



FP6-507728

EURON

European Robotics Network

Network of Excellence

Information Society Technologies

DR.4.1

Guidelines for evaluation and model contract

Due date of deliverable: 31/7/2004

Actual submission date: 15/5/2005

Start date of project: May 1st, 2004

Duration: 48 months

Organisation name of lead contractor for this deliverable:

KTH

Revision: V.3.

Dissemination Level: PU

EURON Second Call for Proposals

Deadline 18 April 2005 @ 12.00 MET

1 Introduction

Under the European Research Network – EURON contract (FP6-NOE-507728), sponsored by the CEC-IST Future and Emerging Technologies unit, a call for proposals is hereby issued.

As part of its research coordination the network invites applications for support in terms of:

- Prospective Research Projects (PRP)
- Research Ateliers (RA) and
- Topical Research Studies (TRS)

In short the respective categories are:

- A PRP is a small research project
- A RA is well-defined work meeting to study a specific topic
- A TRS is support for studies of a particular topic

Below a more detailed explanation is provided. In addition details on the different types of projects can be found in the annex of work for EURON (the annex 1 to the contract).

Projects must have a clear value to the “Beyond Robotics” programme and, as such, address one of the focal areas of:

- Hybrid bionic systems
- Cognitive Companion
- Robot ecologies

The proposed projects can be related directly to one of the focal areas, be cross-cutting, or related to entirely new ideas – related to “Beyond Robotics”.

2 Prospective Research Projects

A Prospective Research Project is a focussed effort to investigate a well-defined problem. Projects are expected to provide support to research within the subject area of the *Beyond Robotics* initiative and be of an exploratory nature, or test rapidly the credibility of new research ideas and concepts. They complement the research undertaken by the integrated projects, bridge the gaps, consolidating the initiative and its position at the forefront of research. A successful project is expected to generate critical input to one of the on-going IP projects in the area of “Beyond Robotics”. Alternatively, it may be followed by a submission of a proposal for a regular EU project (STREP). In this call it is anticipated that at most 2 Prospective Research Projects can be sponsored at an average level of funding of 100 K Euro per project and with a maximum duration of one year.

3 Research Ateliers

A Research Atelier is a focussed effort on a well-defined topic taking place at a single venue, with participation of researchers from a number of different institutions and/or companies over a limited period of time. The duration of an atelier can be from a few days to a month. The aim of an atelier is cross-institution and/or cross-discipline integration. The result of an atelier can be a roadmap or a focussed study of a particular topic resulting in a publication. It is in particular recommended that such studies are carried out in close cooperation with the launched integrated projects. There is, however, no requirement to have direct participation from the launched IP projects.

It is expected that at most one research atelier can be sponsored at a level of 100 KEuro as part of this call.

4 Topical Research Studies

A Topical Research Study is a mini-research project to study a particular topics within Beyond Robotics. The aim is to generate in-depth knowledge of a specific area to provide input to the research roadmap or explore topical research issues of relevance to the integrated projects or the community in general. Such studies are expected to be focussed, with well-defined deliverables, in emerging disciplines, such as cooperative systems or human-robot interaction, or any area crucial for the aims of beyond robotics. A topical study has a maximum duration of one year. In the present call an anticipated volume of 1-2 such studies with a budget of 30-70 KEuro is foreseen.

5 Proposal structure

A proposal must be prepared according to the recommended “proposal structure” (see separate document). Proposals that are too long will not be considered.

The structure is as follows:

- Front page with administrative data (1 page)
- General description of the proposal (max 2 pages)
- Workplan and timetable (max 1 page)
- Deliverables (max 0.5 page)
- Budget (not more than 1 page)
- Management of the project (max 0.5 page)
- Consortium (max 0.5 page/partner)

The core of the proposal is thus max 6.5 pages and then $N \times 0.5$ pages for presentation of the consortium.

6 Evaluation Procedure

All proposals will be reviewed using a peer-review process as outlined below. Details can also be found in the EURON review guidelines (separate document)

A list of received proposals with key data (proposer, institution, title of study, amount of resources requested) will be circulated to the EURON Board and the Commission. Any member of the Board having a potential conflict of interest must announce it to the co-ordinator within 1 week of the publication of the list.

