General Terms and Conditions for R&D Projects

The General Terms and Conditions for R&D Projects constitute an integral part of all R&D project contracts with the Research Council of Norway. Unless otherwise agreed in writing, the following general terms and conditions apply as from 1 January 2012.

1 Key terms

**Actual costs**: Costs that are paid for by the project and costs that are incurred by but do not elicit a payment from the project, including costs for premises, research infrastructure and personnel resources.

**Actual income**: Resources for the implementation of the project, including financial resources and the value of offices/laboratories, research infrastructure and personnel.

**Agreement document**: The document that is signed by the parties and that contains the agreed-upon specifications and stipulations for the project.

**Allocation**: Binding promise of funding from the Research Council.

**Background**: The knowledge, including intellectual property rights, that the Project Owner and partners bring into the project.

**Collaboration agreement**: Agreement regulating among other things the approach, rights and obligations between the Project Owner and the partners that have assumed obligations to participate in the project.

**Collaborative project**: Project in which the Project Owner cooperates with one or more partners.

**Commercial utilisation**: Direct or indirect use of project results in the development and marketing of products/services or processes based on the project results, or the transfer and/or licensing of use of project results to third parties, with the exception of publication through publishing houses.

**Contract**: The R&D Project Agreement Document, the project description and the General Terms and Conditions for R&D Projects issued by the Research Council, as well as any specified supplementary documents collectively comprise the contract.

**Cost plan**: A list of the actual costs expected to accrue during the project period.

**Force majeure**: Unforeseeable or exceptional circumstances beyond a party’s control.

**Funding plan**: A list of the expected actual income for the project.

**General Terms and Conditions for R&D Projects**: The document that lays down the valid terms and conditions issued by the Research Council for R&D projects.

**Grant application**: Request submitted by the Project Owner for funding for a project.

**Intellectual property rights**: All rights to technical solutions, methods, processes and procedures, regardless of whether or not these are or may be patented, as well as all copyrights and other rights to trademarks, design, plant species, databases, integrated circuit layout designs, drawings, specifications, prototypes, company-internal secrets and the like.

**Milestone**: Date on which the project's primary/secondary objectives, specific activities or events are to be reached or take place, according to the progress plan.

**Partner**: Institutions, companies and other activities (as well as any designated individuals) that the Research Council, in its contract with the Project Owner, has stipulated are under obligation to provide professional or financial resources for the implementation of the project.

**Parties to the contract**: The Research Council and the Project Owner.
2 The project

2.1 Project performance

The project shall be carried out in accordance with the contract, including the project description, and progress, cost and funding plans agreed in writing between the parties.

In cases where the Research Council does not require any special agreement document and has approved the grant application, the project shall be implemented in accordance with the grant application and the General Terms and Conditions for R&D Contracts issued by the Research Council.

The Project Owner shall report significant deviations relative to the contract in writing to the Research Council without undue delay. Notification about such matters shall not be put off until the next progress report.

The Research Council will assess the impact of such deviations on the contractual relationship, cf. Sections 3.4 and 13, and will when necessary approve the deviations in writing. In such cases the deviations shall be treated as amendments to the contract pursuant to Section 14.

The Project Owner is under obligation to prevent conflicts of interest or problems of impartiality from arising in relation to the project. This includes ensuring that the individuals who are employed or otherwise engaged in the project do not take part in administrative or decision-making processes pertaining to matters in which that individual or other parties close to that individual are considered to have a significant personal or financial interest. Furthermore, the Project Owner is under obligation to ensure that the individuals who are employed or otherwise engaged in the project do not take part in administrative or decision-making processes relating to matters in which there are other special circumstances that are apt to impair confidence in that individual’s impartiality.

The Project Owner is required to comply with the applicable statutory framework and other public regulations, ethical guidelines as well as recognised quality standards and norms for good research practice.

The Project Owner is under obligation to obtain those funds specified in the funding plan that are not provided by the Research Council.

The Project Owner is permitted to engage sub-contractors for the implementation of individual tasks in connection with the project in compliance with the parameters set out in the agreement document and/or the project description. The use of sub-contractors does not release the Project Owner from the obligations and responsibilities stipulated in the contract. Sub-contractors may not be granted any rights to project results.
The Project Owner is required to ensure that all parties who carry out activities under the project respect the rights and obligations laid down in the contract.

