2. Data provision

The appropriate fraction of personal income tax and social contributions levied on social protection benefits for the year 2005 must be indicated according to the different types of cash social protection benefits, preferably further subdivided for particular groups of homogenously taxed schemes. In difficult cases, results might be reported by appropriate groups of benefits, e.g. the total of the seven pension categories listed in Annex II or the total of the cash benefits of a specific function. Fiscal benefits should be provided for each item separately using the revenue forgone method.

P6_TA(2006)0517

Rules for participation — FP7 — Euratom *


(Consultation procedure)

The European Parliament,

— having regard to the Commission proposal to the Council (COM(2006)0042) (1),
— having regard to Articles 7 and 10 of the Euratom Treaty, pursuant to which the Council consulted Parliament (C6-0080/2006),
— having regard to Rule 51 of its Rules of Procedure,
— having regard to the report of the Committee on Industry, Research and Energy and the opinion of the Committee on Budgets (A6-0305/2006),

1. Approves the Commission proposal as amended;

2. Calls on the Commission to alter its proposal accordingly, pursuant to Article 119, second paragraph, of the Euratom Treaty;

3. Calls on the Council to notify Parliament if it intends to depart from the text approved by Parliament;

4. Asks the Council to consult Parliament again if it intends to amend the Commission proposal substantially;

5. Instructs its President to forward its position to the Council and Commission.

(1) Not yet published in OJ.
Amendment 39
Recital 3a (new)

(3a) Treatment of confidential data is governed by all the relevant Community legislation, including the Institutions’ internal rules such as Commission Decision 2001/844/EC, ECSC, Euratom of 29 November 2001 (1) amending its internal rules of procedure regarding provisions of security.


Amendment 40
Recital 4

(4) The rules for the participation of undertakings, research centres and universities should provide a coherent and transparent framework to ensure efficient implementation and ease of access for all participants in the Seventh Framework Programme.

(4) The rules for the participation of undertakings, research centres and universities should provide a coherent, comprehensive and transparent framework to ensure the most efficient implementation possible, taking into account the need for easy access for all participants through simplified procedures, in accordance with the principle of proportionality.

Amendment 41
Recital 4a (new)

(4a) The rules should also facilitate the exploitation of intellectual property developed by a participant, taking also into account the way in which the participant may be organised internationally, whilst protecting the other participants’ and the Community’s legitimate interests.

Amendment 42
Recital 7

(7) It is therefore appropriate to permit not only the participation of legal persons, provided that they are entitled to exercise rights and assume obligations, but natural persons. The participation of natural persons will ensure that the creation and development of scientific excellence and ability are not limited to Community funding of projects involving only legal persons, ensuring also the participation of SMEs that are not legal persons.

deleted

Amendment 43
Recital 9

(9) It is appropriate that any legal entity should be free to participate once the minimum conditions have been satisfied. Participation over and above the minimum should ensure the efficient performance of the indirect action concerned.

(9) It is appropriate that any legal entity should be free to participate once the minimum conditions have been satisfied. Participation over and above the minimum should ensure the efficient implementation of the indirect action concerned.
Amendment 44
Recital 11a (new)

(11a) Pursuant to Article 198 of the Treaty, legal entities of Member States’ non-European territories under their jurisdiction are eligible for the Seventh Framework Programme.

Amendment 45
Recital 12a (new)

(12a) There should be an effective and smooth transition from the cost calculation regime used in the Sixth Framework programme. For the benefit of participants the monitoring process of the Seventh Framework programme should, therefore, address the budgetary impact of this change in particular as regards its effect on the administrative burden for participants.

Amendment 46
Recital 13

(13) It is necessary for the Commission to establish further rules and procedures, in addition to those provided for in the Financial Regulation and its Implementing Rules, to govern the submission, evaluation, selection and award of proposals. In particular the rules governing the use of independent experts should be established.

Amendment 47
Recital 14

(14) It is appropriate for the Commission to establish further rules and procedures, in addition to those provided for in the Financial Regulation and its Implementing Rules, to govern the assessment of the legal and financial viability of participants in indirect actions under the Seventh Framework Programme.

Amendment 48
Recital 15

(15) In this context, the Financial Regulation and the Implementing Rules, govern inter alia the protection of the Community's financial interests, the fight against fraud and irregularity, the procedures for the recovery of sums owed to the Commission, exclusion from contract and grant procedures and related penalties, and audits, checks, and inspections by the Commission and the Court of Auditors, pursuant to Article 160c of the Treaty.

(15) In this context, the Financial Regulation and the Implementing Rules and Council Regulation (Euratom, EC) No 2988/95 of 18 December 1995 on the protection of the European Communities' financial interests (1), govern inter alia the protection of the Community's financial interests, the fight against fraud and irregularity, the procedures for the recovery of sums owed to the Commission, exclusion from contract and grant procedures and related penalties, and audits, checks, and inspections by the Commission and the Court of Auditors, pursuant to Article 160c of the Treaty.

Amendment 49
Recital 15a (new)

(15a) It is necessary that the Community financial contribution reaches the participants without undue delay.

