

## GRANT AGREEMENT FOR AN ACTION

### AGREEMENT NUMBER – [...]

The European Community (“the Community”), represented by the Commission of the European Communities (“the Commission”), itself represented for the purposes of signature of this agreement by Fernand SAUER, Director of “Directorate C - Public Health and Risk Assessment”, “Health & Consumer Protection” Directorate general,

of the one part,

and

[full official name]

[official legal form]

[official registration No][official address in full]

[VAT number],

hereinafter called “the main beneficiary”, *represented for the purposes of signature of this agreement by [name, forename and function]*

and the following “associated beneficiaries”:

- [full official name- established in [country]
- [full official name- established in [country]
- .....

who have conferred powers of attorney for the purposes of the signature of this agreement and supplementary agreements to the representative of the main beneficiary,

collectively “the beneficiaries”

of the other part,

HAVE AGREED

the **Special Conditions, General Conditions** and **Annexes** below:

**Annex I** Description of the action

**Annex II** Estimated budget of the action

**Annex III** Technical implementation reports and financial statements to be submitted

**Annex IV** Letters conferring powers of attorney from the associated beneficiaries to the main beneficiary

which form an integral part of this agreement ("the agreement").

The terms set out in the Special Conditions shall take precedence over those in the other parts of the agreement.

The terms of the General Conditions shall take precedence over those in the Annexes.

## I – SPECIAL CONDITIONS

### ARTICLE I.1 – PURPOSE OF THE GRANT – DURATION

- I.1.1 The Commission has decided to award a grant, under the terms and conditions set out in the Special Conditions, the General Conditions and the Annexes to the agreement, which the main beneficiary and the associated beneficiaries hereby declare that they have taken note of and accept, for the action entitled [...] ("the action").
- I.1.2 The main beneficiary and the associated beneficiaries accept the grant and undertake to do everything in their power to carry out the action as described in Annex I, acting on their own responsibility.
- I.1.3 The agreement shall enter into force on the date when the last party signs.
- I.1.4 The action shall run for [...] [months/days] from [the first day [of the month] following the date when the last party signs the agreement]<sup>1</sup> [or insert date] ("the starting date of the action").<sup>2</sup> [The above period shall be determined on the basis of calendar days.]

from [DD.MM.YYYY] to [DD.MM.YYYY]

### ARTICLE I.2 – ROLE OF THE BENEFICIARIES

- I.2.1 The main beneficiary shall:
- be responsible for the management of the action;
  - be liable vis-à-vis the Commission for the correct and timely fulfilment of the obligations of the beneficiaries under this agreement;
  - be the intermediary for all communication between the beneficiaries and the Commission;
  - receive and answer all claims the Commission might have in relation to the performance of the action;
  - request and receive on behalf of the beneficiaries all payments made by the

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<sup>1</sup> The recommended practice is for the Commission to sign last (memo No 62239, dated 12/09/2001, from DG Budget/Financial Control).

<sup>2</sup> In accordance with Article 112 of the Financial Regulation, a grant may be awarded for an action which has already begun only where the applicant can demonstrate the need to start the action before the agreement is signed. In such cases, expenditure eligible for financing may not have been incurred prior to the date of submission of the grant application, save in duly substantiated exceptional cases (as provided for in the basic act, or aid for crisis situations and humanitarian aid operations).

Commission, and distribute them between the associated beneficiaries in accordance with this agreement, the table of the indicative breakdown of the estimated eligible costs in Annex II, and the actual costs incurred;

- ensure that all the appropriate payments are made to the associated beneficiaries without unjustified delay and in any event within 30 calendar days of receipt from the Commission;
- inform the Commission and the associated beneficiaries of any event of which he is aware that is liable to substantially affect the implementation of the action.

I.2.2 The associated beneficiaries shall:

- forward to the main beneficiary the data needed to draw up the reports, financial statements and other documents provided for in this agreement;
- inform the main beneficiary immediately of any event liable to substantially affect or delay the implementation of the action of which they are aware.

I.2.3 The main beneficiary and the associated beneficiaries shall agree between themselves appropriate arrangements for the proper performance of the action, including, when a financial guarantee is requested under the provisions of Article I.4.1, the arrangements necessary to provide such guarantee.

### **ARTICLE I.3 – BREAKDOWN OF COSTS – FINANCING THE ACTION**

I.3.1 Within one month from the entering into force of this agreement, the main beneficiary shall transmit to the Commission the table indicating the breakdown of estimated eligible costs between himself and each of the associated beneficiaries. The table shall be signed by all beneficiaries and, after acceptance by the Commission, shall be deemed to form an integral part of the estimated budget of this agreement.

I.3.2 The total cost of the action is estimated at EUR [...], as shown in the estimated budget in Annex II. The estimated budget shall give a detailed breakdown of the costs that are eligible for Community funding under the terms of Article II.14, of any other costs that the action may entail, and of all receipts, so that receipts and costs balance.

I.3.3 The total eligible costs of the action for which the Commission grant is awarded [are estimated at EUR [...]] [equal the total cost of the action], as shown in the estimated budget in Annex II.

Indirect costs are eligible for flat-rate funding of [...] <sup>3</sup> of the total direct costs eligible, subject to the conditions laid down in Article II.14.3.

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<sup>3</sup> Under the terms of Article 181(2) of the Detailed Rules for the Implementation of the Financial Regulation, the grant agreement may authorise flat-rate cover of indirect costs up to a maximum of 7% of total eligible direct costs for the action, unless the Commission takes a reasoned decision to the contrary (provision for exceeding this ceiling should then be made in the Special Conditions). If there

- I.3.4 The Commission shall contribute a maximum of EUR [...], equivalent to [...] % of the estimated total eligible costs indicated in paragraph 2. The final amount of the grant shall be determined as specified in Article II.17, without prejudice to Article II.19.
- I.3.5 By way of derogation from Article II.13, the beneficiaries may, when carrying out the action, adjust the estimated budget by transfers between items of eligible costs, provided that this adjustment of expenditure does not affect implementation of the action and the transfer between items does not exceed 10% of the amount of each item of estimated eligible costs for which the transfer is intended, and without exceeding the total eligible costs indicated in paragraph 2.

#### ARTICLE I.4 – PAYMENT ARRANGEMENTS

##### I.4.1 Pre-financing:

Within 45 days of the date when the last party signs the agreement and receipt of the table referred to in Article I.3.1 [and of a financial guarantee amounting to an amount equivalent to the amount of pre-financing granted],

a pre-financing payment of EUR [...] shall be made to the main beneficiary, representing [...] % of the amount specified in Article I.3.4.

