



## GRANT AGREEMENT FOR AN ACTION WITH MULTIPLE BENEFICIARIES

AGREEMENT NUMBER – EUBA-EFSA-2022-ENREL-02

TITLE – Selection of hosting sites and fellows for EU-FORA Risk Assessment Fellowship Programme

**N.B. This grant agreement is for information purposes only and does not need to be submitted with your grant application.**

This Agreement ('the Agreement') is concluded between the following parties:

on the one part,

The European Food Safety Authority (hereinafter "the Authority"), established by [Regulation \(EC\) No 178/2002](#)<sup>1</sup> of the European Parliament and of the Council laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety, as last amended, with offices on Via Carlo Magno 1/A, I-43126 Parma (Italy), represented by Mr Bernhard Url, Executive Director,

and

on the other part,

1. 'the coordinator' *also known for the purposes of this agreement as the fellow hosting institution*

[full official name] [ACRONYM]

[official legal status or form]

[official registration No]

[official address in full]

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<sup>1</sup> OJ L 31 of 01.02.2002



[VAT number],

represented for the purposes of signature of the Agreement by [function, forename and surname] and the following other beneficiary:

2. [full official name] — established in [country] *also known for the purposes of this agreement as the fellow sending institution*

duly represented for the signature of the Agreement by the coordinator by virtue of the mandate included in Annex III

The parties referred to above

HAVE AGREED

to the Special Conditions ('the Special Conditions') and the following Annexes:

Annex I Call for proposals and the awarded action

Annex II General Conditions ('the General Conditions')

Annex III Mandates provided to the coordinator by the other beneficiary

which form an integral part of the Agreement.

The provisions in the Special Conditions of the Agreement take precedence over its Annexes.

The provisions in Annex II 'General Conditions' take precedence over the other Annexes.



## SPECIAL CONDITIONS

### ARTICLE I.1 – SUBJECT MATTER OF THE AGREEMENT

The Authority has decided to award a grant under the terms and conditions set out in the Special Conditions, the General Conditions and the other Annexes to the Agreement, for the *action* entitled **Fellow Hosting**, as described in Annex I.

By signing the Agreement, the beneficiaries accept the grant and agree to implement the *action*, acting on their own responsibility.

The generic term "*action*" used hereinafter in the Agreement means the work programme of the beneficiary (fellow hosting site) as described in Annex I.

### ARTICLE I.2 – ENTRY INTO FORCE AND IMPLEMENTATION PERIOD OF THE AGREEMENT

**I.2.1** The Agreement enters into force on the date on which the last party signs it.

**I.2.2** The *action* runs for one whole fellow cycle scheduled to start in September 2023 and until the end of August 2024.

### ARTICLE I.3 – MAXIMUM AMOUNT AND FORM OF THE GRANT

**I.3.1** The *maximum amount of the grant* is **EUR 55,000**.

**I.3.2** The grant takes **the form** of:

- a) Reimbursement of actual costs: **not applicable**
- b) Unit contribution: **not applicable**;
- c) Lump sum contribution: **not applicable**;
- d) Flat-rate contribution: **not applicable**;
- e) **Financing not linked to costs** of EUR 55,000 for the successful performance of the full 12-month fellowship programme subject to the achievement of the results specified in Annex I.



## **ARTICLE I.4 – REPORTING – REQUESTS FOR PAYMENT**

### **I.4.1 Pre-financing**

Upon entry into force of the Agreement, a pre-financing payment of 30% of the maximum amount specified in Article I.3 shall be paid to the coordinator within 30 calendar days;

### **I.4.2 Requests for second pre-financing payment**

Not applicable

### **I.4.3 Requests for interim payment and supporting documents**

Not applicable

### **I.4.4 Request for payment of the balance and supporting documents**

The coordinator must submit the final report and any other deliverables in accordance with Annex I, no later than 31<sup>st</sup> July 2024, exactly 1 month prior to the formal end of the work programme. The beneficiary must submit a request for payment of the balance within 30 calendar days following the above date.

The beneficiary must certify that the information provided in the request for payment of the balance is full, reliable and true.

The beneficiary must also certify that the costs incurred can be considered eligible in accordance with the Agreement and that the request for payment is substantiated by adequate supporting documents that can be produced in the context of the checks or audits described in Article II.27.

EFSA will control the execution and its quality against the agreed project specification, milestones, deliverables and will reduce the grant proportionally in the event of poor, partial or late implementation or of irregularity, fraud or a breach of other obligations.

### **I.4.5 Information on cumulative expenditure incurred**

Not applicable

### **I.4.6 Currency for requests for payment and financial statements and conversion into euro**

Requests for payment and financial statements must be drafted in euros.

Beneficiaries and affiliated entities with general accounts in a currency other than the euro must convert costs incurred in another currency into euros at the average of the daily exchange rates



published in the C series of the *Official Journal of the European Union*, determined over the corresponding reporting period (available at <http://www.ecb.europa.eu/stats/exchange/eurofxref/html/index.en.html>).

If no daily euro exchange rate is published in the *Official Journal of the European Union* for the currency in question, conversion must be made at the average of the monthly accounting rates established by the Commission and published on its website ([http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/inforeuro/inforeuro\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm)), determined over the corresponding reporting period.

Beneficiaries and affiliated entities with general accounts in euros must convert costs incurred in another currency into euros in accordance with their usual accounting practices.

#### **I.4.7 Language of requests for payments, technical reports and financial statements**

All requests for payments and technical reports must be submitted in English.

### **ARTICLE I.5 – PAYMENTS AND PAYMENT ARRANGEMENTS**

#### **I.5.1 Payments to be made**

The Authority must make the following payments to the coordinator:

- one pre-financing payment referred to in Article I.4.1;
- one payment of the balance, on the basis of the request for payment of the balance referred to in Article I.4.4.

#### **I.5.2 Pre-financing payment**

The aim of the pre-financing is to provide the beneficiaries with a float. The pre-financing remains the property of the Authority until it is cleared against interim payments or, if it is not cleared against interim payments, until the payment of the balance.

The Authority must make the pre-financing payment of EUR 16,500 [sixteen thousand, five hundred euro] to the coordinator within 30 calendar days from the entry into force of the Agreement except if Article II.24.1 applies.

#### **I.5.3 Interim payment**

Not applicable

#### **I.5.4 Payment of the balance**

In accordance with the provisions of article II.25.1.(f), since the grant takes the form of financing not linked to costs, EFSA will apply the amount specified in Article I.3.2(e), if it finds that the conditions specified in Annex I were fulfilled and the results specified were achieved.



Payment is subject to the approval of the request for payment of the balance and of the accompanying documents. In accordance with Article II.20.2(e), for financing not linked to costs, the coordinator must provide adequate supporting documents to prove that the *action* has been properly implemented. The beneficiaries do not need to identify the actual eligible costs covered or to provide supporting documents, such as accounting statements, to prove the amount declared as a financing not linked to costs.

The amount to be paid may, however, be offset, without the beneficiary's consent, against any other amount owed by the beneficiary to the Commission or to an executive agency (under the EU or Euratom budget), up to the maximum contribution indicated for that beneficiary, in the estimated budget in Annex III.

#### **I.5.5 Notification of amounts due**

Not applicable.

#### **I.5.6 Interest on late payment**

If the Authority does not pay within the time limits for payment, the beneficiaries are entitled to late-payment interest at the rate applied by the European Central Bank for its main refinancing operations in euros ('the reference rate'), plus three and a half points. The reference rate is the rate in force on the first day of the month in which the time limit for payment expires, as published in the C series of the *Official Journal of the European Union*.

Late-payment interest is not due if all beneficiaries are Member States of the Union (including regional and local government authorities and other public bodies acting in the name of and on behalf of the Member State for the purpose of the Agreement).

If the Authority suspends the time limit for payment as provided for in Article II.24.2 or if it suspends an actual payment as provided for in Article II.24.1, these actions may not be considered as cases of late payment.

Late-payment interest covers the period running from the day following the due date for payment, up to and including the date of actual payment as established in Article I.5.8. The Authority does not consider payable interest when determining the final amount of grant within the meaning of Article II.25.

As an exception to the first subparagraph, if the calculated interest is lower than or equal to EUR 200, it must be paid to the coordinator only if the coordinator requests it within two months of receiving late payment.

#### **I.5.7 Currency for payments**

The Authority must make payments in euros.



### **I.5.8 Date of payment**

Payments by the Authority are considered to have been carried out on the date when they are debited to its account.

### **I.5.9 Costs of payment transfers**

Costs of the payment transfers are borne as follows:

- (a) the Authority bears the costs of transfer charged by its bank;
- (b) the beneficiary bears the costs of transfer charged by its bank;
- (c) the party causing a repetition of a transfer bears all costs of repeated transfers.

### **I.5.10 Payments to the coordinator**

The Authority must make payments to the coordinator.

Payments to the coordinator discharge the Authority from its payment obligation.

## **ARTICLE I.6 – BANK ACCOUNT FOR PAYMENTS**

All payments must be made to the coordinator's bank account as indicated below:

Name of bank: [...]

Precise denomination of the account holder: [...]

Full account number (including bank codes): [...]

[IBAN code: [...]]<sup>2</sup>

## **ARTICLE I.7 – DATA CONTROLLER, COMMUNICATION DETAILS OF THE PARTIES**

### **I.7.1 Data controller**

The entity acting as a data controller as provided for in Article II.7 is: Victoria Villamar, Head of ENREL Unit at EFSA.

### **I.7.2 Processing of personal data by the beneficiary**

For the purpose of Article II.7.2,

(a) The subject matter and purpose of the processing of personal data by the beneficiary are data on the selection and hosting of Fellows. Information on the categories of personal data processed, the

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<sup>2</sup> The BIC or SWIFT code should be used for countries which do not use the IBAN code.



recipients thereof, the rights of data subjects and further details is provided in the 'Note on the processing of personal data in the context of the EU FORA Fellowship Programme' provided in Annex 8 of the call for proposals;

(b) The localisation of and access to any personal data processed by the beneficiary shall comply with the following:

- i. the personal data shall only be processed within the territory of the European Union and the European Economic Area and will not leave that territory;
- ii. the data shall only be held in data centres located with the territory of the European Union and the European Economic Area;
- iii. no access shall be given to such data outside of the European Union and the European Economic Area;
- iv. the beneficiary may not change the location of data processing without the prior written authorisation of the Authority;
- v. any transfer of personal data under the Agreement to third countries or international organisations shall fully comply with the requirements laid down in Chapter V of Regulation (EU) 2018/1725<sup>3</sup>.

