

GRANT AGREEMENT for a:

Project with multiple beneficiaries under the ERASMUS+ Programme¹

AGREEMENT NUMBER

[full official name of the NA]

[official legal form]

[official registration No]

[official address in full]

[VAT number],

The **National Agency** (hereinafter referred to as "the NA"), represented for the purposes of signature of this Agreement by [function, forename and surname], and acting under delegation by the European Commission, hereinafter referred to as “the Commission”.

on the one part,

and

1. [full official name of the coordinator]

[official legal form] *[if applicable]*

[official registration No] *[if applicable]*

[official address in full]

[VAT number], *[if applicable]*

[PIC number],

[NA to delete items from the list as necessary depending on the action concerned: compulsory for KA1 - Higher education and Youth EVS, optional for Vocational Education and Training]

hereinafter referred to as “the coordinator”, represented for the purposes of signature of this Agreement by [function, forename and surname] and the other beneficiaries as set out in Annex VI,

hereinafter referred to collectively as “the beneficiaries”, and individually as “beneficiary” for the purposes of this Agreement where a provision applies without distinction between the coordinator or another beneficiary,

on the other part,

¹ Reference to the Programme Decision

HAVE AGREED

to the Special Conditions (hereinafter referred to as “the Special Conditions”) Part I, the General Conditions (hereinafter referred to as “the General Conditions”) Part II and the following Annexes:

Annex I Description of the Project – sections [.....] of the grant application

Annex II Estimated budget

Annex III Financial and contractual rules

~~Annex IV Templates for agreements documents to be used between beneficiaries and participants [applicable only to Key Action 1]~~

Annex V Mandate[s] provided to the coordinator by the other beneficiary[ies]

Annex VI List of other beneficiaries

which form an integral part of this Agreement, hereinafter referred to as "the Agreement".

The terms set out in the Special Conditions shall take precedence over those set out in the General Conditions, as published on [NA to include reference to relevant hyperlink]

The terms set out in the Special Conditions and in the General Conditions shall take precedence over those set out in the Annexes.

The terms set in Annex III shall take precedence over those set out in the other Annexes.

The terms set in Annex II shall take precedence over those set in Annex I.

PART I - SPECIAL CONDITIONS

ARTICLE I.1 – SUBJECT MATTER OF THE AGREEMENT

I.1.1 The NA 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 Project entitled [NA to insert title of the Project in bold as provided in the application form] (("the Project")) under the Erasmus+ Programme, **Key Action 2: Strategic Partnerships**], as described in Annex I.

I.1.2 With the signature of the Agreement, the beneficiaries accept the grant and agree to implement the Project, acting on their own responsibility.

I.1.3 ~~[NA to select and complete in case of national consortia in higher education, national consortia in VET holding an Erasmus+ VET Mobility Charter, and for EVS in youth mobility activities]~~

~~— The beneficiaries will comply with [the Erasmus Charter for Higher Education and the Higher Education National Mobility Consortium accreditation][the commitments made when applying for the Erasmus+ VET Mobility Charter and those in the VET Quality Commitment][the EVS Charter]~~

ARTICLE I.2 – ENTRY INTO FORCE OF THE AGREEMENT AND DURATION

I.2.1 The Agreement shall enter into force on the date on which the last party signs.

I.2.2 The Project shall run between [insert date: ...] and [insert date: ...] both inclusive.

ARTICLE I.3 - MAXIMUM AMOUNT AND FORM OF THE GRANT

I.3.1 Maximum grant awarded

The grant shall be of a **maximum amount of EUR [...]** and shall take the form of unit contributions and reimbursement of eligible costs actually incurred in accordance with the following provisions:

- (a) eligible costs as specified in Article II.16;
- (b) estimated budget as specified in Annex II;
- (c) financial rules as specified in Annex III.

I.3.2 Budget transfers without amendment

Without prejudice to Article II.11 ~~[For VET, AE, SE, Youth and Higher Education mobility between Programme and Partner Countries: and provided that the Project is implemented as~~

described in Annex I], beneficiaries are allowed to adjust the estimated budget set out in Annex II, by transfers between the different budget categories, without this adjustment being considered as an amendment of the Agreement within the meaning of Article II.11 provided that the following rules are respected:

[Key Action 2 - STRATEGIC PARTNERSHIPS

- (a) The beneficiaries are allowed to transfer up to 20% of the funds allocated for Project management and implementation, Transnational Project Meetings, Intellectual Outputs, Multiplier Events, Learning/teaching/training activities and Exceptional costs to any other budget category with the exception of the budget categories Project management and implementation and Exceptional costs.
- (b) Any budget transfer shall result in an increase of maximum 20% of the amount awarded to that budget category as specified in Annex II.
- (c) The beneficiaries are allowed to transfer funds allocated for any budget category to the budget category Special needs support, even if no funds are allocated for Special needs support as specified in Annex II. In such case the maximum increase of 20% of the budget category Special needs support shall not apply.
- (d) By derogation to point (a) of the present Article, the beneficiaries are allowed to transfer funds allocated for any budget category except Special needs support to the budget category Exceptional costs in order to contribute to the costs of a financial guarantee in so far as required by the NA in Article I.4.1 and even if no funds are allocated for Exceptional costs as specified in Annex II. In such case the maximum increase of 20% of the budget category Exceptional costs shall not apply.]

ARTICLE I.4 –REPORTING AND PAYMENT ARRANGEMENTS

The following reporting and payment provisions² shall apply:

I.4.1 First pre-financing payment

The pre-financing is intended to provide the beneficiaries with a float.

[NA to choose between the following options. N.B. In case precautionary measures are needed to protect loss of EU funds (e.g. weak financial capacity of the beneficiary), the NA will adapt Article I.4.1 to the individual case concerned.]

***Option 1:** for projects of maximum 2 years and in case of a single first pre-financing payment:*

The NA shall pay to the coordinator within 30 days following the entry into force of the Agreement [or, if applicable: following the receipt of a financial guarantee of EUR [...] ³] a first pre-financing payment of EUR [...] corresponding to [NA to set a percentage between 60 and 80%] of the maximum grant amount specified in Article I.3.1.

~~***Option 2:** for projects of maximum 2 years and in case the first pre-financing payment is split in two instalments:*~~

~~The NA shall pay the first pre-financing to the coordinator in two instalments as follows:~~

- ~~• Within 30 days following the entry into force of the Agreement [or, if applicable: following the receipt of a financial guarantee of EUR [...] ⁴] a first payment of EUR~~

² [1. Normal payment schedule for grant agreements of **maximum two years included**: normally one pre-financing payment of 80% and a balance payment of 20%; in the case of Key Action 1 in Higher Education, the balance payment will be normally replaced by a further pre-financing based on an interim report. However, in case of lack of sufficient payment appropriations, the NA may:

- a) reduce the first pre-financing to a percentage between 60 and 80% and apply a balance payment of 40-20% of the maximum grant amount, or
- b) split the first pre-financing into two payments without interim report, whereby the total of both payments amounts to 80% of the maximum grant amount, and a balance payment of 20% of the maximum grant amount.

2. Normal payment schedule for grant agreements of **more than two years**: one pre-financing of 40% upon signature of the agreement, one further pre-financing of 40% based on an interim report and a balance payment of 20% of the maximum grant amount.]

³ [the amount equal to the pre-financing to be paid].

⁴ [the amount equal to the pre-financing to be paid].

Agreement number: [complete]

Standard grant agreement (multi beneficiaries):

~~[...] corresponding to [NA to set a percentage between 40 and 60%] [40-60]% of the maximum grant amount specified in Article I.3.1;~~

- ~~• By [NA to insert date] a second payment of EUR [...] corresponding to [NA to set a percentage between 40 and 20%], which if added up with the percentage set for the first payment should reach 80% of the amount in Article I.3.1] % of the maximum grant amount specified in Article I.3.1.~~

Option 3: for projects of more than 2 years:

The NA shall pay to the coordinator within 30 days following the entry into force of the Agreement [or, if applicable: following the receipt of a financial guarantee of EUR [...]⁵] a first pre-financing payment of EUR [...] corresponding to 40% of the maximum grant amount specified in Article I.3.1.

Option 4: NA to include a special clause in case pre-financing is split in several installments based on the financial capacity of the coordinator:

By [NA to insert date], the coordinator shall [NA to complete as necessary].

I.4.2 Interim reports and further pre-financing payments

For KA2 – Strategic partnerships of more than two years only option 2 applies except if precautionary measures are applied to the Agreement.]

Option 1: NA to select if a further pre financing payment is foreseen:

~~By [NA to insert date]⁶, the coordinator shall complete an interim report on the implementation of the Project in Mobility Tool+ (if available), covering the reporting period from the beginning of the implementation of the Project specified in Article I.2.2 to [date to be specified by NA].~~

~~In so far as the interim report demonstrates that the coordinator has used at least 70% of the amount of first pre-financing payment, the interim report shall be considered as a request for a further pre-financing payment and shall specify the amount requested up to EUR [...] corresponding to [40-20]% of the total maximum amount specified in Article I.3.1.~~

~~Where the interim report shows that less than 70% of the previous pre-financing payment(s) paid has been used to cover costs of the Project, [NA to select and complete as appropriate]~~

⁵ [the amount equal to the pre-financing to be paid].