##### I.4.2 Further pre-financing payments:

Further pre-financing may be paid as follows:

- a further pre-financing payment of EUR [...] shall be made to the main beneficiary, representing [...] % of the amount specified in Article I.3.4 after reception of the [first] interim report.
- [- a further pre-financing payment of EUR [...] shall be made to the main beneficiary, representing [...] % of the amount specified in Article I.3.4 after reception of the second interim report.]
- [- a further pre-financing payment of EUR [...] shall be made to the main beneficiary, representing [...] % of the amount specified in Article I.3.4 after reception of the third interim report.]

In that case, payment of each further pre-financing payment may not be made until at least [70] %<sup>4</sup> of the previous pre-financing payment(s) for the action has been used up [and shall be conditional on the main beneficiary producing a financial guarantee [of [...] EUR] [or equivalent to the aggregate amount of pre-financing]]<sup>5</sup>.

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are no plans to provide flat-rate cover of eligible indirect costs this option should not be included. Funding for indirect costs is not permissible if the beneficiary receives an operating grant.

<sup>4</sup> Minimum of 70%.

<sup>5</sup> Depending on the aggregate amount of pre-financing, a financial guarantee may be required (see footnote 12).

I.4.3 Every request for payment of a further pre-financing instalment must be accompanied by the documents specified in Article 1.5 [and by an external audit report on the action's accounts].<sup>6</sup>

On receipt of these documents, the Commission shall have 45 days in order to:

- approve the technical interim report of the action;
- ask the main beneficiary for supporting documents or any additional information it deems necessary to allow the approval of the report;
- reject the report and ask for the submission of a new report.

I.4.4 Failing a written reply from the Commission within the time limit for scrutiny indicated above, the report shall be deemed to have been approved. Approval of the report accompanying the request for payment shall not imply recognition of their regularity or of the authenticity, completeness and correctness of the declarations and information they contain.

Requests for additional information or a new report shall be notified to the main beneficiary in writing. The main beneficiary shall have 30 days to submit the information or new documents requested.

If additional information is requested, the time limit for scrutiny shall be extended by the time it takes to obtain this information.

Where a report is rejected and a new report requested, the approval procedure described in this article shall apply.

In the event of renewed rejection, the Commission reserves the right to terminate the agreement by invoking Article II.11.2(b).

The further pre-financing shall be made to the main beneficiary within 45 days following approval by the Commission of the technical implementation report. The Commission may suspend the period for payment in accordance with the procedure in Article II.16.2.

I.4.5 Payment of the balance

The request for payment of the balance shall be accompanied by the final technical implementation report and financial statement specified in Article II.15.4 established by each beneficiary and associated beneficiary and by a consolidated financial statement from the main beneficiary. The Commission shall have 45 days to approve *or* reject the technical implementation report or to

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<sup>6</sup> An audit of this kind may be required by the authorising officer in respect of any payment, depending on his assessment of the management risk. It is compulsory in the case of cumulative pre-financing payments or interim payments that exceed EUR 750 000 per financial year and agreement, excluding the first pre-financing payment, and for balance payments exceeding EUR 150 000. Depending on his assessment of the management risks, the authorising officer may exempt from this obligation public bodies and international organisations within the meaning of the implementing rules, as well as beneficiaries of grants for humanitarian aid and crisis management, except for balance payments.

request additional supporting documents or information under the procedure laid down in Article II.15.4. In that case, the main beneficiary shall have 30 days to submit the additional information or a new report.

A payment representing the balance of the grant determined in accordance with Article II.17 shall be made to the main beneficiary within 45 days following approval by the Commission of documents accompanying the request for payment of the balance. The Commission may suspend the period for payment in accordance with the procedure in Article II.16.2.

## **ARTICLE I.5 – SUBMISSION OF REPORTS AND OTHER DOCUMENTS – PUBLICATION**

I.5.1. The technical implementation reports, financial statements and other documents referred to in Article I.4 must be submitted to the Commission in accordance with Annex III by the main beneficiary. They shall be provided in three copies and in electronic format in [\[English\]](#) on the following dates:

- first interim technical implementation report and consolidated financial statement: before [XX/XX/2004](#), covering the period from [XX/XX/2003](#) to [XX/XX/2004](#);
- second interim technical implementation report and consolidated financial statement: before [XX/XX/200X](#), covering the period from [XX/XX/2004](#) to [XX/XX/200X](#);
- final technical implementation report and financial statements: before [XX/XX/200X](#), covering the period [XX/XX/2003](#) to [XX/XX/200X](#).

I.5.2. The beneficiary authorises the Commission to disseminate, communicate, publish in whatever form and using whatever means, including the Internet, the reports and other documents concerning the action.

## **ARTICLE I.6 – BANK ACCOUNT**

I.6.1 All payments shall be made to the main beneficiary's bank account or sub-account denominated in euro, as indicated below:<sup>7</sup>

Name of bank: [\[...\]](#)

Address of branch: [\[...\]](#)

Precise denomination of the account holder: [\[...\]](#)

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

[\[IBAN account code: \[...\]\]](#)<sup>8</sup>

*[\[This account or sub-account must identify the payments made by the Commission. If the funds paid to this account yield interest or equivalent benefits under the law of the State on whose territory the account is opened,](#)*

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<sup>7</sup> As shown by the account identification document issued or certified by the bank concerned.

<sup>8</sup> BIC code for countries where the IBAN code does not apply.

*such interest or benefits shall, if they are generated by pre-financing payments, be recovered by the Commission as specified in Article II.16.4.]<sup>9</sup>*

## **ARTICLE I.7 – GENERAL ADMINISTRATIVE PROVISIONS**

I.7.1. Any communication in connection with this agreement shall be in writing, indicating the number of the agreement, and shall be sent to the following addresses:

For the Commission:

Requests for payment and other financial information must be addressed to:

European Commission  
Health & Consumer Protection Directorate general  
Directorate C – Public Health and Risk Assessment  
Unit C1 – Programme management  
L – 2920 Luxembourg

The technical reports and all other correspondence must be sent to:

European Commission  
Health & Consumer Protection Directorate general  
Directorate C – Public Health and Risk Assessment  
Unit [...]  
L – 2920 Luxembourg

Ordinary mail shall be considered to have been received by the Commission on the date on which it is formally registered by the Commission unit responsible referred to above.

