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NOTE

from:	General Secretariat of the Council
to:	Delegations
No. Cion prop.:	17934/11 RECH 411 COMPET 579 ATO 151 CODEC 2274
No prev. doc.	14846/12 RECH 366 COMPET 613 ATO 139 CODEC 2365
Subject:	Proposal for a Regulation of the European Parliament and of the Council laying down the rules for participation and dissemination in "Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020)" <i>- 4-column document</i>

Following the vote in Parliament's ITRE committee on 28 November and in view of the RECH Working Party on Thursday 17 January 2013, delegations will find attached a 4-column document on the proposal for Rules for participation and dissemination.

In the column related to the position of the ITRE Committee, the changes to the Commission proposal are indicated in ***bold italics*** for additions and in ~~strikeout~~ for deletions.

In the column related to the position of the Council (partial general approach, doc.14846/12), the changes to the Commission proposal are indicated in **bold** for additions and in ~~strike through~~ for deletions

Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

Laying down the rules for participation and dissemination in "Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020)"
(Text with EEA relevance)

RECITALS			
COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12)	COUNCIL PGA (10.10.12)	COMPROMISE TEXT
THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,			
Having regard to the Treaty on the Functioning of the European Union ("TFEU"), and in particular Articles 173, 183 and the second paragraph of Article 188 thereof,			
Having regard to the proposal from the European Commission,			
After transmission of the draft legislative act to the national Parliaments,			
Having regard to the opinion of the European Economic and Social Committee ¹ ,			
¹ OJ C, , p..			

Having regard to the opinion of the Court of Auditors ² , <u>2. OJ C, , p..</u>				
Acting in accordance with the ordinary legislative procedure,				
Whereas:			NB: the recitals have not yet been examined by the Council	
(1) "Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020)" (Horizon 2020) was adopted by Regulation [X] of the European Parliament and of the Council of [X] establishing Horizon 2020 – The Framework Programme for Research and Innovation ³ . That Regulation needs to be complemented by rules for participation and dissemination. <u>³ OJ C, , p..</u>	<i>[no change]</i>			

(2) Horizon 2020 should be implemented with a view to contributing directly to creating industrial leadership, growth and employment in Europe and should reflect the strategic vision of the Commission Communication of 6 October 2010 to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Region "Europe 2020 Flagship Initiative Innovation"⁴ whereby the Commission engages to radically simplify access of participants. ⁴ . COM(2010) 546 final, 6.10.2010	AMD 1 (2) Horizon 2020 should be implemented with a view to contributing directly to creating industrial leadership, growth and employment <i>as well as citizens welfare, social, economic and environmental sustainability</i> in Europe and should reflect the strategic vision of the Commission Communication of 6 October 2010 to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Region 'Europe 2020 Flagship Initiative Innovation' whereby the Commission engages to radically simplify access of participants.		
(3) Horizon 2020 should support the achievement and functioning of the European Research Area in which researchers, scientific knowledge and technology circulate freely, by strengthening cooperation between the Union and the Member States, notably through application of a coherent set of rules.	AMD 2 (3) Horizon 2020 should support the achievement and functioning of the European Research Area in which researchers, scientific knowledge and technology circulate freely, by strengthening cooperation <i>both</i> between the Union and the Member States, <i>and among the Member States</i>, notably through application of a coherent <i>and transparent</i> set of rules.		

(4) The rules for the participation and dissemination should adequately reflect the recommendations of the European Parliament, as summarised in the "Report on simplifying the implementation of the Research Framework Programmes"⁵, and Council with regard to the simplification of the administrative and financial requirements of the research framework programmes. ⁵. Report of the Committee on Industry, Research and Energy of 6 October 2010, rapporteur: Maria da Graça Carvalho, P7_TA(2010)0401.	AMD 3 (4) The rules for the participation and dissemination should adequately reflect the recommendations of the European Parliament, as summarised in the <i>"Report its Resolution of 11 November 2010 on simplifying the implementation of the Research Framework Programmes"</i>⁵, and Council with regard to the simplification of the administrative and financial requirements of the research framework programmes. <i>In its resolution of 8 June 2011 on Investing in the future: a new Multiannual Financial Framework (MFF) for a competitive, sustainable and inclusive Europe¹ the European Parliament furthermore called for a radical simplification of Union research and innovation funding stressing that any increase of funds should be coupled with a radical simplification of funding procedures.</i> ¹. Texts adopted, P7_TA(2011)0266	
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The rules should give continuity to the simplification measures already implemented under Decision No 1982/2006/EC of the European Parliament and of the Council of 18 December 2006 concerning the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007-2013)⁶ and progress further in reducing the administrative burden for participants and the complexity of the financial provisions in order to decrease financial errors. ⁶ . OJ L 412, 30.12.2006, p.1.	The rules should give continuity to the simplification measures already implemented under Decision No 1982/2006/EC of the European Parliament and of the Council of 18 December 2006 concerning the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007-2013) and <i>the final report of the Expert Group 'Interim Evaluation of the 7th Framework Programme' of 12 November 2010</i> and progress further in reducing the administrative burden for participants and the complexity of the financial provisions in order to <i>facilitate participation and</i> decrease financial errors.		
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The rules should also duly consider the concerns and recommendations from the research community resulting from the debate initiated by the Commission Communication of 29 April 2010 to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions "Simplifying the implementation of the research framework programmes",⁷ and the subsequent Green Paper of 9 February 2011 "From Challenges to Opportunities: Towards a Common Strategic Framework for EU Research and Innovation funding"⁸. ⁷. COM (2010) 187. ⁸. COM (2011) 48.	The rules should also duly consider the concerns and recommendations from the research community resulting from the debate initiated by the Commission Communication of 29 April 2010 to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions 'Simplifying the implementation of the research framework programmes', and the subsequent Green Paper of 9 February 2011 'From Challenges to Opportunities: Towards a Common Strategic Framework for EU Research and Innovation funding' <i>as well as the respective public consultation of the stakeholder community initiated by the Commission. In concrete terms, the new simplified rules of participation and dissemination should aim to reduce the average time to grant at least by 100 days as compared to the situation in 2011 as outlined in the Commission Communication of 30 November 2011 entitled: "Horizon 2020 - The Framework Programme for Research and Innovation"</i>². ². COM(2011) 0808 final	
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	<u>AMD 4</u> <i>(4a) In 2017 at the latest, the Commission should carry out an interim evaluation of the rules for the participation and dissemination to assess the desired simplification of procedures and increased participation in Horizon 2020. This should include an analysis of access to funding for participants from all regions and for SMEs and balanced participation by women and men, and the scope for further simplifications should be analysed. At the proposal of the Commission, the rules may if appropriate be adjusted by the legislature once during the period of application of Horizon 2020.</i>		
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	AMD 5 <i>(4b) From the outset, the rules for the participation and dissemination should be clear and transparent and ensure to the largest possible extent the participation of SMEs. For reasons of legal certainty and clarity, the rules, in principle, should remain the same throughout the whole duration of Horizon 2020. Where rules need to be adapted, this should not be to the detriment of participants whose project has been approved under the rules before adaptation. All relevant instructions and guidance notes for beneficiaries and auditors should be available from the beginning of the programme and onward.</i>		
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(5) In order to ensure coherence with other Union funding programmes, Horizon 2020 should be implemented in accordance with Regulation (EU) No. XX/XX of the European Parliament and of the Council of [...] on the financial rules applicable to the annual budget of the Union⁹, and the Delegated Commission Regulation (EU) No. X/X of [...] amending the detailed rules for the implementation of the Financial Regulation¹⁰. ⁹ OJ L, , p. ¹⁰ OJ L, , p	AMD 6 (5) In order to ensure coherence with other Union funding programmes, Horizon 2020 should be implemented in accordance with Regulation (EU, <i>Euratom</i>) No. 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the annual budget of the Union, and the Delegated Commission Regulation (EU) No. X/X of [...] amending the detailed rules for the implementation of the Financial Regulation, taking due account of the specific nature of research and innovation activities.		
(6) An integrated approach should be ensured by bringing together activities covered by the Seventh Framework Programme for research, the Competitiveness and Innovation Framework Programme and the European Institute of Innovation and Technology (the EIT) to make participation easier, create a more coherent set of instruments and increase the scientific and economic impact while avoiding duplication and fragmentation.	AMD 7 (6) An integrated approach should be ensured by bringing together activities covered by the Seventh Framework Programme for research, the Competitiveness and Innovation Framework Programme and the European Institute of Innovation and Technology (the EIT) to make participation easier, create a more coherent set of instruments and increase the scientific and economic impact while avoiding duplication and fragmentation.		

Common rules should apply in order to ensure a coherent framework which should facilitate the participation in programmes receiving Union financial contribution from the budget of Horizon 2020, including the participation in programmes managed by the EIT, joint undertakings or any other structures under Article 187 TFEU or participation in programmes undertaken by Member States pursuant to Article 185 TFEU. However, flexibility to adopt specific rules should be ensured when justified by the specific needs of the respective actions and with Commission consent.	Common rules should apply in order to ensure a coherent framework which should facilitate the participation in programmes receiving Union financial contribution from the budget of Horizon 2020, including the participation in programmes managed by the EIT, joint undertakings or any other structures under Article 187 TFEU or participation in programmes undertaken by Member States pursuant to Article 185 TFEU. However, flexibility to adopt specific rules should be ensured when justified by the specific needs of the respective actions and with Commission consent.		
(7) Actions which fall within the scope of this Regulation should respect fundamental rights and observe the principles acknowledged in particular by the Charter of Fundamental Rights of the European Union. Such actions should be in conformity with any legal obligation and with ethical principles, which include avoiding any kind of plagiarism.	AMD 8 (7) Actions which fall within the scope of this Regulation should have to respect fundamental rights and observe the principles acknowledged in particular by the Charter of Fundamental Rights of the European Union. Such actions should also have to be in conformity with any legal obligation and with ethical principles, which include avoiding any kind of fabrication of data and plagiarism.		

	AMD 9 <i>(7a) It is necessary to note the importance of a reinforced gender perspective in the design, implementation and delivery of Horizon 2020.</i>		
(8) In line with the objectives of international cooperation as set out in Articles 180 and 186 TFEU, the participation of legal entities established in third countries and of international organisations should be promoted. The implementation of these rules should be in conformity with the measures adopted in accordance with Articles 75 and 215 TFEU and be in compliance with international law. Moreover, the implementation of these rules should duly take into account conditions for the participation of Union entities in third countries' programmes.	AMD 10 (8) In line with the objectives of international cooperation as set out in Articles 180 and 186 TFEU, the participation of legal entities established in third countries and of international organisations should be promoted. The implementation of these rules should be in conformity with the measures adopted in accordance with Articles 75 and 215 TFEU and be in compliance with international law. Moreover, the implementation of these rules should duly take into account conditions for the participation of Union entities in third countries' programmes, <i>based on the principle of reciprocity as well as conditions potentially arising from the legal frameworks of the participating third countries and international organisations.</i>		

	AMD 11 <i>(8a) The rules for the participation and dissemination should include rules for the establishment of public-private partnerships. If steps towards a further externalisation of the Union's research and innovation funding were to be taken this should be exceptional, and justified by demonstrating that according to the results of an independent impact assessment no other form of funding can deliver the same objectives.</i>		
(9) These rules for the participation and dissemination should provide a coherent, comprehensive and transparent framework to ensure the most efficient implementation possible, taking into account the need for easy access by all participants, notably small and medium-sized enterprises, through simplified procedures. The financial assistance from the Union could be provided through different forms.	AMD 12 (9) These rules for the participation and dissemination should provide a coherent, comprehensive and transparent framework to ensure the most efficient implementation possible, taking into account the need for easy access by all participants; notably small and medium-sized enterprises, through simplified procedures. The financial assistance from the Union could be provided through different forms.		

	AMD 13 <i>(9a) The financial assistance from the Union could be provided through different forms by choosing the most appropriate measure that supports the Horizon 2020 objectives and that suits the specific needs of the targeted beneficiaries. The choice of the different forms should always aim at producing the largest possible leverage effect.</i>		
	AMD 14 <i>(9b) Given the different nature and specific needs of the different participants from the research community, the rules for the participation and dissemination should establish a limited combination of funding rates and options for reimbursement of indirect costs, while maintaining the current differentiation between universities/research centres, non-profit organisations and SMEs and industry, as stated in the European Parliament's resolution of 11 November 2010 on simplifying the implementation of the Research Framework Programmes.</i>		

	AMD 15 <i>(9c) These rules for the participation and dissemination should also take into account the specific funding needs of SMEs, in order to release their full research and innovation potential, with due regard to the specificities of different types of SMEs and different sectors.</i>		
	AMD 16 <i>(9d) In general, the period between the deadline for the submission of project proposals and the conclusion of the grant agreement (time to grant) should not exceed six months. The Commission should set appropriate time limits for the submission of documents by a consortium.</i>		
	AMD 17 <i>(9e) The Commission should continue its efforts to simplify the procedures in ways made possible by the improvement of IT systems, such as the further expansion of the Participants Portal as the single entry point from the publication of the calls for project proposals, followed by their submission, until implementation, for all programmes, with the aim of establishing a one-stop shop.</i>		

	AMD 18 <i>(9f) Synergies between the Structural Funds and Horizon 2020 should be used more than hitherto to attain the objective of spreading excellence and expanding participation. This should be done in particular by linking up-and-coming centres of excellence located in less innovative, less well-performing Member States and regions with world leading European research partners.</i>		
(10) Handling of confidential data and classified information should be governed by all the relevant Union legislation, including the Institutions' internal rules, such as Commission Decision 2001/844/EC, ECSC, Euratom of 29 November 2001 amending its internal Rules of Procedure¹¹ which lays down the provisions on security of European Union classified information. ¹¹ OJ L 317, 3.12.2001, as amended by Decision 2006/548/EC, Euratom (OJ L 215, 5.8.2006).	[no change]		

	AMD 19 <i>(10a) Any documents issued by the Commission in relation to Horizon 2020 shall be provided upon request in accessible formats, including large print, Braille, easy-to-read text, audio, video, and electronic format.</i> [no change]		
(11) It is necessary to establish the minimum conditions for participation, both as a general rule and with regard to the specificities of the actions under Horizon 2020. In particular, rules should be laid down regarding the number of participants and their place of establishment. In the case of an action without the participation of an entity established in a Member State, the attainment of the objectives laid down in Articles 173 and 179 TFEU should be pursued.			

(12) It is appropriate to establish the terms and conditions for providing Union funding for participants in actions under Horizon 2020. In order to reduce the complexity of the existing funding rules and have a higher flexibility in the project implementation, a simplified cost reimbursement system should be adopted with enhanced use of lump sums, flat rates and scale of unit costs. For simplification purposes, a single reimbursement rate should be applied for each type of action with no differentiation according to the type of participant.		AMD 20 (12) It is appropriate to establish the terms and conditions for providing Union funding for participants in actions under Horizon 2020. In order to reduce the complexity of the existing funding rules and have a higher flexibility in the project implementation and increase participation, a simplified cost reimbursement system should be adopted with enhanced use of lump sums, flat rates and scale of unit costs. For simplification purposes, a single reimbursement rate should be applied for each type of action with no differentiation according to the type of participant, allowing also a full-cost option as well as applying the usual accounting practices of the beneficiary in accordance with Regulation (EU, Euratom) No 966/2012.	
		AMD 21 (12a) <i>The Commission should take into consideration that the application of the co-financing principle may be harmful to those Member States whose public expenditure is subject to large restrictions. Their leading research centres, universities and undertakings might be supported at Union's level.</i>	

(13) Specific challenges in the area of research and innovation should be addressed through new forms of funding such as prizes, pre-commercial procurement and public procurement of innovative solutions which require specific rules.	AMD 22 (13) Specific challenges in the area of research and innovation should could be addressed through new forms of funding <i>potentially more efficient</i> such as prizes, pre-commercial procurement and public procurement of innovative solutions, <i>an enhanced and more targeted use of innovative financial instruments, as well as through specific types of funding bodies such as the existing and newly foreseen programming initiatives based on Articles 185 and 187 TFEU and Article [55] of Regulation (EU, Euratom) No 966/2012. These new forms of funding and these different types of funding bodies which require specific rules which should be laid down in this Regulation. Member States and the Commission should endeavour to increase the visibility and accessibility of such new forms of funding and types of funding bodies to relevant stakeholders.</i>		
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	AMD 23 <i>(13a) It is appropriate to use different forms of funding, and where appropriate, combine different forms of funding. In particular, the financial instruments should be used in a complementary manner in cases where they help to leverage further private investment in research and innovation, including venture capital investments for innovative companies and in particular SMEs, and where the pursued results cannot be effectively achieved by grants, and where actions primarily consist of experimental development activities.</i>		
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(14) In order to maintain a level playing field for all undertakings active in the internal market, funding provided by Horizon 2020 should be designed in accordance with State aid rules so as to ensure the effectiveness of public spending and prevent market distortions such as crowding-out of private funding, creating ineffective market structures or preserving inefficient firms.	AMD 24 (14) In order to maintain a level playing field for all undertakings active in the internal market, funding provided by Horizon 2020 should be designed in accordance with State aid rules so as to ensure the effectiveness of public spending and prevent market distortions such as crowding-out of private funding, creating ineffective market structures or preserving inefficient firms. <i>In particular, the establishment of public-private partnerships should be subject to conditions that ensure that an effective competitive environment is maintained and that opportunities for new entrants to join in at any stage are ensured.</i>		
	AMD 25 (14a) <i>The rules for the participation and dissemination should ensure utmost transparency, accountability and democratic scrutiny of innovative financial instruments and mechanisms that involve the Union budget, especially as regards their contribution, both expected and achieved, to reaching Union objectives.</i>		

(15) The financial interests of the Union should be protected throughout the proportionate measures throughout the expenditure cycle.	AMD 26 (15) The financial interests of the Union should be protected through <i>necessary</i> , proportionate <i>and efficient</i> measures throughout the expenditure cycle, <i>ensuring an appropriate balance between trust and control.</i>		
	(15a) <i>Open access to scientific publications or any other disseminated results funded by Horizon 2020 might require the set up of digital central repositories and the use of open digital formats.</i>		

	AMD 27 <i>(15b) In accordance with Regulation (EU, Euratom) No 966/2012, these rules for the participation and dissemination should provide the basis for a wider acceptance of the usual accounting practices of the beneficiaries and to accept beneficiaries' usual accounting practices in establishing eligible costs. For this purpose, the requirements of audit certificates, including the certificates on methodology, should be adapted appropriately. The Commission should establish to the greatest possible extent a single audit approach, leaving sufficient flexibility for the acknowledgement of usual accounting practices, with due regard to nationally accepted accounting practices.</i>		
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(16) The participant Guarantee Fund set up under Regulation No 1906/2006/EC of the European Parliament and of the Council of 18 December 2006 laying down the rules for the participation of undertakings, research centres and universities in actions under the Seventh Framework Programme and for the dissemination of research results (2007-2013)¹² and managed by the Commission has proved to be an important safeguard mechanism which mitigates the risks associated to the amounts due and not reimbursed by defaulting participants. Therefore, a new participant Guarantee Fund (the Fund) should be established. ¹². OJ L 391, 30.12.2006, p.1.	<i>[no change]</i>		
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In order to ensure a more efficient management and a better coverage of participants' risk, the Fund should cover actions under the programme set up under Decision No 1982/2006/EC, under the programme set up by Council Decision of 18 December 2006 concerning the Seventh Framework Programme of the European Atomic Energy Community (Euratom) for nuclear research and training activities (2007 to 2011)¹³, under the programme set up by Council Decision [...] of X 2011 establishing the Framework Programme of the European Atomic Energy Community (2012-2013) as well as actions under Regulation (EU) No XX/XX [Horizon 2020] and Regulation (Euratom) No XX/XX of the Council on the Research and Training Programme of the European Atomic Energy Community (2014-2018) complementing the Horizon 2020- the Framework Programme for Research and Innovation [Euratom H2020]¹⁴. Programmes managed by entities other than Union bodies should not be covered by the Fund. ¹³ OJ L 54, 22.2.2007, p. 21 ¹⁴ OJ L...	[no change]		
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(17) In order to enhance transparency, the names of experts that have assisted the Commission or relevant funding bodies in application of this Regulation should be published. Where the publication of the names would <i>unduly</i> prejudice his or her privacy, the Commission or funding bodies should be able to refrain from the publication of such names.	AMD 28 (17) In order to enhance transparency, the names <i>of the legal entities awarded funding and</i> of experts that have assisted the Commission or relevant funding bodies in application of this Regulation should be published. Where the publication of the names would <i>justifiably prejudice the commercial interests of participants or</i> endanger the security or integrity of the expert or would unduly prejudice his or her privacy, the Commission or funding bodies should be able to refrain from the publication of such names. <i>[no change]</i>		
(18) Personal data relating to the experts should be processed in accordance with Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data¹⁵. ¹⁵ . OJ L 8, 12.1.2001, p. 1.			