Three international experts (the “Evaluators”) are selected for the evaluation of each proposal. The evaluators will be selected according to scientific qualifications to judge the proposal, but at the same time in a manner to ensure a balanced and fair evaluation. Thus evaluators will be selected such that they:

- represent at least two different nationalities.
- have no conflict of interest
- excellent qualifications in the area of the proposal

The reviews are carried out under a confidentiality agreement with EURON.

Electronic copies are forwarded to the evaluators (within two weeks of the deadline of the call). Evaluations are to be completed within two weeks. Special evaluation forms are provided – they are adapted versions of the evaluation forms used by the CEC for STREPs. The evaluators will be asked to adhere to the guidelines for evaluation normally used by the CEC for STREPs, CAs and SSAs as appropriate. Copies of the guidelines will be forwarded to the evaluators together with the proposals. All evaluators will be required to sign a non-disclosure form and a non-conflict form to insure against publication of confidential information, and to avoid conflicts of interest.

The received evaluation forms will be collected and made available to the EURON Board and the Commission. A call specific evaluation committee will provide a consolidation over the received reviews and prepare a recommendation to the board.

The Network Board is expected to meet 5 weeks after the deadline of the call to make a final decision on the received proposals. An EU officer will be invited to the meeting as an observer. In the selection of the proposals for support the Board will adhere to the guidelines for evaluation used by the CEC as applicable. For the discussion of each proposal, board members who have earlier notified a conflict of interest will be required to leave the room while the case is being discussed. Such members are *not* allowed to express any opinion about the proposal at any time during the meeting. Within one week of the board meeting, proposers receive a written decision regarding their proposal. The decision will include an evaluation decision and a summary of the evaluations received from the international evaluators. In addition, successful proposals will be advertised through the EURON WWW facility.

7 Contract preparation

Funded projects will be set up as “direct contracts with third parties” (according to article 17 of the rules for participation) to execute a small project or a special study under the auspices of EURON.

The EURON co-ordinator concludes a written agreement with the project consortium. This agreement determines the conditions for implementing the project and the respective rights and obligations of EURON and the project consortium. The agreement has to be in conformity with the EURON contract. Activities are expected to start by July 1, 2005.

8 Submission of proposals

To be eligible for support independent legal entities from at least two EU member states or associated states must be involved in the effort. These partners are jointly liable, technically and financially to execute the project or study and to deliver its results. The eligibility of a legal entity to participate and receive funding complies with the general principles laid down in the Articles 4 - 8 of the Rules of Participation in EU projects. Participants are expected to be/become members of EURON.

Proposals must be received in hard-copy (and electronically - PDF format - on a standard ISO9660 CDROM) by the closing date (12:00 noon (MET) 18 April 2005). An ASCII version of a proposal abstract (1/2 page) is to be included on the CDROM. Proposals received too late will be returned unopened. Inappropriately formatted or partial proposals will be disregarded. Proposals submitted by fax or email will not be considered.

Proposals are to be submitted to

EURON Call for Proposals
C/O Centre for Autonomous Systems

Numerical Analysis and Computer Science
Kungliga Tekniska Högskolan
Teknikringen 14
SE-114 28 Stockholm, Sweden

A notification of receipt will be returned to the proposers within one week of arrival (by fax)

9 Documents:

- EURON Workplan (general information on EURON and scope of projects)
- Evaluation Guidelines for Projects (a draft will be made available shortly)
- Structure of a proposal
- Model Contract

General information about EURON can be obtained from the network web facility (<http://www.euron.org>)

EURON Research Proposal Evaluation

Every 6 months the EURON NOE publishes a call for proposals for ad-hoc research projects (Prospective Research Projects), focussed studies (Research Ateliers), and Topical Studies of specific topics in the areas of Robotics.

The proposals are evaluated by 2 external experts by electronic transmission. The experts are to be independent of the submitted proposals. Completed evaluation reports are returned to the coordinator by fax and hardcopy, incl a statement of no conflict of interest.

Upon receipt of the completed review reports a consensus meeting is organised by the coordinator with participation of 4 EURON Board Members. At the consensus meeting all received evaluation reports are considered and a consensus on the overall evaluation is reached and recorded in the consensus report, which is signed by a reporter and an associated consensus meeting member. The result of the consensus meeting is reported to the consortium.

A result of the consensus meeting is also a recommended ranking of all proposals, for consideration by the EURON board which makes a final decision regarding funding for each proposal.

The evaluation procedure and the forms used for the evaluation are all directly adopted from the CEC 6th framework programme document "Guide for Proposers – Participating in a competitive call for additional contractors in an EU 6th framework programme project – Network of Excellence", Version 26 October 2004. Available from

ftp://ftp.cordis.lu/pub/fp6/docs/guide_competitive_noe-final_ep_en.pdf

Individual Assessment Report for EURON Research Proposals

Proposal ID:

1 – Poor, 2 – Fair, 3 – Good, 4 – Very Good, 5 – Excellent

0 – The proposals fails to address the issue/cannot be judged against the criterion

Half marks may be given

1. Potential Impact (Threshold 3/5)	Mark:
2. Contribution to EURON objectives and programme of work (4/5)	Mark:

3. Excellence of the consortium (Threshold 3/5)	Mark:
Overall Score (Threshold 12.5/15)	Mark:

I declare to the best of my knowledge, I have no direct or indirect conflict of interest in the evaluation of this proposal

Name	
Signature	
Date	

Please return form by Fax to +46 8 723 0302 (EURON Evaluation)

And hardcopy to:

Ms. Jeanna Ayoubi
KTH, CAS/NADA
SE-100 44 Stockholm, Sweden

Consensus Report for EURON Research Proposals

Proposal ID:

1 – Poor, 2 – Fair, 3 – Good, 4 – Very Good, 5 – Excellent

0 – The proposals fails to address the issue/cannot be judged against the criterion

Half marks may be given

1. Potential Impact (Threshold 3/5)	Mark:
2. Contribution to EURON objectives and programme of work (4/5)	Mark:

3. Excellence of the consortium (Threshold 3/5)	Mark:
Overall Score (Threshold 12.5/15)	Mark:

	PC Evaluator	PC Evaluator
Name		
Signature		
Date		

RESEARCH CONTRACT

for

(name and acronym of research project)

a Research Project within the EU Project entitled
“EURON”(European Robotics Network) in accordance with 9.1.2
of Annex I of the EC Contract.

THIS AGREEMENT is made the

BETWEEN

Kungliga Tekniska Högskolan

a governmental organisation established under the laws of Sweden and having its registered office Valhallav 79, SE 10044 Stockholm, Sweden and hereinafter referred to as "**KTH**"
(*hereinafter referred to as "EURON Coordinator"*)

and

•

(*hereinafter referred to individually as the "Party" and collectively as the "Parties"*)

WHEREAS

- A.** The Parties have entered into a Contract (*hereinafter referred to as "EC Contract"*) with the Commission of the European Communities (*referred to as "the Commission"*) to carry out the project entitled **European Robotics Network** (*hereinafter referred to as "EURON"*) which forms part of the Commission's specific programme for research, technological development and demonstration on a user-friendly information society (the "IST Programme").

AND

- B.** In accordance with 9.1.2 of Annex 1 of the EC Contract, the Parties further wish to carry out a smaller specific research project within the Consortium and this Contract (*hereinafter referred to as "Research Contract"*) regulates the rights and responsibilities of each of the Parties carrying out such specific research project.

NOW IT IS HEREBY AGREED as follows:

Article 1. General

1.1. The words and expressions defined in the EC Contract shall, except where otherwise provided or expressly defined below, have the same meaning in the Research Contract.

“**Research Project**” shall refer to research projects carried out within the Consortium in accordance with 9.1.2 of Annex 1 of the EC Contract, by a small number of Parties, in order to test ideas and or carry out a focused study.

1.2. In the event of a conflict between the terms and conditions of this Agreement and those of the EURON Consortium Agreement, the terms and conditions of the latter shall prevail.

Article 2. Research Project Management

2.1 A Research Project Coordinator for each Research Project shall be appointed by and amongst the Parties carrying out the Research Project. Such appointment shall be made by means of a unanimous vote of the Parties taking part in the individual Research Project. Each Party shall appoint one representative for voting purposes.

The Research Project management will follow the rules established by the Research Project Co-ordinator.

2.2 The performance of the Research Project shall be shared between the Parties according to the tasks indicated in Annex 1 to the Research Contract.

2.3 The performance of the Research Project shall be overseen by the Research Project Management Board (“RPMB”). The structure and specific role of the RPMB shall be determined by the respective parties of the Research Project.

Any decisions made by the RPMB which materially affect the performance of the Research Contract or the rights and/or obligations of a particular Party/particular Parties may be vetoed by a Party whose Work Package, time for performance, costs, liabilities, or intellectual property rights are impacted or whose information is to be published. Exercise of such veto shall be duly justified.

Article 3. Costs, Common Charges and Payments

3.1. Each Party shall bear its own costs in connection with carrying out the Work Program for the respective Research Project. The EURON Project Coordinator shall make all payments in respect of its financial contribution to the Research Project Coordinator, which shall be responsible for transferring the appropriate amount to the relevant Parties within a maximum of 30 calendar days from receipt thereof.

3.2. The Parties shall receive 40% of the allowed funding upon commencement of the Research Project, 40% upon completion and 20% once the results have been approved by the EURON Coordinator. All results shall be delivered to the EURON Coordinator .

Article 4. The Coordinator

4.1. It is hereby agreed that EURON Coordinator shall assume overall responsibility for liaison between the Parties and the Commission concerning the Research Project.

The Research Project Coordinator shall assume overall responsibility for the administration of the implementation of the Research Project.

4.2. The Research Project Coordinator's functions are:

- (a) *relationship and correspondence with EURON Coordinator*
- (b) *administration, preparation of minutes of RPMB meetings and meetings with EURON Coordinator, and follow-up of the RPMB decisions;*
- (c) *supervision of progress relative to the time schedules of the Research Project*
- (d) *collection of the Parties' documents, deliverables and cost and other statements and forwarding thereof to the EURON Project Coordinator*
- (e) *transmission of any documents connected with the Research Project between the Parties and from the Parties to EURON Coordinator after their approval by the Research Project Management Board (RPMB).*

Article 5. Responsibilities

5.1. Towards the Research Project Coordinator and the Research Project Management Board

Each Party hereby undertakes:

5.1.1. to supply promptly to the Research Project Coordinator and the RPMB all such information or documents as the Research Project Coordinator and the RPMB may require to fulfil their obligations as provided for in this Agreement or as the EURON Project Coordinator may properly request and to keep the Research Project Coordinator and the RPMB informed of all such requests from the EURON Coordinator and responses thereto;

5.1.2. to communicate promptly or to provide any information or decision which has to be given to the RPMB.

5.2. Towards each other

Each Party undertakes to use all reasonable endeavours:

5.2.1. to perform on time the tasks and work packages assigned solely to it

5.2.2. to participate actively with such other Party or Parties in the performance of, or to perform itself as the case may be, such organisational tasks as are assigned to it jointly or solely within the Research Project;

5.2.3. promptly to notify the Research Project Coordinator and each of the other Parties of any delay or possible delay in performance of any task;

5.2.4. to prepare and present the reports to be submitted to EURON Coordinator in sufficient time to enable the Research Project Coordinator to submit them to EURON Coordinator in accordance with the time scale of the Research Contract.

Article 6. Indemnification and Liability

6.1. Each Party shall indemnify the other Parties against all losses, liabilities and costs in respect of the acts and or omissions of itself and of its employees and agents and for any direct and reasonably foreseeable loss to the other Parties resulting from the failure of such Party to perform its duties and obligations either under the Research Contract or under the EC Contract. Such acts include but are not limited to false or incomplete statements submitted by a Party in order to obtain a financial contribution of EURON Coordinator, or any other advantage under the Research Contract, and for which this Party may properly be held responsible. The total and cumulative limit of liability of each Party towards the other Parties collectively, in respect of any and all claims for liability and indemnification shall not exceed the amount of that Party's Project Share, id est its financial share in the Research Project.

6.2. If the Commission, in accordance with the provisions of the EC Contract, claims any reimbursement, indemnity or payment of damages from one or more of the Parties:

6.2.1. each Party whose act or default has caused or contributed to the claim shall indemnify the other Parties for any sum paid by them in respect of such claim.

6.2.2. in the event that it is not possible to attribute default to any Party the amount claimed by the Commission shall be shared by the Parties in the proportions that they are to receive the financial contribution of the Commission.

6.2.3. Public Bodies are liable only for their own debts.

6.3. Each Party shall be solely liable for any loss incurred by third parties resulting from the implementation by such Party of its work share of the Research Project.

Article 7. Force Majeure

The provisions of the EC Contract *Force Majeure* shall apply to the Research Contract, and notification of such event shall be made as soon as possible to the other Parties. If not overcome within 6 weeks of notification, a transfer of tasks may be carried out in accordance with the provisions of Article 10.2 of the Research Contract.

Article 9. Intellectual Property Rights and Confidentiality

Intellectual Property Rights shall be dealt with in accordance with the provisions of Part C of Annex II to the EC Contract. For the avoidance of doubt, Knowledge shall be the property of the Party carrying out the work leading to that Knowledge.

The Research Project Parties may decide upon upon additional provisions on Access Rights which shall not be in contradiction with Annex II of the EC Contract, The EURON Membership agreement, and the EURON Constrium Agreement, including on additional provisions on Access Rights for Use of Knowledge developed in the Project. Any such decisions shall be the subject of a written agreement between the Parties.

The non-disclosure of Confidential Information is governed by Article 41 of the EURON Consortium Agreement.

Article 10. Breach of the Agreement

In the event of a breach of any of the terms of this Agreement or of the EC Contract by either Party which is not capable of remedy or which (being capable of remedy) is not remedied within sixty (60) days of written notice from another Party or other Parties specifying the breach and requiring it to be remedied the other Party not in breach may - subject to the Commission's consent - serve notice to terminate the Research Contract with respect to the Party in default by not less than one month's prior written notice and the Party in default shall be deemed to have agreed to the termination of its participation in the Research Project and as a Party of the Research Contract.

10.1. Any licences and Access Rights granted within this Research Project to the Party in default shall cease immediately but the licences so granted by the Party in default to the other Parties shall remain in full force and effect.

10.2. The tasks of the Party in default for the performance of the work on the Project shall be assigned to such other entity or company as the remaining Parties may choose and to which the EURON Coordinator may agree. The Party in default shall be responsible for the costs of such assignment.

Article 11. Participation

11.1. The Research Contract shall come into effect upon the date stated in the preamble hereof or the date upon which the Parties commenced work on the Research Project (whichever shall be the earlier) and shall continue until complete discharge of all obligations undertaken by the Parties under the Research Contract including any amendments or extensions thereto as may be mutually agreed in writing by the Parties, or one year from the date of commencement of the Research Project, whichever is earlier

11.2. No Party shall withdraw from or terminate this Research Contract and/or its participation in the Research Project unless:

11.2.1. it has obtained the prior written consent of the other Parties; or

11.2.2. that Party's participation in this Research Contract is terminated by the EURON Coordinator or the Commission

11.3 Notwithstanding Article 11.2, each Party may withdraw from or terminate this Research Contract upon 90 (ninety) calendar days prior written notice to the other Party if an event occurs that substantially affects the first Party's ability to perform its obligations under this Research Contract.

Article 12. Partnership and Agency

Nothing in this Research Contract shall be deemed to create a partnership or agency between the Parties.

Article 13. Right to transfer

No Party shall without the prior written consent of the other Parties assign or otherwise transfer any of its rights and obligations hereunder.

Article 14. Correspondence with the Commission

All correspondence between the Parties and the Commission shall be directed through the EURON Coordinator. To the extent that it is relevant to the other Parties it shall be copied to them along with any replies received.

Article 15. Purpose and Scope

15.1. The Parties undertake to co-operate under the conditions of this Research Contract in order to execute and fulfil the EC Contract.

15.2. The scope of the Research Project is set out in Annex I to the Research Contract and the performance of the Research Project shall be shared between the Parties according to the tasks and amounts respectively indicated in the same Annex I.

Article 16. Publications and Press Releases

16.1. Publications and Press releases shall be made according to decisions made by the RPMB.

Article 17. Disputes

Any dispute arising out of or in connection with this Research Contract which cannot be settled by mediation including any question regarding its existence, validity or termination, shall be settled by the Arbitration Court in Brussels, Belgium in accordance with the Rules of Arbitration of the ICC.

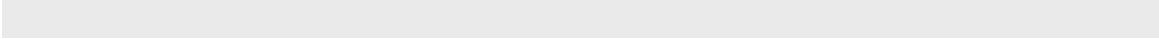
Article 18. Applicable Law

The Law of Article 12 of the EC Contract governs the Research Contract.

Approval

IN WITNESS whereof the Parties have caused this Research Contract to be duly executed by their appointed representatives the day and year first before written.

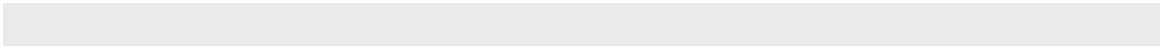
*Signed by **XXYY** for and on behalf of **YYZZ***



Approval

IN WITNESS whereof the Parties have caused this Research Contract to be duly executed by their appointed representatives the day and year first before written.

Signed by **Prof. Anders Flodström** for and on behalf of **Kungl Tekniska Hogskolan (EURON Coordinator)**



Annex II

Reporting and Reimbursement of Costs within EURON Research projects

This document is based on the financial guidelines issued by the European Commission. It has been prepared in order to explain the reporting process of the costs incurred by the EURON Research Projects' contractors.

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1. EURON FINANCIAL CONTRIBUTION

EURON financial contribution to the *Research Project* is based:

- on the budget specified in Annex 1 to *the Research Contract* and approved by *EURON Board* and may not exceed that amount
- on the reimbursement of eligible costs claimed by the *parties* in the financial statements that are justified by the audit certificates

EURON financial contribution cannot give rise to any profit for *the parties*. *The Research Project Coordinator* must report any interest or equivalent yielded by the pre-financing of the project.

2. PAYMENTS

EURON Coordinator will transfer the funds to the *Research Project Coordinator* according to Article 3 of the *Research Contract*. The final payment can only be made after approval of the financial statements and audit certificates by *EURON Coordinator*.

3. REPORTING

All reports and deliverables shall be submitted within 45 days following the end of the project. Each party has to send the required documents to *the Research Project Coordinator* who has to gather them and forward to *the EURON Coordinator*.

The Research Project Coordinator shall submit the following reports to *EURON Coordinator*:

- ***the Activity Report*** describing the work, objectives, results and conclusions of the *Research Project*
- ***the Cost Statements*** provided by each *party* reporting the eligible costs incurred during the duration of the project. There is no requirement to send the receipts justifying the costs together with this Cost statement. The Cost statement model that should be used is enclosed to *the Research Contract*.
- ***the Audit Certificate (AC)*** (see Article II.26 in Annex II to *EURON Contract*) following each cost statement and certifying that the costs incurred during the duration of *the Research Project* meet the conditions required by the *Research Contract*. The certificate should expressly state the amounts that were subject to verification.
It is strongly advised to use the template provided by the EC in Annex 7 to the FP6 Financial Guidelines. The template is also enclosed to this *Research Contract*. The cost of the AC is an eligible cost that can be charged to the project. But, please, note that the 20% overhead cannot be claimed on this cost.

4. JUSTIFICATION OF COSTS

Eligible costs shall be reimbursed where they are justified by the *party* and approved by *EURON Coordinator*.

To this end, the party shall maintain, on a regular basis and in accordance with the normal accounting conventions of the State in which it is established, the accounts for the project and appropriate documentation to support and justify in particular the costs and time reported in the cost statement. This documentation must be precise, complete and effective. The documentation must be kept for five years after the end of *the Research project*.

5. ELIGIBLE COSTS

Eligible costs are the direct and indirect costs defined in paragraph 6 and 7 of this Annex. They must be actual, economic and necessary for the project, incurred during its duration, be determined in accordance with the accounting principles based on historic costs and consistent with the usual internal rules of the party. They must be recorded in the accounts of the party no later than by the contract completion date and exclude any profit margin. They should in principal only include costs that are directly related to this *Research project*.

The party may not commit itself to any costs before the date of entry into force of *the Research Contract* signed with *EURON Coordinator*.

Eligible costs shall be presented in the Cost statement under the headings listed below, and each cost shall only be charged to one of the cost categories:

• **Direct Costs**

1. Personnel
2. Travel and subsistence
3. Consumables
4. Other costs specific for the project

• **Indirect Costs**

5. Overheads

6. NON -ELIGIBLE COSTS

The following non-eligible costs may not be charged to the *project* :

- any identifiable indirect taxes, including VAT* or duties;
- interest owed;
- provisions for possible future losses or charges;
- exchange losses;
- costs declared, incurred or reimbursed in respect of another *Community* project;

- costs related to return on capital;
- debt and debt service charges;
- excessive or reckless expenditure;
- resources made available to the party free of charge
- entertainment or hospitality expenses except such reasonable expenses as are wholly and exclusively necessary for carrying out the work under this contract
- leasing costs (or part thereof) where the leasing arrangement has the effect of unnecessarily increasing the charge made to the project (e.g. where the cost without interest of the leased equipment is higher than if purchased).

*VAT is not an eligible cost. Contractors should refer to national legislation.

7. DIRECT COSTS

7.1. Personnel

With regard to personnel costs, only the costs of the actual hours worked by the persons directly carrying out the work under the project may be charged to *the Research Contract*.

Such persons must:

- be directly employed by the contractor in accordance with his national legislation,
 - be under the sole technical supervision of the latter,
- and
- be remunerated in accordance with the normal practices of the contractor, provided that these are regarded as acceptable by *the EURON Coordinator*.

All the working time charged to the contract must be recorded throughout the duration of the project.

Personnel costs shall be limited to the actual costs of the personnel employed on the project (gross remuneration and related charges).

7.2. Travel and subsistence

Actual travel and related subsistence costs for personnel working on *the Research Project* may be charged to this contract. These costs shall be established on the basis of the usual rules of the party. Such costs may include:

- travel and subsistence costs relating to visits to other parties in *the Research project*
- meetings organized with all or some parties

- short-term exchanges of personnel between parties

- meetings with experts invited by the *Research Project Coordinator*

7.3. Consumables

Consumables shall relate to the purchase, fabrication, repair or use of any materials, goods or equipment and software which:

- . • Does not have a life expectancy greater than the duration of the work under this contract;
- . • Are not placed in the inventory of durable equipment of the party;
- . • Are not treated as capital expenditure in accordance with the accounting conventions and policies of the contractor.

This category of costs covers access rights or licenses for software but does NOT include office supplies, mailing, utilities, etc. which are covered in the overheads category. No direct charge shall be made for consumables where it is the usual practice of the contractor to include these costs in actual overheads.

7.4. Other costs specific for the project

All other specific project costs, which cannot be included under the previous classifications of direct costs, may only be charged either with the prior written approval of the *EURON Coordinator* or alternatively, if these costs were foreseen in the Technical Annex to this contract.

8. INDIRECT COSTS

8.1. Overheads

To recover indirect costs, contractors may charge a flat-rate amount of 20% of the eligible direct costs charged for personnel, travel and subsistence, consumables and other specific project costs.