("ADDITIONAL REMUNERATION") AND IS ELIGIBLE UNDER THE PROVISIONS OF ARTICLE 5.2.A.1, THIS CAN BE CHARGED AS ELIGIBLE COST TO THE ACTION UP TO THE FOLLOWING AMOUNT:</i></p> <p><i>(A) IF THE PERSON WORKS FULL TIME AND EXCLUSIVELY ON THE ACTION DURING THE FULL YEAR: UP TO EUR 8 000/YEAR;</i></p> <p><i>(B) IF THE PERSON WORKS EXCLUSIVELY ON THE ACTION BUT NOT FULL-TIME OR NOT FOR THE FULL YEAR: UP TO THE CORRESPONDING PRO-RATA AMOUNT OF EUR 8 000, OR</i></p>	<p>6) The Partner paying "additional remuneration" was a non-profit legal entity.</p> <p>7) The amount of additional remuneration paid corresponded to the Partner's usual remuneration practices and was consistently paid whenever the same kind of work or expertise was required.</p> <p>8) The criteria used to calculate the additional remuneration were objective and generally applied by the Partner regardless of the source of funding used.</p> <p>9) The amount of additional remuneration included in the personnel costs charged to the</p>	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<p>(c) IF THE PERSON DOES NOT WORK EXCLUSIVELY ON THE ACTION: UP TO A PRO-RATA AMOUNT CALCULATED IN ACCORDANCE TO ARTICLE 5.2.A.1.</p>	<p>action was capped at EUR 8,000 per FTE/year (up to the equivalent pro-rata amount if the person did not work on the action full-time during the year or did not work exclusively on the action).</p>	
	<p><i>Additional procedures in case “unit costs calculated by the Partner in accordance with its usual cost accounting practices” is applied:</i></p> <p>Apart from carrying out the procedures indicated above to confirm standard factual findings 1-5 and, if applicable, also 6-9, the Auditor carried out following procedures to confirm standard factual findings 10-13 listed in the next column:</p> <ul style="list-style-type: none"> <li>o obtained a description of the Partner's usual cost accounting practice to calculate unit costs;</li> <li>o reviewed whether the Partner's usual cost accounting practice was applied for the Financial Statements subject of the present CFS;</li> <li>o verified the employees included in the sample were charged under the correct category (in accordance with the criteria used by the Partner to establish personnel categories) by reviewing the contract/HR-record or analytical accounting records;</li> </ul>	<p>10) The personnel costs included in the Financial Statement were calculated in accordance with the Partner's usual cost accounting practice. This methodology was consistently used in all H2020 actions.</p>	
		<p>11) The employees were charged under the correct category.</p>	
		<p>12) Total personnel costs used in calculating the unit costs were consistent with the expenses recorded in the statutory accounts.</p>	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<ul style="list-style-type: none"> <li>verified that there is no difference between the total amount of personnel costs used in calculating the cost per unit and the total amount of personnel costs recorded in the statutory accounts;</li> <li>verified whether actual personnel costs were adjusted on the basis of budgeted or estimated elements and, if so, verified whether those elements used are actually relevant for the calculation, objective and supported by documents.</li> </ul>	13) Any estimated or budgeted element used by the Partner in its unit-cost calculation were relevant for calculating personnel costs and corresponded to objective and verifiable information.	
	<p><u>For natural persons included in the sample and working with the Partner under a direct contract other than an employment contract, such as consultants (no subcontractors).</u></p> <p>To confirm standard factual findings 14-18 listed in the next column the Auditor reviewed following information/documents provided by the Partner:</p> <ul style="list-style-type: none"> <li>the contracts, especially the cost, contract duration, work description, place of work, ownership of the results and reporting obligations to the Partner;</li> <li>the employment conditions of staff in the same category to compare costs and;</li> <li>any other document that supports the costs declared and its registration (e.g. invoices, accounting records, etc.).</li> </ul>	14) The natural persons reported to the Partner (worked under the Partner's instructions).	
		15) They worked on the Partner's premises (unless otherwise agreed with the Partner).	
		16) The results of work carried out belong to the Partner.	
		17) Their costs were not significantly different from those for staff who performed similar tasks under an employment contract with the Partner.	
		18) The costs were supported by audit evidence and registered in the accounts.	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<p><u>For personnel seconded by a third party and included in the sample (not subcontractors)</u></p> <p>To confirm standard factual findings 19-22 listed in the next column, the Auditor reviewed following information/documents provided by the Partner:</p> <ul style="list-style-type: none"> <li>○ their secondment contract(s) notably regarding costs, duration, work description, place of work and ownership of the results;</li> <li>○ if there is reimbursement by the Partner to the third party for the resource made available (in-kind contribution against payment): any documentation that supports the costs declared (e.g. contract, invoice, bank payment, and proof of registration in its accounting/payroll, etc.) and reconciliation of the Financial Statement(s) with the accounting system (project accounting and general ledger) as well as any proof that the amount invoiced by the third party did not include any profit.</li> <li>○ if there is no reimbursement by the Partner to the third party for the resource made available (in-kind contribution free of charge): a proof of the actual cost borne by the Third Party for the resource made available free of charge to the Partner such as a statement of costs incurred by the Third Party and proof of the registration in the Third Party's accounting/payroll,;</li> <li>○ any other document that supports the costs declared (e.g. invoices, etc.).</li> </ul>	<p>19) Seconded personnel reported to the Partner and worked on the Partner's premises (unless otherwise agreed with the Partner).</p> <p>20) The results of work carried out belong to the Partner.</p> <p><i>If personnel is seconded against payment:</i></p> <p>21) The costs declared were supported with documentation and recorded in the Partner's accounts. The third party did not include any profit.</p> <p><i>If personnel is seconded free of charge:</i></p> <p>22) The costs declared did not exceed the third party's cost as recorded in the accounts of the third party and were supported with documentation.</p>	
A.2	<p><b>PRODUCTIVE HOURS</b></p> <p>To confirm standard factual findings 23-28 listed in the next column, the Auditor reviewed</p>	<p>23) The Partner applied method [choose one option and delete the others]</p>	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<p>relevant documents, especially national legislation, labour agreements and contracts and time records of the persons included in the sample, to verify that:</p> <ul style="list-style-type: none"> <li>the annual productive hours applied were calculated in accordance with one of the methods described below,</li> <li>the full-time equivalent (FTEs) ratios for employees not working full-time were correctly calculated.</li> </ul> <p>If the Partner applied method B, the auditor verified that the correctness in which the total number of hours worked was calculated and that the contracts specified the annual workable hours.</p> <p>If the Partner applied method C, the auditor verified that the 'annual productive hours' applied when calculating the hourly rate were equivalent to at least 90 % of the 'standard annual workable hours'. The Auditor can only do this if the calculation of the standard annual workable hours can be supported by records, such as national legislation, labour agreements, and contracts.</p> <p><i>PARTNER'S PRODUCTIVE HOURS' FOR PERSONS WORKING FULL TIME SHALL BE ONE OF THE FOLLOWING METHODS:</i></p> <p><b>A. 1720 ANNUAL PRODUCTIVE HOURS (PRO-RATA FOR PERSONS NOT WORKING FULL-TIME)</b></p> <p><b>B. THE TOTAL NUMBER OF HOURS WORKED BY THE PERSON FOR THE PARTNER IN THE YEAR (THIS METHOD IS ALSO REFERRED TO AS 'TOTAL NUMBER OF HOURS WORKED' IN THE NEXT COLUMN). THE CALCULATION OF THE TOTAL NUMBER OF HOURS WORKED WAS DONE AS FOLLOWS: ANNUAL WORKABLE HOURS OF THE PERSON ACCORDING TO THE EMPLOYMENT CONTRACT, APPLICABLE LABOUR AGREEMENT OR NATIONAL LAW PLUS OVERTIME WORKED MINUS ABSENCES (SUCH AS SICK LEAVE OR SPECIAL LEAVE).</b></p>	<p>[A: 1720 hours]</p> <p>[B: the 'total number of hours worked']</p> <p>[C: 'annual productive hours' used correspond to usual accounting practices]</p>	
		24) Productive hours were calculated annually.	
		25) For employees not working full-time the full-time equivalent (FTE) ratio was correctly applied.	
		<p><i>If the Partner applied method B.</i></p> <p>26) The calculation of the number of 'annual workable hours', overtime and absences was verifiable based on the documents provided by the Partner.</p>	
		<p><i>If the Partner applied method C.</i></p> <p>27) The calculation of the number of 'standard annual workable hours' was verifiable based on the documents provided by the</p>	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<p><i>C. THE STANDARD NUMBER OF ANNUAL HOURS GENERALLY APPLIED BY THE PARTNER FOR ITS PERSONNEL IN ACCORDANCE WITH ITS USUAL COST ACCOUNTING PRACTICES (THIS METHOD IS ALSO REFERRED TO AS 'TOTAL ANNUAL PRODUCTIVE HOURS' IN THE NEXT COLUMN). THIS NUMBER MUST BE AT LEAST 90% OF THE STANDARD ANNUAL WORKABLE HOURS.</i></p> <p><i>'ANNUAL WORKABLE HOURS' MEANS THE PERIOD DURING WHICH THE PERSONNEL MUST BE WORKING, AT THE EMPLOYER'S DISPOSAL AND CARRYING OUT HIS/HER ACTIVITY OR DUTIES UNDER THE EMPLOYMENT CONTRACT, APPLICABLE COLLECTIVE LABOUR AGREEMENT OR NATIONAL WORKING TIME LEGISLATION.</i></p>	<p>Partner.</p> <p>28) The 'annual productive hours' used for calculating the hourly rate were consistent with the usual cost accounting practices of the Partner and were equivalent to at least 90 % of the 'annual workable hours'.</p>	
A.3	<p><b>HOURLY PERSONNEL RATES</b></p> <p><u>l) For unit costs calculated in accordance to the Partner's usual cost accounting practice (unit costs):</u></p> <p>If the Partner has a "Certificate on Methodology to calculate unit costs " (CoMUC) approved by the Commission, the Partner provides the Auditor with a description of the approved methodology and the Commission's letter of acceptance. The Auditor verified that the Partner has indeed used the methodology approved. If so, no further verification is necessary.</p> <p>If the Partner does not have a "Certificate on Methodology" (CoMUC) approved by the Commission, or if the methodology approved was not applied, then the Auditor:</p> <ul style="list-style-type: none"> <li>o reviewed the documentation provided by the Partner, including manuals and internal guidelines that explain how to calculate hourly rates;</li> <li>o recalculated the unit costs (hourly rates) of staff included in the sample following the results of the procedures carried out in A.1 and A.2.</li> </ul>	<p>29) The Partner applied [choose one option and delete the other]:</p> <p>[Option I: "Unit costs (hourly rates) were calculated in accordance with the Partner's usual cost accounting practices"]</p> <p>[Option II: Individual hourly rates were applied]</p> <p><i>For option I concerning unit costs and if the Partner applies the methodology approved by the Commission (CoMUC):</i></p> <p>30) The Partner used the</p>	



Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<p><u>II) For individual hourly rates:</u></p> <p>The Auditor:</p> <ul style="list-style-type: none"> <li>o reviewed the documentation provided by the Partner, including manuals and internal guidelines that explain how to calculate hourly rates;</li> <li>o recalculated the hourly rates of staff included in the sample following the results of the procedures carried out in A.1 and A.2.</li> </ul> <p><u>“UNIT COSTS CALCULATED BY THE PARTNER IN ACCORDANCE WITH ITS USUAL COST ACCOUNTING PRACTICES”:</u>  <i>IT IS CALCULATED BY DIVIDING THE TOTAL AMOUNT OF PERSONNEL COSTS OF THE CATEGORY TO WHICH THE EMPLOYEE BELONGS VERIFIED IN LINE WITH PROCEDURE A.1 BY THE NUMBER OF FTE AND THE ANNUAL TOTAL PRODUCTIVE HOURS OF THE SAME CATEGORY CALCULATED BY THE PARTNER IN ACCORDANCE WITH PROCEDURE A.2.</i></p> <p><u>HOURLY RATE FOR INDIVIDUAL ACTUAL PERSONAL COSTS:</u>  <i>IT IS CALCULATED BY DIVIDING THE TOTAL AMOUNT OF PERSONNEL COSTS OF AN EMPLOYEE VERIFIED IN LINE WITH PROCEDURE A.1 BY THE NUMBER OF ANNUAL PRODUCTIVE HOURS VERIFIED IN LINE WITH PROCEDURE A.2.</i></p>	Commission-approved methodology to calculate hourly rates. It corresponded to the organisation's usual cost accounting practices and was applied consistently for all activities irrespective of the source of funding.	
		<p><i>For option I concerning unit costs and if the Partner applies a methodology not approved by the Commission:</i></p> <p>31) The unit costs re-calculated by the Auditor were the same as the rates applied by the Partner.</p>	
		<p><i>For option II concerning individual hourly rates:</i></p> <p>32) The individual rates re-calculated by the Auditor were the same as the rates applied by the Partner.</p>	
A.4	<p><b>TIME RECORDING SYSTEM</b></p> <p>To verify that the time recording system ensures the fulfilment of all minimum requirements and that the hours declared for the action were correct, accurate and properly authorised and</p>	<p>33) All persons recorded their time dedicated to the action on a <b>daily/ weekly/ monthly</b> basis</p>	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<p>supported by documentation, the Auditor made the following checks for the persons included in the sample that declare time as worked for the action on the basis of time records:</p> <ul style="list-style-type: none"> <li>description of the time recording system provided by the Partner (registration, authorisation, processing in the HR-system);</li> <li>its actual implementation;</li> <li>time records were signed at least monthly by the employees (on paper or electronically) and authorised by the project manager or another manager;</li> <li>the hours declared were worked within the project period;</li> <li>there were no hours declared as worked for the action if HR-records showed absence due to holidays or sickness (further cross-checks with travels are carried out in B.1 below) ;</li> <li>the hours charged to the action matched those in the time recording system.</li> </ul> <p><i>ONLY THE HOURS WORKED ON THE ACTION CAN BE CHARGED. ALL WORKING TIME TO BE CHARGED SHOULD BE RECORDED THROUGHOUT THE DURATION OF THE PROJECT, ADEQUATELY SUPPORTED BY EVIDENCE OF THEIR REALITY AND RELIABILITY (SEE SPECIFIC PROVISIONS BELOW FOR PERSONS WORKING EXCLUSIVELY FOR THE ACTION WITHOUT TIME RECORDS).</i></p>	using a <b>paper/computer-based</b> system. <i>(delete the answers that are not applicable)</i>	
		34) Their time-records were authorised at least monthly by the project manager or other superior.	
		35) Hours declared were worked within the project period and were consistent with the presences/absences recorded in HR-records.	
		36) There were no discrepancies between the number of hours charged to the action and the number of hours recorded.	
	<p><u>If the persons are working exclusively for the action and without time records</u></p> <p>For the persons selected that worked exclusively for the action without time records, the Auditor verified evidence available demonstrating that they were in reality exclusively dedicated to the action and that the Partner signed a declaration confirming that they have worked exclusively for the action.</p>	37) The exclusive dedication is supported by a declaration signed by the Partner's and by any other evidence gathered.	
<b>B</b>	<b>COSTS OF SUBCONTRACTING</b>		

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
B.1	<p><b>The Auditor obtained the detail/breakdown of subcontracting costs and sampled <span style="background-color: #cccccc;">      </span> cost items selected randomly</b> (<i>full coverage is required if there are fewer than 10 items, otherwise the sample should have a minimum of 10 item, or 10% of the total, whichever number is highest</i>).</p> <p>To confirm standard factual findings 38-42 listed in the next column, the Auditor reviewed the following for the items included in the sample:</p> <ul style="list-style-type: none"> <li>the use of subcontractors was foreseen in Annex 1;</li> <li>subcontracting costs were declared in the subcontracting category of the Financial Statement;</li> <li>supporting documents on the selection and award procedure were followed;</li> <li>the Partner ensured best value for money (key elements to appreciate the respect of this principle are the award of the subcontract to the bid offering best price-quality ratio, under conditions of transparency and equal treatment. In case an existing framework contract was used the Partner ensured it was established on the basis of the principle of best value for money under conditions of transparency and equal treatment).</li> </ul> <p>In particular,</p> <ol style="list-style-type: none"> <li>if the Partner acted as a contracting authority within the meaning of Directive 2004/18/EC or of Directive 2004/17/EC, the Auditor verified that the applicable national law on public procurement was followed and that the subcontracting complied with the Terms and Conditions of the Agreement.</li> <li>if the Partner did not fall under the above-mentioned category the Auditor verified that the Partner followed their usual procurement rules and respected the Terms and Conditions of the Agreement..</li> </ol> <p>For the items included in the sample the Auditor also verified that:</p> <ul style="list-style-type: none"> <li>the subcontracts were not awarded to other Partners in the consortium;</li> </ul>	38) The use of claimed subcontracting costs was foreseen in Annex 1 and costs were declared in the Financial Statements under the subcontracting category.	
		39) There were documents of requests to different providers, different offers and assessment of the offers before selection of the provider in line with internal procedures and procurement rules. Subcontracts were awarded in accordance with the principle of best value for money.  <i>(When different offers were not collected the Auditor explains the reasons provided by the Partner under the caption "Exceptions" of the Report. The Commission will analyse this information to evaluate whether these costs might be accepted as eligible)</i>	
		40) The subcontracts were not	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<ul style="list-style-type: none"> <li>there were signed agreements between the Partner and the subcontractor;</li> <li>there was evidence that the services were provided by subcontractor;</li> </ul>	<p>awarded to other Partners of the consortium.</p> <p>41) All subcontracts were supported by signed agreements between the Partner and the subcontractor.</p> <p>42) There was evidence that the services were provided by the subcontractors.</p>	
C	COSTS OF PROVIDING FINANCIAL SUPPORT TO THIRD PARTIES		
C.1	<p>The Auditor obtained the detail/breakdown of the costs of providing financial support to third parties and sampled <span style="background-color: #cccccc;">      </span> cost items selected randomly (<i>full coverage is required if there are fewer than 10 items, otherwise the sample should have a minimum of 10 item, or 10% of the total, whichever number is highest</i>).</p> <p>The Auditor verified that the following minimum conditions were met:</p> <ul style="list-style-type: none"> <li>a) the maximum amount of financial support for each third party did not exceed EUR 60 000, unless explicitly mentioned in Annex 1;</li> <li>b) the financial support to third parties was agreed in Annex 1 of the Agreement and the other provisions on financial support to third parties included in Annex 1 were respected.</li> </ul>	<p>43) All minimum conditions were met</p>	
D	OTHER ACTUAL DIRECT COSTS		

