



EUROPEAN COMMISSION
RESEARCH DIRECTORATE-GENERAL

Directorate E - Biotechnologies, Agriculture, Food
Administration and Finance
The Head of Unit

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INSTITUT NATIONAL DE LA RECHERCHE
AGRONOMIQUE
Dr Fauconneau
Rue De L'Universite 147
FR-75338 PARIS

REGISTERED WITH NOTICE OF RECEIPT

To all contractors in contract **FOOD-CT-2004-06961**

Dear Dr Fauconneau ,

**Re: termination of participation of Chalex and impact on contract
FOOD-CT-2004-6961 (RESISTVIR)**

*For enquiries, please contact Mrs. Barbara Durand phone +32.296.01.49, fax: +32.2.296.05.40/ E-mail:
Barbara.durand@ec.europa.eu*

This is to inform you that the Commission terminated on 16/03/2007 the participation of Chalex Research Ltd. for breach of contract in agreement with Article II.16 of the contract because it did not submit the reports and deliverables as specified in Article II.7 of the contract within 45 days of the end of the reporting period (31/1/2007).

Meanwhile, the Commission was informed that Chalex Research Ltd. went into voluntary liquidation as from 28/3/2007. The Commission registered itself as creditor in the liquidation process of Chalex Research Ltd.

The financial situation of the contract is as follows.

Contract FOOD-CT-2004-6961 (RESISTVIR) started on 1/2/2005 (duration of 36 months). The maximum EC contribution is 2,274,199.00€. Chalex received, as coordinator of the project on behalf of the consortium, a pre-financing for an amount of 977,028.00 € on 26/07/2005.

The details on the amounts transferred by Chalex to the other contractors are given in Annex 1. The total amount transferred by Chalex, as confirmed by the contractors is 445,516.37€. Note that the amounts given by Chalex were in general lower than the amounts confirmed by the individual contractors.

This implies that an amount of 531,511.63 € is unaccounted for, which the Commission will try to recover directly from the liquidator of Chalex Research Ltd..

Chalex did not present cost statements for the first reporting period. The amount of 531,511.63 € can be reduced if the following documents are provided (in principle within 45 days after the effective date of termination):

- In the capacity of Chalex as contractor the financial statement (Form C) for the first reporting period (1/1/2006 - 31/12/2006).
- In the capacity of Chalex as contractor the audit certificate for all the costs it incurred during the first reporting period (1/1/2005 - 31/12/2005)
- In the capacity of Chalex as coordinator the deliverables/report related to the first reporting period as specified in Article 7 of Annex II to the contract.

The Commission requested Chalex Research Ltd. and its liquidator to submit these documents. So far this did not happen.

Can I invite the consortium to inform the Commission on how it intends to continue the implementation of the project as originally foreseen and who will take over the tasks of Chalex. If the consortium provides evidence of its capacity to continue and finalise the implementation of the project the financial collective responsibility clause will not be applied. Furthermore, in view of the difficulties experienced the Commission would be ready to accept an extension of the duration of the project if this is judged necessary by the consortium in order to implement successfully the project. Note that the maximum amount which the Commission can still pay in the framework of this contract is 1.297.171,00€. Please note also that the reports and deliverables for the 1st period still need to be submitted to the Commission.

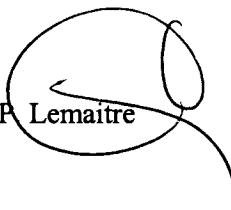
If, however, the consortium is not capable of providing this evidence then the Commission will be obliged to apply the financial collective responsibility clause. For that case an overview is given in Annex 2 of the possible financial consequences for each individual contractor if the full amount of 531,511.63 € had to be recovered from the consortium. The amount which would be recovered from each private legal entity participating in this contract, can, however, never be higher than its own contribution accepted and paid by the Commission. The figures given in Annex II are based upon the accepted contribution for these private legal entities, which amounts to a total of 113,624.00 € so far.

In conclusion, the consortium is requested to inform the Commission how it intends to fulfil its further contractual obligations and whether it wishes to continue the project. If that is the case and the proposal you will make is acceptable to the Commission an amendment to the contract will have to be made to formalise all this. Such an amendment (to be endorsed by all remaining contractors) should consist of at least the following:

- proposal for a new coordinator
- change of bank details
- revision of the description of work in which it is described who will take over the tasks of Chalex

Can I request that you inform us within 2 months of receipt of this letter on how you want to proceed. Do not hesitate to contact us in case you need additional information or further clarifications.

Yours sincerely,


F. Lemaitre

copy: T. Hall
A. Schneegans

Annex 1: Overview of amounts transferred by CHALEX to contractors in the framework of contract FOOD-CT-2004-6961 (RESISTVIR)

Contractor number	Contractors	amount received from Chalex confirmed by the contractor (€)	Amount transferred according to Chalex (€)	remark
P2	PI BIOSCIENCE LTD	0.00	0.00	No confirmation by contractor on amount received
P3	INSTITUTE OF BOTANY	4,475.76	264.00	
P4	CENTRAL SCIENCE LABORATORY DEFRA	21,090.55	12,568.50	
P5	UNIVERSITY OF SHEFFIELD	26,495.73	24,090.00	
P6	HEINRICH HEINE UNIVERSITY	0.00	900.00	
P7	UNIVERSITY OF MILAN	5,911.82	3,775.00	
P8	WALLOON CENTRE OF AGRICULTURAL RESEARCH	4,573.75	3,352.80	
P9	UNIVERSITY OF NATURAL RESSOURCES	11,847.41	8,856.00	
P10	VRIJE UNIVERSIEIT AMSTERDAM	6,124.83	3,960.00	
P11	THE GOVERNMENT OF ISRAEL	12,008.51	5,946.00	
P12	TECHNOLOGY CODES LTD	0.00	15,706,50	
P13	ISTITUTO SPERIMENTALE PER LA PATOLOGIA VEGETALE	4,483.82	1,428.00	