Amendment 50
Recital 17

(17) The Commission should monitor both the indirect actions carried out under the Seventh Framework Programme and the Seventh Framework Programme and its Specific Programmes. With a view to ensuring the efficient and coherent monitoring and evaluation of the implementation of indirect actions, the Commission should set-up and maintain an appropriate information system.

Amendment 51
Recital 17a (new)

(17a) The Seventh Framework Programme should reflect and promote the general principles laid down in the European Charter for Researchers and Code of Conduct for the Recruitment of Researchers, while respecting their voluntary character.

Amendment 52
Recital 19

(19) While respecting the rights of the owners of intellectual property, those rules should be designed to ensure that participants have access to information they bring to the project and to knowledge arising from research work carried out in the project to the extent necessary to conduct the research work or to use the resulting knowledge. In this context, a ‘Participants guarantee fund’, managed by the Commission, should be established to cover amounts due and not reimbursed by defaulting partners. Such an approach will promote simplification and facilitate the participation, whilst safeguarding the Community’s financial interests in a manner appropriate for the Framework Programme.
Amendment 55

Article 2, points (1) to (3)

-1. ‘legal entity’ means any natural person, or any legal person created under the national law of its place of establishment, or under Community law or international law, which has legal personality and which may, acting under its own name, exercise rights and be subject to obligations. In the case of natural persons, references to establishment are deemed to refer to habitual residence.

-1a. ‘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, control taking any of the forms set out in Article 7, paragraph 2.

-1b. ‘fair and reasonable conditions’ means appropriate conditions including possible financial terms taking into account the specific circumstances of the request for access, for example the actual or potential value of the foreground or background to which access is requested and/or the scope, duration or other characteristics of the use envisaged.

1. ‘foreground’ means the results, including information, whether or not they can be protected, which are generated by actions. Such results include rights related to copyright; design rights; patent rights; plant variety rights; or similar forms of protection;

2. ‘background’ means information which is held by participants prior to their accession to the grant agreement, as well as copyrights or other intellectual property rights pertaining to such information, the application for which has been filed before their accession to the grant agreement, and which is needed for carrying out the indirect action or for using the results of the indirect action;

1. ‘foreground’ means the results, including information, whether or not they can be protected, which are generated by the indirect action concerned. Such results include rights related to copyright; design rights; patent rights; plant variety rights; or similar forms of protection;

2. ‘background’ means information which is held by participants prior to their accession to the grant agreement, as well as copyrights or other intellectual property rights pertaining to such information, the application for which has been filed before their accession to the grant agreement, and which is needed for carrying out the indirect action or for using the results of the indirect action;

2a. ‘participant’ means a legal entity contributing to an indirect action and having rights and obligations with regard to the Community under the terms of this Regulation;

3. ‘research organisation’ means a non-profit organisation which carries out scientific or technical research as its main objective;

3. ‘research organisation’ means a legal entity established as a non-profit organisation which carries out research or technological development as one of its main objectives;

Amendment 56

Article 8, paragraph 2

The first paragraph shall not apply in the case of actions that coordinate research activities.

The first paragraph shall not apply in the case of actions whose purpose is to coordinate research activities.
Amendment 57

Article 12, paragraph 2, subparagraph 1a

Calls for proposals shall have clear objectives so as to ensure that applicants do not respond needlessly.

Amendment 58

Article 14

Evaluation, selection and award

1. The Commission shall evaluate all the proposals submitted in response to a call for proposals on the basis of the principles for evaluation, and the selection and award criteria set out in the specific programme and the work programme.

The criteria used shall be as follows:

(a) scientific and technological excellence and degree of innovation;

(b) ability to successfully carry out the indirect action and manage it efficiently in terms of resources and expertise, particularly as regards the organisational arrangements laid down by the participants;

(c) relevance to the objectives of the specific programme

(d) critical mass of resources mobilised and their contribution to Community policies

(e) quality of the plan for utilising and disseminating knowledge acquired, potential in terms of fostering innovation and clear schemes for administering intellectual property.

The work programme may set out specific criteria or further details on the application of the criteria.

Within this framework the work programme will specify the evaluation and selection criteria and may add additional requirements, weightings and thresholds, or set out further details on the application of the criteria.

2. A proposal which contravenes fundamental ethical principles or which does not fulfil the conditions set out in the specific programme, the work programme or in the call for proposals shall not be selected. Such a proposal may be excluded from the evaluation, selection and award procedures at any time.

3. Proposals shall be selected on the basis of the evaluation results.

2. A proposal which contravenes fundamental ethical principles or which does not fulfil the conditions set out in the specific programme, the work programme or in the call for proposals shall not be selected. Such a proposal may be excluded from the evaluation, selection and award procedures at any time.

3. Proposals shall be ranked according to the evaluation results. Funding decisions shall be made on the basis of this ranking.
Amendment 59

Article 15

1. The Commission shall adopt and publish rules governing the procedure for the submission of proposals, as well as the related evaluation, selection and award procedures. In particular, it shall lay down detailed rules for the two-stage procedure for submission, and rules for the two-step evaluation procedure.

