



**Innovation and Networks Executive Agency**

Department C - Connecting Europe Facility (CEF)

**GENERAL MODEL GRANT AGREEMENT  
UNDER THE CONNECTING EUROPE FACILITY (CEF) –  
TELECOMMUNICATIONS SECTOR**

**General instructions:**

- **Scope: this model grant Agreement is to be used for the implementation of CEF in the telecommunications sector.**
- **The text and footnotes in blue font are internal instructions only.**
- **Options *[in italics in square brackets]* not used are to be deleted.**
- **Fields *[in grey in square brackets]* (even if they are part of an option as specified in the previous item) are to be deleted and/or replaced by appropriate data.**
- **For multi-beneficiary grants: the options "*if a coordinator is designated*" and "*if a coordinator is designated and is the recipient of all payments*" shall be systematically chosen, except for mono-beneficiary grants.**
- **For mono-beneficiary grants, Article 9 shall apply. The option "*for mono-beneficiary grants*" in Articles II.1 and II.22 shall be chosen. Otherwise, the option "*if no coordinator is designated*" shall be chosen wherever applicable.**
- **.**

**GRANT AGREEMENT  
UNDER THE CONNECTING EUROPE FACILITY (CEF) -  
TELECOMMUNICATIONS SECTOR**

**AGREEMENT No INEA/CEF/ICT/[<M or A><year>]/[xxxx]<sup>1</sup>**

The **Innovation and Networks Executive Agency (INEA)** ("the Agency"), under the powers delegated by the European Commission ("the Commission"), represented for the purposes of signature of this Agreement by the Director of the Agency, Dirk Beckers,

on the one part,

**and**

***[Option if a coordinator is designated:***

***1. [full official name] [(ACRONYM or short name)]***

***[official legal status or form]***

***[Registration No [official registration No]]***

***[official address in full]***

<sup>1</sup> Structure of the agreement number to be generated automatically by TENtec (where applicable); for CEF-Telecom (for which TENtec may not be available), the same structure shall be followed and the number should be entered manually.

[VAT No [VAT number]],

hereinafter referred to as “the coordinator”, represented for the purposes of signature of this Agreement by [function, forename and surname] [and [function, forename and surname of the second authorised representative, if any]]

and the following other beneficiaries:

**Option 1 for signing:**

2. [full official name (ACRONYM or short name)] - established in [country]]

3. [full official name (ACRONYM or short name)] - established in [country]]

[idem for each beneficiary]

duly represented by the coordinator by virtue of the mandate[s] included in Annex IV for the signature of this Agreement,

**Option 2 for signing:**

2. [full official name] [(ACRONYM or short name)]

[official legal status or form]

[Registration No [official registration No]]

[official address in full]

[VAT No [VAT number]],

represented for the purposes of signature of this Agreement by [function, forename and surname] [and [function, forename and surname of the second authorised representative, if any]]

[idem for each beneficiary]

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,]

**[Option if no coordinator is designated:**

1. [full official name] [(ACRONYM or short name)]

[official legal status or form]

[Registration No [official registration No]]

[official address in full]

[VAT No [VAT number]],

represented for the purposes of signature of this Agreement by [function, forename and surname] [and [function, forename and surname of the second authorised representative, if any]]

2. [full official name] [(ACRONYM or short name)]

[official legal status or form]

[Registration No [official registration No]]

[official address in full]

[VAT No [VAT number]],

*represented for the purposes of signature of this Agreement by [function, forename and surname] [and [function, forename and surname of the second authorised representative, if any]]*

*[idem for each beneficiary]*

*hereinafter referred to collectively as “the beneficiaries”, and individually as “beneficiary” for the purposes of this Agreement.]*

on the other part,

HAVE AGREED

to the Special Conditions (hereinafter referred to as “the Special Conditions”) and the following Annexes:

- Annex I Description of the action
- Annex II General Conditions (hereinafter referred to as “the General Conditions”)
- Annex III Estimated budget of the action
- Annex IV *[Mandate[s] provided to the coordinator by the other beneficiary[ies]]*  
*[Mandates provided to the coordinator by the other beneficiaries: not applicable]*
- Annex V Model technical report(s)]
- Annex VI Model financial statement(s)
- Annex VII Model terms of reference for the certificate on the financial statements

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 Annexes.

The terms of Annex II "General Conditions" shall take precedence over the other Annexes.

## SPECIAL CONDITIONS

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## ARTICLE 1 – SUBJECT MATTER OF THE AGREEMENT

The Commission has decided to award a grant, under the terms and conditions set out in the Special Conditions, the General Conditions and the other Annexes to the Agreement, for the action entitled **[insert title of the action in bold]** ("the action"), action number **[insert number of the action in bold]** as described in Annex I.

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

## ARTICLE 2 – ENTRY INTO FORCE OF THE AGREEMENT AND DURATION OF THE ACTION

- 2.1 The Agreement shall enter into force on the date on which the last party signs.
- 2.2 The action shall run from *[the first day [of the month] following the date when the last party signs the Agreement]* *[insert date]* ("the starting date") until *[insert date]* ("the completion date").

## ARTICLE 3 - MAXIMUM AMOUNT AND FORM OF THE GRANT

The grant for the action shall be of a **maximum amount of EUR [...]**.

### *[Option if no coordinator is designated:*

*The maximum grant amount per beneficiary shall be:*

- EUR [...] for *[insert beneficiary]*,
- EUR [...] for *[insert beneficiary]*,

*[idem for each beneficiary]]*

The grant shall take the form of:

### *[Option for lump sum:*

(a) reimbursement of actual costs: not applicable

(b) unit contribution: not applicable

(c) A lump sum contribution<sup>2</sup> to cover the following categories of costs:

- i. EUR [...] for *[activity 1 [...]]* [,][.]
- ii. EUR [...] for *[activity 2 [...]]* [,][.]
- iii. EUR [...] for *[activity 3 [...]]* [.]
- iv. *[idem for each new lump sum]*

(d) flat-rate contribution: not applicable

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<sup>2</sup> - If applicable - lump sum contribution adjusted according to the indexation relevant to the Member State/EEA country in which the beneficiar(y)ies is/are located as provided for in the call text.

(e) financing not linked to costs: not applicable].

**[Option for unit contribution:**

(a) reimbursement of actual costs: not applicable

(b) a unit contribution of EUR [display amount, e.g.: 250] per [display category 1, e.g.: XXX] [,] [and/or] [EUR [display amount, e.g.: 600] per [display category 2, YYY ] [,] [and/or] EUR [display amount N] per [display category N] ("unit contribution") for [display type of expenditure covered]

(c) lump sum contribution: not applicable

(d) flat-rate contribution: not applicable

(e) financing not linked to costs: not applicable].

**[Option for actual cost:**

(a) **[Option if there is a single reimbursement rate for the action:** the reimbursement of [...] % of the eligible costs of the action ("reimbursement of eligible costs"), which are estimated at EUR [...] <sup>3</sup> and which are:

- (i) [actually incurred ("reimbursement of actual costs") [for the [following categories of costs] [direct costs of the following activities] [for [each of] the [following] beneficiaries] [[and] affiliated entities] [[and] implementing bodies]: [...]] [reimbursement of actual costs: not applicable]
- (ii) [declared on the basis of an amount of EUR [...] per [unit] ("reimbursement of unit costs") [for the [following categories of costs] [for [each of] the [following] beneficiaries] [[and] affiliated entities] [[and] implementing bodies]: [...]] [reimbursement of unit costs: not applicable]
- (iii) [declared on the basis of a lump sum of EUR [...]] ("reimbursement of lump sum costs") [for the [following categories of costs] [[for [each of] the [following] beneficiaries] [[and] affiliated entities] [[and] implementing bodies]: [...]] [reimbursement of lump sum costs: not applicable]
- (iv) [for indirect costs [for [each of] the [following] beneficiaries] [[and] affiliated entities] [[and] implementing bodies]: [...]] declared on the basis of a flat-rate of 7% of the total eligible direct costs minus subcontracting costs within the meaning of Article II.10 and costs of financial support to third parties within the meaning of Article II.11 ("reimbursement of flat-rate costs");
- (v) [declared on the basis of [an amount per [unit]] [a lump sum] [a flat-rate] calculated in accordance with the beneficiary's usual cost accounting practices ("reimbursement of costs declared on the basis of the beneficiary's usual cost accounting practices") [for the [following categories of costs] [for [each of] the [following] beneficiaries] [[and] affiliated entities] [[and] implementing bodies]: [...]]] [reimbursement of costs declared on the basis of the beneficiary's usual cost accounting practices: not applicable]

<sup>3</sup> Insert the amount of total estimated eligible costs for the action

- (a) **[Option if there are several reimbursement rates for the action:** the reimbursement of the eligible costs of the action ("reimbursement of eligible costs"), which are estimated at EUR [...], according to the following conditions:
- (a1) Reimbursement of [...] % of the eligible costs [for the [following categories of costs] [direct costs of the following activities] [for [each of] the [following] beneficiaries] [[and] affiliated entities] [[and] implementing bodies]: [...], which are
- (i) [actually incurred ("reimbursement of actual costs") [for the [following categories of costs] [for [each of] the [following] beneficiaries] [[and] affiliated entities] [[and] implementing bodies]: [...]] [reimbursement of actual costs: not applicable]
  - (ii) [declared on the basis of an amount of EUR [...] per [unit] ("reimbursement of unit costs") [for the [following categories of costs] [for [each of] the [following] beneficiaries] [[and] affiliated entities] [[and] implementing bodies]: [...]]] [reimbursement of unit costs: not applicable]
  - (iii) [declared on the basis of a lump sum of EUR [...]] ("reimbursement of lump sum costs") [for the [following categories of costs] [[for [each of] the [following] beneficiaries] [[and] affiliated entities] [[and] implementing bodies]: [...]]] [reimbursement of lump sum costs: not applicable]
  - (iv) [for indirect costs [for [each of] the [following] beneficiaries] [[and] affiliated entities] [[and] implementing bodies] : [...],] declared on the basis of a flat-rate of 7% of the total eligible direct costs minus subcontracting costs within the meaning of Article II.10 and costs of financial support to third parties within the meaning of Article II.11 ("reimbursement of flat-rate costs");  
[declared on the basis of a flat-rate of [...] % of the eligible [direct][other] costs ("reimbursement of flat-rate costs") [for the [following categories of costs] [for [each of] the [following] beneficiaries] [[and] affiliated entities]: [...]]] [reimbursement of flat-rate costs: not applicable]
  - (v) [declared on the basis of [an amount per [unit]][a lump sum][a flat-rate] calculated in accordance with the beneficiary's usual cost accounting practices ("reimbursement of costs declared on the basis of the beneficiary's usual cost accounting practices") [for the [following categories of costs] [for [each of] the [following] beneficiaries] [[and] affiliated entities]: [...]]] [reimbursement of costs declared on the basis of the beneficiary's usual cost accounting practices: not applicable]
- (a2) Reimbursement of [...] % of the eligible costs [for the [following categories of costs] [direct costs of the following activities] [for [each of] the [following] beneficiaries] [[and] affiliated entities] [[and] implementing bodies]: [...], which are
- (i) [actually incurred ("reimbursement of actual costs") [for the [following categories of costs] [for [each of] the [following] beneficiaries] [[and] affiliated entities] [[and] implementing bodies]: [...]] [reimbursement of actual costs: not applicable]
  - (ii) [declared on the basis of an amount of EUR [...] per [unit] ("reimbursement

- of unit costs”) [for the [following categories of costs] [for [each of] the [following] beneficiaries] [[and] affiliated entities] [[and] implementing bodies]: [...]] [reimbursement of unit costs: not applicable]
- (iii) [declared on the basis of a lump sum of EUR [...]] (“reimbursement of lump sum costs”) [for the [following categories of costs] [[for [each of] the [following] beneficiaries] [[and] affiliated entities] [[and] implementing bodies]: [...]]] [reimbursement of lump sum costs: not applicable]
- (iv) [for indirect costs [for [each of] the [following] beneficiaries] [[and] affiliated entities] [[and] implementing bodies]: [...],] declared on the basis of a flat-rate of 7% of the total eligible direct costs minus subcontracting costs within the meaning of Article II.10 and costs of financial support to third parties within the meaning of Article II.11 (“reimbursement of flat-rate costs”);] [declared on the basis of a flat-rate of [...]% of the eligible [direct][other] costs (“reimbursement of flat-rate costs”) [for the [following categories of costs] [for [each of] the [following] beneficiaries] [[and] affiliated entities]: [...]]] [reimbursement of flat-rate costs: not applicable]
- (v) [declared on the basis of [an amount per [unit]][a lump sum][a flat-rate] calculated in accordance with the beneficiary’s usual cost accounting practices (“reimbursement of costs declared on the basis of the beneficiary’s usual cost accounting practices”) [for the [following categories of costs] [for [each of] the [following] beneficiaries] [[and] affiliated entities] [[and] implementing bodies]: [...]]] [reimbursement of costs declared on the basis of the beneficiary’s usual cost accounting practices: not applicable]

(a3) [idem for each reimbursement rate]

(b) [A unit contribution of EUR [...] per [unit]] (“unit contribution”) [to cover the following categories of eligible costs] [for [each of] the [following] beneficiaries] [[and] affiliated entities] [[and] implementing bodies]: [...]] [unit contribution: not applicable]

(c) [A lump sum contribution of EUR [...]] (“lump sum contribution”) [to cover the following categories of eligible costs] [for [each of] the [following] beneficiaries] [[and] affiliated entities] [[and] implementing bodies]: [...]] A single lump sum contribution of EUR [...] ('single lump sum contribution') to cover all eligible costs of the action] [lump sum contribution: not applicable]

(d) [A flat-rate contribution of [...] % of the [eligible [direct][other] costs] [[unit] [lump sum] contribution to the eligible [direct][other] costs] (“flat-rate contribution”) [to cover the following categories of costs] [for [each of] the [following] beneficiaries] [[and] affiliated entities] [[and] implementing bodies]: [...]] [flat-rate contribution: not applicable]

(e) [Financing not linked to costs of EUR [...]] [for the following [activities]: [...]] [for [the beneficiary] [and] [the following affiliated entities]: [...]] subject to the [fulfilment of the conditions][achievement of the results] specified in Annex I] [financing not linked to costs: not applicable].

#### ARTICLE 4 – ADDITIONAL PROVISIONS ON REPORTING, PAYMENTS AND



## PAYMENT ARRANGEMENTS

### 4.1 Reporting periods and payments

In addition to the provisions set out in Articles II.23 and II.24, the following reporting and payment arrangements shall apply:

#### 4.1.1 Reporting periods

The action is divided into the following reporting periods:

- Reporting period 1 from the starting date of the action to [month X or date];
- Reporting period 2 from [month X+1 or date] to [month Y or date];
- Reporting period 3 from [month Y+1 or date] to [month Z or date];
- [...];
- Last reporting period from [month N+1 or date] to the completion date of the action.

*[For grants of more than EUR 5 million for which a pre-financing is paid and where the reporting periods for interim payments or payment of the balance exceed eighteen months:*

In addition to the reporting requirements set out in Article II.23, the coordinator shall inform the Agency by 31 December each year about the cumulative expenditure incurred by the beneficiaries from the starting date set out in Article 2.2. This information is required for the Agency's accounting purposes and may not be used for determining the final amount of the grant.]

#### 4.1.2 Payments

*[Option for actions with pre-financing (as specified in the Call for proposals):*

*[Upon entry into force of the Agreement][Following [insert a date later than the date of the entry into force of the Agreement]], the Agency shall make the pre-financing payment of EUR [insert amount (insert amount in words)] to the coordinator in accordance with Article II.24.1, [subject to the receipt of a guarantee of [EUR [...]] [an amount equal to the pre-financing to be paid].]*

At the end of each reporting period, except the last reporting period, the Agency shall make an interim payment to the coordinator in accordance with Article II.24.2.

At the end of the last reporting period, the Agency shall make the payment of the balance to the coordinator in accordance with Article II.24.3.

*[Option for actions with interim payments:*

#### 4.1.3 Ceiling for pre-financing and interim payments

*The total amount of pre-financing and interim payments shall not exceed [...] % of the maximum grant amount set out in Article 3.]*

### 4.2 Time limit for payments

The time limit for the Agency to make the [interim payment(s) and] payment of the balance is

90 days.

#### 4.3 Language and submission means of requests for payment, reports and financial statements

All requests for payments, reports and financial statements shall be submitted in *[language]*.

*[Option 1 if submission by e-mail:*

*Those documents or, if applicable, scanned copies of the original signed paper versions and electronic files, shall be sent via e-mail to the e-mail address specified in Article 6.2.]*

*[Option 2 if submission in paper:*

*Those documents shall be sent in two paper copies to the address specified in Article 6.2.]]*

### ARTICLE 5 – BANK ACCOUNT FOR PAYMENTS

*[Option if a coordinator is designated and is the recipient of all payments:*

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

Name of bank: [...]

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

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

*[IBAN]/[BIC]/[SWIFT] code: [...]*

*[Option if a coordinator is designated but payments are made to each beneficiary or if no coordinator is designated:*

Payments shall be made to the following bank accounts:

- for *[insert beneficiary]*:

Name of bank: [...]

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

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

*[IBAN]/[BIC]/[SWIFT] code: [...]*

- for *[insert beneficiary]*:

Name of bank: [...]

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

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

*[IBAN]/[BIC]/[SWIFT] code: [...]*

*[idem for each beneficiary]]*

### ARTICLE 6 - DATA CONTROLLER AND COMMUNICATION DETAILS OF THE PARTIES

#### 6.1 Data controller

The entity acting as a data controller according to Article II.6 shall be the Director of the

Agency.