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
D.1	<b>COSTS OF TRAVEL AND RELATED SUBSISTENCE ALLOWANCES</b>  <b>The Auditor sampled [REDACTED] cost items selected randomly</b> ( <i>full coverage is required if there are fewer than 10 items, otherwise the sample should have a minimum of 10 item, or 10% of the total, whichever number is the highest</i> ).  The Auditor inspected the sample and verified that: <ul style="list-style-type: none"> <li>travel and subsistence costs were consistent with the Partner 's usual policy for travel. In this context, the Partner provided evidence of its normal policy for travel costs (e.g. use of first class tickets, reimbursement by the Partner on the basis of actual costs, a lump sum or per diem) to enable the Auditor to compare the travel costs charged with this policy;</li> <li>travel costs are correctly identified and allocated to the action (e.g. trips are directly linked to the action) by reviewing relevant supporting documents such as minutes of meetings, workshops or conferences, their registration in the correct project account, their consistency with time records or with the dates/duration of the workshop/conference;</li> <li>no ineligible costs or excessive or reckless expenditure was declared.</li> </ul>	44) Costs were incurred, approved and reimbursed in line with the Partner 's usual policy for travels.	
		45) There was a link between the trip and the action.	
		46) The supporting documents were consistent with each other regarding subject of the trip, dates, duration and reconciled with time records and accounting.	
		47) No ineligible costs or excessive or reckless expenditure was declared.	
D.2	<b>DEPRECIATION COSTS FOR EQUIPMENT, INFRASTRUCTURE OR OTHER ASSETS</b>  <b>The Auditor sampled [REDACTED] cost items selected randomly</b> ( <i>full coverage is required if there are fewer than 10 items, otherwise the sample should have a minimum of 10 item, or 10% of the total, whichever number is the highest</i> ).  For “equipment, infrastructure or other assets” [from now on called “asset(s)”] selected in the sample the Auditor verified that: <ul style="list-style-type: none"> <li>the assets were acquired in conformity with the Partner's internal guidelines and</li> </ul>	48) Procurement rules, principles and guides were followed.	
		49) There was a link between the grant agreement and the asset charged to the action.	
		50) The asset charged to the action was traceable to the accounting records and the	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<p>procedures;</p> <ul style="list-style-type: none"> <li>they were correctly allocated to the action (with supporting documents such as delivery note invoice or any other proof demonstrating the link to the action)</li> <li>they were entered in the accounting system;</li> <li>the extent to which the assets were used for the action (as a percentage) was supported by reliable documentation (e.g. usage overview table);</li> </ul> <p>The Auditor recalculated the depreciation costs and verified that they were in line with the applicable rules in the Partner's country and with the Partner's usual accounting policy (e.g. depreciation calculated on the acquisition value).</p> <p>The Auditor verified that no ineligible costs such as deductible VAT, exchange rate losses, excessive or reckless expenditure were declared (see Article 5 SGA).</p>	<p>underlying documents.</p> <p>51) The depreciation method used to charge the asset to the action was in line with the applicable rules of the Partner's country and the Partner's usual accounting policy.</p> <p>52) The amount charged corresponded to the actual usage for the action.</p> <p>53) No ineligible costs or excessive or reckless expenditure were declared.</p>	
D.3	<p><b>COSTS OF OTHER GOODS AND SERVICES</b></p> <p>The Auditor sampled <span style="background-color: #cccccc; padding: 0 10px;"> </span> cost items selected randomly (full coverage is required if there are fewer than 10 items, otherwise the sample should have a minimum of 10 item, or 10% of the total, whichever number is highest).</p> <p>For the purchase of goods, works or services included in the sample the Auditor verified that:</p> <ul style="list-style-type: none"> <li>the contracts did not cover tasks described in Annex 1;</li> <li>they were correctly identified, allocated to the proper action, entered in the accounting</li> </ul>	<p>54) Contracts for works or services did not cover tasks described in Annex 1.</p> <p>55) Costs were allocated to the correct action and the goods were not placed in the inventory of durable equipment.</p>	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<p>system (traceable to underlying documents such as purchase orders, invoices and accounting);</p> <ul style="list-style-type: none"> <li>the goods were not placed in the inventory of durable equipment;</li> <li>the costs charged to the action were accounted in line with the Partner's usual accounting practices;</li> <li>no ineligible costs or excessive or reckless expenditure were declared (see Article 5 SGA).</li> </ul> <p>In addition, the Auditor verified that these goods and services were acquired in conformity with the Partner 's internal guidelines and procedures, in particular:</p> <ul style="list-style-type: none"> <li>if Partner acted as a contracting authority within the meaning of Directive 2004/18/EC or of Directive 2004/17/EC, the Auditor verified that the applicable national law on public procurement was followed and that the procurement contract complied with the Terms and Conditions of the Agreement.</li> <li>if the Partner did not fall into the category above, the Auditor verified that the Partner followed their usual procurement rules and respected the Terms and Conditions of the Agreement.</li> </ul> <p>For the items included in the sample the Auditor also verified that:</p> <ul style="list-style-type: none"> <li>the Partner ensured best value for money (key elements to appreciate the respect of this principle are the award of the contract to the bid offering best price-quality ratio, under conditions of transparency and equal treatment. In case an existing framework contract was used the Auditor also verified that the Partner ensured it was established on the basis of the principle of best value for money under conditions of transparency and equal treatment);</li> </ul> <p><i>SUCH GOODS AND SERVICES INCLUDE, FOR INSTANCE, CONSUMABLES AND SUPPLIES, DISSEMINATION (INCLUDING OPEN ACCESS), PROTECTION OF RESULTS, SPECIFIC EVALUATION OF THE ACTION IF IT IS REQUIRED BY THE</i></p>	<p>56) The costs were charged in line with the Partner's accounting policy and were adequately supported.</p>	
		<p>57) No ineligible costs or excessive or reckless expenditure were declared. For internal invoices/charges only the cost element was charged, without any mark-ups.</p>	
		<p>58) Procurement rules, principles and guides were followed. There were documents of requests to different providers, different offers and assessment of the offers before selection of the provider in line with internal procedures and procurement rules. The purchases were made in accordance with the principle of best value for money.</p> <p><i>(When different offers were not collected the Auditor explains the reasons provided by the Partner under the caption</i></p>	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	AGREEMENT, CERTIFICATES ON THE FINANCIAL STATEMENTS IF THEY ARE REQUIRED BY THE AGREEMENT AND CERTIFICATES ON THE METHODOLOGY, TRANSLATIONS, REPRODUCTION.	<i>“Exceptions” of the Report. The Commission will analyse this information to evaluate whether these costs might be accepted as eligible)</i>	
D.4	<b>AGGREGATED CAPITALISED AND OPERATING COSTS OF RESEARCH INFRASTRUCTURE</b>  The Auditor ensured the existence of a positive ex-ante assessment (issued by the EC Services) of the cost accounting methodology of the Partner allowing it to apply the guidelines on direct costing for large research infrastructures in Horizon 2020.  <i>In the cases that a positive ex-ante assessment has been issued (see the standard factual findings 59-60 on the next column),</i> The Auditor ensured that the Partner has applied consistently the methodology that is explained and approved in the positive ex ante assessment;  <i>In the cases that a positive ex-ante assessment has NOT been issued (see the standard factual findings 61 on the next column),</i> The Auditor verified that no costs of Large Research Infrastructure have been charged as direct costs in any costs category;  <i>In the cases that a draft ex-ante assessment report has been issued with recommendation for further changes (see the standard factual findings 61 on the next column),</i> <ul style="list-style-type: none"> <li>The Auditor followed the same procedure as above (when a positive ex-ante assessment has NOT yet been issued) and paid particular attention (testing reinforced) to the cost items for which the draft ex-ante assessment either rejected the inclusion as direct costs for Large</li> </ul>	59) The costs declared as direct costs for Large Research Infrastructures (in the appropriate line of the Financial Statement) comply with the methodology described in the positive ex-ante assessment report.	
		60) Any difference between the methodology applied and the one positively assessed was extensively described and adjusted accordingly.	
		61) The direct costs declared were free from any indirect costs items related to the Large Research Infrastructure.	



Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	Research Infrastructures or issued recommendations.		
E	USE OF EXCHANGE RATES		
E.1	<p>a) For Partners with accounts established in a currency other than euros</p> <p>The Auditor sampled <span style="background-color: #cccccc; padding: 0 10px;"> </span> cost items selected randomly and verified that the exchange rates used for converting other currencies into euros were in accordance with the following rules established in the Agreement ( full coverage is required if there are fewer than 10 items, otherwise the sample should have a minimum of 10 item, or 10% of the total, whichever number is highest):</p> <p><i>COSTS INCURRED IN ANOTHER CURRENCY SHALL BE CONVERTED INTO EURO AT THE AVERAGE OF THE DAILY EXCHANGE RATES PUBLISHED IN THE C SERIES OF OFFICIAL JOURNAL OF THE EUROPEAN UNION (<a href="https://www.ecb.int/stats/exchange/eurofxref/html/index.en.html">https://www.ecb.int/stats/exchange/eurofxref/html/index.en.html</a> ), DETERMINED OVER THE CORRESPONDING REPORTING PERIOD.</i></p> <p><i>IF NO DAILY EURO EXCHANGE RATE IS PUBLISHED IN THE OFFICIAL JOURNAL OF THE EUROPEAN UNION FOR THE CURRENCY IN QUESTION, CONVERSION SHALL BE MADE AT THE AVERAGE OF THE MONTHLY ACCOUNTING RATES ESTABLISHED BY THE COMMISSION AND PUBLISHED ON ITS WEBSITE (<a href="http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm">http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm</a> ), DETERMINED OVER THE CORRESPONDING REPORTING PERIOD.</i></p>	62) The exchange rates used to convert other currencies into Euros were in accordance with the rules established of the Specific Agreement and there was no difference in the final figures.	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<p>b) For Partners with accounts established in euros</p> <p>The Auditor sampled [REDACTED] cost items selected randomly and verified that the exchange rates used for converting other currencies into euros were in accordance with the following rules established in the Agreement ( full coverage is required if there are fewer than 10 items, otherwise the sample should have a minimum of 10 item, or 10% of the total, whichever number is highest):</p> <p><i>COSTS INCURRED IN ANOTHER CURRENCY SHALL BE CONVERTED INTO EURO BY APPLYING THE PARTNER'S USUAL ACCOUNTING PRACTICES.</i></p>	63) The Partner applied its usual accounting practices.	