⁶ [the beneficiary has to be given reasonable period of time in order to complete the interim report after the reporting period ends]

~~either [the amount of the new pre-financing to be paid shall be reduced by the difference between the 70% threshold and the amount used. The coordinator shall submit a further interim report including a request for payment for the remaining part of the pre-financing amounting to a total of maximum 80% of the maximum grant amount specified in Article I.3.1 [by [date to be specified by NA]]/[once at least 70 % of the amount of first pre-financing payment has been used.]~~

~~Or [the coordinator shall submit a further interim report [NA to select one of both options: [by [date to be specified by NA]]/[once at least 70 % of the amount of first pre-financing payment has been used], which shall be considered as a request for a further pre-financing payment and shall specify the amount requested EUR [...] corresponding to [40-20]% of the maximum amount specified in Article I.3.1.].~~

~~Without prejudice to Articles II.17.2 and II.17.3 and following approval of the report by the NA, the NA shall pay to the coordinator the further pre-financing payment within [60] / (or earlier if required by the rules applicable to the NA within) [...] calendar days on receipt of the interim report completed in Mobility Tool+ (if available).~~

~~Where the [NA to specify: first/second] interim report shows that the beneficiaries will not be able to use the maximum grant amount as specified in Article I.3.1 within the contractual period defined in Article I.2.2, the NA will issue an amendment reducing the maximum grant amount accordingly and, in case the reduced maximum grant amount is less than the amount of pre-financing transferred to the coordinator until that date, recover the excess amount of pre-financing from the coordinator in accordance with Article II.19.~~

Option 2: NA to select if a further pre-financing payment is foreseen (applicable to KA2 – Strategic Partnerships of more than two years):

By [NA to insert date]⁷, the coordinator shall complete a progress report on the implementation of the Project in Mobility Tool+ (if available), covering the reporting period from the beginning of the implementation of the Project specified in Article I.2.2 to [date to be specified by NA].

By [NA to insert date] or once at least 70% of the first pre-financing payment has been used to cover costs of the Project, the coordinator shall complete an interim report on the implementation of the Project in Mobility Tool+ (if available), covering the reporting period from [NA to insert date of the progress report] to [date to be specified by NA].

In so far as the interim report demonstrates that the coordinator has used at least 70% of the amount of first pre-financing payment, the interim report shall be considered as a request for a further pre-financing payment and shall specify the amount requested up to EUR [...] corresponding to 40% of the total maximum amount specified in Article I.3.1.

⁷ [the beneficiary has to be given reasonable period of time in order to complete the interim report after the reporting period ends]

Where the interim report shows that less than 70% of the first pre-financing payment paid has been used to cover costs of the Project, [NA to select and complete as appropriate]:

either [the amount of the new pre-financing to be paid shall be reduced by the difference between the 70% threshold and the amount used. The coordinator shall submit a further interim report including a request for payment for the remaining part of the pre-financing amounting to a total of maximum 80% of the maximum grant amount specified in Article I.3.1 [by [date to be specified by NA]]/[once at least 70 % of the amount of first pre-financing payment has been used.]

Or [the coordinator shall submit a further interim report [NA to select one of the two following options: [by [date to be specified by NA]]/[once at least 70 % of the amount of first pre-financing payment has been used], which shall be considered as a request for a further pre-financing payment and shall specify the amount requested EUR [...] corresponding to 40% of the maximum amount specified in Article I.3.1.].

Without prejudice to Articles II.17.2 and II.17.3 and following approval of the report by the NA, the NA shall pay to the coordinator the further pre-financing payment within [60] / (or earlier if required by the rules applicable to the NA within) [...] calendar days on receipt of the interim report completed in Mobility Tool+ (if available).

~~*Option 3: NA to select if no further pre financing is foreseen but an interim report is required:*~~

~~By [NA to insert date], the coordinator shall complete an interim report on the implementation of the Project in Mobility Tool+ (if available), covering the reporting period from the beginning of the implementation of the Project specified in Article I.2.2 to [date to be specified by NA].~~

~~*Option 4: NA to select if no further pre financing is foreseen and no interim report is required:*~~

~~Not applicable.~~

~~*Option 5: NA to include a special clause in case pre financing is split in several installments based on the financial capacity of the coordinator:*~~

~~By [NA to insert date], the coordinator shall [NA to complete as necessary].~~

I.4.3 Final report and request for payment of the balance

Within 60 days after the end date of the Project specified in Article I.2.2, the coordinator shall complete a final report in Mobility Tool+ on the implementation of the Project, and upload all project results in VALOR as specified in article I.10.2. The report must contain the information needed to justify the contribution requested on the basis of unit contributions where the grant takes the form of the reimbursement of unit contribution or the eligible costs actually incurred in accordance with Article II.16 and Annex III.

The final report is considered as the coordinator's request for payment of the balance of the grant.

The coordinator shall certify that the information provided in the request for payment of the balance is full, reliable and true. It shall 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.20.

I.4.4 Payment of the balance

The payment of the balance, which may not be repeated, is intended to reimburse or cover after the end of the period set out in Article I.2.2 the remaining part of the eligible costs incurred by the beneficiaries for its implementation.

Without prejudice to Articles II.17.2 and II.17.3, on receipt of the documents referred to in the final report, the NA shall pay the amount due as the balance within [60] [or earlier if required by the rules applicable to the NA: [...]] calendar days.

This amount shall be determined following approval of the final report and in accordance with the fourth subparagraph. Approval of the final report shall not imply recognition of the regularity or of the authenticity, completeness and correctness of the declarations and information it contains.

The amount due as the balance shall be determined by deducting, from the final amount of the grant determined in accordance with Article II.18, the total amount of pre-financing and interim payments already made. Where the total amount of earlier payments is greater than the final amount of the grant determined in accordance with Article II.18, the payment of the balance may take the form of a recovery as provided for by Article II.19.

I.4.5 Non – submission of documents

Where the coordinator has failed to submit an interim report due or final report accompanied by the documents referred to above, the NA shall send a formal reminder within 15 calendar days of the deadline. If the coordinator still fails to submit such a request within 30 calendar days following this reminder, the NA reserves the right to terminate the Agreement in accordance with Article II.15.2.1(b), and request the reimbursement of the full amount of pre-financing payments in accordance with Article II.19.

I.4.6 Language of requests for payments and reports

The coordinator shall submit all requests for payments and reports in [NA to specify the language].

I.4.7 Conversion of costs incurred in another currency into euro

[If the NA prefers to apply an alternative conversion rate to that specified in Art.II.17.6 or the national law establishes different obligations:

By way of derogation to Article II.17.6., any conversion into euro of costs incurred in other currencies shall be made by the beneficiaries at the daily exchange rate established by the European Central Bank and published on its website⁸ applicable on the day when the [bank account of the coordinator is credited]/[agreement is signed by the last of the two parties]].

[If NA chooses the above option "[bank account of the coordinator is credited]" and more than one pre-financing payments is foreseen If Article I.4.2 provides for a second or more pre-financing payments, the conversion rate shall apply for all costs incurred in the period from the date of transfer of the related pre-financing payment until the date of transfer of the next pre-financing payment.]

ARTICLE I.5 – BANK ACCOUNT FOR PAYMENTS

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

Name of bank: [...]

Address of branch: [...]

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

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

[IBAN code: [...]]⁹

ARTICLE I.6 - DATA CONTROLLER AND COMMUNICATION DETAILS OF THE PARTIES

I.6.1 Data controller

The entity acting as a data controller according to Article II.6 shall be: [insert name].¹⁰

I.6.2 Communication details of the NA¹¹

Any communication addressed to the NA shall be sent by the coordinator to the following address:

⁸ http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm

⁹ BIC or SWIFT code applies to for countries where the IBAN code does not apply.

¹⁰ The data controller can be the National agency itself or a natural person designated to undertake his duties as foreseen in the National law transposing the Directive 95/46/EC as amended by Regulation 1882/2003.

¹¹ Both options in this paragraph could be used at the same time if communications for different purposes (e.g. reporting, amendment requests, questions) are to be addressed either through the following address or through the electronic exchange system. In this case, please use the expression "for the purposes of" in both options. If only one of the options is used, please delete "for the purposes of".

[Name of the NA]

[Post code, town and country]

E-mail address: [insert functional mailbox NA]

[If applicable: Any communication addressed to the NA for the purposes of [NA to specify the purposes for which the system shall apply] shall be submitted through the [following] electronic exchange system set up by the NA: [...]. In this case, the second subparagraph of Article II.2.1 and the second subparagraph of Article II.2.2 shall not apply.]

I.6.3 Communication details of the beneficiaries¹²

Any communication from the NA to the beneficiaries shall be sent to the coordinator at the following address:

[Full name of the coordinator]

[Function]

[Name of the entity]

[Full official address]

E-mail address: [complete]

[If applicable: Any communication from the NA to the beneficiaries for the purposes of [NA to specify the purposes for which the system shall apply] shall be submitted through the [following] electronic exchange system set up by the NA: [...]. In this case, the second subparagraph of Article II.2.1 and the second subparagraph of Article II.2.2 shall not apply.]

ARTICLE I.7 –PROTECTION AND SAFETY OF PARTICIPANTS

The beneficiaries shall have in place effective procedures and arrangements to provide for the safety and protection of the participants in their Project.

The beneficiaries shall ensure that insurance coverage is provided to participants involved in mobility activities abroad.

¹² Both options in this paragraph could be used at the same time if communications for different purposes (e.g. information on payment, questions) are to be addressed either through the following address or through the electronic exchange system. In this case, please use the expression "for the purposes of" in both options. If only one of the options is used, please delete "for the purposes of".

ARTICLE I.8 - APPLICABLE LAW AND SETTLEMENT OF DISPUTES

I.8.1 The Agreement is governed by *[insert the national law of the NA]*.

I.8.2 The competent court determined in accordance with the applicable national law shall have sole jurisdiction to hear any dispute between the NA and any beneficiary concerning the interpretation, application or validity of this Agreement, if such dispute cannot be settled amicably.

[For NAs that issue acts considered administrative acts according to the national law:] An action may be brought against an act of the NA within [specify deadline according to the national law] before [insert reference to the competent national court] according to [insert reference to the relevant provisions of the national law].