### **I.7.3 Communication details of the Authority**

Any communication addressed to the Authority related to technical and operational aspects of the action shall be sent to the following address:

Cristina Alonso Andicoberry  
European Food Safety Authority - EFSA  
ENREL UNIT  
Via Carlo Magno 1/A  
43126 Parma – Italy

E-mail: [Cristina.ALONSOANDICOBERRY@efsa.europa.eu](mailto:Cristina.ALONSOANDICOBERRY@efsa.europa.eu)

Any communication addressed to the Authority related to the financial aspects of the action shall be sent to the following address:

[EFSAProcurement@efsa.europa.eu](mailto:EFSAProcurement@efsa.europa.eu)

### **I.7.4 Communication details of the beneficiaries**

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<sup>3</sup> Regulation (EU) 2018/1725 of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC, OJ L 295/39, 21.11.2018, <https://eur-lex.europa.eu/legalcontent/EN/TXT/PDF/?uri=CELEX:32018R1725&from=EN>





Any communication from the Authority to the beneficiaries must be sent to the following address:

[Full name]

[Function]

[Name of the entity]

[Full official address]

Email address: [complete]]

## **ARTICLE I.8 – ADDITIONAL PROVISIONS ON USE OF THE RESULTS (INCLUDING INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS)**

In accordance with Article II.9.3, whereby the Authority acquires rights to use the results of the action, these results may be exploited using any of the following modes:

- (a) distribution to the public in hard copies, in electronic or digital format, on the internet including social networks as a downloadable or non-downloadable file;
- (b) communication through press information services;
- (c) inclusion in widely accessible databases or indexes, such as via 'open access' or 'open data' portals, or similar repositories, whether freely accessible or accessible only upon subscription; in particular any part of the output resulting from the action under this grant may be published (at EFSA's discretion) on the [Knowledge Junction](#)<sup>4</sup> with attribution to the beneficiary;
- (d) edit or re-write in another way the results of the action, including shortening, summarising, modifying the content, correcting technical errors in the content;
- (e) cut, insert meta-data, legends or other graphic, visual, audio or word elements in the results of the action;
- (f) extract a part (e.g. audio or video files) of, divide into parts or compile the results of the action;
- (g) prepare derivative works of the results of the action;
- (h) translate, insert subtitles in the results of the action in:
  - English, French, German
  - all official languages of EU
  - languages of candidate countries
- (i) license or sub-license to third parties, including if there are licensed pre-existing rights, any of the rights or modes of exploitation set out in Article II.9.3 of the General Conditions

The beneficiaries must ensure that the Authority has the rights of use specified in the General Conditions for the whole duration of the industrial or intellectual property rights concerned.

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<sup>4</sup> Learn more at <http://www.efsa.europa.eu/en/press/news/161114>



## **ARTICLE I.9 – INAPPLICABILITY OF THE NO-PROFIT PRINCIPLE**

As an exception to Article II.25.3, the no-profit principle does not apply to the *action*.

## **Article I.10 –PUBLICITY**

I.10.1 Any communication or publication by the coordinator or co-beneficiaries about the project, the outcome or the results (including partial or preliminary), including at a conference or seminar, in any form and medium, shall indicate that sole responsibility lies with the author and that the Authority is not responsible for any use that may be made of the information contained therein.

I.10.2 The coordinator authorises the Authority to publish the following information in any form and medium, including via the Internet:

- the beneficiary' name and address,
- the subject and purpose of the grant,
- the amount granted and the proportion of the project's total cost covered by the funding.

Upon a reasoned and duly substantiated request by the coordinator, the Authority may agree to forgo such publicity if disclosure of the information indicated above would risk compromising the coordinator or co-beneficiaries' security or prejudicing their commercial interests.

Any publication or dissemination which has been notified to and agreed by EFSA should comply with the provisions of article II.8 and II.9.

## **ARTICLE I.11 – DEROGATION TO PROVISIONS ON RECOVERY IN CASE OF CONSORTIUM**

By derogation to the provisions of article II.26 on recoveries and where provisions in national law prevent beneficiaries to accept joint and several liability, beneficiaries shall be individually liable to repay the Authority the amounts identified for recovery.

## SIGNATURES

For the coordinator

[*function/forename/surname*]

[*signature*]

Done at [*place*], [*date*]

For the Authority

[*forename/surname*]

[*signature*]

Done at [*place*], [*date*]



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## PART A – LEGAL AND ADMINISTRATIVE PROVISIONS

### Article II.1 – Definitions

The following definitions apply for the purpose of the Agreement:

**'Action'**: the set of activities or the project for which the grant is awarded, to be implemented by the beneficiaries as described in Annex I.

**'Breach of obligations'**: failure by a beneficiary to fulfil one or more of its contractual obligations.

**'Confidential information or document'**: any information or document (in any format) received by either party from the other or accessed by either party in the context of the implementation of the Agreement that any of the parties has identified in writing as confidential. It does not include information that is publicly available.

**'Conflict of interests'**: a situation where the impartial and objective implementation of the Agreement by a beneficiary is compromised for reasons involving family, emotional life, political or national affinity, economic interest, or any other shared interest with the Authority or any third party related to the subject matter of the Agreement.

**'Direct costs'**: those specific costs which are directly linked to the implementation of the action and can therefore be attributed directly to it. They may not include any indirect costs

**'Force majeure'**: any unforeseeable, exceptional situation or event beyond the control of the parties that prevents either of them from fulfilling any of their obligations under the Agreement, which is not attributable to error or negligence on their part or on the part of the subcontractors affiliated entities or third parties in receipt of financial support and which proves to be inevitable despite their exercising due diligence. The following cannot be invoked as *force majeure*: labour disputes, strikes, financial difficulties or any default of a service, defect in equipment or materials or delays in making them available, unless they stem directly from a relevant case of *force majeure*;

**'Formal notification'**: form of communication between the parties made in writing by mail or electronic mail which provides the sender with compelling evidence that the message was delivered to the specified recipient;

**'Fraud'**: any intentional act or omission affecting the Authority's financial interests relating to the use or presentation of false, incorrect or incomplete statements or documents, to non-disclosure of information in violation of a specific obligation;

**'Implementation period'**: the period of implementation of the activities forming part of the action, as specified in Article I.2.2;



**'Grave professional misconduct'**: a violation of applicable laws or regulations or ethical standards of the profession to which a person or entity belongs, or any wrongful conduct of a person or entity which has an impact on its professional credibility where such conduct denotes wrongful intent or gross negligence.

**'Implementation period'**: the period of implementation of the activities forming part of the action, as specified in Article I.2.2;

**'Indirect costs'**: those costs which are not specific costs directly linked to the implementation of the action and which therefore cannot be attributed directly to it. They may not include any costs identifiable or declared as eligible direct costs;

**'Irregularity'**: any infringement of a provision of Union law resulting from an act or omission by a beneficiary, which has or would have the effect of prejudicing the Union's budget;

**'Maximum amount of the grant'**: the maximum EU contribution to the action, as defined in Article I.3.1;

**'Personal Data'**: any information relating to an identified or identifiable natural person ('data subject'); an identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person.

**'Personal Data processing'**: any operation or set of operations which is performed on personal data or on sets of personal data, whether or not by automated means, such as collection, recording, organisation, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction;

**'Pre-existing material'**: any materials, document, technology or know-how which exists prior to the beneficiary using it for the production of a result in the implementation of the action;

**'Pre-existing right'**: any industrial and intellectual property right on pre-existing material; it may consist in a right of ownership, a licence right and/or a right of use belonging to the beneficiary or any other third parties;

**'Related person'**: any person who has the power to represent the beneficiary or to take decisions on its behalf;

**'Starting date'**: the date on which the implementation of the action starts as provided for in Article I.2.2;

**'Subcontract'**: a procurement contract within the meaning of Article II.10, which covers the implementation by a third party of tasks forming part of the action as described in Annex I;



## **Article II.2 – GENERAL OBLIGATIONS AND ROLES OF THE BENEFICIARIES**

### **II.2.1 General obligations and role of the beneficiaries**

The beneficiaries:

- (a) are jointly and severally liable for carrying out the *action* in accordance with the Agreement. If a beneficiary fails to implement its part of the *action*, the other beneficiaries become responsible for implementing this part (but without increasing the *maximum amount of the grant*);
- (b) must comply jointly or individually with any legal obligations they are bound by under applicable EU, international and national law;
- (c) must make appropriate internal arrangements to implement the *action* properly. The arrangements must be consistent with the terms of the Agreement. If provided for in the Special Conditions, those arrangements must take the form of an internal cooperation agreement between the beneficiaries.

### **II.2.2 General obligations and role of each beneficiary**

Each beneficiary must:

- (a) inform the coordinator immediately of any events or circumstances of which the beneficiary is aware, that are likely to affect or delay the implementation of the *action*;
- (b) inform the coordinator immediately:
  - (i) of any change in its legal, financial, technical, organisational or ownership situation and of any change in its name, address or legal representative;
  - (ii) of any change in the legal, financial, technical, organisational or ownership situation of its affiliated entities and of any change in their name, address or legal representative;
  - (iii) of any change regarding the exclusion situations listed in Article 136 of Regulation (EU) 2018/1046, including for its affiliated entities;
- (c) submit in due time to the coordinator:
  - (i) the data needed to draw up the reports, financial statements and other documents provided for in the Agreement;
  - (ii) all the necessary documents required for audits, checks or evaluations as provided for in Article II.27.
  - (iii) any other information to be provided to the Authority under the Agreement, except if the Agreement requires such information to be submitted directly by the beneficiary.

### **II.2.3 General obligations and role of the coordinator**





The coordinator:

- (a) must monitor the implementation of the *action* in order to make sure that the *action* is implemented in accordance with the terms of the Agreement;
- (b) is the intermediary for all communications between the beneficiaries and the Authority, except if provided otherwise in the Agreement. In particular, the coordinator:
  - (i) must immediately inform the Authority:
    - of any change in the name, address, legal representative of any of the beneficiaries or of their affiliated entities;
    - of any change in the legal, financial, technical, organisational or ownership situation of any of the beneficiaries or of their affiliated entities;
    - of any events or circumstances of which the coordinator is aware, that are likely to affect or delay the implementation of the *action*.
    - of any change regarding the exclusion situations listed in Article 136 of Regulation (EU) 2018/1046, for any of the beneficiaries or their affiliated entities.
  - (ii) is responsible for supplying the Commission with all documents and information required under the Agreement, except if provided otherwise in the Agreement itself. If information is required from the other beneficiaries, the coordinator is responsible for obtaining and verifying this information before passing it on to the Commission;
- (c) must make the appropriate arrangements for providing any financial guarantees required under the Agreement;
- (d) must draw up the requests for payment in accordance with the Agreement;
- (e) if it is designated as the sole recipient of payments on behalf of all of the beneficiaries, it must ensure that all the appropriate payments are made to the other beneficiaries without unjustified delay;
- (f) is responsible for providing all the necessary documents required for checks and audits initiated before the payment of the balance or documents required for evaluation as provided for in Article II.27.

The coordinator may not subcontract any part of its tasks to the other beneficiaries or to any other party.

## **ARTICLE II.3 – COMMUNICATION BETWEEN THE PARTIES**

### **II.3.1 Form and means of communication**



Any communication relating to the Agreement or to its implementation must:

- (a) be made in writing (in paper or electronic form);
- (b) bear the number of the Agreement; and
- (c) be made using the communication details identified in Article I.7.

If a party requests written confirmation of an electronic communication within a reasonable time, the sender must provide an original signed paper version of the communication as soon as possible.