(19) Rules governing the exploitation and dissemination of results should be laid down to ensure that the participants protect, exploit and disseminate those results as appropriate, in particular the possibility of additional exploitation conditions in the European strategic interest.	<u>AMD 29</u> (19) Rules governing the exploitation and dissemination of results should be laid down to ensure that the participants protect, exploit and disseminate those results as appropriate, in particular the possibility of additional exploitation <i>and dissemination or licensing</i> conditions in the European strategic interest <i>or in the predominant public interest. It is necessary to place more emphasis on the widest possible use and dissemination of knowledge generated by the supported activities whilst recognising the importance of intellectual property rights.</i>		
	<u>AMD 30</u> (19a) <i>In order to enhance transparency, steps shall be taken by the Commission or relevant funding body to disclose, upon request from Union citizens or their directly elected representatives, the details of projects undertaken under Horizon 2020.</i>		
	<u>AMD 31</u> (19b) <i>All research and innovation build on the capacity of scientists, research institutions, businesses and citizens to openly access, share and use scientific information. However, intellectual property rights must be respected.</i>		

	AMD 32 <i>(19c) The setting up of patent pools should be encouraged in order to allow the sharing of patented scientific data and increase collaborative efforts and R&D cooperation on specific technological needs. Patent pools would be particularly suitable for technologies that are both complex and expensive allowing the avoidance of the blocking of research due to patent thicket situations.</i>		
(20) For reasons of legal certainty and clarity, Regulation (EC) No 1906/2006 should be repealed.	<i>[no change]</i>		
HAVE ADOPTED THIS REGULATION:	<i>[no change]</i>		

TITLE I: INTRODUCTORY PROVISIONS

COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12)	COUNCIL PGA (10.10.12)	COMPROMISE TEXT
<i>Article 1</i> Subject matter and scope	<i>Article 1</i> Subject matter and scope	<i>Article 1</i> Subject matter and scope	
1. This Regulation lays down specific rules for the participation in indirect actions undertaken under Regulation (EU) No XX/XX of the European Parliament and of the Council [Horizon 2020], including the participation in indirect actions funded by funding bodies in accordance with Article 9(2) of that Regulation.	[no change]	[no change]	
This Regulation also lays down the rules governing the dissemination of results.	[no change]	This Regulation also lays down the rules governing the exploitation and dissemination of results.	
2. Subject to the specific rules laid down in this Regulation, the relevant rules of Regulation (EU) No XX/2012 of the European Parliament and of the Council [the Financial Regulation] and Commission Regulation (EU) No XX/2012 [its Delegated Regulation] shall apply.	[no change]	[no change]	

3. A funding body may establish rules which depart from those laid down in this Regulation (EU) No XX/2012 [the Financial Regulation] if this is provided for in the basic act or, subject to the consent of the Commission, if its specific operating needs so require.	AMD 33 3. A funding body The EIT may establish rules which depart from those laid down in this Regulation or Regulation (EU, <i>Euratom</i>) No 966/2012 if this is provided for in the basic act or, subject to the consent of the Commission, if its specific operating needs so require, in particular in relation to ownership, access rights, exploitation and dissemination of results. [no change]	[no change]	
4. This Regulation shall not apply to direct actions carried out by the Joint Research Centre (JRC).	[no change]	[no change]	

COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12)	COUNCIL PGA (10.10.12)	COMPROMISE TEXT
<i>Article 2</i> Definitions	<i>Article 2</i> Definitions	<i>Article 2</i> Definitions	
1. For the purposes of this Regulation, the following definitions apply:	[no change]	[no change]	
(1) ' <i>access rights</i> ' means rights to use results or background under the terms and conditions laid down in accordance with this Regulation;	[no change]	[no change]	
	AMD 34 (1a) ' <i>action</i> ' means project;		
(2) ' <i>affiliated entity</i> ' means any legal entity that is under the direct or indirect control of a participant, or under the same direct or indirect control as the participant, or is directly or indirectly controlling a participant;	AMD 35 (2) ' <i>affiliated entity</i> ' means any legal entity that is under the direct or indirect control of a participant, or under the same direct or indirect control as the participant, or is directly or indirectly controlling a participant. Control may take any of the forms set out in Article 7(2);	(2) ' <i>affiliated entity</i> ' means any legal entity that is under the direct or indirect control of a participant, or under the same direct or indirect control as the participant, or is directly or indirectly controlling a participant; control may take any of the forms set out in Article 7;	
(3) ' <i>associated country</i> ' means a third country which is party to an international agreement with the Union, as identified in Article 7 of Regulation (EU) No XX/XX [Horizon 2020];	[no change]	[no change]	

(4) <i>'background'</i> means any data, know-how and/or information whatever their form or nature as well as any rights such as intellectual property rights which are (i) held by participants prior to their accession to the action and (ii) identified by the participants in accordance with Article 42;	AMD 36 (4) 'background' means any data, know-how and/or information whatever their form or nature, <i>tangible or intangible, including as well as</i> any rights such as intellectual property rights which are: (i) held by participants prior to their accession to the action <i>or prior to the application which was filed before their accession to the action and, (ii) needed for carrying out the indirect action or for using the results of the indirect action, and</i> (iii) identified by the participants in accordance with Article 42;	(4) <i>'background'</i> means any data, know-how and/or information whatever their form or nature, <i>tangible or intangible, including as well as</i> any rights such as intellectual property rights which are (i) held by participants prior to their accession to the action and (ii) identified by the participants in accordance with Article 42 and (iii) needed for carrying out the action or for exploiting the results of the action;	
	AMD 37 (4a) <i>'needed access' means:</i> (i) <i>in the context of the implementation of the action, access that is needed because, without the grant of access rights, carrying out the tasks assigned to the recipient party would be impossible, significantly delayed, or require significant additional financial or human resources.</i> (ii) <i>in the context of the use of own results, access that is needed because, without the grant of such access rights, the use of own results would be technically or legally impossible.</i>		

(5) 'basic act' means a legal act adopted by the Union institutions in the form of a regulation, a directive or a decision within the meaning of Article 288 TFEU which provides a legal basis for the action;	[no change]	[no change]	
		(5a) 'close-to-market action' means an action primarily consisting of activities directly aiming at producing plans and arrangements or designs for new, altered or improved products, processes or services. For this purpose they may include prototyping, testing, demonstrating, piloting, large-scale product validation and market replication;	
	<u>AMD 38</u> (5a) 'experimental development' means the acquiring, combining, shaping and using of existing scientific, technological, business and other relevant knowledge and skills aiming at developing new, altered or improved products, processes or services, including activities such as prototyping, experimental production, testing, demonstrating, piloting, and market replication;		
	<u>AMD 39</u> (5b) 'call for proposals' means an announcement inviting proposals for research.		

	AMD 40 (5c) 'consortium' means a group of participants, made up of a coordinator and action partners, that agrees to work together to submit a proposal and potentially work on an action.		
(6) 'coordination and support action' means an action consisting primarily of accompanying measures such as dissemination, awareness raising and communication, networking, coordination or support services, policy dialogues and mutual learning exercises and studies, including design studies for new infrastructure;	[no change]	(6) 'coordination and support action' means an action consisting primarily of accompanying measures such as standardisation , dissemination, awareness raising and communication, networking, coordination or support services, policy dialogues and mutual learning exercises and studies, including design studies for new infrastructure and may also include complementary activities of networking and coordination between programmes in different countries ;	
(7) 'dissemination' means the public disclosure of the results by any appropriate means (other than resulting from protecting or exploiting the results), including by publishing in any medium;	AMD 41 (7) 'dissemination' means the public disclosure of the results by any appropriate means (other than resulting from protecting or exploiting the results), including by publishing scientific publications in any medium;	[no change]	

	AMD 42 <i>(7a) 'exploitation' means the direct or indirect use of results in further research activities other than those covered by the indirect action concerned, or for developing, creating and marketing a product or process, or for creating and providing a service;</i>	<i>(7a) 'exploitation' means the utilisation of results in further research activities other than those covered by the action concerned, or in developing, creating and marketing a product or process, or in creating and providing a service, or in standardisation activities;</i>	
	AMD 43 <i>(7b) 'fair and reasonable conditions' means appropriate conditions, including in financial terms and encompassing royalty-free conditions, which take into account the specific circumstances of the request for access, for example the actual or potential value of the results or background to which access is requested and/or the scope, duration or other characteristics of the use envisaged;</i>	<i>(7b) 'fair and reasonable conditions' means appropriate conditions including possible financial terms or royalty-free conditions, taking into account the specific circumstances of the request for access, which may be determined by the actual or potential value of the results or background to which access is requested and/or the scope, duration or other characteristics of the exploitation envisaged;</i>	

(8) <i>'funding body'</i> means a body or authority, other than the Commission, to which the Commission has entrusted budget implementation tasks in accordance with Article 9(2) of Regulation (EU) No XX/XX [Horizon 2020];	AMD 44 (8) 'funding body' means a body or authority, other than the Commission, as referred to in points (b) and (c) of Article 58(1) of Regulation (EU, Euratom) No 966/2012 , to which the Commission has entrusted budget implementation tasks in accordance with Article 9(2) of Regulation (EU) No XX/XX [Horizon 2020]; [no change]	[no change]	
(9) <i>'international European interest organisation'</i> means an international organisation, the majority of whose members are Member States or associated countries, and whose principal objective is to promote scientific and technological cooperation in Europe;	[no change]	[no change]	
(10) <i>'legal entity'</i> means undertakings, research centres and universities, encompassing any natural person, or any legal person created under national law, Union law or international law, which has legal personality and which may, acting in its own name, exercise rights and be subject to obligations;	AMD 45 (10) 'legal entity' means undertakings, research centres and universities, encompassing any natural person, or any legal person created under national law, Union law or international law, which has legal personality and which may, acting in its own name, exercise rights and be subject to obligations; (10) 'legal entity' means undertakings, research centres and universities, encompassing any natural person, or any legal person created and recognised as such under national law, Union law or international law, which has legal personality and which may, acting in its own name, exercise rights and be subject to obligations;		

	AMD 46 <i>(10a) 'non-profit legal entity' means a legal entity which by law is not allowed to have a lucrative aim or which has a legal or statutory obligation not to distribute profits or which is recognised as such by national, Union or international authorities;</i>	<i>(10a) 'non-profit legal entity' means a legal entity which by its legal form is non-profit-making or which has a legal or statutory obligation not to distribute profits to its shareholders or individual members;</i>	
(11) 'participant' means any legal entity carrying out an action or part of an action under Regulation (EU) No XX/XX [Horizon 2020] having rights and obligations with regard to the Union or another funding body under the terms of this Regulation;	<i>[no change]</i>	<i>[no change]</i>	
(12) 'programme co-fund action' means an action funded through a grant the main purpose of which is supplementing individual calls or programmes funded by entities, other than Union bodies, managing research and innovation programmes;	AMD 47 <i>(12) 'programme co-fund action' means an action funded through a grant the main purpose of which is supplementing individual calls or programmes funded by entities, other than Union bodies, managing research and innovation programmes. An action may include complementary activities of networking and coordination between programmes in different countries;</i>	<i>(12) 'programme co-fund action' means an action funded through a grant the main purpose of which is supplementing individual calls or programmes funded by entities, other than Union bodies, managing research and innovation programmes, which may also include complementary activities of networking and coordination between programmes in different countries;</i>	

(13) <i>'pre-commercial procurement'</i> means procurement of research and development services involving risk-benefit sharing under market conditions, and competitive development in phases, where there is a separation of the research and development phase from the deployment of commercial volumes of end-products;	[no change]	(13) <i>'pre-commercial procurement'</i> means procurement of research and development services involving risk-benefit sharing under market conditions, and competitive development in phases, where there is a clear separation of the research and development services procured phase from the deployment of commercial volumes of end-products; [no change]	
(14) <i>'public procurement of innovative solutions'</i> means procurement where contracting authorities act as a launch customer for innovative goods or services which are not yet available on a large-scale commercial basis, and may include conformance testing;	[no change]		
(15) <i>'results'</i> means any data, knowledge and information whatever their form or nature, whether or not they can be protected, which are generated in the action as well as any attached rights, including intellectual property rights;	AMD 48 (15) <i>'results'</i> means any tangible or intangible output of the action, such as data, knowledge and , information, whatever their form or nature, whether or not they can be protected, which are generated in the action as well as any rights attached rights to them , including intellectual property rights.	(15) <i>'results'</i> means any tangible or intangible output of the action, such as data, knowledge and information whatever their form or nature, whether or not they can be protected, which are generated in the action as well as any attached rights, including intellectual property rights;	

		AMD 49 <i>(15a) 'use' means the direct or indirect use of results in further research activities other than those covered by the indirect action concerned, or by exploitation, including, but not limited to, developing, creating and marketing a product or process, or for creating and providing a service;</i>		
		AMD 50 <i>(15b) 'SMEs' means micro-, small- and medium-sized enterprises within the meaning of Commission Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises¹;</i> ¹ <i>OJ L 124, 20.5.2003, p 36.</i> [no change]		
(16) 'work programme' means the document adopted by the Commission for the implementation of the specific programme in accordance with Article 5 of Decision No XX/XX/EU of the Council [Specific programme H2020];			[no change]	

(17) 'work plan' means the document similar to the Commission work programme adopted by funding bodies entrusted with part of the implementation of Horizon 2020 in accordance with Article 9(2) of Regulation (EU) No XX/XX [Horizon 2020].	AMD 51 (17) ' work plan ' means the document similar to the Commission work programme adopted by funding bodies entrusted with part of the implementation of Horizon 2020 in accordance with Article 9(2) of Regulation (EU) No XX/XX [Horizon 2020].	[no change]	
	AMD 52 (17a) ' <i>guaranteed by a Member State</i> ' means that a participating legal entity's financial viability is secured by a commitment of a Member State.		
2. For the purposes of point (2) of paragraph 1, control may take any of the forms set out in Article 7.	AMD 53 2. For the purposes of point (2) of paragraph 1, control may take any of the forms set out in Article 7.	2. For the purposes of point (2) of paragraph 1, control may take any of the forms set out in Article 7.	

3. For the purposes of this Regulation an entity which does not have legal personality under the applicable national law is assimilated to a legal entity provided that the conditions set out in Regulation (EU) No XX/2012 [the Financial Regulation] are complied with.	AMD 54 3. For the purposes of this Regulation an entity which does not have legal personality under the applicable national law is assimilated to a legal entity provided that the conditions set out in <i>Article 114(2)(a) of Regulation (EU, Euratom) No 966/2012 and Article 201 of the Commission delegated Regulation (EU) No XX/XX of 29.10.2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union adopted pursuant thereto</i> are complied with.	3-2. For the purposes of this Regulation an entity which does not have legal personality under the applicable national law is assimilated to a legal entity provided that the conditions set out in Regulation (EU) No XX/2012 [the Financial Regulation] are complied with.	
	AMD 55 <i>3a. For the purposes of point (10) of paragraph 1, a simplified set of rules may apply for public authorities as regards ascertaining their legal personality.</i> [no change]		
4. For the purposes of this Regulation, grant recipients shall not be considered funding bodies.		4-3. For the purposes of this Regulation, grant recipients shall not be considered funding bodies	

5. For the purposes of point (12) of paragraph 1, actions may also include complementary activities of networking and coordination between programmes in different countries.	AMD 56 5. For the purposes of point (12) of paragraph 1, actions may also include complementary activities of networking and coordination between programmes in different countries.	5. For the purposes of point (12) of paragraph 1, actions may also include complementary activities of networking and coordination between programmes in different countries.	
	AMD 57 <i>5a. The OECD definitions regarding Technological Readiness Level (TRL) will be taken into account in the classification of technological research, product development and demonstration activities.</i>		

COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12)	COUNCIL PGA (10.10.12)	COMPROMISE TEXT
<i>Article 3</i> Confidentiality	<i>Article 3</i> Confidentiality	<i>Article 3</i> Confidentiality	
Subject to the conditions established in the implementing agreements, decisions or contracts, any data, knowledge and information communicated as confidential in the frame of an action shall be kept confidential, taking due account of any rules regarding the protection of classified information.	AMD 58 Subject to the conditions established in the implementing agreements, decisions or contracts, any data, knowledge and information communicated as confidential in the frame of an action shall be kept confidential <i>by the Union institutions and bodies and the participants in an action</i> , taking due account of any rules regarding the protection of classified information.	Subject to the conditions established in the implementing agreements, decisions or contracts, any data, knowledge and information communicated as confidential in the frame of an action shall be kept confidential, taking due account of any EU law regarding the protection of and access to classified information.	
<i>Article 4</i> Information to be made available	<i>Article 4</i> Information to be made available	<i>Article 4</i> Information to be made available	
1. Without prejudice to Article 3, the Commission shall, upon request, make available to the Union institutions and bodies, any Member State or associated country, any useful information in its possession on results of a participant that has received Union funding, provided that both the following conditions are met:	AMD 59 1. Without prejudice to Article 3, the Commission shall, upon request, make available to the Union institutions and bodies, any Member State or associated country, any useful information in its possession on results generated by of a participant within an action that has received Union funding, provided that both the following conditions are met:	1. Without prejudice to Article 3, the Commission shall, upon request, make available to the Union institutions and bodies, any Member State or associated country, any useful information in its possession on results generated by of a participant within an action that has received Union funding, provided that both the following conditions are met:	

(a) the information concerned is relevant to public policy;	(a) the information concerned is relevant to public policy or in the public interest ; [no change]	[no change]	
(b) the participants have not provided sound and sufficient reasons for withholding the information concerned.			
In actions under the activity 'Secure societies' within the specific objective 'Inclusive, innovative and secure societies', the Commission may make available to Union institutions and bodies or Member States' national authorities any useful information on results of a participant that has received Union funding.	In actions under the activity 'Secure societies' within the specific objective 'Inclusive, innovative and secure societies', activities of the Societal Challenges pillar the Commission may make available to Union institutions and bodies or Member States' national authorities any useful information in at its possession on disposal on results of a participant that has received Union funding.	In actions under the activity 'Secure societies' within the specific objective 'Inclusive, innovative and secure societies' specific objective 'Secure societies - Protecting freedom and security of Europe and its citizens', the Commission may shall upon request make available to Union institutions and bodies or Member States' national authorities any useful information in its possession on results generated by of a participant within an action that has received Union funding. The Commission shall notify the participant of such communication. Where a Member State or Union body requests the communication of information, the Commission shall also notify such communication to all Member States.	

2. The provision of information pursuant to paragraph 1 shall not be deemed to transfer to the recipient any rights or obligations of the Commission or of the participants. However, the recipient shall treat any such information as confidential unless it becomes public or is made available publicly by the participants, or unless it was communicated to the Commission without restrictions concerning confidentiality. The Commission rules on security shall apply regarding classified information.	2. The Commission shall ensure the following: (a) the provision of information pursuant to paragraph 1 shall is not be deemed to transfer to the recipient any rights or obligations of the Commission or of the participants, However, (b) the recipient shall treat treats any such information as confidential unless it becomes public or is made available publicly by the participants, or unless it was communicated to the Commission without restrictions concerning confidentiality; and (c) the Commission rules on security apply regarding classified information.	[no change]	
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AMD 60	Article 4a		
	Guidance and information for potential participants		
	<i>1. The Commission shall ensure that sufficient guidance and information is made available to all potential participants, in parallel with the publication of the first annual work programme of Horizon 2020.</i>		
	<i>2. The following documents shall be drawn up in close cooperation with all relevant stakeholders and the Member States and adopted by the Commission by means of implementing acts:</i>		
	<i>(a) rules for submission, evaluation, selection, award;</i>		
	<i>(b) standard model grant agreement;</i>		
	<i>(c) rules on audit certification.</i>		
	<i>3. Furthermore, the following guidance and information documents shall be drawn up in close cooperation with all relevant stakeholders and disseminated, as appropriate, by the Commission:</i>		
	<i>(a) guidance note for beneficiaries, including detailed guidance on drafting proposals in consideration of the evaluation and selection process;</i>		
	<i>(b) guide to financial issues;</i>		

	<i>(c) guide to intellectual property rights (IPR);</i>		
	<i>(d) checklist for consortium agreement.</i>		
	<i>4. The elements of the documents referred to paragraph 2 that concern the interpretation of the rules laid down in Regulation (EU, Euratom) No 966/2012 and this Regulation shall remain valid throughout the whole duration of the programme.</i>		

	<u>AMD 61</u>		
	<i>Article 4b Code of best practice</i>		
	<i>The Commission, including agencies and bodies acting on behalf of the Commission shall respect the principles set out in Annex 0 in relation to all Horizon 2020 projects..</i>		

TITLE II : RULES FOR THE PARTICIPATION

Chapter I : GENERAL PROVISIONS

COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12)	COUNCIL PGA (10.10.12)	COMPROMISE TEXT
<i>Article 5</i> Forms of funding	<i>Article 5</i> Forms of funding	<i>Article 5</i> Forms of funding	
In accordance with Article 10 of Regulation (EU) XX/2012 [Horizon 2020], funding may take one or several of the forms of provided for by Regulation (EU) No XX/2012 [Financial Regulation], in particular grants, prizes, procurement and financial instruments.	AMD 62 In accordance with Article 10 of Regulation (EU) No. XX/2012 [Horizon 2020], funding may take one or several of the forms of provided for by Regulation (EU, Euratom) No 966/2012, in particular including grants, prizes, procurement and financial instruments.	In accordance with Article 10 of Regulation (EU) XX/2012 [Horizon 2020], funding may take one or several of the forms of provided for by Regulation (EU) No XX/2012 [Financial Regulation], in particular grants, prizes, procurement and financial instruments.	
<i>Article 6</i> Legal entities that may participate in actions	<i>Article 6</i> Legal entities that may participate in actions	<i>Article 6</i> Legal entities that may participate in actions	
1. Any legal entity regardless of its place of establishment and international organisations may participate in an action provided that the conditions laid down in this Regulation have been met as well as any conditions laid down in the relevant work programme or work plan.	[no change]	[no change]	

2. The relevant work programme may restrict the participation in Horizon 2020 or parts thereof of legal entities established in third countries where conditions for the participation of legal entities from Member States in the third country's research and innovation programmes are considered prejudicial to the Union's interests.	AMD 63 2. The relevant work programme may restrict the participation in Horizon 2020 or parts thereof of legal entities established in third countries where conditions for the participation of legal entities from Member States, or their local affiliated entities , in the third country's research and innovation programmes are considered prejudicial to the Union's interests.	[no change]	
3. The relevant work programme or work plan may exclude entities not able to provide satisfactory security guarantees, including as regards personnel security clearance if justified by security reasons.	AMD 64 3. The relevant work programme or work plan may exclude entities not able to provide satisfactory security or intellectual property protection guarantees, including as regards personnel security clearance if justified by security reasons.	[no change]	
4. The JRC may participate in actions with the same rights and obligations as a legal entity established in a Member State.	[no change]	[no change]	
	AMD 65 4a. Participation by legal entities established in third countries in the Horizon 2020 framework programme or parts thereof shall be subject to the principle of reciprocity, according to which legal entities established in the Union may participate in research and innovation programmes initiated by those countries.		

COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12)	COUNCIL PGA (10.10.12)	COMPROMISE TEXT
<i>Article 7 Independence</i>	<i>Article 7 Independence</i>	<i>Article 7 Independence</i>	
1. Two legal entities shall be regarded as independent of each other where neither is under the direct or indirect control of the other or under the same direct or indirect control as the other.	[no change]	[no change]	
2. For the purposes of paragraph 1, control may, in particular, take either of the following forms:	[no change]	[no change]	
(a) the direct or indirect holding of more than 50 % of the nominal value of the issued share capital in the legal entity concerned, or of a majority of the voting rights of the shareholders or associates of that entity;	[no change]	[no change]	
(b) the direct or indirect holding, in fact or in law, of decision making powers in the legal entity concerned.	[no change]	[no change]	

3. However, the following relationships between legal entities shall not in themselves be deemed to constitute controlling relationships:	<i>[no change]</i>	<i>[no change]</i>	
(a) the same public investment corporation, institutional investor or venture-capital company has a direct or indirect holding of more than 50 % of the nominal value of the issued share capital or a majority of voting rights of the shareholders or associates;	<i>[no change]</i>	<i>[no change]</i>	
(b) the legal entities concerned are owned or supervised by the same public body.	<i>[no change]</i>	<i>[no change]</i>	

Chapter II : GRANTS

Section I : AWARD PROCEDURE

COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12)	COUNCIL PGA (10.10.12)	COMPROMISE TEXT
<i>Article 8</i> Conditions for participation	<i>Article 8</i> Conditions for participation	<i>Article 8</i> Conditions for participation	
1. The following minimum conditions shall apply:	[no change]	[no change]	
(a) at least three legal entities shall participate in an action;	[no change]	[no change]	
(b) each of the three shall be established in a Member State or associated country;	[no change]	(b) each of the three legal entities shall be established in a different Member State or associated country;	
(c) no two of the three may be established in the same Member State or associated country;	[no change]	(e) no two of the three may be established in the same Member State or associated country;	
(d) all three legal entities shall be independent of each other within the meaning of Article 7.	[no change]	(d) (c) all three legal entities shall be independent of each other within the meaning of Article 7.	
2. For the purposes of paragraph 1, where one of the participants is the JRC, or an international European interest organisation or an entity created under Union law, it shall be deemed to be established in a Member State or associated country other than any Member State or associated country in which another participant in the same action is established.	[no change]	[no change]	

3. By way of derogation from paragraph 1, in the case of European Research Council (ERC) frontier research actions, the SME instrument, programme co-fund actions and in justified cases provided for in the work programme or work plan, the minimum condition shall be the participation of one legal entity established in a Member State or associated country.	AMD 66 3. By way of derogation from paragraph 1, in the case of European Research Council (ERC) frontier research actions, the SME instrument, programme co-fund actions and in justified cases provided for in the work programme or work plan, the minimum condition shall be the participation of one legal entity established in a Member State or associated country, given that the legal entity can compete across borders and is addressing societal challenges of a European dimension.	3. By way of derogation from paragraph 1, in the case of European Research Council (ERC) frontier research actions, the SME instrument, when the action has a clear European added value , programme co-fund actions and in justified cases provided for in the work programme or work plan, the minimum condition shall be the participation of one legal entity established in a Member State or associated country.	
4. By way of derogation from paragraph 1, in the case of coordination and support actions and training and mobility actions, the minimum condition shall be the participation of one legal entity.	[no change]	[no change]	
5. Work programmes or work plans may provide for additional conditions according to specific policy requirements or to the nature and objectives of the action, including <i>inter alia</i> conditions regarding the number of participants, the type of participant and the place of establishment.	5. If necessary and fully justified , work programmes or work plans may provide for additional conditions according to specific policy requirements or to the nature and objectives of the action, including <i>inter alia</i> conditions regarding the number of participants, the type of participant and the place of establishment.	5. Where appropriate and justified , work programmes or work plans may provide for additional conditions according to specific policy requirements or to the nature and objectives of the action, including <i>inter alia</i> conditions regarding the number of participants, the type of participant and the place of establishment.	

COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12)	COUNCIL PGA (10.10.12)	COMPROMISE TEXT
<i>Article 9</i> Eligibility for funding	<i>Article 9</i> Eligibility for funding	<i>Article 9</i> Eligibility for funding	
1. The following participants are eligible for funding from the Union:	[no change]	[no change]	
(a) any legal entity established in a Member State or associated country, or created under Union law;	[no change]	[no change]	
(b) any international European interest organisation;	[no change]	[no change]	
(c) any legal entity established in a third country identified in the work programme.	[no change]	[no change]	
	AMD 67 <i>1a. Horizon 2020 shall exclude legal entities (including any affiliated entities) whose participation would, due to the objectives they pursue, their place of establishment, the nature or the location of their activities, cause the Union to recognise as lawful or render aid or assistance in maintaining a situation created by a serious breach of international law (including international humanitarian law) where such breach has been established by a resolution of the United Nations Security Council or by a judgment or advisory opinion of the International Court of Justice.</i>		

2. In the case of a participating international organisation or in the case of a participating legal entity established in a third country, neither of which are eligible for funding according to paragraph 1, funding from the Union may be granted provided that at least one of the following conditions is fulfilled:	[no change]	[no change]	
(a) the participation is deemed essential for carrying out the action by the Commission or the relevant funding body;	AMD 68 (a) the participation is deemed essential for carrying out the action by the Commission or the relevant funding body, <i>following consultation of the European Parliament and the Council.</i>	[no change]	
(b) such funding is provided for under a bilateral scientific and technological agreement or any other arrangement between the Union and the international organisation or, for entities established in third countries, the country in which the legal entity is established.	AMD 69 (b) such funding is provided for under a bilateral scientific and technological agreement or any other arrangement between the Union and the international organisation or, for entities established in third countries, the country in which the legal entity is established. <i>Such agreement should ensure equal treatment of all Member States regardless of their membership in the international organisation.</i>	[no change]	
	AMD 70 <i>2a. The Commission shall verify fulfilment of the conditions referred to in paragraph 1.</i>		

COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12)	COUNCIL PGA (10.10.12)	COMPROMISE TEXT
<i>Article 10</i> Calls for proposals	<i>Article 10</i> Calls for proposals	<i>Article 10</i> Calls for proposals¹	
Without prejudice to the other cases provided for in Regulation (EU) No XX/2012 [Financial Regulation] and in Regulation (EU) No XX/2012 [Delegated Regulation], calls for proposals shall not be issued for coordination and support actions and programme co-fund actions to be carried out by legal entities identified in the work programmes provided that the action does not fall under the scope of a call for proposals.	<u>AMD 71</u> I. Without prejudice to the other cases provided for in Regulation (EU) No XX/2012 [Financial Regulation] and in Regulation (EU) No XX/2012 [Delegated Regulation], calls for proposals shall not be issued for coordination and support actions and programme co-fund actions to be carried out by legal entities identified in the work programmes provided that the action does not fall under the scope of a call for proposals. Calls for proposals may take any form, including open calls, which are necessary to ensure the level of flexibility imposed by the diversity of research and innovation sectors and activities, from long-term projects to short-term opportunity-seizing activities.	1. Calls for proposals shall be issued in accordance with Without prejudice to the other cases provided for in Regulation (EU) No XX/2012 [Financial Regulation] and in Regulation (EU) No XX/2012 [Delegated Regulation]]- . <u>To be added to recitals:</u> “[Whereas]: In line with the transparency principle and in addition to the publicity specified in Regulation (EU) No XX/2012 [Financial Regulation] and in Regulation (EU) No XX/2012 [Delegated Regulation], the Commission should publish calls for proposals on the Internet pages of Horizon 2020, through specific information channels, and ensure wide dissemination including via the national contact points.”	
	<u>AMD 72</u> 1a. A call for proposals shall not preliminarily restrict the number of actions to be funded under that call for proposals to only one action.		

	AMD 73 <i>1b. The number of actions funded under a call for proposals shall be determined by the criterion of excellence.</i>		
		2. As an exception, calls for proposals shall not be issued for coordination and support actions and programme co-fund actions to be carried out by legal entities identified in the work programmes or work plans provided that the action does not fall under the scope of a call for proposals.	

COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12) <i>Article 11</i>	COUNCIL PGA (10.10.12) <i>Article 11</i>	COMPROMISE TEXT
<i>Joint calls with third countries or with international organisations</i> 1. Joint calls for proposals with third countries or their scientific and technological organisations and agencies or with international organisations may be launched to jointly fund actions. Proposals shall be evaluated and selected through joint evaluation and selection procedures to be agreed upon. Such evaluation and selection procedures shall ensure compliance with the principles set out in Title VI of Regulation (EU) XX/2012 [Financial Regulation] and involve a balanced group of independent experts appointed by each party.	<i>Joint calls with third countries or with international organisations</i> <u>AMD 74</u> 1. Joint calls for proposals with third countries or their scientific and technological organisations and agencies or with international organisations may be launched to jointly fund actions <i>in areas where there is a clear European added value</i> . Proposals shall be evaluated and selected through joint evaluation and selection procedures to be agreed upon. Such evaluation and selection procedures shall ensure compliance with the principles set out in Title VI of Regulation (EU) XX/2012 [Financial Regulation] and involve a balanced group of independent experts appointed by each party.	<i>Joint calls with third countries or with international organisations</i> 1. Joint calls for proposals with third countries or their scientific and technological organisations and agencies or with international organisations may be launched to jointly fund actions in areas of common interest, priorities and expected mutual benefit . Proposals shall be evaluated and selected through joint evaluation and selection procedures to be agreed upon. Such evaluation and selection procedures shall ensure compliance with the principles set out in Title VI of Regulation (EU) XX/2012 [Financial Regulation] and involve a balanced group of independent experts appointed by each party.	

2. Legal entities receiving funding from the Union shall conclude a grant agreement with the Union or the relevant funding body. That grant agreement shall include the description of work to be done by those participants and by the participating legal entities from the third countries involved.	AMD 75 2. Legal entities receiving funding from the Union shall conclude a grant agreement with the Union or the relevant funding body. That grant agreement shall include the description of work to be done by those participants and by the participating legal entities from the third countries involved and framework conditions in particular on access rights, exploitation and dissemination.	[no change]	
3. Legal entities receiving funding from the Union shall conclude a coordination agreement with the participating legal entities receiving funding from the relevant third countries or international organisations.	[no change]	[no change]	

	AMD 76 <i>Article 11a</i> <i>Time to Bid</i>		
	<i>Shortening time periods for deciding on successful bids is a priority. However, depending on the nature of any specific call, due consideration shall also be given to the following:</i>		
	<i>(a) clear and transparent mechanisms to develop calls on specific topics will enable a level playing field and the inclusion and growth of participation. This should, where possible, be consistent across programmes and objectives;</i>		
	<i>(b) reasonable advance notice of upcoming calls can allow potential participants to form bidding consortia in advance of publication of calls and thus result in higher quality bids;</i>		
	<i>(c) maintaining a reasonable time period between the publication of a call and the deadline for submitting bids can result in higher quality bids and a more level playing field between participants with different degrees of administrative capacity, experience of participation in Union funded programmes, different languages and varying levels of English language skills; and</i>		

	<i>(d) call deadlines should be scheduled taking into account the full scope of Union calls and the academic and business calendar of potential participants.</i>		
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AMD 77	Article 11b Synergies with Cohesion funds		
	<i>In order to create synergies and efficiency with the use of Cohesion funds dedicated to research purposes, common rules for participation shall be set. One single set of rules including usage of the same Participant Identification Code (PIC) and a single entry point for all research funding from the Union , through the Participant Portal shall be established</i>		

COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12)	COUNCIL PGA (10.10.12)	COMPROMISE TEXT
<i>Article 12 Proposals</i>	<i>Article 12 Proposals</i>	<i>Article 12 Proposals</i>	
1. Where appropriate, proposals shall include a draft plan for the exploitation and dissemination of the results.	AMD 78 1. Where appropriate, proposals Proposals shall include a draft plan for the exploitation and dissemination of the results, where provided for in the work programme.	1. Where appropriate, p Proposals shall include a draft plan for the exploitation and dissemination of the results, where provided for in the work programme or work plan.	
	1a. Where appropriate, e.g. if it is expected that there will be a high volume of applications, the Commission may decide to use a two-stage application procedure, provided that it does not entail a longer period of time from proposal deadline until contract is signed (time-to-contract) or until the grant is awarded (time-to grant).		

2. Any proposal for research on human embryonic stem cells shall include, as appropriate, details of licensing and control measures that will be taken by the competent authorities of the Member States as well as details of the ethical approvals that will be provided. As regards the derivation of human embryonic stem cells, institutions, organisations and researchers shall be subject to strict licensing and control in accordance with the legal framework of the Member States involved.	2. Any proposal for research on human embryonic stem cells shall include, as appropriate, details of licensing and control measures that will be taken by the competent authorities of the Member States as well as details of the ethical approvals that will be provided, <i>as appropriate</i> . As regards the derivation of human embryonic stem cells, institutions, organisations and researchers shall be subject to strict licensing and control in accordance with the legal framework of the Member States involved.	[no change]	
3. A proposal which contravenes ethical principles or any applicable legislation, or which does not fulfil the conditions set out in Decision No XX/XX/EU [specific programme or work plan or in the call for proposals], the work programme or work plan or in the call for proposals may be excluded from the evaluation, selection and award procedures at any time.	3. A proposal which contravenes ethical principles, fundamental rights or any applicable legislation, or which does not fulfil the conditions set out in Decision No XX/XX/EU [specific programme], the work programme or work plan or in the call for proposals may be excluded from the evaluation, selection and award procedures at any time.	[no change]	

	<i>3a. Any proposal for research with the potential for further development into a novel medical technology (e.g. drugs, vaccines, medical diagnostics) shall include a draft plan specifying a strategy to guarantee the immediate and widest possible access to this technology, where lack of access rights to the technology would pose a threat to the protection of public health.</i>		
	<i>3b. Where relevant, proposals should explain how and to what extent sex and gender analysis is relevant to the intended project, and use appropriate methods developed by cutting-edge research in the field.</i>		

COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12) <i>Article 13 Ethics review</i>	COUNCIL PGA (10.10.12) <i>Article 13 Ethics review</i>	COMPROMISE TEXT
<i>Article 13 Ethics review</i> The Commission shall systematically carry out ethics reviews for proposals raising ethical issues. This review shall verify the respect of ethical principles and legislation and, in the case of research carried out outside the Union, that the same research would have been allowed in a Member State.	AMD 79 <i>I. The Commission shall systematically carry out ethics reviews for proposals raising ethical issues. This review shall verify the respect of ethical principles and Union legislation and, in the case of research carried out outside the Union, shall verify whether that the same research would have been allowed in a Member State.</i>	[no change]	
	AMD 80 <i>1a. The Commission shall make the process of ethics review as transparent as possible to the project officers and to participants.</i>		
	AMD 81 <i>1b. The Commission shall try to ensure that ethics reviews do not, where possible, result in undue delay in the start, continuation or completion of projects.</i>		
	AMD 82 <i>Article 13a Gender Review</i> <i>The Commission shall systematically carry out gender reviews for proposals, using a template with a check list attached to the guidance documents referred to in Article 4a.</i>		

<i>Article 14</i> Selection and award criteria	<i>Article 14</i> Selection and award criteria	<i>Article 14</i> Selection and award criteria	
1. The proposals submitted shall be evaluated on the basis of the following award criteria:	[no change]	[no change]	
(a) excellence;	[no change]	[no change]	
(b) impact;	[no change]	[no change]	
(c) quality and efficiency of the implementation.	[no change]	[no change]	
		² ² . To be added to recitals: "[Whereas]: The selection and award criteria mentioned in Article 14 should be applied in a transparent way and under objective and measurable parameters, taking into account the overall scope of Horizon 2020 to achieve a well-functioning European Research Area."	

2. The sole criterion of excellence shall apply for proposals for ERC frontier research actions.	[no change]	[no change]	
3. The work programme or work plan shall lay down further details of the application of the award criteria laid down in paragraph 1, and specify weightings and thresholds.	AMD 83 3. The work programme or work plan shall lay down further details of the application of the award criteria laid down in paragraph 1, and specify weightings and thresholds.	2a. The criterion of impact may be given a higher weighting for proposals for close-to-market actions. 3. The work programme or work plan shall lay down further details of the application of the award criteria laid down in paragraph 1, and specify weightings and thresholds³. ³ To be added to recitals: <i>“[Whereas]: In some cases, the two stage submission procedure could lead to a significant reduction in the total effort required of applicants, the Commission should take into account this possibility provided in the provisions of Regulation (EU) No XX/2012 [the Financial Regulation] and Regulation (EU) No XX/2012 [Delegated Regulation], where it would be consistent with the objectives of the call”.</i>	

	<i>3a. The Commission shall draw up a guide to the selection process, explaining the application of the award criteria and defining the implications of specific weightings and thresholds for the selection process. This guide shall be published in parallel with the first work programme.</i>		
	<i>3b. Where appropriate, the potential of a proposal to foster international cooperation on key topics such as standardisation shall be taken into account in the evaluation procedure.</i> [no change]		
4. Proposals shall be ranked according to the evaluation results. The selection shall be made on the basis of this ranking.		4. Proposals shall be ranked according to the evaluation results of the evaluation carried out by independent experts . The selection shall be made on the basis of this ranking.	
5. The Commission or the relevant funding body shall verify the financial capacity in advance only for coordinators when the requested funding from the Union for the action is equal or superior to EUR 500 000, unless where, on the basis of available information, there are grounds to doubt the financial capacity of the coordinator or other participants.	5. The Commission or the relevant funding body shall verify the financial capacity in advance only for coordinators when the requested funding from the Union for the action is equal or superior to EUR 500 000, unless where, on the basis of available information, there are grounds to doubt the financial capacity of the coordinator or other participants. <i>The Commission shall ensure that a simple, user-friendly electronic tool is provided to applicants to carry out their financial viability check.</i>	5. By means that are compatible with national law, the Commission or the relevant funding body shall verify the financial capacity in advance only for coordinators when the requested funding from the Union for the action is equal or superior to EUR 500 000, unless where, on the basis of available information, there are grounds to doubt the financial capacity of the coordinator or other participants.	

	5a. Where the coordinator is an SME and does not meet the financial capacity criteria, the Participant Guarantee Fund outlined in Article 32 may cover the risk.		
6. The financial capacity shall not be verified for legal entities whose viability is guaranteed by a Member State or an associated country and for higher and secondary education establishments.	6. The financial capacity shall not be verified for legal entities whose viability is guaranteed by a Member State or an associated country and for higher and secondary education establishments. Similarly, the financial and coordination capacity of under-capitalised subsidiaries or start-ups shall not be verified where their viability is guaranteed by their shareholders provided that this is renewed on a yearly basis.	[no change]	
		7. Financial capacity can be guaranteed by any other legal entity, whose financial capacity shall then be verified according to Article 14.5.	

COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12)	COUNCIL PGA (10.10.12)	COMPROMISE TEXT
<i>Article 15</i> <i>Evaluation review procedure</i>	<i>Article 15</i> <i>Evaluation review procedure</i>	<i>Article 15</i> <i>Evaluation review procedure</i>	
1. The Commission or the relevant funding body shall provide an evaluation review procedure for applicants who consider that the evaluation of their proposal has not been carried out in accordance with the procedures set out in these rules, the relevant work programme or work plan and the call for proposals.	AMD 84 1. The Commission or the relevant funding body shall provide an a fully transparent evaluation review procedure for applicants who consider that the evaluation of their proposal has not been carried out in accordance with the procedures set out in these rules, the relevant work programme or work plan and the call for proposals.	[no change]	
2. A request for review shall relate to a specific proposal, and shall be submitted by the coordinator of the proposal within 30 days of the date when the Commission or the relevant funding body informs the coordinator of the evaluation results.	[no change]	[no change]	
3. The Commission or the relevant funding body shall be responsible for the examination of this request. This examination shall only cover the procedural aspects of the evaluation, and not the merit of the proposal.	[no change]	[no change]	

	3a. Where Horizon 2020 subsidy projects are resubmitted, the Commission shall, before the evaluation, make available to the new evaluation panel the project application previously submitted and the accompanying Evaluation Summary Report (ESR). The Commission shall, with due regard for technical and scientific developments ensure that there is no inconsistency between the findings in the old and new project ESRs.		
4. An evaluation review committee composed of Commission staff or of the relevant funding body staff shall provide an opinion on the procedural aspects of the evaluation process. It shall be chaired by an official of the Commission or of the relevant funding body, from a department other than the one responsible for the call for proposals. The committee may recommend one of the following:	4. An evaluation review committee composed of Commission staff or of the relevant funding body staff shall provide an a transparent and objective opinion on the procedural aspects of the evaluation process. It shall be chaired by an official of the Commission or of the relevant funding body, from a department other than the one responsible for the call for proposals. The committee may recommend one of the following:	[no change]	
(a) re-evaluation of the proposal;	[no change]	(a) re-evaluation of the proposal primarily by evaluators not involved in the previous evaluation;	
(b) confirmation of the initial opinion.	[no change]	[no change]	

5. On the basis of that recommendation a decision shall be taken by the Commission or the relevant funding body and notified to the coordinator of the proposal.	5. On the basis of that recommendation a decision shall be taken by the Commission or the relevant funding body and notified to the coordinator of the proposal <i>within 30 days of the date on which the Commission or the relevant funding body receives the request for the review.</i>	5. On the basis of that recommendation a decision shall be taken by the Commission or the relevant funding body and notified to the coordinator of the proposal. The Commission or the relevant funding body shall take such decision without undue delay.	
6. The review procedure shall not delay the selection process of proposals which are not the subject of requests for review.	[no change]	[no change]	
7. The review procedure shall not preclude any other actions the participant may take in accordance with Union law.	[no change]	[no change]	

COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12)	COUNCIL PGA (10.10.12)	COMPROMISE TEXT
	<u>AMD 85</u> <i>Article 15a Redress</i>		
	<i>1. The Commission shall set up a formal complaints procedure for participants, which may include appointing an ombudsman or equivalent body specifically dedicated to research and innovation projects under Horizon 2020. The Commission shall ensure that participants are aware of all complaints/redress procedures available to them by publishing details of the redress/complaints procedures on all correspondence with participants or applicants. The procedure shall be transparent and the results and decision-making process shall be made available to participants.</i>		
	<i>2. Participants shall be allowed to register complaints concerning any area of their involvement in Horizon 2020. The complaints procedure shall not be limited to procedural aspects of the evaluation of proposals.</i>		

	<i>3. The Commission shall respond to complaints within 30 days of receiving them with a decision.</i> <i>4. In line with Directive 2008/52/EC of the European Parliament and of the Council of 21 May 2008 on certain aspects of mediation in civil and commercial matters, when a complaint cannot satisfactorily be solved through the complaints procedure referred to in paragraph 1, the Commission and the participants may agree to attempt to resolve the dispute through a mediation process in accordance with a mediation centre procedure. The mediation centre shall be agreed by the Commission and the participant(s), preferably from a list of mediation centres accepted by the Commission.</i> <i>5. The Commission shall set aside 0,5% of the Horizon 2020 budget for funding projects which are initially unsuccessful and which, following the redress procedure, are positively evaluated.</i>			

<i>Article 16 Grant agreement</i>	<i>Article 16 Grant agreement</i>	<i>Article 16 Grant agreement</i>	
	AMD 86 <i>-1. The Commission shall, in close cooperation with the Member States, draw up model grant agreements taking into account the characteristics of the funding scheme concerned. If a significant modification of the model grant agreement proves necessary, the Commission shall, in close cooperation with Member States, revise it as appropriate.</i>		
	<i>-1a. At the latest at the date of publication of the first call for proposals, the Commission or the relevant funding body shall make available the model grant agreement.</i> <i>[no change]</i>		
1. The Commission or the relevant funding body shall enter into a grant agreement with the participants.		1. The Commission or the relevant funding body shall enter into a grant agreement with the participants. The removal or substitution of an entity before signature of the grant agreement shall be duly justified.	