For the main beneficiary:

Mr/Ms (...)  
[Function]  
[Official denomination]  
[Full official address]

I.7.2 Any communication from the Commission to the main beneficiary and/or associated beneficiaries and vice versa shall be made via the main beneficiary.

## **ARTICLE I.8 – LAW APPLICABLE AND COMPETENT COURT**

The grant is governed by the terms of the agreement, the Community rules applicable and, on a subsidiary basis, by the law of Belgium relating to grants.

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<sup>9</sup> This provision applies to all grant beneficiaries apart from the exceptions allowed under the implementing rules for the Financial Regulation.



The beneficiaries may bring legal proceedings regarding decisions by the Commission concerning the application of the provisions of the agreement and the arrangements for implementing it, before the Court of First Instance of the European Communities and, in the event of appeal, the Court of Justice of the European Communities.

#### **ARTICLE I.9 – EXTERNAL AUDIT REPORTS**

- I.9.1. Whenever an external audit report is required, the main beneficiary or the associated beneficiary concerned shall provide an audit certificate prepared and certified by an external auditor, certifying that the costs incurred during that period and the documents submitted to the Commission meet the conditions required by this agreement and that all receipts have been declared. The certificate should expressly state the amounts that were subject to verification. The cost of this certification is an eligible cost under this agreement.
- I.9.2 The beneficiaries are free to choose any qualified external auditor, including their usual external auditor, provided that it meets the following professional requirements:
- a) the external auditor must be independent from the auditee;
  - b) the external auditor must be qualified to carry out statutory audits of accounting documents in accordance with the 8th Council directive 84/253/EEC of 10 April 1984 or similar national regulations.
- I.9.3 A beneficiary that is a *public body* may opt for a competent public officer to provide an audit certificate, provided that the relevant national authorities have established the legal capacity of that competent public officer to audit that *public body*.

Certification by external auditors according to this Article does not diminish the liability of the main beneficiary or associated beneficiaries according to this agreement nor the rights of the *Community* arising from Article II.19.

## **II – GENERAL CONDITIONS**

### **PART A – LEGAL AND ADMINISTRATIVE PROVISIONS**

#### **ARTICLE II.1 – LIABILITY**

- II.1.1 The beneficiaries shall have sole responsibility for complying with any legal obligations incumbent on them.
- II.1.2 The Commission shall not, in any circumstances or on any grounds, be held liable in the event of a claim under the agreement relating to any damage caused during the action's execution. Consequently, the Commission will not entertain any request for indemnity or reimbursement accompanying any such claim.
- II.1.3 Except in cases of force majeure, the beneficiaries shall make good any damage sustained by the Commission as a result of the execution or faulty execution of the action.
- II.1.4 Each of the beneficiaries bears sole liability vis-à-vis third parties, including for damage of any kind sustained by them while the action is being carried out.

#### **ARTICLE II.2 – CONFLICT OF INTERESTS**

The beneficiaries undertake to take all the necessary measures to prevent any risk of conflicts of interests which could affect the impartial and objective performance of the agreement. Such conflict of interests could arise in particular as a result of economic interest, political or national affinity, family or emotional reasons, or any other shared interest.

Any situation constituting or likely to lead to a conflict of interests during the performance of the agreement must be brought to the attention of the Commission, in writing, without delay. The beneficiaries shall undertake to take whatever steps are necessary to rectify this situation at once. The Commission reserves the right to check that the measures taken are appropriate and may demand that the beneficiaries take additional measures, if necessary, within a certain time.

#### **ARTICLE II.3 – OWNERSHIP/USE OF THE RESULTS**

- II.3.1 Unless stipulated otherwise in this 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.3.2 Without prejudice to paragraph 1, the beneficiaries grant the Commission the right to make free use of the results of the action as it deems fit, provided it does not thereby breach its confidentiality obligations or existing industrial and intellectual property rights.

## **ARTICLE II.4 – CONFIDENTIALITY**

The Commission and the beneficiaries undertake to preserve the confidentiality of any document, information or other material directly related to the subject of the agreement that is duly classed as confidential, if disclosure could cause prejudice to the other party. The parties shall remain bound by this obligation beyond the closing date of the action.

## **ARTICLE II.5 – PUBLICITY**

II.5.1 Unless the Commission requests otherwise, any communication or publication by any of the beneficiaries about the action, including at a conference or seminar, shall indicate that the action has received funding from the Community.

Any communication or publication by any of the beneficiaries, in any form and medium, shall indicate that sole responsibility lies with the author and that the Commission is not responsible for any use that may be made of the information contained therein.

II.5.2 The beneficiaries authorises the Commission to publish the following information in any form and medium, including via the Internet:

- the name of the beneficiaries and their addresses,
- the subject and purpose of the grant,
- the amount granted and the proportion of the action's total cost covered by the funding.

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

## **ARTICLE II.6 – EVALUATION**

Whenever the Commission carries out the monitoring of the action or an interim or final evaluation of the action's impact measured against the objectives of the Community programme concerned, the beneficiaries undertake to make available to the Commission and/or persons authorised by it all such documents or information as will allow the monitoring or evaluation to be successfully completed and to give them the rights of access specified in Article II.19.

## **ARTICLE II.7 – SUSPENSION**

II.7.1 The beneficiaries may suspend implementation of the action (or parts of it) if exceptional circumstances make this impossible or excessively difficult, notably in the event of force majeure. They shall inform the Commission without delay, giving all the necessary reasons and details and the foreseeable date of resumption.

II.7.2 If the Commission does not terminate the agreement under Article II.11.2, the beneficiaries shall resume implementation of the action as initially planned once circumstances allow and shall inform the Commission accordingly. The duration of the action might be extended by a period equivalent to the length of the suspension. In accordance with Article II.13, a supplementary written agreement shall be concluded to extend the duration of the action and to make any amendments that may be necessary to adapt the action to the new implementing conditions. Amendments may include, when necessary, the withdrawal from this agreement of one of the associated beneficiaries and/or the withdrawal and replacement of the main beneficiary.

## **ARTICLE II.8 – FORCE MAJEURE**

II.8.1 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 this agreement, was not attributable to error or negligence on their part, and proves insurmountable in spite of all due diligence. Defects in equipment or material or delays in making them available (unless due to force majeure), labour disputes, strikes or financial difficulties cannot be invoked as force majeure by the defaulting party.

II.8.2 A party faced with force majeure shall inform the other parties without delay by registered letter with advice of delivery or equivalent, stating the nature, probable duration and foreseeable effects.

II.8.3 The party faced with force majeure shall not be held in breach of his obligations under the agreement if he's prevented from fulfilling them by force majeure. The parties shall make every effort to minimise any damage due to force majeure.