2. Where a call for proposals specifies a two-stage submission procedure, only those proposals that pass the evaluation criteria for the first stage shall be requested to submit a complete proposal in the second stage.

3. Where a call for proposals specifies a two-step evaluation procedure, only those proposals that pass the first step, based on the evaluation of a limited set of criteria, shall go forward for further evaluation.

4. The Commission shall adopt and publish rules to ensure consistent verification of the existence and legal status of participants in indirect actions as well as their financial capacity.

Amendment 60

Article 16

1. The Commission shall appoint independent experts to assist with evaluations required under the Seventh Framework Programme, and its specific programmes.

For coordination and support actions, referred to in Article 13, independent experts shall be appointed only if the Commission deems it appropriate.

2. Independent experts shall be chosen considering the skills and knowledge appropriate to the tasks assigned to them.

1. The Commission shall appoint independent experts to assist with evaluations of proposals.

For coordination and support actions, referred to in Article 13, independent experts shall be appointed only if the Commission deems it appropriate.

2. Independent experts shall be chosen on the basis of skills and knowledge appropriate to the tasks assigned to them. In cases where independent experts will have to deal with classified information, the appropriate security clearance shall be required for nomination.
Independent experts shall be identified and selected on the basis of calls for applications from individuals and calls addressed to national research agencies, research institutions or enterprises with a view to establishing lists of suitable candidates.

The Commission may, if deemed appropriate, select any individual with the appropriate skills from outside the lists.

Appropriate measures shall be taken to ensure reasonable gender balance when appointing groups of independent experts.

3. When appointing an independent expert, the Commission shall take all necessary steps to ensure that the expert is not faced with a conflict of interests in relation to the matter on which the expert is required to provide an opinion.

4. The Commission shall adopt a model appointment letter, hereinafter 'the appointment letter', which shall include a declaration that the independent expert has no conflict of interest at the time of appointment and that he undertakes to inform the Commission if any conflict of interest should arise in the course of providing his opinion or carrying out his duties. The Commission shall conclude an appointment letter between the Community and each independent expert.

5. The Commission shall publish periodically in any appropriate medium the list of the independent experts that have assisted it for each specific programme.

4. Where a participant fails to comply with its obligations, the other participants shall comply with the grant agreement without any complementary Community contribution unless the Commission expressly relieves them of that obligation.

5. If the implementation of an action becomes impossible or if the participants fail to implement it, the Commission shall ensure the termination of the action.

6. Participants shall ensure that the Commission is informed of any event which might affect the implementation of the indirect action or the interests of the Community.

6a. Where provided for in the grant agreement, the participants in the indirect action may subcontract certain elements of the work to be carried out to third parties.

6b. The Commission shall set out redress procedures for participants.
Amendment 63

Article 18, paragraph 7

7. The Commission shall establish a model grant agreement in accordance with this Regulation.

7. The Commission shall, in close cooperation with Member States, establish a model grant agreement in accordance with this Regulation. If a significant modification of the model grant agreement proves necessary, the Commission shall, in close cooperation with Member States, revise it as appropriate.

Amendment 62

Article 18, paragraphs 8a and 8b (new)

8a. The model grant agreement shall provide for supervision and financial control by the Commission or any representative authorised by it, and the Court of Auditors.

8b. The grant agreement may lay down time limits for participants to give the various notifications referred to in this Regulation.

Amendment 64

Article 19, paragraph 1, subparagraph 1

1. The grant agreement shall establish the respective obligations of the participants with regard to access rights, use and dissemination, in so far as those obligations have not been laid down in this Regulation.

1. The grant agreement shall establish the respective rights and obligations of the participants with regard to access rights, use and dissemination, in so far as those rights and obligations have not been laid down in this Regulation.

Amendment 65

Article 23

1. Save where otherwise provided in the call for proposals, all legal entities wishing to participate in an indirect action shall draw up an agreement, hereinafter 'the consortium agreement', to govern the following:

(a) the internal organisation of the consortium;

(b) the distribution of the Community financial contribution;

(c) additional rules on dissemination and use including intellectual property rights arrangements, as appropriate;

(d) the settlement of internal disputes.

1. Save where otherwise provided in the call for proposals, all participants in an indirect action shall conclude an agreement, hereinafter 'the consortium agreement', to govern inter alia the following:

(a) the internal organisation of the consortium;

(b) the distribution of the Community financial contribution;

(c) rules additional to those in Chapter III Dissemination and use, and access rights as well as rules related to provisions in the grant agreement;

(d) the settlement of internal disputes including the cases of abuses of power;

(da) liability, indemnification and confidentiality arrangements between the participants.