ARTICLE I.9 – ADDITIONAL PROVISIONS ON USE OF THE RESULTS (INCLUDING INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS)

In addition to the provision of Article II.8.3, if the beneficiaries produce educational materials under the scope of the Project, such materials shall be made available through the Internet, free of charge and under open licenses¹³.

ARTICLE I.10 – USE OF IT TOOLS

I.10.1 Mobility Tool+

The coordinator is required to make use of the web based Mobility Tool to record all information in relation to the mobility activities undertaken under the Project, including activities with a zero grant from EU funds and to complete and submit the Progress Report, Interim report (if available in Mobility Tool+) and Final reports.

I.10.2 VALOR – Dissemination Platform

[For Key Action 2:]

¹³Open licence – a way by which the owner of a work grants permission to others to use the resource. A license is associated to each resource. There are different open licences according to the extent of the permissions granted or the limitations imposed and the beneficiary is free to choose the specific license to apply to their work. An open licence must be associated to each resource produced. An open licence is not a transfer of copyrights or Intellectual Property Rights (IPR).

The coordinator shall input the deliverables of the Project in VALOR, the programme Dissemination Platform on the website <http://ec.europa.eu/programmes/erasmus-plus/projects/>, in accordance with the instructions provided therein.

The approval of the final report will be subject to the upload of the Project deliverables in VALOR by the time of its submission

ARTICLE I.11 – ADDITIONAL PROVISIONS ON SUBCONTRACTING

By way of derogation, the provisions set out in points (c) and (d) of Article II.10.2 shall not apply.

[For Key action 2:]

By way of derogation to the provisions set out in Article II.10, the beneficiaries shall not subcontract any activities funded from the budget category Intellectual outputs.

By way of derogation, the provisions set out in points (c) and (d) of Article II.10.2 shall not apply to any of the budget categories except Exceptional costs.

ARTICLE I.12 – SPECIAL PROVISIONS ON THE FINANCIAL RESPONSIBILITY FOR RECOVERIES

The financial responsibility of each beneficiary other than the coordinator shall be limited to the amount received by the beneficiary concerned.

~~ARTICLE I.13 – NOT APPLICABLE PROVISIONS FROM THE GENERAL CONDITIONS~~

~~The following provisions of Part II – General Conditions of this Agreement shall not apply: [NA to list the references of the respective Articles II.16.2.1 II.16.2.6 and II.16.4.1 II.16.4.5 that do NOT apply to the Agreement depending on the Key Action and field concerned] II.16.X.~~

Agreement number: [complete]

Standard grant agreement (**multi beneficiaries**):

SIGNATURES

For the coordinator
[*function*/forename/surname]

[signature]
Done at [place], [date]

For the NA
[forename/surname]

[signature]
Done at [place], [date]

TEMPLATE

PART II
GENERAL CONDITIONS

PART A – LEGAL AND ADMINISTRATIVE PROVISIONS

ARTICLE II.1 – GENERAL OBLIGATIONS AND ROLES OF THE BENEFICIARIES

II.1.1 General obligations and role of the beneficiaries

The beneficiaries shall:

- (a) be jointly and severally responsible for carrying out the Project in accordance with the terms and conditions of the Agreement;
- (b) be responsible for complying with any legal obligations incumbent on them jointly or individually;
- (c) make appropriate internal arrangements for the proper implementation of the Project, consistent with the provisions of this Agreement; where provided for in the Special Conditions, those arrangements shall take the form of an internal co-operation agreement between the beneficiaries.

II.1.2 General obligations and role of each beneficiary

Each beneficiary shall:

- (a) inform the coordinator immediately of any change likely to affect or delay the implementation of the Project of which the beneficiary is aware;
- (b) inform the coordinator immediately of any change in its legal, financial, technical, organisational or ownership situation and of any change in its name, address or legal representative;
- (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 in the event of audits, checks, evaluation and monitoring in accordance with Articles II.20 and II.21.
 - (iii) any other information to be provided to the NA according to the Agreement, except where the Agreement requires that such information is submitted directly by the beneficiary to the NA.

II.1.3 General obligations and role of the coordinator

The coordinator shall:

- (a) monitor that the Project is implemented in accordance with the Agreement;
- (b) be the intermediary for all communications between the beneficiaries and the NA, except where provided otherwise in the Agreement, and, in particular, the coordinator shall:
 - (i) immediately provide the NA with the information related to any change in the name, address, legal representative as well as in the legal, financial, technical, organisational or ownership situation of any of the beneficiaries, or to any event likely to affect or delay the implementation of the Project, of which the coordinator is aware;
 - (ii) bear responsibility for supplying all documents and information to the NA which may be required under the Agreement, except where provided otherwise in the Agreement; where information is required from the other beneficiaries, the coordinator shall bear responsibility for obtaining and verifying this information before passing it on to the NA;
- (c) make the appropriate arrangements for providing any financial guarantees required under the Agreement;
- (d) establish the requests for payment in accordance with the Agreement;
- (e) where it is designated as the sole recipient of payments on behalf of all of the beneficiaries, ensure that all the appropriate payments are made to the other beneficiaries without unjustified delay. The coordinator shall make all payments to the other beneficiaries by bank transfer and keep appropriate evidence of the amounts transferred to each beneficiary for any checks and audits as referred to in Article II.20.
- (f) bear responsibility for providing all the necessary documents in the event of checks and audits initiated before the payment of the balance, and in the event of evaluation in accordance with Articles II.20 and II.21.

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

ARTICLE II.2 – COMMUNICATIONS BETWEEN THE PARTIES

II.2.1 Form and means of communications

Any communication relating to the Agreement or to its implementation shall be made in writing (in paper or electronic form), shall bear the number of the Agreement and shall be made using the communication details identified in Article I.6.

Electronic communications shall be confirmed by an original signed paper version of that communication if requested by any of the parties provided that this request is submitted without unjustified delay. The sender shall send the original signed paper version without unjustified delay.

Formal notifications shall be made by registered mail with return receipt or equivalent, or by equivalent electronic means.

II.2.2 Date of communications

Any communication is deemed to have been made when it is received by the receiving party, unless the agreement refers to the date when the communication was sent.

Electronic communication is deemed to have been received by the receiving party on the day of successful dispatch of that communication, provided that it is sent to the addressees listed in Article I.6. Dispatch shall be deemed unsuccessful if the sending party receives a message of non-delivery. In this case, the sending party shall immediately send again such communication to any of the other addresses listed in Article I.6. In case of unsuccessful dispatch, the sending party shall not be held in breach of its obligation to send such communication within a specified deadline.

Mail sent to the NA using the postal services is considered to have been received by the NA on the date on which it is registered by the department identified in Article I.6.2.

Formal notifications made by registered mail with return receipt or equivalent, or by equivalent electronic means, shall be considered to have been received by the receiving party on the date of receipt indicated on the return receipt or equivalent.

ARTICLE II.3 – LIABILITY FOR DAMAGES

II.3.1 The NA and the Commission shall 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 Project.

II.3.2 Except in cases of force majeure, the beneficiaries shall compensate the NA for any damage sustained by them as a result of the implementation of the Project or because the Project was not implemented or implemented poorly, partially or late.

ARTICLE II.4 - CONFLICT OF INTERESTS

II.4.1 The beneficiaries shall take all necessary measures to prevent any situation where the impartial and objective implementation of the Agreement is compromised for reasons involving economic interest, political or national affinity, family or emotional ties or any other shared interest (“conflict of interests”).

II.4.2 Any situation constituting or likely to lead to a conflict of interests during the implementation of the Agreement shall be notified to the NA, in writing, without delay. The beneficiaries shall immediately take all the necessary steps to rectify this situation. The NA reserves the right to verify that the measures taken are appropriate and may require additional measures to be taken within a specified deadline.

ARTICLE II.5 – CONFIDENTIALITY

II.5.1 The NA and the beneficiaries shall preserve the confidentiality of any information and documents, in any form, which are disclosed in writing or orally in relation to the implementation of the Agreement and which are explicitly indicated in writing as confidential.

II.5.2 The beneficiaries shall not use confidential information and documents for any reason other than fulfilling their obligations under the Agreement, unless otherwise agreed with the NA in writing.

II.5.3 The NA and the beneficiaries shall be bound by the obligations referred to in Articles II.5.1 and II.5.2 during the implementation of the Agreement and for a period of five years starting from the payment of the balance, unless:

- (a) the party concerned agrees to release the other party from the confidentiality obligations earlier;
- (b) the confidential information becomes public through other means than in breach of the confidentiality obligation through disclosure by the party bound by that obligation;
- (c) the disclosure of the confidential information is required by law.

ARTICLE II.6 – PROCESSING OF PERSONAL DATA

II.6.1 Processing of personal data by the NA and the Commission

Any personal data included in the Agreement shall be processed by the NA according to the provisions laid down in national law.

Any personal data stored on the IT Tools provided by the European Commission shall be processed by the National Agencies pursuant to Regulation No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the institutions and bodies of the Community and on the free movement of such data.

Such data shall be processed by the data controller identified in Article I.6.1 solely for the purposes of the implementation, management and monitoring of the Agreement, without prejudice to possible transmission to the bodies charged with the monitoring or inspection tasks in application of national law applicable to the Agreement.

The beneficiaries shall have the right of access to his/her personal data and the right to rectify any such data. Should the beneficiaries have any queries concerning the processing of his/her personal data, he/she shall address them to the data controller, identified in Article I.6.1.

Any personal data included in the Agreement shall be processed by the Commission pursuant to Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data.

The beneficiaries shall have the right of recourse at any time to the European Data Protection Supervisor.