## 6.2 Communication details of the Agency

Any communication addressed to the Agency by post or e-mail shall be sent to the following address:

Innovation and Networks Executive Agency (INEA)  
Department C - Connecting Europe Facility (CEF)  
Unit [insert the number and name of the responsible Unit]  
W- 910  
B-1049 Brussels  
Fax: +32(0)2 297 37 27  
E-Mail address: [insert functional mailbox]]

## 6.3 Communication details of the beneficiaries

Any communication from the Agency to the beneficiaries shall be sent to the following address:

- for [insert beneficiary]:  
[Full name]  
[Function]  
[Name of the entity]  
[Full official address]  
E-mail address: [complete]
  
- for [insert beneficiary]:  
[Full name]  
[Function]  
[Name of the entity]  
[Full official address]  
E-mail address: [complete]

*[idem for each beneficiary]*

## ARTICLE 7 – ENTITIES AFFILIATED TO THE BENEFICIARIES

### *[If affiliated entities are designated by one of more beneficiaries<sup>4</sup>:*

For the purpose of this Agreement, the following entities are considered as affiliated entities:

- [name of the entity], affiliated to [name or acronym of the beneficiary];
- [name of the entity], affiliated to [name or acronym of the beneficiary];  
[idem for further affiliated entities].]

*[If no affiliated entities are designated or if recourse to affiliated entities is not authorised in the call for proposals:*

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<sup>4</sup> If authorised in the Call for proposals

Not applicable.]

## **ARTICLE 8 - IMPLEMENTING BODIES DESIGNATED BY THE BENEFICIARIES**

*[If no Member State or international organisation is a beneficiary or if recourse to an implementing body is not foreseen:*

Not applicable.]

*[If a Member State or an international organisation is a beneficiary and it foresees recourse to an implementing body:*

For the purpose of this Agreement, the following entities are considered as implementing bodies:

- *[[name of the entity], designated by [name or acronym of the beneficiary]] [the contractor(s) to be designated by [name or acronym of the beneficiary], if the contract with that contractor is awarded in accordance with Article II.9.2];*
- *[[name of the entity], designated by [name or acronym of the beneficiary]] [the contractor(s) to be designated by [name or acronym of the beneficiary], if the contract with that contractor is awarded in accordance with Article II.9.2];*  
*[idem for further implementing bodies].]*

## **ARTICLE 9 - MONO-BENEFICIARY GRANT**

*[If the financial aid is awarded to several beneficiaries:*

Not applicable.]

*[If the financial aid is awarded to only one beneficiary:*

Any reference to [the 'coordinator' or ] the 'beneficiaries' shall be interpreted as references to the 'beneficiary'.]

## **ARTICLE 10 – ADDITIONAL PROVISIONS ON REIMBURSEMENT OF COSTS DECLARED ON THE BASIS OF THE BENEFICIARY'S USUAL COST ACCOUNTING PRACTICES**

*[If the grant takes the form of the reimbursement of unit costs, lump sum costs or flat-rate costs:*

In addition to the conditions set out in Article II.20.5, where, in accordance with point (v) of Article 3(a)[(a1)[,][and] (a2) [and (aN)]]<sup>5</sup>, the grant takes the form of the reimbursement of unit costs, lump sum costs or flat-rate costs declared by the beneficiary on the basis of its usual cost accounting practices, the beneficiary shall ensure that the cost accounting practices used are also in compliance with the conditions laid down in Commission Decision C(2016)478 of 3 February 2016.]

*[If the grant does not take the form of the reimbursement of unit costs, lump sum costs or flat-rate costs:*

Not applicable.]

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<sup>5</sup> Text in case several funding rates apply, in accordance with Article 3(a)

## ARTICLE 11 – ADDITIONAL PROVISIONS ON USE OF THE RESULTS (INCLUDING INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS)

### ***[If additional rights of use are granted to the Agency:***

*In addition to the provisions of Article II.8.3, the beneficiaries shall warrant that the Agency has the right[s] to:*

*[(...) communicate the results of the action by [insert other types of communication not specified in the General Conditions]]*

*[(...) [edit] [or] [re-write in another way] the results of the action including [shortening], [summarising], [modifying the content], [correcting technical errors in the content] [insert other as appropriate];]*

*[(...) [cut], [insert [meta-data], [legends [or] [other graphic], [[visual], [audio] [or] [word] elements] [insert other as appropriate] [in] the results of the action];]*

*[(...) [extract a part (e.g. audio or video files) of], [divide into parts] [or] [compile] the results of the action;]*

*[(...) prepare derivative works of the results of the action;][(...) [translate], [insert subtitles in], [dub] the results of the action in:*

- [English], [French], [German]*
- [all official languages of EU]*
- [languages of candidate countries]*
- [list other languages as appropriate]]*

*[(...) authorise or sub-licence the modes of exploitation set out in point[s] [...] above to third parties.]*

*[The Agency shall have the rights of use specified [in the General Conditions][and ][in points [...] above] [for a period of [...]] [for the whole duration of the industrial or intellectual property right[s] concerned].]*

### ***[If the results of (parts of) the action are not vested in the beneficiaries:***

*By way of derogation from Article II.8.1, ownership of the results of [the action][the following activity as described in Annex I: [...]][the following activities as described in Annex I: [...]], including industrial and intellectual property rights, and of the reports and other documents relating to it shall be vested in [official name, official address in full].]*

### ***[If no additional provisions are to be provided for:***

*Not applicable.]*

## ARTICLE 12 – OBLIGATION TO CONCLUDE AN INTERNAL CO-OPERATION AGREEMENT

### ***[If beneficiaries shall conclude an internal cooperation agreement as provided for in the Call for proposals:***

*The beneficiaries shall conclude an internal cooperation agreement regarding their operation and co-ordination, including all internal aspects related to the management of the beneficiaries and the implementation of the action.]*

### ***[If beneficiaries are not requested to conclude an internal cooperation agreement or in case of mono-beneficiary agreement:***

*Not applicable.]*

## ARTICLE 13 - INAPPLICABILITY OF THE NO-PROFIT PRINCIPLE

*[In case of low value grants (i.e. equal to or lower than 60,000 EUR<sup>6</sup>), the grant takes entirely the form of financing not linked to costs or the action is implemented only by non-profit organisations (i.e. all beneficiaries and affiliated entities are non-profit organisations)]*

By way of derogation from Article II.25.3, the no-profit principle does not apply to the action.]

*[Otherwise:*

Not applicable.]

## ARTICLE 14 - INELIGIBILITY OF VALUE ADDED TAX

*[For activities which are implemented by beneficiaries, which are public entities acting as public authorities OR if the Call for proposals provides for the ineligibility of VAT:*

By way of derogation from point (h) of Article II.19.2, amounts of value added tax (VAT) paid are not eligible *[under the Agreement] [for the following [beneficiary] [beneficiaries]: [name of beneficiary(ies) concerned] [and] [for the following activities as described in Annex I: [...]].]*

*[Otherwise:*

Not applicable.]

## ARTICLE 15 - SPECIAL PROVISIONS ON ELIGIBLE COSTS

Not applicable.

## ARTICLE 16 – WAIVING OF THE OBLIGATION TO PROVIDE CERTIFICATES ON THE FINANCIAL STATEMENTS

Not applicable.

## ARTICLE 17 - FINANCIAL SUPPORT TO THIRD PARTIES

*[If the possibility to provide financial support to third parties is provided for in the Call for proposals:*

Article II.11 is applicable.]

*[If the possibility to provide financial support to third parties is not provided for in the Call for proposals:*

Article II.11 is not applicable.]

## ARTICLE 18 — IMPLEMENTATION OF ACTION TASKS BY BENEFICIARIES NOT RECEIVING EU FUNDING

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<sup>6</sup> This ceiling applies to the grant allocated to the Action, not per beneficiary.

***[If one or more beneficiary does not receive any EU funding:***

The following [beneficiary][beneficiaries] shall not receive EU funding:

- [name of beneficiary concerned];
- [idem for each beneficiary not receiving EU funding].

The costs [it][they] incur[s] shall not be taken into consideration for determining the final amount of the grant in accordance with Article II.25.

Articles 3, 4, 5, 10, 13, 14, 15, 16, 17, II.9, II.10, II.11, II.13, II.19, II.20, II.21, II.22, II.23.2 (b), (c), (d) and (e), II.24 and II.26 shall not apply to [that beneficiary][those beneficiaries].

In addition, [it][they] shall not be subject to financial audits and checks referred to in Article II.27.]

***[If all beneficiaries are allocated EU funding in the Agreement:***

Not applicable.]

**ARTICLE 19 – SETTLEMENT OF DISPUTES WITH NON EU BENEFICIARIES<sup>7</sup>*****[If one or more beneficiaries are not established in the EU or for CEF Telecom in an EFTA country or acceding/ candidate country:***

By derogation from Article II.18.2, where a beneficiary is legally established in a country other than a Member State of the European Union (the 'non EU beneficiary'), the Agency and/or the non EU beneficiary may bring before the Belgian Courts any dispute between the Agency and the non EU beneficiary concerning the interpretation, application or validity of the Agreement, if such dispute cannot be settled amicably. In such case where one party (i.e. the Agency or the non EU beneficiary) has brought proceedings before the Belgian Courts concerning the interpretation, application or validity of the Agreement, the other party may not bring a claim arising from the interpretation, application or validity of the Agreement in any other court than the Belgian Courts already seized.]

***[If all beneficiaries are established in the EU:***

Not applicable.]

**ARTICLE 20 – BENEFICIARIES WHICH ARE INTERNATIONAL ORGANISATIONS*****[If at least one beneficiary is an international organisation<sup>8</sup>:*****20.1 Dispute settlement – Arbitration**

<sup>7</sup> This provision should be added where one or more beneficiaries are established outside the European Union.

<sup>8</sup> International organisation within the meaning of Article 43(1) of the Commission Delegated Regulation (EU) No 1268/2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union, shall be:

- (a) international public-sector organisations set up by intergovernmental agreements, and specialised agencies set up by such organisations;
- (b) the International Committee of the Red Cross (ICRC);
- (c) the International Federation of National Red Cross and Red Crescent Societies;
- (d) other non-profit organisations assimilated to international organisations by a Commission decision.

*[If a beneficiary, which is an international organisation, does not accept Article II.18.2:*

*[Option 1 – Permanent Court of Arbitration:*

*By way of derogation from Article II.18, any dispute between the Agency and [insert name of IO(s)] relating to the Agreement, which cannot be settled amicably shall be referred to arbitration.*

*The Permanent Court of Arbitration Optional Rules for Arbitration Involving International Organisations and States in force at the date of entry into force of this Agreement shall apply.*

*The appointing authority shall be the Secretary General of the Permanent Court of Arbitration following a written request submitted by either party.*

*The arbitration proceedings shall take place in Brussels and the language used in the arbitral proceedings shall be English.*

*The arbitral award shall be binding on all parties, which hereby expressly agree to renounce any form of appeal or revision.]*

*[Option 2 – Arbitration committee:*

*By way of derogation from Article II.18, any dispute between the Agency and [insert name of IO(s)] relating to the Agreement, which cannot be settled amicably shall be referred to an arbitration committee in accordance with the procedure specified below.*

*When notifying the other party of its intention to resort to arbitration, the notifying party shall also inform the other party about its appointed arbitrator. The second party shall appoint its arbitrator within one month of receipt of that written notification. The two arbitrators shall, by joint agreement and within three months of the appointment of the second party's arbitrator, appoint a third arbitrator who shall be the chairman of the arbitration committee, unless both parties agreed to have a sole arbitrator.*

*Within one month of the appointment of the third arbitrator, the parties shall agree on the terms of reference of the arbitration committee, including the procedure to be followed.*

*The arbitration proceedings shall take place in Brussels.*

*The arbitration committee shall apply the terms of the Agreement. The arbitration committee shall set out in its arbitral award detailed grounds for its decision.*

*The arbitral award shall be final and binding upon the parties, which hereby expressly agree to renounce any form of appeal or revision.*

*The costs, including all reasonable fees incurred by the parties related to any arbitration, shall be apportioned between the parties by the arbitration committee.]]*

*[If all the beneficiaries, which are international organisations, accept Article II.18.2:*

*Article II.18.2 is also applicable to beneficiaries that are international organisations.]*

## **20.2 Certificates on the financial statements**



*[If a beneficiary, which is an international organisation does not accept that the certificate is established by an external auditor:*

Certificates on the financial statements to be provided by [insert name of IO(s)] in accordance with Article II.23.2 may be established by [its]/[their] regular internal or external auditor, in accordance with [its]/[their] internal financial regulations and procedures.]

*[If all the beneficiaries, which are international organisations, accept that the certificate is established by an external auditor:*

Not applicable.]

### **20.3 Checks and audits**

*[If a beneficiary, which is an international organisation, does not accept Article II.27:*

The competent bodies of the Union shall address any requests for checks or audits pursuant to the provisions of Article II.27 to the Director General of [insert name of IO(s)].

[insert name of IO(s)] shall make available to the competent bodies of the Union, upon request, all relevant financial information, including statements of accounts concerning the action, where [it]/[they] implement[s] the action or where [its]/[their] affiliated entities, [its]/[their] implementing bodies or a subcontractor takes part in the action.

*[Option if a framework agreement containing a verification annex has been signed between the international organisation and the Commission:*

Article II.27 must be applied in accordance with any specific agreement concluded in this respect by the international organisation and the European Union.]]

*[If all the beneficiaries, which are international organisations, accept Article II.27:*

Article II.27 is also applicable to beneficiaries that are international organisations.]

### **20.4 Applicable law**

*[If a beneficiary, which is an international organisation, does not accept Article II.18.1:*

*[Option 1: if the international organisation accepts Union law as applicable law but not Belgian law as subsidiary law:*

*By derogation from Article II.18.1, the Agreement between the Agency and [insert name of IO(s)] shall be governed by the applicable Union Law complemented where necessary by [the law of [insert law of a Member State or an EFTA country]].*

*[Option 2: if the international organisation does not accept the Union law as applicable law:*

*Article II.18.1 shall not apply to [insert name of IO(s)].]*

*[If all the beneficiaries, which are international organisations, accept Article II.18.1:*

Article II.18.1 is also applicable to beneficiaries that are international organisations.]

### **20.5 Privileges and immunities**

Nothing in the Agreement shall be interpreted as a waiver of any privileges or immunities

which are accorded to [insert name of IO(s)] by [its][their] constituent documents or international law.]

*[If no beneficiary is an international organisation:*

Not applicable.]

## ARTICLE 21 – JOINT AND SEVERAL FINANCIAL LIABILITY FOR RECOVERIES

*[For multi-beneficiary grants, if a joint and several financial liability for recoveries is provided for in the call for proposals or if it is requested by the Agency as protection measure in case of weak financial capacity of one or several beneficiaries:*

The Agency may hold the beneficiaries jointly and severally liable for any amount due to the Agency by any one of them, including for interest on late payment if any, in accordance with Article II.26.3(c).

*[Option if unlimited joint and several liability is applied, including if the grant takes exclusively the form of lump sum:*

The amount to be repaid by the beneficiary held liable shall however not exceed the maximum amount of the grant set out in Article 3.]

*[Option if joint and several liability limited to the maximum amount per beneficiary is applied:*

The amount to be repaid by the beneficiary held liable shall however not exceed [the estimated contribution it is entitled to receive, as indicated in Annex III as last amended] [the estimated contribution it is entitled to receive, as indicated in Table 3 of Annex III as last amended]<sup>9</sup>[the maximum amount of the grant it is entitled to receive, as set out in Article 3]<sup>10</sup>.]]

*[Otherwise:*

Not applicable.]

## ARTICLE 22 — IMPLEMENTATION OF ACTIVITIES NOT FINANCIALLY SUPPORTED UNDER THE AGREEMENT

*[Text if one or more activities are not financially supported under the agreement (i.e. zero-cost activities as specified in Annex III):*

The following activities as described in Annex I shall not be financially supported under the Agreement:

- Activity [Nb] - [Activity name];
- [idem for each activity not receiving EU funding].

Costs incurred by the beneficiaries, entities affiliated to the beneficiaries and implementing bodies designated by the beneficiaries in relation to these activities shall not be eligible and shall not contribute to the eligible costs of the action as estimated in Article 3 and to the

<sup>9</sup> Option if a coordinator is designated

<sup>10</sup> Option if no coordinator is designated

estimated budget of the action as specified in Annex III. The reimbursement rate(s) specified in Article 3 do(es) not apply to these activities.

The possible costs related to the implementation of these activities shall not be taken into consideration for determining the final amount of the grant in accordance with Article II.25. These activities shall not be taken into consideration for the purpose of Article II.25.4.

By way of derogation from Article II.22, the estimated budget breakdown set out in [Table 2 of] Annex III may not be adjusted by transfers of amounts to these activities. An amendment may not have the purpose or the effect of transferring amounts to these activities.]

*[If all activities are supported under the agreement (i.e. there are no zero-cost activities in Annex III):*

Not applicable.]

## ARTICLE 23 — ELIGIBILITY OF VOLUNTEERS' WORK

*[If volunteers work is explicitly provided for in the call for proposals in the form of unit cost only:*

As an exception to Article II.19.4(i), the value of volunteers' work may be declared as eligible costs in the form of unit costs in accordance with Article 3(a)(ii). These costs may not exceed the limit specified in point (b) of Article II.25.1.]

*[If no volunteers work is not foreseen by the call for proposal:*

Not applicable.]