		1a. The Commission shall, in close cooperation with Member States, draw up model grant agreements between the Commission or the relevant funding body and the participants 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.	
2. The grant agreement shall establish the rights and obligations of the participants, of the Commission or the relevant funding bodies. It shall also establish the rights and obligations of legal entities which become participants during the implementation of the action.	2. The grant agreement shall establish the rights and obligations of the participants, and either of the Commission or the relevant funding bodies in compliance with this Regulation. It shall also establish the rights and obligations of legal entities which become participants during the implementation of the action as well as establishing the role and tasks of a consortium coordinator.	2. The grant agreement shall establish the rights and obligations of the participants, and either of the Commission or the relevant funding bodies. It shall also establish the rights and obligations of legal entities which become participants during the implementation of the action as well as the role and tasks of a consortium coordinator.	
	<i>It shall comply with the provisions of Regulation (EU, Euratom) No 966/2012 and Regulation (EU) No XX/XX [the Delegated Regulation].</i>		

3. The grant agreement may establish rights and obligations of the participants with regard to access rights, exploitation and dissemination, additional to those laid down in this Regulation.	3. <i>On the basis of a requirement in a work programme requirement</i> , the grant agreement may establish rights and obligations of the participants with regard to access rights, exploitation and dissemination, additional to those laid down in this Regulation. <i>The Commission shall ensure that additional rights and obligations are applied in a coherent and consistent manner.</i>	[no change]	
4. The grant agreement shall, where appropriate, reflect the general principles laid down in Commission Recommendation on the European Charter for Researchers and the Code of Conduct for the Recruitment of Researchers ¹⁶ .	4. The grant agreement shall, where appropriate, reflect the general principles laid down in Commission Recommendation on the European Charter for Researchers and the Code of Conduct for the Recruitment of Researchers, <i>principles of research integrity, Commission Recommendation on the management of intellectual property in knowledge transfer activities and Code of Practice for universities and other public research institutions as well as the gender equality principle laid down in Article 15 of Regulation (EU) No XX/XX [Horizon 2020]</i> .	4. The grant agreement shall, where appropriate and to the extent possible , reflect the general principles laid down in Commission Recommendation on the European Charter for Researchers and the Code of Conduct for the Recruitment of Researchers ⁴ , principles of research integrity, Commission Recommendation on the management of intellectual property in knowledge transfer activities and Code of Practice for universities and other public research institutions⁵ as well as the gender equality principle laid down in Article 15 of Regulation (EU) N° XX/XX [Horizon 2020 Regulation] .	
¹⁶ C(2005) 576 final, 11.3.2005		4. C(2005) 576 final, 11.3.2005 5. C(2008) 1329 final, 10.4.2008	

5. The grant agreement shall, where appropriate, contain provisions ensuring the respect of ethical principles, including the establishment of an independent ethics board and the right of the Commission to carry out an ethics audit.	5. The grant agreement shall, where appropriate, contain provisions ensuring the respect of ethical principles <i>and fundamental rights</i> , including the establishment of an independent ethics board and the right of the Commission to carry out an <i>independent</i> ethics audit.	<i>[no change]</i>	
6. Specific grants for actions may form part of a framework partnership according to the provisions of Regulation (EU) No XX/2012 [the Financial Regulation] and Regulation (EU) No [the Delegated Regulation].	6. <i>In exceptional and duly justified cases</i> , specific grants for actions may form part of a framework partnership according to the provisions of Regulation (EU) No XX/XX [the Financial Regulation] and Regulation (EU) No XX/XX [the Delegated Regulation].	6. In duly justified cases , Specific grants for actions may form part of a framework partnership according to the provisions of Regulation (EU) No XX/2012 [the Financial Regulation] and Regulation (EU) No [the Delegated Regulation].	

COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12)	COUNCIL PGA (10.10.12)	COMPROMISE TEXT
<i>Article 17 Grant decisions</i>	<i>Article 17 Grant decisions</i>	<i>Article 17 Grant decisions</i>	
Where appropriate the Commission, in accordance with Article X of Regulation (EU) No XX/2012 [Financial Regulation], or the relevant funding body may adopt grant decisions instead of entering into grant agreements. The provisions of this Regulation referring to grant agreements shall apply <i>mutatis mutandis</i> .	AMD 87 Where appropriate <i>and necessary for a streamlined approach to the action funded</i> , the Commission, in accordance with Article X of Regulation (EU, Euratom) No 966/2012, or the relevant funding body may adopt grant decisions instead of entering into grant agreements. The provisions of this Regulation referring to grant agreements shall apply <i>mutatis mutandis</i> .	Where appropriate, and in duly justified cases , the Commission, in accordance with Article X of Regulation (EU) No XX/2012 [Financial Regulation], or the relevant funding body may adopt grant decisions instead of entering into grant agreements. The provisions of this Regulation referring to grant agreements shall apply <i>mutatis mutandis</i> .	
	AMD 88 <i>Article 17a Time to grant</i>		
	<i>1. The Commission or the relevant funding body shall ensure that the average time between the deadline for proposals as established by the call for proposals and the signature of the grant agreement, or where applicable the grant decision (the 'time to grant'), shall be a maximum period of six months. This time may be prolonged by one additional month in exceptional cases or if requested by the consortium.</i>		

	<i>2. The cumulative time taken by the Commission to complete their internal process including preparation of all relevant information and documentation, evaluation and signature of grant agreements shall be no more than 60 working days.</i>		
	<i>Participants shall be given no less than 60 working days cumulatively to prepare all relevant information and documentation required.</i>		
	<i>3. Where appropriate to the nature of any specific call, due consideration shall be given to a two-stage evaluation procedure in order to reduce the costs of preparing proposals which are unsuccessful. For two-stage procedures, the average time to grant shall be nine months. There shall be consistency in the format of the outline of proposals where a two-stage procedure is used and applicants shall have sufficient time to prepare stage two of the bid.</i>		

	<i>4. The Commission shall endeavour to make decisions or requests for information as promptly as reasonably practicable. The Commission shall avoid obliging participants to re-draft or re-negotiate parts of an initial successful bid, unless there is a reasonable and justified reason for doing so.</i>		
	<i>5. Participants shall be given reasonable amounts of time to prepare information and documentation required for projects.</i>		
	<i>6. Repetitive elements of the application, grant agreement or supporting documents shall be avoided. The Commission shall refrain from asking participants for information which is already available within the administration, unless it needs to be updated, or for facts or data which the Commission can verify easily and free of charge in an authenticated, electronically accessible database (e.g. company data).</i>		
	<i>7. The Commission shall seek, where possible, to avoid timing calls in such a way that they require potential participants to submit documentation during standard academic and business vacation periods.</i>		

COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12)	COUNCIL PGA (10.10.12)	COMPROMISE TEXT
	<u>AMD 89</u> <i>Article 17b Time to Pay</i>		
	<i>1. Participants who have delivered the work which they were contracted to do, shall be paid in a timely fashion.</i>		
	<i>2. The Commission shall ensure that participants receive money owed to them within 30 days of the necessary paperwork being submitted to the Commission. The Commission shall notify the project coordinator and participants of any irregularities or additional paperwork within two weeks of information being submitted to the Commission. If no such notification is received, the Commission shall be liable to the pay amounts owed.</i>		

	<i>3. The Commission shall put in place measures to ensure that project coordinators distribute project money promptly, fairly and in accordance with the grant agreement and that money is shared among partners in proportion to what is owed to each partner. Unless agreed between all participants, project coordinators shall not withhold or phase pre-financing payments without the approval of the project officer, in particular for SMEs. Such arrangements shall be made clear in consortium agreements and have the approval of the project officer.</i>		
	<i>4. Once a payment has been made to the project coordinator, the Commission shall notify the participants of the amount that has been paid and the date on which the payment was made.</i>		

	<i>5. If one or more partner(s) have not completed the work they have been contracted to do or they have not submitted the required information or documentation to the project coordinator or the Commission, it shall not prevent the project coordinator from submitting documentation to the Commission on behalf of other partner(s) or the Commission from issuing payment to other partner(s).</i>		
	<i>6. Where new partners enter into a project after the grant agreement has been negotiated, such entry shall not alter the amount of funding allocated to the original partners unless agreed by the original partners or unless the amount of work required by them will be significantly different.</i>		
	<i>7. The Commission shall implement a hierarchical auditing process to ensure that the beneficiaries' auditors comply with an approved standard and comply with the auditing requirements of Horizon 2020. The Commission shall refrain from asking for extra information once an audit has already been submitted.</i>		

	<i>8. The Commission shall report on its payment performance by producing semi-annual statistics that present payment times for completed work. Payment times shall be defined as the time from final sign-off of the completed project by both the project coordinator and project officer (this time period itself to be no longer than one month from project completion date) to the availability of cleared funds in the participant's bank account.</i>		
	<i>9. At the request of the participant, grant agreements shall respect the academic and business calendar. This shall apply especially to projects which, for example, need to recruit PhD students who are not likely to be available during the middle of the academic calendar.</i>		

COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12)	COUNCIL PGA (10.10.12)	COMPROMISE TEXT
	<u>AMD 90</u> <i>Article 17c Communication</i>		
	<i>1. The ethics approval process shall be transparent to participants and to applicants, especially when the process is the source of a delay in the initiation of projects. Information that has already been submitted in the bid shall not need to be re-drafted for ethical approval. Where possible, the Commission shall use all the information that has already been submitted by the applicant(s) in the bid in order to grant its approval and shall only ask for additional information where it can prove that this information is absolutely necessary.</i>		

	<i>2. Participants shall be able to communicate directly with project officers in cases where they have repeated concerns regarding the management of a project or the actions of the project coordinator. If the project officer is absent, he/she shall ensure that participants have the contact details for a deputy, who is able to make decisions in the project officer's absence. Contact details for the relevant Commission officials shall be made available and made known to participants.</i>		
	<i>3. At the request of participants, and to enable them to prepare for future bids, the Commission shall give feedback to applicants on unsuccessful bids including the strengths and weaknesses as considered by the independent experts referred to in Article 37 of the Regulation.</i>		

Article 18 Secure electronic system	Article 18 Secure electronic system	Article 18 Secure electronic system	Article 18 Secure electronic system
The Commission or the relevant funding body may establish a secure electronic system for exchanges with the participants. A document submitted by means of this system, including grant agreements, shall be deemed to be the original of that document where the user identification and password of the participant's representative have been used. Such identification shall constitute the signature of the document concerned.	AMD 91 The Commission or the relevant funding body may shall establish a secure electronic system for exchanges with the participants as part of the single entry point that shall, inter alia, inform applicants of the details and timeline of their application, in an easily accessible format. The system shall provide feedback to applicants so they know when they are likely to receive a decision from the Commission or relevant funding body. A document submitted by means of this system, including grant agreements, shall be deemed to be the original of that document where the user identification and password of the participant's representative have been used. Such identification shall constitute the signature of the document concerned.	[no change]	

Section II : IMPLEMENTATION

COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12) <i>Article 19</i>	COUNCIL PGA (10.10.12) <i>Article 19</i>	COMPROMISE TEXT
<i>Article 19</i> Implementation of the action 1. The participants shall implement the action in compliance with all the conditions and obligations set out in this Regulation, Regulation (EU) No XX/2012 [Financial Regulation], Regulation (EU) No [the Delegated Regulation], Decision (EU) No XX/XX [the specific programme], the work programme or work plan, the call for proposals and the grant agreement.	Implementation of the action <i>[no change]</i>	Implementation of the action <i>[no change]</i>	
	AMD 92 <i>1a. Participants may submit to the Commission clarifications or interpretations relating to the application of this Regulation. In the absence of a Commission response within two months, the participant's clarifications or interpretations shall be deemed to have been endorsed.</i>		

2. Participants shall make no commitments which are incompatible with the grant agreement. Where a participant fails to comply with its obligations regarding the technical implementation of the action, the other participants shall comply with the obligations without any additional Union funding unless the Commission or funding body expressly relieves them of that obligation. The financial responsibility of each participant shall be limited to its own debt, subject to the provisions relating to the Fund. The participants shall ensure that the Commission or funding body is informed of any event which might affect the implementation of the action or the interests of the Union.	AMD 93 2. Participants shall make no commitments which are incompatible with this Regulation and the grant agreement. Where a participant fails to comply with its obligations regarding the technical implementation of the action, the other participants shall comply with the obligations without any additional Union funding unless the Commission or funding body expressly relieves them of that obligation. The funding provided to or reserved for a defaulting party may be made available to the remaining partners in order to cover their costs in undertaking the work originally allocated to the defaulting party. The funding shall be released to the project coordinator when action due by the defaulting party is scheduled to start. The financial responsibility of each participant shall be limited to its own debt and related to what has been directly received, subject to the provisions relating to the Fund. The participants shall ensure that the Commission or funding body is informed in due time of any significant event which might affect the implementation of the action or the interests of the Union.	[no change]	
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3. The participants shall implement the action and shall take all necessary and reasonable measures to that end. They shall have the appropriate resources as and when needed for carrying out the action. Where it is necessary for the implementation of the action, they may call upon third parties, including subcontractors, to carry out certain elements of work under the action or may use resources made available by third parties by means of contributions in kind, according to the conditions set out in the grant agreement. The participant shall retain sole responsibility towards the Commission or the relevant funding body and towards the other participants for the work carried out.	3. The participants shall implement the action and shall take all necessary and reasonable measures to that end. They shall have the appropriate resources as and when needed for carrying out the action. Where it is necessary for the implementation of the action, they may call upon third parties, including subcontractors, to carry out certain elements of work under the action or may use resources made available by third parties by means of contributions in kind, according to the conditions set out in the grant agreement. The participant shall retain sole responsibility towards the Commission or the relevant funding body and towards the other participants for the work carried out.	
<i>[no change]</i>	3. The participants shall implement the action and shall take all necessary and reasonable measures to that end. They shall have the appropriate resources as and when needed for carrying out the action. Where it is necessary for the implementation of the action, they may call upon third parties, including subcontractors, to carry out certain elements of work under the action or may use resources made available by third parties by means of contributions in kind, according to the conditions set out in the grant agreement. The participant shall retain sole responsibility towards the Commission or the relevant funding body and towards the other participants for the work carried out.	
4. The award of subcontracts for carrying out certain elements of the action shall be limited to the cases provided for in the grant agreement	AMD 94 4. The award of subcontracts for carrying out certain elements of the action shall be limited to the cases provided for in the grant agreement and cases that could not be clearly foreseen at the time of its entry into force. In these cases, prior approval by the Commission shall be requested; such an approval can not be unreasonably denied.	<i>[no change]</i>

5. Third parties other than subcontractors may carry out part of a participant's work under the action, provided that the third party and the work to be carried out by it are identified in the grant agreement.	AMD 95 5. <i>The involvement of third parties other than, not including project subcontractors, who may carry out part of a participant's the research work under the action, provided that the third party and the work to be carried out by it are shall be identified in the grant agreement.</i> [no change]	5. Third parties other than subcontractors may carry out part of a participant's work under the action; provided that the under the conditions laid down in the grant agreement. The third party and the work to be carried out by it are shall be identified in the grant agreement. [no change]	
Costs incurred by these third parties may be deemed eligible if the third party meets all the following conditions:	[no change]	[no change]	
(a) it is eligible for funding if it were a participant;	[no change]	[no change]	
(b) it is an affiliated entity or has a link to a participant in the framework of a legal structure covering a collaboration not limited to the project;	[no change]	(b) it is an affiliated entity or has a legal link to a participant in the framework of a legal structure covering implying a collaboration not limited to the project action ;	
(c) it is identified in the grant agreement;	[no change]	[no change]	
(d) it abides by the rules applicable to the participant under the grant agreement with regard to eligibility of costs and control of expenditure.	[no change]	[no change]	
		(e) it accepts joint and several liability with the participant for the Union contribution corresponding to the amount declared by the third party.	

6. Third parties may also make available resources to a participant by means of contributions in kind to the action. Costs incurred by third parties in relation to their in-kind contributions which are made free of charge are eligible for funding provided they meet the conditions established in the grant agreement.	<i>[no change]</i>	<i>[no change]</i>	
7. The action may involve financial support to third parties under the conditions established in Regulation (EU) No XX/2012 [Financial Regulation] and Regulation (EU) No XX/2012 [Delegated Regulation]. The amounts referred to in Article [127(2)(c)] of Regulation (EU) XX/2012 [the Financial Regulation] may be exceeded where it is necessary to achieve the objectives of an action.	<i>[no change]</i>	<i>[no change]</i>	

8. The action carried out by participants which are contracting authorities within the meaning of Directives 2004/17/EC¹⁷, 2004/18/EC¹⁸ and 2009/81/EC¹⁹ of the European Parliament and of the Council may involve or have as primary aim pre-commercial procurement and procurement of innovative solutions, where provided for in a work programme or a work plan and required for its implementation. In such a case, the rules set out in Article 35(2) and in Article 49(2) and (3) shall apply to the procurement procedures carried out by the participants. 17. OJ L 134, 30.4.2004, p. 1. 18. OJ L 134, 30.4.2004, p. 114. 19. OJ L 216, 20.8.2009, p. 76.	[no change]	[no change]	
9. Participants shall comply with national legislation, regulations and ethical rules in the countries where the action will be carried out. Where appropriate, participants shall seek the approval of the relevant national or local ethics committees prior to the start of the action.	AMD 96 9. Participants shall comply with national legislation, regulations and, ethical rules and principles of research integrity in the Union and associated countries where the action will be carried out. Where appropriate, participants shall seek the approval of the relevant national or local ethics committees prior to the start of the action. Actions which are carried out by third countries and funded by the Commission shall comply with Union law.	[no change]	

10. Work using animals shall be carried out in accordance with Article 13 TFEU and shall comply with the requirement to replace, reduce and refine the use of animals for scientific purposes in accordance with Union legislation and in particular with Directive 2010/63/EU of the European Parliament and the Council ²⁰ .	[no change]	[no change]	
²⁰ . OJ L 276, 20.10.2010,p.33.		¹⁰	
		¹⁰ . To be added to recitals: "Whereas: For close-to-market actions care should be taken to ensure that this neither distorts competition nor leads to market interference without sufficient cause."	

COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12)	COUNCIL PGA (10.10.12)	COMPROMISE TEXT
<i>Article 20 Consortium</i>	<i>Article 20 Consortium</i>	<i>Article 20 Consortium</i>	
1. The members of any consortium wishing to participate in an action shall appoint one of them to act as coordinator which shall be identified in the grant agreement.	[no change]	[no change]	
	AMD 97 <i>The coordinator shall be the principal point of contact between the members of the consortium, represent the consortium in relations with the Commission or the relevant funding body and monitor the compliance by members of the consortium with their obligations under the grant agreement.</i>		
	<i>This, however, shall not prevent individual members of the consortium from being able to enter into direct dialogue with the Commission or the relevant funding body, in particular when they have concerns over the actions of the coordinator.</i>		

2. The members of a consortium participating in an action shall conclude an internal agreement (the consortium agreement), except in duly justified cases provided for in the work programme or work plan or call for proposals.	2. The members of a consortium participating in an action shall conclude an internal agreement <i>that establishes the rights and obligations of the members in the consortium</i> (the consortium agreement), except in duly justified cases provided for in the work programme or work plan or call for proposals.	2. The members of a consortium participating in an action shall conclude an internal agreement (the consortium agreement), except in duly justified cases provided for in the work programme or work plan or call for proposals. The Commission shall publish guidelines on the main issues that may be addressed by participants in their consortium agreements.	
	2a. Such consortium agreement may stipulate inter alia the following:		
	(a) the internal organisation of the consortium;		
	(b) the distribution of the Union funding;		
	(c) rules on dissemination, use and access rights, additional to those in Title III, Chapter I, and to the provisions in the grant agreement;		
	(d) the settlement of internal disputes including cases of abuse of power;		
	(e) liability, indemnification and confidentiality arrangements between the participants.		