[legal name of the audit firm]

[name and function of an authorised representative]

<dd Month yyyy>

<Signature of the Auditor>

## Annex IV

Annex IV of the Framework Partnership Agreement contains the Accession Forms.

## Annex 4 - FPA NUMBER FPA2016/EIT/CLIMATE-KIC — FPA2016/EIT/CLIMATE-KIC

## ACCESSION FORM FOR KIC PARTNERS

[Full official name of the KIC Partner/new KIC Partner/new KIC LE (short name)] [legal form], [KIC Partner No], established in [official address in full] [VAT number], ([the KIC Partner'] [the KIC LE']), represented for the purpose of signing this Accession Form by [forename and surname, function],

hereby agrees

to become [KIC partner] [KIC LE] No [insert KIC Partner no] in Framework Partnership Agreement (FPA) No FPA2016/EIT/CLIMATE-KIC ('Agreement') signed between Climate-KIC Holding B.V. ('Climate-KIC') and the European Institute of Innovation and Technology ('the EIT'),

*[OPTION for KIC partners/new KIC partners: and empowers*

*the KIC LE:*

- *to submit any proposals for the award of Specific Grants;*
- *to sign in its name and on its behalf all the Specific Agreements that may be awarded (see Articles 2 and 62 of the FPA);*
- *to submit and sign in its name and on its behalf any **amendments** to the Framework Partnership Agreement and Specific Agreements (see Article 61 of the FPA),*

subject to the fulfilment of the KIC's governance rules.

By signing this Accession Form, the KIC Partner accepts the grant and agrees to *[OPTION: for new KIC LEs: take on the obligations and role of KIC LE and to]* implement the grant in accordance with the Agreement, with all the obligations and conditions it sets out *[OPTION for new KIC Partners:; as from [insert date] [the date of signature of the Accession Form] [the date of entry into force of the amendment] ('accession date') — if the EIT agrees with the request for amendment].*

SIGNATURE

For the KIC Partner/new KIC Partner/new KIC LE:

[function/forename/surname]

[signature]

Done in [English] at [place] on [date]

**Annex 4 - FPA** NUMBER FPA2016/EIT/CLIMATE-KIC — FPA2016/EIT/CLIMATE-KIC

Countersigned by KIC LE:

Climate-KIC Holding B.V. ('Climate-KIC')

[function/forename/surname]

[signature]

Done in [English] at [place] on [date]

## Annex V

Annex V of the Framework Partnership Agreement contains the List of linked third parties.

## List of linked third parties to the KIC LE and/or KIC Partners

### in accordance with Article 19 of the FPA

Full official name of the linked third party	Short name	Status of the entity (Affiliated entity or linked third party)	Nature of affiliation <sup>1</sup> Or nature of legal link with the third party	Legal form	SME <sup>2</sup>	AREA <sup>3</sup>	Website (if available)	Official address in full	VAT number	KIC Partner	Eligibility period (start)
Fundacion Universidad Empresa de Valencia	ADEIT	Affiliated entity		Non for profit/Public Body	No	Higher Education	www.adeituv.es	Plaza Virgen de la Paz 3, 46001 Valencia		P165	29/04/2014
HaskoningDH V UK Ltd	RHDHV	Affiliated entity		Industry (non-SME)	No	Business		10 Bernard Street, H66PP Edinburgh UK		P200	27/04/2014
Institut de Recherche pour le Developpement	IRD	Affiliated Entity	IRD is part of the joint research Unit AMAP	Public body	No	Research		Le Sextant, 44 bd de Dunker que, CS 90009 13572 Marseille Cedex 02		P032	12/6/2014
Airbus DS Geo SA		Affiliated Entity	Subsidiary	Industry (Non-SME)	No	Business		Airbus DS Geo SA, 5 Rue des Satellites BP 14359 31030 Toulouse Cedex 4 France		P143 – Airbus Defence and Space SAS	12/6/2014
Airbus DS Geo GmbH	ADSG GmbH	Affiliated Entity	Subsidiary	Industry (Non-	No	Business		Airbus defence and Space GEO Intelligence, Infoterra		P143 - Airbus Defence and	12/6/2014

<sup>1</sup> For the definition see Article 2.1(2) Rules for Participation Regulation No 1290/2013: 'affiliated entity' means any legal entity that is:

- under the direct or indirect control of a participant, or
- under the same direct or indirect control as the participant, or
- directly or indirectly controlling a participant.

'Control' may take any of the following forms:

(a) the direct or indirect holding of more than 50% of the nominal value of the issued share capital in the legal entity concerned, or of a majority of the voting rights of the shareholders or associates of that entity;

(b) the direct or indirect holding, in fact or in law, of decision-making powers in the legal entity concerned.

However, the following relationships between legal entities shall not in themselves constitute controlling relationships:

(a) the same public investment corporation, institutional investor or venture-capital company has a direct or indirect holding of more than 50% of the nominal value of the issued share capital or a majority of voting rights of the shareholders or associates;

(b) the legal entities concerned are owned or supervised by the same public body.

'Third party with a legal link to a beneficiary' is any legal entity which has a legal link to the beneficiary implying collaboration that is not limited to the action.

<sup>2</sup> Please refer to the definition of the EC: [http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/sme-definition/index\\_en.htm](http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/sme-definition/index_en.htm)

<sup>3</sup> Either "Business", "Cities, Regions, NGOs", "Research", "Higher Education"

				SME)				GmbH, Claude Dornier Strasse 88090 Immenstad Germany		Space SAS	
Scion DTU		Affiliated Entity		Corporati on SME	Yes	Business	www.sciondt u.dk	Diplomvej 381, 2800 Kgs. Lyngby, Denmark	27546439	P240	12/6/2014
South Pole Carbon Asset Management (Hong Kong) Ltd	South Pole HK	Affiliated Entity		Corporati on SME	Yes	Business	www.southpo lecarbon.com	21/F, The phoenix Building, 23 Luard Rd, Wan Chai		South Pole Carbon - P109	12/6/2014
South Pole Asset (Beijing) Ltd.	SP China	Affiliated Entity		Corporati on SME	Yes	Business	www.southpo lecarbon.com	Unit 1107, No. B-118, The Exchange Building, JianguoAve, Chaoyang District, Beijing		South Pole Carbon - P109	12/6/2014
South Pole Carbon Asset Management (Thailand) Ltd	SP Thailand	Affiliated Entity		Corporati on SME	Yes	Business	www.southpo lecarbon.com	2/22 lyara building, 6 <sup>th</sup> floor, Chan Road Soi 2, 10120 Bangkok		South Pole Carbon - P109	12/6/2014
South Pole Carbon Asset Management S.A.S	South Pole AMSAS	Affiliated Entity		Corporati on SME	Yes	Business	www.southpo lecarbon.com	info@southpole.com	900480115-1	South Pole Carbon - P109	12/6/2014
Climate Friendly Pty Ltd. (AUS)	Climate Friendly AUS	Affiliated Entity		Corporati on SME	Yes	Business	www.climatef riendly.com	Suite B Level 2, 140 William Street, East Sydney, NSW 2011	ABN 65107201025	South Pole Carbon - P109	12/6/2014
Climate Friendly Pty Ltd. (UK)	Climate Friendly UK	Affiliated Entity		Corporati on SME	Yes	Business	www.climatef riendly.com	Devonshire House, 60 Groswell Rd, London EC1M 7AD	168708373	South Pole Carbon - P109	12/6/2014
Respect Climate Solutions AB	Respect Climate	Affiliated Entity		Corporati on SME	Yes	Business	www.southpo lecarbon.com	Kungstensgatan 12, POB 6821, 111 86 Stockholm		South Pole Carbon - P109	12/6/2014
South Pole Holding	SPH	Affiliated Entity		Corporati on SME	Yes	Business	www.southpo lecarbon.com	Technoparkstrasse 1, 8005 Zurich, Switzerland	CHE 116.334.341 MWST	South Pole Carbon - P109	12/6/2014
Johannesburg Science Park AB	JSP	Affiliated Entity		Corporati on (non- SME)	Yes	Business	www.johanne bergsciencep ark.com	Sven-Hultins gata 9C, 412 88 Gothenburg	SE56790310801	P183 - Chalmers	04/07/2014
Veolia UK		Affiliated Entity		Industry (non- SME)	No	Business	www.veolia.c ouk	210 Pentonville Rd, London N1 9JK, UK		P145 – Veolia Environment	10/09/2014
AGORANOV		Linked 3 <sup>rd</sup> Party	Membership		No	Higher Education	www.agorano v.com	96 bis boulevard Raspail, 75006 Paris France		P052 - Universite Pierre et Marie Curie - Paris 6	01/05/2015
Fondazione Bologna University	BBS	Linked 3 <sup>rd</sup> Party		Private (non SME)	No	Higher Education		Via degli Scalini, 18-40136 Bologna		P125	
Urban Center Bologna		Linked 3 <sup>rd</sup> Party		Business	No	Business		Piazza Maggiore n. 6- 40124 Bologna		P114	05/01/2015
Technostarters Delft Vastgoed B.V.	TDVG	Affiliated Entity	Under the direct or indirect	BV	Link no longer valid –	Part of TU Delft - Higher Education	http://tdvg.nl /	Molengraafsingel 12-14, Delft 2629 JD, Netherlands	NL800746399B 01	TU Delft (P017)	15/10/2015