## SIGNATURES

### *Option 1 for signing:*

For the coordinator  
[function/forename/surname]  
[signature]  
Done at [place], [date]

For the Agency  
Dirk Beckers  
[signature]  
Done at [place], [date]

In [duplicate][[...]] original copies] in English

### *Option 1bis for signing (electronic signature):*

For the coordinator  
[forename/surname]  
[electronic signature]  
Done in English on [electronic time stamp]

For the Agency  
Dirk Beckers  
[electronic signature]  
Done in English on [electronic time stamp]

### *Option 2 for signing:*

For the beneficiary [...]  
[function/forename/surname]  
[signature]

For the Agency  
Dirk Beckers  
[signature]

Done at [place], [date]

Done at [place], [date]

For the beneficiary [...] [function/forename/surname]  
[signature]  
Done at [place], [date]

[idem for each beneficiary]

In [duplicate][[...]] original copies] in English

*Option 2bis for signing (electronic signature):*

For the beneficiary [...] [forename/surname]  
[electronic signature]  
Done in English on [electronic time stamp]

For the Agency  
Dirk Beckers  
[electronic signature]  
Done in English on [electronic time stamps]

For the beneficiary [...] [forename/surname]  
[electronic signature]  
Done in English on [electronic time stamp]

[idem for each beneficiary]

**ANNEX I**  
**DESCRIPTION OF THE ACTION**

**ARTICLE I.1 – SCOPE AND OBJECTIVES OF THE ACTION**

[Insert a summary of the action including the main scope, goals and objectives of the action (e.g. see relevant text under section 'Summary of the action' in form A1 of the application form)]

**ARTICLE I.2 – LOCATION OF THE ACTION**

I.2.1 Member State(s): [...] *[not applicable]*

I.2.2 EEA country(ies): [...] *[not applicable]*

I.2.3 Third country(ies): [...] *[not applicable]*

**ARTICLE I.3 – ACTIVITIES**

I.3.1 Activities timetable

| Activity number | Activity title | Indicative start date | Indicative end date | Milestone number |
|-----------------|----------------|-----------------------|---------------------|------------------|
| <b>1</b>        | [...]          | [...]                 | [...]               | [...]            |
| <b>N</b>        | [...]          | [...]                 | [...]               | [...]            |

I.3.2 Activities description

[Insert a description of the foreseen tasks to be implemented under each activity (using the same subdivision into parts as listed in Article I.3.1), including performance indicators where relevant, on the basis of the information provided in the application form (e.g. form A3.1)]

**Activity 1: [title of activity 1]**

[Specify the lead beneficiary and the other beneficiaries concerned, and insert a detailed description of activity 1, including its tasks and/or sub-activities and performance indicators where relevant]

**Activity N: [title of activity N]**

[Specify the lead beneficiary and the other beneficiaries concerned, and insert a detailed description of activity N, including its tasks and/or sub-activities and performance indicators where relevant]

## ARTICLE I.4 – MILESTONES AND MEANS OF VERIFICATION

| Milestone number | Milestone description | Indicative completion date | Means of verification |
|------------------|-----------------------|----------------------------|-----------------------|
| 1                | [...]                 | [...]                      | [...]                 |
| N                | [...]                 | [...]                      | [...]                 |

*[Option if deliverables are defined as output of the action and/or if progress reports (i.e. reports not linked to a request for payment within the meaning of Article II.23.2 GA) should be provided during the lifetime of the action]*

## ARTICLE I.5 – DELIVERABLES<sup>11</sup>

| Deliverable number <sup>12</sup> | Deliverable description | Nature <sup>13</sup> | Dissemination level <sup>14</sup> | Delivery date |
|----------------------------------|-------------------------|----------------------|-----------------------------------|---------------|
| 1                                | [...]                   | [...]                | [...]                             | [...]         |
| N                                | [...]                   | [...]                | [...]                             | [...]         |

<sup>11</sup> ‘Deliverable’ means a distinct output of the action, meaningful in terms of the action's overall workflow and objectives, to be constituted/submitted e.g. in the form of a report, a demonstrator, a technical diagram, a software etc.

<sup>12</sup> Deliverable numbers in order of delivery dates.

<sup>13</sup> Indicate the nature of the deliverable using one of the following codes: D = Demonstrator, R = Report, SP = Specification, O = Other.

<sup>14</sup> Indicate the dissemination level using one of the following codes:

- PU = Public, for wide dissemination (public deliverables shall be of a professional standard in a form suitable for print or electronic publication);
- PP = Restricted to other programme participants;
- RE = Restricted to a group specified by the consortium;
- CO = Confidential, limited to the beneficiaries.

(Irrespective of the status, all reports and deliverables must be made accessible to the other beneficiaries of the grant and the relevant European Commission services, including INEA.)

## **ANNEX II**

### **GENERAL CONDITIONS**

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## PART A – LEGAL AND ADMINISTRATIVE PROVISIONS

*[Option for multi-beneficiary grants if a coordinator is designated:]*

### 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 action 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 under applicable EU, international and national law;
- (c) make appropriate internal arrangements for the proper implementation of the action, 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 events or circumstances likely to affect or delay the implementation of the action of which the beneficiary is aware;
- (b) inform the coordinator immediately of any change
  - (i) in its legal, financial, technical, organisational or ownership situation or of its affiliated entities;
  - (ii) in its name, address or legal representative or of its affiliated entities;
  - (iii) regarding the exclusion situations listed in Article 136 of Regulation (EU) 2018/1046<sup>15</sup>, including for its affiliated entities.
- (c) submit in due time to the coordinator:
  - (i) the data needed to draw up the reports, financial statements and other documents provided for in the Agreement;
  - (ii) all the necessary documents in the event of audits, checks or evaluation in accordance with Article II.27;
  - (iii) any other information to be provided to the Agency according to the Agreement, except where the Agreement requires that such information is submitted directly by

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<sup>15</sup> Regulation (EU, Euratom) 2018/1046 on the financial rules applicable to the general budget of the Union, repealing Regulation (EU, Euratom) No 966/2012 (2012 Financial Regulation)



the beneficiary to the Agency.

### II.1.3 General obligations and role of the coordinator

The coordinator shall:

- (a) monitor that the action is implemented in accordance with the Agreement;
- (b) be the intermediary for all communications between the beneficiaries and the Agency, except where provided otherwise in the Agreement, and, in particular, the coordinator shall:
  - (i) immediately provide the Agency 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 of its affiliated entities;
    - any events or circumstances likely to affect or delay the implementation of the action, of which the coordinator is aware;
    - any change regarding the exclusion situations listed in Article 136 of Regulation (EU) 2018/1046<sup>16</sup>, including for its affiliated entities.
  - (ii) bear responsibility for supplying all documents and information to the Agency which may be required under the Agreement, except where provided otherwise in the Agreement; this includes responsibility for submitting the deliverables identified in Annex I, in accordance with the timing and conditions set out in it; 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 Agency;
- (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) ensure that all the appropriate payments are made to the other beneficiaries without unjustified delay;
- (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 Article II.27.

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

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<sup>16</sup> Regulation (EU, Euratom) 2018/1046 on the financial rules applicable to the general budget of the Union, repealing Regulation (EU, Euratom) No 966/2012 (2012 Financial Regulation)

*[Option for multi-beneficiary grants if no coordinator is designated:*

**ARTICLE II.1 – GENERAL OBLIGATIONS OF THE BENEFICIARIES**

The beneficiaries shall:

- (a) be jointly and severally responsible for carrying out the action 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 under applicable EU, international and national law;
- (c) make appropriate internal arrangements for the proper implementation of the action, 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;
- (d) inform the Agency immediately of any events or circumstances likely to affect or delay the implementation of the action of which they are aware;
- (e) inform the Agency immediately of any change in their legal, financial, technical, organisational or ownership situation or of their affiliated entities and of any change in their name, address or legal representative or of their affiliated entities;
- (f) inform the Agency immediately of any change regarding the exclusion situations listed in Article 136 of Regulation (EU) 2018/1046<sup>17</sup>, including for its affiliated entities./

*[Option for mono-beneficiary grants:*

**ARTICLE II.1 – GENERAL OBLIGATIONS OF THE BENEFICIARY**

The beneficiary shall:

- (a) be responsible for carrying out the action in accordance with the terms and conditions of the Agreement;
- (b) be responsible for complying with any legal obligations incumbent on it under applicable EU, international and national law;
- (c) inform the Agency immediately of any events or circumstances likely to affect or delay the implementation of the action of which the beneficiary is aware;

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<sup>17</sup> Regulation (EU, Euratom) 2018/1046 on the financial rules applicable to the general budget of the Union, repealing Regulation (EU, Euratom) No 966/2012 (2012 Financial Regulation)

- (d) inform the Agency immediately of any change in its legal, financial, technical, organisational or ownership situation or of its affiliated entities and of any change in its name, address or legal representative or of its affiliated entities;
- (e) inform the Agency immediately of any change regarding the exclusion situations listed in Article 136 of Regulation (EU) 2018/1046<sup>18</sup>, including for its affiliated entities.]

## **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 6.

In particular, the parties agree that any formal notification made by mail or email has full legal effect and is admissible as evidence in administrative or judicial proceedings.

If a party requests written confirmation of an electronic communication within a reasonable time, the sender must provide the signed hard copy of the document sent electronically as soon as possible.

Formal notifications shall be made by registered mail with return receipt or equivalent, or by electronic mail, which provides the sender with compelling evidence that the message was delivered to the specified recipient.

### **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 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 6. The sending party must be able to prove the date of dispatch, for instance by an automatically generated read or receipt report. 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 Agency using the postal or courier services is considered to have been received by the Agency on the date on which it is registered by the department identified in Article 6.2.

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<sup>18</sup> Regulation (EU, Euratom) 2018/1046 on the financial rules applicable to the general budget of the Union, repealing Regulation (EU, Euratom) No 966/2012 (2012 Financial Regulation)

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 Agency 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 action.

**II.3.2** Except in cases of force majeure, the beneficiaries shall compensate the Agency for any damage sustained by it as a result of the implementation of the action or because the action was not implemented in full compliance with the Agreement.

### **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 life, any other direct or indirect personal interest or any other shared interest with the Agency, or any third party related to the subject matter of the Agreement (“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 Agency, in writing, without delay. The beneficiaries shall immediately take all the necessary steps to rectify this situation. The Agency 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 Agency 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. It does not include information that is publicly available.

**II.5.2** The Agency and 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 other party in writing.

**II.5.3** The Agency 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 or documents become public through other means than a breach of the confidentiality obligations;

(c) the disclosure of the confidential information or documents is required by law.

## **ARTICLE II.6 – PROCESSING OF PERSONAL DATA**

### **II.6.1 Processing of personal data by the Agency**

Any personal data included in the Agreement shall be processed by the Agency pursuant to Regulation (EU) No 2018/1725<sup>19</sup>.

Such data shall be processed by the data controller identified in Article 6.1 solely for the purposes of the implementation, management and monitoring of the Agreement or to protect the financial interests of the EU, including checks, audits and investigations in accordance with Article II.27.

The beneficiaries shall have the right of access, rectify or erase their own personal data and the right to restrict or, where applicable, the right to data portability or the right to object to data processing in accordance with Regulation (EU) 2018/1725. For this purpose, they must send any queries concerning the processing of their personal data to the data controller, identified in Article 6.1.

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**

The beneficiaries must process personal data under the Agreement in compliance with applicable EU and national law on data protection (including authorisations or notification requirements).

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

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

(a) the pseudonymisation and encryption of personal data;

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<sup>19</sup> Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC

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

## **ARTICLE II.7 – VISIBILITY OF UNION FUNDING**

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

Unless the Agency requests or agrees otherwise, any communication or publication related to the action, 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 action has received funding from the Union and shall display the European Union emblem.

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

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

For the purposes of the first, second and third subparagraphs and under the conditions specified therein, the beneficiaries are exempted from the obligation to obtain prior permission from the Agency to use the European Union emblem.

### **II.7.2 Disclaimers excluding Agency responsibility**

Any communication or publication related to the action, 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 Agency is 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 action, 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 rights**

Pre-existing material is any materials, document, technology or know-how which exists prior to the beneficiary using it for the production of a result in the implementation of the action. Pre-existing right is any industrial and intellectual property right on pre-existing material; it may consist in a right of ownership, a licence right and/or a right of use belonging to the beneficiary or any other third parties.

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

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

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

### **II.8.3 Rights of use of the results and of pre-existing rights by the Agency**

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

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

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

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

The beneficiaries shall warrant that the Agency has the right to use any pre-existing rights, which have been included in the results of the action. 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 action.

Information about the copyright owner shall be inserted when the result is divulged by the Agency. The copyright information shall read: "© – [year] – [name of the copyright owner]. All rights reserved. Licenced to the Innovation and Networks Executive Agency under conditions."

If the beneficiaries grant rights of use to the Agency, this does not affect their confidentiality obligations under Article II.5 or the beneficiaries' obligations under Article II.1.

## **ARTICLE II.9 – AWARD OF CONTRACTS NECESSARY FOR THE IMPLEMENTATION OF THE ACTION**

**II.9.1** Where the implementation of the action 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.

The beneficiaries shall ensure that the Agency, the Commission, the European Anti-Fraud Office (OLAF) and the European Court of Auditors may exercise their rights under Article II.27 also towards the contractor.

**II.9.2** Beneficiaries acting in their capacity of 'contracting authorities' within the meaning of Directive 2014/24/EU<sup>20</sup> or any previous applicable Union legislation or 'contracting entities' within the meaning of Directive 2014/25/EU<sup>21</sup> or any previous applicable Union legislation must comply with the applicable national public procurement rules.

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<sup>20</sup> Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC

<sup>21</sup> Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC



**II.9.3** The beneficiaries shall retain sole responsibility for carrying out the action 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 Agency under the Agreement.

**II.9.4** The beneficiaries shall ensure that the conditions applicable to them under Articles II.3, II.4, II.5 and II.8 are also applicable to the contractor.

**II.9.5** Where, in accordance with Article 3(a), the grant takes the form of the reimbursement of eligible costs:

- If a beneficiary breaches any of its obligations under Article II.9.1, the costs related to the contract concerned shall be ineligible;
- If a beneficiary breaches any of its obligations under Article II.9.2, II.9.3 or II.9.4, the grant may be reduced in proportion to the seriousness of the breach of obligations.

A 'breach of obligations' shall be understood as a failure by the beneficiary to fulfil one or more of its contractual obligations.

Where, in accordance with Article 3(b), (c), (d) or (e) the grant takes the form of a unit, lump sum, flat-rate contribution or financing not linked to costs, if a beneficiary breaches any of its obligations under Article II.9.1, II.9.2, II.9.3 or II.9.4, the grant may be reduced in proportion to the seriousness of the breach of obligations.

## **ARTICLE II.10 – SUBCONTRACTING OF TASKS FORMING PART OF THE ACTION**

**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 action as described in Annex I.

**II.10.2** Beneficiaries may subcontract tasks forming part of the action, provided that, in addition to the conditions specified in Article II.9.1, the following conditions are complied with:

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

approval:

- (i) before any recourse to subcontracting, if the beneficiaries request an amendment as provided for in Article II.12; or
- (ii) after recourse to subcontracting if the subcontracting:
  - is specifically justified in the interim or final technical report referred to in Articles II.23.2; and
  - does not entail changes to the Agreement which would call into question the decision awarding the grant or be contrary to the equal treatment of applicants;

**II.10.3** Beneficiaries acting in their capacity of 'contracting authorities' within the meaning of Directive 2014/24/EU<sup>22</sup> or any previous applicable Union legislation or contracting entities within the meaning of Directive 2014/25/EU<sup>23</sup> or any previous applicable Union legislation must comply with the applicable national public procurement rules.

**II.10.4** The beneficiaries shall retain sole responsibility for carrying out the action and for compliance with the provisions of the Agreement. The beneficiaries shall ensure that any subcontract contains provisions stipulating that the subcontractor has no rights vis-à-vis the Agency under the Agreement.

**II.10.5** The beneficiaries shall ensure that the conditions applicable to them under Articles II.3, II.4, II.5, II.7 and II.8 are also applicable to the subcontractor.

**II.10.6** Where, in accordance with Article 3(a), the grant takes the form of the reimbursement of eligible costs:

- If a beneficiary breaches any of its obligations under Article II.10.2, the costs related to the subcontract concerned shall be ineligible;
- If a beneficiary breaches any of its obligations under Article II.10.3, II.10.4 or II.10.5, the grant may be reduced in proportion to the seriousness of the breach of obligations.

Where, in accordance with Article 3(b), (c) or (d) the grant takes the form of a unit, lump sum or flat-rate contribution if a beneficiary breaches any of its obligations under Article II.10.2, II.10.3, II.10.4 or II.10.5, the grant may be reduced in proportion to the seriousness of the breach of obligations.

## **ARTICLE II.11 - FINANCIAL SUPPORT TO THIRD PARTIES**

**II.11.1** Where the implementation of the action requires giving financial support to third

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<sup>22</sup> Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC

<sup>23</sup> Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC

parties, the beneficiaries shall give such financial support in accordance with the conditions specified in Annex I, which shall at least contain:

- (a) the maximum amount of financial support, which shall not exceed EUR 60 000 for each third party except if achieving the objective of the action as specified in Annex I would otherwise be impossible or overly difficult;
- (b) the criteria for determining the exact amount of the financial support;
- (c) the different types of activity that may receive financial support, on the basis of a fixed list;
- (d) the definition of the persons or categories of persons which may receive financial support;
- (e) the criteria for giving the financial support.