II.8.4 The action may be suspended in accordance with Article II.7.

## **ARTICLE II.9 – AWARD OF CONTRACTS**

II.9.1 If any of the beneficiaries has to conclude contracts in order to carry out the action and they constitute costs of the action under an item of eligible direct costs in the estimated budget, he shall seek competitive tenders from potential contractors and award the contract to the bid offering best value for money;<sup>10</sup> in doing so he shall observe the principles of transparency and equal treatment of potential contractors and shall take care to avoid any conflict of interests.

II.9.2 Contracts as referred to in paragraph 1 may be awarded only in the following cases:

- a) they may only cover the execution of a limited part of the action;
- b) recourse to the award of contracts must be justified having regard to the nature of the action and what is necessary for its implementation;

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<sup>10</sup> Departments may include provision in the Special Conditions for specific rules of procedure to apply according to the estimated value of the contract, the relative size of the Community contribution and the management risk.

- c) the tasks concerned must be set out in Annex I and the corresponding estimated costs must be set out in detail in the budget in Annex II;
- d) any recourse to the award of contracts while the action is under way, if not provided for in the initial grant application, shall be subject to prior written authorisation by the Commission;
- e) the beneficiary shall retain sole responsibility for carrying out the action and for compliance with the provisions of the agreement. The beneficiary must undertake to make the necessary arrangements to ensure that the contractor waives all rights in respect of the Commission under the agreement;
- f) the beneficiary must undertake to ensure that the conditions applicable to him under Articles II.1, II.2, II.3, II.4, II.5, II.6, II.10 and II.19 of the agreement are also applicable to the contractor.

## **ARTICLE II.10 – ASSIGNMENT**

Claims against the Commission may not be transferred

In exceptional circumstances, where the situation warrants it, the Commission may authorise the assignment to a third party of the agreement and payments flowing from it following a written request to that effect, giving reasons, from the main beneficiary. If the Commission agrees, it must make its agreement known in writing before the proposed assignment takes place. In the absence of the above authorisation, or in the event of failure to observe the terms thereof, the assignment shall not be enforceable against and shall have no effect on the Commission.

In no circumstances shall such an assignment release the beneficiary from his obligations to the Commission.

## **ARTICLE II.11 – TERMINATION OF THE AGREEMENT**

### **II.11.1 – TERMINATION BY THE BENEFICIARIES**

In duly justified cases, the beneficiaries may withdraw their request for a grant and terminate the agreement at any time by giving 60 days' written notice stating the reasons, without being required to furnish any indemnity on this account. If no reasons are given or if the Commission does not accept the reasons, the beneficiaries shall be deemed to have terminated this agreement improperly, with the consequences set out in the third subparagraph of paragraph 4.

The communication of the withdrawal shall be signed by the main beneficiary and all the associated beneficiaries.

### **II.11.2 – TERMINATION BY THE COMMISSION**

The Commission may decide to terminate the agreement, without any indemnity on its part, in the following circumstances:

- a) in the event of a legal, financial, technical, organisational or auditing change in situation of one of the beneficiaries that is liable to affect the agreement substantially or to call into question the decision to award the grant;
- b) if one of the beneficiaries fails to fulfil a substantial obligation incumbent on him under the terms of the agreement, including its annexes;
- c) in the event of force majeure, notified in accordance with Article II.8, or if the action has been suspended (as a whole or in part) as a result of exceptional circumstances, notified in accordance with Article II.7;
- d) if one of the beneficiaries is declared bankrupt, is being wound up or is the subject of any other similar proceedings;
- e) if one of the beneficiaries is found guilty of an offence involving his professional conduct by a judgment having the force of res judicata or if he is guilty of grave professional misconduct proven by any justified means;
- f) if one of the beneficiaries is guilty of misrepresentation or submits reports inconsistent with reality to obtain the grant provided for in the agreement;
- g) if one of the beneficiaries has intentionally or by negligence committed a substantial irregularity in performing the agreement or in the event of fraud, corruption or any other illegal activity on the part of the beneficiary to the detriment of the European Communities' financial interests. A substantial irregularity consists of any infringement of a provision of an agreement or regulation resulting from an act or an omission on the part of the beneficiary which causes or might cause a loss to the Community budget.

#### **II.11.2/A – PARTIAL TERMINATION BY THE COMMISSION**

When the circumstances referred to in Article II.11.2 affect the participation of one of the associated beneficiaries without compromising the continuation of the action by the beneficiary and the other associated beneficiaries, the Commission may decide to terminate the agreement only in respect of the associated beneficiary concerned.

The procedure laid down in Article II.11.3 shall apply *mutatis mutandis*

In the event of partial termination, Article II.11.4, paragraphs 1, 2 and 4 shall apply *mutatis mutandis*. However, partial termination does not entitle the beneficiary to request any final payment corresponding to the concerned associated beneficiary before any such payment is made in accordance with the original timeframe laid down in the agreement.

A supplementary written agreement may be concluded to make any amendments necessary to adapt the action to the new implementing conditions resulting from the partial termination.

#### **II.11.3 – TERMINATION PROCEDURE**

The procedure is initiated by registered letter, with acknowledgement of receipt or equivalent, from the Commission to the main beneficiary.

In the cases referred to in points (a), (b) and (d) of paragraph 2, the main beneficiary shall have 30 days to submit his observations and take any measures necessary to ensure continued fulfilment of the beneficiaries' obligations under the agreement. If the Commission fails to confirm acceptance of these observations by giving written approval within 30 days of receiving them, the procedure shall continue to run.

Where notice is given, termination shall take effect at the end of the period of notice, which shall start to run from the date when notification of the Commission's decision to terminate the agreement is received.

If notice is not given in the cases referred to in points (c), (e), (f) and (g) of paragraph 2, termination shall take effect from the day following the date on which notification of the Commission's decision to terminate the agreement is received.

#### **II.11.4 – EFFECTS OF TERMINATION**

In the event of termination, payments by the Commission shall be limited to the eligible costs actually incurred by the beneficiaries (or by the beneficiary concerned in case of partial termination) up to the date when termination takes effect, in accordance with Article II.17. Costs relating to current commitments that are not due to be executed until after termination shall not be taken into account.

The main beneficiary shall have 60 days from the date when termination takes effect, as notified by the Commission, to produce a request for final payment in accordance with Article II.15.4. If no request for final payment is received within this time limit, the Commission shall not reimburse the expenditure incurred by the beneficiaries up to the date of termination and it shall recover any amount if its use is not substantiated by the technical implementation reports and financial statements approved by the Commission.