2.2 Projects in collaboration with partners

The Project Owner is required to draw up collaboration agreements with the partners to govern the reciprocal rights and obligations of the Project Owner and respective partners, cf. Section 7.2.2 among others. Unless otherwise agreed in writing, such collaboration agreements are to be completed within three months after the Research Council has sent the contract to the Project Owner. The Research Council will not disburse any funds until the collaboration agreements have been completed and received by the Research Council.

The Research Council may stipulate special requirements pertaining to collaboration between partners in the agreement document.

The Project Owner is responsible for ensuring that the collaboration agreements comply with the terms and assumptions of the contract, and that the partners at all times are informed about relevant elements of the contract.

Any changes in the composition of the partners as outlined in the agreement document will require the prior written approval of the Research Council.

The Project Owner and partners are permitted to enter into agreements with sub-contractors relating to the implementation of individual tasks under the project in compliance with the parameters set out in the agreement document and/or the project description. The provisions under the penultimate and final paragraphs of Section 2.1 will apply.

3 Disbursement, transfers and reservations

3.1 Disbursement

No funds will be disbursed until the contract has been signed by both parties and the Research Council has received the contract and copies of any collaboration agreements. Further, information about the Project Owner’s bank account number, etc, must be received by the Research Council in the manner specified. The Research Council will disburse funding to the account number that has been provided.

Unless otherwise agreed in writing, funds will be disbursed automatically at four-month intervals based on the agreed funding plan and the Research Council's allocation.

The Project Owner is required to verify that the sum disbursed is commensurate with the Research Council’s allocation, cf. Article 6.2 of the agreement document, and must immediately repay any amount disbursed in excess of this.

The automatic disbursement of funds may be terminated if the Research Council finds that the performance of the project deviates significantly from the contract or that such termination is necessary for other reasons, see under Section 3.4. The Research Council will withhold the final four-monthly disbursement until the final report has been submitted and approved, cf. Section 5.2.

3.2 Unused funds from a fiscal year

Where special circumstances apply, and with the written consent of the Research Council, unused funding may be carried forward from one fiscal year to the next. A request citing reasons why such a transfer is justified is to be submitted to the Research Council along with a progress report, or by other written means, at the latest by the end of calendar year to which the grant applies. In the event consent is not given for the unused funding to be carried forward, this amount will be deducted from the allocated sum. If this funding has already been disbursed, the Research Council may reduce the following year’s allocation by a corresponding amount or require reimbursement of the unused funds.

3.3 Reimbursement of unused funds in connection with the final report

The final report shall indicate whether the actual costs were lower than the amounts indicated in the cost plan and the amounts disbursed. Any unused, undisbursed funds shall revert to the Research Council. If already disbursed, such unused funds shall be repaid to the Research Council in the manner that it specifies.

3.4 Reservations

Allocations are made for one fiscal year at a time such that any pledges for subsequent years are not binding on the Research Council unless specifically stated in the agreement document.

Disbursement of the grant for Year 1 and honouring of any pledges for subsequent years are contingent on the following:

- The necessary funding to this end has been made available to the Research Council.
- There are no changes in public regulations (rules, standards, legislation, etc.), and no other unforeseen circumstances have arisen that will have a major impact on the implementation of the project, or the Research Council's ability to contribute to it.

Furthermore, the Research Council will honour its pledge only if the following stipulations, among others are fulfilled:
• No significant deviations to the contract have occurred, cf. Section 2.1.
• The Research Council approves the progress report submitted by the Project Owner, cf. Section 5.1.

In the event one of more of these conditions is not satisfied, the Research Council may stop or change any future allocations or pledges. Furthermore, the Research Council may withdraw all or part of the disbursed allocation, or decide to cancel the contract pursuant to Section 13 below if this is warranted under the circumstances.

The Research Council is similarly entitled to withdraw all or part of the disbursed allocation, and/or to stop or change any future allocations or pledges, if the project receives public funding from sources other than the Research Council subsequent to the signing of the contract, including tax deductions under the SkatteFUNN tax deduction scheme, when such support was not included in the funding plan.

The Project Owner is under obligation to notify the Research Council, without undue delay, of any such public funding received.