The beneficiaries shall ensure that the Agency, the Commission, the European Anti-Fraud Office (OLAF) and the European Court of Auditors may exercise their rights under Article II.27 also towards the third parties receiving financial support.

**II.11.2** By way of derogation from Article II.11.1, in case the financial support takes the form of a prize, the beneficiaries shall give such financial support in accordance with the conditions specified in Annex I, which shall at least contain:

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

The beneficiaries shall ensure that the Agency, the Commission, the European Anti-Fraud Office (OLAF) and the European Court of Auditors may exercise their rights under Article II.27 also towards the third parties receiving a prize.

**II.11.3** The beneficiaries shall ensure that the conditions applicable to them under Articles II.3, II.4, II.5, II.7 and II.8 are also applicable to the third parties receiving financial support.

**II.11.4** Where, in accordance with Article 3(a), the grant takes the form of the reimbursement of eligible costs:

- If a beneficiary breaches any of its obligations under Article II.11.1 or II.11.2, the costs related to the financial support shall be ineligible;
- If a beneficiary breaches any of its obligations under Article II.11.3, the grant may be reduced in proportion to the seriousness of the breach of obligations.

Where, in accordance with Article 3(b), (c) or (d) the grant takes the form of a unit, lump sum or flat-rate contribution if a beneficiary breaches any of its obligations under Article II.11.1 II.11.2 or II.11.3, the grant may be reduced in proportion to the seriousness of the breach of obligations.

## **ARTICLE II.12 – AMENDMENTS TO THE AGREEMENT**

**II.12.1** Any amendment to the Agreement shall be made in writing.

**II.12.2** 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.12.3** Any request for amendment shall be duly justified, be accompanied by appropriate supporting documents and shall be sent to the other party in due time before it is due to take effect, and in any case three months before the end of the period set out in Article 2.2, except in cases duly substantiated by the party requesting the amendment and accepted by the other party.

**II.12.4** [*Option if a coordinator is designated:*

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

[*Option if no coordinator is designated:*

A request for amendment shall be jointly submitted by all the beneficiaries or shall be submitted by a beneficiary acting on behalf of all beneficiaries.]

**II.12.5** 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.13 – ASSIGNMENT OF CLAIMS FOR PAYMENTS TO THIRD PARTIES**

**II.13.1** Claims for payments of the beneficiaries against the Agency may not be assigned to third parties, except in duly justified cases where the situation warrants it.

[*Option if a coordinator is designated and is the recipient of all payments:*

The assignment shall only be enforceable against the Agency 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.]

[*Option if a coordinator is designated but is not the recipient of all payments:*

The assignment shall only be enforceable against the Agency 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 beneficiary requesting the assignment.]

***[Option if no coordinator is designated:***

The assignment shall only be enforceable against the Agency if it has accepted the assignment on the basis of a written and reasoned request to that effect made by the beneficiary requesting the assignment.]

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 Agency.

**II.13.2** In no circumstances shall such an assignment release the beneficiaries from their obligations towards the Agency.

## **ARTICLE II.14 – FORCE MAJEURE**

**II.14.1** "*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, implementing bodies or third parties in receipt of financial support and which proves to be inevitable in spite of exercising due diligence. Any default of a service, defect in equipment or material or delays in making them available, as well as labour disputes, strikes or financial difficulties cannot be invoked as *force majeure*, unless they stem directly from a relevant case of *force majeure*,.

**II.14.2** A party faced with *force majeure* shall formally notify the other party without delay, stating the nature of the situation or of the event, its likely duration and foreseeable effects.

**II.14.3** 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 action as soon as possible.

**II.14.4** 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.15 – SUSPENSION OF THE IMPLEMENTATION OF THE ACTION**

### **II.15.1 Suspension of the implementation by the beneficiaries**

***[Option if a coordinator is designated:***

The coordinator, on behalf of the beneficiaries, may suspend the implementation of the action 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 Agency without delay, giving the reasons for suspension, including details about the date

or period when the exceptional circumstances occurred and the expected date of resumption.

Unless the Agreement or the participation of a beneficiary is terminated in accordance with Articles II.16.1, II.16.2 or points (c) or (d) of Article II.16.3.1, the coordinator shall, once the circumstances allow resuming the implementation of the action, inform the Agency immediately and present a request for amendment of the Agreement as provided for in Article II.15.3.]

**[Option if no coordinator is designated:**

The beneficiaries, acting jointly, or a beneficiary, acting on behalf of all beneficiaries, may suspend the implementation of the action or any part thereof, if exceptional circumstances make such implementation impossible or excessively difficult, in particular in the event of *force majeure*. The beneficiaries, acting jointly, or a beneficiary, acting on behalf of all beneficiaries, shall inform the Agency without delay, giving the reasons for suspension, including details about the date or period when the exceptional circumstances occurred and the expected date of resumption.

Unless the Agreement or the participation of a beneficiary is terminated in accordance with Articles II.16.1, II.16.2 or points (c) or (d) of Article II.16.3.1, the beneficiaries acting jointly, or a beneficiary, acting on behalf of all beneficiaries, shall, once the circumstances allow resuming the implementation of the action, inform the Agency immediately and present a request for amendment of the Agreement as provided for in Article II.15.3.]

## **II.15.2 Suspension of the implementation by the Agency**

**II.15.2.1** The Agency may suspend the implementation of the action or any part thereof:

- (a) if the Agency has evidence that a beneficiary has committed irregularities, fraud or breach of obligations in the award procedure or in the implementation of the Agreement;
- (b) if the Agency has evidence that a beneficiary has committed systemic or recurrent irregularities, fraud or serious breach of obligations under other grants funded by the Union or the European Atomic Energy Community which were awarded to that beneficiary under similar conditions, provided that those irregularities, fraud or breach of obligations have a material impact on this grant;
- (c) if the Agency suspects 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;  
*[or]*
- (d) following an evaluation of the progress of the project, in particular in the event of major delays in the implementation of the action.

**II.15.2.2 [Option if a coordinator is designated:**

Before suspending the implementation the Agency shall formally notify the

coordinator of its intention to suspend, specifying the reasons thereof, and, in the cases referred to in points (a), (b) *and* (d) of Article II.15.2.1, 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 Agency 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 Agency 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), (b) *and* (d) of Article II.15.2.1, the definitive conditions for resuming the implementation or, in the case referred to in point (c) of Article II.15.2.1, 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 Agency of any progress made in this respect.

Unless the Agreement or the participation of a beneficiary is terminated in accordance with Articles II.16.1, II.16.2 or points (c), (i), (j), (k), or (o) of Article II.16.3.1, the Agency 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.15.3.]

***[Option if no coordinator is designated:***

Before suspending the implementation the Agency shall formally notify all the beneficiaries of its intention to suspend, specifying the reasons thereof, and, in the cases referred to in points (a), (b) *and* (d) of Article II.15.2.1, the necessary conditions for resuming the implementation. The beneficiaries shall be invited to submit observations within 30 calendar days from receipt of this notification.

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

If no observations have been submitted or if, despite the observations submitted by the beneficiaries, the Agency decides to pursue the suspension procedure, it may suspend the implementation by formally notifying all the beneficiaries

thereof, specifying the reasons for the suspension and, in the cases referred to in points (a), (b) *and* (d) of Article II.15.2.1, the definitive conditions for resuming the implementation or, in the case referred to in point (c) of Article II.15.2.1, the indicative date of completion of the necessary verification.

The suspension shall take effect five calendar days after the receipt of the notification by the beneficiaries 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 Agency of any progress made in this respect.

Unless the Agreement or the participation of a beneficiary is terminated in accordance with Articles II.16.1, II.16.2 or points (c), (i), (j), (k) *or* (o) of Article II.16.3.1, the Agency 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 all the beneficiaries thereof and invite them to present a request for amendment of the Agreement as provided for in Article II.15.3.]

### **II.15.3 Effects of the suspension**

If the implementation of the action can be resumed and the Agreement is not terminated, an amendment to the Agreement shall be made in accordance with Article II.12 in order to establish the date on which the action shall be resumed, to extend the duration of the action and to make any other modifications that may be necessary to adapt the action to the new implementing conditions.

The suspension is deemed lifted with effect as from the date of resumption of the action agreed by the parties in accordance with the first subparagraph and set out in the amendment. 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 action or the suspended part thereof, shall not be reimbursed or covered by the grant.

The right of the Agency 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.16.3 and its right to reduce the grant or recover amounts unduly paid in accordance with Articles II.25.4 and II.26.

Neither party shall be entitled to claim damages due to a suspension by the other party.

## **ARTICLE II.16 – TERMINATION OF THE AGREEMENT**

### **II.16.1 [*Option if a coordinator is designated*: 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 Agency 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 Agency 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.16.4.1. The termination takes effect on the day specified in the formal notification.]

***[Option if no coordinator is designated: Termination of the Agreement by the beneficiaries***

In duly justified cases, the beneficiaries, acting jointly, or a beneficiary, acting on behalf of all beneficiaries, may terminate the Agreement by formally notifying the Agency 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 Agency considers that the reasons exposed cannot justify the termination, it shall formally notify all the beneficiaries, 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.16.4.1. The termination takes effect on the day specified in the formal notification.]

**II.16.2 *[Option if a coordinator is designated: 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 Agency, 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 (or proof that this opinion has been requested in writing), 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, and a request for amendment as provided for in Article II.16.4.1. The notification shall be sent before the termination is due to take effect.

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

If no reasons are given or if the Agency 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.16.4.1. The termination takes effect on the day specified in the formal notification.]

***[Option if no coordinator is designated: Termination of the participation of one or more beneficiaries by the beneficiaries***

In duly justified cases, the participation of any one or several beneficiaries in the Agreement may be terminated by that beneficiary or those beneficiaries, or by another beneficiary acting on behalf of the other beneficiaries. When notifying such termination to the Agency, the beneficiary or beneficiaries shall include the reasons for the termination of the participation, the date on which the termination shall take effect, 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, if notification is made by another beneficiary, the opinion of the beneficiary or beneficiaries the participation of which is terminated (or proof that this opinion has been requested in writing), and a request for amendment as provided for in Article II.16.4.1. The notification shall be sent before the termination is due to take effect.

If no reasons are given or if the Agency considers that the reasons exposed cannot justify the termination, it shall formally notify all the beneficiaries, 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.16.4.1. The termination takes effect on the day specified in the formal notification.]

**II.16.3 Termination of the Agreement or the participation of one or more beneficiaries by the Agency**

**II.16.3.1** The Agency may decide to terminate the Agreement or the participation of any one or several beneficiaries participating in the action, in the following circumstances:

- (a) if a change to the beneficiary's legal, financial, technical, organisational or ownership situation or a change regarding the exclusion situations listed in Article 136 of Regulation (EU) 2018/1046, is likely to affect the implementation of the Agreement substantially, 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, any related person as defined in the second subparagraph or any natural person who is essential for the award or for the implementation of the agreement have committed serious breach of obligations, including improper implementation of the action as specified in

## Annex I;

- (d) in the event of *force majeure*, notified in accordance with Article II.14, or in the event of suspension by the coordinator as a result of exceptional circumstances, notified in accordance with Article II.15, 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 or a natural or legal person that assumes unlimited liability for the debts of that beneficiary:
  - i. is declared bankrupt, is subject to insolvency or winding up procedures, its assets are being administered by a liquidator or by a Court, has entered into an agreement with creditors, has suspended business activities or is in any analogous situation arising from a similar procedure provided for under the Union or national law;
  - ii. is in breach of its obligations relating to the payment of taxes or social security contributions in accordance with the applicable law;
- (f) if a beneficiary or any related person, or any natural person who is essential for the award or for the implementation of the agreement has committed:
  - i. grave professional misconduct proven by any means;
  - ii. fraud;
  - iii. corruption;
  - iv. conduct related to criminal organisations;
  - v. money laundering;
  - vi. terrorism-related crimes (including terrorism financing);
  - vii. child labour or other offences concerning trafficking of human beings;
- (g) if a beneficiary or any related person or any natural person who is essential for the award or for the implementation of the agreement has created an entity under a different jurisdiction with the intend to circumvent fiscal, social or any other legal obligations in the jurisdiction of its registered office, central administration or principal place of business;
- (h) a beneficiary or any related person or any natural person who is essential for the award or for the implementation of the agreement has been created with the intend referred to in point (g);
- (i) if the Agency has evidence that a beneficiary or any related person, or any natural person who is essential for the award or for the implementation of the agreement, has committed irregularities, fraud or breach of obligations in the award procedure or in the implementation of the Agreement, including in the event of submission of false information or failure to submit required information;

- (j) if the Agency has evidence that a beneficiary has committed systemic or recurrent irregularities, fraud or serious breach of obligations under other grants funded by the Union or the European Atomic Energy Community which were awarded to that beneficiary under similar conditions, provided that those irregularities, fraud or breach of obligations have a material impact on this grant;
- (k) following an evaluation of the progress of the project, in particular in the event of major delays in the implementation of the action;
- (l) if the action has not started within two years of the starting date set out in Article 2.2 or, for grants for studies, if the action has not started within one year of the starting date set out in Article 2.2.;
- (m) not applicable;
- (n) not applicable;
- (o) if the Agency has sent a beneficiary[, *through the coordinator,*]<sup>24</sup> a formal notification asking it to end the participation of its affiliated entity because that entity is in a situation provided for in points (e) to (j) and that beneficiary has failed to request an amendment ending the participation of the entity and reallocating its tasks.

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

For the purposes of points (f), (i) and (j), "fraud" shall mean any intentional act or omission affecting the Union's financial interests relating to the use or presentation of false, incorrect or incomplete statements or documents, to non-disclosure of information in violation of a specific obligation.

For the purposes of points (i) and (j), "irregularity" shall mean any infringement of a provision of Union law resulting from an act or omission by a beneficiary, which has or would have the effect of prejudicing the Union's budget.

For the purposes of point (f), "grave professional misconduct" shall mean a violation of applicable laws or regulations or ethical standards of the profession to which a person or entity belongs, or any wrongful conduct of a person or entity which has an impact on its professional credibility where such conduct denotes wrongful intent or gross negligence.

For the purpose of points (c), (e), (i) and (j), "breach of obligations" shall mean as

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<sup>24</sup> Text of there is a coordinator

defined in the 2<sup>nd</sup> hyphen of Article II.9.5

### II.16.3.2 [*Option if a coordinator is designated:*

Before terminating the Agreement or the participation of any one or several beneficiaries, the Agency 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.16.3.1, to inform the Agency 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 Agency 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 Agency 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. The coordinator must immediately inform the other beneficiaries of the termination.

In the cases referred to in points (a), (b), (c), (e) and (k) of Article II.16.3.1, the formal notification shall specify the date on which the termination takes effect. In the cases referred to in points (d), (f), (g), (h), (i), (j), (l), and (o) of Article II.16.3.1, the termination shall take effect on the day following the date on which the formal notification was received by the coordinator.]

### [*Option if no coordinator is designated:*

Before terminating the Agreement or the participation of any one or several beneficiaries, the Agency shall formally notify all the beneficiaries of its intention to terminate, specifying the reasons thereof and inviting the beneficiaries, acting jointly, or one beneficiary, acting on behalf of all beneficiaries, within 45 calendar days from receipt of the notification, to submit observations and, in the case of point (c) of Article II.16.3.1, to inform the Agency 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 beneficiaries, the Agency decides to stop the termination procedure, it shall formally notify all the beneficiaries thereof.

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

In the cases referred to in points (a), (b), (c), (e) and (k) of Article II.16.3.1, the formal notification shall specify the date on which the termination takes effect. In the cases referred to in points (d), (f), (g), (h), (i), (j), (l), and (o) of Article II.16.3.1, the termination shall take effect on the day following the date on which the formal notification was received by the beneficiaries.]

## II.16.4 Effects of termination

**II.16.4.1** [*Option if a coordinator is designated*]: Where the Agreement is terminated, payments by the Agency shall be limited to the amount determined in accordance with Article II.25 on the basis of the eligible costs incurred by the beneficiaries and the actual level of implementation of the action 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 days from the date when the termination of the Agreement takes effect, as provided for in Articles II.16.1 and II.16.3.2, to produce a request for payment of the balance in accordance with Article II.23.2. If no request for payment of the balance is received within this time limit, the Agency shall not reimburse or cover any costs or contributions which are not included in a financial statement approved by it or which are not justified in a technical report approved by it. In accordance with Article II.26, the Agency shall recover any amount already paid, if its use is not substantiated by the technical reports and, where applicable, by the financial statements approved by the Agency.

Where the participation of a beneficiary is terminated, the coordinator must submit a request for amendment including:

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

If the Agency terminates the participation of a beneficiary, the coordinator must submit the request for amendment within 60 calendar days from the day on which the termination takes effect. If the coordinator terminates the participation of a beneficiary, the request for amendment must be included in the formal notification of termination referred to in Article II.16.2.

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

If the request for amendment is rejected by the Agency, the Agreement may be terminated in accordance with Article II.16.3.1 (b). The request for amendment may be rejected if it calls into question the decision awarding the grant or is contrary to the equal treatment of applicants.

The beneficiary concerned shall submit to the coordinator a technical report and,

where applicable, a financial statement covering the period from the end of the last reporting period according to Article 4.1.1 for which a report has been submitted to the Agency to the date on which the termination takes effect. The technical report and the financial statement shall be submitted in due time to allow the coordinator to draw up the corresponding payment request. Only activities undertaken before the date when the termination takes effect or the end date of the implementation period as specified in Article 2.2, whichever is the earliest, must be taken into account. Where the grant takes the form of reimbursement of costs actually incurred as provided for in Article 3(a)(i), 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 4.

