



Promotion of Agricultural Products (AGRIP SIMPLE)

General Model Grant Agreement

(AGRIP SIMPLE MGA — Multi & Mono)

Version 1.1
01 January 2022

Disclaimer

This document is aimed at assisting applicants. It shows the full range of provisions that may be applied to this type of agreement, and is provided for information purposes only. The legally binding agreement will be that which is signed by the [parties](#).

HISTORY OF CHANGES		
Version	Publication date	Changes
1.0 DRAFT	28.01.2021	▪ Initial version (AGRIP MULTI and MONO).
1.0	01.06.2021	▪ Initial version.
1.1	01.01.2022	<ul style="list-style-type: none"> ▪ Changes in Annex 5: <ul style="list-style-type: none"> ▪ update of references to trademarks legal framework (Regulation 2017/1001 and Directive 2015/2436) ▪ reference to the national Food Based Dietary Guidelines (FBDG)

MODEL GRANT AGREEMENT FOR THE PROMOTION OF AGRICULTURAL PRODUCTS SIMPLE PROGRAMMES (AGRIP SIMPLE) (AGRIP SIMPLE MGA — MULTI & MONO)

- Options *[in green square brackets]*: the applicable option must be chosen, not chosen options should be deleted.
- For fields in *[grey in square brackets]*: fill in the appropriate data/information.
- Text in *grey* indicates that text which is used in other EU programmes is not applicable for this programme.
- Text highlighted in *blue* indicates text that is special for paper grants.

Notice with regard to the terms used

Terms used in this agreement:	Corresponding terms in the legislative acts:
Action	Programme
(Grant) Agreement	Contract
Beneficiary	Proposing organisation
Grant	Union's financial contribution
Debit note	Recovery order
Periodic report	Interim report
Pre-financing guarantee	Security
Pre-financing (payment)	Advance (payment)
Subcontractor	Subcontractor including Implementing body

[Insert header of granting authority]

GRANT AGREEMENT

Project [insert number] — [insert acronym]

PREAMBLE

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

on the one part,

the [full official name of the competent authority (short name), address], acting on behalf of and for the account of [name of the Member State] ('the granting authority'), represented for the purposes of signature of this Agreement by [forename and surname, function],

and

on the other part,

1. 'the coordinator':

[COO full official name (short name)], established in [official address in full][*OPTION for beneficiaries with VAT:*, VAT number [insert number]/], represented for the purposes of signing the Agreement by [forename and surname, function]

[and the following other beneficiaries, if they sign their 'accession form' (see Annex 3 and Article 40):

2. [BEN full official name (short name)], established in [official address in full][*OPTION for beneficiaries with VAT:*, VAT number [insert number]/],

[same for each beneficiary] /

Unless otherwise specified, references to 'beneficiary' or 'beneficiaries' include the coordinator and affiliated entities (if any).

If only one beneficiary signs the grant agreement ('mono-beneficiary grant'), all provisions referring to the 'coordinator' or the 'beneficiaries' will be considered — mutatis mutandis — as referring to the beneficiary.

Having regard to Regulation (EU) No 1144/2014 of the European Parliament and of the Council of 22 October 2014 on information provision and promotion measures concerning agricultural products implemented in the internal market and in third countries and repealing Council Regulation (EC) No 3/2008¹,

¹ OJ L 317, 4.11.2014, p. 56

Having regard to Commission Delegated Regulation (EU) 2015/1829 of 23 April 2015 supplementing Regulation (EU) No 1144/2014 of the European Parliament and of the Council on information provision and promotion measures concerning agricultural products implemented in the internal market and in third countries²,

Having regard to Commission Implementing Regulation (EU) 2015/1831 of 7 October 2015 laying down rules for application of Regulation (EU) No 1144/2014 of the European Parliament and of the Council on information provision and promotion measures concerning agricultural products implemented in the internal market and in the third countries³,

The parties referred to above have agreed to enter into the Agreement.

By signing the Agreement and the accession forms, the beneficiaries accept the grant and agree to implement the action under their own responsibility and in accordance with the Agreement, with all the obligations and terms and conditions it sets out.

The Agreement is composed of:

Preamble

Terms and Conditions (including Data Sheet)

Annex 1 Description of the action

Annex 2 Estimated budget for the action

Annex 2a Additional information on unit costs and contributions (if applicable)

Annex 3 Accession forms⁴

Annex 4 Model for the financial statements

Annex 5 Specific rules

Annex 6 Model for the certificate on the financial statements (CFS)⁵

Annex 7 Model for periodic technical reports

Annex 8 Model for final technical report

² OJ L 266, 13.10.2015, p. 3

³ OJ L 266, 13.10.2015, p. 14

⁴ Template published on [Portal Reference Documents](#).

⁵ Template published on [Portal Reference Documents](#).

TERMS AND CONDITIONS

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DATA SHEET

1. General data

Project summary:

Project summary
Text from DoA Annex 1 Part A (same text as proposal abstract)

Keywords: [keywords from proposal]

Project number: [project number, e.g. 690853330]

Project name: [full title]

Project acronym: [acronym]

Call: [call ID, e.g. PROG-CALLABREV-YEAR]

Topic: [topic ID, e.g. PROG-CALLABREV-YEAR-NN/TOPICABBREV]

Type of action: AGRIP Simple Programmes

Granting authority: [insert name of competent authority]

Grant managed through EU Funding & Tenders Portal: No

Project starting date⁶: *[OPTION 1 by default: first day of the month following the entry into force date]* *[OPTION 2 if selected for the grant: fixed date: [dd Month YYYY]]*

Project end date: [dd/mm/yyyy]

Project duration: [number of months, e.g. 36 months]

Consortium agreement: *[OPTION 1 by default: Yes]* *[OPTION 2 if selected for the call: No]*

2. Participants

List of participants:

Num ber	Role	Short name	Legal name	Country	Total eligible costs (BEN and AE)	Maximum grant amount	Entry date	Exit date
1	COO			[country]	[amount]	[amount]	[date]	
2	BEN			[country]	[amount]	[amount]		
3	BEN			[country]	[amount]	[amount]		

⁶ The starting date of the implementation of the action shall be the first day of the month following the date of entry into force of the agreement. The starting date of the implementation of the action may not be later than 6 months after the date of entry into force of the agreement if in the description of the action in Annex 1 it is so foreseen and justified for example to take into account the seasonality of the product concerned by the programme or participation in a specific event or fair (Article 10(4) of Commission Implementing Regulation (EU) 2015/1831).

Project: [insert number] — [insert acronym] — [insert call identifier]

EU Grants: AGRIP SIMPLE MGA — Multi & Mono: V1.1– 01.01.2022

4	BEN			[country]	[amount]	[amount]		[date]
5	BEN			[country]	[amount]	[amount]	[date]	
6	AP			[country]		[amount]		
Total					[amount]	[amount]		

Coordinator:

- [COO legal name (short name)]: from [insert date] to [insert date]
- ...