II.6.2 Processing of personal data by the beneficiaries

Where the Agreement requires the processing of personal data by the beneficiaries, the beneficiaries may act only under the supervision of the data controller identified in Article I.6.1, in particular with regard to the purpose of the processing, the categories of data which may be processed, the recipients of the data and the means by which the data subject may exercise his or her rights.

The access to data that the beneficiaries grant to their personnel shall be limited to the extent strictly necessary for the implementation, management and monitoring of the Agreement.

The beneficiaries undertake to adopt appropriate technical and organisational security measures having regard to the risks inherent in the processing and to the nature of the personal data concerned, in order to:

- (a) prevent any unauthorised person from gaining access to computer systems processing personal data, and especially:
 - (i) unauthorised reading, copying, alteration or removal of storage media;
 - (ii) unauthorised data input as well as any unauthorised disclosure, alteration or erasure of stored personal data;
 - (iii) unauthorised persons from using data-processing systems by means of data transmission facilities;
- (b) ensure that authorised users of a data-processing system can access only the personal data to which their access right refers;
- (c) record which personal data have been communicated, when and to whom;

- (d) ensure that personal data being processed on behalf of third parties can be processed only in the manner prescribed by the NA;
- (e) ensure that, during communication of personal data and transport of storage media, the data cannot be read, copied or erased without authorisation;
- (f) design their organisational structure in such a way that it meets data protection requirements.

ARTICLE II.7 – VISIBILITY OF UNION FUNDING

II.7.1 Information on Union funding and use of European Union emblem

Any communication or publication related to the Project, made by the beneficiaries jointly or individually, including at conferences, seminars or in any information or promotional materials (such as brochures, leaflets, posters, presentations, etc.), shall indicate that the Project has received funding from the Union and shall display the European Union emblem.

http://ec.europa.eu/dgs/education_culture/publ/graphics/identity_en.htm and http://ec.europa.eu/dgs/communication/services/visual_identity/pdf/use-emblem_en.pdf.

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

II.7.2 Disclaimers excluding NA and Commission responsibility

Any communication or publication related to the Project made by the beneficiaries jointly or individually in any form and using any means, shall indicate that it reflects only the author's view and that the NA and the Commission are not responsible for any use that may be made of the information it contains.

ARTICLE II.8 – PRE-EXISTING RIGHTS AND OWNERSHIP AND USE OF THE RESULTS (INCLUDING INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS)

II.8.1 Ownership of the results by the beneficiaries

Unless stipulated otherwise in the Agreement, ownership of the results of the Project, including industrial and intellectual property rights, and of the reports and other documents relating to it, shall be vested in the beneficiaries.

II.8.2 Pre-existing industrial and intellectual property rights

Where industrial and intellectual property rights, including rights of third parties, exist prior to the conclusion of the Agreement, the beneficiaries shall establish a list which shall specify all rights of ownership and use of the pre-existing industrial and intellectual property rights and disclose it to the NA at the latest before the commencement of implementation.

The beneficiaries shall ensure that they have all the rights to use any pre-existing industrial and intellectual property rights during the implementation of the Agreement.

II.8.3 Rights of use of the results and of pre-existing rights by NA and the Union

Without prejudice to Articles II.1.1, II.3 and II.8.1, the beneficiaries grant the Union the right to use the results of the Project for the following purposes:

- (a) use for its own purposes, and in particular, making available to persons working for the NA, Union institutions, agencies and bodies and to Member States' institutions, as well as, copying and reproducing in whole or in part and in unlimited number of copies;
- (b) distribution to the public, and in particular, publication in hard copies and in electronic or digital format, publication on the internet, including on the Europa website, as a downloadable or non-downloadable file, broadcasting by any kind of technique of transmission, public display or presentation, communication through press information services, inclusion in widely accessible databases or indexes;
- (c) translation;
- (d) giving access upon individual requests without the right to reproduce or exploit, as provided for by Regulation (EC) No 1049/2001 of the European Parliament and of the Council of 30 May 2001 regarding public access to European Parliament, Council and Commission documents;
- (e) storage in paper, electronic or other format;
- (f) archiving in line with the document management rules applicable to the NA;
- (g) rights to authorise or sub-licence the modes of exploitation set out in points (b) and (c) to third parties.

Additional rights of use for the NA and/or the Union may be provided for in the Special Conditions.

The beneficiaries shall warrant that the NA and/or the Union has the right to use any pre-existing industrial and intellectual property rights, which have been included in the results of the Project. Unless specified otherwise in the Special Conditions, those pre-existing rights shall be used for the same purposes and under the same conditions applicable to the rights of use of the results of the Project.

Information about the copyright owner shall be inserted when the result is divulged by the NA and/or the Union. The copyright information shall read: "© – year – name of the copyright owner. All rights reserved. Licenced to –name of the National agency-under conditions" or "© – year – name of the copyright owner. All rights reserved. Licenced to the European Union under conditions."

ARTICLE II.9 – AWARD OF CONTRACTS NECESSARY FOR THE IMPLEMENTATION OF THE PROJECT

II.9.1 Where the implementation of the Project requires the procurement of goods, works or services, the beneficiaries shall award the contract to the tender offering best value for money or, as appropriate, to the tender offering the lowest price. In doing so, they shall avoid any conflict of interests.

Beneficiaries acting in its capacity of a contracting authority within the meaning of 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 or a contracting entity within the meaning of 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 shall abide by the applicable national public procurement rules.

II.9.2 The beneficiaries shall retain sole responsibility for carrying out the Project and for compliance with the provisions of the Agreement. The beneficiaries shall ensure that any procurement contract contains provisions stipulating that the contractor has no rights vis-à-vis the NA under the Agreement.

II.9.3. The beneficiaries shall ensure that the conditions applicable to them under Articles II.3, II.4, II.5, II.8, II.20 and II.21. are also applicable to the contractor.

ARTICLE II.10 – SUBCONTRACTING OF TASKS FORMING PART OF THE PROJECT

II.10.1 A "subcontract" is a procurement contract within the meaning of Article II.9, which covers the implementation by a third party of tasks forming part of the Project as described in Annex I.

II.10.2 Beneficiaries may subcontract tasks forming part of the Project, provided that, in addition to the conditions specified in Article II.9 and the Special Conditions, the following conditions are complied with:

- (a) subcontracting only covers the implementation of a limited part of the Project;
- (b) recourse to subcontracting is justified having regard to the nature of the Project 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 II;
- (d) any recourse to subcontracting, if not provided for in Annex I, is communicated by the coordinator and approved by the NA without prejudice to Article II.11.2;

- (e) the beneficiaries ensure that the conditions applicable to them under Article II.7 are also applicable to the subcontractor.

ARTICLE II.11 – AMENDMENTS TO THE AGREEMENT

- II.11.1** Any amendment to the Agreement shall be made in writing.
- II.11.2** 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.11.3** Any request for amendment shall be duly justified and shall 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 period set out in Article I.2.2, except in cases duly substantiated by the party requesting the amendment and accepted by the other party.
- II.11.4** A request for amendment on behalf of the beneficiaries shall be submitted by the coordinator.
- II.11.5** Amendments shall enter into force on the date on which the last party signs or on the date of approval of the request for amendment.

Amendments shall 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.12 – ASSIGNMENT OF CLAIMS FOR PAYMENTS TO THIRD PARTIES

- II.12.1** Claims for payments of the beneficiaries against the NA may not be assigned to third parties, except in duly justified cases where the situation warrants it.

The assignment shall only be enforceable against the NA if it has accepted the assignment on the basis of a written and reasoned request to that effect made by the coordinator on behalf of the beneficiaries. In the absence of such an acceptance, or in the event of failure to observe the terms thereof, the assignment shall have no effect on the NA.

- II.12.2** In no circumstances shall such an assignment release the beneficiaries from their obligations towards the NA.

ARTICLE II.13 – FORCE MAJEURE

- II.13.1** "*Force majeure*" shall mean any unforeseeable exceptional situation or event beyond the parties' control, which prevents either of them from fulfilling any of their obligations under the Agreement, which was not attributable to error or negligence on their part or on the part of subcontractors, affiliated entities or third parties

involved in the implementation and which proves to be inevitable in spite of exercising all due diligence. Any default of a service, defect in equipment or material or delays in making them available, unless they stem directly from a relevant case of force majeure, as well as labour disputes, strikes or financial difficulties cannot be invoked as *force majeure*.

II.13.2 A party faced with *force majeure* shall formally notify the other party without delay, stating the nature, likely duration and foreseeable effects.

II.13.3 The parties shall take the necessary measures to limit any damage due to *force majeure*. They shall do their best to resume the implementation of the Project as soon as possible.

II.13.4 The party faced with *force majeure* shall not be held to be in breach of its obligations under the Agreement if it has been prevented from fulfilling them by *force majeure*.

ARTICLE II.14 – SUSPENSION OF THE IMPLEMENTATION OF THE PROJECT

II.14.1 Suspension of the implementation by the beneficiaries

The coordinator, on behalf of the beneficiaries, may suspend the implementation of the Project or any part thereof, if exceptional circumstances make such implementation impossible or excessively difficult, in particular in the event of *force majeure*. The coordinator shall inform the NA without delay, giving all the necessary reasons and details and the foreseeable date of resumption.

Unless the Agreement or the participation of a beneficiary is terminated in accordance with Articles II.15.1, II.15.2 or points (c) or (d) of Article II.15.3.1, the coordinator shall, once the circumstances allow resuming the implementation of the Project, inform the NA immediately and present a request for amendment of the Agreement as provided for in Article II.14.3.