Where the Agency, in accordance with point (c) of Article II.16.3.1, 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 II.23.3, 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 II.23.2; and
- (b) the Agency 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 2.2, whichever is the earlier, which are not included in a financial statement approved by it or which are not justified in a technical report approved by it.

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.16.1 and II.16.2, or where the Agreement or the participation of a beneficiary is terminated by the Agency on the grounds set out in points (c), (f), (g), (h), (i), (j), (k), and (o) of Article II.16.3.1, the Agency may also reduce the grant or recover amounts unduly paid in accordance with Articles II.25.4 and II.26, 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.

After termination, the concerned beneficiary's obligations continue to apply, in particular those under Articles 4, II.5, II.7, II.8, II.13, II.27 and any additional provisions on the use of the results, as set out in the Special Conditions.]

***[Option if no coordinator is designated:***

Where the Agreement is terminated, payments by the Agency shall be limited to

the amount determined in accordance with Article II.25 on the basis of the eligible costs incurred by the beneficiaries and the actual level of implementation of the action 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 beneficiaries shall have 60 days from the date when the termination of the Agreement takes effect, as provided for in Articles II.16.1 and II.16.3.2, to produce a request for payment of the balance in accordance with Article II.23.2. If no request for payment of the balance is received within this time limit, the Agency shall not reimburse or cover any costs or contributions which are not included in a financial statement approved by it or which are not justified in a technical report approved by it. In accordance with Article II.26, the Agency shall recover any amount already paid, if its use is not substantiated by the technical reports and, where applicable, by the financial statements approved by the Agency.

Where the participation of a beneficiary is terminated, the beneficiaries must submit a request for amendment including:

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

If the Agency terminates the participation of a beneficiary, the coordinator must submit the request for amendment within 60 calendar days from the day on which the termination takes effect. If the beneficiaries terminate the participation of a beneficiary, the request for amendment must be included in the formal notification of termination referred to in Article II.16.2.

If termination takes effect after the end of the implementation period, no request for amendment must be provided.

If the request for amendment is rejected by the Agency, the Agreement may be terminated in accordance with Article II.16.3.1 (b). The request for amendment may be rejected if it calls into question the decision awarding the grant or is contrary to the equal treatment of applicants.

The beneficiary concerned shall have 60 days from the date when the termination of its participation takes effect to submit to the Agency a technical report and a financial statement covering the period from the end of the last reporting period according to Article 4.1.1 for which a report has been submitted to the Agency to the date on which the termination takes effect. It may also produce a request for interim payment in accordance with Article II.23.2. Only activities undertaken before the date when the termination takes effect or the end date of the *implementation period* as specified in Article 2.2, whichever is the earliest, must be taken into account. Where the grant takes the form of reimbursement of costs actually incurred as provided for in Article 3(a)(i), 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.



Where the Agency, in accordance with point (c) of Article II.16.3.1, is terminating the Agreement or the participation of a beneficiary on the grounds that a beneficiary 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 II.23.3, the first or second subparagraph shall apply, subject to the following:

- (a) there shall be no additional time period from the date when the termination takes effect for the beneficiary to produce a request for payment in accordance with Article II.23.2; and
- (b) the Agency shall not reimburse or cover any costs incurred by the beneficiary up to the date of termination or up to the end of the period set out in Article 2.2, whichever is the earlier, which are not included in a financial statement approved by it or which are not justified in a technical report approved by it.

In addition to the first, second and third subparagraphs, where the Agreement or the participation of a beneficiary is terminated improperly by the beneficiaries within the meaning of Articles II.16.1 and II.16.2, or where the Agreement or the participation of a beneficiary is terminated by the Agency on the grounds set out in points (c), (f),(g), (h), (i), (j), (k), and (o) of Article II.16.3.1, the Agency may also reduce the grant or recover amounts unduly paid in accordance with Articles II.25.4 and II.26, in proportion to the gravity of the failings in question and after allowing the beneficiaries, acting jointly, or one beneficiary, acting on behalf of all beneficiaries, to submit their observations.

After termination, the concerned beneficiary's obligations continue to apply, in particular those under Articles 4, II.5, II.7, II.8, II.13, II.27 and any additional provisions on the use of the results, as set out in the Special Conditions.]

#### **II.16.4.2** *[Option if a coordinator is designated:*

Where the Agency, in accordance with point (l) of Article II.16.3.1, is terminating the Agreement on the ground that the action has not started by the set deadline, the following shall apply:

- (a) the coordinator shall not produce a request for payment of the balance; and
- (b) the final amount of the grant shall be EUR 0 (zero euro). The Agency shall recover any amounts unduly paid in accordance with Article II.26.]

#### *[Option if no coordinator is designated:*

Where the Agency, in accordance with point (l) of Article II.16.3.1, is terminating the Agreement on the ground that the action has not started by the set deadline, the following shall apply:

- (a) no beneficiary shall produce a request for payment of the balance; and

(b) the final amount of the grant shall be EUR 0 (zero euro). The Agency shall recover any amounts unduly paid in accordance with Article II.26.]

**II.16.4.3** Neither party shall be entitled to claim compensation on account of a termination by the other party.

#### **ARTICLE II.17 – NOT APPLICABLE**

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

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

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

**II.18.3** By virtue of Article 299 TFEU, for the purposes of recoveries within the meaning of Article II.26, the Commission may adopt an enforceable decision to impose pecuniary obligations on persons other than States. An action may be brought against such decision before the General Court of the European Union pursuant to Article 263 TFEU.

## PART B – FINANCIAL PROVISIONS

### ARTICLE II.19 – ELIGIBLE COSTS

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

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

- (a) they are incurred in the period set out in Article 2.2, with the exception of costs relating to the request for payment of the balance and the corresponding supporting documents referred to in Article II.23.2.

Costs of contracts for goods, works or services or of subcontracts are considered to be incurred when the contract or subcontract (or a part of it) is executed, i.e. when the goods, works or services (including studies) are supplied, delivered or provided;

- (b) they are indicated in the estimated budget of the action set out in Annex III;
- (c) they are incurred in connection with the action as described in Annex I and are necessary for its implementation; in particular, for the costs of contracts for goods, the goods are supplied in a Member State or in any other countries where the action is implemented as described in Annex I; for the costs of contracts for works, the works are delivered in a Member State or in any other countries where the action is implemented as described in Annex I; for the costs of contracts for services (including studies), the services provided concern a Member State or any other countries where the action is implemented as described in Annex I;
- (d) 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;
- (e) they comply with the requirements of applicable tax and social legislation; and
- (f) they are reasonable, justified, and comply with the principle of sound financial management, in particular regarding economy and efficiency.

#### II.19.2 Eligible direct costs

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

To be eligible, direct costs shall comply with the conditions of eligibility set out in Article II.19.1.

In particular, the following categories of costs are eligible direct costs, provided that they

satisfy the conditions of eligibility set out in Article II.19.1 as well as the following conditions:

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

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

The costs of natural persons working under a contract with the beneficiary other than an employment contract or who are seconded to the beneficiary by a third party against payment may be included under such costs of personnel, provided that the following conditions are fulfilled:

- (i) the natural person works under the conditions similar to those of an employee (in particular regarding the way the work is organized, the tasks are performed and the premises where they are performed);
- (ii) the result of the work belongs to the beneficiary (unless exceptionally agreed otherwise); and
- (iii) the costs are not significantly different from the costs of staff performing similar tasks under an employment contract with the beneficiary;
- (b) costs of travel and related subsistence allowances, provided that these costs are in line with the beneficiary's usual practices on travel;
- (c) *[Option if the call for proposals provides for the eligibility of full equipment or infrastructure costs: the full costs of purchase of equipment and other assets shall be eligible, provided that they are treated as capital expenditure in accordance with the tax and accounting rules applicable to the beneficiary and are recorded in the fixed assets account of its balance sheet and if the asset has been purchased in accordance with Article II.9.1.*

*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;]*

*[Option if only depreciation costs are eligible: 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.9.1 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;*

*Only the portion of the equipment's depreciation, rental or lease costs corresponding to the period set out in Article 2.2 and the rate of actual use for the purposes of the action may be taken into account.]*

- (d) costs of consumables and supplies, provided that they are purchased in accordance with the first subparagraph of Article II.9.1 and are directly assigned to the action;
- (e) costs arising directly from requirements imposed by the Agreement (dissemination of information, specific evaluation of the action, audits, translations, reproduction), including the costs of requested financial guarantees, provided that the corresponding services are purchased in accordance with the first subparagraph of Article II.9.1;
- (f) costs entailed by service contracts, including costs of environmental studies on the protection of the environment and on compliance with the relevant Union law, provided that the corresponding services are purchased in accordance with the first subparagraph of Article II.9.1 and costs entailed by subcontracts within the meaning of Article II.10, provided that the conditions laid down in Article II.10.2 are met;
- (g) costs of financial support to third parties within the meaning of Article II.11, provided that the conditions laid down in Article II.11.1 or II.11.2 are met;
- (h) duties, taxes and charges paid by the beneficiary, notably non-deductible value added tax (VAT), provided that they are included in eligible direct costs, and unless specified otherwise in the Agreement.

### **II.19.3 Indirect costs**

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

Eligible indirect costs shall be declared on the basis of a flat rate of 7% of the total eligible direct costs minus subcontracting costs within the meaning of Article II.10 and costs of financial support to third parties within the meaning of Article II.11.

### **II.19.4 Ineligible costs**

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

- (a) return on capital and dividends paid by a beneficiary;
- (b) debt and debt service charges;

- (c) provisions for losses or debts;
- (d) interest owed;
- (e) doubtful debts;
- (f) exchange losses;
- (g) costs of transfers from the Agency charged by the bank of a beneficiary;
- (h) costs declared by the beneficiary in the framework of another action 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, beneficiaries receiving an operating grant financed by the EU or Euratom budget cannot declare indirect costs for the period(s) covered by the operating grant, unless they can demonstrate that the operating grant does not cover any costs of the action.
- (i) contributions in kind from third parties;
- (j) excessive or reckless expenditure;
- (k) deductible VAT;

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

### **II.20.1 Reimbursement of actual costs**

Where, in accordance with [*Article 3(a)(i)*] [*point (i) of Article 3(a)(a1)*[,] [*and*] (*a2*)[,] [*and*] (*aN*) [...]], the grant takes the form of the reimbursement of actual costs, the beneficiary must declare as eligible costs the costs it actually incurred for the action.

If requested to do so in the context of the checks or audits described in Article II.27, the beneficiary must be able to provide adequate supporting documents to prove the costs declared, such as contracts, invoices and accounting records. In addition, the beneficiary's usual accounting and internal control procedures must permit direct reconciliation of the amounts declared with the amounts recorded in its accounting statements as well as with the amounts indicated in the supporting documents.

### **II.20.2 Reimbursement of pre-determined unit costs or pre-determined unit contribution**

Where, in accordance with [*Article 3(a)(ii) or (b)*] [*point (ii) of Article 3(a)(a1)*[,] [*and*] (*a2*)[,] [*and*] (*aN*) [...]] or [*Article 3(b)*], the grant takes the form of the reimbursement of unit costs or of a unit contribution, the beneficiary must declare as

eligible costs or as requested contribution the amount obtained by multiplying the amount per unit specified in [*Article 3(a)(ii) or (b)*] [*point (ii) of Article 3(a)(a1)*], [*and*] (*a2*), [*and*] (*aN*) [...] or *Article 3(b)*] by the actual number of units used or produced.

If requested to do so in the context of the checks or audits described in Article II.27, the beneficiary must be able to provide adequate supporting documents to prove the number of units declared. However, the beneficiary does not need to identify the actual eligible costs covered or to provide supporting documents, notably accounting statements, to prove the amount declared per unit.

### **II.20.3 Reimbursement of pre-determined lump sum costs or pre-determined lump sum contribution**

Where, in accordance with *Article 3* the grant takes the form of the reimbursement of lump sum costs or of a lump sum contribution, the beneficiary must declare as eligible costs or as requested contribution the global amount specified in *Article 3*, subject to the proper implementation of the corresponding tasks or part of the action as described in Annex I.

If requested to do so in the context of the checks or audits described in Article II.27, the beneficiary must be able to provide adequate supporting documents to prove the proper implementation. However, the beneficiary does not need to identify the actual eligible costs covered or to provide supporting documents, notably accounting statements, to prove the amount declared as lump sum.

### **II.20.4 Reimbursement of pre-determined flat-rate costs or pre-determined flat-rate contribution**

Where, in accordance with [*Article 3(a)(iv) or (d)*] [*point (iv) of Article 3(a)(a1)*], [*and*] (*a2*), [*and*] (*aN*) [...] or *Article 3(d)*], the grant takes the form of the reimbursement of flat-rate costs or of a flat-rate contribution, the beneficiary must declare as eligible costs or as requested contribution the amount obtained by applying the flat rate specified in [*Article 3(a)(iv) or (d)*] [*point (iv) of Article 3(a)(a1)*], [*and*] (*a2*), [*and*] (*aN*) [...] or *Article 3(d)*].

If requested to do so in the context of the checks or audits described in Article II.27, the beneficiary must be able to provide adequate supporting documents to prove the eligible costs or requested contribution to which the flat rate applies. However, the beneficiary does not need to identify the actual eligible costs covered or to provide supporting documents, notably accounting statements, for the flat rate applied.

### **II.20.5 Reimbursement of costs declared on the basis of the beneficiary's usual cost accounting practices**

Where, in accordance with [*Article 3(a)(v)*] [*point (v) of Article 3(a)(a1)*], [*and*] (*a2*), [*and*] (*aN*) [...] the grant takes the form of the reimbursement of unit costs declared on the basis of the beneficiary's usual cost accounting practices, the

beneficiary must declare as eligible costs the amount obtained by multiplying the amount per unit calculated in accordance with its usual cost accounting practices by the actual number of units used or produced. If requested to do so in the context of the checks or audits described in Article II.27, the beneficiary must be able to provide adequate supporting documents to prove the number of units declared.

Where, in accordance with *Article 3*, the grant takes the form of the reimbursement of lump sum costs declared on the basis of the beneficiary's usual cost accounting practices, the beneficiary must declare as eligible costs the global amount calculated in accordance with its usual cost accounting practices, subject to the proper implementation of the corresponding tasks or part of the action. If requested to do so in the context of the checks or audits described in Article II.27, the beneficiary must be able to provide adequate supporting documents to prove the proper implementation.

Where, in accordance with [*Article 3(a)(v)*] [*point (v) of Article 3(a)(a1)*[,] [*and*] (*a2*)[,] [*and*] (*aN*) [...]], the grant takes the form of the reimbursement of flat-rate costs declared on the basis of the beneficiary's usual cost accounting practices, the beneficiary must declare as eligible costs the amount obtained by applying the flat rate calculated in accordance with its usual cost accounting practices. If requested to do so in the context of the checks or audits described in Article II.27, the beneficiary must be able to provide adequate supporting documents to prove the eligible costs to which the flat rate applies.

In all three cases provided for in the first, second and third subparagraphs, the beneficiary does not need to identify the actual eligible costs covered, but it must ensure that the cost accounting practices used for the purpose of declaring eligible costs are in compliance with the following conditions:

- (a) the cost accounting practices used constitute its usual cost accounting practices and are applied in a consistent manner, based on objective criteria independent from the source of funding;
- (b) the costs declared can be directly reconciled with the amounts recorded in its general accounts; and
- (c) the categories of costs used for the purpose of determining the costs declared are exclusive of any ineligible cost or costs covered by other forms of grant in accordance with Article 3.

#### **II.20.6 Reimbursement of pre-determined financing not linked to costs**

Where, in accordance with Article 3(e), the grant takes the form of the reimbursement of financing not linked to costs, the beneficiary must declare as eligible costs or as requested contribution the global amount specified in Article 3(e), subject to the proper implementation of the corresponding tasks or part of the action as described in Annex I.



If requested to do so in the context of the checks or audits described in Article II.27, the beneficiary must be able to provide adequate supporting documents to prove the proper implementation. However, the beneficiary does not need to identify the actual eligible costs covered or to provide supporting documents, notably accounting statements, to prove the amount declared as a financing not linked to costs.

## **ARTICLE II.21 – ELIGIBILITY OF COSTS OF ENTITIES AFFILIATED TO THE BENEFICIARIES AND OF IMPLEMENTING BODIES DESIGNATED BY THE BENEFICIARIES**

**II.21.1** Where the Special Conditions contain a provision on entities affiliated to the beneficiaries or a provision on implementing bodies, costs incurred by such an entity or body are eligible, provided that they satisfy the same conditions under Articles II.19 and II.20 as apply to the beneficiary, and that the beneficiary to which the entity is affiliated or by which the implementing body is designated ensures that the Agency, the Commission, the European Anti-Fraud Office (OLAF) and the European Court of Auditors may exercise their rights under Article II.27 also towards the entity or body.

**II.21.2** The beneficiary to which the entity is affiliated or by which the implementing body is designated shall ensure that the conditions applicable to it under Articles II.3, II.4, II.5, II.7, II.9 and II.10 are also applicable to the entity or body.

**II.21.3** The beneficiaries shall retain sole responsibility for carrying out the action and for compliance with the provisions of the Agreement. The beneficiaries shall ensure that any agreement or contract with an affiliated entity or implementing body contains provisions stipulating that the affiliated entity or implementing body has no right vis-à-vis the Agency under the Agreement.