### **II.3.2 Date of communications**

Any communication is considered to have been made when the receiving party receives it, unless the Agreement states that communication is considered to have been made on the date when the communication was sent.

Email is considered to have been received by the receiving party on the day of dispatch of that email, provided that it is sent to the email address indicated in Article I.7. The sending party must be able to prove the date of dispatch. If the sending party receives a non-delivery report, it must make every effort to ensure that the other party actually receives the communication by email or mail. In such a case, the sending party is not held in breach of its obligation to send such communication within a specified deadline.

Mail sent to the Authority using the postal or courier services is considered to have been received by the Authority on the date on which it is registered by the department identified in Article I.7.2.

*Formal notifications* are considered to have been received by the receiving party on the date of receipt indicated in the proof received by the sending party that the message was delivered to the specified recipient.

### **ARTICLE II.4 – LIABILITY FOR DAMAGES**

**II.4.1** The Authority may not be held liable for any damage caused or sustained by any of the beneficiaries, including any damage caused to third parties as a consequence of or during the implementation of the *action*.

**II.4.2** Except in cases of force majeure, the beneficiaries must compensate the Commission for any damage it sustains as a result of the implementation of the action or because the action was not implemented in full compliance with the Agreement.

### **ARTICLE II.5 – CONFLICT OF INTERESTS**

**II.5.1** The beneficiaries must take all necessary measures to prevent any situation of *conflict of interests*.



**II.5.2** The beneficiaries must inform the Authority without delay of any situation constituting or likely to lead to a *conflict of interests*. They must take immediately all the necessary steps to rectify this situation. The Authority may verify that the measures taken are appropriate and may require additional measures to be taken by a specified deadline.

## **ARTICLE II.6 – CONFIDENTIALITY**

**II.6.1** During implementation of the *action* and for five years after the payment of the balance, the parties must treat with confidentiality any *confidential information and documents*.

**II.6.2** The parties may only use *confidential information and documents* for a reason other than to fulfil their obligations under the Agreement if they have first obtained the prior written agreement of the other party.

**II.6.3** The confidentiality obligations do not apply if:

- (a) the disclosing party agrees to release the other party from those obligations;
- (b) the *confidential information or documents* become public through other means than a breach of the confidentiality obligations;
- (c) the disclosure of the *confidential information or documents* is required by law.

## **ARTICLE II.7 – PROCESSING OF PERSONAL DATA**

### **II.7.1 Processing of personal data by the Authority**

Any personal data included in the Agreement must be processed by the contracting authority in accordance with Regulation (EU) No 2018/1725.

Such data must be processed by the data controller identified in Article I.7.1 solely for implementing, managing and monitoring the Agreement or to protect the financial interests of the EU, including checks, audits and investigations in accordance with Article II.27.

The beneficiary has the right to access, rectify or erase its own personal data and the right to restrict or, where applicable, the right to data portability or the right to object to data processing in accordance with Regulation (EU) No 2018/1725. For this purpose, it must send any queries about the processing of its personal data to the data controller identified in Article I.7.1.

The beneficiary may have recourse at any time to the European Data Protection Supervisor.

### **II.7.2 Processing of personal data by the beneficiaries**

The processing of personal data by the beneficiary shall meet the requirements of Regulation (EU) No 2018/1725 and be processed solely for the purposes set out by the controller. The beneficiary must process personal data under the Agreement in compliance with applicable EU and national law on data protection (including authorisations or notification requirements).



The beneficiaries may grant their personnel access only to data that is strictly necessary for implementing, managing and monitoring the Agreement. The beneficiary must ensure that the personnel authorised to process personal data has committed itself to confidentiality or is under appropriate statutory obligation of confidentiality.

The beneficiaries must adopt appropriate technical and organisational security measures having regard to the risks inherent in the processing and to the nature, scope, context and purposes of processing of the personal data concerned. This is in order to ensure, as appropriate:

- (a) the pseudonymisation and encryption of personal data;
- (b) the ability to ensure the ongoing confidentiality, integrity, availability and resilience of processing systems and services;
- (c) the ability to restore the availability and access to personal data in a timely manner in the event of a physical or technical incident;
- (d) a process for regularly testing, assessing and evaluating the effectiveness of technical and organisational measures for ensuring the security of the processing;
- (e) measures to protect personal data from accidental or unlawful destruction, loss, alteration, unauthorised disclosure of or access to personal data transmitted, stored or otherwise processed.

## **ARTICLE II.8 – VISIBILITY OF UNION FUNDING**

### **II.8.1 Information on Union funding and use of the EFSA emblem**

Unless the Authority requests or agrees otherwise, any communication or publication made by the beneficiaries jointly or individually that relates to the *action*, including at conferences, seminars or in any information or promotional materials (such as brochures, leaflets, posters, presentations, in electronic form, etc.), must:

- (a) indicate that the *action* has received funding from the Union; and
- (b) display the EFSA emblem.

When displayed in association with another logo, the EFSA emblem must have appropriate prominence.

The obligation to display the EFSA emblem does not confer on the beneficiaries a right of exclusive use. The beneficiaries may not appropriate the EFSA emblem or any similar trademark or logo, either by registration or by any other means.

For the purposes of the first, second and third subparagraphs and under the conditions specified therein, the beneficiaries may use the EFSA emblem without first obtaining permission from the Authority.



### **II.8.2 Disclaimers excluding Authority responsibility**

Any communication or publication that relates to the *action*, made by the beneficiaries jointly or individually in any form and using any means, must indicate:

- (a) that it reflects only the author's view; and
- (b) that the Authority is not responsible for any use that may be made of the information it contains.

## **ARTICLE II.9 – PRE-EXISTING RIGHTS AND OWNERSHIP AND USE OF THE RESULTS (INCLUDING INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS)**

### **II.9.1 Ownership of the results by the beneficiaries**

The beneficiaries retain ownership of the results of the *action*, including industrial and intellectual property rights, and of the reports and other documents relating to it, unless stipulated otherwise in the Agreement.

### **II.9.2 Pre-existing rights**

If the Authority sends the beneficiaries a written request specifying which of the results it intends to use, the beneficiaries must:

- (a) establish a list specifying all *pre-existing rights* included in those results; and
- (b) provide this list to the Authority at the latest with the request for payment of the balance.

The beneficiaries must ensure that they or their affiliated entities have all the rights to use any *pre-existing rights* during the implementation of the Agreement.

### **II.9.3 Rights of use of the results and of pre-existing rights by the Union**

The beneficiaries grant the Union the following rights to use the results of the *action*:

- (a) for its own purposes and in particular to make available to persons working for the Commission, other Union institutions, agencies and bodies and to Member States' institutions, as well as to copy and reproduce in whole or in part and in an unlimited number of copies;
- (b) reproduction: the right to authorise direct or indirect, temporary or permanent reproduction of the results by any means (mechanical, digital or other) and in any form, in whole or in part;
- (c) communication to the public: the right to authorise any display performance or communication to the public, by wire or wireless means, including making the results available to the public in such a way that members of the public may access them from a place and at a time individually chosen by them; this right also includes communication and broadcasting by cable or by satellite;



- (d) distribution: the right to authorise any form of distribution of results or copies of the results to the public;
- (e) adaptation: the right to modify the results;
- (f) translation;
- (g) the right to store and archive the results in line with the document management rules applicable to the Authority, including digitisation or converting the format for preservation or new use purposes;
- (h) where the results are documents, the right to authorise the reuse of the documents in conformity with Commission Decision 2011/833/EU of 12 December 2011 on the reuse of Commission documents if that Decision is applicable and if the documents fall within its scope and are not excluded by any of its provisions. For the sake of this provision, the terms 'reuse' and 'document' have the meanings given to them by Decision 2011/833/EU.

The above rights of use may be further specified in the Special Conditions.

Additional rights of use for the Union may be provided for in the Special Conditions.

The beneficiaries must ensure that the Union has the right to use any *pre-existing rights* included in the results of the *action*. The *pre-existing rights* must be used for the same purposes and under the same conditions as applicable to the rights of use of the results of the *action*, unless specified otherwise in the Special Conditions.

Information about the copyright owner must be inserted in cases where the result is divulged by the Union. The copyright information must read: '© — year — name of the copyright owner. All rights reserved. Licenced to EFSA under conditions'.

If the beneficiaries grant rights of use to the Authority, this does not affect its confidentiality obligations under Article II.6 or the beneficiaries' obligations under Article II.2.1.

## **ARTICLE II.10 — AWARD OF CONTRACTS NECESSARY FOR THE IMPLEMENTATION OF THE ACTION**

**II.10.1** If the implementation of the action requires the beneficiaries to procure goods, works or services, they may award the contract in accordance with their usual purchasing practices provided that the contract is awarded to the tender offering best value for money or, as appropriate, to the tender offering the lowest price. In doing so, they must avoid any conflict of interests.

The beneficiaries must ensure that the Commission, the European Court of Auditors and the European Anti-Fraud Office (OLAF) can exercise their rights under Article II.27 also towards the beneficiaries' contractors.



**II.10.2** Beneficiaries that are ‘contracting authorities’ within the meaning of Directive 2014/24/EU<sup>5</sup> or ‘contracting entities’ within the meaning of Directive 2014/25/EU<sup>6</sup> must comply with the applicable national public procurement rules.

The beneficiaries must ensure that the conditions applicable to them under Articles II.4, II.5, II.6 and II.9 are also applicable to the contractors.

**II.10.3** The beneficiaries remain solely responsible for carrying out the *action* and for compliance with the Agreement.

**II.10.4.** If the beneficiaries breach their obligations under Article II.10.1 the costs related to the contract concerned are considered ineligible in accordance with Article II.19.2 (c), (d) and (e).

If the beneficiaries breach their obligations under Article II.10.2 the grant may be reduced in accordance with Article II.25.4.

## **ARTICLE II.11 – SUBCONTRACTING OF TASKS FORMING PART OF THE ACTION**

**II.11.1** Beneficiaries may subcontract tasks forming part of the *action*. If they do so, they must ensure that, in addition to the conditions specified in Article II.10, the following conditions are also complied with:

- (a) subcontracting does not cover core tasks of the *action*;
- (b) recourse to subcontracting is justified because of the nature of the *action* and what is necessary for its implementation;
- (c) the estimated costs of the subcontracting are clearly identifiable in the estimated budget set out in Annex III;
- (d) any recourse to subcontracting, if not provided for in Annex I, is communicated by the coordinator and approved by the Authority. The Authority may grant approval:

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<sup>5</sup> Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC

<sup>6</sup> Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC



(i) before any recourse to subcontracting, if the beneficiaries request an amendment as provided for in Article II.13; or

(ii) after recourse to subcontracting if the subcontracting:

1. is specifically justified in the interim or final technical report referred to in Articles I.4.3 and I.4.4; and

- does not entail changes to the Agreement which would call into question the decision awarding the grant or be contrary to the equal treatment of applicants;

(e) the beneficiaries ensure that the conditions applicable to them under Article II.8 are also applicable to the subcontractors.