3. Grant

Maximum grant amount, total estimated eligible costs and contributions and funding rate:

Total eligible costs (BEN)	Funding rate (%)	Maximum grant amount (Annex 2)	Maximum grant amount (award decision)
[amount]	[...], [...]	[amount]	[amount]

Grant form: Budget-based

Grant mode: Action grant

Budget categories/activity types:

- A. Personnel costs
 - A.1 Employees, A.2 Natural persons under direct contract, A.3 Seconded persons
 - A.4 SME owners and natural person beneficiaries
- B. Subcontracting costs
- C. Purchase costs
 - C.1 Travel and subsistence
 - C.2 Equipment
 - C.3 Other goods, works and services
- D. Other cost categories
 - D.1 Financial support to third parties
- E. Indirect costs

Cost eligibility options:

- Standard supplementary payments
- Travel and subsistence:
 - Travel: Actual costs
 - Accommodation: Actual costs
 - Subsistence: Actual costs

- Equipment: depreciation only
- Costs for providing financial support to third parties (actual cost; max amount for each recipient: EUR [60 000]/[...] ⁷)
- Indirect cost flat-rate: 4% of the eligible personnel costs (category A, except volunteers costs, if any)
- VAT: Yes
- Other ineligible costs

Budget flexibility: Yes (no flexibility cap)

4. Reporting, payments and recoveries

4.1 Continuous reporting (art 21)

Deliverables: [OPTION 1 by default: No] [OPTION 2 if required by the Member State: Yes]

4.2 Periodic reporting and payments

Reporting and payment schedule (art 21, 22):

Reporting					Payments	
Reporting periods*			Type	Deadline	Type	Deadline (time to pay)
RP No	Month from	Month to				
					Prefinancing	30 days, either from 10 days before the starting date of the action or from the receipt of the pre-financing guarantee, whichever is the latest
1	[number]	[number]	Periodic report	60 days after end of reporting period	Interim payment	60 days from receiving periodic report
2	[number]	[number]	Periodic report	60 days after end of reporting period	Interim payment	60 days from receiving periodic report
3	[number]	[number]	Periodic and final report and the evaluation study	90 days after end of reporting period	Final payment	60 days from receiving periodic and final report and the evaluation study

* Each lasting 12 months.

Prefinancing payments and guarantees:

Prefinancing payment		Prefinancing guarantee	
Type	Amount*	Guarantee amount**	Division per participant

⁷ The amount applicable to the call must be specified in the call conditions. It may not be more than 60 000 EUR, unless the objective of the actions funded by the call would otherwise be impossible or overly difficult to achieve (Article 204 EU Financial Regulation 2018/1046). A higher amount may exceptionally be agreed with the granting authority, if this is announced in the call and is needed because otherwise the objective of the action would be impossible or overly difficult to achieve.

Prefinancing	[amount]	[amount]	1 – [short name]	[n/a] / [amount]
			2 – [short name]	

* The amount of prefinancing may not be more than 20% of the maximum grant amount.

** The amount of the prefinancial guarantee must be the same as the amount of prefinancing payment.

Reporting and payment modalities (art 21, 22):

Mutual Insurance Mechanism (MIM): No

Restrictions on distribution of initial prefinancing: The prefinancing may be distributed only if the minimum number of beneficiaries set out in the call conditions (if any) have acceded to the Agreement and only to beneficiaries that have acceded.

Interim payment ceiling: 90% of the maximum grant amount

No-profit rule: Yes

Late payment interest: ECB + 3.5 %

Bank account for payments:

[IBAN account number and SWIFT/BIC, e.g. IT75Y0538703601000000198049; GEBABEBB]

Conversion into euros: Double conversion

Reporting language: Language of the Agreement

4.3 Certificates (art 24)

Certificates on the financial statements (CFS):

Conditions:

Schedule: interim/final payment, if thresholds are reached

Standard threshold (beneficiary-level):

- financial statement: EU contribution to the actual costs of the programme \geq EUR 750 000 and requested EU contribution to actual costs \geq EUR 325 000

4.4 Recoveries (art 22)

First-line liability for recoveries:

Beneficiary termination: Beneficiary concerned

Final payment: Coordinator

After final payment: Beneficiary concerned

Joint and several liability for enforced recoveries (in case of non-payment):

[OPTION 1 by default: Limited joint and several liability of other beneficiaries — up to the maximum grant amount of the beneficiary] [OPTION 2 if selected for the grant: Unconditional joint and several liability of other beneficiaries — up to the maximum grant amount for the action] [OPTION 3 if selected for the grant: Individual financial responsibility: Each beneficiary is liable only for its own debts (and those of its affiliated entities, if any)]

5. Consequences of non-compliance, applicable law & dispute settlement forum

Applicable law (art 43):

Standard applicable law regime: EU law + national law of the Member State of the granting authority

Dispute settlement forum (art 43):

Standard dispute settlement forum: competent national courts of the Member State of the granting authority

6. Other

Specific rules (Annex 5): Yes

- IPR, results and background, access rights and rights of use
 - List of background
 - Rights of use on results for communication and dissemination purposes
- Communication, dissemination and visibility
 - Additional communication and dissemination activities
 - Special logos
- Specific rules for carrying out the action
 - Specific rules for information and promotion campaigns
 - Specific rules for financial support to third parties

Standard time-limits after project end:

Confidentiality (for X years after final payment): 5

Record-keeping (for X years after final payment): 5 (or 3 for grants of not more than EUR 60 000)

Reviews (up to X years after final payment): 5 (or 3 for grants of not more than EUR 60 000)

Audits (up to X years after final payment): 5 (or 3 for grants of not more than EUR 60 000)

CHAPTER 1 GENERAL

ARTICLE 1 — SUBJECT OF THE AGREEMENT

This Agreement sets out the rights and obligations and terms and conditions applicable to the grant awarded for the implementation of the action set out in Chapter 2.

ARTICLE 2 — DEFINITIONS

For the purpose of this Agreement, the following definitions apply:

- Action — The project which is being funded in the context of this Agreement.
- Grant — The grant awarded in the context of this Agreement.
- EU grants — Grants awarded by EU institutions, bodies, offices or agencies (including EU executive agencies, EU regulatory agencies, EDA, joint undertakings, etc.).
- Participants — Entities participating in the action as beneficiaries, affiliated entities, associated partners, third parties giving in-kind contributions, subcontractors or recipients of financial support to third parties.
- Beneficiaries (BEN) — The signatories of this Agreement (either directly or through an accession form).
- Affiliated entities (AE) — Entities affiliated to a beneficiary within the meaning of Article 187 of EU Financial Regulation 2018/1046⁸ which participate in the action with similar rights and obligations as the beneficiaries (obligation to implement action tasks and right to charge costs and claim contributions).
- Associated partners (AP) — Entities which participate in the action, but without the right to charge costs or claim contributions.
- Purchases — Contracts for goods, works or services needed to carry out the action (e.g. equipment, consumables and supplies) but which are not part of the action tasks (see Annex 1).

⁸ For the definition, see Article 187 Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ('EU Financial Regulation') (OJ L 193, 30.7.2018, p. 1): "**affiliated entities** [are]:

- (a) entities that form a sole beneficiary [(i.e. where an entity is formed of several entities that satisfy the criteria for being awarded a grant, including where the entity is specifically established for the purpose of implementing an action to be financed by a grant)];
- (b) entities that satisfy the eligibility criteria and that do not fall within one of the situations referred to in Article 136(1) and 141(1) and that have a link with the beneficiary, in particular a legal or capital link, which is neither limited to the action nor established for the sole purpose of its implementation".