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

### ***[Option for mono-beneficiary grants:***

The estimated budget breakdown set out in [Annex III may be adjusted by transfers of amounts between budget categories, without this adjustment being considered as an amendment of the Agreement within the meaning of Article II.12, provided that the action is implemented as described in Annex I.

The beneficiary may not however:

- adjust amounts which, in accordance with [*Article 3(a)(iii) or (c)*] [*point (iii) of Article 3(a)(a1)[,] [and] (a2)[,][and] (aN) [...]* or *Article 3(c)*]: take the form of lump sums or which, as provided for in Article 3(e), take the form of financing not linked to cost;
- add costs relating to subcontracts not provided for in Annex I, unless such additional subcontracts are approved in accordance with Article II.10.

### ***[Option if no coordinator is designated:***

The estimated budget breakdown set out in Annex III may be adjusted by transfers of

amounts between budget categories, without this adjustment being considered as an amendment of the Agreement within the meaning of Article II.12, provided that the action is implemented as described in Annex I.

In addition, the estimated budget breakdown set out in Annex III may not be adjusted by transfers of amounts between beneficiaries. This requires in all cases an amendment according to Article II.12.]

***[Option if a coordinator is designated:***

The estimated budget set out in Annex III may be adjusted by transfers of amounts between beneficiaries and between budget categories, without this adjustment being considered as an amendment of the Agreement within the meaning of Article II.12, provided that the action is implemented as described in Annex I.

The beneficiaries may not however:

- adjust amounts which, in accordance with [*Article 3(a)(iii) or (c)*] [*point (iii) of Article 3(a)(a1),]*] [*and*] [*(a2),]*][*and*] [*(aN) [...]*] or *Article 3(c)*], take the form of lump sums or which, as provided for in Article 3(e), take the form of financing not linked to cost;
- add costs relating to subcontracts not provided for in Annex I, unless such additional subcontracts are approved in accordance with Article II.10.]

By way of derogation from the first subparagraph, should beneficiaries want to modify the value of the estimated CEF contribution that each of them is entitled to as referred to in point (b) of Article II.17.1 and point (c) of II.26.3, the coordinator shall request an amendment in accordance to Article II.12.]

## **ARTICLE II.23 – TECHNICAL AND FINANCIAL REPORTING – REQUESTS FOR PAYMENT AND SUPPORTING DOCUMENTS**

### **II.23.1 Action Status Reports - Requests for further pre-financing payments and supporting documents**

Not applicable.

### **II.23.2 Interim and final reports - Requests for interim payments or for payment of the balance and supporting documents**

The coordinator shall submit a request for an interim payment or for payment of the balance within 60 days following the end of each reporting period for which, in accordance with Article 4.1, an interim payment or the payment of the balance is due.

This request shall be accompanied by the following documents:

- (a) an interim report (“interim technical report”) or, for the payment of the balance, a final report on implementation of the action (“final technical report”), drawn up in accordance with Annex V; the interim or final technical report must contain the

information needed to justify the eligible costs declared or the contribution requested on the basis of financing not linked to costs, unit costs and lump sums where the grant takes the form of the reimbursement of financing not linked to costs, unit or lump sum costs or of a financing not linked to costs, unit or lump sum contribution in accordance with *Article 3*, as well as information on subcontracting as referred to in *Article II.10.2(d)*;

- (b) an interim financial statement (“interim financial statement”) or, for the payment of the balance, a final financial statement (“final financial statement”); the interim or final financial statements must include a consolidated statement as well as a breakdown of the amounts claimed by each beneficiary, its affiliated entities and implementing bodies; they must be drawn up in accordance with the structure of the estimated budget set out in Annex III and with Annex VI and detail the amounts for each of the forms of grant set out in *Article 3* for the reporting period concerned;
- (c) only for the payment of the balance, a summary financial statement (“summary financial statement”); this statement must include a consolidated financial statement and a breakdown of the amounts declared or requested by each beneficiary, its affiliated entities and its implementing bodies, aggregating the financial statements already submitted previously and indicating the receipts referred to in *Article II.25.3* for each beneficiary, its affiliated entities and its implementing bodies; it must be drawn up in accordance with Annex VI;
- (d) not applicable;
- (d) unless the Special Conditions provide otherwise, a certificate on the financial statements and underlying accounts (‘certificate on the financial statements’) for each beneficiary, each affiliated entity and each implementing body, if:
  - (i) the cumulative amount of payments the beneficiary requests as reimbursement of actual costs as referred to in [*Article 3(a)(i)*] [*point (i) of Article 3(a)(a1)*], [*and*] [*a2*], [*and*] [*aN*] [...] (and for which no certificate has yet been submitted) is EUR 325 000 or more;
  - (ii) the maximum grant amount indicated for that beneficiary, its affiliated entities and implementing bodies in the estimated budget as reimbursement of actual costs is EUR 750 000 or more.

This certificate shall be produced by an approved external auditor or, in case of public bodies, by a competent and independent public officer and drawn up in accordance with Annex VII. It shall certify that the costs declared in the interim or final financial statement by the beneficiary concerned, its affiliated entities or and its implementing bodies for the categories of costs reimbursed in accordance with [*Article 3(a)(i)*] [*point (i) of Article 3(a)(a1)*], [*and*] [*a2*], [*and*] [*aN*] [...] are real, accurately recorded and eligible in accordance with the Agreement. In addition, for the payment of the balance, it shall certify that all the receipts referred to in *Article II.25.3* have been declared.

The coordinator shall certify that the information provided in the request for interim payment or 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.27. In addition, for the payment of the balance, it shall certify that all the receipts referred to in Article II.25.3 have been declared.]

### **II.23.3 Non-submission of documents**

#### *[Option if a coordinator is designated:*

Where the coordinator has failed to submit a request for interim payment or payment of the balance accompanied by the documents referred to above by the deadline set out in Article II.23.2 and where the coordinator still fails to submit such a request within 60 days following a written reminder sent by the Agency, the Agency reserves the right to terminate the Agreement in accordance with Article II.16.3.1(c), with the effects described in the third and the fourth subparagraphs of Article II.16.4.1.]

#### *[Option if no coordinator is designated:*

Where a beneficiary has failed to submit a request for interim payment or payment of the balance accompanied by the documents referred to above by the deadline set out in Article II.23.2 and where the beneficiary still fails to submit such a request within 60 days following a written reminder sent by the Agency, the Agency reserves the right to terminate the Agreement in accordance with Article II.16.3.1(c), with the effects described in the third and the fourth subparagraphs of Article II.16.4.1.]

### **II.23.4 Currency for requests for payment and financial statements and conversion into euro**

Requests for payment and financial statements shall be drafted in euro.

Beneficiaries with general accounts in a currency other than the euro 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, available at:

<http://www.ecb.europa.eu/stats/exchange/eurofxref/html/index.en.html>.

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/inforeuro/inforeuro\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm)), determined over the corresponding reporting period.

Beneficiaries with general accounts in euro shall convert costs incurred in another currency into euro according to their usual accounting practices.

## **ARTICLE II.24 – PAYMENTS AND PAYMENT ARRANGEMENTS**

### **II.24.1 Pre-financing**

**II.24.1.1** The pre-financing is intended to provide the beneficiaries with a float. It remains the property of the Union until it is cleared against the payment of the balance to

the coordinator.

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 an approved bank or an approved financial institution. The guarantee shall be denominated in euros. Where a beneficiary is established in a third country, the Agency may agree that a bank or a financial institution established in that third country may provide the guarantee if it considered that the bank or financial institution offers equivalent security and characteristics as those offered by a bank or financial institution established in a Member State. At the request of the coordinator and acceptance by the Agency, the financial guarantee may be replaced by a joint and several guarantee by a third party;
- (b) the guarantor stands as first-call guarantor and does not require the Agency 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 the payment of the balance by the Agency and, in case the payment of the balance is made in the form of a debit note, three months after the debit note is notified to the coordinator. The Agency shall release the guarantee within the following month.

**II.24.1.2** Without prejudice to Article II.24.5, where Article 4.1 provides for a pre-financing payment upon entry into force of the Agreement or following a later date, the Agency shall pay to the coordinator within 30 days following that date or, where required by Article 4.1, following receipt of the financial guarantee.

## **II.24.2 Interim payments**

Interim payments are intended to reimburse or cover the eligible costs incurred for the implementation of the action during the corresponding reporting periods.

Without prejudice to Articles II.24.4 and II.24.5, on receipt of the documents referred to in Article II.23.2, the Agency shall pay to the coordinator the amount due as interim payment within the time limit specified in Article 4.2.

This amount shall be determined following approval of the request for interim payment and of the accompanying documents and in accordance with the fourth subparagraph. Approval of the request for interim payment and of the accompanying documents shall not imply recognition of the compliance, authenticity, completeness or correctness of the declarations and information they contain.

The amount due as interim payment shall be determined as follows:

- (a) the following amounts, which depend on the form of the grant, shall be added:

- (i) where, in accordance with Article 3(a), 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 action approved by the Agency for the concerned reporting period and the corresponding categories of costs, beneficiaries, affiliated entities and implementing bodies;
  - (ii) where, in accordance with Article 3(b), the grant takes the form of a unit contribution, the amount obtained by multiplying the unit contribution specified in that Article by the actual number of units approved by the Agency for the concerned reporting period and for the corresponding beneficiaries, affiliated entities and implementing bodies;
  - (iii) where, in accordance with Article 3(c), the grant takes the form of a lump sum contribution, the lump sum specified in that Article for the corresponding beneficiaries, affiliated entities and implementing bodies, subject to approval by the Agency of the proper implementation during the concerned reporting period of the corresponding tasks or part of the action in accordance with Annex I;
  - (iv) where, in accordance with Article 3(d), the grant takes the form of a flat-rate contribution, the amount obtained by applying the flat rate referred to in that Article to the eligible costs or to the contribution accepted by the Agency for the concerned reporting period and the corresponding beneficiaries, affiliated entities and implementing bodies.
  - (v) where, in accordance with Article 3(e), the grant takes the form of financing not linked to costs, the Agency applies financing not linked to costs specified in that Article for the corresponding beneficiaries, affiliated entities and implementing bodies if it finds that [the conditions specified in Annex I are fulfilled][and][the results specified in Annex I are achieved] during the concerned reporting period.
- (b) the amount obtained in accordance with point (a) shall be limited to the difference between the ceiling for pre-financing and interim payments set out in Article 4.1.3 and the total amount of the pre-financing and interim payments already made.]

### **II.24.3 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 2.2 the remaining part of the eligible costs and contributions incurred for the implementation of the action. Where the total amount of earlier payments is greater than the final amount of the grant determined in accordance with Article II.25, the payment of the balance may take the form of a recovery as provided for by Article II.26.

Without prejudice to Articles II.24.4 and II.24.5, on receipt of the documents referred to in Article II.23.2, the Agency shall pay the amount due as the balance within the time limit specified in Article 4.2.

This amount shall be determined following approval of the request for payment of the balance and of the accompanying documents and in accordance with the fourth subparagraph. Approval of the request for payment of the balance and of the accompanying documents shall not imply recognition of the compliance, authenticity, completeness or correctness of the declarations and information they contain.

***[Option if a coordinator is designated:***

The amount due as the balance shall be determined by deducting, from the final amount of the grant determined in accordance with Article II.25, the total amount of pre-financing and interim payments already made.]

***[Option if no coordinator is designated:***

The amount due as the balance shall be determined by deducting, from the final amount of the grant determined for each beneficiary in accordance with Article II.25, the total amount of pre-financing and interim payments already made to the beneficiary.]

#### **II.24.4 Suspension of the time limit for payment**

***[Option if a coordinator is designated:***

The Agency may suspend the time limit for payment specified in Article 4.2, 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 financial statement.

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 Agency. 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 Agency on whether the suspension is to be continued.

Where the time limit for payment has been suspended following the rejection of one of the technical reports or financial statements provided for by Article II.23 and the new report or statement submitted is also rejected, the Agency reserves the right to terminate the Agreement in accordance with Article II.16.3.1(c), with the effects described in Article II.16.4.]

***[Option if no coordinator is designated:***

The Agency may suspend the time limit for payment specified in Article 4.2 at any time by formally notifying the beneficiary concerned 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 financial statement.

The beneficiary concerned 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 Agency. 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 beneficiary concerned may request a decision by the Agency on whether the suspension is to be continued.

Where the time limit for payment has been suspended following the rejection of one of the technical reports or financial statements provided for by Article II.23 and the new report or statement submitted is also rejected, the Agency reserves the right to terminate the Agreement or the participation of the beneficiary concerned in accordance with Article II.16.3.1(c), with the effects described in Article II.16.4./

## **II.24.5 Suspension of payments**

**II.24.5.1** The Agency may, at any time during the implementation of the Agreement, suspend the pre-financing payments, interim payments or payment of the balance for all beneficiaries, or suspend the pre-financing payments or interim payments for any one or several beneficiaries:

- (a) if the Agency has evidence that a beneficiary has committed, irregularities, fraud or breach of obligations in the award procedure or in the implementation of the Agreement;
- (b) if the Agency has evidence that a beneficiary has committed systemic or recurrent irregularities, fraud or serious breach of obligations under other grants funded by the Union or by the European Atomic Energy Community which were awarded to that beneficiary under similar conditions, provided that those irregularities, fraud or breach of obligations have a material impact on this grant;
- (c) if the Agency suspects 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; *[or]*
- (d) following an evaluation of the progress of the project, in particular in the event of major delays in the implementation of the action.

**II.24.5.2** *[Option if a coordinator is designated:* Before suspending payments, the Agency shall formally notify the coordinator of its intention to suspend payments, specifying the reasons thereof and, in the cases referred to in points (a), (b) and (d) of Article II.24.5.1, 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 Agency decides to stop the procedure of payment suspension, the Agency shall formally notify the coordinator thereof.

If no observations have been submitted or if, despite the observations submitted by the coordinator, the Agency 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 points (a), (b) and (d) of Article II.24.5.1, the definitive conditions for resuming payments or, in the case referred to in point (c) of Article II.24.5.1, 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 Agency.

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

The Agency 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 action in accordance with Article II.15.1 or to terminate the Agreement or the participation of a beneficiary in accordance with Article II.16.1 and Article II.16.2, the coordinator is not entitled to submit any requests for payments or, where the suspension concerns the pre-financing payments or interim payments for one or several beneficiaries only, any requests for payments and supporting documents relating to the participation of the concerned beneficiary or beneficiaries in the action.

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

**[Option if no coordinator is designated:** Before suspending payments, the Agency shall formally notify all the beneficiaries of its intention to suspend payments, specifying the reasons thereof and, in the cases referred to in points (a), (b) and (d) of Article II.24.5.1, the necessary conditions for resuming payments. The beneficiaries shall be invited to make any observations within 30 calendar days from receipt of this notification.

If, after examination of the observations submitted by the beneficiaries, the Agency decides to stop the procedure of payment suspension, the Agency shall formally

notify all the beneficiaries thereof.

If no observations have been submitted or if, despite the observations submitted by the beneficiaries, the Agency decides to pursue the procedure of payment suspension, it may suspend payments by formally notifying all the beneficiaries thereof, specifying the reasons for the suspension and, in the cases referred to in points (a), (b) *and* (d) of Article II.24.5.1, the definitive conditions for resuming payments or, in the case referred to in point (c) of Article II.24.5.1, the indicative date of completion of the necessary verification.

The suspension of payments shall take effect on the date when the notification is sent by the Agency.

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

The Agency 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 all the beneficiaries thereof.

During the period of suspension of payments and without prejudice to the right to suspend the implementation of the action in accordance with Article II.15.1 or to terminate the Agreement or the participation of a beneficiary in accordance with Article II.16.1 and Article II.16.2, the beneficiary or beneficiaries concerned by the suspension of payments are not entitled to submit any requests for payments.

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

#### **II.24.6 Notification of amounts due**

The Agency shall formally notify the amounts due, specifying whether it is a further pre-financing payment, an interim 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.25.

#### **II.24.7 Interest on late payment**

On expiry of the time limits for payment specified in Articles 4.2 and II.24.1, and without prejudice to Articles II.24.4 and II.24.5, the beneficiaries are entitled to interest on late payment at the rate applied by the European Central Bank for its main refinancing operations in euros ("the reference rate"), plus three and a half points. The reference rate 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*.

***[Option if a coordinator is designated:***

*The first subparagraph shall not apply where all beneficiaries are Member States of the Union, including regional and local government authorities and other public bodies acting in the name and on behalf of the Member State for the purpose of this Agreement.]*

***[Option if no coordinator is designated:***

*The first subparagraph shall not apply to beneficiaries that are Member States of the Union, including regional and local government authorities and other public bodies acting in the name and on behalf of the Member State for the purpose of this Agreement.]*

The suspension of the time limit for payment in accordance with Article II.24.4 or of payment by the Agency in accordance with Article II.24.5 may not be considered as late payment.

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.24.9. The interest payable shall not be considered for the purposes of determining the final amount of grant within the meaning of Article II.25.3.

***[Option if a coordinator is designated:***By way of derogation from the first subparagraph, when the calculated interest is lower than or equal to EUR 200, it shall be paid only upon request submitted by the coordinator within two months of the late payment.]

***[Option if no coordinator is designated:***By way of derogation from the first subparagraph, 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.24.8 Currency for payments**

Payments by the Agency shall be made in euro.

**II.24.9 Date of payment**

Payments by the Agency shall be deemed to be effected on the date when they are debited to the Agency's account.

**II.24.10 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 Agency shall be borne by the Agency;
- (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.24.11 *[Option if the coordinator is designated as the sole recipient of payments on behalf***

***of all of the beneficiaries: Payments to the coordinator***

The Agency shall make all payments to the coordinator. Payments to the coordinator shall discharge the Agency from its payment obligation.]

***[Option if no coordinator is designated: Payments to the beneficiaries***

The Agency shall make payments to each beneficiary.]

**ARTICLE II.25 – DETERMINING THE FINAL AMOUNT OF THE GRANT*****[Option if a coordinator is designated:*****II.25.1 Calculation of the final amount**

The final amount of the grant depends on the extent to which the action has been implemented in accordance with the terms of the Agreement. Without prejudice to Articles II.25.2, II.25.3 and II.25.4, the final amount of the grant shall be determined as follows:

- (a) where, in accordance with Article 3(a), the grant takes the form of the reimbursement of eligible costs actually incurred, the amount obtained by application of the reimbursement rate(s) specified in that Article to the eligible costs of the action approved by the Agency for the corresponding categories of costs, beneficiaries, affiliated entities and implementing bodies;
- (b) where, in accordance with Article 3(b), the grant takes the form of a unit contribution, the amount obtained by multiplying the unit contribution specified in that Article by the actual number of units approved by the Agency for the corresponding beneficiaries, affiliated entities and implementing bodies;
- (c) where, in accordance with Article 3(c), the grant takes the form of a lump sum contribution, the lump sum specified in that Article for the corresponding beneficiaries, affiliated entities and implementing bodies, subject to approval by the Agency of the proper implementation of the corresponding tasks or part of the action in accordance with Annex I;
- (d) where, in accordance with Article 3(d), the grant takes the form of a flat-rate contribution, the amount obtained by applying the flat rate referred to in that Article to the eligible costs or to the contribution accepted by the Agency for the corresponding beneficiaries, affiliated entities and implementing bodies.
- (e) where, in accordance with Article 3(e), the grant takes the form of a financing not linked to costs, the amount specified in that Article for the corresponding beneficiaries, affiliated entities and implementing bodies if it finds that the conditions specified in Annex I were fulfilled and/or the results specified in Annex I were achieved.

The amount of volunteers' work declared as direct eligible costs for the corresponding beneficiaries and affiliated entities must be limited to the following amount, whichever is the lowest:

- (i) the total sources of financing as indicated in the final financial statement and as accepted by the Agency multiplied by fifty per cent; or
- (ii) the amount of volunteers' work indicated in the estimated budget set out in Annex III.

Where Article 3 provides for a combination of different forms of grant, these amounts shall be added.

### **II.25.2 Maximum amount**

The total amount paid by the Agency for the action may in no circumstances exceed the maximum amount of the grant specified in Article 3.

Where the amount determined in accordance with Article II.25.1 exceeds this maximum amount, the final amount of the grant shall be limited to the maximum amount specified in Article 3.

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

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

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

The profit must be calculated as follows:

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

{ receipts of the action

minus

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

The receipts of the action are calculated as follows:

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

plus

the amount obtained following Articles II.25.1 and II.25.2}

The revenue generated by the *action* is the consolidated revenue established, generated or confirmed for the beneficiaries and affiliated entities and or

implementing bodies other than non-profit organisations on the date on which the request for payment of the balance is drawn up by the coordinator.

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

- (a) If the amount calculated under point (a) is positive, this amount will be deducted from the amount calculated following Articles II.25.1 and II.25.2 in proportion to the final rate of reimbursement of the actual eligible costs of the action approved by the Agency for the categories of costs referred to in Article 3.

#### **II.25.4 Reduction for poor, partial or late implementation, or breach of contractual obligations**

The Agency may reduce the maximum grant amount set out in Article 3 if the action has not been implemented properly in accordance with Annex I (i.e. if it has not been implemented or has been implemented poorly, partially or late), or if any beneficiary fails to comply with any other obligations under this Agreement.

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

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

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

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

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

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

- (a) the amount determined in accordance with Article II.25.1, II.25.2 and II.25.3; or
- (b) the reduced grant amount determined in accordance with Article II.25.4.

#### ***[Option if no coordinator is designated:***

##### **II.25.1 Calculation of the final amount**

Without prejudice to Articles II.25.2, II.25.3 and II.25.4, the final amount of the grant shall be determined for each beneficiary as follows:

- (a) where, in accordance with Article 3(a), the grant to the beneficiary, its affiliated entities or its implementing bodies takes the form of the reimbursement of eligible costs actually incurred, the amount obtained by application of the reimbursement rate(s) specified in that Article to the eligible costs approved by the Agency for the corresponding categories of costs and activities;
- (b) where, in accordance with Article 3(b), the grant to the beneficiary, its affiliated entities or its implementing bodies takes the form of a unit contribution, the amount obtained by multiplying the unit contribution specified in that Article by the actual number of units approved by the Agency;
- (c) where, in accordance with Article 3(c), the grant to the beneficiary, its affiliated entities or its implementing bodies takes the form of a lump sum contribution, the lump sum specified in that Article, subject to approval by the Agency of the proper implementation of the corresponding tasks or part of the action in accordance with Annex I;
- (d) where, in accordance with Article 3(d), the grant to the beneficiary, its affiliated entities or its implementing bodies takes the form of a flat-rate contribution, the amount obtained by applying the flat rate referred to in that Article to the eligible costs or to the contribution accepted by the Agency.
- (e) where, in accordance with Article 3(e), the grant takes the form of a financing not linked to costs, the amount specified in that Article for the corresponding beneficiaries, affiliated entities and implementing bodies if it finds that the conditions specified in Annex I were fulfilled and/or the results specified in Annex I were achieved.

The amount of volunteers' work declared as direct eligible costs for the corresponding beneficiaries and affiliated entities must be limited to the following amount, whichever is the lowest:

- (i) the total sources of financing as indicated in the final financial statement and as accepted by the Agency multiplied by fifty per cent; or
- (ii) the amount of volunteers' work indicated in the estimated budget set out in Annex III.

Where Article 3 provides for a combination of different forms of grant for the beneficiary, its affiliated entities or its implementing bodies, these amounts shall be added.

## **II.25.2 Maximum amount**

The total amount paid by the Agency to a beneficiary may in no circumstances exceed the maximum amount of the grant for that beneficiary specified in Article 3.

Where the amount determined in accordance with Article II.25.1 for a beneficiary exceeds this maximum amount, the final amount of the grant for that beneficiary shall be limited to

the maximum amount specified in Article 3.

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

### II.25.3 Reduction due to the no-profit rule

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

The profit must be calculated as follows:

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

{ receipts of the action

minus

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

The receipts of the action are calculated as follows:

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

plus

the amount obtained following Articles II.25.1 and II.25.2}

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

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

- (b) If the amount calculated under point (a) is positive, this amount will be deducted from the amount calculated following Articles II.25.1 and II.25.2 in proportion to the final rate of reimbursement of the actual eligible costs of the action approved by the Agency for the categories of costs referred to in Article 3.

### II.25.4 Reduction for poor, partial or late implementation, or breach of contractual obligations

The Agency may reduce the maximum grant amount per beneficiary set out in Article 3 if the action is not implemented properly in accordance with Annex I (i.e. if it has not been



implemented or has been implemented poorly, partially or late), or if a beneficiary fails to comply with any other obligations under this Agreement.

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

Before the Agency reduces the grant, it must send a formal notification to the beneficiary concerned:

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

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

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

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

- (a) the amount determined in accordance with Article II.25.1, II.25.2 and II.25.3; or
- (b) the reduced grant amount determined in accordance with Article II.25.4.

## **ARTICLE II.26 – RECOVERY**

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

*[If a coordinator is designated:*

Where the payment of the balance takes the form of a recovery, the Agency shall formally notify the coordinator of its intention to recover the amount unduly paid:

- (a) specifying the amount due and the reasons for recovery;
- (b) inviting the coordinator to make any observations within a specified period; *and*
- (c) requesting the coordinator to submit a report on the distribution of payments to the beneficiaries within a specified period.

If no observations have been submitted or if, despite the observations submitted by the

coordinator, the Agency decides to pursue the recovery procedure, the Agency may confirm recovery by formally notifying to the coordinator a debit note (“debit note”), specifying the terms and the date for payment.

If the coordinator does not repay the Agency by the date specified in the debit note and has not submitted the report on the distribution of payments, the Agency or the Commission shall recover the amount due from the coordinator in accordance with Article II.26.3, even if it has not been the final recipient of the amount due.

If the coordinator does not repay the Agency by the date specified in the debit note but has submitted the report on the distribution of payments made to the beneficiaries, the Agency shall recover the amount due from the beneficiary which has been the final recipient of the amount due.

For that purpose, the Agency shall:

(a) where, in accordance with Article 3(a), the grant takes the form of the reimbursement of eligible costs:

(i) identify the beneficiaries for which the amount calculated as follows is negative:

{ { { Beneficiary's costs (including the costs of its affiliated entities and implementing bodies if applicable) declared in the final financial statement and approved by the Agency multiplied by the reimbursement rate(s) set out in Article 3(a) for the beneficiary concerned }

divided by

the amount calculated according to Article II.25.1 }

multiplied by

the final grant amount calculated according to Article II.25 } ,

minus

the pre-financing and interim payments received by the beneficiary }

(ii) formally notify to each beneficiary identified according to point (i) a debit note specifying the terms and date for payment. The amount of the debit note shall be calculated as follows:

{ { amount calculated according to point (i) for the beneficiary concerned

divided by

the sum of the amounts calculated according to point (i) for all the beneficiaries identified according to point (i) }

multiplied by

the amount set out in the debit note formally notified to the coordinator }

- (b) where, in accordance with Article 3(b), (c) or (d) the grant takes the form of a unit, lump sum or flat-rate contribution, formally notify to each beneficiary a debit note specifying the terms and date for payment. The amount of the debit note shall be calculated as follows:

$$\left\{ \begin{array}{l} \text{the pre-financing and interim payments received by the beneficiary} \\ \text{divided by} \\ \text{the total amount of pre-financing and interim payments paid by the Agency} \end{array} \right\}$$

multiplied by

the amount set out in the debit note formally notified to the coordinator };

- (c) where Article 3 provides for a combination of different forms of grant, these amounts shall be added.

If the beneficiary concerned does not repay the Agency by the date specified in the debit note, the Agency or the Commission shall recover the amount due from the beneficiary in accordance with Article II.26.3.]

***[If no coordinator is designated:***

Where the payment of the balance for a beneficiary takes the form of a recovery, the Agency shall formally notify the beneficiary concerned of its intention to recover the amount unduly paid:

- (a) specifying the amount due and the reasons for recovery;
- (b) inviting the beneficiary concerned to make any observations within a specified period.

If no observations have been submitted or if, despite the observations submitted by the beneficiary concerned, the Agency decides to pursue the recovery procedure, the Agency may confirm recovery by formally notifying to the beneficiary concerned a debit note (“debit note”), specifying the terms and the date for payment.

If the beneficiary concerned does not repay the Agency by the date specified in the debit note, the Agency or the Commission shall recover the amount due from the beneficiary in accordance with Article II.26.3.]

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

***[Option if a coordinator is designated:***

Where an amount is to be recovered in accordance with Articles II.27.6, II.27.7 and II.27.8, the beneficiary concerned by the audit or OLAF findings shall repay the Agency the amount in question.

Where the audit findings do not concern a specific beneficiary, the coordinator shall repay the Agency the amount in question, even if it has not been the final recipient of the amount due.

Before recovery, the Agency shall formally notify the beneficiary concerned or the coordinator of its intention to recover the amount unduly paid:

- (a) specifying the amount due (including any amount unduly paid by the Agency as a contribution towards the costs incurred by its affiliated entities or its implementing bodies) and the reasons for recovery;
- (b) inviting the beneficiary concerned or the coordinator to make any observations within a specified period.

If no observations have been submitted or if, despite the observations submitted by the beneficiary concerned or the coordinator, the Agency decides to pursue the recovery procedure, the Agency may confirm recovery by formally notifying to the beneficiary concerned or the coordinator a debit note (“debit note”), specifying the terms and the date for payment.

If the beneficiary concerned or the coordinator does not repay the Agency by the date specified in the debit note, the Agency shall recover the amount due from the beneficiary concerned or the coordinator in accordance with Article II.26.3.

***[Option if no coordinator is designated:***

Where an amount is to be recovered in accordance with Articles II.27.6, II.27.7 and II.27.8, the beneficiary concerned by the audit or OLAF findings shall repay the Agency the amount in question.

Before recovery, the Agency shall formally notify the beneficiary concerned of its intention to recover the amount unduly paid:

- (a) specifying the amount due (including any amount unduly paid by the Agency as a contribution towards the costs incurred by its affiliated entities or its implementing bodies) and the reasons for recovery;
- (b) inviting the beneficiary concerned to make any observations within a specified period.

If no observations have been submitted or if, despite the observations submitted by the beneficiary concerned, the Agency decides to pursue the recovery procedure, the Agency may confirm recovery by formally notifying to the beneficiary concerned a debit note (“debit note”), specifying the terms and the date for payment.

If the beneficiary concerned does not repay the Agency by the date specified in the debit note, the Agency or the Commission shall recover the amount due from the beneficiary in accordance with Article II.26.3.]

**II.26.3 Recovery procedure failing repayment by the date specified in the debit note**

If payment has not been made by the date specified in the debit note, the Agency or the Commission shall recover the amount due:

- (a) by offsetting it against any amounts owed to the beneficiary concerned by the Commission or an executive agency (from the Union or the European Atomic Energy Community (Euratom) budget) (“offsetting”); in exceptional circumstances, justified by the necessity to safeguard the financial interests of the Union, the Agency may recover by offsetting before the due date; the beneficiary’s prior consent shall not be required; an action may be brought against such offsetting before the General Court of the European Union pursuant to Article 263 TFEU;
- (b) by drawing on the financial guarantee where provided for in accordance with Article 4.1 (“drawing on the financial guarantee”);
- (c) where provided for in the Special Conditions, by holding the beneficiaries jointly and severally liable;
- (d) by taking legal action in accordance with Article II.18.2 or with the Special Conditions or by adopting an enforceable decision in accordance with Article II.18.3.

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

If payment has not been made by the date set out in the debit note, the amount due shall bear interest at the rate established in Article II.24.7. 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 Agency or the Commission 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.26.5 Bank charges**

Bank charges incurred in connection with the recovery of the sums owed to the Agency 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.27 – CHECKS, AUDITS AND EVALUATION**

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

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

amounts.

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

In addition, the Commission or the Agency may carry out interim or final evaluation of the impact of the action measured against the objective of the Union programme concerned, in order to assess whether the objectives, including those relating to environmental protection, have been attained.

Checks, audits or evaluations made by the Commission or the Agency may be carried out either directly by its own staff or by any other outside body authorised to do so on its behalf.

Such checks, audits or evaluations 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 3 is not more than EUR 60 000.

The check, audit or evaluation procedure shall be deemed to be initiated on the date of receipt of the letter of the Commission or the Agency announcing it.

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

### **II.27.2 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.

This period shall be limited to three years if the maximum amount specified in Article 3 is not more than EUR 60 000.

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, including in the case referred to in Article II.27.7. In such cases, the beneficiaries shall keep the documents until such audits, appeals, litigation or pursuit of claims are closed.

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

#### ***[Option if a coordinator is designated:***

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 Commission or the Agency, or by any other outside body authorised by it. Where appropriate, the Commission or the Agency 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.

For an evaluation, the coordinator shall provide any information, including information in electronic format, requested by the Commission or the Agency, or by any other outside body authorised by it. Where appropriate, the Commission or the Agency may request such information to be provided directly by a beneficiary.

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

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

***[Option if no coordinator is designated:***

The beneficiaries shall provide any information, including information in electronic format, requested by the Commission or the Agency or by any other outside body authorised by it in the framework of a check, audit or evaluation.

In case a beneficiary does not comply with the obligations set out in the first subparagraph, the Commission or the Agency may consider:

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

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

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

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

In case a beneficiary refuses to provide access to the sites, premises and information in accordance with the first and second subparagraphs, the Commission or the Agency may consider:

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

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

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

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

On the basis of the final audit findings, the Commission or the Agency 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.26.

### *[Option if a coordinator is designated:*

In the case of final audit findings 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.25, and the total amount paid to the beneficiaries under the Agreement for the implementation of the action.]

### *[Option if no coordinator is designated*

In the case of final audit findings 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 for the beneficiary concerned, determined in accordance with Article II.25, and the total amount paid to the beneficiary concerned under the Agreement for the implementation of its activities.

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

**II.27.7.1** The Commission or the Agency may extend audit findings from other grants to this grant if:

- (a) the beneficiary is found, on the basis of an audit of other EU or Euratom grants awarded to it under similar conditions, to have committed systemic or recurrent irregularities, fraud or breach of obligations that have a material impact on this grant; and
- (b) the final audit report containing the findings of the systemic or recurrent irregularities, fraud or breach of obligations is formally received by the beneficiary, together with the list of grants affected by the findings, within the period referred to in Article II.27.1.

The extension of findings may lead to:

- (a) the rejection of costs as ineligible;



- (b) reduction of the grant as provided for in Article II.25.4;
- (c) recovery of undue amounts as provided for in Article II.26;
- (d) suspension of payments as provided for in Article II.24.5;
- (e) suspension of the action implementation as provided for in Article II.15.2;
- (f) termination as provided for in Article II.16.3.

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

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

The formal notification must include:

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

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

If the beneficiary concerned submits revised financial statements that take account of the findings, the Commission or the Agency will determine the amount to be corrected on the basis of those revised statements.

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

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

Otherwise the Commission or the Agency must send a formal notification to the beneficiary concerned informing it:

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

***[Option if a coordinator is designated:***

In the case of systemic or recurrent irregularities, fraud or breach of obligations found 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.25 on the basis of the revised eligible costs declared by the beneficiary and approved by the Commission or the Agency or on the basis of the revised eligible costs after extrapolation, and the total amount paid to the beneficiaries under the Agreement for the implementation of the action;]

***[Option if no coordinator is designated***

In the case of systemic or recurrent irregularities, fraud or breach of obligations found after the payment of the balance, the amount to be recovered shall correspond to the difference between the revised final amount of the grant for the beneficiary concerned, determined in accordance with Article II.25 on the basis of the revised eligible costs declared by the beneficiary and approved by the Commission or the Agency or on the basis of the revised eligible costs after extrapolation, and the total amount paid to the beneficiary concerned under the Agreement for the implementation of its activities;

- (b) If the findings concern improper implementation or a breach of another obligation (i.e. where ineligible costs cannot serve as a basis for determining the amount to be corrected), the procedure is as follows:

The Commission or the Agency shall formally notify the beneficiary concerned of the correction of the flat rate to be applied to the maximum amount of the grant specified in Article 3 or to part of it, according to the principle of proportionality, and invite the beneficiary to submit observations on the list of grants affected by the findings.

The beneficiary concerned shall have 60 days from the date of receipt of the notification to submit observations and to propose a duly substantiated alternative flat rate.

If the Commission or the Agency accepts the alternative flat rate proposed by the beneficiary, it shall formally notify the beneficiary concerned thereof and correct the grant amount by applying the accepted alternative flat rate.

If no observations have been submitted or if the Commission or the Agency does not accept the observations or the alternative flat rate proposed by the beneficiary, the Commission or the Agency shall formally notify the beneficiary concerned thereof and correct the grant amount by applying the flat rate initially notified to the beneficiary.

*[Option if a coordinator is designated:* In the case of systemic or recurrent irregularities, fraud or breach of obligations found after the payment of the balance, the amount to be recovered shall correspond to the difference between the revised final amount of the grant after flat-rate correction and the total amount paid to the beneficiaries under the Agreement for the implementation of the action.]

*[Option if no coordinator is designated:*

In the case of systemic or recurrent irregularities, fraud or breach of obligations found after the payment of the balance, the amount to be recovered shall correspond to the difference between the revised final amount of the grant for the beneficiary concerned after flat-rate correction and the total amount paid to the beneficiary concerned under the Agreement for the implementation of its activities.

## **II.27.8 Right of OLAF**

The European Anti-Fraud Office (OLAF) shall have the same rights as the Commission and the Agency, notably right of access, for the purpose of checks and investigations.

By virtue of Council Regulation (Euratom, EC) No 2185/96<sup>25</sup> 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 and Regulation (EU, Euratom) No 883/2013<sup>26</sup> of the European Parliament and the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF), OLAF may also carry out on-the-spot checks and inspections in accordance with the procedures laid down by Union law for the protection of the financial interests of the Union against fraud and other irregularities.

Where appropriate, OLAF findings may lead to recovery by the Agency. They may also lead to criminal prosecution under national law.

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

The European Court of Auditors and the European Public Prosecutor's Office established by

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<sup>25</sup> OJ L 292, 15.11.1996, p.2

<sup>26</sup> OJ L 248, 18.09.2013, p.1

Council Regulation (EU) 2017/1939<sup>27</sup> ('the EPPO') have the same rights as the Agency and the Commission, notably right of access, for the purpose of checks, audits and investigations.

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<sup>27</sup> Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office

### ANNEX III

#### ESTIMATED BUDGET OF THE ACTION

*[For grants taking the form of reimbursement of eligible costs actually incurred combined with flat-rate funding for indirect costs]*

**Table 1: Planned sources of financing of the eligible costs of the action**

*[For mono-beneficiary grants]*

| Financing sources <sup>28</sup>          | Amount of financial contribution to the action eligible costs (EUR) |
|--|---|
| <b>1. CEF-Telecom financing</b>          | [...]   |
| <b>2. Beneficiary's own resources</b>    | [...]   |
| <b>3. State budget(s)</b>                | [...]   |
| <b>4. Regional/ local budget(s)</b>      | [...]   |
| <b>5. Income generated by the action</b> | [...]   |
| <b>6. Other sources<sup>29</sup></b>     | [...]   |
| <b>TOTAL</b>                             | [...]   |

<sup>28</sup> The following financing sources shall be considered as receipts within the meaning of Article II.25.3.2: CEF-Telecom financing (point 1) and Income generated by the action (point 5). Contributions from the State budget(s) (point 3) or the regional / local budget(s) (point 4) shall only be considered as receipts if they are specifically assigned to the financing of the eligible costs of the action reimbursed by the Agency on an actual cost basis.

<sup>29</sup> Other sources may include for instance contributions from third parties

*[For multi-beneficiary grants]*

| Financing sources <sup>30</sup>   | Amount of financial contribution to the action eligible costs (EUR) | Amount of financial contribution to the action eligible costs (EUR) |
|-----------------------------------|---|---|
|                                   | [Beneficiary 1]   | [Beneficiary N]   |
| 1. CEF-Telecom financing          | [...]   | [...]   |
| 2. Beneficiary's own resources    | [...]   | [...]   |
| 3. State budget(s)                | [...]   | [...]   |
| 4. Regional/ local budget(s)      | [...]   | [...]   |
| 5. Income generated by the action | [...]   | [...]   |
| 6. Other sources <sup>31</sup>    | [...]   | [...]   |
| <b>TOTAL</b>                      | [...]   | [...]   |

<sup>30</sup> The following financing sources shall be considered as receipts within the meaning of Article II.25.3.2: CEF-Telecom financing (point 1) and Income generated by the action (point 5). Contributions from the State budget(s) (point 3) or the regional / local budget(s) (point 4) shall only be considered as receipts if they are specifically assigned to the financing of the eligible costs of the action reimbursed by the Agency on an actual cost basis.

<sup>31</sup> Other sources may include for instance contributions from third parties, other than State/ regional/ local budget(s)

**Table 2: Indicative breakdown per beneficiary of estimated eligible costs of the action (EUR)**

*[If the possibility to provide financial support to third parties is NOT provided for in the Call for proposals]*

|                   | Direct eligible costs |                      |                           |       | Indirect eligible costs <sup>32</sup> | Total eligible costs | Estimated CEF contribution |
|-------------------|-----------------------|----------------------|---------------------------|-------|---------------------------------------|----------------------|----------------------------|
|                   | Personnel costs       | Subcontracting costs | Other costs <sup>33</sup> | Total |                                       |                      |                            |
| <b>Activity 1</b> |                       |                      |                           |       |                                       |                      |                            |
| [Beneficiary 1]   |                       |                      |                           |       |                                       |                      |                            |
| [Beneficiary N]   |                       |                      |                           |       |                                       |                      |                            |
| <b>Activity N</b> |                       |                      |                           |       |                                       |                      |                            |
| [Beneficiary 1]   |                       |                      |                           |       |                                       |                      |                            |
| [Beneficiary N]   |                       |                      |                           |       |                                       |                      |                            |
| <b>TOTAL</b>      |                       |                      |                           |       |                                       |                      |                            |
| [BENEFICIARY 1]   |                       |                      |                           |       |                                       |                      |                            |
| [BENEFICIARY N]   |                       |                      |                           |       |                                       |                      |                            |

<sup>32</sup> Apply a fixed flat-rate funding of 7% to the direct eligible costs without subcontracting costs

<sup>33</sup> Other costs may include for instance travel and subsistence costs

*[If the possibility to provide financial support to third parties is provided for in the Call for proposals]*

|   | Direct eligible costs |                      |                                    |                           |       | Indirect eligible costs <sup>34</sup> | Total eligible costs | Estimated CEF contribution |
|---|-----------------------|----------------------|------------------------------------|---------------------------|-------|---------------------------------------|----------------------|----------------------------|
|   | Personnel costs       | Subcontracting costs | Financial support to third parties | Other costs <sup>35</sup> | Total |                                       |                      |                            |
| <b>Activity 1</b><br>[Beneficiary 1]<br>[Beneficiary N] |                       |                      |                                    |                           |       |                                       |                      |                            |
| <b>Activity N</b><br>[Beneficiary 1]<br>[Beneficiary N] |                       |                      |                                    |                           |       |                                       |                      |                            |
| <b>TOTAL</b><br>[BENEFICIARY 1]<br>[BENEFICIARY N]      |                       |                      |                                    |                           |       |                                       |                      |                            |

<sup>34</sup> Apply a fixed flat-rate funding of 7% to the direct eligible costs without subcontracting costs and financial support to third parties

<sup>35</sup> Other costs may include for instance travel and subsistence costs



*[For grants taking the form of lump sum contribution(s), the amounts of which are specified ex-ante in the applicable lump sum Decision and for which the compliance with the no-profit rule, co-financing principle and no double funding principle was already positively assessed, such as in the lump sum Decision adopted for eID 2014<sup>36</sup>]*

|  |   |
|--|---|
| <b>Expenditure to cover lump sum contribution(s)<sup>37</sup>:</b>                                 | € |
| <b>Lump sum contribution for [insert beneficiary name] [for] [objective xx][...] <sup>38</sup></b> | € |
| <b>[idem for other lump sum contribution(s)]</b>   | € |
| <b>CEF-Telecom contribution<sup>39</sup></b>   | € |

*[For grants taking the form of lump sum as from 2019 Calls onwards<sup>40</sup>]*

| Activity N°                                  | Activity Name | Lump Sum in EUR |
|--|---------------|-----------------|
| 1  |               |                 |
| 2  |               |                 |
| 3  |               |                 |
|  |               |                 |
| <b>Total CEF Telecom contribution in EUR</b> |               |                 |

<sup>36</sup> C(2015) 716 final

<sup>37</sup> Specify the total amount of expenditure (i.e. all lump sum contributions cumulated).

<sup>38</sup> Duplicate the row as many times as there are different lump sum contribution amounts (e.g. in case different lump sum contributions are allocated to a given beneficiary for different objectives, different beneficiaries are allocated a lump sum contribution, etc). As a result, there should be a line per lump sum in the table.

<sup>39</sup> The amount of the 'CEF-Telecom contribution' should correspond to the total amount of lump sum contribution(s).

<sup>40</sup> - If applicable - lump sum contribution adjusted according to the indexation relevant to the Member State/EEA country in which the beneficiar(y)ies is/are located as provided for in the call text.

*[For grants taking the form of unit contribution:*

*[For mono-beneficiary grants]*

| Category expenditure covered by the unit contribution | Number of unit(s) for [year 1: e.g.: 2019] | Number of unit(s) for [year 2: e.g.: 2020] | Number of unit(s) for [year 3: e.g.: 2021] | Number of unit(s) for [year N: e.g.: 2022] | Total Number of unit(s) | Contribution per unit in EUR | Estimated CEF contribution in EUR |
|---|--|--|--|--|-------------------------|------------------------------|-----------------------------------|
| [Display category 1 XXX]                              | [0/X] <sup>41</sup>                        | [0/X]                                      | [0/X]                                      | [0/X]                                      | [0/X]                   | [e.g.:250]                   | [0/X]                             |
| [Display category 2, YYY]                             | [0/X]                                      | [0/X]                                      | [0/X]                                      | [0/X]                                      | [0/X]                   | [e.g.:600]                   | [0/X]                             |
| [Display category N]                                  | [0/X]                                      | [0/X]                                      | [0/X]                                      | [0/X]                                      | [0/X]                   | [X]                          | [0/X]                             |
| <b>TOTAL</b>  | n/a  | n/a  | n/a  | n/a  | n/a                     | n/a                          | [X]                               |

<sup>41</sup> Please insert 0 if none

*[For multi-beneficiary grants]*

| Category expenditure covered by the unit contribution | [year 1: e.g.: 2019]     | [year 2: e.g.: 2020] | [year 3: e.g.: 2021] | [year N: e.g.: 2022] | Total number of unit(s) | Contribution per unit in EUR | Estimated CEF contribution in EUR |
|---|--------------------------|----------------------|----------------------|----------------------|-------------------------|------------------------------|-----------------------------------|
| <b>[Display category 1, e.g.: 1. XXX]</b>             | [0/X] unit <sup>42</sup> | [0/X] unit           | [0/X] unit           | [0/X] unit           | [0/X]                   | [e.g.:250]                   | [0/X]                             |
| <b>[Beneficiary 1]</b>                                | [0/X] unit               | [0/X] unit           | [0/X] unit           | [0/X] unit           | [0/X]                   | [e.g.:250]                   | [0/X]                             |
| <b>[Beneficiary N]</b>                                | [0/X] unit               | [0/X] unit           | [0/X]unit            | [0/X] unit           | [0/X]                   | [e.g.:250]                   | [0/X]                             |
| <b>[Display category 2, e.g.: 2. YYY]</b>             | [0/X] unit               | [0/X] unit           | [0/X] unit           | [0/X] unit           | [0/X]                   | [e.g.:600]                   | [0/X]                             |
| <b>[Beneficiary 1]</b>                                | [0/X] unit               | [0/X] unit           | [0/X] unit           | [0/X] unit           | [0/X]                   | [e.g.:600]                   | [0/X]                             |
| <b>[Beneficiary N]</b>                                | [0/X] unit               | [0/X] unit           | [0/X] unit           | [0/X] unit           | [0/X]                   | [e.g.:600]                   | [0/X]                             |
| <b>TOTAL</b>  | n/a                      | n/a                  | n/a                  | n/a                  | n/a                     | n/a                          | [X]                               |
| <b>Estimated CEF contribution per Beneficiary</b>     |                          |                      |                      |                      |                         |                              |                                   |
| <b>[Beneficiary 1]</b>                                | [0/XX] € <sup>43</sup>   | [0/XX] €             | [0/XX] €             | [0/XX] €             | n/a                     | n/a                          | [0/XX]                            |
| <b>[Beneficiary N]</b>                                | [0/XX] €                 | [0/XX] €             | [0/XX] €             | [0/XX] €             | n/a                     | n/a                          | [0/XX]                            |

<sup>42</sup> Please insert 0 if none

<sup>43</sup> Please insert 0 if none

## ANNEX IV MANDATE [N]

I, the undersigned,

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

representing,

[full official name of the future beneficiary] [(ACRONYM or short name)]

[official legal status or form]

[Registration No [official registration No]]

[full official address]

[VAT No [VAT number]],

hereinafter referred to as "the beneficiary",

for the purposes of the signature and the implementation of the grant agreement No INEA/CEF/[Sector]/[<M or A><year>]/[xxxx] for the Action No [action code] entitled "[action title as specified in Article 1 GA]" with the Innovation and Networks Executive Agency (hereinafter referred to as "the grant agreement")

hereby mandate:

[full official name of the coordinator] [(ACRONYM or short name)]

[official legal status or form]

[Registration No [official registration No]]

[full official address]

[VAT No [VAT number]],

represented by [forename, surname and function of the legal representative of the coordinator] (hereinafter referred to as "the coordinator")

### ***[Option 1 – if the coordinator has power of attorney:***

1. to sign in my name and on my behalf the grant agreement and its possible subsequent amendments with the Innovation and Networks Executive Agency,

and

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

### ***[Option 2 – if the coordinator has NO power of attorney:***

to act on behalf of the beneficiary in compliance with the grant agreement.]

I hereby confirm that the beneficiary accepts all terms and conditions of the grant agreement and, in particular, all provisions affecting the coordinator and the other beneficiaries. *[Text if the coordinator is the sole recipient of all payments: In particular, I acknowledge that, by*

*virtue of this mandate, the coordinator alone is entitled to receive funds from the Innovation and Networks Executive Agency and distribute the amounts corresponding to the beneficiary's participation in the action.]*

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

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

This mandate shall be annexed to the grant agreement and shall form an integral part thereof.

SIGNATURE

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

[signature]

Done at [place], on [date]

In [duplicate][[...]] original copies] in English

**ANNEX V**  
**MODEL TECHNICAL REPORT(S)**

The templates for technical report(s) as referred to in Article II.23 are those provided by the Agency, and are available on the Agency website at the following link:

[http://ec.europa.eu/inea/en/connecting-europe-facility/cef-telecom/beneficiaries-info-point \]](http://ec.europa.eu/inea/en/connecting-europe-facility/cef-telecom/beneficiaries-info-point)

**ANNEX VI**  
**MODEL FINANCIAL STATEMENT(S)**

The templates for financial statements as referred to in Article II.23 are those provided by the Agency, and are available on the Agency website at the following link:

[http://ec.europa.eu/inea/en/connecting-europe-facility/cef-telecom/beneficiaries-info-point /](http://ec.europa.eu/inea/en/connecting-europe-facility/cef-telecom/beneficiaries-info-point/)

## **ANNEX VII**

### **MODEL TERMS OF REFERENCE FOR THE CERTIFICATE ON THE FINANCIAL STATEMENTS**

The model terms of reference for the certificate on the financial statements as referred to in Article II.23 are those provided by the Agency, and are available on the Agency website at the following link:

[http://ec.europa.eu/inea/en/connecting-europe-facility/cef-telecom/beneficiaries-info-point /](http://ec.europa.eu/inea/en/connecting-europe-facility/cef-telecom/beneficiaries-info-point/)

The model terms of reference for the certificate on the financial statements include templates for:

- the Terms of Reference for an Independent Report of Factual Findings on costs declared under a Grant Agreement financed under the Connecting Europe Facility (CEF), and
- the independent report of factual findings on costs declared under a grant agreement financed under the Connecting Europe Facility (CEF), including its annex.