2. The Commission shall establish and publish guidelines on the main issues that may be addressed by participants in their consortium agreements.
Amendment 66

Article 24, paragraph 1

1. The legal entities wishing to participate in an indirect action shall appoint one of their number to act as coordinator to carry out the following tasks in accordance with this Regulation, the Financial Regulation, the Implementing Rules, and the grant agreement:

   (a) to **ensure that** the legal entities identified in the grant agreement complete the necessary formalities for accession to the grant agreement, **as provided for therein**;

   (b) to receive the Community financial contribution and to distribute it;

   (c) to keep the financial accounts **in order, to keep records** and to inform the Commission of the distribution of the **Community financial contribution** in accordance with Article 35;

   (d) to **ensure** efficient and correct communication between the participants and the Commission.

Amendment 67

Article 25

1. The participants in an indirect action may propose the addition of a new participant or the removal of an existing participant.

2. Any legal entity which joins an ongoing action shall accede to the grant agreement.

3. **In specific cases**, where provided for in the grant agreement, the consortium shall publish a competitive call and advertise it widely using specific information support, particularly Internet sites on the Seventh Framework Programme, the specialist press and brochures, and the national contact points set up by the Member States and Associated countries for information and support.

The consortium shall evaluate offers in the light of the criteria which governed the initial action and with the assistance of independent experts appointed by the consortium, in accordance with the principles laid down in Articles 14, and Article 16, respectively.
4. The consortium shall notify any change of its composition to the Commission, which may object within 45 days of the notification.

Changes in the composition of the consortium associated with proposals for other changes to the grant agreement which are not directly related to the change in composition shall be subject to written approval by the Commission.

Amendment 77
Subsection 5, title

MONITORING OF PROGRAMMES AND INDIRECT ACTIONS AND COMMUNICATION OF INFORMATION

MONITORING AND EVALUATION OF PROGRAMMES AND INDIRECT ACTIONS AND COMMUNICATION OF INFORMATION

Amendment 68
Article 26

Monitoring

The Commission shall monitor the implementation of indirect actions on the basis of the periodic progress reports submitted pursuant to Article 18(4).

In particular, the Commission shall monitor the implementation of the plan for the use and dissemination of foreground, submitted pursuant to the second subparagraph of Article 19(1).

For those purposes, the Commission may be assisted by independent experts appointed in accordance with Article 16.

The Commission shall monitor the Seventh Framework Programme, its specific programmes and, where appropriate, previous framework programmes, with the assistance of independent experts appointed in accordance with Article 16.

In addition, it may set up groups of independent experts appointed in accordance with Article 16, to advise on the implementation of Community research policy.

1. The Commission shall monitor the implementation of indirect actions on the basis of the periodic progress reports submitted pursuant to Article 18(4).

In particular, the Commission shall monitor the implementation of the plan for the use and dissemination of foreground, submitted pursuant to the second subparagraph of Article 19(1).

For those purposes, the Commission may be assisted by independent experts appointed in accordance with Article 16.

2. The Commission shall set up and maintain an information system allowing for this monitoring to take place in an efficient and coherent manner across the Framework Programme.

Subject to Article 3, the Commission shall publish on any appropriate medium information on the funded projects.

3. The monitoring and evaluation referred to in Article 6 of the Framework Programme Decision shall include aspects relating to the application of this Regulation and shall address the budgetary impact of the changes in the cost calculation regime as compared to the sixth Framework Programme and its effects on the administrative burden for participants.

4. The Commission shall appoint, in accordance with Article 16, independent experts to assist with evaluations required under the Seventh Framework Programme and its specific programme, and, as deemed necessary, for the evaluation of previous Framework Programmes.

5. In addition, the Commission may set up groups of independent experts appointed in accordance with Article 16, to advise on the design and implementation of Community research policy.
Amendment 69  
_Article 27, paragraph 1, introductory part_

1. **Upon request**, the Commission shall make available to any Member State or Associated country any useful information in its possession on foreground arising from work carried out in the context of an indirect action, provided that the following conditions are met:

1.1. Having due regard to Article 3, the Commission shall, upon request, make available to any Member State or Associated country any useful information in its possession on foreground arising from work carried out in the context of an indirect action, provided that the following conditions are met:

Amendment 70  
_Article 28_

1. **Where any of** the following legal entities **participates** in an indirect action, it may receive a Community financial contribution:

   (a) any legal entity established in a Member State or an Associated country, or created under Community law,

   (b) any international European interest organisation,

1.1. The following legal entities participating in an indirect action may receive a Community financial contribution:

   (a) any legal entity established in a Member State or an Associated country, or created under Community law,

   (b) any international European interest organisation,

2. In the case of a participating international organisation, other than an international European interest organisation, or a legal entity established in a third country, a Community financial contribution may be granted provided that at least one of the following conditions is satisfied:

   (a) provision is made to that effect in the specific programmes or in the relevant work programme,

   (b) it is essential for carrying out the indirect action,

   (c) such funding is provided for in a bilateral scientific and technological agreement or any other arrangement between the Community and the country in which the legal entity is established.

2.1. In the case of a participating international organisation, other than an international European interest organisation, or a legal entity established in a third country **other than an Associated country**, a Community financial contribution may be granted provided that at least one of the following conditions is satisfied:

   (a) provision is made to that effect in the specific programmes or in the relevant work programme,

   (b) it is essential for carrying out the indirect action,

   (c) such funding is provided for in a bilateral scientific and technological agreement or any other arrangement between the Community and the country in which the legal entity is established.