II.14.2 Suspension of the implementation by the NA

II.14.2.1 The NA may suspend the implementation of the Project or any part thereof:

- (a) if the NA has evidence that a beneficiary has committed substantial errors, irregularities or fraud in the award procedure or in the implementation of the Agreement or if a beneficiary fails to comply with its obligations under the Agreement;
- (b) if the NA suspects substantial errors, irregularities, fraud or breach of obligations committed by a beneficiary in the award procedure or in the implementation of the Agreement and needs to verify whether they have actually occurred.

II.14.2.2 Before suspending the implementation the NA shall formally notify the coordinator of its intention to suspend, specifying the reasons thereof, and, in the cases referred to in points (a) of Article II.14.2.1, the necessary conditions for resuming the implementation. The coordinator shall be invited to submit observations on behalf of all beneficiaries within 30 calendar days from receipt of this notification.

If, after examination of the observations submitted by the coordinator, the NA decides to stop the suspension procedure, it shall formally notify the coordinator thereof.

If no observations have been submitted or if, despite the observations submitted by the coordinator, the NA decides to pursue the suspension procedure, it may suspend the implementation by formally notifying the coordinator thereof, specifying the reasons for the suspension and, in the cases referred to in points (a) of Article II.14.2.1, the definitive conditions for resuming the implementation or, in the case referred to in point (b) of Article II.14.2.1, the indicative date of completion of the necessary verification.

The coordinator shall inform the other beneficiaries immediately. The suspension shall take effect five calendar days after the receipt of the notification by the coordinator or on a later date, where the notification so provides.

In order to resume the implementation, the beneficiaries shall endeavour to meet the notified conditions as soon as possible and shall inform the NA of any progress made in this respect.

Unless the Agreement or the participation of a beneficiary is terminated in accordance with Articles II.15.1, II.15.2 or points (c) or (i) of Article II.15.3.1, the NA shall, as soon as it considers that the conditions for resuming the implementation have been met or the necessary verification, including on-the-spot checks, has been carried out, formally notify the coordinator thereof and invite the coordinator to present a request for amendment of the Agreement as provided for in Article II.14.3.

II.14.3 Effects of the suspension

If the implementation of the Project can be resumed and the Agreement is not terminated, an amendment to the Agreement shall be made in accordance with Article II.11 in order to establish the date on which the Project shall be resumed, to extend the duration of the Project and to make any other modifications that may be necessary to adapt the Project to the new implementing conditions.

The suspension is deemed lifted as from the date of resumption of the Project agreed by the parties in accordance with the first subparagraph. Such a date may be before the date on which the amendment enters into force.

Any costs incurred by the beneficiaries, during the period of suspension, for the implementation of the suspended Project or the suspended part thereof, shall not be reimbursed or covered by the grant.

The right of the NA to suspend the implementation is without prejudice to its right to terminate the Agreement or the participation of a beneficiary in accordance with Article II.15.3 and its right to reduce the grant or recover amounts unduly paid in accordance with Articles II.18.4 and II.19.

Neither party shall be entitled to claim compensation on account of a suspension by the other party.

ARTICLE II.15 – TERMINATION OF THE AGREEMENT

II.15.1 Termination of the Agreement by the coordinator

In duly justified cases, the coordinator, on behalf of all beneficiaries, may terminate the Agreement by formally notifying the NA thereof, stating clearly the reasons and specifying the date on which the termination shall take effect. The notification shall be sent before the termination is due to take effect.

If no reasons are given or if the NA considers that the reasons exposed cannot justify the termination, it shall formally notify the coordinator, specifying the grounds thereof, and the Agreement shall be deemed to have been terminated improperly, with the consequences set out in the fourth subparagraph of Article II.15.4.

II.15.2 Termination of the participation of one or more beneficiaries by the coordinator

In duly justified cases, the participation of any one or several beneficiaries in the Agreement may be terminated by the coordinator, acting on request of that beneficiary or those beneficiaries, or on behalf of all the other beneficiaries. When notifying such termination to the NA, the coordinator shall include the reasons for the termination of the participation, the opinion of the beneficiary or beneficiaries the participation of which is terminated, the date on which the termination shall take effect and the proposal of the remaining beneficiaries relating to the reallocation of the tasks of that beneficiary or those beneficiaries or, where relevant, to the nomination of one or more replacements which shall succeed that beneficiary or those beneficiaries in all their rights and obligations under the Agreement. The notification shall be sent before the termination is due to take effect.

If no reasons are given or if the NA considers that the reasons exposed cannot justify the termination, it shall formally notify the coordinator, specifying the grounds thereof, and the participation shall be deemed to have been terminated improperly, with the consequences set out in the fourth subparagraph of Article II.15.4.

Without prejudice to Article II.11.2, an amendment to the Agreement shall be made, in order to introduce the necessary modifications.

II.15.3 Termination of the Agreement or the participation of one or more beneficiaries by the NA

II.15.3.1 The NA may decide to terminate the Agreement or the participation of any one or several beneficiaries participating in the Project, in the following circumstances:

- (a) if 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;
- (b) if, 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) if the beneficiaries do not implement the Project as specified in Annex I or if a beneficiary fails to comply with another substantial obligation incumbent on it under the terms of the Agreement;
- (d) in the event of *force majeure*, notified in accordance with Article II.13, or in the event of suspension by the coordinator as a result of exceptional circumstances, notified in accordance with Article II.14, where resuming the implementation is impossible or where the necessary modifications to the Agreement would call into question the decision awarding the grant or would result in unequal treatment of applicants;
- (e) if a beneficiary is declared bankrupt, is being wound up, is having its affairs administered by the courts, has entered into an arrangement with creditors, has suspended business activities, is the subject of any other similar proceedings concerning those matters, or is in an analogous situation arising from a similar procedure provided for in national legislation or regulations;
- (f) if a beneficiary or any related person, as defined in the second subparagraph, have been found guilty of professional misconduct proven by any means;
- (g) if a beneficiary is not in compliance with its obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which it is established or in which the Project is implemented;
- (h) if the NA has evidence that a beneficiary or any related person, as defined in the second subparagraph, have committed fraud, corruption, or are involved in a criminal organisation, money laundering or any other illegal activity detrimental to the Union's financial interests;
- (i) if the NA has evidence that a beneficiary or any related person, as defined in the second subparagraph, have committed substantial errors, irregularities or fraud in the award procedure or in the implementation of

the Agreement, including in the event of submission of false information or failure to submit required information in order to obtain the grant provided for in the Agreement;

- (j) if there is a complaint made by all other beneficiaries that the coordinator does not implement the Project as specified in Annex I or fails to comply with another substantial obligation incumbent on it under the terms of the Agreement.

For the purposes of points (f), (h) and (i), "any related person" shall mean any natural person who has the power to represent the beneficiary or to take decisions on its behalf.

II.15.3.2 Before terminating the Agreement or the participation of any one or several beneficiaries, the NA shall formally notify the coordinator of its intention to terminate, specifying the reasons thereof and inviting the coordinator, within 45 calendar days from receipt of the notification, to submit observations on behalf of all beneficiaries and, in the case of point (c) of Article II.15.3.1, to inform the NA about the measures taken to ensure that the beneficiaries continue to fulfil their obligations under the Agreement.

If, after examination of the observations submitted by the coordinator, the NA decides to stop the termination procedure, it shall formally notify the coordinator thereof.

If no observations have been submitted or if, despite the observations submitted by the coordinator, the NA decides to pursue the termination procedure, it may terminate the Agreement or the participation of any one or several beneficiaries by formally notifying the coordinator thereof, specifying the reasons for the termination.

In the cases referred to in points (a), (b), (c), (e) and (g) of Article II.15.3.1, the formal notification shall specify the date on which the termination takes effect. In the cases referred to in points (d), (f), (h) and (i) of Article II.15.3.1, the termination shall take effect on the day following the date on which the formal notification was received by the coordinator.

II.15.4 Effects of termination

Where the Agreement is terminated, payments by the NA shall be limited to the amount determined in accordance with Article II.18 on the basis of the eligible costs incurred by the beneficiaries and the actual level of implementation of the Project on the date when the termination takes effect. Costs relating to current commitments, which are not due for execution until after the termination, shall not be taken into account. The coordinator shall have 60 calendar days from the date when the termination of the Agreement takes effect, as provided for in Articles II.15.1 and II.15.3.2, to produce a request for payment of the balance in accordance with Article I.4.3 . If no request for payment of the balance is received within this time limit, the NA shall not reimburse or cover any costs which are not included or which are not justified in the interim or final reports approved by it. In accordance with Article

II.19, the NA shall recover any amount already paid, if its use is not substantiated by interim or final reports.

Where the participation of a beneficiary is terminated, the beneficiary concerned shall submit to the coordinator a report on the implementation of the Project and, where applicable, a financial statement covering the period from the end of the last reporting period according to Article I.4 for which a report has been submitted to the NA to the date on which the termination takes effect. The documents shall be submitted in due time to allow the coordinator to draw up the corresponding payment request. Only those costs incurred by the beneficiary concerned up to the date when termination of its participation takes effect shall be reimbursed or covered by the grant. Costs relating to current commitments, which were not due for execution until after the termination, shall not be taken into account. The request for payment for the beneficiary concerned shall be included in the next payment request submitted by the coordinator in accordance with the schedule laid down in Article I.4.

Where the NA, in accordance with point (c) of Article II.15.3.1, is terminating the Agreement on the grounds that the coordinator has failed to produce the request for payment and, after a reminder, has still not complied with this obligation within the deadline set out in Article I.4.5, the first subparagraph shall apply, subject to the following:

- (a) there shall be no additional time period from the date when the termination of the Agreement takes effect for the coordinator to produce a request for payment of the balance in accordance with Article I.4.3; and
- (b) the NA shall not reimburse or cover any costs incurred by the beneficiaries up to the date of termination or up to the end of the period set out in Article I.2.2, whichever is the earlier, which are not included or which are not justified in the interim or final reports.