► 4 Accounting and verification

4.1 Accounting

For all projects, the Project Owner must keep separate project accounts specifying actual income and costs. Actual income and costs must be part of the Project Owner’s formal accounts.

The accounts shall be kept current. Under all circumstances, information of significance to the preparation of compulsory reports must be recorded within the deadlines that apply to reporting. Project accounts must satisfy the requirements set out by the Research Council in its guidelines.

4.2 Verification and responses

The Research Council and the Office of the Auditor General are entitled at any time to verify that the funds are being applied in accordance with the contract. Upon a request from the Research Council or Office of the Auditor General, the Project Owner, or any partners, shall produce receipts, time sheets, calculations and any other relevant documentary evidence requested by the Research Council and/or the Office of the Auditor General to carry out verification as indicated above. In the event such verification reveals that the funds are not being applied in accordance with the contract, the disbursement shall be stopped and disbursed funds repaid to the extent required by the Research Council. The Research Council may also stop further disbursements to other projects being implemented between the contracting parties.

► 5 Reports

5.1 Progress reports

The Project Owner shall submit progress reports to the Research Council within the stipulated deadline. The Research Council may issue guidelines regarding the information to be included in the report.

The progress report is to provide information regarding the status of the project, including the implementation of activities in relation to the progress plan as well as the progression of project income and costs, and to explain any deviations relating to the project that have occurred and their ensuing ramifications.

An approved progress report is required for the disbursement of the allocation and for the honouring of funding pledges, cf. Section 3.4.

Significant deviations shall be reported in writing to the Research Council as soon as possible. Notification about such deviations shall not be put off until the next progress report, cf. Section 2.1.

5.2 The final report

The Project Owner shall prepare a final report.

Unless otherwise agreed in writing, the final report shall be received by the Research Council by at the latest one month after the conclusion of the project period.

The final report must be approved by the Research Council.

5.3 Other reports

Within reason, the Research Council is entitled to request additional reports covering shorter periods of time or specific parts of a project.

For certain types of projects, a project account report must be submitted to the Research Council. This is specified in the agreement document.

Upon the request of the Research Council, and to the degree possible, the Project Owner is required to contribute at no charge to any project evaluation or measurement of results organised under the auspices of the Research Council. In this context, an evaluation of the scientific and economic significance of the project's results shall also be provided. Unless otherwise agreed in writing, this obligation shall be incumbent upon the Project Owner for a period of up to 10 years from submission of the final report.

The Project Owner is also required to submit accounts and any other statistical data relating to the project to the national research statistics authorities.

5.4 Reporting format and storage

Progress reports and final reports are to be submitted in the manner specified by the Research Council.
The Project Owner shall store the final report and project data in a safe and secure manner for at least 10 years after the expiry of the contract period. The Project Owner is required to ensure that the data are stored safely and remain accessible even in the event the Project Owner itself is closed down or otherwise ceases to exist.

The Project Owner is under obligation to ensure that peer-reviewed scientific articles based on research wholly or partially funded by the Research Council are stored in appropriate, open-access digital archives, when this is legally possible. It is presumed that such storage does not in any way conflict with the author’s academic and legal rights.

5.5 Failure to fulfil reporting requirements

Failure to fulfil obligations regarding reporting and file storage will be deemed a serious breach of contract, and gives the Research Council grounds for terminating the contract, cf. Section 13.

6 Personnel management, reporting, etc.

6.1 In general

Unless otherwise agreed in writing, the following shall apply

- All personnel mentioned in the agreement document and/or the project description are considered to be affiliated with and partially or wholly funded under the project.
- The Research Council funds personnel as an allocation to the Project Owner. The portion of the Research Council’s allocation granted for funding of personnel is included in the Research Council’s share of the total agreed funding plan for the project.
- The Research Council’s funding for specified employee and fellowship positions is granted as a lump-sum allocation. A lump-sum allocation of this type will not be adjusted to actual costs.
- The Project Owner carries personnel and financial liability for its own staff members that are affiliated with the project. Thus, the Project Owner is responsible for filing the required reports for all personal allocations, and bears master-servant liability for the respective project employees.
- The Project Owner will announce vacant positions and make appointments in accordance with its own guidelines and routines.
- Any guiding principles the Research Council might have regarding the selection of individuals or the like shall be incorporated into the agreement document.
- The Project Owner shall notify the Research Council as soon as possible of the date on which the appointees will be assuming their duties, as well as the appointees’ names and personal identification numbers.