	<i>The members of the consortium may make all arrangements in the consortium they deem fit to the extent those arrangements are not in conflict with the grant agreement and this Regulation.</i>		
	<i>2b. The Commission shall publish, together with the invitation to submit project proposals, guidelines concerning the principal issues which participants can deal with in their consortium agreements.</i>		
3. The consortium may propose to add or remove a participant in accordance with the respective provisions of the grant agreement, provided that this change is in conformity with the conditions for participation, does not adversely affect the implementation of the action and is not contrary to the principle of equal treatment.	3. The consortium may propose to add or remove a participant or change a coordinator in accordance with the respective provisions of the grant agreement, provided that this change is in conformity with the conditions for participation, does not adversely affect the implementation of the action and is not contrary to the principle of equal treatment.	[no change]	

Section III : FORMS OF GRANTS AND FUNDING RULES

COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12)	COUNCIL PGA (10.10.12)	COMPROMISE TEXT
<i>Article 21</i> Forms of grants	<i>Article 21</i> Forms of grants	<i>Article 21</i> Forms of grants	
Grants may take any of the forms provided for in Article [116] of Regulation (EU) No XX/2012 [the Financial Regulation].	AMD 98 Grants may take any of the forms provided for in Article [116] of Regulation (EU, Euratom) No 966/2012, taking into account the objectives of the action.	[no change]	
<i>Article 22</i> Funding of the actions	<i>Article 22</i> Funding of the actions	<i>Article 22 23¹¹</i> Funding of the actions II. To be added to recitals: "Whereas: The reimbursement rates mentioned in Article 23 are referred to as maximum in order to comply with the non-profit requirement and the co-financing principle, and to allow participants to ask for a lower rate. By principle, the reimbursement rates should however be 100 or 70%."	
1. The funding for an action shall not exceed the total eligible costs minus the receipts of the action.	[no change]	[no change]	

2. The following shall be considered as receipts of the action:	<i>[no change]</i>	<i>[no change]</i>	
(a) Resources made available by third parties to the participants by means of financial transfers or contributions in kind free of charge, provided that they have been contributed by the third party specifically to be used in the action;	<i>[no change]</i>	(a) Resources made available by third parties to the participants by means of financial transfers or contributions in kind free of charge, the value of which has been declared as eligible costs by the participant , provided that they have been contributed by the third party specifically to be used in the action;	
(b) Income generated by the action, except income generated by the exploitation of the results of the action;	<i>[no change]</i>	<i>[no change]</i>	
(c) Income generated from the sale of assets purchased under the grant agreement up to the value of the cost initially charged to the action by the participant.	<i>[no change]</i>	<i>[no change]</i>	

3. A single reimbursement rate of the eligible costs shall be applied per action for all activities funded therein. The maximum rate shall be fixed in the work programme or work plan.	AMD 99 3. A single For reimbursement rate of the eligible costs shall be applied per action for all activities funded therein. The, the following maximum rates shall be fixed in the work programme or work plan. apply:	[no change]	
	* (see table below)		

Table linked to EP amendment 99 on Article 22, paragraph 3

<i>Type of activity</i>	<i>Method of cost calculation</i>	<i>Type of participant</i>	
		<i>University/ RTOs/SMEs/Others</i>	<i>Industry</i>
<i>Research & Development & Experimental development</i>	<i>direct eligible costs + flat rate (Article 24)</i>	100%+20%	70% +20%
	<i>full costs (Article 24)</i>	70%	50%

	AMD 100 <i>3a. Eligible costs shall be composed of costs attributable directly to the action, ('direct eligible costs') and, where applicable, of costs which are not attributable directly to the action, but which have been incurred in direct relationship with the direct eligible costs attributed to the action ('indirect eligible costs').</i>		
4. The Horizon 2020 grant may reach a maximum of 100 % of the total eligible costs, without prejudice to the co-financing principle.	AMD 99 (continued) <i>4. For a non-profit participant or an SME participant, the Horizon 2020 grant may reach a maximum of 100 % of the total total direct eligible costs, without prejudice to the co-financing principle.</i>	<i>[no change]</i>	
	<i>4a. For a non-profit participant or an SME participant that has opted to determine its indirect eligible costs based on indirect costs actually incurred in accordance with Article 24(2), the Horizon 2020 grant shall amount to 70% of total eligible costs.</i>		
	<i>For an industry participant, the Horizon 2020 grant shall be limited to a maximum of 70 % of the direct eligible costs, without prejudice to the co-financing principle.</i>		

	<i>For an industry participant that has opted to determine its indirect eligible costs based on indirect costs actually incurred in accordance with Article 24(2), the Horizon 2020 grant shall amount to 50% of total eligible costs.</i>		
5. The Horizon 2020 grant shall be limited to a maximum of 70 % of the total eligible costs for the following actions:	5. The Horizon 2020 grant shall be limited to a maximum of 70 % of the total eligible costs for the following actions:	[no change]	
(a) actions primarily consisting of activities such as prototyping, testing, demonstrating, experimental development, piloting, market replication;	(a) actions primarily consisting of activities such as prototyping, testing, demonstrating, experimental development, piloting, market replication;	(a) actions primarily consisting of activities such as prototyping, testing, demonstrating, experimental development, piloting, market replication; close-to-market actions;	
(b) programme co-fund actions.	(b) 5. Regarding programme co-fund actions, the applicable rate shall be fixed in the work programme.	[no change]	
		For close-to-market actions, as an exception to paragraph 3 of this Article, the Horizon 2020 grant may reach a maximum of 100% of the total eligible costs for non-profit legal entities, without prejudice to the co-financing principle.	
	<i>For programme co-fund actions and other indirect actions that consist mainly in large-scale experimental development activities, the applicable rate may be a maximum of 35% of direct eligible costs.</i>		

		<i>For the purposes of this Regulation and in accordance with Article [119] of Regulation (EU, Euratom) No 966/2012, co-funding may take the form of cumulative financing from separate budget lines in justified cases provided for in the work programme, without prejudice to the avoidance of double-funding of the same cost item.</i>		
6. The reimbursement rates determined in this Article shall also apply in the case of actions where flat rate, scale of unit or lump-sum financing is fixed for the whole or part of an action.		<i>[no change]</i>	<i>[no change]</i>	
		<i>6a. In cases where money allocated to a project has not been spent, the Commission shall provide the appropriate means to allow money to be returned to the Horizon 2020 budget.</i>		
		<i>6b. Regarding the validation process that is used to verify the type of participant, the records of the unique registration facility in the Participant Portal shall be used. For entities that have been validated in previous framework programmes, no repeated validation shall be necessary, unless the entity's legal status has changed or, in case of SMEs, a company no longer falls within the SME definition.</i>		

COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12)	COUNCIL PGA (10.10.12)	COMPROMISE TEXT
<i>Article 23</i> Eligibility of costs	<i>Article 23</i> Eligibility of costs	<i>Article 23 22</i> Eligibility of costs	
1. Conditions for eligibility of costs are defined in Article X of Regulation (EU) No xx [the Financial Regulation/Delegated Regulation]. Costs incurred by third parties under the action may be eligible according to the provisions of this Regulation and of the grant agreement.	[no change]	[no change]	
2. Ineligible costs are those not complying with the above conditions in particular provisions for possible future losses or charges, exchange losses, costs related to return on capital, costs reimbursed in respect of another Union action or programme, debt and debt service charges and excessive or reckless expenditure.	[no change]	[no change]	
	AMD 101 <i>2a. Value added tax ('VAT') paid by, and which cannot be refunded to, the beneficiary according to the applicable national legislation, shall be considered as an eligible cost.</i>		

			<i>Article 22a</i> <i>Direct eligible personnel costs</i>	
			1. Without prejudice to the conditions laid down in Article 22, direct eligible personnel costs shall be limited to salaries plus social security charges and other costs included in the remuneration of personnel assigned to the action, arising from the national law or the employment contract.	
			2. Without prejudice to the conditions laid down in Article 22, additional remuneration to personnel assigned to the action, including payments on the basis of supplementary contracts regardless of their nature, may also be considered as direct eligible personnel costs, up to the amount set out in paragraph 3, if they fulfil the following additional conditions: (a) It is part of the usual remuneration practices of the participant and is paid in a consistent manner whenever the same kind of work or expertise is required;	

			(b) The criteria used to calculate the supplementary payments are objective and of general application by the participant, independently from the source of funding used. 3. Additional remuneration may be eligible up to EUR 8 000 per year and per person. For a person not working exclusively for the action, a limit per hour shall apply. The limit per hour shall be calculated by dividing EUR 8 000 by the number of annual productive hours calculated in accordance with Article 25.	

COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12)	COUNCIL PGA (10.10.12)	COMPROMISE TEXT
<i>Article 24</i> Indirect costs	<i>Article 24</i> Indirect costs	<i>Article 24</i> Indirect costs	
1. Indirect eligible costs shall be determined by applying a flat rate of 20% of the total direct eligible costs, excluding direct eligible costs for subcontracting and the costs of resources made available by third parties which are not used on the premises of the beneficiary, as well as financial support to third parties.	[no change]	1. Indirect eligible costs shall be determined by applying a flat rate of 20% 25% of the total direct eligible costs, excluding direct eligible costs for subcontracting and the costs of resources made available by third parties which are not used on the premises of the beneficiary, as well as financial support to third parties.	
	AMD 102 <i>1a. Alternatively, a participant may opt to determine its indirect eligible costs based on indirect costs that are actually incurred in direct relationship with the eligible costs attributed to the project, according to the beneficiary's usual cost accounting practices. In this case the reimbursement rates for full costs calculation stipulated in Article 22(3) shall apply.</i>		
2. By way of derogation from paragraph 1, indirect costs may be declared in the form of a lump sum or scale of unit costs when provided for in the work programme or work plan.	[no change]	[no change]	

	AMD 103 <i>2a. The beneficiary shall be able to exercise the same method for the declaration of indirect eligible costs consistently for all actions under Horizon 2020 in which it participates.</i>		
		<i>Article 24a</i> <i>Evaluation of the funding levels</i>	
		The interim evaluation of Horizon 2020 shall include an evaluation of the impact of the various features introduced with the new funding levels laid down in Articles 22a, 23 and 24, with the aim to evaluate whether the new approach has led to undesired situations adversely affecting the attractiveness of the Framework programme.	

COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12)	COUNCIL PGA (10.10.12)	COMPROMISE TEXT
<i>Article 25</i> <i>Annual productive hours</i>	<i>Article 25</i> <i>Annual productive hours</i>	<i>Article 25</i> <i>Annual productive hours</i>	
1. Eligible personnel costs shall only cover the actual hours worked by the persons directly carrying out work under the action. The evidence regarding the actual hours worked shall be provided by the participant, normally through a time recording system.	AMD 104 1. Eligible personnel costs shall only cover the actual hours worked by the persons directly carrying out work under the action. The evidence regarding the actual hours worked shall be provided by the participant, normally through a in accordance with the participant's own official time recording system. [no change]	[no change]	
2. For persons working exclusively for the action, no time recording is required. In such cases, the participant shall sign a declaration confirming that the person concerned has worked exclusively for the action.	[no change]	[no change]	
3. The grant agreement shall contain the minimum requirements for the time recording system as well as the number of annual productive hours to be used for the calculation of the hourly personnel rates.	3. The grant agreement shall contain: (i) the minimum requirements for the time recording system as well as ; (ii) the method for establishing the number of annual productive hours to be used for the calculation of the hourly personnel rates taking into account the participant's usual accounting practices.	3. The grant agreement shall contain: (a) the minimum requirements for the time recording system as well as ; (b) the option to choose between the fixed number of annual productive hours and the method for establishing the number of annual productive hours to be used for the calculation of the hourly personnel rates taking account of the participant's usual accounting practices.	

COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12)	COUNCIL PGA (10.10.12)	COMPROMISE TEXT
<i>Article 26</i> Personnel costs of the owners of small and medium-sized enterprises and natural persons without salary The owners of small and medium-sized enterprises who do not receive a salary and other natural persons who do not receive a salary may charge personnel costs on the basis of a scale of unit cost.	<i>Article 26</i> Personnel costs of the owners of small and medium-sized enterprises and natural persons without salary [no change]	<i>Article 26</i> Personnel costs of the owners of small and medium-sized enterprises and natural persons without salary [no change]	
<i>Article 27</i> Scales of unit costs 1. In accordance with Article X of Regulation (EU) No XX/XX [financial regulation], the Commission may establish methods to determine scales of unit costs based on:	<i>Article 27</i> Scales of unit costs AMD 105 1. In accordance with Article X of Regulation (EU, Euratom) No 966/2012, the Commission may establish methods to determine scales of unit costs based on: [no change]	<i>Article 27</i> Scales of unit costs [no change]	
(a) statistical data or similar objective means;	[no change]	[no change]	
(b) auditable historical data of the participant.	AMD 106 (b) auditable historical data of the participant participant participants. AMD 105 (continued) Once they are agreed upon, scales of unit costs are not subject to the verification that they are actually incurred.	[no change]	

2. Direct eligible personnel costs may be financed on the basis of scale of unit costs determined according to the participant's usual cost accounting practices, provided that they comply with the following cumulative criteria:	AMD 107 [no change]	[no change]	
(a) they are calculated on the basis of the total actual personnel costs recorded in the participant's general accounts which may be adjusted on the basis of budgeted or estimated elements according to the conditions defined by the Commission;	(a) they are calculated on the basis of the total actual personnel costs recorded in the participant's general accounts which may be adjusted on the basis of budgeted or estimated elements according to the conditions defined by the Commission;	[no change]	
(b) they comply with the provisions in Article 23;	[no change]	[no change]	
(c) they ensure compliance with the non-profit requirement and avoidance of double funding of costs;	(c) they ensure compliance with the non-profit requirement and avoidance of double funding of costs;	[no change]	
(d) they are calculated with due regard to the provisions on productive hours in Article 25.	(d) they are calculated with due regard to the provisions on productive hours in Article 25.	[no change]	

COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12)	COUNCIL PGA (10.10.12)	COMPROMISE TEXT
<i>Article 28</i> Certificate on the financial statements The certificate on financial statements shall cover the total amount of the grant claimed by a participant under the form of reimbursement of actual costs and under the form of scale of unit costs referred to Article 27(2). The certificate shall only be submitted when that amount is equal to or greater than EUR 325 000 at the time of claiming the payment of the balance of the grant.	<i>Article 28</i> Certificate on the financial statements AMD 108 The certificate on financial statements shall cover the total amount of the grant claimed by a participant under the form of reimbursement of actual costs and under the form of scale of unit costs referred to Article 27(2). The certificate shall only be submitted when that amount <i>of the Union's contribution, excluding contribution paid in forms of flat rates, lump sums or scale of units costs</i> is equal to or greater than EUR 325 000 at the time of claiming the payment of the balance of the grant.	<i>Article 28</i> Certificate on the financial statements [no change]	

COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12)	COUNCIL PGA (10.10.12)	COMPROMISE TEXT
<i>Article 29</i> <i>Certificates on the methodology</i>	<i>Article 29</i> <i>Certificates on the methodology</i>	<i>Article 29</i> <i>Certificates on the methodology</i>	
1. Participants that calculate and claim direct personnel costs on the basis of scale of unit costs may submit to the Commission a certificate on the methodology. That methodology shall comply with the conditions set out in Article 27(2) and meet the requirements of grant agreement.	AMD 109 1. Participants that calculate and claim direct personnel costs on the basis of scale of unit costs may or participants that claim indirect eligible costs actually incurred shall submit to the Commission a certificate on the methodology. That methodology The Commission shall comply accept such a certificate where it complies with the conditions set out in Article 24(1a) or Article 27(2) and meet the requirements of grant agreement.	<i>[no change]</i>	
2. Where the Commission accepts a certificate on the methodology, it shall be valid for all actions financed under Regulation (EU) No XX/XX [Horizon 2020] and the participant shall calculate and claim costs on its basis.	2. Where the Commission accepts a certificate on the methodology, it shall be valid for all actions financed under Regulation (EU) No XX/XX [Horizon 2020] and the participant shall calculate and claim costs on its basis. Once the Commission has accepted a certificate on the methodology, it shall not be possible to attribute to the beneficiary any error related to the beneficiary methodology.	2. Where the Commission accepts a certificate on the methodology, it shall be valid for all actions financed under Regulation (EU) No XX/XX [Horizon 2020] and the participant shall calculate and claim costs on its basis. Once the Commission has accepted a certificate on the methodology, it shall not attribute any systemic or recurrent error to the accepted methodology.	

COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12)	COUNCIL PGA (10.10.12)	COMPROMISE TEXT
<i>Article 30</i> <i>Certifying auditors</i>	<i>Article 30</i> <i>Certifying auditors</i>	<i>Article 30</i> <i>Certifying auditors</i>	
1. The certificates on the financial statements and on the methodology referred to in Articles 28 and 29 shall be established by an independent auditor qualified to carry out statutory audits of accounting documents in accordance with Directive 2006/43/EC of the European Parliament and of the Council ²¹ or similar national regulations or by a competent and independent public officer for whom the relevant national authorities have established the legal capacity to audit the participant and who has not been involved in the preparation of the financial statements.	<i>[no change]</i>	<i>[no change]</i>	
²¹ OJ L 157, 09.06.2006, p.87.			

2. Upon request by the Commission, the Court of Auditors or the European Anti-fraud Office (OLAF), the auditor who delivers the certificate on the financial statements and on the methodology shall grant access to the supporting documents and audit working papers on the basis of which a certificate on the financial statements was issued.	AMD 110 2. The Commission and the Court of Auditors shall accept the certificates referred to in paragraph 1, unless they can provide evidence to the participant that the methodology does not comply with the principles laid down in [Art. 117a 2d] of Regulation (EU, Euratom) No 966/2012. <i>In particular, the Commission shall not challenge the compliance, established ex ante, of the participant's usual cost accounting practices by ex post controls.</i> Upon request by the Commission, the Court of Auditors or the European Anti-fraud Office (OLAF), the auditor who delivers the certificate on the financial statements and on the methodology shall grant access to the supporting documents and audit working papers on the basis of which a certificate on the financial statements was issued.	[no change]	
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COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12)	COUNCIL PGA (10.10.12)	COMPROMISE TEXT
<i>Article 31</i> <i>Cumulative funding</i>	<i>Article 31</i> <i>Cumulative funding</i>	<i>Article 31</i> <i>Cumulative funding</i>	
An action for which a grant from the Union budget has been awarded may also give rise to the award of a grant on the basis of Regulation (EU) No XX/XX [Horizon 2020] provided that the grants do not cover the same cost items.	<u>AMD 111</u> An action for which a grant from the Union budget has been awarded may also give rise to the award of a grant on the basis of Regulation (EU) No XX/XX [Horizon 2020] provided that the grants <i>create added value for research and innovation</i> and do not cover the same cost items. <i>This applies especially to a grant from the Structural Funds.</i>	<i>[no change]</i>	

Section IV : GUARANTEES

COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12) <i>Article 32</i>	COUNCIL PGA (10.10.12) <i>Article 32</i>	COMPROMISE TEXT
<i>Article 32</i> Participant Guarantee Fund	Participant Guarantee Fund	Participant Guarantee Fund	
1. A participant guarantee fund ("the Fund") is hereby established and shall cover the risk associated with non-recovery of sums due to the Union under actions financed through grants by the Commission under Decision No 1982/2006/EC and by the Commission or Union bodies under "Horizon 2020" according to the Rules set out in this Regulation. The Fund shall replace and succeed the Participant Guarantee Fund set up under Regulation (EC) No 1906/2006.	<i>[no change]</i>	<i>[no change]</i>	
2. The Fund shall be operated in accordance with Article 33. Financial interest generated by the Fund shall be added to the Fund and shall serve exclusively for the purposes set out in Article 33(3).	<i>[no change]</i>	<i>[no change]</i>	

3. Where interest is insufficient to cover the operations described in Article 33(3) the Fund shall not intervene and the Commission or the relevant Union funding body shall recover directly from beneficiaries any amount owed.	<i>[no change]</i>	3. Where interest is insufficient to cover the operations described in Article 33(3) the Fund shall not intervene and the Commission or the relevant Union funding body shall recover directly from beneficiaries participants or third parties any amount owed.	
	AMD 112 <i>3a. The recovery referred to in Article 32(3) shall not apply to legal entities whose participation in the action is guaranteed by a Member State or an associated country.</i>		
4. The Fund shall be considered as a sufficient guarantee under Regulation (EU) No XX/XX [the Financial Regulation]. No additional guarantee or security may be accepted from participants or imposed on them except in the case described in paragraph 3.	<i>[no change]</i>	<i>[no change]</i>	
5. The participants in actions under Horizon 2020 whose risk is covered by the Fund shall make a contribution of 5 % of the Union funding for the action. At the end of the action the amount contributed to the Fund shall be returned to the participants, via the coordinator.	<i>[no change]</i>	5. The participants in actions under Horizon 2020 whose risk is covered by the Fund shall make a contribution of up to 5 % of the Union funding for the action. At the end of the action the amount contributed to the Fund shall be returned to the participants, via the coordinator.	

COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12)	COUNCIL PGA (10.10.12)	COMPROMISE TEXT
<i>Article 33</i> Operation of the Fund	<i>Article 33</i> Operation of the Fund	<i>Article 33</i> Operation of the Fund	
1. The Fund shall be managed by the Union represented by the Commission acting as executive agent on behalf of the participants, according to the conditions established by the grant agreement.	[no change]	[no change]	
The Commission may manage the Fund directly or entrust the financial management of the Fund either to the European Investment Bank or to an appropriate financial institution (the depository bank). The depository bank shall manage the Fund pursuant to the instructions of the Commission.	[no change]	[no change]	
2. The participants' contribution to the Fund may be offset from the initial pre-financing and be paid to the Fund on behalf of the participants.	[no change]	[no change]	

3. Where amounts are due to the Union by a participant the Commission may, without prejudice to penalties which may be imposed on the defaulting participant, take either of the following actions:	<i>[no change]</i>	<i>[no change]</i>	<i>[no change]</i>	
(a) transfer or order the depository bank to transfer directly the amount due from the Fund to the coordinator of the action. That transfer shall be made after the termination or withdrawal of the participation of the defaulting participant if the action is still ongoing and if the remaining participants agree to implement it according to the same objectives. Amounts transferred from the Fund shall be regarded as Union funding;	<i>[no change]</i>	<i>[no change]</i>	<i>[no change]</i>	
(b) recover effectively that amount from the Fund.	<i>[no change]</i>	<i>[no change]</i>	<i>[no change]</i>	
The Commission shall issue a recovery order against that participant to the benefit of the Fund. The Commission may adopt to that end a recovery decision in accordance with Regulation (EU) No XX/XX [the Financial Regulation].	<i>[no change]</i>	The Commission shall issue a recovery order against that participant or third party to the benefit of the Fund. The Commission may adopt to that end a recovery decision in accordance with Regulation (EU) No XX/XX [the Financial Regulation].		

