



Emerging Security Challenges Division
Science for Peace and Security Programme
Multi-Year Projects Handbook

1. Introduction

The NATO Science for Peace and Security Programme (SPS) seeks to enhance cooperation and dialogue between NATO and partner nations through civil science and innovation. The SPS Programme funds activities relevant to NATO's strategic objectives which address SPS Key Priorities. SPS offers grants for collaborative research and development projects, workshops, institutes, and training involving scientists and experts from NATO nations and partner countries. This Handbook describes the financial and administrative procedures for the management of the first of these, **SPS Multi-Year Projects (MYP)**, and sets out the general terms and conditions governing grants made under this program. Additional procedures, terms, and conditions may also be set out in the Grant Letter or in the approved Project Plan. The current version of this Handbook and its annexes are available on the NATO SPS website: www.nato.int/science.

Grants under the SPS Programme are provided at the sole discretion of NATO. The most recent revision of this Handbook and its annexes, along with the signed Grant Letter, and any documents annexed to it or incorporated in it by reference, constitute the entire terms and conditions of grants under the SPS Programme. In the event of inconsistencies among these documents, the Grant Letter and its annexes take priority over this Handbook and its annexes.

Questions about SPS and Multi-Year Projects in general should be addressed to sps.info@hq.nato.int. Completed applications should be sent to sps.applications@hq.nato.int. Queries about ongoing projects should be directed to the responsible SPS Advisor.

1.1. What Do SPS Multi-Year Project Grants Offer?

SPS MYP grants support collaborative applied research and development projects which must:

- ★ **address one or more SPS Key Priorities** (See SPS Key Priorities Annex)
- ★ demonstrate a **clear link to security**

and show evidence of:

- high quality research and development
- clear and realistic objectives
- solid milestones and deliverables
- substantial cooperation among researchers from NATO nations and partner countries
- collaboration between researchers and potential end-users of the project results*
- participation of young scientists

SPS provides funding for project-specific costs including:

- equipment and consumables

* Depending on the nature of the project, end users could be (but are not limited to) government ministries, state organisations or regional authorities within a participating country or private, commercial and/or industrial companies.

- project-related training and travel including hosting or attending conferences and seminars
- communications both to the scientific community and to the public
- the project management expenses of the NATO-country project director up to 10% of the overall budget
- limited stipends for young researchers

but **not including** salaries or overhead. See section 3.4 for further details.

Multi-Year Projects last for 18–36 months.

1.2. Who Can Apply?

SPS Multi-Year Projects are collaborations between experts in NATO nations and in NATO partner countries. Applications must thus be developed and submitted jointly by one or more applicants residing and working in NATO nations, and one or more residing and working in NATO partner countries. The principal applicants, termed project *co-director*, are each allocated his or her own budget in the MYP application. In general, an application should have no more than one co-director per institution. Each co-director takes responsibility for the planning and progress of work performed at his or her institution, and all work together to ensure the success of the overall project. Other *project participants* are not assigned their own budget and are not considered co-directors, for example students or post-doctoral researchers, further researchers at a given institute, etc.

The primary co-director from a NATO country and the primary co-director from a partner country are referred to respectively as the NATO country Project Director (NPD) and Partner country Project Director (PPD); each project will have one NPD and one PPD. In addition to overseeing work at their own institutions, the NPD and the PPD have joint responsibility and authority for the overall technical management of the project including project reporting as described below. The NPD and his or her institution will receive and manage all project funds, as described below, and the NPD retains ultimate responsibility and accountability for financial aspects of the project.

All applicants must be affiliated with a government, academic, or other non-profit institution. For-profit private companies are not eligible for SPS funding although their participation as end-users is encouraged.

2. The Life of a Project

2.1. Application and Evaluation

2.1.1. Project Plan

Multi-Year Projects begin as a Project Plan developed collaboratively by the prospective co-directors. The Project Plan describes the purpose and objectives of the project in detail. It describes the management and organization of the project and the responsibilities of key personnel, includes a detailed work plan and budget, criteria for success, an intellectual property rights (IPR) agreement among the participants and their institutions*, CVs of all co-directors, and written commitments from the identified *end-users*, including a statement of their interest in the project. In addition, the Project Plan will establish milestones to be used as the basis for progress reporting and payments. A template can be found in annex along with further instructions, and should be submitted electronically as described in that annex.

* or a waiver, agreed by all participants and their institutions, stating that an IPR agreement is not necessary; NATO makes no claim to intellectual property developed under MYP grants.

Project Plans may be submitted at any time, but are generally reviewed in two or three cycles per year. NATO publishes deadlines for each round of evaluation on the [SPS website](#). Please check this website regularly for changes to deadlines and application materials.