			control of the KIC Partner		micro-SME						
YES!Delft B.V.	YES! Delft	Affiliated Entity	Under the direct or indirect control of the KIC Partner	BV	Link no longer valid – micro-SME	Part of TU Delft - Higher Education (High Tech Incubator)	<a href="http://www.yesdelft.nl">www.yesdelft.nl</a>	Molengraafsingel 12, Delft 2629 JD, Netherlands	NL822408533	TU Delft (P017)	15/10/2015
Stichting YES!Delft Students	YES! Delft Students	Linked 3rd Party	Under the direct or indirect control of the KIC Partner	Stichting	Link no longer valid	Part of TU Delft - Higher Education (Study Association)	<a href="http://www.yesdelftstudents.nl/">http://www.yesdelftstudents.nl/</a>	Molengraafsingel 12, Delft 2629 JD, Netherlands	NL822396518B01	TU Delft (P017)	15/10/2015
Nunhems Netherlands B.V.	Nunhems	Affiliated Entity	Bayer CropScience Vegetable Seeds (where Nunhems Netherlands B.V. is part of) and Bayer Technology Services both are part of Bayer AG	BV	NA	Business	<a href="http://www.nunhems.com">www.nunhems.com</a>	Napoleonsweg 152, 6083 AB Nunhem, The Netherlands P.O Box 4005 6080 AA Haalen, The Netherlands	NL007760747B02	P012 - Bayer Technology Services	01/01/2015
Philips Lighting B.V.	Philips Lighting	Affiliated Entity	Under the direct or indirect control of the KIC Partner Philips Electronics Netherlands B.V.	BV	NO	Industry	<a href="http://www.lighting.philips.nl/home">http://www.lighting.philips.nl/home</a>	High Tech Campus 45, 5656AE, Eindhoven, The Netherlands	NL009076992B01	P012- Bayer Technology Services	01/01/2015
Association Climate KIC		Affiliated entity	Directly or indirectly controlling a participant	Not for profit		Business	<a href="http://www.climate-kic.org">www.climate-kic.org</a>	Heidelberglaan 2, 3584 CS Utrecht The Netherlands	NL850257517	P000- Climate KIC Holding BV	10/10/2010
Climate-KIC (UK) Limited		Affiliated entity	under the same direct or indirect control as the participant	Not for profit		Business	<a href="http://www.climate-kic.org">www.climate-kic.org</a>	21 Great Winchester Street, London EC2N 2JA, United Kingdom	GB224195323	P000- Climate KIC Holding BV	13/08/2014
Climate-KIC GmbH		Affiliated entity	Under the direct or indirect	Not for profit		Business	<a href="http://www.climate-kic.org">www.climate-kic.org</a>	Torgauer Strasse 12-15, 10829 Berlin, Germany	DE302298728	P000- Climate KIC Holding BV	23/07/2015

			control of the KIC Partner								
Climate-KIC AG		Affiliated entity	Under the direct or indirect control of the KIC Partner	Not for profit		Business	www.climate- kic.org	Hochstrasse 60, 8044 Zurich, Switzerland	CHE456064505	P000- Climate KIC Holding BV	30/09/2015
Climate-KIC Kft.		Affiliated entity	Under the direct or indirect control of the KIC Partner	Not for profit		Business	www.climate- kic.org	1123 Budapest, Alkotás utca 17-19; Hungary	HU25431838	P000- Climate KIC Holding BV	18/11/2015
Climate-KIC sp. Z.o.o.		Affiliated entity	Under the direct or indirect control of the KIC Partner	Not for profit		Business	www.climate- kic.org	ul. Stablowicka 147, 54-066 Wroclaw	8943071609	P000- Climate KIC Holding BV	8/1/2016
Climate-KIC SASU		Affiliated entity	Under the direct or indirect control of the KIC Partner	Not for profit		Business	www.climate- kic.org	Parc Technologique, Immeuble Discovery, R.D. 128, Route de l'Orme aux Merisiers, 91190 Saint- Aubin, France	817 505 936	P000- Climate KIC Holding BV	31/12/2015
Climate-KIC B.V.		Affiliated entity	Under the direct or indirect control of the KIC Partner	Not for profit		Business	www.climate- kic.org	The Netherlands	NL855944468	P000- Climate KIC Holding BV	7/1/2016
Climate-KIC S.r.l.		Affiliated entity	Under the direct or indirect control of the KIC Partner	Not for profit		Business	www.climate- kic.org	via Gobetti 101, 40129 Bologna, Italy	03513501209	P000- Climate KIC Holding BV	13/1/2016
EIT Climate-KIC S.L.		Affiliated entity	Under the direct or indirect control of the KIC Partner	Not for profit		Business	www.climate- kic.org	Avenida Aragon 30,Bajos Local 11,Valencia, 46021, SPAIN	B-98799182	P000- Climate KIC Holding BV	25/1/2016

## Annex VI

Annex VI of the Framework Partnership Agreement contains the Model for the certificate on the methodology.

## MODEL FOR THE CERTIFICATE ON THE METHODOLOGY

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TERMS OF REFERENCE FOR AN AUDIT ENGAGEMENT FOR A METHODOLOGY CERTIFICATE IN  
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INDEPENDENT REPORT OF FACTUAL FINDINGS ON THE METHODOLOGY CONCERNING GRANT  
AGREEMENTS FINANCED UNDER THE HORIZON 2020 RESEARCH AND INNOVATION FRAMEWORK  
PROGRAMME 6

**Terms of reference for an audit engagement for a methodology certificate in connection with one or more grant agreements financed under the Horizon 2020 Research and Innovation Framework Programme**

This document sets out the 'Terms of Reference (ToR)' under which

[OPTION 1: *[insert name of the partner]* ('the Partner')] [OPTION 2: *[insert name of the linked third party]* ('the Linked Third Party'), third party linked to the Partner *[insert name of the partner]* ('the Partner')]

agrees to engage

*[insert legal name of the auditor]* ('the Auditor')

to produce an independent report of factual findings ('the Report') concerning the *[Partner's]* *[Linked Third Party's]* usual accounting practices for calculating and claiming direct personnel costs declared as unit costs ('the Methodology') in connection with grant agreements financed under the Horizon 2020 Research and Innovation Framework Programme.

The procedures to be carried out for the assessment of the methodology will be based on the grant agreement(s) detailed below:

*[title and number of the grant agreement(s)]* ('the Agreement(s)')

The Agreement(s) has(have) been concluded between the KIC LE on behalf of the Partner *and the EIT*.

The *EIT* is mentioned as a signatory of the Agreement with the KIC LE on behalf of the Partner only. The *European Union* is not a party to this engagement.

## 1.1 Subject of the engagement

According to Article 24 of the Framework Partnership Agreement, partners *[and linked third parties]* that declare direct personnel costs as unit costs calculated in accordance with their usual cost accounting practices may submit to the *EIT*, for approval, a certificate on the methodology ('CoMUC') stating that there are adequate records and documentation to prove that their cost accounting practices used comply with the conditions set out in Point A of Article 5.2 of the Specific Agreement.

The subject of this engagement is the CoMUC which is composed of two separate documents:

- the Terms of Reference ('the ToR') to be signed by the *[Partner]* *[Linked Third Party]* and the Auditor;
- the Auditor's Independent Report of Factual Findings ('the Report') issued on the Auditor's letterhead, dated, stamped and signed by the Auditor which includes; the standard statements ('the Statements') evaluated and signed by the *[Partner]* *[Linked Third Party]*, the agreed-upon procedures ('the Procedures') performed by the Auditor and the standard factual findings ('the Findings') assessed by the Auditor. The Statements, Procedures and Findings are summarised in the table that forms part of the Report.

The information provided through the Statements, the Procedures and the Findings will enable the EIT to draw conclusions regarding the existence of the *[Partner's] [Linked Third Party's]* usual cost accounting practice and its suitability to ensure that direct personnel costs claimed on that basis comply with the provisions of the Agreement. The EIT draws its own conclusions from the Report and any additional information it may require.

## 1.2 Responsibilities

The parties to this agreement are the *[Partner] [Linked Third Party]* and the Auditor.

The *[Partner] [Linked Third Party]*:

- is responsible for preparing financial statements for the Agreement(s) ('the Financial Statements') in compliance with those Agreements;
- is responsible for providing the Financial Statement(s) to the Auditor and enabling the Auditor to reconcile them with the *[Partner's] [Linked Third Party's]* accounting and bookkeeping system and the underlying accounts and records. The Financial Statement(s) will be used as a basis for the procedures which the Auditor will carry out under this ToR;
- is responsible for its Methodology and liable for the accuracy of the Financial Statement(s);
- is responsible for endorsing or refuting the Statements indicated under the heading 'Statements to be made by the Partner / Linked Third Party' in the first column of the table that forms part of the Report;
- must provide the Auditor with a signed and dated representation letter;
- accepts that the ability of the Auditor to carry out the Procedures effectively depends upon the *[Partner] [Linked Third Party]* providing full and free access to the *[Partner] [Linked Third Party's]* staff and to its accounting and other relevant records.