4. The amounts recovered shall constitute revenue assigned to the Fund within the meaning of Article X of Regulation (EU) No XX/2012 [the Financial Regulation]. Once the implementation of all grants whose risk is covered by the Fund is complete, any sums outstanding shall be recovered by the Commission and entered into the budget of the Union, subject to decisions of the legislative authority.	<i>[no change]</i>	<i>[no change]</i>	
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COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12)	COUNCIL PGA (10.10.12)	COMPROMISE TEXT
Chapter IV: PRIZES, PROCUREMENT AND FINANCIAL INSTRUMENTS <i>Article 34 Prizes</i>	Chapter IV: PRIZES, PROCUREMENT AND FINANCIAL INSTRUMENTS <i>Article 34 Prizes</i>	Chapter III: PRIZES, PROCUREMENT AND FINANCIAL INSTRUMENTS <i>Article 34 Prizes</i>	
Union funding may take the form of prizes as defined in Title VII of Regulation (EU) No XX/XX [Financial Regulation].	<i>[no change]</i>	<i>[no change]</i>	
<i>Procurement, pre-commercial procurement and public procurement of innovative solutions</i> <i>Article 35</i>	<i>Procurement, pre-commercial procurement and public procurement of innovative solutions</i> <i>Article 35</i>	<i>Procurement, pre-commercial procurement and public procurement of innovative solutions</i> <i>Article 35</i>	
1. Any procurement carried out by the Commission on its own behalf or jointly with Member States shall be subject to the rules on public procurement as set out in Regulation (EU) No xx/2012 [Financial Regulation] and Regulation (EU) No XX/XX [the Delegated Regulation].	<i>[no change]</i>	<i>[no change]</i>	

2. Union funding may take the form of pre-commercial procurement or procurement of innovative solutions carried out by the Commission or the relevant funding body on its own behalf or jointly with contracting authorities from Member States and associated countries.	<i>[no change]</i>	<i>[no change]</i>	<i>[no change]</i>	
The procurement procedures:	<i>[no change]</i>	<i>[no change]</i>	<i>[no change]</i>	
(a) shall comply with the principles of transparency, non-discrimination, equal treatment, sound financial management, proportionality, and with competition rules and, where applicable, with Directives 2004/17/EC, 2004/18/EC and 2009/81/EC, or, where the Commission acts on its own behalf, with Regulation (EU) No XX/2012 [the Financial Regulation];	<i>[no change]</i>	<i>[no change]</i>	<i>[no change]</i>	
(b) may provide for specific conditions such as the place of performance of the procured activities being limited for pre-commercial procurement to the territory of the Member States and of countries associated to Horizon 2020 where duly justified by the objectives of the actions;	<i>[no change]</i>	<i>[no change]</i>	<i>[no change]</i>	

(c) may authorise the award of multiple contracts within the same procedure (multiple sourcing);	<i>[no change]</i>	<i>[no change]</i>	
(d) shall provide for the award of the contracts to the tender(s) offering best value for money.	<i>[no change]</i>	<i>[no change]</i>	

COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12)	COUNCIL PGA (10.10.12)	COMPROMISE TEXT
<i>Article 36</i> Financial instruments	<i>Article 36</i> Financial instruments	<i>Article 36</i> Financial instruments	
1. Financial instruments may take any of the forms referred to in and shall be implemented in accordance with [Title VIII] of Regulation (EU) No XX/XX [the Financial Regulation] and may be combined with grants funded under the Union budget, including under Horizon 2020.	<i>[no change]</i>	<i>[no change]</i>	
2. In accordance with Article [18(2)] of Regulation (EU) No XX/XX [the Financial Regulation], revenues and repayments generated by a financial instrument set up under Regulation (EU) No XX/XX [Horizon 2020] shall be assigned to that financial instrument.	<i>[no change]</i>	2. In accordance with [131 (5)] and Article [18(2)] of Regulation (EU) No XX/XX [the Financial Regulation], revenues shall be entered into the general budget after deduction of management costs and fees and repayments generated by a financial instrument set up under Regulation (EU) No XX/XX [Horizon 2020] shall be assigned to that financial instrument.	

3. Revenues and repayments generated by the Risk-Sharing Finance facility set up under Decision No 1982/2006/EC and the early stage part of the High-Growth and Innovative SME Facility (GIF1) set up under the Decision No 1639/2006/EC of the European Parliament and of the Council ²² , shall be assigned to the succeeding financial instruments under Regulation (EU) No XX/XX [Horizon 2020].	[no change]	[no change]	
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²². OJ L 310, 9.11.2006, p. 15.

COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12)	COUNCIL PGA (10.10.12)	COMPROMISE TEXT
Chapter VII: EXPERTS <i>Article 37</i>	Chapter VII: EXPERTS <i>Article 37</i>	Chapter IV: EXPERTS <i>Article 37</i>	
<i>Appointment of independent experts</i>	<i>Appointment of independent experts</i> AMD 113	<i>Appointment of independent experts</i>	
1. The Commission and, where appropriate, funding bodies may appoint independent experts to evaluate proposals or to advise on or assist with:	1. The Commission and, where appropriate, funding bodies may shall appoint independent experts to evaluate proposals or to advise on or assist with:	<i>[no change]</i>	
(a) the evaluation of proposals;	<i>[no change]</i>	<i>[no change]</i>	
(b) the monitoring of the implementation of actions carried out under Regulation (EU) No XX/XX [Horizon 2020] as well as of previous Research and/or Innovation Programmes;	<i>[no change]</i>	<i>[no change]</i>	
(c) the implementation of Union research and innovation policy or programmes including Horizon 2020, as well as with the achievement and functioning of the European Research Area;	<i>[no change]</i>	<i>[no change]</i>	
(d) the evaluation of Research and Innovation Programmes;	(d) the evaluation of Research and Innovation Programmes, including carrying out comparative studies with those countries excelling in R&D;	<i>[no change]</i>	
(e) the design of the Union research and innovation policy including the preparation of future programmes.	e) the design development of the Union research and innovation policy including the preparation of future programmes.	<i>[no change]</i>	

2. Independent experts shall be chosen on the basis of skills, experience and knowledge appropriate to carry out the tasks assigned to them. In cases where independent experts have to deal with classified information, the appropriate security clearance shall be required before appointment.	2. Independent experts shall be chosen on the basis of skills, experience and knowledge appropriate to carry out the tasks assigned to them. <i>When appointing independent experts, the Commission or the relevant funding body shall seek to achieve a balanced composition within the expert groups in terms of various skills, experience, and knowledge, geographical diversity and gender, depending on the field of the action.</i> In cases where independent experts have to deal with classified information, the appropriate security clearance shall be required before appointment.	[no change]	
Independent experts shall be identified and selected on the basis of calls for applications from individuals and calls addressed to relevant organisations such as national research agencies, research institutions, standardisation organisations or enterprises with a view to establishing a database of candidates.	Independent experts shall be identified and selected on the basis of calls for applications from individuals and calls addressed to relevant organisations such as national research agencies, research institutions, <i>universities</i> , standardisation organisations, <i>civil society organisations</i> or enterprises with a view to establishing a database of candidates.	[no change]	

The Commission or the relevant funding body may, if deemed appropriate and in duly justified cases, select any individual with the appropriate skills from outside the database.	The Commission or the relevant funding body may, if deemed appropriate and in duly justified cases, select any individual <i>expert</i> with the appropriate skills from outside the database. <i>The Commission or the relevant funding body shall duly inform the programme committee of these cases.</i>	The Commission or the relevant funding body may, if deemed appropriate and in duly justified cases, select any individual with the appropriate skills from outside the database.	
Appropriate measures shall be taken to seek gender balance and geographical diversity when appointing independent experts.	Appropriate measures shall be taken to seek gender balance and geographical diversity when appointing independent experts.	Appropriate measures shall be taken to seek gender balance and geographical diversity when appointing independent experts. The Commission shall have regard to gender and geographical balance when appointing independent experts. Where appropriate, the private-public sector balance shall also be sought.	
The Commission or the relevant funding body may call upon the advice of advisory bodies for the appointment of independent experts. In the case of ERC frontier research actions, the Commission shall appoint experts on the basis of a proposal from the Scientific Council of the ERC.	<i>[no change]</i>	<i>[no change]</i>	

3. The Commission or the relevant funding body 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.	3. The Commission or the relevant funding body 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. <i>Stakeholders or persons with conflicts of interests shall be prohibited from sitting 'in a personal capacity'.</i>	[no change]	
4. The appointment of the experts may take the form of a framework appointment valid for the entire duration of Horizon 2020 with specific assignments of tasks.	[no change]	[no change]	
5. The names of experts appointed in a personal capacity, who have assisted the Commission or the funding bodies in implementation of Regulation (EU) No XX/XX Horizon 2020 and Decision No XX/XX/EU [the specific programme], shall be published at least once a year on the Internet site of the Commission or the funding body. The names of experts shall be collected, processed and published in accordance with Regulation (EC) No 45/2001.	5. The names of <i>all participating experts</i> appointed in a personal capacity ; – <i>together with the scientific disciplines that they represent</i> – who have assisted the Commission or the funding bodies in implementation of Regulation (EU) No XX/XX Horizon 2020 and Decision No XX/XX/EU [the specific programme], shall be published <i>following their appointment in the period prior to the commencement of Horizon 2020, and the lists shall subsequently be updated</i> at least once a year on the Internet site of the Commission or the funding body. The names of experts shall be collected, processed and published in accordance with Regulation (EC) No 45/2001.	[no change]	

COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12)	COUNCIL PGA (10.10.12)	COMPROMISE TEXT
TITLE III: RULES GOVERNING DISSEMINATION OF RESULTS	TITLE III: RULES GOVERNING DISSEMINATION OF RESULTS	TITLE III: RULES GOVERNING DISSEMINATION OF RESULTS	
Chapter I: GRANTS			
Section I : RESULTS			
<i>Article 38</i> <i>Ownership of results</i>	<i>Article 38</i> <i>Ownership of results</i>	<i>Article 38</i> <i>Ownership of results</i>	
1. Results shall be owned by the participant generating these results.	<i>[no change]</i>	<i>[no change]</i>	

2. Where participants in an action have jointly generated results and where their respective share of the work cannot be ascertained, they shall have joint ownership of those results. The joint owners shall establish an agreement regarding the allocation and terms of exercise of that joint ownership in accordance with their obligations under the grant agreement.	AMD 114 2. Where participants in an action have jointly generated results and where their respective share of the work cannot be ascertained <i>or where it is not possible to separate such joint results for the purpose of applying, obtaining and/or maintaining the relevant patent protection or any other intellectual property right</i> , they shall have joint ownership of those results, <i>unless they agree otherwise once the results have been generated.</i> The joint owners shall establish an agreement regarding the allocation and terms of exercise of that joint ownership in accordance with their obligations under the grant agreement.	2. Where participants in an action have jointly generated results and where their respective share of the work contribution to the joint results cannot be ascertained, or where it is not possible to separate such joint results for the purpose of applying for, obtaining and/or maintaining the relevant intellectual property rights protection , they shall have joint ownership of those results. The joint owners shall establish an agreement regarding the allocation and terms of exercise of that joint ownership in accordance with their obligations under the grant agreement. The joint owners may agree not to continue with joint ownership but decide on an alternative regime, inter alia by transferring their ownership shares to a single owner with access rights for the other participants.	
	<i>Unless otherwise agreed in the joint ownership agreement, each joint owner shall be entitled to directly exploit their jointly owned results, without requiring prior consent of the other joint owners.</i>		

Unless otherwise agreed in the joint ownership agreement, each joint owner shall be entitled to grant non-exclusive licences to third parties to exploit the jointly owned results, without any right to sub-licence, subject to the following conditions:	<i>[no change]</i>	<i>[no change]</i>	
(a) prior notice shall be given to the other joint owners;	<i>[no change]</i>	<i>[no change]</i>	
(b) fair and reasonable compensation shall be provided to the other joint owners.	<i>[no change]</i>	<i>[no change]</i>	
3. If employees or any party working for a participant are entitled to claim rights to the results generated, the participant concerned shall ensure that it is possible to exercise these rights in a manner compatible with its obligations under the grant agreement.	<i>[no change]</i>	<i>[no change]</i>	

COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12)	COUNCIL PGA (10.10.12)	COMPROMISE TEXT
<i>Article 39</i> Protection of results	<i>Article 39</i> Protection of results	<i>Article 39</i> Protection of results	
1. Where results are capable of commercial or industrial application, the participant owning these results shall examine the possibility for protection and, if possible and justified given the circumstances, shall adequately protect them for an appropriate period of time and with an appropriate territorial coverage, having due regard to its legitimate interests and the legitimate interests, particularly the commercial interests, of the other participants in the action.	<u>AMD 115</u> 1. Where results are capable <i>or may reasonably be expected to be capable</i> of commercial or industrial application exploitation , the participant owning these results shall examine the possibility for protection and, if possible and justified given the circumstances, shall adequately protect them for an appropriate period of time and with an appropriate territorial coverage, having due regard to its legitimate interests and the legitimate interests of all involved participants , particularly the commercial interests of the other participants in the action .	1. Where results are capable of commercial or industrial exploitation application , the participant owning these results shall examine the possibility for protection and, if possible, reasonable and justified given the circumstances, shall adequately protect them for an appropriate period of time and with an appropriate territorial coverage, having due regard to its legitimate interests and the legitimate interests, particularly the commercial interests, of the other participants in the action.	

2. Where a participant that has received Union funding intends not to protect results generated by it for reasons other than impossibility under Union or national law or the lack of potential for commercial exploitation, and unless the participant intends to transfer them to another legal entity established in a Member State or associated country in view of their protection, it shall inform the Commission or funding body before any dissemination relating to these results takes place. The Commission on behalf of the Union or the funding body may assume ownership of these results and take the necessary steps for their adequate protection.	2. Where a participant that has received Union funding intends not to protect results generated by it for reasons other than impossibility under Union or national law or the lack of potential for commercial or industrial exploitation, and unless the participant intends to transfer them to another legal entity established in a Member State or associated country in view of their protection, it shall inform the Commission or funding body before any dissemination relating to these results takes place. The Commission on behalf of the Union or the funding body may, with the consent of the participant , may assume ownership of these results and take the necessary steps for their adequate protection, exploitation and dissemination.	2. Where a participant that has received Union funding intends not to protect results generated by it for reasons other than impossibility under Union or national law or the lack of potential for commercial or industrial exploitation, and unless the participant intends to transfer them to another legal entity established in a Member State or associated country in view of their protection, it shall inform the Commission or funding body before any dissemination relating to these results takes place. The Commission on behalf of the Union or the funding body may, with the consent of the participant concerned , assume ownership of these results and take the necessary steps for their adequate protection.
The participant may refuse consent only if it demonstrates that its legitimate interests would suffer significant harm. No dissemination relating to these results may take place until the Commission or the funding body has taken a decision or has decided that it will assume ownership and has taken the necessary steps to ensure protection. The grant agreement shall lay down time-limits in this respect.	The participant may refuse consent only if it demonstrates that its legitimate interests would suffer significant harm. No dissemination relating to these results may take place until the Commission or the funding body has taken a decision or has decided that it will assume ownership and has taken the necessary steps to ensure protection. The grant agreement The decision shall lay down time-limits in this respect be taken within 45 days.	The participant may refuse consent only if it demonstrates that its legitimate interests would suffer significant harm. No dissemination relating to these results may take place until the Commission or the funding body has taken a decision or has decided that it will assume ownership and has taken the necessary steps to ensure protection. The Commission shall make such decision without undue delay. The grant agreement shall lay down time-limits in this respect.

3. Where a participant that has received Union funding intends to abandon the protection of results or not to seek extension of such protection for reasons other than the lack of potential for commercial exploitation, it shall inform the Commission or the funding body which may continue or extend protection by assuming ownership thereof. The participant may refuse consent only if it demonstrates that its legitimate interests would suffer significant harm. The grant agreement shall lay down time-limits in this respect.	3. Where a participant that has received Union funding intends to abandon the protection of results or not to seek extension of such protection for reasons other than the lack of potential for commercial exploitation <i>within five years following the end of the action</i>, it shall inform the Commission or the funding body which may, <i>with the consent of the participant</i>, continue or extend protection by assuming ownership thereof. <i>The Commission or the funding body shall take this decision within 45 days.</i> The participant may refuse consent only if it demonstrates that its legitimate interests would suffer significant harm. The grant agreement shall lay down time-limits in this respect.	3. Where a participant that has received Union funding intends to abandon the protection of results or not to seek extension of such protection for reasons other than the lack of potential for commercial or industrial exploitation, it shall inform the Commission or the funding body which may continue or extend protection by assuming ownership thereof. The participant may refuse consent only if it demonstrates that its legitimate interests would suffer significant harm. The grant agreement shall lay down time-limits in this respect.	
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COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12)	COUNCIL PGA (10.10.12)	COMPROMISE TEXT
<i>Article 40</i> <i>Exploitation and dissemination of results</i>	<i>Article 40</i> <i>Exploitation and dissemination of results</i>	<i>Article 40</i> <i>Exploitation and dissemination of results</i>	
1. Each participant that has received Union funding shall use its best efforts to exploit the results it owns in further research or commercially, or to have them exploited by another legal entity for these purposes, in particular through transfer and licensing of results in accordance with Article 41.	<u>AMD 116</u> 1. Each participant that has received Union funding shall use its best efforts to exploit the results it owns in further research or commercially, or to have them exploited by another legal entity for these purposes, in particular through transfer and licensing of results in accordance with Article 41.	1. Each participant that has received Union funding shall use its best efforts to exploit the results it owns in further research or commercially, or to have them exploited by another legal entity for these purposes, in particular through transfer and licensing of results in accordance with Article 41 ¹³ .	
		¹³ To be added to recitals: <i>"[Whereas:] Participants that have received Union funding, and that plan to exploit the results generated with such funding primarily in third countries not associated with Horizon 2020, should indicate how the Union-provided funding will benefit Europe's overall competitiveness (reciprocity principle), as set forth in the grant agreement."</i>	
Additional exploitation obligations may be laid down in the grant agreement. Any such additional obligations shall be indicated in the work programme or work plan.	Additional exploitation obligations may be laid down in the grant agreement. Any such additional obligations shall be indicated in the work programme or work plan.	Any additional exploitation obligations may be laid down in the grant agreement. Any such additional obligations shall be indicated in the work programme or work plan.	

2. Subject to any restrictions due to the protection of intellectual property, security rules or legitimate commercial interests, each participant shall through appropriate means disseminate the results it owns as soon as possible. The grant agreement may lay down time-limits in this respect.	<i>[no change]</i>	2. Subject to any restrictions due to the protection of intellectual property, security rules or legitimate commercial interests, each participant shall through appropriate means disseminate the results it owns as soon as possible. The grant agreement may lay down time-limits in this respect.	
Additional dissemination obligations may be laid down in the grant agreement.	Additional dissemination obligations may be laid down in the grant agreement. <i>Any such additional obligations shall be indicated in the work programme.</i>	Any a Additional exploitation obligations may shall be laid down in the grant agreement. Any such additional obligations shall be indicated in the work programme or work plan.	
With regard to dissemination through research publications, open access shall apply under the terms and conditions laid down in the grant agreement.	With regard to dissemination through research publications, open access shall be mandatory and apply under the terms and conditions laid down in the grant agreement. <i>Costs related to open access to research publications that result from research funded under Horizon 2020, published during or after the duration of a project, shall be eligible for reimbursement.</i>	With regard to dissemination through research scientific publications, open access shall apply under the terms and conditions laid down in the grant agreement.	

With regard to dissemination of other results, including research data, the grant agreement may lay down the terms and conditions under which open access to such results shall be provided, in particular in ERC frontier research or in other appropriate areas.	With regard to dissemination of other results, including research data, the grant agreement may lay down the terms and conditions under which open access to such results shall be provided, in particular in ERC frontier research or in other appropriate areas <i>of major societal interest, taking into account constraints pertaining to privacy, national security or intellectual property rights. The work programme shall indicate if dissemination of research data through open access is required.</i>	With regard to dissemination of other results, including research data, the grant agreement may, in the context of open access to and preservation of research data , lay down the terms and conditions under which open access to such results shall be provided, in particular in ERC and FET frontier research or in other appropriate areas, taking into account the legitimate interests of the participants and any restrictions due to the protection of intellectual property and security rules. In such case, the work programme or work plan shall indicate if dissemination of research data through open access is required.	
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Prior notice of any dissemination activity shall be given to the other participants. Following notification, a participant may object if it demonstrates that its legitimate interests in relation to its results or background would suffer significant harm by the intended dissemination. In such cases, the dissemination activity may not take place unless appropriate steps are taken to safeguard these legitimate interests. The grant agreement may lay down time-limits in this respect.	Prior notice of any dissemination activity shall be given to the other participants. Following notification, a participant may object if it demonstrates that its legitimate interests in relation to its results or background would suffer significant harm by the intended dissemination. In such cases, the dissemination activity may not take place unless appropriate steps are taken to safeguard these legitimate interests. The grant agreement may shall lay down time-limits in this respect.	Prior notice of any dissemination activity shall be given to the other participants. Following notification, a participant may object if it demonstrates that its legitimate interests in relation to its results or background would suffer significant harm by the intended dissemination. In such cases, the dissemination activity may not take place unless appropriate steps are taken to safeguard these legitimate interests. The grant agreement may-shall lay down reasonable time-limits in this respect.	3. Each participant shall report to the Commission or funding body on its exploitation and dissemination related activities. For the purposes of monitoring and dissemination by the Commission or funding body, participants shall provide any information and documents useful in accordance with the conditions laid down in the grant agreement.
3. Each participant shall report to the Commission or funding body on its exploitation and dissemination related activities. For the purposes of monitoring and dissemination by the Commission or funding body, participants shall provide any information and documents useful in accordance with the conditions laid down in the grant agreement.	3. Each participant shall report to the Commission or funding body on its exploitation and dissemination related activities. For the purposes of monitoring and dissemination by the Commission or funding body, participants shall provide any information on their exploitation and dissemination related activities and documents necessary useful in accordance with the conditions laid down in the grant agreement. To ensure transparency, such information shall be made publicly available. The grant agreement shall, inter alia, lay down time-limits in this respect.	3. Each participant shall report to the Commission or funding body on its exploitation and dissemination related activities. For the purposes of monitoring and dissemination by the Commission or funding body, participants shall provide any information on their exploitation and dissemination related activities and documents necessary useful in accordance with the conditions laid down in the grant agreement. The grant agreement shall, inter alia, lay down time-limits with respect to such reporting obligations.	3. Each participant shall report to the Commission or funding body on its exploitation and dissemination related activities. For the purposes of monitoring and dissemination by the Commission or funding body, participants shall provide any information on their exploitation and dissemination related activities and documents necessary useful in accordance with the conditions laid down in the grant agreement. The grant agreement shall, inter alia, lay down time-limits with respect to such reporting obligations.