Subcontracting — Contracts for goods, works or services that are part of the action tasks (see Annex 1).

In-kind contributions — In-kind contributions within the meaning of Article 2(36) of EU Financial Regulation 2018/1046, i.e. non-financial resources made available free of charge by third parties.

Fraud — Fraud within the meaning of Article 3 of EU Directive 2017/1371⁹ and Article 1 of the Convention on the protection of the European Communities' financial interests, drawn up by the Council Act of 26 July 1995¹⁰, as well as any other wrongful or criminal deception intended to result in financial or personal gain.

Irregularities — Any type of breach (regulatory or contractual) which could impact the EU financial interests, including irregularities within the meaning of Article 1(2) of EU Regulation 2988/95¹¹.

Grave professional misconduct — Any type of unacceptable or improper behaviour in exercising one's profession, especially by employees, including grave professional misconduct within the meaning of Article 136(1)(c) of EU Financial Regulation 2018/1046.

Applicable EU, international and national law — Any legal acts or other (binding or non-binding) rules and guidance in the area concerned.

Portal — EU Funding & Tenders Portal; electronic portal and exchange system managed by the European Commission and used by itself and other EU institutions, bodies, offices or agencies for the management of their funding programmes (grants, procurements, prizes, etc.).

CHAPTER 2 ACTION

ARTICLE 3 — ACTION

The grant is awarded for the action [insert project number] — [insert acronym] ('action'), as described in Annex 1.

ARTICLE 4 — DURATION AND STARTING DATE

The duration and the starting date of the action are set out in the Data Sheet (see Point 1).

⁹ Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (OJ L 198, 28.7.2017, p. 29).

¹⁰ OJ C 316, 27.11.1995, p. 48.

¹¹ Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.1995, p. 1).

CHAPTER 3 GRANT

ARTICLE 5 — GRANT

5.1 Form of grant

The grant is an action grant¹² which takes the form of a budget-based mixed actual cost grant (i.e. a grant based on actual costs incurred, but which may also include other forms of funding, such as unit costs or contributions, flat-rate costs or contributions, lump sum costs or contributions or financing not linked to costs).

5.2 Maximum grant amount

The maximum grant amount is set out in the Data Sheet (see Point 3) and in the estimated budget (Annex 2).

5.3 Funding rate

The funding rate for costs is *[OPTION for simple programmes in the internal market: 70%] [OPTION for simple programmes in third countries: 80%] [OPTION for simple programmes in the event of serious market disturbance, loss of consumer confidence or other specific problems: 85%] [OPTION for simple programmes in the internal market if a beneficiary is established in Member States receiving financial assistance: 75%] [OPTION for simple programmes in third countries if a beneficiary is established in Member States receiving financial assistance: 85%] [OPTION for simple programmes in the event of serious market disturbance, loss of consumer confidence or other specific problems if a beneficiary is established in Member States receiving financial assistance: 90%]* of the eligible costs.

Contributions are not subject to any funding rate.

5.4 Estimated budget, budget categories and forms of funding

The estimated budget for the action is set out in Annex 2.

It contains the estimated eligible costs and contributions for the action, broken down by participant and budget category.

Annex 2 also shows the types of costs and contributions (forms of funding)¹³ to be used for each budget category.

5.5 Budget flexibility

The budget breakdown may be adjusted — without an amendment (see Article 39) — by transfers (between participants and budget categories), as long as this does not imply any substantive or important change to the description of the action in Annex 1.

¹² For the definition, see Article 180(2)(a) EU Financial Regulation 2018/1046: ‘**action grant**’ means an EU grant to finance “an action intended to help achieve a Union policy objective”.

However:

- addition of amounts for subcontracts not provided for in Annex 1 either require an amendment or simplified approval in accordance with Article 6.2
- other changes require an amendment or simplified approval, if specifically provided for in Article 6.2.

ARTICLE 6 — ELIGIBLE AND INELIGIBLE COSTS AND CONTRIBUTIONS

In order to be eligible, costs and contributions must meet the **eligibility** conditions set out in this Article.

6.1 General eligibility conditions

The **general eligibility conditions** are the following:

(a) for actual costs:

- (i) they must be actually incurred by the beneficiary
- (ii) they must be incurred in the period set out in Article 4 (with the exception of costs relating to the submission of the final periodic report, final report and the study evaluating the results of the measures carried out, which may be incurred afterwards; see Article 21)
- (iii) they must be declared under one of the budget categories set out in Article 6.2 and Annex 2
- (iv) they must be incurred in connection with the action as described in Annex 1 and necessary for its implementation
- (v) they must be identifiable and verifiable, in particular recorded in the beneficiary's accounts in accordance with the accounting standards applicable in the country where the beneficiary is established and with the beneficiary's usual cost accounting practices
- (vi) they must comply with the applicable national law on taxes, labour and social security and
- (vii) they must be reasonable, justified and must comply with the principle of sound financial management, in particular regarding economy and efficiency.

(b) for unit costs or contributions (if any):

- (i) they must be declared under one of the budget categories set out in Article 6.2 and Annex 2
- (ii) the units must:
 - be actually used or produced by the beneficiary in the period set out in Article 4 (with the exception of units relating to the submission of the final periodic report, final report and the study evaluating the results of

the measures carried out, which may be used or produced afterwards; see Article 21)

- be necessary for the implementation of the action and
 - (iii) the number of units must be identifiable and verifiable, in particular supported by records and documentation (see Article 20).
- (c) for flat-rate costs or contributions (if any):
- (i) they must be declared under one of the budget categories set out in Article 6.2 and Annex 2
 - (ii) the costs or contributions to which the flat-rate is applied must:
 - be eligible
 - relate to the period set out in Article 4 (with the exception of costs or contributions relating to the submission of the final periodic report, final report and the study evaluating the results of the measures carried out, which may be incurred afterwards; see Article 21)
- (d) for lump sum costs or contributions (if any):
- (i) they must be declared under one of the budget categories set out in Article 6.2 and Annex 2
 - (ii) the work must be properly implemented by the beneficiary in accordance with Annex 1
 - (iii) the deliverables/outputs must be achieved in the period set out in Article 4 (with the exception of deliverables/outputs relating to the submission of the final periodic report, final report and the study evaluating the results of the measures carried out, which may be achieved afterwards; see Article 21)
- (e) for unit, flat-rate or lump sum costs or contributions according to usual cost accounting practices (if any):
- (i) they must fulfil the general eligibility conditions for the type of cost concerned
 - (ii) the cost accounting practices must be applied in a consistent manner, based on objective criteria, regardless of the source of funding.
- (f) for financing not linked to costs (if any): the results must be achieved or the conditions must be fulfilled as described in Annex 1.

In addition, for direct cost categories (e.g. personnel, travel & subsistence, subcontracting and other direct costs) only costs that are *directly* linked to the action implementation and can therefore be attributed to it *directly* are eligible. They must not include any *indirect* costs (i.e. costs that are only indirectly linked to the action, e.g. via cost drivers).

6.2 Specific eligibility conditions for each budget category

For each budget category, the **specific eligibility conditions** are as follows:

Direct costs

A. Personnel costs

A.1 Costs for employees (or equivalent) are eligible as personnel costs if they fulfil the general eligibility conditions and are related to personnel working for the beneficiary under an employment contract (or equivalent appointing act) and assigned to the action.