Amendment 71  
_Article 29_

1. The Community financial contribution for grants identified in part (a) of Annex II to the Seventh Framework Programme shall be based on the reimbursement of eligible costs.

However, the Community financial contribution may take the form of flat rate financing, including scale of unit costs, or lump sum financing, or it may combine the reimbursement of eligible costs with flat rates and lump sums. The Community financial contribution may also take the form of scholarships or prizes.

1.1. The Community financial contribution for grants identified in part a) of Annex B to the Seventh Framework Programme shall be based on the reimbursement, **in whole or in part**, of eligible costs.

However, the Community financial contribution may take the form of flat rate financing, including scale of unit costs, or lump sum financing, or it may combine the reimbursement of eligible costs with flat rates and lump sums. The Community financial contribution may also take the form of scholarships or prizes.
2. While the Community financial contribution shall be calculated by reference to the cost of the indirect action as a whole, it shall be based on the reported costs of each participant.

The work programmes and calls for proposals shall specify the forms of grants to be used in the actions concerned.

Amendment 72

Article 30

1. Grants shall be co-financed by the participants.

The Community financial contribution to reimburse eligible costs shall not give rise to a profit.

2. Receipts shall be taken into consideration for the payment of the grant at the end of the implementation of the action.

3. In order to be considered eligible, costs incurred for the implementation of an indirect action shall meet the following conditions:

(a) they must be actual;
(b) they must have been incurred during the duration of the action, with the exception of final reports when provided for in the grant agreement;
(c) they must have been determined in accordance with the usual accounting and management principles and practices of the participant and used for the sole purpose of achieving the objectives of the indirect action and its expected results, in a manner consistent with the principles of economy, efficiency and effectiveness;
(d) they must be recorded in the accounts of the participant and paid and, in the case of any contribution from third parties, they must be recorded in the accounts of the third parties;
(e) they must be exclusive of non-eligible costs, in particular identifiable indirect taxes including value added tax, duties, interest owed, provisions for possible future losses or charges, exchange losses, cost related to return on capital, costs declared or incurred, or reimbursed in respect of another Community project, debt and debt service charges, excessive or reckless expenditure, and any other cost that does not meet the conditions referred to in points (a) to (d).

For the purposes of point (a), average personnel costs may be used if they are consistent with the management principles and accounting practices of the participant and do not differ significantly from actual costs.

3a. While the Community financial contribution shall be calculated by reference to the cost of the indirect action as a whole, its reimbursement shall be based on the reported costs of each participant.
2. For the coverage of indirect eligible costs, a participant may opt for a flat-rate of its total direct eligible costs, excluding its direct eligible costs for subcontracting.

3. The grant agreement may provide that the reimbursement of indirect eligible costs is to be limited to a maximum percentage of the direct eligible costs, excluding the direct eligible costs for subcontracting, in particular in the case of coordination and support actions, and, where appropriate, actions for training and career development of researchers.

3a. By derogation from paragraph 2, for the coverage of indirect eligible costs a participant may opt for a flat-rate of its total direct eligible costs, excluding its direct eligible costs for subcontracting or reimbursement of third parties' costs.

The Commission shall establish appropriate flat rates based on a close approximation of the real indirect costs concerned, in accordance with the Financial Regulation and its Implementing Rules.

3b. Non-profit public bodies, secondary and higher education establishments, research organisations and SMEs which are unable to identify with certainty their real indirect costs for the action concerned, when participating in funding schemes which include research and technological development and demonstration activities, as referred to in Article 32, may opt for a flat-rate equal to 60% of the total direct eligible costs for grants awarded under calls for proposals closing before 1 January 2010.

With a view to facilitating a transition to full application of the general principle referred to in paragraph 2, the Commission shall establish, for grants awarded under calls closing after 31 December 2009, an appropriate level of flat rate which should be an approximation of the real indirect costs concerned but not lower than 40%. This will be based on an evaluation of participation by non-profit public bodies, secondary and higher education establishments, research organisations and SMEs which are unable to identify with certainty their real indirect costs for the action concerned.

3c. All flat rates shall be set out in the model grant agreement.
Amendment 74

**Article 32**

1. For research and technological development activities, the Community financial contribution may reach a maximum of 50% of the total eligible costs.

However, in the case of public bodies, secondary and higher education establishments, research organisations and SMEs, it may reach a maximum of 75% of the total eligible costs.

2. For demonstration activities, the Community financial contribution may reach a maximum of 50% of the total eligible costs.

3. For activities supported by coordination and support actions, and actions for the training and career development of researchers, the Community financial contribution may reach a maximum of 100% of the total eligible costs.

4. For management and audit certificates, and other activities not covered by paragraphs 1, 2 and 3, the Community financial contribution may reach a maximum of 100% of the total eligible costs.