P14	FRED TYLER ACTING UNDER THE NAME/TRADING AS ACRS	1,671.22	2,452.03	
P15	PLANT BREEDING AND ACCLIMATIZATION INSTITUTE	3,821.94	1,046.20	
P16	CONSIGLIO NAZIONALE DELLE RICERCHE	6,433.34	2,138.40	
P17	UNIVERSITY OF ANKARA	3,766.89	420.00	
P18	AGRICULTURAL RESEARCH INSTITUTE	7,511.78	1,457.28	
P19	RHEINISCHE FRIEDRICH/UNIVERSITY OF BONN	6,344.21	4,732.80	
P20		0.00	0.00	No contractor associated with number 20
P21	MTT AGRIFOOD RESEARCH FINLAND	7,484.28	3,281.68	
P22	FEDERAL CENTER FOR BREEDING RESEARCH ON CULTIVATED PLANTS	5,953.34	5,953.34	
P23	QUADRATE DIGITAL MEDIA LTD	14,669.57	14,580.00	
P24	CHRISTIAN ALBRECHTS UNIVERSITY OF KIEL	1,084.76	0.00	
P25	UNIVERSITY OF AZORES	4,462.74	2,570.40	
P26	NIAB	10,566.20	10,566.20	
P27	FACULTE UNIVERSITAIRE DES	3,786.77	1,075.20	

	SCIENCES AGRONOMIQUES			
P28	BTL BIO TEST LABORATORY GMBH SAGERHEIDE	4,551.78	1,128.97	
P29	UNIVERSITE DE CATHOLIQUE DE LOUVAIN	13,539.75	12,169.53	
P30	INSTITUTE OF PLANT MOLECULAR BIOLOGY ACADEMY OF SCIENCES	5,201.81	1,021.47	
P31	JUSTUS LIEBIG UNIVERSITY OF GIESSEN	1,127.19	879.74	
P32	RESEARCH INSTITUTE OF CROP PRODUCTION	7,842.43	1,911.02	
P33	NORDDEUTSCHE PFLANZENZUCHT	0.00	0.00	
P34	AGROBIOINSTITUTE	2,286.75	317.40	
P35	PLANT PROTECTION INSTITUTE	3,764.55	239.02	
P36	CONSEJO SUPERIOR DE INVESTIGACIONES CIENTIFICAS	32,702.34	28,806.34	
P37	AGRICULTURAL BIOTECHNOLOGY CENTER	0.00	1,229.18	
P38	CENTRUM GRUNE GENTECHNIK	9,296.01	4,316.83	
P39	INSTITUT NATIONAL DE LA RECHERCHE AGONOMIQUE	88,591.63	78,395.52	
P40	JOHN INNES CENTER	1,912.50	8,533.34	

P41	NATIONAL AGRICULTURAL RESEARCH FOUNDATION	9,279.82	3,441.98	
P42	SCOTTISH CROP RESEARCH INSTITUTE	1,2091.68	10,337.76	
P43	TALLINN UNIVERSITY OF TECHNOLOGY	3,350.00	1,425.60	
P44	UNIVERSIDAD POLITECNICA DE MADRID	14,713.69	14,064.08	
P45	UNIVERSITA DEGLI DI STUDI DI BARI	11,527.44	15,307.60	
P46	UNIVERSITY OF CRETE	6,522.15	4,080.00	
P47	HELSINKI YLIOPISTO	7,506.27	13,230.00	
P48	WAGENINGEN UNIVERSITY	8,812.80	8,812.80	
P49	INTERNATIONAL CENTER FOR GENETIC ENGINEERING AND BIOTECHNOLOGY	26,326.56	24,219.70	
		445,516.37		

Annex 2: Amounts to be reimbursed by individual contractors in case the financial collective responsibility clause had to be applied (only in case the consortium decides not to continue with the implementation of the project)

P02	FCF	PI BIOSCIENCE LTD	PRNPCO Private, non-public, commercial	7,300.0	yes	6,42%	34,148.02	0.00
P12	FCF	TECHNOLOGY CODES LTD	PRNPCO Private, non-public, commercial	30,714.0	yes	27,03%	14,3674.30	15,706.50
P23	FCF	QUADRATE MEDIA LTD DIGITAL	PRNPCO Private, non-public, commercial	46,000.0	yes	40,48%	215,179.32	14,850.00
P26	FC	NIAB	PRNPCO Private, non-public, commercial	23,480.0	yes	20,66%	109,835.01	3,064.30
P28	FC	BTL BIO TEST LABORATORY GMBH SAGERHEIDE	Private Organisation Consultant (i. e. any commercial organisations owned by individuals either directly or by shares)	6130.0	yes	5,39%	28,674.98	0.00
P33	FC	NORDDEUTSCHE PFLANZENZUCHT	PRNPCO Private, non-public, commercial	0	yes	0,00%	0.00	0.00