They must be limited to salaries, social security contributions, taxes and other costs linked to the remuneration, if they arise from national law or the employment contract (or equivalent appointing act) and be calculated on the basis of the costs actually incurred, in accordance with the following method:

{daily rate for the person
multiplied by
number of day-equivalents worked on the action (rounded up or down to the nearest half-day)}.

The daily rate must be calculated as:

{annual personnel costs for the person
divided by
215}

The number of day-equivalents declared for a person must be identifiable and verifiable (see Article 20).

The total number of day-equivalents declared in EU grants, for a person for a year, cannot be higher than 215.

The personnel costs may also include supplementary payments for personnel assigned to the action (including payments on the basis of supplementary contracts regardless of their nature), if:

- it is part of the beneficiary's usual remuneration practices and is paid in a consistent manner whenever the same kind of work or expertise is required
- the criteria used to calculate the supplementary payments are objective and generally applied by the beneficiary, regardless of the source of funding used.

A.2 and A.3 Costs for natural persons working under a direct contract other than an employment contract and costs for **seconded persons by a third party against payment** are also eligible as personnel costs, if they are assigned to the action, fulfil the general eligibility conditions and:

- (a) work under conditions similar to those of an employee (in particular regarding the way the work is organised, the tasks that are performed and the premises where they are performed) and
- (b) the result of the work belongs to the beneficiary (unless agreed otherwise).

They must be calculated on the basis of a rate which corresponds to the costs actually incurred for the direct contract or secondment and must not be significantly different from those for personnel performing similar tasks under an employment contract with the beneficiary.

A.4 The work of **SME owners** for the action (i.e. owners of beneficiaries that are small and medium-sized enterprises¹⁴ not receiving a salary) or **natural person beneficiaries** (i.e. beneficiaries that are natural persons not receiving a salary) may be declared as personnel costs, if they fulfil the general eligibility conditions and are calculated as unit costs in accordance with the method set out in Annex 2a.

B. Subcontracting costs

Subcontracting costs for the action (including related duties, taxes and charges, such as non-deductible value added tax (VAT)) are eligible, if they are calculated on the basis of the costs actually incurred, fulfil the general eligibility conditions and are awarded using the beneficiary's usual purchasing practices — provided these ensure subcontracts with best value for money (or if appropriate the lowest price) and that there is no conflict of interests (see Article 12).

Beneficiaries that are 'contracting authorities/entities' within the meaning of the EU Directives on public procurement must also comply with the applicable national law on public procurement.

The tasks to be subcontracted and the estimated cost for each subcontract must be set out in Annex 1 and the total estimated costs of subcontracting per beneficiary must be set out in Annex 2 (or may be approved ex post in the periodic report, if the use of subcontracting does not entail changes to the Agreement which would call into question the decision awarding the grant or breach the principle of equal treatment of applicants; 'simplified approval procedure').

C. Purchase costs

Purchase costs for the action (including related duties, taxes and charges, such as non-deductible value added tax (VAT)) are eligible if they fulfil the general eligibility conditions

¹⁴ For the definition, see Commission Recommendation 2003/361/EC: micro, small or medium-sized enterprise (SME) are enterprises

- engaged in an economic activity, irrespective of their legal form (including, in particular, self-employed persons and family businesses engaged in craft or other activities, and partnerships or associations regularly engaged in an economic activity) and
- employing fewer than 250 persons (expressed in 'annual working units' as defined in Article 5 of the Recommendation) and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million.

and are bought using the beneficiary's usual purchasing practices — provided these ensure purchases with best value for money (or if appropriate the lowest price) and that there is no conflict of interests (see Article 12).

Beneficiaries that are 'contracting authorities/entities' within the meaning of the EU Directives on public procurement must also comply with the applicable national law on public procurement.

C.1 Travel and subsistence

Purchases for **travel, accommodation and subsistence** must be calculated as follows:

- travel: on the basis of the costs actually incurred and in line with the beneficiary's usual practices on travel
- accommodation: on the basis of the costs actually incurred and in line with the beneficiary's usual practices on travel
- subsistence: on the basis of the costs actually incurred and in line with the beneficiary's usual practices on travel.

C.2 Equipment

Purchases of **equipment, infrastructure or other assets** used for the action must be declared as depreciation costs, calculated on the basis of the costs actually incurred and written off in accordance with international accounting standards and the beneficiary's usual accounting practices.

Only the portion of the costs that corresponds to the rate of actual use for the action during the action duration can be taken into account.

Costs for **renting or leasing** equipment, infrastructure or other assets are also eligible, if they do not exceed the depreciation costs of similar equipment, infrastructure or assets and do not include any financing fees.

C.3 Other goods, works and services

Purchases of **other goods, works and services** must be calculated on the basis of the costs actually incurred.

Such goods, works and services include, for instance, consumables and supplies, promotion, dissemination, protection of results, translations, publications, certificates and financial guarantees, if required under the Agreement.

D. Other cost categories

D.1 Financial support to third parties

Costs for providing financial support to third parties (in the form of **grants, prizes** or similar forms of support; if any) are eligible, if and as declared eligible in the call conditions, if they fulfil the general eligibility conditions, are calculated on the basis of the costs actually incurred and the support is implemented in accordance with the conditions set out in Annex 1.

These conditions must ensure objective and transparent selection procedures and include at least the following:

(a) for grants (or similar):

- (i) the maximum amount of financial support for each third party ('recipient'); this amount may not exceed the amount set out in the Data Sheet (see Point 3)¹⁵ or otherwise agreed with the granting authority
- (ii) the criteria for calculating the exact amount of the financial support
- (iii) the different types of activity that qualify for financial support, on the basis of a closed list
- (iv) the persons or categories of persons that will be supported and
- (v) the criteria and procedures for giving financial support

(b) for prizes (or similar):

- (i) the eligibility and award criteria
- (ii) the amount of the prize and
- (iii) the payment arrangements.

Indirect costs

E. Indirect costs

Indirect costs will be reimbursed at the flat-rate of 4% of the eligible personnel costs (category A, except volunteers costs, if any).

Contributions

Not applicable

6.3 Ineligible costs and contributions

The following costs or contributions are **ineligible**:

- (a) costs or contributions that do not comply with the conditions set out above (Article 6.1 and 6.2), in particular:
 - (i) costs related to return on capital and dividends paid by a beneficiary
 - (ii) debt and debt service charges
 - (iii) provisions for future losses or debts

¹⁵ The amount must be specified in the call. It may not be more than 60 000 EUR, unless the objective of the action would otherwise be impossible or overly difficult (Article 204 EU Financial Regulation 2018/1046).