6.2 Special conditions applying to fellowships

The administrative follow-up of each fellowship-holder shall be conducted by the Project Owner in accordance with its internal guidelines and routines.

The Project Owner shall report all information relating to fellowships to the Research Council in accordance with the Research Council’s established routines:

- Any change in the start-up or termination dates for a fellowship-holder shall be reported to the Research Council immediately.
- Leaves of absence or reductions in contractually agreed working hours for a fellowship position during the period shall be reported on the progress and final report forms filed by the Project Owner.

Requests for leaves of absence pursuant to legislation or collective bargaining agreements, and which entail an extension of the fellowship period, shall be processed by the Project Owner in accordance with its own guidelines.

Should a fellowship-holder resign before expiry of the contracted period, the Project Owner must notify the Research Council immediately of the date of and reason for the fellowship-holder’s departure.

Should the Research Council find a fellowhip-holder's progress to be less than satisfactory, the issue must be raised with the Project Owner, who is required to implement feasible, reasonable measures as dictated by the Research Council. In the event the Project Owner finds grounds to indicate the fellowship should be discontinued and/or terminated, the Research Council shall be notified immediately.

With regard to doctoral fellows affiliated with the project, the Project Owner is required to notify the Research Council of the date on which the fellowship-holder's doctorate was approved. The Project Owner shall forward theses and other reports to the Research Council upon request.

7 Right of ownership, utilisation rights and licensing

7.1 Research infrastructure

The Project Owner has ownership of the research infrastructure purchased with project funds unless another agreement is in place between the Project Owner and any partners. Ownership of the research infrastructure shall in that case be regulated in the collaboration agreement.

The Project Owner is required to ensure that the research infrastructure is adequately insured and kept
operational and in good working order during the contract period. Failure to fulfil these obligations gives the Research Council grounds to cancel the contract, cf. Section 13.3

7.2 Project results

7.2.1 In general
The provisions set out in this section are based on the Principles for the Research Council of Norway’s Policy on Intellectual Property Rights (approved by the Executive Board on 24 April 2008).

Rights
The Project Owner and any relevant partners must obtain the rights to commercial utilisation of the project results, and are required when necessary to sign agreements with owners, employees (including individuals with multiple employers), sub-contractors, and others to achieve this.

The obtainment of such rights is not intended to limit the protection accorded the rightholder’s immaterial rights pursuant to the Norwegian Copyright Act, nor does it preclude agreements regarding remuneration schemes for rightholders corresponding to those that apply to employees’ inventions pursuant to the Act respecting the right to employees’ inventions.

Protection
The Project Owner and any relevant partners must assess the need to protect project results that may have commercial value and, when so indicated, seek to protect these. Where legislation requires that rights be registered to obtain protection, the Project Owner shall ensure that such registration is carried out.

Utilisation
The project results must be utilised within a reasonable period of time, given the characteristics of the particular industry, the market and the specific field of research, as well as the product’s development timeframe, useful economic life and utilisation opportunities. If the party holding the rights to the project results does not achieve such utilisation, the persons who have produced the project results may demand that the rights be transferred to them, unless a different agreement is in place between the Project Owner and those same persons, or between the various parties involved in projects in collaboration with partners. This does not apply, however, in cases where:

- measures to achieve utilisation have been launched and are underway, or
- the rightholder’s lack of utilisation of a project result is of commercial significance for the utilisation of the rightholder’s other project results.

Transfer of results to a foreign legal entity
The transfer of ownership and/or licensing of exclusive rights to project results to a third party who is not a partner, and who is in a country outside the European Economic Area, may not take place without the written approval of the Research Council. The Research Council may refuse to allow such transfers/licensing agreements if they are in conflict with Norwegian economic interests, ethical principles or considerations relating to the safety of the realm. Alternatively, the Research Council may stipulate conditions for the proposed transfers/licensing agreements. A request may be considered approved if the Research Council has not responded within four weeks of receipt of written notification. This provision applies to projects that are underway and for three years after the project has been concluded.

Changes in ownership – foreign owners
The Research Council shall be notified immediately in the event a person or an undertaking outside the European Economic Area assumes a controlling interest in the Project Owner through the acquisition of a stake in the enterprise (shares, etc.), by agreement or by other means. This notification must be provided in writing. Similarly, the Project Owner is required to notify the Research Council in the event a person or an undertaking outside the European Economic Area assumes a controlling interest over any of the partners after a contract has been signed.

If the changes in ownership entail that the project results may be used in conflict with Norwegian economic interests, ethical principles or considerations relating to the safety of the realm, the Research Council is entitled to impose conditions regarding the project and project results, including that the Project Owner shall wholly or partially transfer the project results exclusively to the Research Council, or that the agreement document shall be cancelled pursuant to Section 13.3. This provision applies to projects that are underway and for three years after the project has been concluded.

7.2.2 Supplementary provisions for projects in collaboration with partners

Rights
The Project Owner and partners must sign a collaboration agreement that regulates principles for how ownership and utilisation rights are to be distributed and managed between the various participants, as well as how potential project results are to be protected. The Research Council may stipulate provisions under Article 8 of the agreement document to impose limits of the autonomy of participants to agree on how the rights are to be distributed.
Collaboration agreement(s)
The collaboration agreement(s) to be drawn up pursuant to Section 2.2 must incorporate the following principles:

a) The use of, and any compensation for, the background and any research infrastructure brought into the project must be regulated.

b) For the duration of the project period, the Project Owner and partners must have access at no charge to the project results that are produced under the project and that are necessary for implementing their own work in the project.

c) With regard to commercial utilisation, the Project Owner and partners must have access to the project results and background brought in to the project according to the agreed-upon terms, when this is necessary in order to utilise the project results to which they themselves have rights under the project. Principles for distribution of project results and access rights are to be set out in the collaboration agreement(s).

d) The research institutions, including hospital trusts, should be entitled to assume the ownership and utilisation rights to the results from the project which lie outside the commercial interests of the Project Owner and other partners. Areas of commercial interest to the participants should be defined in the collaboration agreement.

e) The educational institutions, including the hospital trusts, should be able to use the project results at no charge for educational and research purposes, when necessary after an agreed-upon time period has elapsed.

8 The publication of project results, etc.

As a general rule, the Project Owner is required to make the project results public as quickly as possible. This includes ensuring that the dissemination measures/plans specified in the grant application and the contract are implemented.

If publication of project results will interfere with the protection or commercial utilisation of these results, the parties may agree on a temporary postponement of publication. For projects in collaboration with partners, the Project Owner is responsible for ensuring that such postponement is agreed in writing between the participants involved.

In special cases, the Research Council may give its written consent to the imposition of permanent secrecy on the project results. This does not apply to projects with participants from the university and university college sector, as it is in contravention of the Act relating to universities and university colleges.

Provided there are no special circumstances to indicate otherwise and no terms of contract or government regulations that prevent it, research-generated data shall be considered available to the general public after the project has been concluded.

The Project Owner and/or partners are required to mention the Research Council’s funding scheme and contribution to the project in any external information issued about the project.

The Research Council has the right to publish the project title, the amount of the Research Council's financial contribution, and the project summary.

The Research Council may publish results that are reported in connection with the progress and final reports unless the information has been designated as confidential.

Within reason, the Research Council is entitled to require that the Project Owner establishes a website for the project and that employees and other participants on the project team take part in seminars, conferences and other dissemination and networking measures.

9 Confidentiality

The Research Council must comply with the Freedom of Information Act of 19 May 2006 and the provisions relating to duty of secrecy under the Public Administration Act of 10 February 1967.

The Project Owner agrees to allow the Research Council to make research administrative data about the project available for research. Such consent presumes that the Research Council will safeguard the anonymity of this data in connection with any publication of research findings. Research administrative data in this context is taken to mean information about the Project Owner, project management, project funding, etc.

Duty of secrecy does not preclude the relaying of information required by the authorities or courts pursuant to current legislation.

10 Transfer

The Project Owner may not transfer, mortgage or in any other way convey the use of the contract, or portions of the contract, including allocations and pledges from the Research Council, to others without the written consent of the Research Council. Consent for mortgage proceedings must be approved by the Research Council’s director of financial affairs.
11 Discharge of liability

The Project Owner shall indemnify the Research Council against any claims resulting from the Project Owner’s performance of the project, including claims related to infringements of intellectual property rights.

The Research Council bears no legal or financial liability for injuries or losses ensuing from e.g. defects in or non-proficient use of equipment, methods or programmes associated with the project.

12 Force majeure

Either party shall notify the other without undue delay should a situation of force majeure prevent that party from fulfilling its obligations under the contract.

None of the parties is to be held liable for a breach of contract if the inability to fulfill its obligations is due to force majeure.

Should force majeure entail a risk that the project cannot be performed in accordance with the contract, the parties shall meet to negotiate any contract adjustments that might be required. Should the parties fail to agree on such adjustments, the Research Council is entitled to stop payment of the allocation until the situation of force majeure is resolved.

If the situation of force majeure is expected to last, or has lasted, for more than 90 days, each of the parties may terminate the contract with one month’s notice.

13 Duration and discharge of the contract

13.1 In general

The contract will enter into force from the date on which it has been signed by both parties and one copy of the finalised contract and any signed collaboration agreements have been received by the Research Council. The contract will be discharged without notice upon termination of the project and submission and approval of the final report, unless the contract period is terminated earlier pursuant to the terms set out under Sections 12 or 13.2 (below).

Discharge of the contract does not imply cessation of contract provisions that are not, by their nature, limited to the contract period. This applies, for example, to the provisions pertaining to accounts, reports, the transfer of project results, publication, etc.

13.2 Termination

The parties may agree in writing to terminate the contract before the conclusion of the project period.

13.3 Cancellation

Notification of cancellation shall be submitted in writing by registered letter, specifying the reasons for cancellation.

The Research Council may cancel the contract with immediate effect if the Project Owner has seriously failed to fulfill its obligations. Such failure includes among other things situations in which:

- There are significant deviations in relation to the progress plan or other factors regulated in the contract.
- The Project Owner is engaged in activities which are not compatible with the current legislation or with the Research Council’s objectives and guidelines.
- The Project Owner is unwilling or unable to complete the project.

Further, the Research Council may cancel the contract with immediate effect in the event that:

- a person or undertaking outside the EEA assumes control of the Project Owner, and the terms set out under Section 7.2.1, final clause are met.
- there is notification of a declaration of bankruptcy, or a petition for compulsory winding up or the opening of composition proceedings on the part of the Project Owner, or there is other compelling reason to believe that the Project Owner is insolvent.
- A decision has been taken to close down the Project Owner’s activities or there is other compelling reason to believe that grounds exist for forced dissolution of the company.
- key prerequisites underlying the contractual relationship are not fulfilled, such as the Research Council receives less funding than expected, or there are changes in public regulations or other unforeseen circumstances arise that will have a major impact on the implementation of the project or the Research Council’s ability to contribute to it, cf. Section 3.4.

The Project Owner may cancel the contract with immediate effect if the Research Council has seriously failed to fulfill its obligations.

If the Research Council cancels the contract on grounds of significant breach on the part of the Project Owner, the Research Council has the right to claim reimbursement for disbursed allocations, including interest on the amount from the date of the breach, in accordance with the Act relating to interest on overdue payments, etc. In lieu of such reimbursement, the Research Council may demand transfer of the rights to project results.
In cases where a serious breach of contract has occurred, the Research Council may demand that research infrastructure purchased with project funds is surrendered at no charge to itself or another party. The claim shall be submitted in writing, and the Project Owner shall surrender the infrastructure without undue delay. The Project Owner shall cover any costs in connection with the transfer of the infrastructure. Upon surrender of the infrastructure, the right of ownership will be passed from the Project Owner to the Research Council or to the relevant third party.

14 Amendments

The Research Council may introduce amendments as set out in the contract. Beyond this, any amendments will require the approval of the parties. All amendments must be specified in writing.

15 Choice of law/venue

This agreement is governed by and shall be interpreted in accordance with Norwegian law.

Any disputes shall be settled in the ordinary courts. The Oslo District Court.

In the event that the Project Owner is a public institution, any disputes shall be submitted to the Ministry of Education and Research, which will determine how the dispute will be resolved.