2.1.2. Peer-Review

Project Plans are reviewed by the Independent Scientific Evaluation Group (ISEG), a group of scientists from NATO countries nominated by, but not representing their respective governments. After review, the ISEG make their recommendations to NATO.

2.2. Approval and Award

Projects recommended by the ISEG are considered by the NATO Allies who make the final decision to fund or reject. Should a proposal be approved by the NATO Allies, a Grant Letter, advising the co-directors of the decision and detailing the conditions of the award both financial and technical is issued to the co-directors from the SPS Office*.

2.3. Acceptance and Kickoff

An SPS Project is formally established upon the SPS's receipt of the Grant Letter, signed by all co-directors and an authorized representative of the NPD's institution. The signed Grant Letter, its appendices and documents included in it by reference forms, along with this handbook, the contract between NATO on the one side and the co-directors and their institutions on the other. At this point, in most instances an initial payment for the first six months of project work will be transferred to the NPD's institutional account.

The co-directors should plan a kick-off meeting to be held either in person or via teleconference no more than 60 days after the final signed letter is received by the SPS Office. The SPS Office must be informed of the date of this meeting which will serve as the start date for the project.

2.4. Reporting and Assessment

A reporting schedule linked to technical progress will be established in the Project Plan for each project. Generally, a financial and technical report will be due for Milestone One within six months from the start date. Further progress reports will be linked to technical milestones, as defined in the Project Plan, with at least one milestone (and thus one progress report) per year. Thus, the minimal schedule for a three-year project would consist of a Milestone One report six months following the kick-off, technical milestone-linked progress reports around 18 and 30 months, and a final report at 36 months. Instructions and templates for technical and financial reports are in annex.

In addition to formal progress reports, co-directors shall keep the SPS Office informed regularly, and upon request of the SPS Office, with timely informal updates on project events and milestones: project meetings, purchase and installation of significant equipment, project-related conferences, publication of project-related articles or patents, and so on.

Both informal updates and progress reports shall include high quality multimedia content in order to allow NATO to promote the project to the public. Up to €5,000 for the production of this content, for example a project website, professional photography and video production, or project related exhibitions or educational activities, may be included in the project budget. All publications, presentations, and other externally distributed materials stemming from the MYP grant shall comply with SPS Visual Identity

* Formally the *Science for Peace and Security Programme Management and Budget unit in the NATO Emerging Securities Challenges Division*

Guidelines (provided to project co-directors) and shall credit NATO support with the following or a substantially similar sentence: This research was sponsored [in part] by the NATO Science for Peace and Security Programme under grant [XXXXXX].

The financial and technical progress of each project will be overseen by, the SPS Advisor, who will be the co-directors' primary contact in the SPS Office. In addition, the SPS Office will, at its discretion, appoint an external evaluator with expertise in the project's technical area. Both the SPS Advisor and the external evaluator will review progress reports and work with co-directors to ensure that the project remains on target. A mid-term assessment including, whenever feasible, a site visit by the SPS advisor and/or external evaluator will be conducted following the most suitable milestone as agreed by the co-directors and the SPS Office.

Should unforeseen circumstances require changes to a project already underway, the SPS Advisor will work with the co-directors to ensure the smoothest possible continuation. Changes to a co-director require the agreement of all co-directors as well as the SPS Office. Changes to the institution of a co-director require the official agreement of both the old and new institutions as well as of the SPS Office.

2.5. Project Close-out

After the technical activities of a project have been completed, the co-directors shall prepare a final report detailing project activities, technical or scientific progress, and the implementation or planned implementation of the results. Instructions and a template for final reports are in annex and must be submitted along with a final financial report including remaining justifying documents and an account balance statement prepared by the NPD's institution. A final project evaluation will be scheduled, including a site visit by the SPS advisor and/or external evaluator whenever feasible. The payment of the final instalment of the SPS grant is contingent on the satisfactory completion of the final report and evaluation.

3. Finance

Grantees will manage funds in accordance with the budget and other conditions of the SPS Grant Letter and with the financial regulations in place at the NATO Project Director's institution. Applicants are required to supply a copy of the relevant financial regulations with the Project Plan. These regulations must comply with fundamental procurement principles such as competition, transparency, fairness, integrity, etc., as specified in the WTO Government Procurement Agreement. Furthermore, they must contain standards of conduct governing staff engaged in the award and management of contracts under the grant. These standards must include provisions to avoid real or apparent conflicts of interest and to prohibit the acceptance and solicitation of favours or gratuities from potential or actual recipients of grant funds (i.e. vendors and service providers). Grantees must also inform NATO promptly of any changes to the applicable financial rules as they are made.

Should NATO, in its sole discretion, require any additional conditions or modifications to these institutional rules, they will be discussed with applicants and included in the Grant Letter or communicated to co-directors in writing.