- (iv) interest owed
 - (v) currency exchange losses
 - (vi) bank costs charged by the beneficiary's bank for transfers from the granting authority
 - (vii) excessive or reckless expenditure
 - (viii) deductible VAT
 - (ix) costs incurred or contributions for activities implemented during grant agreement suspension (see Article 31)
 - (x) in-kind contributions by third parties.
- (b) costs or contributions declared under other EU grants (or grants awarded by another EU Member State, non-EU country or other body implementing the EU budget), except for the following cases:
- (i) Synergy actions: not applicable
 - (ii) if the action grant is combined with an operating grant¹⁶ running during the same period and the beneficiary can demonstrate that the operating grant does not cover any (direct or indirect) costs of the action grant
- (c) costs or contributions for staff of a national (or regional/local) administration: not applicable
- (d) costs or contributions (especially travel and subsistence) for staff or representatives of EU institutions, bodies or agencies: not applicable
- (e) other:
- (i) country restrictions for eligible costs: not applicable
 - (ii) costs or contributions declared specifically ineligible in the call conditions.

6.4 Consequences of non-compliance

If a beneficiary declares costs or contributions that are ineligible, they will be rejected (see Article 27).

This may also lead to other measures described in Chapter 5.

¹⁶ For the definition, see Article 180(2)(b) EU Financial Regulation 2018/1046: ‘**operating grant**’ means an EU grant to finance “the functioning of a body which has an objective forming part of and supporting an EU policy”.

CHAPTER 4 GRANT IMPLEMENTATION

SECTION 1 CONSORTIUM: BENEFICIARIES, AFFILIATED ENTITIES AND OTHER PARTICIPANTS

ARTICLE 7 — BENEFICIARIES

The beneficiaries, as signatories of the Agreement, are fully responsible towards the granting authority for implementing it and for complying with all its obligations.

They must implement the Agreement to their best abilities, in good faith and in accordance with all the obligations and terms and conditions it sets out.

They must have the appropriate resources to implement the action and implement the action under their own responsibility and in accordance with Article 11. If they rely on affiliated entities or other participants (see Articles 8 and 9), they retain sole responsibility towards the granting authority and the other beneficiaries.

They are jointly responsible for the *technical* implementation of the action. If one of the beneficiaries fails to implement their part of the action, the other beneficiaries must ensure that this part is implemented by someone else (without being entitled to an increase of the maximum grant amount and subject to an amendment; see Article 39). The *financial* responsibility of each beneficiary in case of recoveries is governed by Article 22.

The beneficiaries (and their action) must remain eligible under the EU programme funding the grant for the entire duration of the action. Costs and contributions will be eligible only as long as the beneficiary and the action are eligible.

The **internal roles and responsibilities** of the beneficiaries are divided as follows:

(a) Each beneficiary must:

- (i) keep information stored in the Portal Participant Register up to date (see Article 19)
- (ii) inform the granting authority (and the other beneficiaries) immediately of any events or circumstances likely to affect significantly or delay the implementation of the action (see Article 19)
- (iii) submit to the coordinator in good time:
 - the prefinancing guarantees (if required; see Article 23)
 - the financial statements and certificates on the financial statements (CFS) (if required; see Articles 21 and 24.2 and Data Sheet, Point 4.3)
 - the contribution to the deliverables and technical reports (see Article 21)
 - any other documents or information required by the granting authority under the Agreement

- (iv) submit via the Portal data and information related to the participation of their affiliated entities.
- (b) The coordinator must:
 - (i) monitor that the action is implemented properly (see Article 11)
 - (ii) act as the intermediary for all communications between the consortium and the granting authority, unless the Agreement or granting authority specifies otherwise, and in particular:
 - submit the prefinancing guarantees to the granting authority (if any)
 - request and review any documents or information required and verify their quality and completeness before passing them on to the granting authority
 - submit the deliverables and reports to the granting authority
 - inform the granting authority about the payments made to the other beneficiaries (report on the distribution of payments; if required, see Articles 22 and 32)
 - (iii) distribute the payments received from the granting authority to the other beneficiaries without unjustified delay (see Article 22).

The coordinator may not delegate or subcontract the above-mentioned tasks to any other beneficiary or third party (including affiliated entities).

However, coordinators which are public bodies may delegate the tasks set out in Point (b)(ii) last indent and (iii) above to entities with ‘authorisation to administer’ which they have created or which are controlled by or affiliated to them. In this case, the coordinator retains sole responsibility for the payments and for compliance with the obligations under the Agreement.

Moreover, coordinators which are ‘sole beneficiaries’¹⁷ (or similar, such as European research infrastructure consortia (ERICs)) may delegate the tasks set out in Point (b)(i) to (iii) above to one of their members. The coordinator retains sole responsibility for compliance with the obligations under the Agreement.

The beneficiaries must have **internal arrangements** regarding their operation and co-ordination, to ensure that the action is implemented properly.

If required by the granting authority (see Data Sheet, Point 1), these arrangements must be set out in a written **consortium agreement** between the beneficiaries, covering for instance:

¹⁷ For the definition, see Article 187(2) EU Financial Regulation 2018/1046: “Where several entities satisfy the criteria for being awarded a grant and together form one entity, that entity may be treated as the **sole beneficiary**, including where it is specifically established for the purpose of implementing the action financed by the grant.”

- the internal organisation of the consortium
- the management of access to the Portal
- different distribution keys for the payments and financial responsibilities in case of recoveries (if any)
- additional rules on rights and obligations related to background and results (see Article 16)
- settlement of internal disputes
- liability, indemnification and confidentiality arrangements between the beneficiaries.

The internal arrangements must not contain any provision contrary to this Agreement.

ARTICLE 8 — AFFILIATED ENTITIES

Not applicable

ARTICLE 9 — OTHER PARTICIPANTS INVOLVED IN THE ACTION

9.1 Associated partners

[OPTION 1 if selected for the grant: The following entities which cooperate with a beneficiary will participate in the action as ‘associated partners’:

- [AP legal name (short name)], PIC [number]
 - [AP legal name (short name)], PIC [number]
- [same for more AP]

Associated partners must implement the action tasks attributed to them in Annex 1 in accordance with Article 11. They may not charge costs or contributions to the action and the costs for their tasks are not eligible.

The tasks must be set out in Annex 1.

The beneficiaries must ensure that their contractual obligations under Articles 11 (proper implementation), 12 (conflict of interests), 13 (confidentiality and security), 14 (ethics), 17.2 (visibility), 18 (specific rules for carrying out action), 19 (information) and 20 (record-keeping) also apply to the associated partners.

The beneficiaries must ensure that the bodies mentioned in Article 25 (e.g. granting authority, OLAF, Court of Auditors (ECA), etc.) can exercise their rights also towards the associated partners.]

[OPTION 2: Not applicable]

9.2 Third parties giving in-kind contributions to the action

Other third parties may give in-kind contributions to the action (i.e. personnel, equipment, other goods, works and services, etc. which are free-of-charge), if necessary for the implementation.

Third parties giving in-kind contributions do not implement any action tasks. They may not charge costs or contributions to the action and the costs for the in-kind contributions are not eligible.

The third parties and their in-kind contributions should be set out in Annex 1.

9.3 Subcontractors

Subcontractors may participate in the action, if necessary for the implementation.

Subcontractors must implement their action tasks in accordance with Article 11. The costs for the subcontracted tasks (invoiced price from the subcontractor) are eligible and may be charged by the beneficiaries, under the conditions set out in Article 6. The costs will be included in Annex 2 as part of the beneficiaries' costs.