The other activities referred to in the first subparagraph include, inter alia, training in actions that do not fall under the funding scheme for training and career development of researchers, coordination, networking, and dissemination.

5. For the purposes of paragraphs 1 to 4, eligible costs minus receipts shall be taken into consideration in order to determine the Community financial contribution.

6. Paragraphs 1 to 5 shall apply, as appropriate, in the case of indirect actions where flat rate financing or lump sum financing is used for the whole indirect action.

Amendment 75

**Article 33**

1. Periodic reports shall be submitted to the Commission regarding eligible costs, financial interest yielded by pre-financing, and receipts in relation with the indirect action concerned and, where appropriate, certified by an audit certificate, in accordance with the Financial Regulation and the Implementing Rules.

The existence of co-financing in relation with the concerned action shall be reported and, where appropriate, certified at the end of the action.

1. Periodic reports shall be submitted to the Commission regarding eligible costs, financial interest yielded by pre-financing, and receipts in relation with the indirect action concerned and, where appropriate, a certificate on the financial statements, in accordance with the Financial Regulation and the Implementing Rules.

The existence of co-financing in relation with the concerned action shall be reported and, where appropriate, certified at the end of the action.
1a. Notwithstanding the Financial Regulation and the Implementing rules, a certificate on the financial statements shall be compulsory only whenever the cumulative amount of interim payments and balance payments made to a participant is equal to EUR 375,000 or more for an indirect action.

However, for indirect actions of duration of 2 years or less, not more than one certificate on the financial statements shall be requested from the participant, at the end of the project.

Certificates on the financial statements shall not be required for indirect actions entirely reimbursed by means of lump sums or flat rates.

2. In the case of public bodies, research organisations, and higher and secondary education establishments, an audit certificate as required under paragraph 1 may be established by a competent public officer.

Amendment 76
Article 34

1. The work programme shall provide for the forms of grants to be used for Networks of Excellence.

2. (a) Where the Community financial contribution to Networks of Excellence takes the form of a lump sum, it shall be calculated according to the number of researchers to be integrated in the Network of Excellence and the duration of the action. The unit value for lump sums paid shall be EUR 23,500 per year and per researcher.

(b) The work programme shall establish the maximum number of participants and, where appropriate, the maximum number of researchers that may be used as the basis for the calculation of the maximum lump sum pursuant to paragraph 1. However, participants over and above the maxima for the establishment of the financial contribution may participate as appropriate.

(c) The payment shall be effected by means of periodic releases.

Those periodic releases shall be made according to the assessment of the progressive implementation of the Joint Programme of Activities through the measurement of integration of research resources and capacities based on performance indicators negotiated with the consortium and specified in the grant agreement.
Amendment 78

Article 35, paragraph 1

1. The Community financial contribution shall be paid to the participants via the coordinator. 

1. The Community financial contribution shall be paid to the participants via the coordinator without undue delay.

Amendment 79

Article 37

Retained amounts for risk avoidance

1. Depending on the level of risk associated with non-recovery of sums due to the Community, the Commission may retain a small percentage of the Community financial contribution to each participant in an indirect action in order to cover any amounts due and not reimbursed by defaulting participants in indirect actions.

1. In order to manage the risk associated with non-recovery of sums due to the Community, the Commission shall establish and operate a ‘Participant guarantee fund’ (hereinafter ‘the Fund’) in accordance with the Annex.

Financial interests generated by the Fund shall be added to the Fund and shall serve exclusively for the purposes set out in point 3 of the Annex, without prejudice to point 4.

1a. The contribution to the Fund by a participant to an indirect action taking the form of a grant shall not exceed 5% of the Community financial contribution due to the participant. At the end of the action the amount contributed to the Fund shall be returned to the participant, via the coordinator, subject to paragraph 1b.

1b. If the interests generated by the Fund are insufficient to cover sums due to the Community, the Commission may deduct from the amount to be returned to a participant a maximum of one per cent of the Community financial contribution to it.

2. Paragraph 1 shall not apply to the following:

(a) public bodies, legal entities whose participation in the indirect action is guaranteed by a Member State or an Associated country, and higher and secondary education establishments;

(b) participants in actions to support training and career development of researchers.

The types of participant referred to in points (a) and (b) shall each be responsible for their own debts.
3. The amounts retained shall constitute revenue assigned to the Seventh Framework Programme within the meaning of Article 18(2) of the Financial Regulation.

4. At the end of the framework programme an assessment shall be made of the amounts required to cover outstanding risks. Any sums in excess of these amounts shall be reimbursed to the framework programme and constitute earmarked revenue.

Amendment 80

1. Where several participants have jointly carried out work generating foreground and where their respective share of the work cannot be ascertained, they shall have joint ownership of such foreground.

2. Where no joint ownership agreement has been concluded regarding the allocation and terms of exercising that joint ownership, each of the joint owners shall be entitled to grant non-exclusive licenses to third parties, without any right to sub-licence subject to the following conditions:

(a) prior notice must be given to the other joint owners;

(b) fair and reasonable compensation must be provided to the other joint owners.