**II.11.2** If the beneficiaries breach their obligations under Article II.11.1 (a), (b), (c) or (d), the costs related to the contract concerned are considered ineligible in accordance with Article II.19.2 (f).

If the beneficiaries breach their obligation under Article II.11.1 (e) the grant may be reduced in accordance with Article II.25.4.

## **ARTICLE II.12 – FINANCIAL SUPPORT TO THIRD PARTIES**

**II.12.1** If, while implementing the *action*, the beneficiaries have to give financial support to third parties, the beneficiaries must give such financial support in accordance with the conditions specified in Annex I. Under those conditions, the following information must be stated at least:

- (a) the maximum amount of financial support. This amount may not exceed EUR 60 000 for each third party except if the financial support is the primary aim of the *action* as specified in Annex I;
- (b) the criteria for determining the exact amount of the financial support;
- (c) the different types of activity that may receive financial support, on the basis of a fixed list;
- (d) the persons or categories of persons which may receive financial support;
- (e) the criteria for giving the financial support.

**II.12.2** As an exception to Article II.12.1, if the financial support takes the form of a prize, the beneficiaries must give such financial support in accordance with the conditions specified in Annex I. Under those conditions, the following information must at least be stated:





- (a) the eligibility and award criteria;
- (b) the amount of the prize;
- (c) the payment arrangements.

**II.12.3** The beneficiaries must ensure that the conditions applicable to them under Articles II.4, II.5, II.6, II.8, II.9 and II.27 are also applicable to the third parties receiving financial support.

## **ARTICLE II.13 – AMENDMENTS TO THE AGREEMENT**

**II.13.1** Any amendment to the Agreement must be made in writing.

**II.13.2** An amendment may not have the purpose or the effect of making changes to the Agreement which would call into question the decision awarding the grant or be contrary to the equal treatment of applicants.

**II.13.3** Any request for amendment must:

- (a) be duly justified;
- (b) be accompanied by appropriate supporting documents; and
- (c) be sent to the other party in due time before it is due to take effect, and in any case one month before the end of the *implementation period*.

Point (c) does not apply in cases duly substantiated by the party requesting the amendment if the other party agrees.

**II.13.4** A request for amendment on behalf of the beneficiaries must be submitted by the coordinator. If a change of coordinator is requested without its agreement, the request must be submitted by all other beneficiaries and must be accompanied by the opinion of the coordinator or proof that this opinion has been requested in writing.

**II.13.5** Amendments enter into force on the date on which the last party signs or on the date of approval of the request for amendment.

Amendments take effect on a date agreed by the parties or, in the absence of such an agreed date, on the date on which the amendment enters into force.

## **ARTICLE II.14 – ASSIGNMENT OF CLAIMS FOR PAYMENTS TO THIRD PARTIES**

**II.14.1** The beneficiaries may not assign any of their claims for payment against the Authority to any third party, except if approved by the Authority on the basis of a reasoned, written request by the coordinator made on behalf of the beneficiaries.



If the Authority does not accept the assignment or the terms of it are not complied with, the assignment has no effect on it.

**II.14.2** In no circumstances may an assignment release the beneficiaries from their obligations towards the Authority.

### **ARTICLE II.15 – FORCE MAJEURE**

**II.15.1** A party faced with *force majeure* must send a *formal notification* to the other party without delay, stating the nature of the situation or of the event, its likely duration and foreseeable effects.

**II.15.2** The parties must take the necessary measures to limit any damage due to *force majeure*. They must do their best to resume the implementation of the *action* as soon as possible.

**II.15.3** The party faced with *force majeure* may not be considered in breach of its obligations under the Agreement if it has been prevented from fulfilling them by *force majeure*.

### **ARTICLE II.16 – SUSPENSION OF THE IMPLEMENTATION OF THE ACTION**

#### **II.16.1 Suspension of implementation by the beneficiaries**

The coordinator, on behalf of the beneficiaries, may suspend the implementation of the *action* or any part of it, if exceptional circumstances make such implementation impossible or excessively difficult, in particular in the event of *force majeure*.

The coordinator must immediately inform the Authority, stating:

- (a) the reasons for suspension, including details about the date or period when the exceptional circumstances occurred; and
- (b) the expected date of resumption.

Once the circumstances allow the beneficiaries to resume implementing the *action*, the coordinator must inform the Authority immediately and present a request for amendment of the Agreement as provided for in Article II.16.3. This obligation does not apply if the Agreement or the participation of a beneficiary is terminated in accordance with Articles II.17.1, II.17.2 or points (c) or (d) of Article II.17.3.1.

#### **II.16.2 Suspension of implementation by the Authority**



### II.16.2.1 Grounds for suspension

The Authority may suspend the implementation of the *action* or any part thereof:

- (a) if the Authority has evidence that a beneficiary has committed *irregularities, fraud or breach of obligations* in the award procedure or while implementing the Agreement;
- (b) if the Authority has evidence that a beneficiary has committed systemic or recurrent *irregularities, fraud or serious breach of obligations* in other grants funded by the Union or the European Atomic Energy Community ('Euratom') awarded to the beneficiary under similar conditions and the *irregularities, fraud or breach of obligations* have a material impact on this grant; or
- (c) if the Authority suspects *irregularities, fraud or breach of obligations* committed by a beneficiary in the award procedure or while implementing the Agreement and needs to verify whether they have actually occurred.

### II.16.2.2 Procedure for suspension

**Step 1** — Before suspending implementation of the *action*, the Authority must send a *formal notification* to the coordinator:

- (a) informing it of:
  - (i) its intention to suspend the implementation;
  - (ii) the reasons for suspension;
  - (iii) the necessary conditions for resuming the implementation in the cases referred to in points (a) and (b) of Article II.16.2.1; and
- (b) inviting it to submit observations within 30 calendar days of receiving the formal notification.

**Step 2** — If the Authority does not receive observations or decides to pursue the procedure despite the observations it has received, it must send a *formal notification* to the coordinator informing it of:

- (a) the suspension of the implementation;
- (b) the reasons for suspension; and
- (c) the final conditions for resuming the implementation in the cases referred to in points (a) and (b) of Article II.16.2.1; or
- (d) the indicative date of completion of the necessary verification in the case referred to in point (c) of Article II.16.2.1.

The coordinator must immediately inform the other beneficiaries of the suspension. The suspension takes effect five calendar days after the *formal notification* is received by the coordinator or on a later date specified in the *formal notification*.

Otherwise, the Authority must send a *formal notification* to the coordinator informing it that it is not continuing the suspension procedure.



### II.16.2.3 Resuming implementation

In order to resume the implementation, the beneficiaries must meet the notified conditions as soon as possible and must inform the Authority of any progress made.

If the conditions for resuming the implementation are met or the necessary verifications are carried out, the Authority must send a *formal notification* to the coordinator:

- (a) informing it that the conditions for lifting the suspension are met; and
- (b) requiring it to present a request for amendment of the Agreement as provided for in Article II.16.3. This obligation does not apply if the Agreement or the participation of a beneficiary is terminated in accordance with Articles II.17.1, II.17.2 or points (c), (g) or (h) of Article II.17.3.1.

### II.16.3 Effects of the suspension

If the implementation of the *action* can be resumed and the Agreement has not been terminated, an amendment to the Agreement must be made in accordance with Article II.13 in order to:

- (a) set the date on which the *action* is to be resumed;
- (b) extend the duration of the *action*; and
- (c) make other changes necessary to adapt the *action* to the new situation.

The suspension is lifted with effect from the resumption date set out in the amendment. This date may be before the date on which the amendment enters into force.

Costs incurred during the period of suspension that relate to the implementation of the suspended *action* or the suspended part of it may not be reimbursed or covered by the grant.

Suspending implementation of the *action* does not affect the Authority's right to terminate the Agreement or to terminate the participation of a beneficiary in accordance with Article II.17.3, reduce the grant or recover amounts unduly paid in accordance with Articles II.25.4 and II.26.

Neither party may claim damages due to suspension by the other party.

## ARTICLE II.17 – TERMINATION OF THE AGREEMENT

### II.17.1 Termination of the Agreement by the coordinator

The beneficiaries may terminate the Agreement.

The coordinator must send a *formal notification* of termination to the Authority, stating:

- (a) the reasons for termination; and



- (b) the date on which the termination takes effect. This date must be set after the *formal notification*.

If the coordinator does not state the reasons for the termination or if the Authority considers that the reasons do not justify termination, the Agreement is considered to have been terminated improperly.

The termination takes effect on the day specified in the *formal notification*.

### **I.17.2 Termination of the participation of one or more beneficiaries by the coordinator**

The participation of one or more beneficiaries may be terminated by the coordinator at the request of the beneficiary concerned or on behalf of the other beneficiaries.

The coordinator must send a *formal notification* of termination to the Authority and inform the beneficiary concerned by termination.

If the coordinator's participation is terminated without its agreement, the *formal notification* must be submitted by another beneficiary (acting on behalf of the other beneficiaries).

The *formal notification* must include:

- (a) the reasons for termination;
- (b) the opinion of the beneficiary concerned by termination (or proof that this opinion has been requested in writing);
- (c) the date on which the termination takes effect. This date must be set after the *formal notification*; and
- (d) a request for amendment as provided for in Article II.17.4.2(a).

If the coordinator or beneficiary does not state the reasons for the termination or if the Authority considers that the reasons do not justify termination, the participation will be considered to have been terminated improperly.

The termination takes effect on the day specified in the *formal notification*.

### **II.17.3 Termination of the Agreement or the participation of one or more beneficiaries by the Authority**

#### **II.17.3.1 Grounds for termination**

The Authority may terminate the Agreement or the participation of any one or several beneficiaries, if:

- (a) a change to the beneficiary's legal, financial, technical, organisational or ownership situation is likely to affect the implementation of the Agreement substantially or calls into question the decision to award the grant, or a change regarding the exclusion situations listed in Article 136 of Regulation (EU) 2018/1046, that calls into question the decision to award the grant;



- (b) following the termination of the participation of any one or several beneficiaries, the necessary modifications to the Agreement would call into question the decision awarding the grant or would result in unequal treatment of applicants;
- (c) the beneficiaries, any *related person* or any natural person who is essential for the award or for the implementation of the Agreement have committed serious *breach of obligations*, including improper implementation of the *action* as described in Annex I;
- (d) the implementation of the *action* is prevented or suspended due to *force majeure* or exceptional circumstances and either:
  - (i) resumption is impossible; or
  - (ii) the necessary changes to the Agreement would call into question the decision awarding the grant or be contrary to the equal treatment of applicants;
- (e) a beneficiary or a natural or legal person that assumes unlimited liability for the debts of that beneficiary:
  - (i) is declared bankrupt, is subject to insolvency or winding up procedures, its assets are being administered by a liquidator or by a Court, has entered into an agreement with
  - (ii) creditors, has suspended business activities or is in any analogous situation arising from a similar procedure provided for under the Union or national law;
  - (iii) is in breach of its obligations relating to the payment of taxes or social security contributions in accordance with the applicable law;
- (f) a beneficiary or any *related person* or any natural person who is essential for the award or for the implementation of the Agreement has committed:
  - (i) *grave professional misconduct* proven by any means;
  - (ii) fraud;
  - (iii) corruption;
  - (iv) conduct related to criminal organisations;
  - (v) money laundering;
  - (vi) terrorism-related crimes (including terrorism financing);
  - (vii) child labour or other offences concerning trafficking of human beings;
- (g) the Authority has evidence that a beneficiary or any *related person* or any natural person who is essential for the award or for the implementation of the Agreement has committed *irregularities, fraud or breach of obligations* in the award procedure or while implementing the Agreement, including if that beneficiary, related person or natural person has submitted false information or failed to provide required information;
- (h) the Authority has evidence that a beneficiary has committed systemic or recurrent *irregularities, fraud or serious breach of obligations* in other Union or Euratom grants awarded to it under similar conditions and such *irregularities, fraud or breach of obligations* have a material impact on this grant;



- (i) a beneficiary or any *related person* or any natural person who is essential for the award or for the implementation of the Agreement has created an entity under a different jurisdiction with the intend to circumvent fiscal, social or any other legal obligations in the jurisdiction of its registered office, central administration or principal place of business;
- (j) a beneficiary or any *related person* or any natural person who is essential for the award or for the implementation of the Agreement has been created with the intend referred to in point (i) or
- (k) the Authority has sent a beneficiary, through the coordinator, a formal notification asking it to end the participation of its affiliated entity because that entity is in a situation provided for in points (e) to (j) and that beneficiary has failed to request an amendment ending the participation of the entity and reallocating its tasks.