The beneficiaries must ensure that their contractual obligations under Articles 11 (proper implementation), 12 (conflict of interest), 13 (confidentiality and security), 14 (ethics), 17.2 (visibility), 18 (specific rules for carrying out action), 19 (information) and 20 (record-keeping) also apply to the subcontractors.

The beneficiaries must ensure that the bodies mentioned in Article 25 (e.g. granting authority, OLAF, Court of Auditors (ECA), etc.) can exercise their rights also towards the subcontractors.

9.4 Recipients of financial support to third parties

If the action includes providing financial support to third parties (e.g. grants, prizes or similar forms of support), the beneficiaries must ensure that their contractual obligations under Articles 12 (conflict of interest), 13 (confidentiality and security), 14 (ethics), 17.2 (visibility), 18 (specific rules for carrying out action), 19 (information) and 20 (record-keeping) also apply to the third parties receiving the support (recipients).

The beneficiaries must also ensure that the bodies mentioned in Article 25 (e.g. granting authority, OLAF, Court of Auditors (ECA), etc.) can exercise their rights also towards the recipients.

ARTICLE 10 — PARTICIPANTS WITH SPECIAL STATUS

Not applicable

SECTION 2 RULES FOR CARRYING OUT THE ACTION

ARTICLE 11 — PROPER IMPLEMENTATION OF THE ACTION

11.1 Obligation to properly implement the action

The beneficiaries must implement the action as described in Annex 1 and in compliance with the provisions of the Agreement, the call conditions and all legal obligations under applicable EU, international and national law.

11.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28).

Such breaches may also lead to other measures described in Chapter 5.

ARTICLE 12 — CONFLICT OF INTERESTS

12.1 Conflict of interests

The beneficiaries must take all measures to prevent any situation where the impartial and objective implementation of the Agreement could be compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other direct or indirect interest ('conflict of interests').

They must formally notify the granting authority without delay of any situation constituting or likely to lead to a conflict of interests and immediately take all the necessary steps to rectify this situation.

The granting authority may verify that the measures taken are appropriate and may require additional measures to be taken by a specified deadline.

12.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28) and the grant or the beneficiary may be terminated (see Article 32).

Such breaches may also lead to other measures described in Chapter 5.

ARTICLE 13 — CONFIDENTIALITY AND SECURITY

13.1 Sensitive information

The parties must keep confidential any data, documents or other material (in any form) that is identified as sensitive in writing ('sensitive information') — during the implementation of the action and for at least until the time-limit set out in the Data Sheet (see Point 6).

If a beneficiary requests, the granting authority may agree to keep such information confidential for a longer period.

Unless otherwise agreed between the parties, they may use sensitive information only to implement the Agreement.

The beneficiaries may disclose sensitive information to their personnel or other participants involved in the action only if they:

- (a) need to know it in order to implement the Agreement and
- (b) are bound by an obligation of confidentiality.

The granting authority may disclose sensitive information to EU institutions and bodies.

It may moreover disclose sensitive information to third parties, if:

- (a) this is necessary to implement the Agreement or safeguard the EU financial interests and
- (b) the recipients of the information are bound by an obligation of confidentiality.

The confidentiality obligations no longer apply if:

- (a) the disclosing party agrees to release the other party
- (b) the information becomes publicly available, without breaching any confidentiality obligation
- (c) the disclosure of the sensitive information is required by EU, international or national law.

Specific confidentiality rules (if any) are set out in Annex 5.

13.2 Classified information

The parties must handle classified information in accordance with the applicable EU, international or national law on classified information (in particular, Commission Decision (EU, Euratom) 2015/444¹⁸ and its implementing rules).

Deliverables which contain classified information must be submitted according to special procedures agreed with the granting authority.

Action tasks involving classified information may be subcontracted only after explicit approval (in writing) from the granting authority.

Classified information may not be disclosed to any third party (including participants involved in the action implementation) without prior explicit written approval from the granting authority.

Specific security rules (if any) are set out in Annex 5.

¹⁸ Commission Decision 2015/444/EC, Euratom of 13 March 2015 on the security rules for protecting EU classified information (OJ L 72, 17.3.2015, p. 53).

13.3 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28).

Such breaches may also lead to other measures described in Chapter 5.

ARTICLE 14 — ETHICS AND VALUES

14.1 Ethics

The action must be carried out in line with the highest ethical standards and the applicable EU, international and national law on ethical principles.

Specific ethics rules (if any) are set out in Annex 5.

14.2 Values

The beneficiaries must commit to and ensure the respect of basic EU values (such as respect for human dignity, freedom, democracy, equality, the rule of law and human rights, including the rights of minorities).

Specific rules on values (if any) are set out in Annex 5.

14.3 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28).

Such breaches may also lead to other measures described in Chapter 5.

ARTICLE 15 — DATA PROTECTION

15.1 Data processing by the granting authority

Any personal data under the Agreement will be processed under the responsibility of the data controller of the granting authority in accordance with the applicable data protection legislation, in particular Regulation 2016/679¹⁹ and related national data protection acts and for the purposes set out in the Privacy Statement.

15.2 Data processing by the beneficiaries

The beneficiaries must process personal data under the Agreement in compliance with the applicable EU, international and national law on data protection (in particular, Regulation 2016/679).

They must ensure that personal data is:

¹⁹ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC ('GDPR') (OJ L 119, 4.5.2016, p. 1).

- processed lawfully, fairly and in a transparent manner in relation to the data subjects
- collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes
- adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed
- accurate and, where necessary, kept up to date
- kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the data is processed and
- processed in a manner that ensures appropriate security of the data.

The beneficiaries may grant their personnel access to personal data only if it is strictly necessary for implementing, managing and monitoring the Agreement. The beneficiaries must ensure that the personnel is under a confidentiality obligation.

The beneficiaries must inform the persons whose data are transferred to the granting authority and provide them with the [Privacy Statement](#).

15.3 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28).

Such breaches may also lead to other measures described in Chapter 5.

ARTICLE 16 — INTELLECTUAL PROPERTY RIGHTS (IPR) — BACKGROUND AND RESULTS — ACCESS RIGHTS AND RIGHTS OF USE

16.1 Background and access rights to background

The beneficiaries must give each other and the other participants access to the background identified as needed for implementing the action, subject to any specific rules in Annex 5.

‘Background’ means any data, know-how or information — whatever its form or nature (tangible or intangible), including any rights such as intellectual property rights — that is:

- (a) held by the beneficiaries before they acceded to the Agreement and
- (b) needed to implement the action or exploit the results.

If background is subject to rights of a third party, the beneficiary concerned must ensure that it is able to comply with its obligations under the Agreement.

16.2 Ownership of results

The granting authority does not obtain ownership of the results produced under the action.

‘Results’ means any tangible or intangible effect of the action, such as data, know-how or information, whatever its form or nature, whether or not it can be protected, as well as any rights attached to it, including intellectual property rights.

16.3 Rights of use of the granting authority and European Commission on materials, documents and information received for policy, information, communication, dissemination and publicity purposes

The granting authority and the European Commission have the right to use non-sensitive information relating to the action and materials and documents received from the beneficiaries (notably summaries for publication, deliverables, as well as any other material, such as pictures or audio-visual material, in paper or electronic form) for policy, information, communication, dissemination and publicity purposes — during the action or afterwards.