2a. Upon request, the Commission shall give guidance on possible aspects to be included in the joint ownership agreement.

Amendment 81

1. The owner of the foreground may transfer it to any legal entity, subject to paragraphs 1 to 4 and Article 42.

2. Where a participant transfers ownership of foreground, it shall pass on its obligations regarding that foreground to the assignee, including the obligation to pass them on to any subsequent assignee, in accordance with the grant agreement.
2. Subject to its obligations concerning confidentiality, where the participant is required to pass on access rights, it shall give prior notice to the other participants in the same action, together with sufficient information concerning the new owner of the foreground to permit them to exercise their access rights under the grant agreement.

However, the other participants may, by written agreement, waive their right to individual prior notice in the case of transfers of ownership from one participant to a specifically identified third party.

3. Following notification in accordance with the first subparagraph of paragraph 2, the other participants may object to any transfer of ownership on the ground that it would adversely affect their access rights.

Where the other participants demonstrate that their rights would be adversely affected, the intended transfer shall not take place until agreement has been reached between the participants concerned.

4. Where appropriate, the grant agreement may provide, by way of an additional requirement, that the Commission is to be notified in advance of any intended granting of licences or transfer of ownership to a third party.

The Commission may object to the transfer of ownership of foreground, or to the granting of a licence regarding foreground to a legal entity which is established in a third country not associated to the Seventh Framework Programme, if it considers this is not in accordance with the interests of developing the competitiveness of the European economy, the defence interests of the Member States within the meaning of Article 24 of the Treaty or is inconsistent with ethical principles. In such cases, the transfer of ownership or grant of a licence shall not take place unless the Commission is satisfied that appropriate safeguards will be put in place.

The Commission may object to the transfer of ownership of foreground, or to the granting of a licence regarding foreground to third parties established in a third country not associated to the Seventh Framework Programme, if it considers that this is not in accordance with the interests of developing the competitiveness of the European economy, the defence interests of the Member States within the meaning of Article 24 of the Treaty or is inconsistent with ethical principles. In such cases, the transfer of ownership or grant of a licence shall not take place unless the Commission is satisfied that appropriate safeguards will be put in place.

Amendment 83

1. Where foreground is capable of industrial or commercial application, its owner shall provide for its adequate and effective protection in conformity with relevant legislation, and having due regard to the legitimate interests, particularly the commercial interests, of the participants in the indirect action concerned.

Where a participant invokes legitimate interest, it must, in any given instance, show that it would suffer disproportionately great harm.

Where a participant who is not the owner of the foreground invokes its legitimate interest, it must, in any given instance, show that it would suffer disproportionately great harm.
2. Where the owner of foreground does not protect foreground that it owns, and does not transfer it to another participant in accordance with Article 41(1) and (2), no dissemination activities may take place before the Commission has been informed.

2. Where the foreground is capable of industrial or commercial application and its owner does not protect it, and does not transfer it to another participant, an affiliated entity established in a Member State or associated country or any other third party established in a Member State or associated country along with the associated obligations in accordance with Article 41, no dissemination activities may take place before the Commission has been informed.

Amendment 84
Article 44, paragraph 1

All publications, patent applications filed by or on behalf of a participant, or any other dissemination relating to foreground, shall include a statement that the foreground concerned was generated with the assistance of financial support from the Community.

All publications, patent applications filed by or on behalf of a participant, or any other dissemination relating to foreground, shall include a statement, which may include visual means, that the foreground concerned was generated with the assistance of financial support from the Community.

Amendment 85
Article 45

1. The participants shall use the foreground which they own, or ensure that it is used.

1. The participants shall use the foreground which they own, or ensure that it is used.

2. Each participant shall ensure that the foreground of which it has ownership is disseminated as swiftly as possible. If it fails to do so, the Commission may disseminate that foreground pursuant to Article 12 of the Treaty.

2. Each participant shall ensure that the foreground of which it has ownership is disseminated as swiftly as possible. If it fails to do so the Commission may disseminate that foreground pursuant to Article 12 of the Treaty. The grant agreement may set out time limits in this respect.

3. Dissemination activities shall be compatible with intellectual property rights, confidentiality, the legitimate interests of the owner of the foreground and the defence interests of the Member States within the meaning of Article 24 of the Treaty.

3. Dissemination activities shall be compatible with the protection of intellectual property rights, confidentiality obligations, and the legitimate interests of the owner of the foreground and the defence interests of the Member States within the meaning of Article 24 of the Treaty.

4. Prior notice of any dissemination activity shall be given to the other participants concerned.

4. Prior notice of any dissemination activity shall be given to the other participants concerned.

Following notification, any of those participants may object if it considers that its legitimate interests in relation to its foreground could suffer disproportionately great harm. In such cases, the dissemination activity may not take place unless appropriate steps are taken to safeguard these legitimate interests.

Following notification, any of those participants may object if it considers that its legitimate interests in relation to its foreground or background could suffer disproportionately great harm. In such cases, the dissemination activity may not take place unless appropriate steps are taken to safeguard these legitimate interests.
5. Participants in the same action shall inform each other as soon as possible of any limitation to the granting of access rights to background, or of any other restriction which might substantially affect the granting of access rights.

