

**Note: This document is a translation of the Swedish original. If there are differences between the Swedish and English versions, the Swedish version applies.**

## Formas' general terms and conditions for research and innovation grants

*These terms and conditions were established by the Swedish Research Council for Environment, Agricultural Sciences and Spatial Planning (Formas) on 15 December 2020 and apply unless otherwise provided in a decision, specific terms and conditions, or call description. The terms and conditions apply to grants awarded on or after 1 January 2021.*

*The right to obtain grant funding presupposes that Formas has received the necessary appropriations from the government.*

### Definitions

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| <b>Administrating Organisation</b>  | Project Party approved by Formas as the recipient of a grant.  |
| <b>Project</b>                      | Research project, innovation project or a similar activity that is awarded a grant by Formas.  |
| <b>Project Description</b>          | A description of the Project in an application including schedule, budget and financing.   |
| <b>Project Manager</b>              | A natural person or, in some cases, a legal person who submits an application to Formas and leads the planning and implementation of a Project.                                      |
| <b>Project Party</b>                | A legal person involved in the design of a Project and who contributes to the implementation of a Project.   |
| <b>Project Terms and Conditions</b> | All the terms and conditions that apply for awarded grants, meaning these general terms and conditions as well as special conditions governing the decision or the call description. |

### 1. Grant award decisions

Formas' decision to award a grant takes effect when the Administrating Organisation and Project Manager accept the Project Terms and Conditions in Formas' application system.

### 2. Implementation

#### 2.1. Implementation in accordance with Formas' decision

The Project Manager and Project Party undertake to implement the Project in accordance with Formas' decision, the Project Terms and Conditions and the Project Description. Changes to the Project Description require Formas' approval.

#### 2.2. Scientific responsibility

The Project Manager has scientific responsibility for the Project as described in the application to Formas with respect to the object and method. This responsibility includes planning and implementing the Project according to plan, with necessary adjustments needed if the awarded grant is less than the amount sought.

The Project Manager is responsible for submitting a scientific report to Formas in accordance with Formas' instructions.

#### 2.3. Responsibility for conducting the Project according to good research practice, Swedish law and applicable international regulations

During the implementation of the Project, the Project Manager and Project Party must do the following:

- Comply with ethical principles and good research practice<sup>1</sup>.
- Comply with applicable laws and regulations.

#### 2.4. Organisation

The Project Party must have an appropriate organisation to ensure a successful implementation of the Project.

#### 2.5. Equipment

The Project Party is the owner of equipment and other inventory acquired for the Project using funds from Formas. The equipment must be allocated to the Project throughout the duration of the Project.

#### 2.6. Subcontractors

The Project Party may only hire a subcontractor in accordance with the Project Description. The Project Party has the same responsibility for the performance of

<sup>1</sup> See legal rules on good research practice in e.g. the act (2019: 504) on responsibility for good research practice and assessment of misconduct in research and the ordinance on higher education (1993: 100).

its subcontractor as for the performance of the Project Party itself.

## 2.7. Initiation and termination

The Project Manager or Project Party may only initiate or terminate a Project if this is stated in the decision or approved by Formas.

## 2.8. Changed prerequisites

The Project Manager or Project Party may not, without Formas' approval, conduct a Project if the prerequisites for the use of project results are diminished to a material extent. This applies even if technical or economic circumstances arise that have a material impact on the implementation of the Project.

## 2.9. Information about other funding sources

The Project Manager or Project Party must immediately notify Formas if funds from another funding source are offered or obtained for the same purpose as that of the Project. The notification to Formas must indicate the extent to which other funding sources can influence the implementation, analysis, interpretation and reporting of the project results and financial conditions. It must also indicate who will retain the project results. Formas reserves the right to change its decision to award a grant based on new information about additional outside funding that the Project receives.

## 2.10. Other obligations of the Administrating Organisation

In addition to the obligations of the Project Party under sections 2.1 and 2.3–2.9, the Administrating Organisation has the following obligations:

- Ensure that the Project Manager and other relevant staff get access to facilities, equipment and other resources needed to implement the Project.
- Make sure that all or parts of the Project do not start until the necessary authorisations and approvals have been obtained.
- Submit a financial report to Formas in accordance with Formas' instructions.
- Receive and distribute Formas' disbursed funds.