In addition to the first, second and third subparagraphs, where the Agreement or the participation of a beneficiary is terminated improperly by the coordinator within the meaning of Articles II.15.1 and II.15.2, or where the Agreement or the participation of a beneficiary is terminated by the NA on the grounds set out in points (c), (f), (h) and (i) of Article II.15.3.1, the NA may also reduce the grant or recover amounts unduly paid in accordance with Articles II.18.4 and II.19 in proportion to the gravity of the failings in question and after allowing the coordinator, and, where relevant, the beneficiaries concerned, to submit their observations.

Neither party shall be entitled to claim compensation on account of a termination by the other party

PART B – FINANCIAL PROVISIONS

ARTICLE II.16 – ELIGIBLE COSTS

II.16.1 Conditions for unit contributions

Where the grant takes the form of a unit contribution, the number of units must comply with the following conditions:

- (a) the units must be actually used or produced in the period set out in Article I.2.2.;
- (b) the units must be necessary for implementing the Project or produced by it;
- (c) the number of units must be identifiable and verifiable, in particular supported by records and documentation specified in Article II.16.2

II.16.2 Calculation of unit contributions

~~II.16.2.1 Key Action 1 – School education/Adult education~~

~~II.16.2.2 Key Action 1 – Vocational education and training~~

~~II.16.2.3 Key Action 1 – Higher education~~

~~II.16.2.4 Key Action 1 – Youth field~~

II.16.2.5 Key Action 2 – Strategic Partnerships

A. Project management and implementation

- (a) Calculation of the grant amount: the grant amount is calculated by multiplying the total number of months of the project duration by the unit contribution applicable to the beneficiary, as specified in Annex III of the Agreement.
- (b) Triggering event: the event that conditions the entitlement to the grant is that the beneficiary implements the activities and produces the outputs to be covered from this budget category as applied for in the grant application and as approved by the National Agency.
- (c) Supporting documents: proof of activities undertaken and outputs produced will be provided in the form of a description of these activities and outputs in the final report. In addition, outputs produced will be uploaded by the coordinator in the Dissemination Platform and, depending on their nature, available for checks and audits at the premises of the beneficiaries.

B. Transnational project meetings

- (a) Calculation of the grant amount: the grant amount is calculated by multiplying the total number of participations by the unit contribution applicable, as specified in Annex III of the Agreement.

(b) Triggering event: the event that conditions the entitlement to the grant is that the participant has actually participated in the transnational project meeting and undertaken the reported travel.

(c) Supporting documents:

- For travel taking place between the sending organisation and the receiving organisation: proof of attendance of the activity in the form of a declaration signed by the receiving organisation specifying the name of the participant, the purpose of the activity, as well as its starting and end date;
- In case of travel from a place different than place of residence of the participant and/or travel to a place different than that where the receiving organisation is located which leads to a change of distance band, the actual travel itinerary shall be supported with travel tickets or other invoices specifying the place of departure and the place of arrival.

C. Intellectual outputs

(a) Calculation of the grant amount: the grant amount is calculated by multiplying the number of days of work performed by the staff of the beneficiaries by the unit contribution applicable per day for the category of staff for the country in which the beneficiary concerned is established, as specified in Annex III of the Agreement.

(b) Triggering event: the event that conditions the entitlement to the grant is that the intellectual output has been produced and that it is of an acceptable quality level, as determined by the evaluation of the NA.

(c) Supporting documents:

- proof of the intellectual output produced, which will be uploaded in the Dissemination Platform and/or, depending on its nature, available for checks and audits at the premises of the beneficiaries;
- proof of the staff time invested in the production of the intellectual output in the form of a time sheet per person, identifying the name of the person, the category of staff in terms of the 4 categories specified in Annex III, the dates and the total number of days of work of the person for the production of the intellectual output;
- proof of the nature of the relationship between the person and the beneficiary concerned (such as type of employment contract, voluntary work, etc.), as registered in the official records of the beneficiary.

D. Multiplier events

(a) Calculation of the grant amount: the grant amount is calculated by multiplying the number of participants from organisations other than the beneficiary and other project partner organisations as specified in the Agreement by the unit contribution applicable per participant, as specified in Annex III of the Agreement.

(b) Triggering event: the event that conditions the entitlement to the grant is that the multiplier event has taken place and that it is of an acceptable quality level, as determined by the evaluation of the NA.

(c) Supporting documents:

- Description of the multiplier event in the final report;
- proof of attendance of the multiplier event in the form of a participants list signed by the participants specifying the name, date and place of the multiplier event, and for each participant: name, e-mail address and signature of the person, name and address of the sending organisation of the person;
- detailed agenda and any documents used or distributed at the multiplier event.

E. Learning, teaching and training activities

(a) Calculation of the grant amount: the grant amount takes the form of a unit contribution towards the travel, individual support and linguistic support. It is calculated as follows:

- Travel: the grant amount is calculated by multiplying the number of participants by the unit contribution applicable to the distance band for the travel, as specified in Annex III of the Agreement;
- Individual support: the grant amount is calculated by multiplying the number of days/months per participant, including accompanying persons staying up to 60 days, by the unit contribution applicable per day/month for the type of participant and for the host country concerned, as specified in Annex III of the Agreement. In the case of incomplete months for activities exceeding 2 months, the grant amount is calculated by multiplying the number of days of the incomplete month by 1/30 of the unit contribution per month.
- Linguistic support: the grant amount is calculated by multiplying the total number of participants receiving linguistic support by the unit contribution applicable, as specified in Annex III of the Agreement.

(b) Triggering event:

- Travel: the triggering event for the entitlement to the grant is that the participant has actually undertaken the reported travel.
- Individual support: the event that conditions the entitlement to the grant is that the participant has actually undertaken the activity.
- Linguistic support: the triggering event for the entitlement to the grant is that the participant has undertaken an activity exceeding 2 months and that the person has actually undertaken language preparation in the language of instruction or of work .

(c) Supporting documents:

(i) Travel

- For travel taking place between the sending organisation and the receiving organisation: proof of attendance of the activity in the form of a declaration signed by the receiving organisation specifying the name of the participant, the purpose of the activity, as well as its starting and end date,;
 - In case of travel from a place different than that where the sending organisation is located and/or travel to a place different than that where the receiving organisation is located which leads to a change of distance band, the actual travel itinerary shall be supported with travel tickets or other invoices specifying the place of departure and the place of arrival.
- (ii) Individual support
- Proof of attendance of the activity in the form of a declaration signed by the receiving organisation specifying the name of the participant, the purpose of the activity, as well as its start and end date;
- (iii) Linguistic support
- Proof of attendance of courses in the form of a declaration signed by the course provider, specifying the name of the participant, the language taught, the format and duration of the linguistic support provided, or
 - Invoice for the purchase of learning materials, specifying the language concerned, the name and address of the body issuing the invoice, the amount and currency, and the date of the invoice, or
 - In case the linguistic support is provided directly by the beneficiary: a declaration signed and dated by the participant, specifying the name of the participant, the language taught, the format and duration of the linguistic support received.

II.16.2.6 Key Action 3 – Structured dialogue in the Youth field

II.16.3. Conditions for the reimbursement of actual costs

Where the grant takes the form of a reimbursement of actual costs, the following conditions shall apply:

- (a) they are incurred by the beneficiary;
- (b) they are incurred in the period set out in Article I.2.2.;
- (c) they are indicated in the estimated budget set out in Annex II or eligible following budget transfers in accordance with Article I.3.2;
- (d) they are incurred in connection with the Project as described in Annex I and are necessary for its implementation;
- (e) they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the applicable accounting standards of the country where the beneficiary is established and with the usual cost accounting practices of the beneficiary;
- (f) they comply with the requirements of applicable tax and social legislation;
- (g) they are reasonable, justified, and comply with the principle of sound financial management, in particular regarding economy and efficiency;
- (h) they are not covered by a unit contribution as specified in Article II.16.1.

II.16.4 Calculation of actual cost

~~II.16.4.1 Key Action 1 – School Education/Adult education, Higher education~~

~~II.16.4.2 Key Action 1 – Vocational education and training~~

~~II.16.4.3 Key Action 1 – Youth field~~

II.16.4.4 Key Action 2 –Strategic Partnerships

A. Special needs support

- (a) Calculation of the grant amount: the grant is a reimbursement of 100% of the eligible costs actually incurred.
- (b) Eligible costs: costs directly related to participants with disabilities and accompanying persons beyond the 60th day of stay and that are additional to costs supported by a unit contribution as specified in Article II.16.1.
- (c) Supporting documents: invoices of the actual costs incurred, specifying the name and address of the body issuing the invoice, the amount and currency, and the date of the invoice.

B. Exceptional costs

(a) Calculation of the grant amount: the grant equals the reimbursement of 75% of the eligible costs actually incurred with a maximum of € 50.000 per project excluding the costs of a financial guarantee if required by the Agreement.

(b) Eligible costs:

- Sub-contracting: sub-contracting and purchase of goods and services in so far as applied for by the beneficiary as specified in Annex I and in so far as approved by the NA as specified in Annex II;
- Financial guarantee: costs relating to a pre-financing guarantee lodged by the beneficiary where such guarantee is required by the NA, as specified in Article I.4.1 of the Agreement.
- Cost related to the depreciation costs of equipment or other assets (new or second-hand) as recorded in the accounting statements of the beneficiary, provided that the asset has been purchased in accordance with Article II.9 and that it is written off in accordance with the international accounting standards and the usual accounting practices of the beneficiary. The costs of rental or lease of 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.