By way of exception, at the end of the period of notice referred to in paragraph 3, where the Commission is terminating the agreement on the grounds that the beneficiaries have failed to produce the final technical implementation report and financial statement within the deadline stipulated in Article I.5 and the beneficiaries have still not complied with this obligation within two months following the written reminder sent by the Commission by registered letter with advice of delivery or equivalent, the Commission shall not reimburse the expenditure incurred by the beneficiaries up to the date on which the action ended and it shall recover any amount if its use is not substantiated by the technical implementation reports and financial statements approved by the Commission.

By way of exception, in the event of improper termination by the beneficiaries or termination by the Commission on the grounds set out in points (e), (f) or (g) of paragraph 2, the Commission may require the partial or total repayment of sums already paid under the agreement on the basis of technical implementation reports and financial statements approved by the Commission, in proportion to the gravity of the failings in question and after allowing the beneficiaries to submit their observations.

#### **ARTICLE II.12 – FINANCIAL PENALTIES**

By virtue of the Financial Regulation applicable to the general budget of the European Communities, any beneficiary declared to be in grave breach of his obligations shall be liable to financial penalties of between 2% and 10% of the value of the grant in question,

with due regard for the principle of proportionality. This rate may be increased to between 4% and 20% in the event of a repeated breach in the five years following the first. The beneficiary shall be notified in writing of any decision by the Commission to apply such financial penalties.

#### **ARTICLE II.13 – SUPPLEMENTARY AGREEMENTS**

- II.13.1 Any amendment to the grant conditions must be the subject of a written supplementary agreement. No oral agreement may bind the parties to this effect.
- II.13.2 The supplementary agreement may not have the purpose or the effect of making changes to the agreement which might call into question the decision awarding the grant or result in unequal treatment of applicants.
- II.13.3 If the request for amendment is made by the beneficiaries, the main beneficiary must send the request to the Commission in good time before it is due to take effect and at all events one month before the closing date of the action, except in cases duly substantiated by the main beneficiary and accepted by the Commission.



## **PART B – FINANCIAL PROVISIONS**

### **ARTICLE II.14 – ELIGIBLE COSTS**

II.14.1 To be considered as eligible costs of the action, costs must satisfy the following general criteria:

- they must be connected with the subject of the agreement and they must be provided for in the estimated budget annexed to it;
- they must be necessary for performance of the action covered by the agreement;
- they must be reasonable and justified and they must accord with the principles of sound financial management, in particular in terms of value for money and cost-effectiveness;
- they must be generated during the lifetime of the action as specified in Article I.2.2 of the agreement;
- they must be actually incurred by the beneficiaries, be recorded in their accounts in accordance with the applicable accounting principles, and be declared in accordance with the requirements of the applicable tax and social legislation;
- they must be identifiable and verifiable.

The beneficiaries' internal accounting and auditing procedures must permit direct reconciliation of the costs and revenue declared in respect of the action with the corresponding accounting statements and supporting documents.

II.14.2 The eligible direct costs for the action are those costs which, with due regard for the conditions of eligibility set out in Article II.14.1, are identifiable as specific costs directly linked to performance of the action and which can therefore be booked to it direct. In particular, the following direct costs are eligible provided that they satisfy the criteria set out in the previous paragraph:

- the cost of staff assigned to the action, comprising actual salaries plus social security charges and other statutory costs included in the remuneration, provided that this does not exceed the average rates corresponding to the beneficiaries' usual policy on remuneration;
- travel and subsistence allowances for staff taking part in the action, provided that they are in line with the beneficiaries' usual practices on travel costs or do not exceed the scales approved annually by the Commission;
- the purchase cost of equipment (new or second-hand), provided that it is written off in accordance with the tax and accounting rules applicable to the

beneficiaries and generally accepted for items of the same kind. Only the portion of the equipment's depreciation corresponding to the duration of the action and the rate of actual use for the purposes of the action may be taken into account by the Commission, except where the nature and/or the context of its use justifies different treatment by the Commission;

- costs of consumables and supplies, provided that they are identifiable and assigned to the action;
- costs entailed by other contracts awarded by the beneficiaries for the purposes of carrying out the action, provided that the conditions laid down in Article II.9 are met;
- costs arising directly from requirements imposed by the agreement (dissemination of information, specific evaluation of the action, audits, translations, reproduction, etc.), including the costs of any financial services (especially the cost of financial guarantees).

II.14.3 The eligible indirect costs for the action are those costs which, with due regard for the conditions of eligibility described in Article II.14.1, are not identifiable as specific costs directly linked to performance of the action which can be booked to it direct, but which can be identified and justified by the beneficiary using his accounting system as having been incurred in connection with the eligible direct costs for the action. They may not include any eligible direct costs.

By way of derogation from Article II.14.1, the indirect costs incurred in carrying out the action may be eligible for flat-rate funding fixed at not more than 7% of the total eligible direct costs.<sup>11</sup> If provision is made in Article I.3.2 for flat-rate funding in respect of indirect costs, they need not be supported by accounting documents.

II.14.4 The following costs shall not be considered eligible:

- return on capital;
- debt and debt service charges;
- provisions for losses or potential future liabilities;
- interest owed;
- doubtful debts;
- exchange losses;
- VAT, unless the beneficiary can show that he is unable to recover it;

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<sup>11</sup> The 7% ceiling may be exceeded by a reasoned Commission decision; provision should be made for this in the Special Conditions.

- costs declared by the beneficiary and covered by another action or work programme receiving a Community grant;
- excessive or reckless expenditure.

II.14.5 Contributions in kind shall not constitute eligible costs. However, the Commission can accept, in duly substantiated exceptional cases, that the cofinancing of the action referred to in Article I.3.3 should be made up entirely or in part of contributions in kind. In this case, the value calculated for such contributions must not exceed:

- the costs actually borne and duly supported by accounting documents of the third parties who made these contributions to the beneficiary free of charge but bear the corresponding costs;
- the costs generally accepted on the market in question for the type of contribution concerned when no costs are borne.

Contributions involving buildings shall not be covered by this possibility.

In the case of cofinancing in kind, a financial value shall be placed on the contributions and the same amount will be included in the costs of the action as ineligible costs and in receipts from the action as cofinancing in kind. The beneficiary shall undertake to obtain these contributions as provided for in the agreement.

II.14.6 By way of derogation from paragraph 3, indirect costs shall not be eligible under a project grant awarded to a beneficiary who already receives an operating grant from the Commission during the period in question.