In the event of any discrepancy between the rules imposed by NATO (whether by way of this Handbook, a Grant Letter, or otherwise) and the financial rules of the institution, the former take precedence.

NATO funds must be used only for **direct project-specific costs** reflected in the project budget. Any misuse of funds or material non-compliance with grant conditions may lead to the immediate termination of the grant and to legal action.

3.1. Budget

Among the final stages in the approval of a proposed Multi-Year Project is the negotiation of a *project budget* between co-directors and the SPS Advisor on the basis of the budget proposed in the Project Plan. This budget consists of both the fixed *budget ceiling* and a *schedule of payments* linked to project reporting. The agreed budget will be set out in the Grant Letter and will form part of the terms and conditions of the grant.

Modifications to the project budget, within budget ceiling, are possible in the course of the project. Changes which, alone or together, are less than 5% of the overall budget must be approved by the NPD who must also promptly notify the SPS Office. Larger changes must be recommended by all co-directors and approved in advance by the SPS Office. All approved changes, will be incorporated into the project budget, and subsequent reporting shall reflect them.

While there are no hard limits the budget of Multi-Year Projects, typical three-year projects are in the €150,000–€300,000 range. If your project would require more than €400,000, please send us a one-page abstract of your proposal with an estimated budget so that we can evaluate whether such a project fits in our overall portfolio before developing a full application.

3.2. Payments

Once the Grant Letter is signed and returned to NATO, NATO will transfer the initial payment to the NPD's institution where it must be held, as with all project funds, in a **separate account or sub-account established exclusively for this project**; NATO funds shall not be mingled with funds from any other source.

The NPD and his/her institution are responsible for making payments from these advances both for his/her own expenses and for those of other co-directors according to the project budget. The NPD also has responsibility for maintaining proper documentation and justification for all expenses, including those of other co-directors, in accordance with his or her institution's financial rules. The NPD's institution shall withhold or withdraw approval of any expenditure that contravenes a term of NATO's requirements as set out in the Grant Letter, this Handbook, or any other written communication, or the institution's own financial policies or controls. The NPD's institution shall consult with the SPS Advisor whenever the Institution is uncertain as to NATO's financial requirements.

3.3. Documentation

All payments from the project account must be recorded on the financial record form (FRF) in annex. The FRF must be kept up to date and ready for inspection by the SPS Advisor at any time. In addition, justifying documentation must be retained for expenses as required by the financial standards of the NPD's institution. Copies of these justifying documents in paper or electronic format must be submitted to the SPS Office, along with the FRF as part of the required reporting. These documents should be grouped by expense and each group labelled with the corresponding entry number from the FRF. Original justifying documents should be retained by each co-director, and approved copies by the NPD, for at least five years after the official closure of the project.

Each co-director is accountable for instruments, tools, and other non-expendable items purchased in whole or in part with NATO funds. For equipment with an initial value of over €2,500, co-directors must, on delivery, affix a unique NATO SPS identification label (to be provided by the SPS Office) to the instrument itself if feasible (and if not to an associated item, for example the user's manual), and inform the NPD who will enter the details in the property tab in the budget spreadsheet. The property inventory may be audited at any time by NATO officials, their representative, or local authorities. If item of property

has been damaged, destroyed, or cannot be located, the circumstances of the loss must be immediately reported to the NPD and the SPS Office. Such loss must be indicated and details given in the property inventory log.

Following the achievement of each reporting milestone laid out in the Project Plan, the NPD shall send a technical and financial progress report to the SPS Advisor, including updated spending projections for the remainder of the project and any proposed modifications to the budget, and an updated property log. Templates for these reports are in annex. The co-directors and SPS Advisor will then work together to agree a revised budget and schedule of payments to reflect actual spending to date and projected future spending. Final decisions rest with NATO. Provided that project progress and reporting are satisfactory to SPS, and subject to available budgetary credits, NATO will make a subsequent payment in accordance with this updated schedule. If satisfactory progress is not made, the SPS Office reserves the right to require or impose modifications to the budget or the project, or to terminate the project.

3.4. Generally Allowable Expenses

Subject to the approved budget set out in the Grant Letter, the following expenses are generally allowable:

Equipment, Computers, and Consumables

- purchase of *project-specific* equipment, computers, consumables, and spare parts, including costs necessary for shipment and installation
- repair and maintenance of project-specific equipment

Major equipment (>€2,500) must, where possible, be marked with inventory stickers to be provided by the SPS Office, acknowledging the SPS Programme as the source of funds.