4. All patent applications, standards, publications or any other dissemination, also in electronic form, relating to results shall include a statement, which may include visual means, that the action received financial support from the Union. The terms of that statement shall be established in the grant agreement.	4. All patent applications, standards, publications or any other dissemination, also in electronic form, relating to results shall include a statement, which may include visual means, that the action received financial support from the Union. The terms of that statement shall be established in the <i>model</i> grant agreement.	4. All patent applications, standards, publications or any other dissemination, also in electronic form, relating to results shall, if possible , include a statement, which may include visual means, that the action received financial support from the Union. The terms of that statement shall be established in the grant agreement.	
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COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12)	COUNCIL PGA (10.10.12)	COMPROMISE TEXT
<i>Article 41</i> Transfer and licensing of results	<i>Article 41</i> Transfer and licensing of results	<i>Article 41</i> Transfer and licensing of results	
1. Where a participant transfers ownership of results, it shall pass on its obligations under the grant agreement regarding those results to the transferee, including the obligation to pass them on in any subsequent transfer.	<i>[no change]</i>	<i>[no change]</i>	
Without prejudice to confidentiality obligations arising from laws or regulations in the case of mergers and acquisitions, where other participants still enjoy access rights to the results to be transferred, the participant who intends to transfer the results shall give prior notice to those other participants, together with sufficient information concerning the new owner of the results to permit the other participants to analyse the intended transfer on the possible exercise of their access rights.	AMD 117 Without prejudice to confidentiality obligations arising from laws or regulations in the case of mergers and acquisitions, where other participants still enjoy access rights or still may request the granting of access rights to the results to be transferred, the participant who intends to transfer the results shall give prior notice to those other participants, together with sufficient information concerning the intended new owner of the results to permit the other participants to analyse the effect of the intended transfer on the possible exercise of their access rights.	Without prejudice to confidentiality obligations arising from laws or regulations in the case of mergers and acquisitions, where other participants still enjoy access rights or still may request the granting of access rights to the results to be transferred, the participant who intends to transfer the results shall give prior notice to those other participants, together with sufficient information concerning the intended new owner of the results to permit the other participants to analyse the effect of the intended transfer on the possible exercise of their access rights.	

Following notification, a participant may object to the transfer of ownership if it demonstrates that the intended transfer would adversely affect the exercise of its access rights. In such case, the transfer may not take place until agreement has been reached between the participants concerned. The grant agreement may lay down time-limits.	Following notification, a participant may object to the transfer of ownership if it demonstrates that the intended transfer would adversely affect the exercise of its access rights. In such case, the transfer may not take place until agreement has been reached between the participants concerned. The model grant agreement may shall lay down time-limits.	Following notification, a participant may object to the transfer of ownership if it demonstrates that the intended transfer would adversely affect the exercise of its access rights. In such case, the transfer may not take place until agreement has been reached between the participants concerned. The grant agreement may shall lay down time-limits.	
The other participants may by prior written agreement, waive their right to prior notice and to object in the case of transfers of ownership from one participant to a specifically identified third party.	<i>[no change]</i>	<i>[no change]</i>	
2. Provided that any access rights to the results can be exercised and that any additional exploitation obligations are complied with, the participant who owns results may grant licences or otherwise give them to any legal entity, including on an exclusive basis.	2. Provided that any access rights to the results can be exercised and that any additional exploitation obligations are complied with by the participant who owns results, that participant may grant licences or otherwise give the right to exploit them the results to any legal entity, including on an exclusive basis. Exclusive licences for results may be granted subject to written confirmation by all the other participants concerned that they will waive their access rights thereto.	2. Provided that any access rights to the results can be exercised and that any additional exploitation obligations are complied with, by the participant who owns results, the latter may grant licences or otherwise give the right to exploit them to any legal entity, including on an exclusive basis.	

3. With regard to results which are generated by participants that have received Union funding, the Commission or funding body may object to transfers of ownership or to grants of an exclusive licence, to third parties established in a third country not associated to Horizon 2020, if it considers that the grant or transfer is not in accordance with the interests of the competitiveness of the Union economy or is inconsistent with ethical principles or security considerations.	3. With regard to results which are generated by participants that have received Union funding, the grant agreement may provide that the Commission or funding body or any participant in the action may object to transfers of ownership or to grants of an exclusive licence, to third parties established within the Union or in a third country not associated to Horizon 2020, if it considers that the grant or transfer is not in accordance with the interests of developing the competitiveness of the Union economy or is inconsistent with ethical principles or security considerations.	[no change]	
In such cases, the transfer of ownership or grant of exclusive licence shall not take place unless the Commission or funding body is satisfied that appropriate safeguards will be put in place.	In such cases, the transfer of ownership or grant of exclusive licence shall not take place unless the Commission or funding body or the participant in the action is satisfied that appropriate safeguards will be put in place.	[no change]	

Where appropriate, the grant agreement shall provide that the Commission or funding body is to be notified in advance of any such transfer of ownership or grant of an exclusive licence. The grant agreement shall lay down time-limits.	Where appropriate, the grant agreement shall provide that the Commission or funding body or any participant in the action is to be notified in advance of any such transfer of ownership or grant of an exclusive licence. The model grant agreement shall lay down time-limits.	[no change]	
	<i>In the field of major societal challenges (health, climate, biodiversity), licensing of results to third parties shall by default take place on non-exclusive terms so as to enable immediate competition and thereby to foster global accessibility, unless the participant can duly justify licensing results on exclusive terms.</i>		

Section II : ACCESS RIGHTS TO BACKGROUND AND RESULTS

COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12)	COUNCIL PGA (10.10.12)	COMPROMISE TEXT
<i>Article 42</i> Background Participants shall identify the background for their action in any manner in a written agreement.	<i>Article 42</i> Background Participants shall identify the necessary (AMD 119) background for their action in any manner in a written agreement writing . (AMD 118)	<i>Article 42</i> Background [no change]	
<i>Article 43</i> Access rights principles 1. Any request to exercise access rights or any waiving of access rights shall be made in writing. 2. Unless otherwise agreed by the owner of the results or background to which access is requested, access rights shall not include the right to sub-licence.	<i>Article 43</i> Access rights principles [no change] [no change]	<i>Article 43</i> Access rights principles [no change] [no change]	

3. Participants in the same action shall inform each other before their accession to the grant agreement of any legal restriction or limit to granting access to their background. Any agreement concluded thereafter by a participant regarding background shall ensure that any access rights may be exercised.	AMD 120 3. Participants in the same action shall inform each other before their accession to the grant agreement of any legal restriction or limit to granting access to their background. Any agreement concluded thereafter by a participant regarding background shall ensure that any access rights may be exercised. <i>The Commission or the funding body shall be informed of the restriction(s) before the grant agreement is concluded and shall consider the impact that the restriction(s) have or will have on the attainment of the aims of the specific project.</i>	[no change]	
4. For the purposes of access rights, fair and reasonable conditions may be royalty-free conditions.	[no change]	4. For the purposes of access rights, fair and reasonable conditions may be royalty-free conditions.	
5. The termination of the participation in an action shall not affect the obligation of such a participant to grant access under the terms and conditions established in the grant agreement.	5. The termination of the participation in an action shall not affect the obligation of such a participant to grant access <i>rights</i> under the terms and conditions established in the grant agreement.	4. 5. The termination of the participation in an action shall not affect the obligation of such a participant to grant access under the terms and conditions established in the grant agreement.	

6. Where a participant defaults on its obligations and such default is not remedied, the consortium agreement may stipulate that such a participant shall no longer enjoy access rights.	<i>[no change]</i>	5. 6- Where a participant defaults on its obligations and such default is not remedied, the consortium agreement may stipulate that such a participant shall no longer enjoy access rights.	
	6a. <i>The principles governing access rights as defined in this Article shall constitute a minimum precondition, which may be expanded at the discretion of, and by means of an agreement between, all the participants in a specific action.</i>		

COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12) <i>Article 44</i>	COUNCIL PGA (10.10.12) <i>Article 44</i>	COMPROMISE TEXT
<i>Access rights for implementation</i> 1. A participant shall enjoy access rights to the results of another participant in the same action, if such access is needed by the former to carry out its work under the action.	<i>Access rights for implementation</i> AMD 121 1. A participant shall enjoy access rights to the results of another participant in the same action, if such access is <i>rights are</i> needed by the former to carry out its work under the action. <i>(This amendment applies throughout the text. Adopting it will necessitate corresponding changes throughout.)</i> [no change]	<i>Access rights for implementation</i> 1. A participant shall enjoy access rights to the results of another participant in the same action, if such those results are needed by the former to carry out its work under the action.	
Such access shall be granted on a royalty-free basis.		[no change]	
2. A participant shall enjoy access rights to background of another participant in the same action, if such access is needed by the former to carry out its work under the action and subject to any restrictions pursuant to Article 43(3).	AMD 122 2. A participant shall enjoy access rights to background of another participant in the same action, if such access is <i>rights are</i> needed by the former to carry out its own work under the action and subject to any restrictions pursuant to Article 43(3). [no change]	2. A participant shall enjoy access rights to background of another participant in the same action, if such this background is needed by the former to carry out its work under the action and subject to any restrictions pursuant to Article 43(3). [no change]	
Such access shall be granted on a royalty-free basis, unless otherwise agreed by the participants before their accession to the grant agreement.			

COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12)	COUNCIL PGA (10.10.12)	COMPROMISE TEXT
<i>Article 45</i> <i>Access rights for exploitation</i>	<i>Article 45</i> <i>Access rights for exploitation</i>	<i>Article 44</i> <i>Access rights for exploitation</i>	
1. A participant shall enjoy access rights to the results of another participant in the same action, if such access is needed by the former to exploit its results. Subject to agreement, such access shall be granted under fair and reasonable conditions.	AMD 123 1. A participant shall enjoy access rights to the results of another participant in the same action, if such access rights are needed by the former to exploit its own results. Subject to agreement, such access rights shall be granted under fair and reasonable conditions.	1. A participant shall enjoy access rights to the results of another participant in the same action, if such access is those results are needed by the former to exploit its own results. <i>[no change]</i>	1. A participant shall enjoy access rights to the results of another participant in the same action, if such access is those results are needed by the former to exploit its own results. <i>[no change]</i>
2. A participant shall enjoy access rights to background of another participant in the same action, if such access is needed by the former to exploit its results and subject to any restrictions or limits pursuant to Article 43(3).	2. A participant shall enjoy access rights to background of another participant in the same action, if such access rights are needed by the former to exploit its own results and subject to any restrictions or limits pursuant to Article 43(3). Subject to agreement, such access rights shall be granted under fair and reasonable conditions.	2. A participant shall enjoy access rights to background of another participant in the same action, if such access this background is needed by the former to exploit its own results and subject to any restrictions or limits pursuant to Article 43(3). <i>[no change]</i>	2. A participant shall enjoy access rights to background of another participant in the same action, if such access this background is needed by the former to exploit its own results and subject to any restrictions or limits pursuant to Article 43(3). <i>[no change]</i>
Subject to agreement, such access shall be granted under fair and reasonable conditions.	Subject to agreement, such access rights shall be granted under fair and reasonable conditions.		

3. An affiliated entity established in a Member State or associated country shall, unless otherwise provided for in the consortium agreement, also have access rights to results or background under the same conditions if such access is needed to exploit the results generated by the participant to which it is affiliated.	3. An affiliated entity established in a Member State or associated country shall, unless otherwise provided for in the consortium agreement, also have access rights to results or and, subject to any restrictions or limits pursuant to Article 43(3), to background under the same fair and reasonable conditions if such access is these results and background are needed to exploit the results generated by the participant to which it is affiliated.	
3. An affiliated entity established in a Member State or associated country shall, unless otherwise provided for in the consortium agreement, also have access rights to results or and subject to any restrictions or limits pursuant to Article 43(3), to background under the same fair and reasonable conditions if such access is these results and background are needed to exploit the results generated by the participant to which it is affiliated. Such access rights shall be requested and obtained directly from the participant owning the results or background.	<i>[no change]</i>	
4. A request for access under paragraphs 1, 2 and 3 may be made up to one year after the end of the action. However, the participants may agree on a different time-limit.	4. A request for access rights under paragraphs 1, 2 and 3 may be made up to one year after the end of the action or after the termination of the requesting participant's participation in the action . However, the participants may agree on a different time-limit.	

COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12) <i>Article 46 Access rights for the Union and the Member States</i>	COUNCIL PGA (10.10.12) <i>Article 46 Access rights for the Union and the Member States</i>	COMPROMISE TEXT
<i>Article 46 Access rights for the Union and the Member States</i> 1. The Union institutions and bodies shall, for the purpose of developing, implementing and monitoring Union policies or programmes, enjoy access rights to the results of a participant that has received Union funding. Such access rights are limited to non-commercial and non-competitive use.	<i>Article 46 Access rights for the Union and the Member States</i> AMD 124 1. The Union institutions and bodies shall, for the purpose of developing, implementing and monitoring Union policies or programmes, enjoy the necessary access rights to the results of a participant that has received Union funding. Such access rights are limited to non-commercial and non-competitive use.	<i>Article 46 Access rights for the Union and the Member States</i> [no change]	
Such access shall be granted on a royalty-free basis.	Unless stipulated otherwise in the grant agreement, such access rights shall be granted on a royalty-free basis.	[no change]	
	1a. The Union or the Member State shall provide sufficient evidence to the owning participant that such access rights will contribute to developing, implementing and monitoring its policies or programmes.		
	1b. Unless stipulated otherwise in the grant agreement, such access rights shall not be extended to the participants' background, even in cases where the background is needed for use of the results, and do not include the right to sub-license.		

2. Regarding actions in the activity 'Secure societies' within the specific objective 'Inclusive, innovative and secure societies', the Union institutions and bodies as well as Member States' national authorities shall, for the purpose of developing, implementing and monitoring their policies or programmes in this area, enjoy access rights to the results of a participant that has received Union funding. Notwithstanding Article 43(2), such access rights shall include the right to authorise third parties to use the results in public procurement in the case of the development of capabilities in domains with very limited market size and a risk of market failure, and where a predominant public interest exists.	2. Regarding actions in the activity 'Secure societies' within the specific objective 'Inclusive, innovative and secure societies', the Union institutions and bodies as well as Member States' national authorities shall, for the purpose of developing, implementing and monitoring their policies or programmes in this area, enjoy access rights to the results of a participant that has received Union funding. Notwithstanding Article 43(2), such access rights shall include the right to authorise third parties to use the results in public procurement in the case of the development of capabilities in domains with very limited market size and a risk of market failure, and where a predominant public interest exists.	2. Regarding actions in the activity 'Secure societies' within under the specific objective 'Inclusive, innovative and secure societies' 'Secure societies - Protecting freedom and security of Europe and its citizens', the Union institutions and bodies as well as Member States' national authorities shall, for the purpose of developing, implementing and monitoring their policies or programmes in this area, enjoy the necessary access rights to the results of a participant that has received Union funding. Notwithstanding Article 43(2), such access rights shall include the right to authorise third parties established in a Member State to use the results in public procurement in the case of the development of capabilities in domains with very limited market size and a risk of market failure, and where a predominant public interest exists.	
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Such access shall be granted on a royalty-free basis, except for use in public procurement where it shall be granted on fair and reasonable conditions to be agreed upon. The Union funding received in generating the results shall be fully taken into account in the determination of the fair and reasonable conditions. The Commission rules on security shall apply regarding classified information.	Such access shall be granted on a royalty-free basis, except for use in public procurement where it shall be granted on fair and reasonable conditions to be agreed upon. The Union funding received in generating the results shall be fully taken into account in the determination of the fair and reasonable conditions. The Commission rules on security shall apply regarding classified information.	<i>[no change]</i>	
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COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12)	COUNCIL PGA (10.10.12)	COMPROMISE TEXT
Section III : SPECIFIC CASES	AMD 125 Section III : SPECIFIC CASES <i>Title III a: SPECIFIC PROVISIONS</i>	Section III : SPECIFIC CASES	
<i>Article 47</i> Specific provisions	AMD 126 <i>Article 47</i> Specific provisions <i>[Article deleted and replaced by new Article 49h]</i>	<i>Article 47</i> Specific provisions	
1. In the case of actions involving security-related activities, the grant agreement may lay down specific provisions, in particular on changes to the consortium's composition, classified information, exploitation, dissemination, transfers and licences of results.	<i>[Art. 49h.1]</i>	<i>[no change]</i>	
2. In the case of actions to support existing or new research infrastructures, the grant agreement may lay down specific provisions relating to users of the infrastructure.	<i>[Art. 49h.2]</i>	<i>[no change]</i>	
3. In the case of ERC frontier research actions, the grant agreement may lay down specific provisions, in particular on access rights, portability and dissemination, relating to participants, researchers and any party concerned by the action.	<i>[Art. 49h.3]</i>	<i>[no change]</i>	

4. In the case of training and mobility actions, the grant agreement may lay down specific provisions on commitments relating to the researchers benefiting from the action, ownership, access rights and portability.	<i>[Art. 49h.4]</i>	<i>[no change]</i>	
5. In the case of coordination and support actions, the grant agreement may lay down specific provisions, in particular on ownership, access rights, exploitation and dissemination.	<i>[Art. 49h.5]</i>	<i>[no change]</i>	
6. In the case of the SME instrument and grants by funding bodies targeting SMEs, the grant agreement may lay down specific provisions, in particular on ownership, access rights, exploitation and dissemination.	6. In the case of the SME instrument and grants by funding bodies targeting SMEs, the grant agreement may lay down specific provisions, in particular on ownership, access rights, exploitation and dissemination.	<i>[no change]</i>	
7. In the case of the Knowledge and Innovation Communities of the EIT, the grant agreement may lay down specific provisions, in particular on ownership, access rights, exploitation and dissemination.	7. In the case of the Knowledge and Innovation Communities of the EIT, the grant agreement may lay down specific provisions, in particular on ownership, access rights, exploitation and dissemination.	<i>[no change]</i>	

Chapter II: PRIZES AND PROCUREMENT

COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12)	COUNCIL PGA (10.10.12)	COMPROMISE TEXT
<i>Article 48 Prizes</i>	<u>AMD 127</u> <i>Article 48 Prizes</i> [Article deleted and replaced by new Article 49a]	<i>Article 48 Prizes</i>	
Any prize awarded shall be conditional on the acceptance of the appropriate publicity obligations. The work programme or work plan may contain specific obligations regarding exploitation and dissemination.	Any prize awarded shall be conditional on the acceptance of the appropriate publicity obligations. The work programme or work plan may contain specific obligations regarding exploitation and dissemination.	[no change]	
<i>Article 49 Procurement, pre-commercial procurement and public procurement of innovative solutions</i>	<u>AMD 128</u> <i>Article 49 Procurement, pre-commercial procurement and public procurement of innovative solutions</i> [Article deleted and replaced by new Article 49b]	<i>Article 49 Procurement, pre-commercial procurement and public procurement of innovative solutions</i>	
1. Unless otherwise stipulated in the call for tenders, results generated by procurement carried out by the Commission shall be owned by the Union.	1. Unless otherwise stipulated in the call for tenders, results generated by procurement carried out by the Commission shall be owned by the Union.	[no change]	

2. Specific provisions regarding ownership, access rights and licensing shall be laid down in the contracts regarding pre-commercial procurement to ensure maximum uptake of the results and to avoid any unfair advantage. The contractor generating results in pre-commercial procurement shall own at least the attached intellectual property rights. The contracting authorities shall enjoy at least royalty-free access rights to the results for their own use as well as the right to grant, or require the participating contractors to grant, non-exclusive licences to third parties to exploit the results under fair and reasonable conditions without any right to sub-licence. If a contractor fails to commercially exploit the results within a given period after the pre-commercial procurement as identified in the contract, it shall transfer any ownership of the results to the contracting authorities.	[Art. 49b.3]	2. Specific provisions regarding ownership, access rights and licensing shall be laid down in the contracts regarding pre-commercial procurement to ensure maximum uptake of the results and to avoid any unfair advantage. The contractor generating results in pre-commercial procurement shall own at least the attached intellectual property rights. The contracting authorities shall enjoy at least royalty-free access rights to the results for their own use and to the background necessary to use the results. as well as The contracting authorities shall also enjoy the right to grant, or require the participating contractors to grant, non-exclusive licences to third parties to exploit the results under fair and reasonable conditions without any right to sub-licence. If a contractor fails to commercially exploit the results within a given period after the pre-commercial procurement as identified in the contract, it shall transfer any ownership of the results to the contracting authorities.
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3. Specific provisions regarding ownership, access rights and licensing may be laid down in the contracts regarding public procurement of innovative solutions to ensure maximum uptake of the results and to avoid any unfair advantage.	<i>[Art. 49b.3, no change]</i>	<i>[no change]</i>	
	<u>AMD 129 [replacing Art. 48]</u> Article 49a Prizes		
	1. Union funding may take the form of prizes as defined in [Title VII] of Regulation (EU, Euratom) No 966/2012. The use of prizes shall be encouraged but not as a substitute for properly structured funding.		
	2. The rules of the contest shall be stipulated in the work programme.		
	3. The rules of the contest shall lay down at least the conditions for participation, the award criteria, including the deadline for proposals and the deadline for award, the amount of the prize and the payment arrangements.		
	Prizes may not be awarded directly without a contest and shall be published annually.		