### II.17.3.2 Procedure for termination

**Step 1-** Before terminating the Agreement or participation of one or more beneficiaries, the Authority must send a *formal notification* to the coordinator:

- (a) informing it of:
  - (i) its intention to terminate;
  - (ii) the reasons for termination; and
- (b) requiring it, within 45 calendar days of receiving the formal notification, :
  - (i) to submit observations on behalf of all beneficiaries; and
  - (ii) in the case of point (c) of Article II.17.3.1, to inform the Authority of the measures to ensure compliance with the obligations under the Agreement.

**Step 2** — If the Authority does not receive observations or decides to pursue the procedure despite the observations it has received, it will send a *formal notification* to the coordinator informing it of the termination and the date on which it takes effect. The coordinator must immediately inform the other beneficiaries of the termination.

Otherwise, the Authority must send a *formal notification* to the coordinator informing it that the termination procedure is not continued.

The termination takes effect:

- (a) for terminations under points (a), (b), (c) and (e) of Article II.17.3.1: on the day specified in the *formal notification* of termination referred to in the second subparagraph (i.e. in Step 2 above);
- (b) for terminations under points (d), (f) and points (g) to (j) of Article II.17.3.1: on the day after the coordinator receives the formal notification of termination referred to in the second subparagraph (i.e. in Step 2 above).



## **II.17.4 Effects of termination**

### **II.17.4.1 Effects of terminating the Agreement:**

Within 60 calendar days from the day on which the termination takes effect, the coordinator must submit a request for payment of the balance as provided for in Article I.4.4.

If the Authority does not receive the request for payment of the balance by the above deadline, only costs or contributions which are included in an approved technical report and, where relevant, in an approved financial statement, are reimbursed or covered by the grant.

If the Agreement is terminated by the Authority because the coordinator has breached its obligation to submit the request for payment, the coordinator may not submit any request for payment after termination. In that case the second subparagraph applies.

The Authority calculates the final grant amount as referred to in Article II.25 and the balance as referred to in Article I.5.4 on the basis of the reports submitted. Only activities undertaken before the date when the termination takes effect or the end date of the implementation period as specified in Article I.2.2, whichever is the earliest, must be taken into account. Where the grant takes the form of reimbursement of costs actually incurred as provided for in Article I.3.2(a)(i), only costs incurred before termination takes effect are reimbursed or covered by the grant. Costs relating to contracts due for execution only after termination are not taken into account and are not reimbursed or covered by the grant.

The Authority may reduce the grant in accordance with Article II.25.4 in case of:

- (a) improper termination of the Agreement by the coordinator within the meaning of Article II.17.1; or
- (b) termination of the Agreement by the Commission on any of the grounds set out in points (c), (f) and points (g) to (j) of Article II.17.3.1.

Neither party may claim damages on the grounds that the other party terminated the Agreement.

After termination, the beneficiaries' obligations continue to apply, in particular those under Articles I.4, II.6, II.8, II.9, II.14, II.27 and any additional provisions on the use of the results, as set out in the Special Conditions.

### **II.17.4.2 Effects of terminating the participation of one or more beneficiaries:**

- a) The coordinator must submit a request for amendment including:
  - (i) a proposal to reallocate the tasks of the beneficiary or beneficiaries concerned by the termination; and
  - (ii) if necessary, the addition of one or more new beneficiaries to succeed the beneficiary or beneficiaries concerned in all their rights and obligations under the Agreement.





If the Authority terminates the participation of a beneficiary, the coordinator must submit the request for amendment within 60 calendar days from the day on which the termination takes effect.

If the coordinator terminates the participation of a beneficiary, the request for amendment must be included in the *formal notification* of termination referred to in Article II.17.2.

If termination takes effect after the end of the *implementation period*, no request for amendment must be provided unless the beneficiary concerned is the coordinator. In this case, the request for amendment must propose a new coordinator.

If the request for amendment is rejected by the Authority, the Agreement may be terminated in accordance with Article II.17.3.1 (b). The request for amendment may be rejected if it calls into question the decision awarding the grant or is contrary to the equal treatment of applicants.

- b) The beneficiary concerned by termination must submit to the coordinator:
- (i) a technical report; and
  - (ii) (ii) where applicable, a financial statement covering the period from the end of the last reporting period to the date when termination takes effect.

The coordinator must include this information in the payment request for the next reporting period.

Only activities undertaken before the date when the termination takes effect must be taken into account. Where the grant takes the form of reimbursement of costs actually incurred as provided for in Article I.3.2(a)(i), only costs incurred by the beneficiary concerned before termination takes effect are reimbursed or covered by the grant. Costs relating to contracts due for execution only after termination are not reimbursed or covered by the grant.

The Authority may reduce the grant in accordance with Article II.25.4. in case of:

- (a) improper termination of the participation of a beneficiary by the coordinator within the meaning of Article II.17.2 or
- (b) termination of the participation of a beneficiary by the Authority on any of the grounds set out in points (c), (f), (g), (h) or (i) of Article II.17.3.1.

Neither party may claim damages on the grounds that the other party terminated the participation of a beneficiary.

After termination, the concerned beneficiary's obligations continue to apply, in particular those under Articles I.4, II.6, II.8, II.9, II.14, II.27 and any additional provisions on the use of the results, as set out in the Special Conditions.

## **ARTICLE II.18 – APPLICABLE LAW, SETTLEMENT OF DISPUTES AND ENFORCEABLE DECISIONS**



**II.18.1** The Agreement is governed by the applicable Union law, complemented, where necessary, by the law of Belgium.

**II.18.2** In accordance with Article 272 TFEU, the General Court or, on appeal, the Court of Justice of the European Union, has sole jurisdiction to hear any dispute between the Union and any beneficiary concerning the interpretation, application or validity of the Agreement, if such dispute cannot be settled amicably.

**II.18.3** In accordance with Article 299 TFEU, for the purposes of recovery within the meaning of Article II.26, the Commission may adopt an enforceable decision to impose pecuniary obligations on persons other than States.

An *action* may be brought against such decision before the General Court of the European Union in accordance with Article 263 TFEU.

## PART B – FINANCIAL PROVISIONS

### ARTICLE II.19 – ELIGIBLE COSTS

#### II.19.1 Conditions for the eligibility of costs

*Eligible costs* of the *action* are costs actually incurred by the beneficiary and which meet the following criteria:

- (a) they are incurred within the *implementation period*, with the exception of costs relating to the request for payment of the balance and the corresponding supporting documents referred to in Article I.4.4;
- (b) they are indicated in the estimated budget of the *action*. The estimated budget is set out in Annex III;
- (c) they are incurred in connection with the *action* as described in Annex I and are necessary for its implementation;
- (d) they are identifiable and verifiable, in particular they are recorded in the beneficiary's accounting records and determined according to the applicable accounting standards of the country where the beneficiary is established and according to the beneficiary's usual cost accounting practices;



- (e) they comply with the requirements of applicable tax and social legislation; and
- (f) they are reasonable, justified and comply with the principle of sound financial management, in particular regarding economy and efficiency.

## II.19.2 Eligible direct costs

To be eligible, the *direct cost* of the *action* must comply with the eligibility conditions set out in Article II.19.1.

In particular, the following categories of costs are eligible *direct costs*, provided that they satisfy the eligibility conditions set out in Article II.19.1 as well as the following conditions:

- (a) the costs of personnel working under an employment contract with the beneficiary or an equivalent appointing act and assigned to the *action*, provided that these costs are in line with the beneficiary's usual policy on remuneration.

Those costs include actual salaries plus social security contributions and other statutory costs included in the remuneration. They may also comprise additional remunerations, including payments on the basis of supplementary contracts regardless of the nature of those contracts, provided that they are paid in a consistent manner whenever the same kind of work or expertise is required, independently from the source of funding used;

The costs of natural persons working under a contract with the beneficiary other than an employment contract or who are seconded to the beneficiary by a third party against

payment may also be included under such personnel costs, provided that the following conditions are fulfilled:

- (i) the person works under conditions similar to those of an employee (in particular regarding the way the work is organised, the tasks that are performed and the premises where they are performed);
  - (ii) the result of the work belongs to the beneficiary (unless exceptionally agreed otherwise); and
  - (iii) the costs are not significantly different from the costs of staff performing similar tasks under an employment contract with the beneficiary;
- (b) costs of travel and related subsistence allowances, provided that these costs are in line with the beneficiary's usual practices on travel;
  - (c) the depreciation costs of equipment or other assets (new or second-hand) as recorded in the beneficiary's accounting statements, provided that the asset:
    - (i) is written off in accordance with the international accounting standards and the beneficiary's usual accounting practices; and



(ii) has been purchased in accordance with Article II.10.1 if the purchase occurred within the *implementation period*;

The costs of renting or leasing equipment or other assets are also eligible, provided that these costs do not exceed the depreciation costs of similar equipment or assets and are exclusive of any finance fee;

Only the portion of the equipment's depreciation, rental or lease costs corresponding to the *implementation period* and the rate of actual use for the purposes of the *action* may be taken into account when determining the eligible costs. By way of exception, the full cost of purchase of equipment may be eligible under the Special Conditions, if this is justified by the nature of the *action* and the context of the use of the equipment or assets;

(d) costs of consumables and supplies, provided that they:

(i) are purchased in accordance with Article II.10.1; and

(ii) are directly assigned to the *action*;

(e) costs arising directly from requirements imposed by the Agreement (dissemination of information, specific evaluation of the *action*, audits, translations, reproduction), including the costs of requested financial guarantees, provided that the corresponding services are purchased in accordance with Article II.10.1;

(f) costs entailed by *subcontracts* within the meaning of Article II.11, provided that the conditions laid down in Article II.11.1 (a), (b), (c) and (d) are met;

(g) costs of financial support to third parties within the meaning of Article II.12, provided that the conditions laid down in that Article are met;

(h) duties, taxes and charges paid by the beneficiary, notably value added tax (VAT), provided that they are included in eligible *direct costs*, and unless specified otherwise in the Agreement.