The Auditor:

- *[Option 1 by default: is qualified to carry out statutory audits of accounting documents in accordance with Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC or similar national regulations].*
- *[Option 2 if the Partner or Linked Third Party has an independent Public Officer: is a competent and independent Public Officer for which the relevant national authorities have established the legal capacity to audit the Partner].*
- *[Option 3 if the Partner or Linked Third Party is an international organisation: is an [internal] [external] auditor in accordance with the internal financial regulations and procedures of the international organisation].*

The Auditor:

- must be independent from the Partner *[and the Linked Third Party]*, in particular, it must not have been involved in preparing the Partner's *[and Linked Third Party's]* Financial Statement(s);
- must plan work so that the Procedures may be carried out and the Findings may be assessed;
- must adhere to the Procedures laid down and the compulsory report format;
- must carry out the engagement in accordance with these ToR;
- must document matters which are important to support the Report;

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Specific Grant Agreement No. EIT/CLIMATE-KIC/SGA20XX/X

- must base its Report on the evidence gathered;
- must submit the Report to the *[Partner]* *[Linked Third Party]*.

The EIT sets out the Procedures to be carried out and the Findings to be endorsed by the Auditor. The Auditor is not responsible for their suitability or pertinence. As this engagement is not an assurance engagement the Auditor does not provide an audit opinion or a statement of assurance.

### 1.3 Applicable Standards

The Auditor must comply with these Terms of Reference and with<sup>1</sup>:

- the International Standard on Related Services ('ISRS') 4400 *Engagements to perform Agreed-upon Procedures regarding Financial Information* as issued by the International Auditing and Assurance Standards Board (IAASB);
- the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants (IESBA). Although ISRS 4400 states that independence is not a requirement for engagements to carry out agreed-upon procedures, the EIT requires that the Auditor also complies with the Code's independence requirements.

The Auditor's Report must state that there was no conflict of interests in establishing this Report between the Auditor and the Partner *[and the Linked Third Party]* that could have a bearing on the Report, and must specify – if the service is invoiced - the total fee paid to the Auditor for providing the Report.

### 1.4 Reporting

The Report must be written in the language of the Agreement (see Article 20.7 of the Agreement).

Under Article 28 of the Framework Partnership Agreement, the Commission, *the EIT*, the European Anti-Fraud Office and the Court of Auditors have the right to audit any work that is carried out under the action and for which costs are claimed from *the European Union*. This includes work related to this engagement. The Auditor must provide access to all working papers related to this assignment if the Commission, *the EIT*, the European Anti-Fraud Office or the European Court of Auditors requests them.

### 1.5 Timing

The Report must be provided by [dd Month yyyy].

### 1.6 Other Terms

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<sup>1</sup> Supreme Audit Institutions applying INTOSAI-standards may carry out the Procedures according to the corresponding International Standards of Supreme Audit Institutions and code of ethics issued by INTOSAI instead of the International Standard on Related Services ('ISRS') 4400 and the Code of Ethics for Professional Accountants issued by the IAASB and the IESBA.

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*[The [Partner] [Linked Third Party] and the Auditor can use this section to agree other specific terms, such as the Auditor's fees, liability, applicable law, etc. Those specific terms must not contradict the terms specified above.]*

[legal name of the Auditor]

[legal name of the [Partner] [Linked Third  
Party]]

[name & title of authorised representative]

[name & title of authorised representative]

[dd Month yyyy]

[dd Month yyyy]

Signature of the Auditor

Signature of the [Partner][Linked Third Party]



**Independent report of factual findings on the methodology concerning grant agreements financed  
under the Horizon 2020 Research and Innovation Framework Programme**

*(To be printed on letterhead paper of the auditor)*

To

[ name of contact person(s)], [Position]  
[[Partner's] [Linked Third Party's] name]  
[ Address]  
[ dd Month yyyy]

Dear [Name of contact person(s)],

As agreed under the terms of reference dated [dd Month yyyy]

with [OPTION 1: [insert name of the Partner] ('the Partner')] [OPTION 2: [insert name of the linked third party] ('the Linked Third Party'), third party linked to the Partner [insert name of the Partner] ('the Partner)],

we

[ name of the auditor] ('the Auditor'),

established at

[full address/city/state/province/country],

represented by

[name and function of an authorised representative],

have carried out the agreed-upon procedures ('the Procedures') and provide hereby our Independent Report of Factual Findings ('the Report'), concerning the [Partner's] [Linked Third Party's] usual accounting practices for calculating and declaring direct personnel costs declared as unit costs ('the Methodology').

You requested certain procedures to be carried out in connection with the grant(s)

[title and number of the grant agreement(s)] ('the Agreement(s)').

**The Report**

Our engagement was carried out in accordance with the terms of reference ('the ToR') appended to this Report. The Report includes: the standard statements ('the Statements') made by the [Partner] [Linked Third Party], the agreed-upon procedures ('the Procedures') carried out and the standard factual findings ('the Findings') confirmed by us.

The engagement involved carrying out the Procedures and assessing the Findings and the documentation requested appended to this Report, the results of which the EIT uses to draw conclusions regarding the acceptability of the Methodology applied by the [Partner] [Linked Third Party].

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The Report covers the methodology used from [dd Month yyyy]. In the event that the [Partner] [Linked Third Party] changes this methodology, the Report will not be applicable to any Financial Statement<sup>2</sup> submitted thereafter.

The scope of the Procedures and the definition of the standard statements and findings were determined solely by the EIT. Therefore, the Auditor is not responsible for their suitability or pertinence.

Since the Procedures carried out constitute neither an audit nor a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not give a statement of assurance on the costs declared on the basis of the [Partner's] [Linked Third Party's] Methodology. Had we carried out additional procedures or had we performed an audit or review in accordance with these standards, other matters might have come to its attention and would have been included in the Report.

### Exceptions

Apart from the exceptions listed below, the [Partner] [Linked Third Party] agreed with the standard Statements and provided the Auditor all the documentation and accounting information needed by the Auditor to carry out the requested Procedures and corroborate the standard Findings.

List here any exception and add any information on the cause and possible consequences of each exception, if known. If the exception is quantifiable, also indicate the corresponding amount.

.....

*Explanation of possible exceptions in the form of examples (to be removed from the Report):*

- i. the [Partner] [Linked Third Party] did not agree with the standard Statement number ... because...;*
- ii. the Auditor could not carry out the procedure ... established because .... (e.g. due to the inability to reconcile key information or the unavailability or inconsistency of data);*
- iii. the Auditor could not confirm or corroborate the standard Finding number ... because ....*

### Remarks

We would like to add the following remarks relevant for the proper understanding of the Methodology applied by the [Partner] [Linked Third Party] or the results reported.

*Example (to be removed from the Report):*

*Regarding the methodology applied to calculate hourly rates ...*

*Regarding standard Finding 15 it has to be noted that ...*

*The [Partner] [Linked Third Party] explained the deviation from the benchmark statement XXIV concerning time recording for personnel with no exclusive dedication to the action in the following manner: ...*

...

<sup>2</sup> Financial Statement in this context refers solely to Annex 3 of the Specific Agreement by which the Partner declares costs under the Agreement.

## Annexes

Please provide the following documents to the auditor and annex them to the report when submitting this CoMUC to the EIT:

1. Brief description of the methodology for calculating personnel costs, productive hours and hourly rates;
2. Brief description of the time recording system in place;
3. An example of the time records used by the [Partner] [Linked Third Party];
4. Description of any budgeted or estimated elements applied together with an explanation as to why they are relevant for calculating the personnel costs and how they are based on objective and verifiable information;
5. A summary sheet with the hourly rate for direct personnel declared by the [Partner] [Linked Third Party] and recalculated by the Auditor for each staff member included in the sample (the names do not need to be reported);
6. A comparative table summarising for each person selected in the sample a) the time claimed by the [Partner] [Linked Third Party] in the Financial Statement(s) and b) the time according to the time record verified by the Auditor;
7. A copy of the letter of representation provided to the Auditor.

## Use of this Report

This Report has been drawn up solely for the purpose given under Point 1.1 Reasons for the engagement.

The Report:

- is confidential and is intended to be submitted to the EIT by the [Partner] [Linked Third Party] in connection with Article 24 of the Framework Partnership Agreement;
- may not be used by the [Partner] [Linked Third Party] or by the EIT for any other purpose, nor distributed to any other parties;
- may be disclosed by the EIT only to authorised parties, in particular the European Anti-Fraud Office (OLAF) and the European Court of Auditors.
- relates only to the usual cost accounting practices specified above and does not constitute a report on the Financial Statements of the [Partner] [Linked Third Party].

No conflict of interest<sup>3</sup> exists between the Auditor and the Partner [and the Linked Third Party] that could have a bearing on the Report. The total fee paid to the Auditor for producing the Report was EUR [ ] (including EUR [ ] of deductible VAT).

<sup>3</sup> A conflict of interest arises when the Auditor's objectivity to establish the certificate is compromised in fact or in appearance when the Auditor for instance:

- was involved in the preparation of the Financial Statements;
- stands to benefit directly should the certificate be accepted;
- has a close relationship with any person representing the Partner;
- is a director, trustee or partner of the Partner; or
- is in any other situation that compromises his or her independence or ability to establish the certificate impartially.