(c) Supporting documents:

- Sub-contracting: invoices of the actual costs incurred, specifying the name and address of the body issuing the invoice, the amount and currency, and the date of the invoice.
- Financial guarantee: proof of the cost the financial guarantee issued by the body providing the guarantee to the beneficiary, specifying the name and address of the body issuing the financial guarantee, the amount and currency of the cost of the guarantee, and providing the date and signature of the legal representative of the body issuing the guarantee.
- Depreciations costs: proof of the purchase, rental or lease of the equipment, as recorded in the beneficiary's accounting statements, justifying that these costs correspond to the period set out in Article I.2.2 and the rate of actual use for the purposes of the Project may be taken into account.

~~II.16.4.5 Key Action 3 – Structured dialogue in the Youth field~~

II.16.5 Ineligible costs

In addition to any other costs which do not fulfill the conditions set out in Articles II.16.1 and II.16.3, the following costs shall not be considered eligible:

- (a) return on capital;

- (b) debt and debt service charges;
- (c) provisions for losses or debts;
- (d) interest owed;
- (e) doubtful debts;
- (f) exchange losses;
- (g) costs of opening and operating bank accounts (including costs of transfers from/to the NA charged by the bank of the beneficiary);
- (h) costs declared by the beneficiary in the framework of another Project receiving a grant financed from the Union budget (including grants awarded by a Member State and financed from the Union budget and grants awarded by other bodies than the Commission for the purpose of implementing the Union budget); in particular, indirect costs shall not be eligible under a grant for an Project awarded to the beneficiary when it already receives an operating grant financed from the Union budget during the period in question;
- (i) in the case of renting or leasing of equipment, the cost of any buy-out option at the end of the lease or rental period;
- (j) contributions in kind from third parties;
- (k) excessive or reckless expenditure;
- (l) VAT, when is considered as recoverable under the applicable national VAT legislation.

ARTICLE II.17 –FURTHER PAYMENT ARRANGEMENTS

II.17.1 Financial guarantee

Where payment of pre-financing is conditional on receipt of a financial guarantee, the financial guarantee shall fulfill the following conditions:

- (a) it is provided by a bank or an approved financial institution or, at the request of the coordinator and acceptance by the NA, by a third party;
- (b) the guarantor stands as first-call guarantor and does not require the NA to have recourse against the principal debtor (i.e. the beneficiary concerned); and
- (c) it provides that it remains in force until the pre-financing is cleared against payment of the balance by the NA and, in case the payment of the balance is made in accordance with Article II.19 three months after the beneficiary was notified in accordance with Article II.19.3. The NA shall release the guarantee within the following month.

II.17.2 Suspension of the time limit for payment

The NA may suspend the time limit for payment specified in Articles I.4.2 and I.4.4 at any time by formally notifying the coordinator that its request for payment cannot be met, either because it does not comply with the provisions of the Agreement, or because the appropriate supporting documents have not been produced, or because there is doubt about the eligibility of the costs declared in the interim or final reports.

The coordinator shall be notified as soon as possible of any such suspension, together with the reasons thereof.

Suspension shall take effect on the date when notification is sent by the NA. The remaining payment period shall start to run again from the date on which the requested information or revised documents are received or the necessary further verification, including on-the-spot checks, is carried out. Where the suspension exceeds two months, the coordinator may request a decision by the NA on whether the suspension is to be continued.

Where the time limit for payment has been suspended following the rejection of one of the interim reports provided for by Article I.4.2 or the final report provided for by Article I.4.3 and the new report submitted is also rejected, the NA reserves the right to terminate the Agreement in accordance with Article II.15.3.1(c), with the effects described in Article II.15.4.

II.17.3 Suspension of payments

The NA may, at any time during the implementation of the Agreement, suspend the pre-financing payments, or payment of the balance for all beneficiaries:

- (a) if the NA has evidence that a beneficiary has committed substantial errors, irregularities or fraud in the award procedure or in the implementation of the grant, or if a beneficiary fails to comply with its obligations under the Agreement;
- (b) if the NA suspects substantial errors, irregularities, fraud or breach of obligations committed by a beneficiary in the award procedure or in the implementation of the Agreement and needs to verify whether they have actually occurred.

Before suspending payments, the NA shall formally notify the coordinator of its intention to suspend payments, specifying the reasons thereof and, in the cases referred to in point (a) of the first subparagraph, the necessary conditions for resuming payments. The coordinator shall be invited to make any observations on behalf of all beneficiaries within 30 calendar days from receipt of this notification.

If, after examination of the observations submitted by the coordinator, the NA decides to stop the procedure of payment suspension, the NA shall formally notify the coordinator thereof.

If no observations have been submitted or if, despite the observations submitted by the coordinator, the NA decides to pursue the procedure of payment suspension, it may suspend payments by formally notifying the coordinator, specifying the reasons for the suspension

and, in the cases referred to in point (a) of the first subparagraph, the definitive conditions for resuming payments or, in the case referred to in point (b) of the first subparagraph, the indicative date of completion of the necessary verification.

The coordinator shall inform the other beneficiaries immediately. The suspension of payments shall take effect on the date when the notification is sent by the NA.

In order to resume payments, the beneficiaries shall endeavour to meet the notified conditions as soon as possible and shall inform the NA of any progress made in this respect.

The NA shall, as soon as it considers that the conditions for resuming payments have been met or the necessary verification, including on-the-spot checks, has been carried out, formally notify the coordinator thereof.

During the period of suspension of payments and without prejudice to the right to suspend the implementation of the Project in accordance with Article II.14.1 or to terminate the Agreement or the participation of a beneficiary in accordance with Article II.15.1 and Article II.15.2, the coordinator is not entitled to submit any requests for payments referred to in Articles I.4.2 and I.4.3.

The corresponding requests for payments 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

II.17.4 Notification of amounts due

The NA shall formally notify the amounts due, specifying whether it is a further pre-financing payment or the payment of the balance. In the case of payment of the balance, it shall also specify the final amount of the grant determined in accordance with Article II.18.

II.17.5 Interest on late payment

On expiry of the time limits for payment specified in Articles I.4.2, I.4.3 and I.4.4 and II.17.1, and without prejudice to Articles II.17.2 and II.17.3, the beneficiary is entitled to interest on late payment. The interest payable shall not be considered for the purposes of determining the final amount of grant within the meaning of Article II.18.3.

The interest payable shall be determined according to the provisions laid down in the national law applicable to the Agreement or in the rules of the NA.

In the absence of such provisions the interest payable shall be determined according to the following rules:

- (a) The late payment interest rate is 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 shall be 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*.

- (b) The suspension of the time limit for payment in accordance with Article II.17.2 or of payment by the NA in accordance with Article II.17.3 may not be considered as late payment.
- (c) Interest on late payment shall cover 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 II.17.7
- (d) By exception, when the calculated interest is lower than or equal to EUR 200, it shall be paid to the beneficiary only upon request submitted within two months of receiving late payment.

II.17.6 Currency for requests for payments and payments

All payments by the NA shall be made in euro.

Where the beneficiary keeps its general accounts in euro, it shall convert costs incurred in another currency into euro according to its usual accounting practices.

Where the beneficiary keeps its general accounts in a currency other than the euro, it shall convert costs incurred in another currency into euro at the average of the daily exchange rates published in the C series of *Official Journal of the European Union*, determined over the corresponding reporting period. Where no daily euro exchange rate is published in the *Official Journal of the European Union* for the currency in question, conversion shall 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/infoeuro/infoeuro_en.cfm), determined over the corresponding reporting period.

II.17.7 Date of payment

Payments by the NA shall be deemed to be effected on the date when they are debited to the NA's account unless the national law provides otherwise.

II.17.8 Costs of payment transfers

Costs of the payment transfers shall be borne in the following way:

- (a) costs of transfer charged by the bank of the NA shall be borne by the NA;
- (b) costs of transfer charged by the bank of a beneficiary shall be borne by the beneficiary;
- (c) all costs of repeated transfers caused by one of the parties shall be borne by the party which caused the repetition of the transfer.

II.17.9 Payments to the coordinator

Payments to the coordinator shall discharge the NA from its payment obligation.

ARTICLE II.18 – DETERMINING THE FINAL AMOUNT OF THE GRANT

II.18.1 Calculation of the final amount

Without prejudice to Articles II.18.2, II.18.3 and II.18.4, the final amount of the grant shall be determined as follows:

- (a) where, the grant takes the form of the reimbursement of eligible costs, the amount obtained by application of the reimbursement rate specified in that Article to the eligible costs of the Project approved by the NA for the corresponding categories of costs and beneficiaries;
- (b) where the grant takes the form of a unit contribution, the amount obtained by multiplying the unit contribution specified that Article by the actual number of units approved by the NA for the corresponding beneficiaries;

Where Annex II provides for a combination of different forms of grant, these amounts shall be added.

II.18.2 Maximum amount

The total amount paid to the beneficiaries by the NA may in no circumstances exceed the maximum amount specified in Article I.3.1.

Where the amount determined in accordance with Article II.18.1 exceeds this maximum amount, the final amount of the grant shall be limited to the maximum amount specified in Article I.3.1

II.18.3 No-profit rule and taking into account of receipts

II.18.3.1 The grant may not produce a profit for the beneficiaries. "Profit" shall mean a surplus of the receipts over the eligible costs of the Project.

II.18.3.2 The receipts to be taken into account are the consolidated receipts established, generated or confirmed on the date on which the request for payment of the balance is drawn up by the coordinator, which fall within one of the following two categories:

- (a) income generated by the Project; or
- (b) financial contributions specifically assigned by the donors to the financing of the eligible costs of the Project reimbursed by the NA in accordance with Article I.3.