### **II.19.3 Eligible indirect costs**

To be eligible, *indirect costs* of the *action* must represent a fair apportionment of the overall overheads of the beneficiary and must comply with the conditions of eligibility set out in Article II.19.1.

Eligible *indirect costs* must be declared on the basis of a flat rate of 7 % of the total eligible *direct costs* unless otherwise specified in Article I.3.2.



#### II.19.4 Ineligible costs

In addition to any other costs which do not fulfil the conditions set out in Article II.19.1, the following costs may not be considered eligible:

- (a) return on capital and dividends paid by a beneficiary;
- (b) debt and debt service charges;
- (c) provisions for losses or debts;
- (d) interest owed;
- (e) doubtful debts;
- (f) exchange losses;
- (g) costs of transfers from the Authority charged by the bank of a beneficiary;
- (h) costs declared by the beneficiary under another action receiving a grant financed from the Union budget. Such grants include grants awarded by a Member State and financed from the Union budget and grants awarded by bodies other than the Authority for the purpose of implementing the Union budget. In particular, beneficiaries receiving an operating grant financed by the EU or Euratom budget cannot declare indirect costs for the period(s) covered by the operating grant, unless they can demonstrate that the operating grant does not cover any costs of the action.
- (i) contributions in kind from third parties;
- (j) excessive or reckless expenditure;
- (k) deductible VAT.

### ARTICLE II.20 — IDENTIFIABILITY AND VERIFIABILITY OF THE AMOUNTS DECLARED

#### II.20.1 Declaring costs and contributions

Each beneficiary must declare as eligible costs or as a requested contribution:

- (a) for actual costs: the costs it actually incurred for the *action*;
- (b) for unit costs or unit contributions: the amount obtained by multiplying the amount per unit specified in Article I.3.2(a)(ii) or (b) by the actual number of units used or produced;
- (c) for lump sum costs or lump sum contributions: the global amount specified in Article I.3.2(a)(iii) or (c), if the corresponding tasks or part of the *action* as described in Annex I have been implemented properly;
- (d) for flat-rate costs or flat-rate contributions: the amount obtained by applying the flat rate specified in Article I.3.2(a)(iv) or (d);
- (e) for financing not linked to costs: the global amount specified in Article I.3.2(e), if the corresponding results or conditions as described in Annex I have been properly achieved or fulfilled;



- (f) for unit costs declared on the basis of the beneficiary's usual cost accounting practices: the amount obtained by multiplying the amount per unit calculated in accordance with the beneficiary's usual cost accounting practices by the actual number of units used or produced;
- (g) for lump sum costs declared on the basis of the beneficiary's usual cost accounting practices: the global amount calculated in accordance with its usual cost accounting practices, if the corresponding tasks or part of the action have been implemented properly;
- (h) for flat-rate costs declared on the basis of the beneficiary's usual cost accounting practices: the amount obtained by applying the flat rate calculated in accordance with the beneficiary's usual cost accounting practices.

## **II.20.2 Records and other documentation to support the costs and contributions declared**

Each beneficiary must provide the following if requested to do so in the context of the checks or audits described in Article II.27:

- (a) for actual costs: adequate supporting documents to prove the costs declared, such as contracts, invoices and accounting records.

In addition, the beneficiary's usual accounting and internal control procedures must permit direct reconciliation of the amounts declared with the amounts recorded in its accounting statements and with the amounts indicated in the supporting documents;

- (b) for unit costs or unit contributions: adequate supporting documents to prove the number of units declared.

The beneficiary does not need to identify the actual eligible costs covered or to provide supporting documents, such as accounting statements, to prove the amount declared per unit;

- (c) for lump sum costs or lump sum contributions: adequate supporting documents to prove that the *action* has been properly implemented.

The beneficiary does not need to identify the actual eligible costs covered or to provide supporting documents, such as accounting statements, to prove the amount declared as a lump sum;

- (d) for flat-rate costs or flat-rate contributions: adequate supporting documents to prove the eligible costs or requested contribution to which the flat rate applies.

The beneficiary does not need to identify the actual eligible costs covered or to provide supporting documents, such as accounting statements, for the flat rate applied;

- (e) for financing not linked to costs: adequate supporting documents to prove that the *action* has been properly implemented;



The beneficiary does not need to identify the actual eligible costs covered or to provide supporting documents, such as accounting statements, to prove the amount declared as a financing not linked to costs;

- (f) for unit costs declared on the basis of the beneficiary's usual cost accounting practices: adequate supporting documents to prove the number of units declared;
- (g) for lump sum costs declared on the basis of the beneficiary's usual cost accounting practices: adequate supporting documents to prove that the action has been properly implemented;
- (h) for flat-rate costs declared on the basis of the beneficiary's usual cost accounting practices: adequate supporting documents to prove the eligible costs to which the flat rate applies.

### **II.20.3 Conditions to determine the compliance of cost accounting practices**

**II.20.3.1** In the case of points (f), (g) and (h) of Article II.20.2, the beneficiary does not need to identify the actual eligible costs covered, but it must ensure that the cost accounting practices used for the purpose of declaring eligible costs are in compliance with the following conditions:

- (a) the cost accounting practices used constitute its usual cost accounting practices and are applied in a consistent manner, based on objective criteria independent from the source of funding;
- (b) the costs declared can be directly reconciled with the amounts recorded in its general accounts; and
- (c) the categories of costs used for the purpose of determining the costs declared are exclusive of any ineligible cost or costs covered by other forms of grant as provided for in Article I.3.2.

**II.20.3.2** If the Special Conditions so provide, the beneficiary may submit to the Authority a request asking it to assess the compliance of its usual cost accounting practices. If required by the Special Conditions, the request must be accompanied by a certificate on the compliance of the cost accounting practices ('certificate on the compliance of the cost accounting practices').

The certificate on the compliance of the cost accounting practices must be:

- (a) produced by an approved auditor or, if the beneficiary is a public body, by a competent and independent public officer; and
- (b) drawn up in accordance with Annex VIII.

The certificate must certify that the beneficiary's cost accounting practices used for the purpose of declaring eligible costs comply with the conditions laid down in Article II.20.3.1 and with the additional conditions that may be laid down in the Special Conditions.



**II.20.3.3** If the Authority has confirmed that the beneficiary's usual cost accounting practices are in compliance, costs declared in application of these practices may not be challenged *ex post*, if:

- (a) the practices actually used comply with those approved by the Authority; and
- (b) the beneficiary did not conceal any information for the purpose of the approval of its cost accounting practices.

#### **ARTICLE II.21 – ELIGIBILITY OF COSTS OF ENTITIES AFFILIATED TO THE BENEFICIARIES**

If the Special Conditions contain a provision on entities affiliated to the beneficiaries, costs incurred by such an entity are eligible, if:

- (a) they satisfy the same conditions under Articles II.19 and II.20 as apply to the beneficiary; and
- (b) the beneficiary to which the entity is affiliated ensures that the conditions applicable to the beneficiary under Articles II.4, II.5, II.6, II.8, II.10, II.11 and II.27 are also applicable to the entity.

#### **ARTICLE II.22 – BUDGET TRANSFERS**

Beneficiaries are allowed to adjust the estimated budget set out in Annex III by transfers between themselves and between the different budget categories, if the *action* is implemented as described in Annex I. This adjustment does not require an amendment of the Agreement as provided for in Article II.13.

However, the beneficiaries may not add costs relating to *subcontracts* not provided for in Annex 1, unless such additional *subcontracts* are approved by the Authority in accordance with Article II.11.1(d).

As an exception to the first subparagraph, if beneficiaries want to change the value of the contribution to which each of them is entitled, as referred to in point (c) of the third subparagraph of II.26.3, the coordinator must request an amendment as provided for in Article II.13.

The first three subparagraphs do not apply to amounts which, as provided for in Article I.3.2(a)(iii) or (c), take the form of lump sums or which, as provided for in Article I.3.2(e), take the form of financing not linked to cost.

#### **ARTICLE II.23 – NON-COMPLIANCE WITH REPORTING OBLIGATIONS**

The Authority may terminate the Agreement as provided for in Article II.17.3.1(c) and may reduce the grant as provided for in Article II.25.4 if the coordinator:





- (a) did not submit a request for interim payment or payment of the balance accompanied by the documents referred to in Articles I.4.3 or I.4.4 within 60 calendar days following the end of the corresponding reporting period; and
- (b) still fails to submit such a request within further 60 calendar days following a written reminder sent by the Authority

## **ARTICLE II.24 – SUSPENSION OF PAYMENTS AND TIME LIMIT FOR PAYMENT**

### **II.24.1 Suspension of payments**

#### **II.24.1.1 Grounds for suspension**

The Authority may at any moment suspend, in whole or in part, the pre-financing payment and interim payments for one or more beneficiaries or the payment of the balance for all beneficiaries:

- (a) if the Authority has evidence that a beneficiary has committed *irregularities, fraud or breach of obligations* in the award procedure or while implementing the Agreement;
- (b) if the Authority has evidence that a beneficiary has committed systemic or recurrent irregularities, fraud or serious *breach of obligations* in other grants funded by the Union or the European Atomic Energy Community ('Euratom') awarded to the beneficiary under similar conditions and such irregularities, fraud or breach of obligations have a material impact on this grant; or
- (c) if the Authority suspects *irregularities, fraud or breach of obligations* committed by a beneficiary in the award procedure or while implementing the Agreement and needs to verify whether they have actually occurred.

#### **II.24.1.2 Procedure for suspension**

**Step 1** — Before suspending payments, the Authority must send a *formal notification* to the coordinator:

- (a) informing it of:
  - (i) its intention to suspend payments;
  - (ii) the reasons for suspension;
  - (iii) in the cases referred to in points (a) and (b) of Article II.24.1.1, the conditions that need to be met for payments to resume; and
- (b) inviting it to submit observations within 30 calendar days of receiving the *formal notification*.



**Step 2** — If the Authority does not receive observations or decides to pursue the procedure despite the observations it has received, it must send a *formal notification* to the coordinator informing it of:

- (a) the suspension of payments;
- (b) the reasons for suspension;
- (c) the final conditions under which payments may resume in the cases referred to in points (a) and (b) of Article II.24.1.1;
- (d) the indicative date of completion of the necessary verification in the case referred to in point (c) of Article II.24.1.1.

The coordinator must immediately inform the other beneficiaries of the suspension. The suspension takes effect on the day the Authority sends *formal notification* of suspension (Step 2).

Otherwise, the Authority must send a *formal notification* to the coordinator informing it that it is not continuing with the suspension procedure.