## **ARTICLE II.15 – REQUESTS FOR PAYMENT**

Payments shall be made to the main beneficiary in accordance with Article I.4 of the Special Conditions.

### **II.15.1 – PRE-FINANCING**

Pre-financing is intended to provide the beneficiary with a float.

Where required by the provisions of Article I.4 on pre-financing, the beneficiaries shall furnish a financial guarantee from a bank or an approved financial institution established in one of the Member States of the European Union.<sup>12</sup>

The guarantor shall stand as first call guarantor and shall not require the Commission to have recourse against the principal debtor (the beneficiaries).

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<sup>12</sup> In exceptional cases, the guarantee may be replaced by a personal joint security provided by a third party (where appropriate, provision for this should be included in the article 'Special Conditions' in part I (Special Conditions) of the Agreement).

The financial guarantee shall remain in force until final payments by the Commission match the proportion of the total grant accounted for by pre-financing. The Commission undertakes to release the guarantee within 30 days following that date.

#### **II.15.2 – FURTHER PRE-FINANCING PAYMENTS**

Where pre-financing is divided into several instalments, the beneficiaries may request a further pre-financing payment once they have used up the percentage of the previous payment specified in the provisions of Article I.4 on further pre-financing. The request shall be made by the main beneficiary and be accompanied by the following documents:

- a detailed statement of the eligible costs actually incurred;
- where required by the above-mentioned provisions of Article I.4, a financial guarantee in accordance with paragraph 1;
- where required by the above-mentioned provisions of Article I.4, an external audit report on the action's accounts. The external audit shall be carried out by an independent body or expert officially authorised to carry out audits of accounts;
- any other documents in support of his request that may be required in support of the request for further pre-financing payments.

The documents accompanying the request for payment shall be drawn up in accordance with the relevant provisions in Article I.5 and the annexes.

#### **II.15.3 – INTERIM PAYMENTS**

Interim payments are intended to reimburse the beneficiaries for expenditure on the basis of a detailed statement of the costs incurred, once the action has reached a certain level of completion. It may clear all or part of any prefinancing.

By the appropriate deadline indicated in Article I.5, the main beneficiary shall submit a request for interim payment accompanied by the following documents:

- an interim report on implementation of the action;
- an interim financial statement of the eligible costs actually incurred, following the structure of the estimated budget;
- where required by the provisions of Article I.4 on interim payment, an external audit report on the action's accounts. The external audit shall be carried out by an independent body or expert officially authorised to carry out audits of accounts. The purpose of the audit is to certify that the financial documents submitted to the Commission comply with the financial provisions of the agreement, that the costs declared are the actual costs, and that all receipts have been declared.

The documents accompanying the request for payment shall be drawn up in accordance with the relevant provisions in Article I.5 and the annexes. If an external audit of the action's accounts is not required, the main beneficiary himself shall certify that the financial documents submitted to the Commission comply with the financial provisions of the agreement, that the costs declared are the actual costs, and that all receipts have been declared.

On receipt of these documents, the Commission shall have the period specified in Article I.4 in order to:

- approve the interim report on implementation of the action;
- ask the main beneficiary for supporting documents or any additional information it deems necessary to allow the approval of the report;
- reject the report and ask for the submission of a new report.

Failing a written reply from the Commission within the time limit for scrutiny indicated above, the report shall be deemed to have been approved. Approval of the report accompanying the request for payment shall not imply recognition of their regularity or of the authenticity, completeness and correctness of the declarations and information they contain.

Requests for additional information or a new report shall be notified to the main beneficiary in writing. The main beneficiary shall have the period laid down in Article I.4 to submit the information or new documents requested.

If additional information is requested, the time limit for scrutiny shall be extended by the time it takes to obtain this information.

Where a report is rejected and a new report requested, the approval procedure described in this article shall apply.

In the event of renewed rejection, the Commission reserves the right to terminate the agreement by invoking Article II.11.2(b).

#### **II.15.4 – PAYMENT OF THE BALANCE**

Payment of the balance, which may not be repeated, is made after the end of the action on the basis of the costs actually incurred by the beneficiaries in carrying out the action. It may take the form of a recovery order where the total amount of earlier payments is greater than the amount of the final grant determined in accordance with Article II.17.

By the appropriate deadline indicated in Article I.5, the main beneficiary shall submit a request for payment of the balance accompanied by the following documents:

- a final report on the implementation of the action;
- a final financial statement of the eligible costs actually incurred, following the structure of the estimated budget;
- a full summary statement of the receipts and expenditure of the action;

- where required by the provisions of Article I.4 on payment of the balance, an external audit report on the action's accounts. The external audit shall be carried out by an independent body or expert officially authorised to carry out audits of accounts. The purpose of the audit is to certify that the financial documents submitted to the Commission by the main beneficiary comply with the financial provisions of the agreement, that the costs declared are the actual costs, and that all receipts have been declared.

The documents accompanying the request for payment shall be drawn up in accordance with the provisions of Article I.5 and the annexes. If an external audit of the action's accounts is not required, the beneficiary himself shall certify that the financial documents submitted to the Commission comply with the financial provisions of the agreement, that the costs declared are the actual costs, and that all receipts have been declared.

On receipt of these documents, the Commission shall have the period specified in Article I.4 in order to:

- approve the final report on implementation of the action;
- ask the beneficiary for supporting documents or any additional information it deems necessary to allow the approval of the report;
- reject the report and ask for the submission of a new report.

Failing a written reply from the Commission within the time limit for scrutiny indicated above, the report shall be deemed to have been approved. Approval of the report accompanying the request for payment shall not imply recognition of their regularity or of the authenticity, completeness and correctness of the declarations and information they contain.

Requests for additional information or a new report shall be notified to the main beneficiary in writing. The main beneficiary shall have the period laid down in Article I.4 to submit the information or new documents requested.

If additional information is requested, the time limit for scrutiny shall be extended by the time it takes to obtain this information.

Where a report is rejected and a new report requested, the approval procedure described in this article shall apply.

In the event of renewed rejection, the Commission reserves the right to terminate the agreement by invoking Article II.11.2(b).

## **ARTICLE II.16 – GENERAL PROVISIONS ON PAYMENTS**

II.16.1 Payments shall be made by the Commission in euro. Any conversion of actual costs into euro shall be made at the daily rate published in the Official Journal of the European Union or, failing that, at the monthly accounting rate established by the Commission and published on its website applicable on the day when the payment order is issued by the Commission, unless the Special Conditions of the agreement lay down specific provisions.