5. *Without prejudice to Articles 48 and 49 and the grant agreement*, participants in the same action shall inform each other as soon as possible of any limitation to the granting of access rights to background, or of any other restriction which might substantially affect the granting of access rights.

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Amendment 87

Article 49

1. Participants in the same indirect action shall enjoy access rights to foreground, if it is needed to use their own foreground.

Subject to agreement, such access rights shall be granted either under fair and reasonable conditions, or be royalty-free.

2. Participants in the same indirect action shall enjoy access rights to background, if it is needed to use their own foreground provided that the participant concerned is entitled to grant them.

Subject to agreement, such access rights shall be granted either under fair and reasonable conditions, or be royalty-free.

2a. An affiliated entity established in a Member State or associate country shall also have access rights, referred to in paragraphs 1 and 2, to foreground or background under same conditions as the participant to which it is affiliated, unless otherwise provided for in the grant agreement or consortium agreement.

3. A request for access rights under **paragraphs 1 or 2** may be made up to one year after either of the following events:

(a) the end of the indirect action;

(b) termination of participation by the owner of the background or foreground concerned.

However, the participants concerned may agree on a different time-limit.

3. A request for access rights under **paragraphs 1, 2 and 2a** may be made up to one year after either of the following events:

(a) the end of the indirect action;

(b) termination of participation by the owner of the background or foreground concerned.

However, the participants concerned may agree on a different time-limit.
Amendment 88

Article 51, paragraph 1a (new)

The joint undertaking referred to in paragraph 1, point (c), shall be set up for the purpose of managing and administering the European contribution to the ITER international agreement that will ratify the setting up of the ITER organisation, together with additional activities concerning the construction of ITER, which is provided for in the specific programme implementing the Seventh Framework Programme of the European Atomic Energy Community for nuclear research and training activities (2007-2011). All other activities under the thematic area ‘fusion energy’ provided for under this specific programme shall be implemented and managed separately from the joint undertaking referred to in point (c) thereby making it possible to maintain the integrated approach and the close involvement of the fusion associations.

Amendment 89

Annex (new)

ANNEX

Participant guarantee fund

1. The Fund will be managed by the Community represented by the Commission acting as executive agent on behalf of the participants, under conditions to be established by the model grant agreement.

The Commission will entrust the financial management of the Fund either to the European Investment Bank or, in accordance with Article 13(b), to an appropriate financial institution (hereinafter the ‘depository bank’). The depository bank shall manage the Fund pursuant to a brief by the Commission.

2. The Commission may offset, from the initial prefinancing it will pay to the consortium, the participants’ contribution to the Fund, and pay it on their behalf to the Fund.

3. Where amounts are due to the Community by a participant, the Commission may, without prejudice to penalties which may be imposed on the defaulting participant in accordance with the Financial Regulation either:

(a) order the depository bank to directly transfer the amount due from the Fund to the coordinator of the indirect action if it is still on-going and the remaining participants agree to implement it to the identical regarding its objectives, in accordance with Article 17(4). Amounts transferred from the Fund will be regarded as Community financial contribution; or

(b) recover effectively the said amount from the Fund should the indirect action be terminated or already completed.
The Commission will emit to the benefit of the Fund a recovery order against that participant. The Commission may adopt to that end a recovery decision in accordance with the Financial Regulation.

4. The amounts recovered from the Fund during the Seventh Framework Programme will constitute revenue assigned to it within the meaning of Article 18(2) of the Financial Regulation.

Once the implementation of all grants under the Seventh Framework Programme is complete, any sums outstanding from the Fund will be recovered by the Commission and entered into the budget of the Community, subject to decisions on the Eighth Framework Programme.

P6_TA(2006)0518

Specific Programme ‘People’ (Seventh RTDD Framework Programme, 2007-2013) *


(Consultation procedure)

The European Parliament,

— having regard to the Commission proposal to the Council (COM(2005)0442) (1) and the amended proposal (COM(2005)0442/2) (1),

— having regard to Article 166 of the EC Treaty, pursuant to which the Council consulted Parliament (C6-0383/2005),

— having regard to Rule 51 of its Rules of Procedure,

— having regard to the report of the Committee on Industry, Research and Energy and the opinions of the Committee on Budgets, the Committee on Employment and Social Affairs, the Committee on Culture and Education and the Committee on Women’s Rights and Gender Equality (A6-0360/2006),

1. Approves the Commission proposal as amended;

2. Considers that the indicative financial reference amount indicated in the legislative proposal must be compatible with the ceiling of heading 1a of the financial framework for 2007-2013 and points out that the annual amount will be decided within the annual budgetary procedure in accordance with the provisions of point 38 of the Interinstitutional Agreement between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management of 17 May 2006 (2);

3. Calls on the Commission to alter its proposal accordingly, pursuant to Article 250(2) of the EC Treaty;

(1) Not yet published in OJ.