	<i>4. Entries in a contest shall be evaluated by a panel of experts on the basis of the published rules of the contest.</i>		
	<i>Prizes shall then be awarded by the authorising officer responsible on the basis of the evaluation provided by the panel of experts who are free to decide whether or not to recommend the award of prizes, depending on their appraisal of the quality of the entries.</i>		
	<i>5. The amount of the prize shall not be linked to the costs incurred by the recipient.</i>		
	<i>6. Where implementation of an action or work programme requires prizes to be given to third parties by a beneficiary of a Union grant, this beneficiary may give such prizes provided that the minimum content of the rules of the contest is strictly defined in the grant decision or agreement between the beneficiary and the Commission, with no margin for discretion.</i>		
	<i>7. Regarding the dissemination of results, Title III of this Regulation shall apply. Any additional obligations for dissemination or exploitation of results shall be stipulated in the rules of the contest.</i>		

	8. <i>Where a prize is not awarded within the deadline set out in the rules of the contest, the funds allocated to the contest shall be reassigned within the same objective under Regulation (EU) No XX/XX [Horizon 2020].</i>		
	AMD 130 [replacing Art. 49] <i>Article 49b</i> Procurement, pre-commercial procurement and public procurement of innovative solutions		
	1. Any procurement carried out by the Commission jointly with Member States shall be subject to the rules on public procurement set out in Regulation (EU, Euratom) No 966/2012 and Regulation (EU) No XX/XX [the Delegated Regulation].		
	2. Union funding may take the form of pre-commercial procurement or procurement of innovative solutions carried out by the Commission jointly with contracting authorities from Member States and associated countries or by Union agencies jointly with contracting authorities from Member States and associated countries.		

	<i>The procurement procedures:</i>		
	<i>(a) shall comply with the principles of transparency, non-discrimination, equal treatment, sound financial management, proportionality, and with competition rules and, where applicable, with Directives 2004/17/EC, 2004/18/EC and 2009/81/EC.</i>		
	<i>(b) may provide for specific conditions such as the place of performance of the procured activities being limited for pre-commercial procurement to the territory of the Member States and of countries associated to Horizon 2020 where duly justified by the objectives of the actions;</i>		
	<i>(c) may authorise the award of multiple contracts within the same procedure (multiple sourcing);</i>		
	<i>(d) shall provide for the award of the contracts to the most economically advantageous tender(s).</i>		

[Art. 49.2]	3. Specific provisions regarding ownership, access rights and licensing shall be laid down in the contracts regarding pre-commercial procurement to ensure maximum uptake of the results and to avoid any unfair advantage. The contractor generating results in pre-commercial procurement shall own at least the attached intellectual property rights. The contracting authorities shall enjoy at least royalty-free access rights to the results for their own use as well as the right to grant, or require the participating contractors to grant, non-exclusive licences to third parties to exploit the results under fair and reasonable conditions without any right to sub-license, <i>unless otherwise agreed</i>. If a contractor fails to commercially exploit the results within a given period after the pre-commercial procurement as identified in the contract, it shall transfer any ownership of the results to the contracting authorities.		
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[Art. 49.3]	4. Specific provisions regarding ownership, access rights and licensing may be laid down in the contracts regarding public procurement of innovative solutions to ensure maximum uptake of the results and to avoid any unfair advantage.		
	AMD 131 <i>Article 49c</i> <i>Financial Instruments</i>		
	<i>1. Financial instruments may take any of the forms referred to in, and shall be implemented in accordance with, [Title VIII] of Regulation (EU, Euratom) No 966/2012 and may be combined with each other and with other grants funded under the Union budget, including under Horizon 2020.</i>		
	<i>2. In accordance with Article [54] of Regulation (EU, Euratom) No 966/2012, the Commission may delegate implementation tasks and management of the financial instruments to the EIB, EIF and other financial institutions.</i>		
	<i>3. In accordance with Article [18(2)] of Regulation (EU, Euratom) No 966/2012, revenues and repayments generated by a financial instrument set up under Regulation (EU) No XX/XX [Horizon 2020] shall be assigned to that financial instrument.</i>		

	<i>4. Revenues and repayments generated by the Risk-Sharing Finance facility set up under Decision No 1982/2006/EC of the European Parliament and of the Council of 18 December 2006 concerning the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007-2013)¹ and the early stage part of the High-Growth and Innovative SME Facility (GIF1) set up under the Decision No 1639/2006/EC of the European Parliament and of the Council of 24 October 2006 establishing a Competitiveness and Innovation Framework Programme (2007 to 2013)², shall be assigned to the succeeding financial instruments under Regulation (EU) No XX/XX [Horizon 2020].</i> ¹ OJ L 412, 30.12.2006, p. 1 ² OJ L 310, 9.11.2006, p. 15		
	<i>5. The Commission shall ensure that all types of financial intermediaries, including national and regional public banks as well as regional investment banks, are adequately involved in the implementation of the financial instruments.</i>		

	AMD 132			
	<i>Article 49d Public-private partnerships</i>			
	<i>In accordance with Article 19 of Regulation (EU) No XX/XX [Horizon 2020], public-private partnerships shall be identified and implemented in an open and transparent way, based on an evaluation of independent experts in accordance with Article 37 of this Regulation. This evaluation shall be based on all of the following criteria:</i>			
	<i>a) the demonstration of added value of action at Union level and the added value of the instrument of a public-private partnership;</i>			
	<i>b) the scale of impact on industrial competitiveness, sustainable growth and socio-economic issues through the definition of clear and measurable societal and competitiveness objectives, including job creation and educational/training targets, and accountability on reaching these objectives;</i>			
	<i>c) the commitment, including a balanced contribution, from all partners based on a shared vision and clearly defined objectives;</i>			

	<i>d) the scale of the resources involved and the ability to leverage additional investments in research and innovation;</i>		
	<i>e) a clear definition of roles for each of the partners and agreed key performance indicators over the period chosen;</i>		
	<i>(f) the compliance with this Regulation;</i>		
	<i>(g) the complementarity with other parts of Horizon 2020 and the alignment with the Union research and innovation strategic agenda;</i>		
	<i>(h) the involvement of all interested partners of the entire value chain, including the end-users, universities, SMEs and research institutes, in the partnership;</i>		
	<i>(i) the demonstration of an open, transparent and participatory governance system and of principles of sound financial management;</i>		
	<i>2. In accordance with Article XX of Regulation (EU) No XX/XX [Horizon 2020], public-private partnerships shall be evaluated and assessed in an open and transparent way based on the criteria referred to in paragraph 1;</i>		

	3. <i>The rules for participation and dissemination of public-private partnerships created and funded under Horizon 2020 shall comply with the Regulation (EU, Euratom) No 966/2012 , as well as the rules laid down in this Regulation, in particular in terms of intellectual property rights, transparency and openness,</i>		
	<i>The rules of public-private partnerships may deviate from the Union Staff Regulations insofar as the acts establishing these bodies according to Article 1a(2) of the Staff Regulations do not provide for an application of the Staff Regulations.</i>		
	AMD 133 <i>Article 49e</i> Public-public partnerships		
	<i>1. The rules laid down in this Regulation shall also apply to public-public partnerships as referred to in Article [20] of Regulation (EU) No XX/XX [Horizon 2020].</i>		
	<i>2. Public-public partnerships funded through the ERA-NET instrument may be eligible for co-funding under Horizon 2020, provided the following criteria are fulfilled:</i>		
	<i>(a) the added value of action at Union level;</i>		

	<i>(b) a significant level of prior financial commitments, whether in cash or in-kind, of the participating entities to the joint calls and actions</i>		
	<i>(c) harmonised rules and implementation modalities of the joint calls and actions.</i>		
	<i>3. Joint Programming Initiatives in accordance with Article 185 TFEU may be eligible for co-funding under Horizon 2020, provided the following criteria are fulfilled:</i>		
	<i>(a) an existing need for a dedicated implementation structure based on Article 185 TFEU;</i>		
	<i>(b) a high level of commitment of the participating countries, in cash or in-kind, to integration at scientific, management and financial levels;</i>		
	<i>(c) the added value of action at Union level;</i>		
	<i>(d) the critical mass, with regard to the size and the number of programmes involved, the similarity of activities and the share of relevant research they cover;</i>		
	<i>(e) the efficiency of Article 185 TFEU as the most appropriate means for achieving the objectives.</i>		

	<i>4. The Commission may entrust budget implementation tasks to a Joint Programming Initiative, provided the following criteria are fulfilled and laid down in an agreement:</i>		
	<i>(a) a clear definition of the objective to be pursued and its relevance to the objectives of Horizon 2020 and broader Union policy objectives;</i>		
	<i>(b) clear financial commitments of the participating countries, including prior commitments to pool national and/or regional investments for transnational research and innovation.</i>		
	<u>AMD 134</u> <i>Article 49f SME Instrument</i>		
	<i>1. Only SMEs may apply for calls for proposals issued under the dedicated SME instrument referred to in Article [18] of Regulation (EU) No XX/XX [Horizon 2020]. They shall be encouraged to participate jointly with other companies, research organisations and universities.</i>		

	<i>Once a company has been validated as an SME this legal status shall be assumed to prevail for the entire duration of the project, even in cases where the company, due to its growth, later on exceeds the ceilings foreseen within the SME definition.</i>		
	<i>2. Calls for proposals under the SME instruments shall be open calls, taking a bottom-up approach towards the topic to the greatest possible extent. A simplified two-stage evaluation procedure may apply, if stated so in the work programme, provided that no prolongation of the overall evaluation period is entailed.</i>		
	<i>3. In accordance with Article 17a, the 'time to contract' under the SME instrument may not exceed six months.</i>		
	<i>4. In accordance with this Regulation, the grant agreement concluded under the SME instrument may lay down specific provisions, in particular on subcontracting, ownership, access rights, exploitation and dissemination of results.</i>		

	5. Where revision of the grant agreement concluded under the SME instrument is necessary during the implementation of an action, in particular with regard to changes in the composition of a consortium, a simplified revision procedure shall apply.		
	6. The Commission shall ensure sufficient complementarities between the SME instrument under Horizon 2020 and the financial instruments under Horizon 2020 and the Programme for the Competitiveness of Enterprises and SMEs (COSME) 2014-2020 as well as schemes and instruments set up jointly with Member States, such as the Eurostars Joint Programme.		
	<u>AMD 135</u> Article 49g Fast Track to Innovation		
	1. Any legal entity that is allowed to participate in activities covered by part II ('Industrial Leadership') and part III ('Societal Challenges') of the Specific Programme (Regulation (EU) XXXX) shall be allowed to submit proposals to be considered under the Fast Track 2 Innovation Instrument.		

	<i>Within part II ('Industrial Leadership'), proposals may be submitted under every technology field identified under the specific objective 'Leadership in enabling and industrial technologies' in the [Specific Programme], without restriction to the topic of research.</i>		
	<i>Within part III ('Societal Challenges'), proposals may be submitted under every societal challenge, without restriction to the technology field.</i>		
	<i>2. Proposals may be submitted at any time. The Commission shall initiate an evaluation period twice a year, at a fixed period of time. Time between the start of an evaluation period and the award of a grant shall not exceed six months.</i>		
	<i>3. Firstly, proposals shall be ranked according to the award criteria "impact" and "quality and efficiency of the implementation". Secondly, "excellence" as the crucial award criterion shall determine the final ranking leading to the grant decision.</i>		
	<i>4. Being implemented as a fast track, no more than five legal entities shall participate in an action.</i>		
	<i>5. The Horizon 2020 grant shall be determined in accordance with Article 22 (3a).</i>		

	AMD 136 <i>Article 49h</i> <i>Other specific provisions</i>		
[Art. 47.1]	1. In the case of actions involving security-related activities, the grant agreement may lay down specific provisions, in particular on <i>pre-commercial public procurement, procurement of innovative solutions,</i> changes to the consortium's composition, classified information, <i>open access to research publications,</i> exploitation, dissemination, transfers and licences of results. 2. In the case of actions to support the <i>operation of</i> existing or new research infrastructures, <i>such as institutes,</i> the grant agreement may lay down specific provisions relating to users of the infrastructure the users' access to them.		
[Art. 47.2]	3. In the case of ERC frontier research actions, the grant agreement may lay down specific provisions, in particular on access rights, portability and dissemination, relating to participants, researchers and any party concerned by the action.		
[Art. 47.3]			

[Art. 47.4]	4. In the case of training and mobility actions, the grant agreement may lay down specific provisions on commitments relating to the researchers benefiting from the action, ownership, access rights and portability.		
[Art. 47.5]	5. In the case of coordination and support actions, the grant agreement may lay down specific provisions, in particular on ownership, access rights, exploitation and dissemination <i>of results</i> .		

TITLE IV: PROVISIONS

COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12)	COUNCIL PGA (10.10.12)	COMPROMISE TEXT
<i>Article 50</i> Repeal and transitional provisions	<i>Article 50</i> Repeal and transitional provisions	<i>Article 50</i> Repeal and transitional provisions	
1. Regulation (EC) No 1906/2006 is repealed with effect from 1 January 2014.	<i>[no change]</i>	<i>[no change]</i>	
2. Without prejudice to paragraph 1, this Regulation shall not affect the continuation or modification, including the total or partial termination of the actions concerned, until their closure, or the award of financial assistance by the Commission or funding bodies under Decision No 1982/2006/EC, or any other legislation applying to that assistance on 31 December 2013, which shall continue to apply to the actions concerned until their closure.	<i>[no change]</i>	<i>[no change]</i>	
3. Any sums from the participant Guarantee Fund set up by Regulation (EC) No 1906/2006 as well as all its rights and obligations shall be transferred to the Fund as of 31 December 2013. The participants in actions under the Seventh Framework Programme signing grant agreements after 31 December 2013 shall make their contribution to the Fund.	<i>[no change]</i>	<i>[no change]</i>	

COMMISSION PROPOSAL	EP ITRE VOTE (ITRE VOTE 28.11.12)	COUNCIL PGA (10.10.12)	COMPROMISE TEXT
<i>Article 51</i>		<i>Article 51</i>	
This Regulation shall enter into force on the third day following that of its publication in the <i>Official Journal of the European Union</i> .	<i>[no change]</i>	<i>[no change]</i>	
This Regulation shall be binding in its entirety and directly applicable in all Member States.	<i>[no change]</i>	<i>[no change]</i>	
	AMD 137		
	<i>ANNEX 0</i> <i>Commission Code of Best Practice</i>		
	<i>Time to Bid (Article 11a)</i>		
	<i>Shortening time periods for deciding on successful bids is a priority. However, depending on the nature of any specific call, due consideration should also be given to the following:</i>		
	<i>Clear and transparent mechanisms to develop calls on specific topics will enable a level playing field and the inclusion and growth of participation. This should, where possible, be consistent across programmes and objectives.</i>		
	<i>Reasonable advance notice of upcoming calls can allow potential participants to form bidding consortia in advance of publication of calls and thus result in higher quality bids.</i>		

	<i>Maintaining a reasonable time period between the publication of a call and the deadline for submitting bids can result in higher quality bids and a more level playing field between participants with different degrees of administrative capacity, experience of participation in Union funded programmes, different languages and varying levels of English language skills.</i>		
	<i>Call deadlines should be scheduled taking into account the full scope of EU calls and the academic and business calendar of potential participants.</i>		
	<i>Time to Grant (Article 17a)</i>		
	<i>The average time to grant shall be six months from the date of the negotiation offer. The cumulative time taken by the Commission to complete their internal process including preparation of all relevant information and documentation, evaluation and signature of grant agreements shall be no more than 60 working days. Participants shall be given no less than 60 working days cumulatively to prepare all relevant information and documentation required.</i>		

	<i>Where appropriate to the nature of any specific call, due consideration shall be given to a two stage evaluation procedure in order to reduce the costs of preparing proposals which are unsuccessful. For two stage procedures the average time to grant shall be nine months. There shall be consistency in the format of the outline of proposals where a two stage procedure is used and applicants shall have sufficient time to prepare stage two of the bid.</i>		
	<i>The Commission shall endeavour to make decisions or requests for information as promptly as reasonably practical. The Commission shall avoid obliging participants to re-draft or re-negotiate parts of an initial successful bid, unless there is a reasonable and justified reason for doing so.</i>		
	<i>Participants shall be given reasonable amounts of time to prepare information and documentation required for projects.</i>		

	<i>When designing the application documents and setting time limits, the Commission shall be sensitive to the fact that SMEs and university academics in particular typically have little, if any, specific capacity to deal with the preparation of administrative documents. Repetitive elements of the application, grant agreement or supporting documents shall be avoided. The Commission shall refrain from asking participants for information which is already available within the administration, unless it needs to be updated. In this respect, the Commission shall apply the "only once" principle whereby information submitted once to the administration should not be asked for again by another service of the administration i.e. enterprises should not be obliged to provide information all over again that authorities have already received by another route.</i>		
	<i>The Commission shall seek, where possible, to avoid timing calls in such a way that they require potential participants to submit documentation during standard academic and business vacation periods.</i>		

	<i>The Commission shall aim to limit the time it takes to prepare the necessary paperwork once a grant agreement has been made to 15 working days.</i>		
	<i>In appropriate cases, such as for SMEs, the Commission may usefully be allowed to waive the obligation for participants to submit part or all of the documentary evidence required if such evidence has already been submitted to them recently for another procedure and provided the relevant documents were issued within a fixed reasonable time period and are still valid. In such cases, the participant concerned could be invited to declare on his honour that the documentary evidence has already been provided in a previous procedure - to be specified - and to confirm that there has been no change in the situation.</i>		
	<i>The Commission shall not be allowed to request participants to provide facts or data which the Commission can verify easily and free of charge in an authenticated, electronically accessible database (e.g. company data).</i>		
	<i>The Commission shall not set targets on the level of subscription for individual calls.</i>		

	Time to Pay (Article 17b)		
	<i>Participants who have delivered the work which they were contracted to do, shall be paid in a timely fashion.</i>		
	<i>The Commission shall ensure that participants receive money owed to them within 30 days of the necessary paperwork being submitted to the Commission. The Commission shall notify the project coordinator and participants of any irregularities or additional paperwork within two weeks of information being submitted to the Commission. If no such notification is received the Commission shall be liable to the pay amounts owed.</i>		
	<i>The Commission shall put in place measures to ensure that Project Coordinators distribute project money promptly, fairly and in accordance with the grant agreement and that money is shared among partners in proportion to what is owed to each partner. Unless agreed between all participants, Project Coordinators shall not withhold or phase pre-financing payments without the approval of the Project Officer, in particular for SMEs. Such arrangements shall be made clear in consortium agreements and have the approval of the Project Officer.</i>		

	<i>Once a payment has been made to the project coordinator, the Commission shall notify the participants of the amount that has been paid and the date on which the payment was made.</i> <i>If one or more partner(s) have not completed the work they have been contracted to do or they have not submitted the required information or documentation to the project Coordinator or the Commission, it shall not prevent the project coordinator from submitting documentation to the Commission on behalf of other partner(s) or the Commission from issuing payment to other partner(s).</i> <i>Where new partners enter into a project after the grant agreement has been negotiated, such entry shall not alter the amount of funding allocated to the original partners unless agreed by the original partners or unless the amount of work required by them will be significantly different.</i>		

	<i>The Commission shall implement a hierarchical auditing process to ensure that the beneficiaries' auditors comply with an approved standard and comply with the auditing requirements of Horizon 2020. This will avoid the need for multiple audits, making the administrative process clearer and easier for participants. The Commission shall refrain from asking for extra information once an audit has already been submitted.</i>		
	<i>The Commission shall report on its payment performance by producing semi-annual statistics that present payment times for completed work. Payment times shall be defined as the time from final sign-off of the completed project by both the project coordinator and project officer (this time period itself to be no longer than 1 month from project completion date) to the availability of cleared funds in the participant's bank account.</i>		

	<i>At the request of the participant, grant agreements shall respect the academic and business calendar. This shall apply especially to projects which, for example, need to recruit PhD students and who are not likely to be available during the middle of the academic calendar.</i>		
	<i>Redress (Article 15a)</i>		
	<i>The Commission shall set up a formal complaints procedure for participants, which may include appointing an ombudsman or equivalent body specifically dedicated to research and innovation projects under Horizon 2020. The Commission shall ensure that participants are aware of all complaints/redress procedures available to them by publishing details of the redress/complaints procedures on all correspondence with participants or applicants. The procedure shall be transparent and the results and decision-making process shall be made available to participants.</i>		
	<i>Participants shall be allowed to register complaints concerning any area of their involvement in Horizon 2020. The complaints procedure shall not be limited to procedural aspects of the evaluation of proposals.</i>		

	<i>The Commission shall respond to complaints within 30 days of receiving them with a decision.</i>		
	<i>In line with Directive 2008/52/EC, where a complaint cannot be satisfactorily solved through the procedure referred to in the first paragraph, the Commission and the participants may agree to attempt to resolve the dispute through a mediation process in accordance a mediation centre procedure. The mediation centre shall be agreed beforehand by the Commission and the participant(s) preferably from a list of mediation centres accepted by the Commission.</i>		
	<i>The Commission shall set aside 0.5% of the Horizon 2020 budget for funding projects which are initially unsuccessful and which, following the redress procedure, are positively evaluated.</i>		

	Communication		
	<i>The ethics approval process shall be transparent to participants and to applicants, especially when this process is the source of a delay in the initiation of projects. Information that has already been submitted in the bid should not need to be re-drafted for the ethical approval. Where possible, the Commission shall use all the information that has already been submitted by the applicant(s) in the bid in order to make its approval and shall only ask for additional information where it can prove that this information is absolutely necessary.</i> <i>Participants shall be able to communicate directly with project officers in cases where they have repeated concerns regarding the management of a project or the actions of the project coordinator. If the project officer is absent, he/she shall ensure that participants have the contact details for a deputy, who is able to make decisions in the project officer's absence. Contact details for the relevant Commission officials must be made available and made known to participants.</i>		

	<i>At the request of participants, and to enable them to prepare for future bids, the Commission shall give feedback to applicants on unsuccessful bids including the strengths and weaknesses as considered by the independent experts referred to in Article 37 of this Regulation.</i>		
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