The right to use the beneficiaries’ materials, documents and information is granted in the form of a royalty-free, non-exclusive and irrevocable licence, which includes the following rights:

- (a) **use for their own purposes** (in particular, making them available to persons working for them or any other Member State or EU service (including institutions, bodies, offices, agencies, etc.) or institution or body from another Member State; copying or reproducing them in whole or in part, in unlimited numbers; and communication through press information services)
- (b) **distribution to the public** (in particular, publication as hard copies and in electronic or digital format, publication on the internet, as a downloadable or non-downloadable file, broadcasting by any channel, public display or presentation, communicating through press information services, or inclusion in widely accessible databases or indexes)
- (c) **editing or redrafting** (including shortening, summarising, inserting other elements (e.g. meta-data, legends, other graphic, visual, audio or text elements), extracting parts (e.g. audio or video files), dividing into parts, use in a compilation)
- (d) **translation**
- (e) **storage** in paper, electronic or other form
- (f) **archiving**, in line with applicable document-management rules
- (g) the right to authorise **third parties** to act on its behalf or sub-license to third parties the modes of use set out in Points (b), (c), (d) and (f), if needed for the information, communication and publicity activity of the granting authority and
- (h) **processing**, analysing, aggregating the materials, documents and information received and **producing derivative works**.

The rights of use are granted for the whole duration of the industrial or intellectual property rights concerned.

If materials or documents are subject to moral rights or third party rights (including intellectual property rights or rights of natural persons on their image and voice), the beneficiaries must ensure that they comply with their obligations under this Agreement (in

particular, by obtaining the necessary licences and authorisations from the rights holders concerned).

Where applicable, the [granting authority] [European Commission] will insert the following information:

“© – [year] – [name of the copyright owner]. All rights reserved. Licensed to the [granting authority][European Commission] under conditions.”

16.4 Specific rules on IPR, results and background

Specific rules regarding intellectual property rights, results and background (if any) are set out in Annex 5.

16.5 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28).

Such a breach may also lead to other measures described in Chapter 5.

ARTICLE 17 — COMMUNICATION, DISSEMINATION AND VISIBILITY

17.1 Communication — Dissemination — Promoting the action

Unless otherwise agreed with the granting authority, the beneficiaries must promote the action and its results by providing targeted information to multiple audiences (including the media and the public), in accordance with Annex 1 and in a strategic, coherent and effective manner.

Before engaging in a communication or dissemination activity expected to have a major media impact, the beneficiaries must inform the granting authority.

17.2 Visibility — European flag and funding statement

Unless otherwise agreed with the granting authority, communication activities of the beneficiaries related to the action (including media relations, conferences, seminars, information material, such as brochures, leaflets, posters, presentations, etc., in electronic form, via traditional or social media, etc.), dissemination activities and any infrastructure, equipment, vehicles, supplies or major result funded by the grant must acknowledge EU support and display the European flag (emblem) and funding statement (translated into local languages, where appropriate):



Funded by the
European Union



Co-funded by the
European Union



Funded by the
European Union



Co-funded by the
European Union

The emblem must remain distinct and separate and cannot be modified by adding other visual marks, brands or text.

Apart from the emblem, no other visual identity or logo may be used to highlight the EU support.

When displayed in association with other logos (e.g. of beneficiaries or sponsors), the emblem must be displayed at least as prominently and visibly as the other logos.

For the purposes of their obligations under this Article, the beneficiaries may use the emblem without first obtaining approval from the granting authority. This does not, however, give them the right to exclusive use. Moreover, they may not appropriate the emblem or any similar trademark or logo, either by registration or by any other means.

17.3 Quality of information — Disclaimer

Any communication or dissemination activity related to the action must use factually accurate information.

Moreover, it must indicate the following disclaimer (translated into local languages where appropriate):

“Funded by the European Union. Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or [name of the granting authority]. Neither the European Union nor the granting authority can be held responsible for them.”

17.4 Specific communication, dissemination and visibility rules

Specific communication, dissemination and visibility rules (if any) are set out in Annex 5.

17.5 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28).

Such breaches may also lead to other measures described in Chapter 5.

ARTICLE 18 — SPECIFIC RULES FOR CARRYING OUT THE ACTION

18.1 Specific rules for carrying out the action

Specific rules for implementing the action (if any) are set out in Annex 5.

18.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28).

Such a breach may also lead to other measures described in Chapter 5.

SECTION 3 GRANT ADMINISTRATION

ARTICLE 19 — GENERAL INFORMATION OBLIGATIONS

19.1 Information requests

The beneficiaries must provide — during the action or afterwards and in accordance with Article 7 — any information requested in order to verify eligibility of the costs or contributions declared, proper implementation of the action and compliance with the other obligations under the Agreement.

The information provided must be accurate, precise and complete and in the format requested, including electronic format.

19.2 Participant Register data updates

The beneficiaries must keep — at all times, during the action or afterwards — their information stored in the Portal Participant Register up to date, in particular, their name, address, legal representatives, legal form and organisation type.

19.3 Information about events and circumstances which impact the action

The beneficiaries must immediately inform the granting authority (and the other beneficiaries) of any of the following:

- (a) **events** which are likely to affect or delay the implementation of the action or affect the EU's financial interests, in particular:
 - (i) changes in their legal, financial, technical, organisational or ownership situation (including changes linked to one of the exclusion grounds listed in the declaration of honour signed before grant signature)
 - (ii) linked action information: not applicable
- (b) **circumstances** affecting:
 - (i) the decision to award the grant or
 - (ii) compliance with requirements under the Agreement.

19.4 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28).

Such breaches may also lead to other measures described in Chapter 5.

ARTICLE 20 — RECORD-KEEPING

20.1 Keeping records and supporting documents

The beneficiaries must — at least until the time-limit set out in the Data Sheet (see Point 6) — keep records and other supporting documents to prove the proper implementation of the action in line with the accepted standards in the respective field (if any).

In addition, the beneficiaries must — for the same period — keep the following to justify the amounts declared:

- (a) for actual costs: adequate records and supporting documents to prove the costs declared (such as contracts, subcontracts, invoices and accounting records); in addition, the beneficiaries' usual accounting and internal control procedures must enable direct reconciliation between the amounts declared, the amounts recorded in their accounts and the amounts stated in the supporting documents
- (b) for flat-rate costs and contributions (if any): adequate records and supporting documents to prove the eligibility of the costs or contributions to which the flat-rate is applied
- (c) for the following simplified costs and contributions: the beneficiaries do not need to keep specific records on the actual costs incurred, but must keep:
 - (i) for unit costs and contributions (if any): adequate records and supporting documents to prove the number of units declared
 - (ii) for lump sum costs and contributions (if any): adequate records and supporting documents to prove proper implementation of the work as described in Annex 1
 - (iii) for financing not linked to costs (if any): adequate records and supporting documents to prove the achievement of the results or the fulfilment of the conditions as described in Annex 1
- (d) for unit, flat-rate and lump sum costs and contributions according to usual cost accounting practices (if any): the beneficiaries must keep any adequate records and supporting documents to prove that their cost accounting practices have been applied in a consistent manner, based on objective criteria, regardless of the source of funding, and that they comply with the eligibility conditions set out in Articles 6.1 and 6.2.