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

- II.16.2 The Commission may suspend the period for payment laid down in Article I.4 at any time by notifying the main beneficiary that his 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 a suspicion that some of the expenses in the financial statement are not eligible and additional checks are being conducted.

The Commission may also suspend its payments at any time if the main beneficiary is found or presumed to have infringed the provisions of the agreement, in particular in the wake of the audits and checks provided for in Article II.19.

The Commission shall inform the main beneficiary of any such suspension by registered letter with advice of delivery or equivalent.

Suspension shall take effect on the date when notice is sent by the Commission. The remaining payment period shall start to run again from the date when a properly constituted request for payment is registered, when the supporting documents requested are received, or at the end of the suspension period as notified by the Commission.

- II.16.3 On expiry of the period for payment specified in Article I.4, and without prejudice to paragraph 2 of this Article, the main beneficiary may, within two months following the date of receipt of a late payment, request payment of interest on the late payment at the rate applied by the European Central Bank for its main refinancing operations in euros, plus three and a half points; the reference rate to which the increase applies shall be the rate in force on the first day of the month of the final date for payment, as published in the C series of the Official Journal of the European Union. This provision shall not apply to recipients of a grant which are public authorities of the Member States of the European Union.

Interest on late payment shall cover the period from the final date for payment, exclusive, up to the date of payment as defined in paragraph 1, inclusive. The interest shall not be treated as a receipt for the action for the purposes of determining the final grant within the meaning of Article II.17.4. The suspension of payment by the Commission may not be considered as late payment.

- II.16.4 The main beneficiary shall inform the Commission of the amount of any interest or equivalent benefits yielded by the pre-financing it has received from the Commission. Notification must be made annually if the interest in question represents a significant amount, and in any event when the request is made for interim payment or for payment of the balance that clears the pre-financing. The interest shall not be treated as a receipt for the action within the meaning of Article II.17.4. The Commission shall issue a recovery order in respect of it in accordance with Article II.18.

II.16.5 The main beneficiary shall have two months from the date of notification by the Commission of the final amount of the grant determining the amount of the payment of the balance or the recovery order pursuant to Article II.17, or failing that of the date on which the payment of the balance was received, to request information in writing on the determination of the final grant, giving reasons for any disagreement. After this time such requests will no longer be considered. The Commission undertakes to reply in writing within two months following the date on which the request for information is received, giving reasons for its reply. This procedure is without prejudice to the main beneficiary's right to appeal against the Commission's decision pursuant to Article I.8. Under the terms of Community legislation in this matter, such appeals must be lodged within two months following the notification of the decision to the applicant or, failing that, following the date on which the applicant learned of the decision.

## **ARTICLE II.17 – DETERMINING THE FINAL GRANT**

- II.17.1 Without prejudice to information obtained subsequently pursuant to Article II.19, the Commission shall adopt the amount of the final payment to be granted to the beneficiaries on the basis of the documents referred to in Article II.15.4 which it has approved.
- II.17.2 The total amount paid to the beneficiaries by the Commission may not in any circumstances exceed the maximum amount of the grant laid down in Article I.3.3, even if the total actual costs eligible exceed the estimated total eligible costs specified in Article I.3.2.
- II.17.3 If the actual eligible costs when the action ends are lower than the estimated total eligible costs, the Commission's contribution shall be limited to the amount obtained by applying the Community grant percentage specified in Article I.3.3 to the actual eligible costs approved by the Commission.
- II.17.4 The beneficiaries hereby agree that the grant shall be limited to the amount necessary to balance the action's receipts and expenditure and that it may not in any circumstances produce a profit for them.

Profit shall mean any surplus of total actual receipts attributable to the action over the total actual costs of the action. The actual receipts to be taken into account shall be those which have been established, generated or confirmed on the date on which the request for payment of the balance is drawn up by the main beneficiary for financing other than the Community grant, to which shall be added the amount of the grant determined by applying the principles laid down in paragraphs 2 and 3 of this article. For the purposes of this article, only actual costs falling within the categories set out in the estimated budget referred to in Article I.3.1 and contained in Annex II shall be taken into account; non-eligible costs shall always be covered by non-Community resources.

Any surplus determined in this way shall result in a corresponding reduction in the amount of the grant.



- II.17.5 Without prejudice to the right to terminate the agreement under Article II.11, and without prejudice to the right of the Commission to apply the penalties referred to in Article II.12, if the action is not implemented or is implemented poorly, partially or late, the Commission may reduce the grant initially provided for in line with the actual implementation of the action on the terms laid down in this agreement.
- II.17.6 On the basis of the amount of the final payment determined in this way and of the aggregate amount of the payments already made under the terms of the agreement, the Commission shall set the amount of the payment of the balance as being the amount still owing to the beneficiaries. Where the aggregate amount of the payments already made exceeds the amount of the final grant, the Commission shall issue a recovery order for the surplus.

## **ARTICLE II.18 – RECOVERY**

- II.18.1 If any amount is unduly paid to the beneficiaries or if recovery is justified under the terms of the agreement, the beneficiaries undertake to repay the Commission the sum in question on whatever terms and by whatever date it may specify.
- II.18.2 If the beneficiaries fail to pay by the date set by the Commission, the sum due shall bear interest at the rate indicated in Article II.16.3. Interest on late payment shall cover the period between the date set for payment, exclusive, and the date when the Commission receives full payment of the amount owed, inclusive. This provision shall not apply to recipients of a grant which are public authorities of the Member States of the European Union.
- Any partial payment shall first be entered against charges and interest on late payment and then against the principal.
- II.18.3 If payment has not been made by the due date, sums owed to the Commission may be recovered by offsetting them against any sums owed to the main beneficiary, after informing him accordingly by registered letter with acknowledgment of receipt or equivalent, or by calling in the financial guarantee provided in accordance with Article II.15.1. The main beneficiary's prior consent shall not be required.
- II.18.4 Bank charges occasioned by the recovery of the sums owed to the Commission shall be borne solely by the beneficiaries.
- II.18.5 The beneficiaries understand that under Article 256 of the Treaty establishing the European Community, the Commission may adopt an enforceable decision formally establishing an amount as receivable from persons other than States. An action may be brought against such decision before the Court of First Instance of the European Communities.
- II.18.6 The main beneficiary and each of the associated beneficiaries shall be jointly and severally liable vis-à-vis the Commission for payments due under this Article.