II.18.3.3 The following shall not be considered as receipts to be taken into account for the purpose of verifying whether the grant produces a profit for the beneficiaries:

- (a) financial contributions referred to in point (b) of Article II.18.3.2, which may be used by the beneficiaries to cover costs other than the eligible costs under the Agreement;
- (b) financial contributions referred to in point (b) of Article II.18.3.2, the unused part of which is not due to the donors at the end of the period set out in Article I.2.2.

II.18.3.4 The eligible costs to be taken into account are the consolidated eligible costs approved by the NA for the categories of costs reimbursed in accordance with Article II.16.

II.18.3.5 Where the final amount of the grant determined in accordance with Articles II.18.1 and II.18.2 would result in a profit for the beneficiaries, the profit shall be deducted in proportion to the final rate of reimbursement of the actual eligible costs of the Project approved by the NA for the categories of costs referred to in Article II.16.3. This final rate shall be calculated on the basis of the final amount of the grant in the form referred to in Article I.3.1, as determined in accordance with Articles II.18.1 and II.18.2.

II.18.4 Reduction for poor, partial or late implementation

If the Project is not implemented or is implemented poorly, partially or late, the NA may reduce the grant initially provided for, in line with the actual implementation of the Project according to the terms laid down in Annex III.

II.18.5 Notification of the final grant amount

The NA shall inform the coordinator of the final grant amount by way of a formal notification letter sent within 60 calendar days of receipt of the final report from the coordinator. The coordinator shall make any observations on the final grant amount within 30 calendar days from the receipt of notification letter.

In so far as the coordinator submits his observations to the NA within the authorised period, the NA shall analyse them and inform the coordinator of the final grant amount by way of a notification letter specifying the revised final grant amount within 30 calendar days of receipt of the observations from the coordinator.

The provisions set out in this Article are without prejudice to the possibility for the coordinator or the NA to take legal action against the other party in accordance with the provisions set out in Article I.8.2.

ARTICLE II.19 – RECOVERY

II.19.1 Recovery at the time of payment of the balance

Where the payment of the balance takes the form of a recovery, the coordinator shall repay the NA the amount in question, even if it has not been the final recipient of the amount due.

II.19.2 Recovery after payment of the balance

Before recovery, the NA shall notify through a notification letter the coordinator or beneficiary concerned of its intention to recover the amount unduly paid, specifying the amount due and the reasons for recovery and inviting the beneficiary to make any observations within 30 calendar days from the receipt of notification letter.

On the basis of the information provided, the NA may decide to revise the final grant amount, and if applicable, the amount to be recovered. In this case or if no observations have been submitted or if, despite the observations submitted by the coordinator or beneficiary concerned, the NA decides to pursue the recovery procedure, the NA may confirm recovery by formally notifying to the coordinator or beneficiary concerned a debit note (“debit note”). The debit note shall specify the amount due, the terms and the date for payment.

If the coordinator or beneficiary concerned has not reimbursed the amount due by the date specified in the debit note the NA shall recover the amount due:

- a) whenever possible, by offsetting it against any amounts owed to the coordinator or beneficiary concerned by the NA after informing him accordingly that the amount due for reimbursement will be deducted from a payment underway or from a future payment.
- b) if applicable, by drawing on the financial guarantee where provided for in accordance with Article I.4.1 ;
- e) by taking legal action against the beneficiary in accordance with national law as determined in accordance with Article I.8.

II.19.3 Recovery procedure

Before recovery, the NA shall formally notify through a notification letter the coordinator or the beneficiary concerned of its intention to recover the amount unduly paid, specifying the amount due and the reasons for recovery and inviting the beneficiary to make any observations within 30 calendar days from the receipt of notification letter.

In case the coordinator or the beneficiary concerned submits its observations within the period thereof, the NA shall send the related party a notification letter with the revised final grant amount, the amount due for reimbursement and the instructions for recovery.

If the coordinator or the beneficiary concerned has not reimbursed the amount due by the date specified in the notification letter or has not provided any observations by the due date, the NA shall recover, whenever possible, the amount due by offsetting it against any amounts owed to the coordinator or the beneficiary concerned by the NA after informing him accordingly that the amount due for reimbursement will be deducted from a payment underway or from a future payment.

If the reimbursement has not been received from the coordinator or the beneficiary concerned following the above provisions the NA shall recover the amount due:

- (a) by drawing on the financial guarantee where provided for in accordance with Article I.4.1);
- (b) by taking legal action in accordance with national law as determined in accordance with Article I.8.

II.19.4 Interest on late payment

If payment has not been made by the date set out in the notification letter the amount due shall bear interest at the rate established in Article II.17.5. Interest on late payment shall cover the period running from the day following the due date for payment, up to and including the date when the NA actually receives payment in full of the outstanding amount.

Any partial payment shall first be appropriated against charges and interest on late payment and then against the principal.

II.19.5 Bank charges

Bank charges incurred in connection with the recovery of the sums owed to the NA shall be borne by the beneficiary concerned except where Directive 2007/64/EC 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 applies.

ARTICLE II.20 – CHECKS AND AUDITS

II.20.1 Technical and financial checks or audits

The NA and the Commission may carry out technical and financial checks and audits in relation to the use of the grant.

Information and documents provided in the framework of checks or audits shall be treated on a confidential basis.

Checks and audits made by the NA and the Commission may be carried out either directly by its own staff or by any other outside body authorised to do so on their behalf. Checks and audits may be undertaken on the basis of desk checks at the premises of the NA, the Commission or any person or body mandated by them, or they can take place on the spot at the premises of the beneficiary or sites and premises where the Project is or was carried out.

The beneficiaries shall grant the NA, the Commission as well as any person or body mandated by them a full right of access to all documents concerning the implementation of the Project, its results and the use of the grant in accordance with the terms and conditions of the present Agreement. The beneficiaries shall grant them also access to the sites and premises where the Project is or was carried out. This right of access shall be granted until five years after the date of the payment of the balance of the grant or the reimbursement thereof by the beneficiaries, unless a longer duration is required by the national law.

Checks and audits may be initiated during the implementation of the Agreement and for a period of five years starting from the date of payment of the balance. This period shall be limited to three years if the maximum amount specified in Article I.3.1 is not more than EUR 60 000.

The check or audit procedure shall be deemed to be initiated on the date of receipt of the letter of the NA announcing it.

II.20.2 Duty to keep documents

The beneficiaries shall 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, for a period of five years starting from the date of payment of the balance, unless a longer duration is required by the national law.

If the maximum amount specified in Article I.3.1 is not more than EUR 60 000, this period shall be limited to three years, unless a longer duration is required by the national law.

The periods set out in the first and second subparagraphs shall be longer if there are on-going audits, appeals, litigation or pursuit of claims concerning the grant.. In such cases, the beneficiaries shall keep the documents until such audits, appeals, litigation or pursuits of claims are closed.

II.20.3 Obligation to provide information

Where a check or audit is initiated before the payment of the balance, the coordinator shall provide any information, including information in electronic format, requested by the NA or by any other outside body authorised by it. Where appropriate, the NA may request such information to be provided directly by a beneficiary.

Where a check or audit is initiated after payment of the balance, such information shall be provided by the beneficiary concerned.

The NA may request this information in the context of checks and audits as referred to in Article II.20.1.

In case the beneficiary concerned does not comply with the obligations set out in the first and second subparagraphs, the NA may consider:

- (a) any cost insufficiently substantiated by information provided by the beneficiary as ineligible;
- (b) any unit contribution insufficiently substantiated by information provided by the beneficiary as undue.

II.20.4 Contradictory audit procedure

On the basis of the findings established during any checks or audits, the NA shall send within 30 calendar days of the end of the check a provisional report to the beneficiary concerned, who shall have 30 calendar days from the date of receipt to submit its observations. The NA shall send its final report to the beneficiary within 30 calendar days of expiry of the time limit for submission of observations by the beneficiary concerned.

II.20.5 Effects of findings of audit and checks

On the basis of the final findings of audits or checks, the NA may take the measures which 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, in accordance with Article II.19.

In the case of final findings of audits or checks made after the payment of the balance, the amount to be recovered shall correspond to the difference between the revised final amount of the grant, determined in accordance with Article II.18, and the total amount paid to the beneficiaries under the Agreement for the implementation of the Project

II.20.6 Checks and inspections by OLAF

The European Anti-Fraud Office (OLAF) may carry out investigations including on-the-spot checks and inspections, in accordance with the provisions and procedures laid down in (i) Regulation (EU, Euratom) No. 883/2013 of the European Parliament and of the Council concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) no. 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) no. 1074/1999 and (ii) 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 with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union in connection with this grant decision.

II.20.9 Checks and audits by the European Court of Auditors

The European Court of Auditors shall have the same rights as the NA and the Commission, notably right of access, for the purpose of checks and audits.

ARTICLE II.21 – MONITORING AND EVALUATION

II.21.1 Monitoring and evaluation of the Project

The beneficiaries accept to participate in and contribute to monitoring and evaluation activities organised by the NA and the European Commission as well as by any persons and bodies mandated by them.

In this context, the beneficiaries shall grant the NA, the European Commission as well as any persons and bodies mandated by them a full right of access to all documents concerning the implementation of the Project and its results. This right of access shall be granted until five years after the date of the payment of the balance of the grant or the reimbursement thereof by the beneficiaries.

II.21.2 Periodic assessment of unit contributions

The beneficiaries accept that the NA and the Commission may analyse their statutory records (i.e. the records that it shall maintain to be compliant with the legal obligations incumbent on it), including the corresponding supporting documents, for the purpose of periodic assessments of unit contribution levels.

Such analysis shall not result in an adjustment of the final grant amount under this Agreement, but may be used by the NA and the Commission in view of possible future updates of unit contribution levels.