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We look forward to discussing our Report with you and would be pleased to provide any further information or assistance which may be required.

Yours sincerely

[legal name of the Auditor]

[name and title of the authorised representative]

[dd Month yyyy]

Signature of the Auditor

Statements to be made by the Partner/Linked Third Party ('the Statements') and Procedures to be carried out by the Auditor ('the Procedures') and standard factual findings ('the Findings') to be confirmed by the Auditor

The EIT reserves the right to provide the auditor with guidance regarding the Statements to be made, the Procedures to be carried out or the Findings to be ascertained and the way in which to present them. The EIT reserves the right to vary the Statements, Procedures or Findings by written notification to the Partner/Linked Third Party to adapt the procedures to changes in the grant agreement(s) or to any other circumstances.

If this methodology certificate relates to the Linked Third Party's usual accounting practices for calculating and claiming direct personnel costs declared as unit costs any reference here below to 'the Partner' is to be considered as a reference to 'the Linked Third Party'.

<i>Please explain any discrepancies in the body of the Report.</i>	
Statements to be made by Partner	Procedures to be carried out and Findings to be confirmed by the Auditor
<p><b>A. Use of the Methodology</b></p> <p>I. The cost accounting practice described below has been in use since [dd Month yyyy].</p> <p>II. The next planned alteration to the methodology used by the Partner will be from [dd Month yyyy].</p>	<p><b>Procedure:</b></p> <p>✓ The Auditor checked these dates against the documentation the Partner has provided.</p> <p><b>Factual finding:</b></p> <p>1. The dates provided by the Partner were consistent with the documentation.</p>
<p><b>B. Description of the Methodology</b></p> <p>III. The methodology to calculate unit costs is being used in a consistent manner and is reflected in the relevant procedures.</p> <p><i>[Please describe the methodology your entity uses to calculate <u>personnel</u> costs, productive hours and hourly rates, present your description to the Auditor and annex it to this certificate]</i></p> <p><i>[If the statement of section "B. Description of the methodology" cannot be endorsed by the Partner or there is no written methodology to calculate unit costs it should be listed here below and reported as exception by the Auditor in the main Report of Factual Findings:</i></p> <p>- ...]</p>	<p><b>Procedure:</b></p> <p>✓ The Auditor reviewed the description, the relevant manuals and/or internal guidance documents describing the methodology.</p> <p><b>Factual finding:</b></p> <p>2. The brief description was consistent with the relevant manuals, internal guidance and/or other documentary evidence the Auditor has reviewed.</p> <p>3. The methodology was generally applied by the Partner as part of its usual costs accounting practices.</p>
<p><b>C. Personnel costs</b></p> <p><u>General</u></p> <p>IV. The unit costs (hourly rates) are limited to</p>	<p><b>Procedure:</b></p> <p><i>The Auditor draws a sample of employees to carry out the procedures indicated in this section</i></p>

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<p>salaries including during parental leave, social security contributions, taxes and other costs included in the remuneration required under national law and the employment contract or equivalent appointing act;</p> <p>V. Employees are hired directly by the Partner in accordance with national law, and work under its sole supervision and responsibility;</p> <p>VI. The Partner remunerates its employees in accordance with its usual practices. This means that personnel costs are charged in line with the Partner's usual payroll policy (e.g. salary policy, overtime policy, variable pay) and no special conditions exist for employees assigned to tasks relating to the European Union or Euratom, unless explicitly provided for in the grant agreement(s);</p> <p>VII. The Partner allocates its employees to the relevant group/category/cost centre for the purpose of the unit cost calculation in line with the usual cost accounting practice;</p> <p>VIII. Personnel costs are based on the payroll system and accounting system.</p> <p>IX. Any exceptional adjustments of actual personnel costs resulted from relevant budgeted or estimated elements and were based on objective and verifiable information. <i>[Please describe the 'budgeted or estimated elements' and their relevance to personnel costs, and explain how they were reasonable and based on objective and verifiable information, present your explanation to the Auditor and annex it to this certificate].</i></p> <p>X. Personnel costs claimed do not contain any of the following ineligible costs: costs related to return on capital; debt and debt service charges; provisions for future losses or debts; interest owed; doubtful debts; currency exchange losses; bank costs charged by the Partner's bank for</p>	<p><i>C and the following sections D to F.</i>  <i>[The Auditor has drawn a random sample of 10 full-time equivalents made up of employees assigned to the action(s). If fewer than 10 full-time equivalents are assigned to the action(s), the Auditor has selected a sample of 10 full-time equivalents consisting of all employees assigned to the action(s), complemented by other employees irrespective of their assignments.]. For this sample:</i></p> <ul style="list-style-type: none"> <li>✓ the Auditor reviewed all documents relating to personnel costs such as employment contracts, payslips, payroll policy (e.g. salary policy, overtime policy, variable pay policy), accounting and payroll records, applicable national tax, labour and social security law and any other documents corroborating the personnel costs claimed;</li> <li>✓ in particular, the Auditor reviewed the employment contracts of the employees in the sample to verify that: <ul style="list-style-type: none"> <li>i. they were employed directly by the Partner in accordance with applicable national legislation;</li> <li>ii. they were working under the sole technical supervision and responsibility of the latter;</li> <li>iii. they were remunerated in accordance with the Partner's usual practices;</li> <li>iv. they were allocated to the correct group/category/cost centre for the purposes of calculating the unit cost in line with the Partner's usual cost accounting practices;</li> </ul> </li> <li>✓ the Auditor verified that any ineligible items or any costs claimed under other costs categories or costs covered by other types of grant or by other grants financed from the European Union budget have not been taken into account when calculating the personnel</li> </ul>

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<p>transfers from the EIT; excessive or reckless expenditure; deductible VAT or costs incurred during suspension of the implementation of the action.</p> <p>XI. Personnel costs were not declared under another EU or Euratom grant (including grants awarded by a Member State and financed by the EU budget and grants awarded by bodies other than the EIT for the purpose of implementing the EU budget).</p> <p><u>If additional remuneration as referred to in the grant agreement(s) is paid</u></p> <p>XII. The Partner is a non-profit legal entity;</p> <p>XIII. The additional remuneration is part of the Partner's usual remuneration practices and paid consistently whenever the relevant work or expertise is required;</p> <p>XIV. The criteria used to calculate the additional remuneration are objective and generally applied regardless of the source of funding;</p> <p>XV. The additional remuneration included in the personnel costs used to calculate the hourly rates for the grant agreement(s) is capped at EUR 8 000 per full-time equivalent (reduced proportionately if the employee is not assigned exclusively to the action).</p> <p><i>[If certain statement(s) of section "C. Personnel costs" cannot be endorsed by the Partner they should be listed here below and reported as exception by the Auditor in the main Report of Factual Findings: - ...]</i></p>	<p>costs;</p> <ul style="list-style-type: none"> <li>✓ the Auditor numerically reconciled the total amount of personnel costs used to calculate the unit cost with the total amount of personnel costs recorded in the statutory accounts and the payroll system.</li> <li>✓ to the extent that actual personnel costs were adjusted on the basis of budgeted or estimated elements, the Auditor carefully examined those elements and checked the information source to confirm that they correspond to objective and verifiable information;</li> <li>✓ if additional remuneration has been claimed, the Auditor verified that the Partner was a non-profit legal entity, that the amount was capped at EUR 8 000 per full-time equivalent and that it was reduced proportionately for employees not assigned exclusively to the action(s).</li> <li>✓ the Auditor recalculated the personnel costs for the employees in the sample.</li> </ul> <p><b>Factual finding:</b></p> <ol style="list-style-type: none"> <li>4. All the components of the remuneration that have been claimed as personnel costs are supported by underlying documentation.</li> <li>5. The employees in the sample were employed directly by the Partner in accordance with applicable national law and were working under its sole supervision and responsibility.</li> <li>6. Their employment contracts were in line with the Partner's usual policy;</li> <li>7. Personnel costs were duly documented and consisted solely of salaries, social security contributions (pension contributions, health insurance, unemployment fund contributions, etc.), taxes and other statutory costs</li> </ol>



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	<p>included in the remuneration (holiday pay, thirteenth month's pay, etc.);</p> <p>8. The totals used to calculate the personnel unit costs are consistent with those registered in the payroll and accounting records;</p> <p>9. To the extent that actual personnel costs were adjusted on the basis of budgeted or estimated elements, those elements were relevant for calculating the personnel costs and correspond to objective and verifiable information. The budgeted or estimated elements used are: — (indicate the elements and their values).</p> <p>10. Personnel costs contained no ineligible elements;</p> <p>11. Specific conditions for eligibility were fulfilled when additional remuneration was paid: a) the Partner is registered in the grant agreements as a non-profit legal entity; b) it was paid according to objective criteria generally applied regardless of the source of funding used and c) remuneration was capped at EUR 8000 per full-time equivalent (or up to up to the equivalent pro-rata amount if the person did not work on the action full-time during the year or did not work exclusively on the action).</p>
<p><b>D. Productive hours</b></p> <p>XVI. The number of productive hours per full-time employee applied is <i>[delete as appropriate]</i>:</p> <p>A. 1720 productive hours per year for a person working full-time (corresponding pro-rata for persons not working full time).</p> <p>B. the total number of hours worked in the year by a person for the Partner</p> <p>C. the standard number of annual hours generally applied by the Partner for</p>	<p><b>Procedure (same sample basis as for Section C: Personnel costs):</b></p> <ul style="list-style-type: none"> <li>✓ The Auditor verified that the number of productive hours applied is in accordance with method A, B or C.</li> <li>✓ The Auditor checked that the number of productive hours per full-time employee is correct and that it is reduced proportionately for employees not exclusively assigned to the action(s).</li> <li>✓ If method B is applied the Auditor verified i) the manner in which the total</li> </ul>