### **II.24.1.3 Effects of suspension**

During the period of suspension of payments the coordinator is not entitled to submit:

- (a) Any requests for payments and supporting documents referred to in Articles I.4.2, I.4.3 and I.4.4; or
- (b) where the suspension concerns the pre-financing payments or interim payments for one or several beneficiaries only, any requests for payments and supporting documents relating to the participation of the concerned beneficiary or beneficiaries in the *action*.

The corresponding requests for payments and supporting documents may be submitted as soon as possible after resumption of payments or may be included in the first request for payment due following resumption of payments in accordance with the schedule laid down in Article I.4.1.

The suspension of payments does not affect the right of the coordinator to suspend the implementation of the *action* as provided for in Article II.16.1 or to terminate the Agreement or the participation of a beneficiary as provided for in Articles II.17.1 and II.17.2.

### **II.24.1.4 Resuming payments**

In order for the Authority to resume payments, the beneficiaries must meet the notified conditions as soon as possible and must inform the Authority of any progress made.

If the conditions for resuming payments are met, the suspension will be lifted. The Authority will send a *formal notification* to the coordinator informing it of this.



## II.24.2 Suspension of the time limit for payments

**II.24.2.1** The Authority may at any moment suspend the time limit for payment specified in Articles I.5.2, I.5.3 and I.5.4 if a request for payment cannot be approved because:

- (a) it does not comply with the Agreement;
- (b) the appropriate supporting documents have not been produced; or
- (c) there is a doubt about the eligibility of the costs declared in the financial statements and additional checks, reviews, audits or investigations are necessary.

**II.24.2.2** The Authority must send a *formal notification* to the coordinator informing it of:

- (a) the suspension; and
- (b) the reasons for the suspension.

The suspension takes effect on the day the Authority sends the *formal notification*.

**II.24.2.3** If the conditions for suspending the payment deadline are no longer met, the suspension will be lifted and the remaining period will resume.

If the suspension exceeds two months, the coordinator may request the Authority if the suspension will continue.

If the payment deadline has been suspended because the technical reports or financial statements do not comply with the Agreement and the revised report or statement is not submitted or was submitted but is also rejected, the Authority may terminate the Agreement or the participation of the beneficiary as provided for in Article II.17.3.1(c) and reduce the grant as provided for in Article II.25.4.

## ARTICLE II.25 — CALCULATION OF THE FINAL AMOUNT OF THE GRANT

The final amount of the grant depends on the extent to which the *action* has been implemented in accordance with the terms of the Agreement.

The final amount of the grant is calculated by the Authority at the time of the payment of the balance. The calculation involves the following steps:

Step 1 — Application of the reimbursement rate to the eligible costs and addition of the unit, flat-rate and lump sum contributions

Step 2 — Limit to the *maximum amount of the grant*

Step 3 — Reduction due to the no-profit rule



Step 4 — Reduction due to improper implementation or breach of other obligations.

### **II.25.1 Step 1 — Application of the reimbursement rate to the eligible costs and addition of the financing not linked to costs, unit, flat-rate and lump sum contributions**

This step is applied as follows:

- (a) If, as provided for in Article I.3.2(a)(i), the grant takes the form of the reimbursement of eligible costs actually incurred, the reimbursement rate specified in that Article is applied to those eligible costs as approved by the Authority for the corresponding categories of costs, beneficiaries and affiliated entities
- (b) If, as provided for in Article I.3.2(a) (ii) to (v), the grant takes the form of the reimbursement of eligible unit costs, lump sum costs or flat rate costs, the reimbursement rate specified in that Article is applied to those eligible costs as approved by the Authority for the corresponding categories of costs, beneficiaries and affiliated entities;

The accepted amount of volunteers' work for the beneficiary and its affiliated entities must be limited to the following amount, whichever is the lowest:

- (i) the total sources of financing as indicated in the estimated budget set out in Annex III and as accepted by the Commission multiplied by fifty per cent; or
  - (ii) the amount of volunteers' work as indicated in the final financial statement.
- (c) If, as provided for in Article I.3.2(b), the grant takes the form of a unit contribution, the unit contribution specified in that Article is multiplied by the actual number of units approved by the Authority for the corresponding beneficiaries and affiliated entities;
  - (d) If, as provided for in Article I.3.2(c), the grant takes the form of a lump sum contribution, the Authority applies the lump sum specified in that Article for the corresponding beneficiaries and affiliated entities if it finds that the corresponding tasks or part of the *action* were implemented properly in accordance with Annex I;
  - (e) If, as provided for in Article I.3.2(d), the grant takes the form of a flat-rate contribution, the flat rate referred to in that Article is applied to the eligible costs or to the contribution approved by the Authority for the corresponding beneficiaries and affiliated entities;
  - (f) If, as provided for in Article I.3.2(e), the grant takes the form of financing not linked to costs, the Commission applies the amount specified in that Article for the corresponding beneficiaries and affiliated entities if it finds that [the conditions specified in Annex I were fulfilled][and][the results specified in Annex I were achieved].

If Article I.3.2 provides for a combination of different forms of grant, the amounts obtained must be added together.



### **II.25.2 Step 2 – Limit to *maximum amount of the grant***

The total amount paid to the beneficiaries by the Authority may in no circumstances exceed the *maximum amount of the grant*.

If the amount obtained following Step 1 is higher than this maximum amount, the final amount of the grant is limited to the latter.

If volunteers' work is declared as part of direct eligible costs, the final amount of the grant is limited to the amount of total eligible costs and contributions approved by the Commission minus the amount of volunteers' work approved by the Commission.

### **II.25.3 Step 3 – Reduction due to the no-profit rule**

The grant may not produce a profit for the beneficiaries, unless specified otherwise in the Special Conditions.

The profit must be calculated as follows:

- (a) calculate the surplus of the total receipts of the action, over the total eligible costs of the action, as follows:

{ receipts of the action

minus

consolidated total eligible costs and contributions approved by the Commission corresponding to the amounts determined in accordance with Article II.25.1 }

The receipts of the action are calculated as follows:

{ the revenue generated by the action for beneficiaries and affiliated entities other than non-profit organisations

plus

the amount obtained following Steps 1 and 2 }

where the revenue generated by the *action* is the consolidated revenue established, generated or confirmed for beneficiaries and affiliated entities other than non-profit organisations on the date on which the request for payment of the balance is drawn up by the coordinator.

In-kind and financial contributions by third parties are not considered receipts.



- (b) If the amount calculated under point (a) is positive, this amount will be deducted from the amount calculated following Steps 1 and 2, in proportion to the final rate of reimbursement of the actual eligible costs of the *action* approved by the Commission for the categories of costs referred to in Article I.3.2(a)(i).

#### **I.25.4 Step 4 – Reduction due to improper implementation or breach of other obligations**

The Authority may reduce the *maximum amount of the grant* if the *action* has not been implemented properly as described in Annex I (i.e. if it has not been implemented or has been implemented poorly, partially or late), or in case of *irregularity, fraud* or breach of an obligation under the Agreement.

The amount of the reduction will be proportionate to the degree to which the *action* has been implemented improperly or to the seriousness of the *irregularity, fraud* or *breach of obligation*.

Before the Authority reduces the grant, it must send a *formal notification* to the coordinator:

- (a) informing it of:
- (i) its intention to reduce the *maximum amount of the grant*;
  - (ii) the amount by which it intends to reduce the grant;
  - (iii) the reasons for reduction;
- (b) inviting it to submit observations within 30 calendar days of receiving the formal notification.

If the Authority does not receive any observations or decides to pursue reduction despite the observations it has received, it will send a *formal notification* informing the coordinator of its decision.

If the grant is reduced, the Authority must calculate the reduced grant amount by deducting the amount of the reduction (calculated in proportion to the improper implementation of the *action* or to the seriousness of the breach of obligations) from the *maximum amount of the grant*.

The final amount of the grant will be the lower of the following two:

- (a) the amount obtained following Steps 1 to 3; or
- (b) the reduced grant amount following Step 4.

## **ARTICLE II.26 – RECOVERY**

### **II.26.1 Recovery at the time of payment of the balance**



Where the payment of the balance takes the form of a recovery, the coordinator must repay the Authority the amount in question, even if it was not the final recipient of the amount due.

### **II.26.2 Recovery after payment of the balance**

Where an amount is to be recovered as provided for in Articles II.27.6, II.27.7 and II.27.8, the beneficiary concerned by the audit or OLAF findings must repay the Authority the amount in question. Where the audit findings do not concern a specific beneficiary (or its affiliated entities), the coordinator must repay the Authority the amount in question, even if it was not the final recipient of the amount due.

Each beneficiary is responsible for the repayment of any amount unduly paid by the Authority as a contribution towards the costs incurred by its affiliated entities.

### **II.26.3 Recovery procedure**

Before recovery, the Authority must send a *formal notification* to the beneficiary concerned:

- (a) informing it of its intention to recover the amount unduly paid;
- (b) specifying the amount due and the reasons for recovery; and
- (c) inviting the beneficiary to make any observations within a specified period.

If no observations have been submitted or if, despite the observations submitted by the beneficiary, the Authority decides to pursue the recovery procedure, the Authority may confirm recovery by sending a *formal notification* to the beneficiary consisting of a debit note, specifying the terms and the date for payment.

If payment has not been made by the date specified in the debit note, the Authority will recover the amount due:

- (a) by offsetting it, without the beneficiary's prior consent, against any amounts owed to the beneficiary by the Commission or an executive agency (from the Union or the European Atomic Energy Community (Euratom) budget) ('offsetting');

In exceptional circumstances, to safeguard the financial interests of the Union, the Commission may offset before the due date.

An action may be brought against such offsetting before the General Court of the European Union in accordance with Article 263 TFEU;

- (b) by drawing on the financial guarantee where provided for in accordance with Article I.5.2 ('drawing on the financial guarantee');
- (c) by holding the beneficiaries jointly and severally liable up to the maximum EU contribution indicated, for each beneficiary, in the estimated budget (Annex III as last amended);



- (d) by taking legal action as provided for in Article II.18.2 or in the Special Conditions or by adopting an enforceable decision as provided for in Article II.18.3.

#### **II.26.4 Interest on late payment**

If payment is not made by the date in the debit note, the amount to be recovered will be increased by late-payment interest at the rate set out in Article I.5.6 from the day following the date for payment in the debit note up to and including the date the Authority receives full payment of the amount.

Partial payments must first be credited against charges and late-payment interest and then against the principal.

#### **II.26.5 Bank charges**

Bank charges incurred in the recovery process must be borne by the beneficiary concerned, unless Directive 2007/64/EC<sup>7</sup> applies.

### **ARTICLE II.27 – CHECKS, AUDITS AND EVALUATIONS**

#### **II.27.1 Technical and financial checks, audits, interim and final evaluations**

The Authority may, during the implementation of the *action* or afterwards, carry out technical and financial checks and audits to determine that the beneficiaries are implementing the *action* properly and are complying with the obligations under the Agreement. It may also check the beneficiaries' statutory records for the purpose of periodic assessments of lump sum, unit cost or flat-rate amounts.