## **ARTICLE II.19 – CHECKS AND AUDITS**

- II.19.1 The beneficiaries undertake to provide any detailed information requested by the Commission or by any other outside body authorised by the Commission to check that the action and the provisions of the agreement are being properly implemented.
- II.19.2 The beneficiaries shall keep at the Commission's disposal all original documents, especially accounting and tax records, or, in exceptional and duly justified cases, certified copies of original documents relating to the agreement for a period of five years from the date of payment of the balance specified in Article I.4.
- II.19.3 The beneficiaries agree that the Commission may have an audit of the use made of the grant carried out either directly by its own staff or by any other outside body authorised to do so on its behalf. Such audits may be carried out throughout the period of implementation of the agreement until the balance is paid and for a period of five years from the date of payment of the balance. Where appropriate, the audit findings may lead to recovery decisions by the Commission.
- II.19.4 The beneficiaries undertake to allow Commission staff and outside personnel authorised by the Commission the appropriate right of access to sites and premises where the action is carried out and to all the information, including information in electronic format, needed in order to conduct such audits.
- II.19.5 By virtue of Council Regulation (Euratom, EC) No 2185/96 and Regulation (EC) No 1073/1999 of the European Parliament and the Council, the European Anti-Fraud Office (OLAF) may also carry out on-the-spot checks and inspections in accordance with the procedures laid down by Community law for the protection of the financial interests of the European Communities against fraud and other irregularities. Where appropriate, the inspection findings may lead to recovery decisions by the Commission.

II.19.6 The European Court of Auditors shall have the same rights as the Commission, notably right of access, as regards checks and audits.

SIGNATURES

For the main beneficiary  
[name/forename/*function*]

For the Commission  
Fernand SAUER

[signature]  
Done at ..., ...

[signature]  
Done at Luxembourg, ...

In duplicate in English.

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

**ANNEX II**  
**ESTIMATED BUDGET OF THE ACTION**

**INSTRUCTIONS  
CONCERNING THE ELIGIBILITY OF TRAVEL AND SUBSISTENCE EXPENSES**

1. **Flat-rate subsistence allowances** cover all subsistence expenses during missions, including hotels, restaurants and local transport (taxis and/or public transport). They apply for each day of a mission at a minimum distance of 100 km from the normal place of work in the context of the project forming the subject of this agreement. The subsistence allowance varies depending on the country in which the mission is carried out. The daily rates in euro are shown below.

<b>Member States</b>		<b>Applicant countries; EFTA-EEA countries</b>	
Belgium	149.63	Bulgaria	275
Denmark	179.28	Cyprus	160
Germany	127.10	Czech Republic	230
Greece	113.19	Estonia	190
Spain	141.30	Hungary	215
France	130.29	Latvia	250
Ireland	165.20	Lithuania	250
Italy	129.82	Malta	175
Luxembourg	143.48	Poland	270
Netherlands	147.69	Romania	230
Austria	121.81	Slovak Republic	175
Portugal	142.98	Slovenia	170
Finland	155.60	Turkey	220
Sweden	156.54	Iceland	245
United Kingdom	199.21	Liechtenstein	175
		Norway	220

Missions in other countries not mentioned in the table above shall be submitted to the prior agreement from the services of the Commission. This agreement shall be related to the objectives of the mission, its costs and its motivation.

2. **Travel expenses** for journeys in the context of this agreement are eligible under the following conditions:
- travel by the most direct and most economic route;
  - distance of at least 100 km between the place of the meeting and the normal place of work;
  - travel by rail: first class;

- travel by air: economy class, unless a cheaper fare can be used (e.g. Apex); air travel is allowed only for return journeys of more than 800 km;
- travel by car: reimbursed on the basis of the equivalent first class rail fare.

## ANNEX III REPORTING REQUIREMENTS

### 1. INTERIM IMPLEMENTATION REPORT(S)

The interim technical implementation report(s) will describe the work carried out and the results obtained during the period indicated in article I.5 of this grant agreement and state in particular:

- the results obtained to date and an indication of any deviation from the initial work programme set out in annex I to the grant agreement that has occurred or is likely to occur<sup>13</sup>
- the comparison between the expenditure incurred during the first period and the foreseen budget stated in annex II of this grant agreement;
- the work programme planned for the following period.

The interim implementation report(s) and any other documents referred to, must be sent to the Commission before the closing date indicated in article I.5.

### 2. FINAL IMPLEMENTATION REPORT

The final technical implementation report referred to in Article I.5 should include in particular the following information, presented as specific sections of the report<sup>14</sup>:

#### 2.1. Detailed description of all the activities conducted

The description should relate to the activities specifically foreseen in Annex I. This section of the report should summarise the activities specifically foreseen and those directly related to the objectives of the project and present and explain the activity actually done, their correspondence to the foreseen programme and objectives, and show how each activity has contributed to the stated objectives.

Any difference between the programme and objectives foreseen and those actually conducted and achieved must be highlighted and explained.

#### 2.2. Manpower for the execution of the activities

This section of the report should present a complete list of all the persons who have participated in the execution of the project and, for each of them, the man/days of work, the professional level or category and the corresponding unit and total cost.

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<sup>13</sup> Without prejudice to Art. II.13.

<sup>14</sup> N.B. : The description of the required content of the activity report is not exhaustive



In the case of partner organisations or external bodies, the organisation to which each person belongs should be clearly identified. The activities conducted by each person involved will be described and it will be explained how they relate to the various activities and objectives of the project, as described in section A.

It must be shown how the data requested for section B compares with the corresponding information provided with the proposal. It should naturally also correspond to the details provided in the financial report.

### **2.3. Partners involved**

This section should present how the work has been distributed among the various partners (if any). It will explain which activities the various partners have conducted, how they have been co-ordinated and how they have contributed to the set objectives.

### **2.4. Countries involved**

This section should explain what activities have been conducted in each of the countries involved and how the results have been made available in each country.

### **2.5. Achievement of the objectives**

This section should explain how the objectives have been achieved. It should present an evaluation of the results achieved and explain on what monitoring, assessment or relevant evidence the conclusions presented on the results achieved are based. Any problem in achieving the objectives must be highlighted and explained.

### **2.6. Financial report**

The beneficiaries should respect the following rules:

- The financial report must be signed.
- The budget must be consistent with the estimated budget and must be balanced (expenses = incomes).
- The reserve must be dispatched between the different posts.
- The payment request (dated and signed) must be jointed to this report.

**IMPORTANT: The absence of complete, clear and structured information and data as described in this annex will be a reason for non acceptance of the activity report.**

**ANNEX IV**  
**LETTERS OF MANDATE**