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<p>its personnel in accordance with its usual cost accounting practices. This number must be at least 90% of the standard annual workable hours.</p> <p><u>If method B is applied</u></p> <p>XVII. The calculation of the total number of hours worked was done as follows: annual workable hours of the person according to the employment contract, applicable labour agreement or national law plus overtime worked minus absences (such as sick leave and special leave).</p> <p>XVIII. 'Annual workable hours' are hours during which the personnel must be working, at the employer's disposal and carrying out his/her activity or duties under the employment contract, applicable collective labour agreement or national working time legislation.</p> <p>XIX. The contract (applicable collective labour agreement or national working time legislation) do specify the working time enabling to calculate the annual workable hours.</p> <p><u>If method C is applied</u></p> <p>XX. The standard number of productive hours per year is that of a full-time equivalent; for employees not assigned exclusively to the action(s) this number is reduced proportionately.</p> <p>XXI. The number of productive hours per year on which the hourly rate is based i) corresponds to the Partner's usual accounting practices; ii) is at least 90 % of the standard number of workable (working) hours per year.</p> <p>XXII. Standard workable (working) hours are hours during which personnel are at the Partner's disposal performing the duties described in the relevant employment contract, collective labour agreement or national labour legislation. The number of</p>	<p>number of hours worked was done and ii) that the contract specified the annual workable hours by inspecting all the relevant documents, national legislation, labour agreements and contracts.</p> <p>✓ If method C is applied the Auditor reviewed the manner in which the standard number of working hours per year has been calculated by inspecting all the relevant documents, national legislation, labour agreements and contracts and verified that the number of productive hours per year used for these calculations was at least 90% of the standard number of working hours per year.</p> <p><b>Factual finding:</b></p> <p><u>General</u></p> <p>12. The Partner applied a number of productive hours consistent with method A, B or C detailed in the left-hand column.</p> <p>13. The number of productive hours per year per full-time employee was accurate and was proportionately reduced for employees not working full-time or exclusively for the action.</p> <p><u>If method B is applied</u></p> <p>14. The number of 'annual workable hours', overtime and absences was verifiable based on the documents provided by the Partner and the calculation of the total number of hours worked was accurate.</p> <p>15. The contract specified the working time enabling to calculate the annual workable hours.</p> <p><u>If method C is applied</u></p> <p>16. The calculation of the number of productive hours per year corresponded to the usual costs accounting practice of</p>

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<p>standard annual workable (working) hours that the Partner claims is supported by labour contracts, national legislation and other documentary evidence.</p> <p><i>[If certain statement(s) of section "D. Productive hours" cannot be endorsed by the Partner they should be listed here below and reported as exception by the Auditor:</i></p> <p>- ...]</p>	<p>the Partner.</p> <p>17. The calculation of the standard number of workable (working) hours per year was corroborated by the documents presented by the Partner.</p> <p>18. The number of productive hours per year used for the calculation of the hourly rate was at least 90% of the number of workable (working) hours per year.</p>
<p><b>E. Hourly rates</b></p> <p>The hourly rates are correct because:</p> <p>XXIII. Hourly rates are correctly calculated since they result from dividing annual personnel costs by the productive hours of a given year and group (e.g. staff category or department or cost centre depending on the methodology applied) and they are in line with the statements made in section C. and D. above.</p> <p><i>[If the statement of section 'E. Hourly rates' cannot be endorsed by the Partner they should be listed here below and reported as exception by the Auditor:</i></p> <p>- ...]</p>	<p><b>Procedure</b></p> <ul style="list-style-type: none"> <li>✓ The Auditor has obtained a list of all personnel rates calculated by the Partner in accordance with the methodology used.</li> <li>✓ The Auditor has obtained a list of all the relevant employees, based on which the personnel rate(s) are calculated.</li> </ul> <p>For 10 full-time equivalent employees selected at random (same sample basis as Section C: Personnel costs):</p> <ul style="list-style-type: none"> <li>✓ The Auditor recalculated the hourly rates.</li> <li>✓ The Auditor verified that the methodology applied corresponds to the usual accounting practices of the organisation and is applied consistently for all activities of the organisation on the basis of objective criteria irrespective of the source of funding.</li> </ul> <p><b>Factual finding:</b></p> <p>19. No differences arose from the recalculation of the hourly rate for the employees included in the sample.</p>
<p><b>F. Time recording</b></p> <p>XXIV. Time recording is in place for all persons with no exclusive dedication to one Horizon 2020 action. At least all hours</p>	<p><b>Procedure</b></p> <ul style="list-style-type: none"> <li>✓ The Auditor reviewed the brief description, all relevant manuals and/or internal guidance describing the</li> </ul>

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<p>worked in connection with the grant agreement(s) are registered on a <b>daily/weekly/monthly</b> basis <i>[delete as appropriate]</i> using a <b>paper/computer-based system</b> <i>[delete as appropriate]</i>;</p> <p>XXV. For persons exclusively assigned to one Horizon 2020 activity the Partner has either signed a declaration to that effect or has put arrangements in place to record their working time;</p> <p>XXVI. Records of time worked have been signed by the person concerned (on paper or electronically) and approved by the action manager or line manager at least monthly;</p> <p>XXVII. Measures are in place to prevent staff from:</p> <ul style="list-style-type: none"> <li>i. recording the same hours twice,</li> <li>ii. recording working hours during absence periods (e.g. holidays, sick leave),</li> <li>iii. recording more than the number of productive hours per year used to calculate the hourly rates, and</li> <li>iv. recording hours worked outside the action period.</li> </ul> <p>XXVIII. No working time was recorded outside the action period;</p> <p>XXIX. No more hours were claimed than the productive hours used to calculate the hourly personnel rates.</p> <p><i>[Please provide a brief description of the <u>time recording system</u> in place together with the measures applied to ensure its reliability to the Auditor and annex it to the present certificate<sup>4</sup>].</i></p>	<p>methodology used to record time.</p> <p>The Auditor reviewed the time records of the random sample of 10 full-time equivalents referred to under Section C: Personnel costs, and verified in particular:</p> <ul style="list-style-type: none"> <li>✓ that time records were available for all persons with not exclusive assignment to the action;</li> <li>✓ that time records were available for persons working exclusively for a Horizon 2020 action, or, alternatively, that a declaration signed by the Partner was available for them certifying that they were working exclusively for a Horizon 2020 action;</li> <li>✓ that time records were signed and approved in due time and that all minimum requirements were fulfilled;</li> <li>✓ that the persons worked for the action in the periods claimed;</li> <li>✓ that no more hours were claimed than the productive hours used to calculate the hourly personnel rates;</li> <li>✓ that internal controls were in place to prevent that time is recorded twice, during absences for holidays or sick leave; that more hours are claimed per person per year for Horizon 2020 actions than the number of productive hours per year used to calculate the hourly rates; that working time is recorded outside the action period;</li> <li>✓ the Auditor cross-checked the information with human-resources records to verify consistency and to</li> </ul>

<sup>4</sup> The description of the time recording system must state among others information on the content of the time records, its coverage (full or action time-recording, for all personnel or only for personnel involved in H2020 actions), its degree of detail (whether there is a reference to the particular tasks accomplished), its form, periodicity of the time registration and authorisation (paper or a computer-based system; on a daily, weekly or monthly basis; signed and countersigned by whom), controls applied to prevent double-charging of time or

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<p><i>[If certain statement(s) of section “F. Time recording” cannot be endorsed by the Partner they should be listed here below and reported as exception by the Auditor:</i></p> <p><i>- ...]</i></p>	<p>ensure that the internal controls have been effective. In addition, the Auditor has verified that no more hours were charged to Horizon 2020 actions per person per year than the number of productive hours per year used to calculate the hourly rates, and verified that no time worked outside the action period was charged to the action.</p> <p><b>Factual finding:</b></p> <ol style="list-style-type: none"> <li>20. The brief description, manuals and/or internal guidance on time recording provided by the Partner were consistent with management reports/records and other documents reviewed and were generally applied by the Partner to produce the financial statements.</li> <li>21. For the random sample time was recorded or, in the case of employees working exclusively for the action, either a signed declaration or time records were available;</li> <li>22. For the random sample the time records were signed by the employee and the action manager/line manager, at least monthly.</li> <li>23. Working time claimed for the action occurred in the periods claimed;</li> <li>24. No more hours were claimed than the number productive hours used to calculate the hourly personnel rates;</li> <li>25. There is proof that the Partner has checked that working time has not been claimed twice, that it is consistent with absence records and the number of productive hours per year, and that no working time has been claimed outside the action period.</li> <li>26. Working time claimed is consistent with that on record at the human-resources</li> </ol>

ensure consistency with HR-records such as absences and travels as well as it information flow up to its use for the preparation of the Financial Statements.

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	department.

*[official name of the [Partner] [Linked Third Party]]*  
*[name and title of authorised representative]*  
*[dd Month yyyy]*  
 <Signature of the [Partner] [Linked Third Party]>

*[official name of the Auditor]*  
*[name and title of authorised representative]*  
*[dd Month yyyy]*  
 <Signature of the Auditor>

SIGNATURE

For the KIC Partner/new KIC Partner/new KIC LE:  
 [function/forename/surname]  
 [signature]  
 Done in [English] at [place] on [date]