In addition, the Administrating Organisation must immediately inform Formas in the event of any of the following circumstances:

- The Project is delayed or is at risk of delay, or if there is a risk that the Project will not meet expectations.
- There are facts of importance that can affect the implementation of the Project (for example, other public funding or EU aid).
- There is a change in company, company representative or company address.
- There is a change in status (for example, from small or medium-sized enterprise (SME)<sup>2</sup> to large enterprise).

<sup>2</sup> See the Commission's recommendation of 6 May 2003 on the definition of micro-enterprises and of SMEs (2003/361/EC).

The Administrating Organisation is responsible for the Project Manager. The Project Manager must be employed by the Administrating Organisation, unless otherwise specified in the application form or otherwise agreed by Formas and the Administrating Organisation.

If the Project Manager is employed by the Administrating Organisation then the Administrating Organisation must, in its role as employer, ensure that the Project Manager can dispose of their own and other employees' working hours to the extent required for the Project to be implemented in accordance with the project description submitted to Formas. This also includes ensuring the publication of research results. If the Project Manager has another employer, that employer must approve the Project Manager's commitments.

The Project Manager must be authorised to represent the Administrating Organisation vis-à-vis Formas regarding the Project.

A change in Project Manager requires Formas' approval.

## 2.11. Changes and additions

Formas has the right to unilaterally take decisions on making changes or additions to the benefit of the Project Party. Changes or additions to Formas' decision must be drawn up in writing by Formas in order to be valid.

## 3. Uptake and dissemination

### 3.1. Uptake of results

The Project Manager or Project Party must ensure uptake of the project results in accordance with the plan. This can be done, for example, through publication, commercialisation or licensing.<sup>3</sup>

The Project Manager and Project Party must not transfer or assign the project results, or otherwise take any action, which would constitute the provision of indirect state aid.

Formas does not claim ownership of project results.

### 3.2. Dissemination outside the scientific community

The Project Manager and Project Party are responsible for disseminating project results that are of general interest to people outside the scientific community.

### 3.3. Formas must be acknowledged as funding source

In any communication about the Project or publication of project results, the Project Manager and Project Party are responsible for stating that the project was conducted using a grant from Formas (in English, the name "Formas – a Swedish Research Council for Sustainable Development" should be used).

<sup>3</sup> Publication refers to making results available through publication or oral presentations, for example. Publication must take into account the needs of the Project Party regarding the protection of intellectual property and trade secrets.

Original journal articles should acknowledge Formas by stating the reference number of the grant decision under the heading “Acknowledgements” or the equivalent.

### 3.4. Formas’ right to disseminate information

Formas has the right to copy and disseminate all or parts of Project reports and to otherwise disseminate information from and about a Project provided that Formas does not disclose any information covered by the obligation of confidentiality.

### 3.5. Scientific publication

The Project Manager and Project Party must ensure that project results, after expert review, are published in scientific journals or made available in other similar ways in accordance with Formas’ instructions for scientific publication.

### 3.6. Scientific data and other research materials

The Project Manager and Project Party are responsible for making data and metadata from a Project available as far as possible in open access databases in accordance with the principle “as open as possible, as closed as necessary”.<sup>4</sup>

The Project Manager must ensure that there is a data management plan for the data produced in the Project. The data management plan must be able to be shown to Formas upon request.

## 4. Financial provisions

### 4.1. Payment

To qualify for receiving a grant payment, the Project must be implemented in accordance with Formas’ decision.

To be able to receive the initial payment, the Administrating Organisation and, when specified, the Project Manager, must accept the Project Terms and Conditions in Formas’ application system.

To continue receiving grant payments, the reports required by Formas any requested supplementary information must be submitted to Formas in a timely manner.

The funds obtained by the Project must be disposed of during the period as set out in Formas’ decision.

If funds cannot be disbursed in the calendar year for reasons attributable to the Project Party, then that party forfeits its right to receive the funds in question. However, Formas may decide to redistribute the funds to the coming calendar year.

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<sup>4</sup> Data and metadata must be made openly accessible to the extent possible and be consistent with the continued use of project results, for example with regard to national legislation, privacy, trade secrets, national security, legitimate commercial interests and the intellectual property rights of third parties.