Moreover, the following is needed for specific budget categories:

- (e) for personnel costs: time worked for the beneficiary under the action must be supported by declarations signed monthly by the person and their supervisor, unless

another reliable time-record system is in place; the granting authority may accept alternative evidence supporting the time worked for the action declared, if it considers that it offers an adequate level of assurance

(f) additional record-keeping rules: not applicable.

The records and supporting documents must be made available upon request (see Article 19) or in the context of checks, reviews, audits or investigations (see Article 25).

If there are on-going checks, reviews, audits, investigations, litigation or other pursuits of claims under the Agreement, the beneficiaries must keep these records and other supporting documentation until the end of these procedures.

The beneficiaries must keep the original documents. Digital and digitalised documents are considered originals if they are authorised by the applicable national law. The granting authority may accept non-original documents if they offer a comparable level of assurance.

20.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, costs or contributions insufficiently substantiated will be ineligible (see Article 6) and will be rejected (see Article 27), and the grant may be reduced (see Article 28).

Such breaches may also lead to other measures described in Chapter 5.

ARTICLE 21 — REPORTING

21.1 Continuous reporting

[OPTION by default: Not applicable]

*[OPTION if the Member State requires continuous monitoring: The coordinator must submit the **deliverables** identified in Annex 1, in accordance with the timing and conditions set out in the Annex.]*

21.2 Reporting

In addition, the beneficiaries must provide reports to request payments, in accordance with the schedule and modalities set out in the Data Sheet (see Point 4.2):

- for interim payments (if any): a **periodic report**.
- for the final payment: a **final periodic report, final report and a study evaluating the results** of the promotional and information measures.

[OPTION 1 for actions with several reporting periods and interim payments:]

Except for the last reporting period, the coordinator must submit a periodic report within 60 days following the end of each reporting period.

The **periodic report** must include the following:

- (a) a periodic technical report (see Annex 7) containing:

- (i) an explanation of the activities carried out by the beneficiaries and an overview of the progress towards the objectives of the action, including deliverables identified in Annex 1

This report must use the output and results indicators set out in Annex 1 and include explanations justifying the differences between the activities planned to be carried out and the expected outcomes in accordance with Annex 1 and those actually carried out or obtained

- (ii) copies of the material and visuals used which have not been already forwarded to the granting authority

(b) a **periodic financial report** containing:

- (i) an individual financial statement (see Annex 4) from each beneficiary for the reporting period concerned

The individual financial statement must detail the eligible costs (actual costs, and flat-rate costs; see Article 6) for each budget category (see Annex 2)

The beneficiaries must declare all eligible costs, even if — for actual costs, and flat-rate costs — they exceed the amounts indicated in the estimated budget (see Annex 2). Amounts which are not declared in the individual financial statement will not be taken into account by the granting authority

If an individual financial statement is not submitted for a reporting period, it may be included in the periodic financial report for the next reporting period

Each beneficiary must certify that:

- the information provided is full, reliable and true
 - the costs declared are eligible (see Article 6)
 - the costs can be substantiated by adequate records and supporting documentation (see Article 20) that will be produced upon request (see Article 19) or in the context of checks, audits and investigations (see Article 25) and
 - for the last reporting period: that all the receipts have been declared (see Article 22)
- (ii) a periodic summary financial statement consolidating the individual financial statements for the reporting period concerned and including — except for the last reporting period — the **request for interim payment**
 - (iii) a certificate on the financial statements (drawn up in accordance with international audit standards and supported by the audit report and in accordance with Annex 6) for each beneficiary, if:
 - the amount of payments it requests as reimbursement of actual costs is EUR 325 000 or more and

- the maximum EU contribution indicated, for that beneficiary, in the estimated budget (see Annex 2) as reimbursement of actual costs is EUR 750 000 or more
- (iv) copies of the relevant invoices and supporting documentation proving the eligibility of the costs where the certificate referred to in point (iii) is not required.

For the last reporting period, the coordinator must submit the periodic report, the final report and the study evaluating the results within 90 days following the end of the last reporting period.

The **final report** must include the following:

- (a) a final technical report (see Annex 8) containing:
 - (i) an overview of the activities carried out and the achieved outcome of the action using, in particular, the impact indicators set out in Annex 1
 - (ii) a summary for publication
- (b) a final financial report containing a final summary financial statement consolidating the individual financial statements for all reporting periods and including the request for payment of the balance.

The **study evaluating the results** of the promotional and information measures must be undertaken by an independent external body and use the impact indicators set out in Annex 1.]

[OPTION 2 for actions with one reporting period and NO interim payments:]

The coordinator must submit — within 90 days following the end of the reporting period — a final report which includes the request for payment of the balance and a study evaluating the results of the promotional and information measures.

The **final report** must include the following:

- (a) a final technical report containing:
 - (i) an overview of the implementation of the action, including deliverables identified in Annex 1

This report must use the output, results and impact indicators set out in Annex 1 and include explanations justifying the differences between work expected to be carried out in accordance with Annex 1 and that actually carried out
 - (ii) a summary for publication
- (b) a final financial report containing:
 - (i) an individual financial statement (see Annex 4) from each beneficiary for the reporting period

The individual financial statement must detail the eligible costs (actual costs and flat-rate costs; see Article 6) for each budget category (see Annex 2)

The beneficiaries must declare all eligible costs, even if — for actual costs and flat-rate costs — they exceed the amounts indicated in the estimated budget (see Annex 2). Amounts which are not declared in the individual financial statement will not be taken into account by the granting authority. The individual financial statements must also detail the receipts of the action (see Article 22)

Each beneficiary must certify that:

- the information provided is full, reliable and true
 - the costs declared are eligible (see Article 6)
 - the costs can be substantiated by adequate records and supporting documentation (see Article 20) that will be produced upon request (see Article 19) or in the context of checks, audits and investigations (see Article 25) and
 - that all the receipts have been declared (see Article 22)
- (ii) a final summary financial statement consolidating the individual financial statements for the reporting period and including the request for payment of the balance
- (iii) a certificate on the financial statements (drawn up in accordance with international audit standards and supported by the audit report and in accordance with Annex 5) for each beneficiary, if:
- it requests a total contribution of EUR 325 000 or more as reimbursement of actual costs and
 - the maximum EU contribution indicated, for that beneficiary in the estimated budget (see Annex 2) as reimbursement of actual costs is EUR 750 000 or more.
- (iv) copies of the relevant invoices and supporting documentation proving the eligibility of the costs where the certificate referred to in point (iii) is not required.

The study evaluating the results of the promotional and information measures must be undertaken by an independent external body and use the impact indicators set out in Annex 1./

21.3 Currency for financial statements and conversion into euros

The financial statements must be drafted in euro.

Beneficiaries with general accounts established in a currency other than the euro must convert the costs recorded in their accounts into euro, at the average of the daily exchange rates

published in the C series of the *Official Journal of the European Union* (ECB website), calculated over the corresponding reporting period.

If no daily euro exchange rate is published in the *Official Journal* for the currency in question, they must be converted at the average of the monthly accounting exchange rates published on the European Commission website (InforEuro), calculated over the corresponding reporting period.

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

21.4 Reporting language

The reporting must be in the language of the Agreement, unless otherwise agreed with the granting authority (see Data Sheet, