

PROVISIONS FOR IMPLEMENTING NETWORKS OF EXCELLENCE

Working document

This document is being widely circulated in order to generate an open discussion on the provisions for implementing networks of excellence in the Sixth Framework Programme.

It is available on the DG-Research web-site:

<http://europa.eu.int/comm/research/nfp/networks-ip.html>

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TABLE OF CONTENTS

1. GENERAL ASPECTS.....	3
1.1. Purpose	3
1.2. Size and critical mass.....	3
1.3. Duration of the Community support	3
1.4. Measuring integration	3
1.5. Participants	3
2. THE JOINT PROGRAMME OF ACTIVITIES.....	4
2.1. The integrating activities	4
2.2. A programme of jointly executed research	5
2.3. Activities designed to spread excellence	5
2.4. Network management	5
3. AN ILLUSTRATIVE FINANCIAL REGIME.....	5
3.1. Calculation of the grant.....	6
3.2. Definition of the "terms of reference" for the calculation of the grant	6
3.3. Disbursement of the grant.....	6
4. THE PROPOSAL STAGE	7
4.1. Calls for proposals	7
4.2. Calls for expression of interest	7
4.3. Content of a proposal.....	7
4.4. Evaluation of proposals	7
4.5. Negotiation process	8
5. THE CONTRACT	9
5.1. Content of the contract.....	9
5.2. Contracting parties.....	9
5.3. Role of the co-ordinator.....	10
5.4. Responsibility and liability of participants	10
5.5. Consortium agreement.....	10
6. IMPLEMENTATION OF THE NETWORK.....	11
6.1 Updating the detailed joint programme of activities	11
6.2 Modifying the consortium membership without additional financing.....	11
6.3 Additional financial contribution to extend the network	12
6.4 Final reporting	12
6.5 Effective governance of the network	12
7. FOLLOW-UP AND MONITORING	12
7.1 Regular follow-up by Commission services	12
7.2 Audits.....	13
8. INTELLECTUAL PROPERTY	13
8.1. General principles	13
8.2. Ownership of knowledge.....	14
8.3. Protection of knowledge	14
8.4. Use and dissemination of knowledge	14
8.5. Access rights.....	14

Annexes

- **Annex I** Participation possibilities by country of the participant
- **Annex II** Elements to be included in the proposal
- **Annex III** Evaluation criteria

Other documents on issues related to networks of excellence, including joint and several liability, are available on the DG Research website: <http://europa.eu.int/comm/research/nfp/networks-ip.html>

Standard Disclaimer:

This document expresses solely the current views of unit RTD-B.2 of the European Commission's services. Readers should not regard these views as a statement of the official position of the European Commission nor indeed of its Directorate-General for Research.

This document is a practical guide to the networks of excellence of the Sixth Framework Programme. It should be noted, however, that the principles underpinning the implementation of this instrument are still evolving and, in particular, may be modified in the light of the ongoing legislative process concerning the Framework Programme and its Rules for Participation. The document will therefore be regularly updated.

1. GENERAL ASPECTS

1.1. Purpose

Networks of excellence are designed to **strengthen scientific and technological excellence** on a particular research topic by **networking** together at European level the **critical mass** of resources and expertise needed to provide European leadership and to be a world force in that topic. This expertise will be networked around a joint programme of activities aimed principally at creating a **progressive and durable integration** of the research capacities of the network partners while, of course, at the same time advancing knowledge on the topic.

Networks of excellence are therefore an instrument designed primarily to **address the fragmentation of European research. Their main deliverable consists of a durable structuring and shaping of the way that research in Europe is carried out on particular research topics.** Though it is not their primary purpose, networks of excellence will generate knowledge on the topic through the support they provide to enable excellent teams to work together.

It is important that these networks do not act as “closed clubs”, concentrating only on strengthening the excellence of the partners inside the network. Each network will therefore also be given a mission to **spread excellence** beyond the boundaries of its partnership. Training will be an essential component of this mission.

Networks of excellence are to be used in implementing the priority thematic areas of the Sixth Framework Programme (FP 6). They may also be used, in duly justified cases, in the research areas supporting policies and anticipating scientific and technological needs (the so-called 8th priority), when the objective in question can be better achieved by these means.

1.2. Size and critical mass

Networks of excellence will be expected to have ambitious goals particularly in terms of providing European leadership and creating a world force. They must then assemble the critical mass of resources and expertise needed to achieve those goals. It is not possible to fix in advance a minimum value for this critical mass, as it will vary from topic to topic. Calls for proposals may provide an indication on the critical mass required so as to ensure the achievement of the objectives on the topic considered.

It is expected that larger networks may involve several hundreds of researchers. Others may be of a much more limited size, provided that they pursue ambitious goals and mobilise the critical mass needed to ensure their achievement.

1.3. Duration of the Community support

The duration of the Community support is another important aspect of critical mass, since a network must be supported long enough for its integration to take on a lasting nature. Support, in many cases, may therefore be needed for five years and, if justified, perhaps more.

1.4. Measuring integration

The main factors that will need to be examined by those assessing the quality of the integration in a network will include the following:

- the extent of mutual specialisation and mutual complementarity, particularly through the regular co-programming of the partners' activities, through the building up of strengths and the shrinking of weaknesses, and perhaps through the relocation of resources;
- the sharing and development for common use of research infrastructures, equipment, tools and platforms;
- the regular joint execution of research projects;
- interactive working between the partners using electronic communication systems;
- a unified management structure that encourages staff mobility, staff exchanges, joint training activities, the interoperability of data and other systems, common approaches to science and society issues and gender equality in research.

1.5. Participants

Networks of excellence must involve at least three legal entities from three different Member States or Associated States, of which at least two should be Member States or Associated Candidate Countries. The work programme of the relevant specific programme may specify a higher minimum number of participants. It is expected that in practice the number of participants will be considerably higher than three and generally at least six.

Participants may be research entities such as: research centres, universities, enterprises, including SMEs, and science and technology organisations. Organisations having particular competence in terms of knowledge management, dissemination and transfer and organisations representing potential users and other stakeholders in the research may also take part, when their participation is relevant to the goals of the network.

A European Economic Interest Grouping (EEIG) (or any legal entity established in a Member State or Associated State made up of independent legal entities) may be the sole participant of a network of excellence provided that its composition is in accordance with the conditions fixing the minimum number of participants.

Networks of excellence will be open to the participation of international organisations and entities from non-associated third countries. (*See Annex I*). In certain cases, their participation may be taken into account when calculating the grant that a network will receive.

2. THE JOINT PROGRAMME OF ACTIVITIES

The joint programme of activities (JPA) is the vehicle for achieving the objectives of the network. Activities within the JPA must be additional to those that would have taken place in the absence of the network. The JPA will have several components:

- a set of **integrating activities** aimed at bringing about the structuring and shaping of how the participants carry out research on the topic considered;
- a programme of **jointly executed research**, possibly of a long-term character and multidisciplinary;
- a set of activities designed to **spread excellence**, an essential element of which will be a joint programme of training for researchers and other key staff;

All the network's activities should be carried out within a **unified management structure**.

2.1. Integrating activities

These activities are those that are directly targeted at the creation of a strong and lasting integration of the activities of the network members. They may include:

- co-ordinated programming and adaptation of the participants' activities in research in order to strengthen their complementarity and develop mutual specialisation;
- sharing common research tools and platforms;

- development and use of joint research infrastructures, and adaptation of the existing facilities with a view to their shared use;
- exchanges of personnel, opening of positions to researchers from other members of the network, staff mobility;
- relocation of staff, perhaps of whole teams and equipment;
- integrated management of knowledge and intellectual property (e.g. creation of patent pools);
- reinforcement of electronic information and communication networks to support interactive working between the teams involved.

2.2. A programme of jointly executed research

This consists of research activities conducted jointly by several or all of the participants in the network. The research programme will possibly be targeted towards long-term multidisciplinary objectives and emerging opportunities, rather than pre-defined results in terms of products, processes or services. The partners may also conduct research to develop the common research tools and platforms that they will share.

2.3. Activities designed to spread excellence

An essential feature of the activities aimed at spreading excellence will be a joint programme for training researchers and other key staff, since the steady supply of skilled staff is indispensable to the sustainability of European excellence in the topic considered.

Other activities to spread excellence may include dissemination and communication activities, (including public awareness and understanding of science) and, more generally, networking activities to help transfer knowledge to teams external to the network.

[Note: the relationship with the Marie Curie activities of FP6 has still to be defined]

Another way of spreading excellence could consist of promoting the exploitation of the results generated within the network. Accordingly, when appropriate, networks of excellence should include innovation-related activities concerning, for example, the protection of knowledge generated within the network, assessing the socio-economic impact of the knowledge and technologies generated and developing a plan for the use and dissemination of the knowledge. Take-up activities should especially target SMEs.

2.4. Network management

Given the range of activities that will take place within the frame of the network, it will be important to create a unified management structure. The following activities are included within the broad heading of network management:

- overall co-ordination of the joint activities of the network;
- communication with the Commission services and co-ordinating all reporting required under the contract;
- activities linked to consortium level financial and accounting management and legal issues;
- launching of competitive calls by the consortium for the addition of new participants (see further) and managing the subsequent evaluation and selection processes;
- co-ordination of the knowledge management activities and, when appropriate, other innovation-related activities;
- overseeing the promotion of gender equality within the network;
- overseeing science and society issues related to the topics of the network;
- supporting the work of the governing board and other network bodies.

3. AN ILLUSTRATIVE FINANCIAL REGIME

Since a network of excellence has to bring about the durable integration of the research capacities of the partners, and that implies change, the financial regime for these networks must be targeted at overcoming the barriers to that change. These barriers will often be human, cultural, and organisational

and are far from being exclusively financial. As such, the financial resources necessary to overcome them are not quantifiable in accounting terms.

For that reason, the financial support to networks of excellence has been designed to act as an **incentive** to overcome the existing obstacles to integration. Since the network is expected to continue beyond the period for which the contribution is granted, the scale of the grant also has to be fixed so as to **avoid creating any financial dependence** that would compromise the continuation of the network.

Such a financial regime could be built on the following principles:

- a **fixed grant for integration**;
- to be calculated on the basis of (a) the **number of researchers** constituting the research capacities of the partners on the topic of the network, (b) a per capita grant for those researchers and (c) on the duration of Community support;
- to be disbursed in **annual instalments**, with payment depending in part on the network's progress towards achieving a durable integration (i.e. a results based payments system).

The consortium would be free to distribute the grant as it wishes between its participants and between the activities covered by the joint programme of activities.

3.1. Calculation of the grant

The precise method of calculating the grant will be specified in the relevant call for proposals. It will have been designed to ensure that, taking one network with another, the Community contribution does not exceed one-quarter of the value of the capacities and resources being integrated.

By way of illustration, the average annual grant to a network could vary with the number of researchers constituting the research capacities of the participants on the topic in the following manner:

50 researchers	Euro 1 million/year
100 researchers	Euro 2 million/year
150 researchers	Euro 3 million/year
250 researchers	Euro 4 million/year
500 researchers	Euro 5 million/year
1000 researchers and above	Euro 6million/year

The grant for an intermediate number of researchers would be calculated by linear interpolation. In this illustration therefore, a network of 200 researchers being supported over 5 years would be granted a fixed amount totalling euro 17.5 million.

3.2. Definition of the factors used in calculating the grant

For "researchers" to be taken into account in the calculation of the grant, they would need to satisfy both the following conditions:

- they must be research staff with a minimum of four years research experience following their first degree; and
- they must be either an employee of a participant or working under the direct management authority of a participant in the frame of a formal agreement between the participant and that researcher's employer.

The total number of researchers to be taken into account for the calculation of the grant would consist of a head-count of all "researchers" (a) that will constitute the research capacities of the partners within the context of the network should the proposal be successful and (b) that are identifiable by name at the time of the deadline for the relevant call for proposals.

3.3. Disbursement of the grant

Each year, the Commission would make an advance payment equal to the average annual grant, though perhaps with the qualification that disbursements should reduce towards the end of the action as a means of minimising the risk of creating dependence. . For example:

- for the final twelve months of the contract, the advance payment could be only one-half of the average annual grant;
- this missing one-half of the average annual grant could then be paid in any earlier year at the choice of the contractors (to reflect need);
- the agreed payment schedule would be fixed in the contract.

At the end of each year, the advance would be considered to be a full and final disbursement for that year (subject, of course, to ex-post audits) provided the following conditions are fulfilled:

- that the network has made satisfactory progress towards achieving a durable integration of the partners' activities, as judged by the annual review carried out by the Commission services possibly with the help of independent experts;
- and, with the additional check, that costs of at least the value of the grant were incurred in implementing the joint programme of activities.. A statement to this effect will need to be certified by an independent auditor (or competent public official in the case of a public body).

The advance payment for the following period would be paid once this approval process is complete and once the rolling detailed joint programme of activities for that period has been agreed.

It must be emphasised that, although the grant to the network was initially calculated on the basis of a headcount of the research capacities of the participants, the distribution of the grant between the participants is for the consortium to decide and would therefore be expected to reflect the actual costs incurred by the different participants in implementing the joint programme of activities.

4. THE PROPOSAL STAGE

4.1. Calls for proposals

Calls for proposals will be published in the Official Journal of the European Communities and widely disseminated by other means, including the Cordis web-site and through the network of National Contact Points. A schedule of calls will be set out in the form of a "road map" in the work programme of the specific programme.

4.2. Invitations to submit expressions of interest

Calls for proposals are likely to be preceded by invitations to submit expressions of interest in order to determine topics for the subsequent call for proposals. Topics selected from the expressions of interest will help the Commission in the preparation of the subsequent calls for proposals. This will enable the Commission to better focus the calls, hence reducing over-subscription. Where appropriate, the Commission may modify, merge or subdivide the topics submitted.

The first invitation to submit expressions of interest was launched on 20 March 2002 with a deadline of 7 June 2002. Details are available at: www.cordis.lu/jp6/eoi-instruments.

4.3. Content of a proposal

The content of a proposal will be simplified, in particular to reflect the evolutionary nature of the network. Proposals presented should include the elements listed in [Annex II](#).

The information provided should be of sufficient "management level" detail to allow an objective evaluation of the merits of the proposal and of the integration that would result from the implementation of the network. Further details may be requested as necessary during the evaluation and negotiation phases.

4.4. Evaluation of proposals

The fundamental principles that govern the design of the proposal evaluation system are:

- **transparency:** in order to provide the same clear framework for researchers preparing proposals, for experts evaluating proposals, and for the Commission services themselves;
- **fair treatment:** all proposals should be treated alike, irrespective of where they originate or the identity of the proposers and of previous connections;
- **impartiality:** all eligible proposals are treated impartially on their merits, subject to an independent peer review;
- **efficiency and speed:** the procedures must be designed to be as rapid as possible, commensurate with maintaining the quality of the evaluation and respecting the legal framework within which the RTD programme is managed;
- **ethical considerations:** any proposal that contravenes fundamental ethical principles (particularly those set out in the Charter of Fundamental Rights of the Union) or that does not fulfil the conditions set out in the work programme or in the call for proposals may be excluded from the evaluation and selection process at any time.

Peer review

The Commission services will organise a proposal evaluation based on the principles of “peer review”. However, the system used for RTD projects in the Fifth Framework Programme will need to be strengthened in order to reflect the more ambitious and complex goals of the networks of excellence.

The system may possibly be strengthened through the more systematic use of remote assessment prior to panel meetings, as well as through hearings of applicants by the panel, in particular to allow the applicants to answer questions not covered by the proposal itself. Hearings of the applicants would be a further measure to help in the simplification of the proposals, since proposals would no longer have to provide an answer to all foreseeable questions.

When considered necessary, proposals will also be subjected to an ethical review. Any proposal contravening fundamental ethical principles will be automatically rejected.

The Commission may also choose to arrange the evaluation in a two-step process, whereby in the first step an outline proposal providing the essential aspects of the proposed network is submitted and evaluated with the help of external experts. A full proposal would then be submitted in a second step by the consortia selected after that initial evaluation. When a two-step approach is to be followed, it will be specified in the relevant work programme.

Evaluation criteria

The following criteria are set out in the Commission’s proposal for the rules for participation in FP 6:

- relevance to the objectives of the specific programme;
- scientific and technological excellence;
- added value to the Community, including the critical mass of resources mobilised, the expected impact or contribution to Community policies: scope and degree of the effort to achieve integration and the network’s capacity to promote excellence beyond its membership, as well as the prospects of the long-term integration of their research capabilities and resources after the end of the period covered by the Community financial contribution;
- quality of the plan for the use or dissemination of the knowledge, potential for promoting innovation, and ability to manage intellectual property;
- ability to successfully carry out the network, assessed in terms of resources, competencies and organisation.

Work programmes of the specific programme may modify the criteria listed above. The relevant information package will suggest questions that successful proposals will have to address satisfactorily. See [Annex III](#).

4.5. Negotiation process

For proposals that are successfully evaluated, the subsequent negotiation between the Commission services, possibly with the help of external experts, and the participants will deal in particular with the following aspects:

- fixing the objectives of the network, which should subsequently remain stable over the full duration of the contract;
- agreeing an outline joint programme of activities for the full duration of the contract, which should also be considered to be fixed, but may change, if necessary, particularly after the mid-term review;
- fixing a detailed joint programme of activities for the first 18 months, which will subsequently roll forward annually with the approval of the Commission;
- agreeing the performance indicators for this period, both qualitative and quantitative, for measuring progress towards durable integration (to be used by the Commission for the results-based follow-up and for the settlement of payments);
- agreeing on the total number of researchers constituting the partners' research capacities in the topic (to form the basis for calculating the grant);
- agreeing on the duration of the contract (any duration longer than 5 years will need to have a thorough justification);
- agreeing on the schedule for the disbursements of the grant.

Because of the results-based nature of the contract, the negotiation phase will be of particular importance, both for the contractors and for the Commission. The principles underpinning the negotiation process will be spelled out in publicly available guidelines.

5. THE CONTRACT

Work has begun on the model contract for networks of excellence. More information will be found at <http://europa.eu.int/comm/research/model-contract-group>

5.1. Content of the contract

The contract with the Commission will establish the rights and obligations of participants and in particular the arrangements for monitoring the network, for updating the joint programme of activities, as well as rules regarding intellectual property rights.

The contract may be structured along the following lines:

- a core text containing the scope, duration, amount of the Community grant, reporting schedule and payment modalities, and the list of initial participants;
- a **technical annex** containing (a) the objectives of the network, an outline joint programme of activities for the whole duration of the contract, the minimum number of researchers constituting the research capacities of the participants on the topic of the network, an outline description of the role of the participants, a description of the deliverables, ethical provisions, and a description of the management and governance structure and (b) a detailed joint programme of activities for the first 18 months and relevant performance indicators;
- **general conditions** common to all FP 6 instruments, covering standard legal and administrative provisions, the IPR regime, and standard financial provisions among others;
- **conditions specific to networks of excellence**, for example the payment regime and the mechanisms for updating the joint programmes of activities.

The Community grant will not be broken down in the contract either by activity or by participant. This will give freedom to the consortium on the distribution of the grant and will eliminate much of the micromanagement currently associated with FP 5 contracts.

5.2. Contracting parties

The contract between the consortium and the Commission may be concluded either with all the participants or with a common legal structure that represents them from the legal point of view.

A common legal structure may take various forms, for example that of a European Economic Interest Grouping (EEIG) or a non-profit organisation. It could assume the following tasks: management of the Community contribution according to the decisions taken by the partners regarding its distribution among them, overall management of the network, and consortium “interface” regarding all contacts with Commission and external world.

5.3. Role of the co-ordinator

The consortium will designate one of its participants to act as the co-ordinator of the network. The following tasks of the co-ordinator will be specified in the contract:

- to act as the intermediary between all participants and the Commission. All information related to the contract will be transmitted to the Commission through the co-ordinator;
- to receive all payments made by the Commission on behalf of the participants, and not being the beneficiary of payments intended for the other participants, to administer the Community contribution according to decisions taken by the consortium;
- to inform the Commission of the distribution of payments to the participants.

The consortium may, of course, agree to entrust other tasks to the co-ordinator, in particular under the terms of any consortium agreement between the participants.

5.4. Responsibility and liability of participants

At technical level

Participants share **joint and several technical responsibility** regarding the implementation of the network. Subject to cases of *force majeure*, the participants are expected to use reasonable endeavours to implement the agreed joint programme of activities and achieve the objectives aimed at by the network.

At financial level

The principle of **joint and several financial liability** refers to a contractual arrangement whereby the partners in a consortium bear collectively the risks related to the work they agree to undertake. This liability is limited to the Community contribution and will not exceed the value of the Community’s financial support.

Those entities (such as certain public universities), that are guaranteed by the State and which for legal reasons cannot be held jointly and severally liable, will be exempted and will be liable only for the part of the Community financial contribution received by them.

A detailed explanation on the implementation of joint and several liability is available at: <http://europa.eu.int/comm/research/nfp/networks-ip.html>

5.5. Consortium agreement

As a consequence of the high degree of autonomy and flexibility from which the consortium benefits and of the degree of institutional commitment that participants will expect from each other, the participants may well find it necessary to conclude a **consortium agreement** governing the operation of the network.

A consortium agreement will not be made compulsory, as the Commission does not intend to interfere with the internal organisation of a consortium. However, it is strongly recommended to conclude such an agreement that should at least foresee the mechanism for distributing the Community contribution

among partners and activities. It is also recommended that the consortium agreement should have been concluded by the time the contract with the Commission enters into force.

The Commission will produce a “check list” aimed at helping network participants to identify issues to be covered by the agreement.

6. IMPLEMENTATION OF THE NETWORK

At the start of the contract, the consortium will have agreed with the Commission:

- an overall joint programme of activities for the full duration of the contract;
- a detailed programme for the first 18 months; and
- an initial list of participants.

The detailed programme will be updated annually. Provisions in the contract will also allow the composition of the consortium to evolve as the network progresses.

6.1. Updating the detailed joint programme of activities

The annual updating of the detailed joint programme of activities forms part of the periodic reporting cycle. Within two months of the completion of each twelve-month period, the consortium will be expected to submit:

- An **activity report** for the previous twelve months, containing:
 - a management-level overview of the activities carried out by the network during the period as part of the joint programme of activities, comparing progresses against the plan;
 - a description of the progress achieved towards the integration of the research capacities of the network members, relating to the agreed performance indicators for the period;
 - the identification of problems encountered and the corrective action taken;
 - a statement, certified by an independent auditor, of the costs incurred by the participants in implementing the joint programme of activities during the period.
- An **joint programme of activities**, including a detailed programme for the eighteen months following the twelve-month period covered by the reports above, together with a revised set of performance indicators.

The simultaneous submission of these documents allows optimum monitoring of the network by the Commission services. The Commission’s review and approval of the documents is necessary to settle the payment for the period reported on and to make an advance for the next period. Where appropriate, the Commission may also decide to carry out an ethical review of the activities reported on or planned.

6.2. Modifying the consortium membership without additional financing

The contract will specify the procedures to be followed for any modification to the membership of the consortium. The following general cases can be envisaged.

Replacing a participant

When the consortium is faced with the need to replace a participant, for example one that has withdrawn, the new participant may be selected without a competitive call, unless this is considered useful by the consortium itself (or specifically requested by the Commission).

Expanding the consortium

The partnership may itself decide to take in new partners as the network evolves, though without additional financing from the Community. The contract will specify when the addition of new partners must involve a competitive call. These calls will be organised by the partnership itself in accordance with guidelines set out in the contract.

Generally speaking, competitive calls will be required only when the initial grant was calculated to allow for participants who were not identified at the time the grant was fixed. This may be an unlikely occurrence for networks of excellence. It is more likely that networks will expand by taking advantage of the Commission's calls for proposals to enable existing networks to take on additional partners.

6.3. Additional financial contribution to extend the network

The Commission may decide to launch calls for proposals enabling the Community contribution to existing networks to be increased, in order, for example, to encompass new activities or for the addition of new participants. The evaluation will be carried out in accordance with the same principles generally used for the evaluation of networks of excellence.

6.4. Final reporting

At the end of the contract, in addition to the activity report for the final period, a **final report** will be required, covering such issues as:

- an analysis of the extent, depth and potential durability of the integration realised among the participants in the network, compared to the performance indicators foreseen at the end of the contract;
- an assessment by the consortium of the impact of the network on strengthening and spreading excellence on the topic in Europe;
- an analysis of the impact of the network on the way that research is carried out in Europe on the topic considered compared to the situation described at the time of the submission of the proposal;
- a description of the network's activities relating to dissemination, transfer and exploitation of knowledge and of their potential impact (innovation-related activities, spin-offs...);
- an assessment of the technological impact of the activities of the network (technology transfer, spin-offs...);
- an assessment of the network's actions to promote gender equality.

6.5. Effective governance of the network

Because of the structuring nature of the network and because of the need to build on strengths and the tendency therefore for the participants to become mutually dependent, the network must establish an effective system of governance that ensures the active engagement of its participant organisations at the policy-making level.

One way of achieving that would be for each network to establish a "**governing board**", consisting of high level representatives of the participant organisations. The main role of such a governing board would be to oversee the integration of the participants' activities.

The network may also wish to establish a "**scientific council**" involving external experts, to advise it on the nature of its joint programme of activities and, in particular, on its dual mission of both strengthening and spreading excellence in Europe.

7. FOLLOW-UP AND MONITORING

The Commission services will monitor the network so as to ensure proper work execution according to the terms of the contract, to protect the Community's financial interests and to ensure maximum synergy and coherence with other actions within the specific programme.

7.1. Regular follow-up by Commission services

Since the disbursements of the grant for integration will be paid according to the network's progress towards achieving a durable integration of the participants' activities, a robust scheme of output monitoring has to be developed as a sound basis for the payments. Such a scheme might consist of:

- **annual reviews:** coinciding with the annual cycle of reporting and planning, to act as a basis for the annual disbursement of the grant;
- a **mid-term review:** which may be combined with the nearest yearly review and which would trigger a go/no-go decision on whether to continue the contract to its foreseen end. It should be noted however that when there is unsatisfactory progress towards durable integration, the Commission may decide to terminate the grant **at any point** during the contract;
- an **end-of-term review:** primarily to assess the impact of the network on strengthening and spreading scientific excellence in Europe.

The Commission will probably involve independent experts in all stages of the monitoring scheme.

Monitoring by the “Project Officer”

A project officer from the Commission staff or a team of project officers will be assigned to each network. The project officer may be assisted by other persons, internal or external to the Commission. His tasks will include:

- serving as a permanent contact point for the network;
- managing the follow-up and monitoring process;
- attending all formal network reviews and any consortium meetings where this is deemed necessary.

7.2. Audits

The model contract will specify an audit regime to enable the Commission to proceed to audits, dealing with **technical, technological** (innovation impact) **financial and ethical** aspects:

- **Technical audits** may be launched at any point during the implementation of the network in order to verify that the network is being or has been carried out in accordance with the conditions indicated by the participants. The annual review will be considered a technical audit.
- **Financial audits** may be launched at any time, and may deal with any financial aspect of the contract. For each network, it is expected that **at least one financial audit will be carried out** within the auditable period.
- **Technological audits** dealing with the use and dissemination of results may be launched at the end of all the networks, but may also be carried out earlier, if considered necessary by the Commission.
- **Ethical audits** may be launched at any time during the implementation of the project in order to verify that the project is respecting fundamental ethical principles and national regulations.

Various audits may be undertaken simultaneously. In particular, parallel technical and financial audits of a given network might be opportune. The Commission itself will conduct the audits or entitle another entity to do so.

8. INTELLECTUAL PROPERTY

8.1. General principles

The rules regarding the protection, dissemination and use of knowledge have been **simplified** and a larger **flexibility** is granted to the participants:

- rules are identical for all participants;
- rules concentrate on the principles and provisions considered necessary for an efficient co-operation and the appropriate use and dissemination of the results;
- participants may define among themselves the arrangements that fit them the best within the framework provided in the model contract.

It should be noted that the same rules are intended to apply, when relevant, to all instruments used for implementing FP 6.

8.2. Ownership of knowledge

Since networks of excellence are not funded 100 % by the Community, participants will own the intellectual property of the knowledge resulting from the joint programme of activities.

8.3. Protection of knowledge

The owner of knowledge should provide adequate and effective protection for knowledge that is capable of industrial or commercial application.

The Commission may adopt protective measures when it considers it necessary to protect knowledge in a particular country and when such protection has not been applied for or has been waived.

Participants may publish information on the knowledge resulting, provided this does not affect the protection of that knowledge.

8.4. Use and dissemination of knowledge

Participants shall use or cause the use of the knowledge resulting from the jointly executed research of the network, which they own, in accordance with their interests and with the provisions agreed among them.

If dissemination of knowledge does not adversely affect its protection or its use, it should be disseminated by the participants within a period laid down by the Community. If the participants fail to do so, the Commission may disseminate the knowledge. In doing that, the Commission and the contractors should take into consideration the following elements:

- the benefits of swift dissemination (in order to avoid duplication of research efforts and create synergies between actions);
- the need to safeguard intellectual property rights;
- confidentiality;
- the legitimate interests of the participants.

8.5. Access rights

Main principles

The provisions relating to access rights **are the same for all participants** (contrary to the FP5 situation, providing for different access rights for principal/assistant contractors, complementary contracts, etc.). As a consequence, the table summarising the access rights system is much simpler (see below).

The control of pre-existing know-how by its owner(s) has been improved by making it possible for a participant to exclude specific pre-existing know-how from the obligation to grant access rights to it to other participants (see below), in agreement with all the other participants before the start of the contract.

The control of knowledge resulting from the jointly executed research of the network by its owner(s) has also been improved: a participant enjoys access rights to another participant's knowledge only if such access rights are necessary for the first participant to use its own knowledge.

Obligatory access rights between different networks have been suppressed. However, the participants may conclude any agreement aimed at granting additional or more favourable access rights (including to third parties, e.g. affiliates), or at specifying the requirements applicable to access rights (without restricting them). Such provisions may for instance be included in consortium agreements.

The Commission may object to the granting of access rights to third parties, in particular to those which are not established in a Member State or an Associated State, if granting such rights is not in accordance with the interests of developing the competitiveness of European industry or with ethical principles, in particular those described in the Charter of Fundamental Rights of the European Union.

A participant may exclude specific pre-existing know-how from the obligation to grant access rights to the other participants, by means of a written agreement between the participants before the participant concerned signs the contract or before a new participant joins the network. The other participants may only withhold their agreement if they demonstrate that their legitimate interests will be significantly impaired.

Access rights for the jointly executed research of the network

In as much as such access rights are needed to carry out their own part of the joint programme of activities, **all participants** in the project **enjoy access rights** to: (a) the knowledge arising from work carried out under the joint programme of activities, and (b) the pre-existing know-how of the other participants.

Access rights **to knowledge** shall be granted **on a royalty-free basis**. Access rights **to pre-existing know-how** shall be granted **on a royalty-free basis**, unless other conditions have been agreed before signature of the contract.

Subject to its legitimate interests, the termination of the participation of a participant shall in no way affect the obligation to grant access rights for the execution of the network to the other participants until the end of the network.

Access rights for use purposes ("use" = exploitation + further research)

Inasmuch as such access rights are needed to use their own knowledge, participants in the network enjoy access rights to: (a) the knowledge arising from work carried out under the joint programme of activities and (b) the pre-existing know-how of the other participants.

Access rights **to knowledge** shall be granted **on a royalty-free basis**, **unless** other conditions were agreed upon before signature of the contract. Access rights **to pre-existing know-how** shall be granted **on non-discriminatory and reasonable conditions** to be agreed.

Subject to the participants' legitimate interests, access rights for use purposes may be requested until two years after the end of Community contribution or after the termination of the participation of a participant, whichever falls earlier, unless the participants agree on a longer period.

Summary of access rights

	Access rights to pre-existing know-how	Access rights to knowledge resulting from the joint programme of activities
For carrying out the joint programme of activities	Yes, if a participant needs them for carrying out his own work under the joint programme of activities ----- Royalty-free unless otherwise agreed before signing the contract	Royalty-free
For use purposes (exploitation + further research)	Yes, if a participant needs them for using his own knowledge ----- On non-discriminatory and reasonable conditions to be agreed	Royalty-free, unless otherwise agreed before signing the contract
	Possibility for participants to agree on exclusion of specific pre-existing know-how of a participant from this obligation before this participant signs the contract (or before entry of a new participant)	

Participation possibilities by country of the participant

Participant's country of establishment	Participation	Researchers taken into account when calculating the grant
European Union	Rightfully	Rightfully
Associated Candidate Countries	Rightfully	Rightfully
Other Associated Countries	Rightfully	Rightfully
International organisations of European interest	Rightfully	Rightfully
Russia, New Independent States, Mediterranean Countries, Developing Countries	Rightfully over and above the minimum threshold	Within the limits of the budget available for international co-operation activities in the context of the thematic priorities
Other third countries having a co-operation agreement	Rightfully over and above the minimum threshold	If Community contribution in favour of these countries is necessary and if foreseen by the work programme
Other third countries	If participation is foreseen or if it is necessary for carrying out the jointly executed research of the network	If Community contribution in favour of these countries is foreseen and if it is essential for carrying out the joint programme of activities
Other international organisations	Rightfully over and above to the minimum threshold	If Community contribution is foreseen in the work programme or if it is essential for carrying out the joint programme of activities

Elements to be included in the proposal

The information package relevant to the call for proposals will describe the content of a proposal. Applicants may be asked to include the following elements in their proposals:

- a description of research in the field in Europe, the extent of fragmentation and the need for a more integrated and coherent approach;
- status of European research compared to research elsewhere in the world;
- potential contribution of the network to the shaping and structuring the way that research is carried out on the topic at European level;
- relevance of the network to the objectives of the work programme of the relevant specific programme;
- description of the resources and capacities to be integrated and how a durable integration is intended to be achieved;
- general description of performance indicators likely to allow the assessment of the progress towards integration at all the stages of the network's implementation (on the whole period of the contract)
- the scientific and technological objectives of the network;
- the main lines and timetable of an outline joint programme of activity for the whole duration of Community support, concentrating on:
 - integrating activities,
 - jointly executed research,
 - spreading of excellence,
 - managing the network;
- for the training component, an assessment of existing and future needs for skilled staff and a description of the contribution that the network can make;
- a detailed joint programme of activities for the first eighteen months of the network and possible performance indicators, both quantitative and qualitative, for measuring progress towards integration during the period (any period longer than 5 years would require a thorough justification);
- the organisational, management, governance and decision-making structures of the network;
- the plan for the dissemination of knowledge and the exploitation of results;
- the identification of potential ethical and safety issues and the way they will be handled;
- an assessment of the potential impact of the technologies involved on society and a plan for communicating with policy makers, citizens etc
- an action plan through which gender equality will be promoted within the network;
- a description of the research staff that will constitute the research capacities of the partners within the context of the network should the proposal be successful and that can be identified by name at the time of making the proposal

Because of the importance of an institutional commitment from the participating organisations to both a meaningful and a lasting integration of their research activities on the topic, applicants may wish to include in their proposal appropriate declarations of intent from their institutions (and when relevant from their funding or other policy-making authorities).

QUESTIONS TO ASSIST IN PROPOSAL MAKING

The relevant information package will suggest questions that successful applicants for networks of excellence will need to have satisfactorily addressed. For example:

- **Strategic impact**
 - Does Europe have a strategic need **to strengthen S&T excellence** on the topic by means of a durable structuring and shaping of the way that research on the topic is carried out in Europe?
 - In that connection, are the goals of the network **suitably ambitious**, particularly in terms of providing European leadership and acting as a world force on the topic?
 - Is there an effective plan for **spreading excellence**, exploiting results and disseminating knowledge to those outside the network?

- **Excellence of the participants**
 - Is each of the participants currently carrying out **excellent research** relevant to the topic of the network?
 - Are the participants **well suited to the tasks** assigned to them?
 - Do they **collectively have the necessary critical mass of expertise and resources** to carry out successfully the joint programme of activities?

- **Quality of the integration**
 - Is the proposed **joint programme of activities sufficiently well-designed** to integrate the activities of the partners to the extent and depth necessary to be supported as a network of excellence?
 - Have the participating organisations made a convincing **commitment towards a deep and durable integration** that could continue beyond the period of Community support?

- **Governance and management**
 - Is the **management of the network** demonstrably of high quality?
 - Will the management be supported by a suitable **governance structure**, involving the participating organisations at an appropriate level?
 - Is there a well-considered plan for **promoting gender equality** in the network?