Information and documents provided as part of checks or audits must be treated on a confidential basis.

In addition, the Authority may carry out an interim or final evaluation of the impact of the *action*, measured against the objective of the Union programme concerned.

Authority checks, audits or evaluations may be carried out either directly by the Authority's own staff or by any other outside body authorised to do so on its behalf.

The Authority may initiate such checks, audits or evaluations during the implementation of the Agreement and during a period of five years starting from the date of payment of the balance. This period is limited to three years if the *maximum amount of the grant* is not more than EUR 60 000.

The check, audit or evaluation procedures are considered to be initiated on the date of receipt of the letter of the Authority announcing it.

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<sup>7</sup> Directive 2007/64/EC<sup>7</sup> of the European Parliament and of the Council of 13 November 2007 on payment services in the internal market amending Directives 97/7/EC, 2002/65/EC, 2005/60/EC and 2006/48/EC and repealing Directive 97/5/EC.





If the audit is carried out on an affiliated entity, the beneficiary concerned must inform that affiliated entity.

### **I.27.2 Duty to keep documents**

The beneficiaries must keep all original documents, especially accounting and tax records, stored on any appropriate medium, including digitalised originals when they are authorised by their respective national law and under the conditions laid down therein, during a period of five years starting from the date of payment of the balance.

The period during which documents must be kept is limited to three years if the *maximum amount of the grant* is not more than EUR 60 000.

The periods set out in the first and second subparagraphs are longer if there are on-going audits, appeals, litigation or pursuit of claims concerning the grant, including in the cases referred to in Article II.27.7. In such cases, the beneficiaries must keep the documents until such audits, appeals, litigation or pursuit of claims have been closed.

### **II.27.3 Obligation to provide information**

Where a check, audit or evaluation is initiated before the payment of the balance, the coordinator must provide any information, including information in electronic format, requested by the Authority or by any other outside body authorised by the Authority. Where appropriate, the Authority may request that a beneficiary provides such information directly.

Where a check or audit is initiated after payment of the balance, the information referred to in the previous subparagraph must be provided by the beneficiary concerned.

If the beneficiary concerned does not comply with the obligations set out in the first and second subparagraphs, the Authority may consider:

- (a) any cost insufficiently substantiated by information provided by the beneficiary as ineligible;
- (b) any financing not linked to costs, unit, lump sum or flat-rate contribution insufficiently substantiated by information provided by the beneficiary as undue.

### **II.27.4 On-the-spot visits**

During an on-the-spot visit, the beneficiaries must allow Authority staff and outside personnel authorised by the Authority to have access to the sites and premises where the *action* is or was carried out, and to all the necessary information, including information in electronic format.

They must ensure that the information is readily available at the moment of the on-the-spot visit and that information requested is handed over in an appropriate form.

If the beneficiary concerned refuses to provide access to the sites, premises and information as required in the first and second subparagraphs, the Authority may consider:



- (a) any cost insufficiently substantiated by information provided by the beneficiary as ineligible;
- (b) any financing not linked to costs, unit, lump sum or flat-rate contribution insufficiently substantiated by information provided by the beneficiary as undue.

### **II.27.5 Contradictory audit procedure**

On the basis of the findings made during the audit, a provisional report ('draft audit report') must be drawn up. It must be sent by the Authority or its authorised representative to the beneficiary concerned, which must have 30 calendar days from the date of receipt to submit observations. The final report ('final audit report') must be sent to the beneficiary concerned within 60 calendar days of expiry of the time limit for submission of observations.

### **II.27.6 Effects of audit findings**

On the basis of the final audit findings, the Authority may take the measures it considers necessary, including recovery at the time of payment of the balance or after payment of the balance of all or part of the payments made by it, as provided for in Article II.26.

In the case of final audit findings after the payment of the balance, the amount to be recovered corresponds to the difference between the revised final amount of the grant, determined in accordance with Article II.25, and the total amount paid to the beneficiaries under the Agreement for the implementation of the *action*.

### **II.27.7 Correction of systemic or recurrent irregularities, fraud or breach of obligations**

**II.27.7.1** The Authority may extend audit findings from other grants to this grant if:

- (a) the beneficiary concerned is found to have committed systemic or recurrent *irregularities, fraud or breach of obligations* in other EU or Euratom grants awarded under similar conditions and such *irregularities, fraud or breach of obligations* have a material impact on this grant; and
- (b) the final audit findings are sent to the beneficiary concerned through a *formal notification*, together with the list of grants affected by the findings within the period referred to in Article II.27.1.

The extension of findings may lead to:

- (a) the rejection of costs as ineligible;
- (b) reduction of the grant as provided for in Article II.25.4;
- (c) recovery of undue amounts as provided for in Article II.26;
- (d) suspension of payments as provided for in Article II.24.1;
- (e) suspension of the *action* implementation as provided for in Article II.16.2;
- (f) termination as provided for in Article II.17.3.

**II.27.7.2** The Authority must send a *formal notification* to the beneficiary concerned informing it of the systemic or recurrent *irregularities, fraud or breach of obligations* and of its intention to extend the audit findings, together with the list of grants affected.



(a) If the findings concern eligibility of costs the procedure is as follows:

**Step 1** — The *formal notification* must include:

- (i) an invitation to submit observations on the list of grants affected by the findings;
  - (ii) a request to submit revised financial statements for all grants affected;
  - (iii) where possible, the correction rate for extrapolation established by the Commission to calculate the amounts to be rejected on the basis of the systemic or recurrent irregularities, fraud or breach of obligations, if the beneficiary concerned:
- (III) considers that the submission of revised financial statements is not possible or practicable;  
or
- (IV) will not submit revised financial statements.

**Step 2** — The beneficiary concerned has 60 calendar days from when it receives the *formal notification* to submit observations and revised financial statements or to propose a duly substantiated alternative correction method. This period may be extended by the Authority in justified cases.

**Step 3** — If the beneficiary concerned submits revised financial statements that take account of the findings the Authority will determine the amount to be corrected on the basis of those revised statements.

If the beneficiary proposes an alternative correction method and the Authority accepts it, the Authority must send a *formal notification* to the beneficiary concerned informing it:

- (i) that it accepts the alternative method;
- (ii) of the revised eligible costs determined by applying this method.

Otherwise the Authority must send a *formal notification* to the beneficiary concerned informing it:

- (i) that it does not accept the observations or the alternative method proposed;
- (ii) of the revised eligible costs determined by applying the extrapolation method initially notified to the beneficiary.

If the systemic or recurrent irregularities, fraud or breach of obligations are found after the payment of the balance, the amount to be recovered corresponds to the difference between:



- (i) the revised final amount of the grant, determined in accordance with Article II.25 on the basis of the revised eligible costs declared by the beneficiary and approved by the Authority or on the basis of the revised eligible costs after extrapolation; and
  - (ii) the total amount paid to the beneficiaries under the Agreement for the implementation of the *action*;
- (b) If the findings concern improper implementation or a breach of another obligation the procedure is as follows:

**Step 1** — The *formal notification* must include:

- (i) an invitation to the beneficiary to submit observations on the list of grants affected by the findings and
- (ii) the correction flat rate the Authority intends to apply to the *maximum amount of the grant* or to part of it, according to the principle of proportionality.

**Step 2** — The beneficiary concerned has 60 calendar days from receiving the *formal notification* to submit observations or to propose a duly substantiated alternative flat-rate.

**Step 3** — If the Authority accepts the alternative flat rate proposed by the beneficiary, it must send a *formal notification* to the beneficiary concerned informing it:

- (i) that it accepts the alternative flat-rate;
- (ii) of the corrected grant amount by applying this flat rate.

Otherwise the Authority must send a *formal notification* to the beneficiary concerned informing it:

- (i) that it does not accept the observations or the alternative flat rate proposed;
- (ii) of the corrected grant amount by applying the flat rate initially notified to the beneficiary.

If the systemic or recurrent *irregularities, fraud or breach of obligations* are found after the payment of the balance, the amount to be recovered corresponds to the difference between:

- (i) the revised final amount of the grant after flat-rate correction; and
- (ii) the total amount paid to the beneficiaries under the Agreement for the implementation of the *action*.

## II.27.8 Rights of OLAF

The European Anti-Fraud Office (OLAF) has the same rights as the Authority, particularly the right of access, for the purpose of checks and investigations.



Under Council Regulation (Euratom, EC) No 2185/96<sup>8</sup> and Regulation (EU, Euratom) No 883/2013<sup>9</sup> OLAF may also carry out on-the-spot checks and inspections in accordance with the procedures laid down by Union law for the protection of the financial interests of the Union against *fraud* and other *irregularities*.

Where appropriate, OLAF findings may lead to the Authority recovering amounts from beneficiaries.

Moreover, findings arising from an OLAF investigation may lead to criminal prosecutions under national law.

### **II.27.9 Rights of the European Court of Auditors and EPPO**

The European Court of Auditors and the European Public Prosecutor's Office established by Council Regulation (EU) 2017/1939 ('the EPPO') and, for the processing of personal data, the European Data Protection Supervisor, have the same rights as the Commission, particularly the right of access, for the purpose of checks, audits and investigations.

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<sup>8</sup> Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities.

<sup>9</sup> Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF).



## ANNEX III MANDATE<sup>10</sup>

I, the undersigned,

[forename and surname of the legal representative of the future beneficiary signing this mandate],

representing,

[full official name of the future beneficiary] [ACRONYM]

[official legal status or form]

[official registration No]

[full official address]

[VAT number],

(‘the beneficiary’),

for the purposes of signing and implementing the grant agreement [Title & No] with the Authority (‘the grant agreement’) for the action entitled [insert title of the action] (‘the *action*’)

hereby:

### 1. Mandate

[full official name of the coordinator] [ACRONYM]

[official legal status or form]

[official registration No]

[full official address]

[VAT number],

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<sup>10</sup> One original version of this Annex to be included for each beneficiary except for the coordinator.



represented by [forename, surname and function of the legal representative of the coordinator] ('the coordinator')

to sign in my name and on my behalf the grant agreement and its possible subsequent amendments with the Authority.

2. Mandate the coordinator to act on behalf of the beneficiary in compliance with the grant agreement.

I hereby confirm that the beneficiary accepts all terms and conditions of the grant agreement and, in particular, all provisions affecting the coordinator and the other beneficiaries. In particular, I acknowledge that, by virtue of this mandate, the coordinator alone is entitled to receive funds from the Authority and distribute the amounts corresponding to the beneficiary's participation in the action.

I hereby accept that the beneficiary will do everything in its power to help the coordinator fulfil its obligations under the grant agreement, and in particular, to provide to the coordinator, on its request, whatever documents or information may be required.

I hereby declare that the beneficiary agrees that the provisions of the grant agreement, including this mandate, take precedence over any other agreement between the beneficiary and the coordinator which may have an effect on the implementation of the grant agreement.

This mandate is annexed to the grant agreement and forms an integral part of it.

SIGNATURE

[forename, surname, function of the legal representative of the mandating beneficiary]

[signature]

Done at [place], [date]

In duplicate in English