### 4.2. Scientific and financial reporting

Any cost reported to Formas must meet all of the following criteria:

- Be actual and auditable.
- Be incurred by the Project Party.
- Have been incurred during the project duration stated in the decision.
- Be determined in accordance with the Project Party’s usual accounting principles and generally accepted accounting principles.
- Be recorded in the accounts.
- Be reasonable and be incurred solely for the purpose of implementing the Project.

Grant payments may not be used for scholarships unless the decision indicates otherwise.

The Administrating Organisation must report direct and indirect costs in accordance with its own accounting principles and generally accepted accounting principles.

Research grants must cover direct and indirect costs proportional to those calculated for the research as a whole. The awarded grant amount must be used only to cover the costs of conducting the research stated in the application.

The Administrating Organisation must provide the information and data requested by Formas during follow-up and evaluation of the research and innovation, both during and after the payout period. Statements and reports relating to the Project must be submitted in the order specified in the grant decision or whenever Formas makes such a request.

### 4.3. Payout period and availability period

Formas’ decision and instructions indicate the period during which Project funds will be paid out (payout period) and how long the funds can be used (availability period). If there are special reasons, a grant recipient can apply for an extension of the availability period. Such an application must be submitted before the end of the availability period in Formas’ application system by the Administrating Organisation together with the Project Manager. The application for an extended availability period must include a justification for the special reasons, the amount of funds not yet spent and an outline of how the Project will be completed. An extension of the availability period is not possible for every call, even if special reasons exist.

Project funds must be spent on implementing the Project as specified in the funding application, but with any adjustments that might be needed if Formas awards a grant that is less than the amount sought. In addition, the funds must be spent in a way that is consistent with the terms of the decision. More substantial changes to the appropriation of the funds require a written substantiation from both the Administrating Organisation and the Project Manager. Such a request must be made in conjunction with the need for a change. After a re-evaluation and within the framework of the grant award decision, Formas can allow changes.

#### 4.4. Final financial reporting

The Administrating Organisation must submit a final financial report no later than three (3) months after the end of the availability period.

Formas can decide that the final financial report be submitted on another date. Such a decision will indicate the new final report date and will be communicated to the Administrating Organisation within three (3) months of this date.

If the Project is terminated early, special provisions apply as described in Chapter 7.

#### 4.5. Returning excess funds

Unused funds specified in the financial report must be paid back as instructed by Formas within thirty (30) days of receiving the instruction.

Excess funds corresponding to a maximum of half a price base amount may be retained and used for research purposes that are similar to those of the original grant. If the unused amount exceeds half a price base amount, then the entire excess amount must be paid back.

### 5. Special provisions for a Project Party engaged in economic activity

The provisions of this chapter (Chapter 5) apply to a Project Party engaged in economic activity.<sup>5</sup>

#### 5.1. Financial difficulties

Grant recipients may not be in financial difficulties<sup>6</sup> during a Project, and the Administrating Organisation must immediately inform Formas if such a situation arises.

#### 5.2. Eligible costs

In addition to what is stated in Section 4.2, costs must be separately identifiable from the organisation's other transactions in the Project Party's accounts in order for them to be eligible.

Eligible costs constitute the basis used to calculate the amount of the grant award.

Eligible costs include:<sup>7</sup>

- Staff expenses and salaries, with exceptions as described below
- The cost of equipment, land and buildings, depreciation and premises
- Consultancy, licensing and similar costs
- Direct costs and operating costs

<sup>5</sup> See the Commission Notice on the notion of State aid as referred to in Article 107(1) of the Treaty on the Functioning of the European Union (2016/C 262/01).

<sup>6</sup> See Commission Regulation (EU) No. 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, Article 2 Paragraph 18.

<sup>7</sup> Further restrictions may be subject to Commission Regulation (EU) No. 651/2014 depending on the grant recipient and project content (activity). See also [eligible costs for grants awarded under Ordinance 2017:195](#).

- Indirect costs to the extent described below.

Eligible staff expenses for a Project Party that is not affiliated with a higher education institution or other generally approved Administrating Organisation are allowed at a maximum of 800 kronor per hour.

The Project Party may charge a mark-up for indirect costs of up to 30 percent of its eligible staff expenses.

Costs incurred by the Project Party when it has been in financial difficulties are not eligible.

#### 5.3. Returning funds

An Administrating Organisation or Project Party that has received more funds than it is entitled to under the state aid rules<sup>8</sup> must pay back such funds to Formas. Such excess amounts must be paid back to Formas no later than thirty (30) days after submission of the final report. The Project Party must return the funds via the Administrating Organisation. Interest on the amount is payable in accordance with the Swedish Interest Act (1975:635).

Repayment of any excess amounts including interest must be made, within the time frame established by Formas.

### 6. Remedies for breach of terms and conditions

#### 6.1. Request to fulfil terms and conditions

If the Project Terms and Conditions are breached and this breach can easily be remedied, then Formas can request that the Administrating Organisation fulfil these terms and conditions within a specified period of time. In such cases, Formas can request an action plan from the Administrating Organisation stating the action to be taken to meet the conditions and the deadline for taking action. Formas will determine whether to approve the action plan or suspend the allocation of funds.

#### 6.2. Suspension of payment or other early terminations, repayment obligation and recovery, etc.

Formas may decide to suspend the payment of funds granted, in whole or in part, or to suspend the right to dispose of the disbursed funds if any of the following circumstances exist:

- The Project cannot be conducted in accordance with the grant award decision.
- The action plan as described in Section 7.1 cannot be approved by Formas.
- The Administrating Organisation or Project Party provides incorrect information, omits important information, or in any other way causes funds to be received unduly or in excess.

<sup>8</sup> Under Ordinance (2017:195) on state aid for research and development and innovation in the environment, agricultural sciences and spatial planning.

- For any reason, funds were granted unduly or in excess and the grant recipient should have been aware of this.
- Reporting has not been done in accordance with Formas' instructions.
- Financial difficulties have arisen.
- Misconduct or unethical conduct has been detected.
- A Project representative, through his or her actions or for any other reason, proves to be clearly unsuitable for planning and implementing the Project funded by Formas.
- The Project Terms and Conditions have otherwise not been fulfilled.

Formas is entitled to temporarily suspend grant payments during an ongoing investigation into unethical conduct or for any other reason that represents grounds for discontinuation of grant payments.

A Project Party that receives or has received aid under the Ordinance (2017:195) on state aid for research and development and innovation in the environment, agricultural sciences and spatial planning is liable for repayment in the event of any the above circumstances. Formas will, after a specific decision, demand the return of funds in whole or in part, including interest as specified in the Swedish Interest Act (1975:635).

If the funds constitute unauthorised state aid, Formas will recover the funds, including interest as of the payment date, in accordance with the Act (2013:388) on the application of the European Union state aid rules.

A Project Manager or Project Party that does not fulfil its obligations can be exempted from receiving funding from Formas.

### **6.3. Final financial reporting**

If Formas decides to discontinue the payment of a grant, or if a Project is abandoned for any other reason, then a final financial report must be submitted no later than three (3) months after the day on which Formas, the Administrating Organisation and Project Manager agree that the Project will be terminated or one of these parties takes such a decision.

### **6.4. Returning unused funds**

The Administrating Organisation must pay back any funds to Formas that were not used for project costs incurred no later than thirty (30) days after Formas receives the final financial report.

### **6.5. Equipment**

In the event of early termination of a Project, Formas can agree with the relevant Project Party, that equipment purchased with Project funds must be handed over to Formas or another Project Party.

### **6.6. Project termination costs**

If Formas decides to suspend grant payments for reasons other than breach of conditions, then Formas and the Administrating Organisation must agree on how to finance, within reason, any termination costs.

## **7. Follow-up and review**

### **7.1. Scientific review**

At the request of Formas and for the purpose of scientific review, the Project Party must give Formas access to the complete research materials related to the Project to the extent provided by the Public Access to Information and Secrecy Act (2009:400).

### **7.2. Financial review**

Formas or anyone Formas has appointed, such as a certified auditor or evaluator, has the right to review the Project and read documents that can provide information about the financial, technical or other aspects of the Project. The Project Party must then, at its own expense, make all the required material available. This right is valid for ten (10) years beginning on the funding decision date, but for a minimum of five (5) years after submission of the final report to Formas.

### **7.3. Follow-up**

After the end of the Project, the Project Party must retain all project information in accordance with Formas' instructions for ten (10) years from the submission date of the final report and provide it upon request.