Travel

- travel and accommodation for project participants for project meetings and consultation
- travel and accommodation for project participants for project-relevant conferences, workshops, and seminars, including conference fees

Training

- training expenses for project participants including necessary travel and accommodation; training may include, but is not limited to, instruction on new equipment or techniques with the manufacturer or in the laboratory of another project participant, or a seminar/institute organized within the framework of the project to train multiple project participants simultaneously

Publications and Communication

- the purchase of journals and books necessary for the project
- expenses for publication of scientific results (e.g. page charges)
- up to €1,000 per patent for the filing of patents generated in the course of the project
- up to €5,000 for dissemination of the results to a broader public in both NATO and partner countries involved in the project, for example for
 - hiring professional photographers to take high-resolution pictures;
 - production of promotional and/or informational video clips to present the aims, ongoing work, equipment and exercises of the project to a larger audience;
 - creating a public project website containing all relevant information as well as regular updates about the project;

- organizing and participating in public exhibitions (local/national media should be invited to these events where possible), etc.

Stipends

- stipends for a maximum of five young researchers per co-director from eligible partner countries and two per co-director from NATO countries as detailed in section 3.6

Other

- the NPD's financial management expenses not to exceed 10% of the overall project budget

3.5. Ineligible expenses

The following expenses are ineligible under the SPS programme *except* as part of the NPD's financial management expenses which may be used for any project-related purpose:

- salaries or related benefits
- overhead or general administrative expenses including but not limited to construction, rental or use of buildings, depreciation of equipment already available, maintenance of premises, vehicle, or consumables such as electricity and heating oil
- office equipment and supplies such as copy machines, fax machines, etc.
- general language or computer courses

3.6. Stipends

Stipends are intended to supplement the income of young researchers (under 40 years old at the date of award) involved in SPS projects in NATO and eligible partner countries (see Eligible Countries Annex). As such, they may be used to provide additional salary, fellowships, scholarships, etc., provided that the full amount of the stipend is paid to the stipend recipient. The SPS project should represent the research focus for all stipend recipients. A CV (on the template in annex) must be submitted to the SPS Advisor for each potential stipend recipient, along with a description of his or her role in the project before he or she can be paid any stipend from NATO funds. The SPS Advisor must approve each potential stipend recipient before stipend payments may be made. Maximum stipends for young scientists are:

- €400/month for researchers without a Ph.D., including Ph.D. students
- €500/month for researchers with a Ph.D

An SPS project will support up to two stipend recipients per co-director in NATO countries and up to five per co-director in eligible partner countries. Co-directors may not themselves receive SPS stipends.

Following approval of a proposed stipend recipient by the SPS Office, stipends should be paid following each work period, but at least monthly. Stipends may be paid by the NPD either into the institutional account of the supervising co-director or, preferably, directly into the personal account of the stipend recipient him/herself. Stipends must never be paid to a co-director's personal account. A payslip, receipt signed by the stipend recipient, or equivalent documentation confirming payment of SPS funds to the recipient, is required for each payment and should be retained and submitted as with other justifying documents.

4. Inspection and Audit

Grant recipients shall allow NATO representatives or its authorized agents access to their premises and facilities to carry out monitoring reviews and compliance audits, provide them with access to all accounts, records and other information relating to a project, and respond fully and accurately to any inquiries

NATO may make for the purpose of verifying adherence to the terms and conditions of the grant or NATO requirements.

The financial records of the project, including an updated Financial Record Form (FRF) and justifying documents must be made available to the SPS Office upon request. A summary consisting of the FRF and an account statement from the NPD's institution shall be made available within one week of the Office's request, while a reasonable delay, not to exceed four weeks, will be accorded for justifying documents.

Furthermore, grant recipients shall

- (a) provide in a timely manner any information about the grant that NATO reasonably requests;
- (b) contribute to the monitoring, review and evaluation of NATO's granting programmes by participating in mid-term reviews, evaluation studies, surveys, workshops, audits and other activities organized for the purpose of collecting information to assess progress and results;
- (c) make their students, researchers, and staff available to participate in the monitoring, review and evaluation of NATO's programmes, policies and processes.

5. Legal Conditions

Grants under the SPS Programme are unilateral grants, made at the sole discretion of NATO. NATO may decline to make any grant or to withhold any grant payment at its sole discretion, in whole or in part.

Without limiting the generality of the foregoing, in the event of any default by a Grant Recipient, or if a Grant Recipient fails to comply with any of the terms and conditions set out in the Handbook, its annexes or the Grant Letter and its annexes, other written communications from NATO, or the financial regulations in place at the NPD's institution, NATO may at its sole discretion suspend (whether in whole or in part) the grant and the payment of any monies, or may terminate the grant. In such circumstance, NATO may at its sole discretion require repayment of some or all unexpended monies, or expended monies, and Grant Recipients are jointly and severally liable for repayment of such monies.

6. Annexes

- SPS Key Priorities
- Eligible countries and SPS glossary
- Project Plan instructions
- Project Plan template
- Project budget and financial record form
- CV template for proposed stipend recipients
- Sample Intellectual Property Rights agreement
- Progress report template
- Final report template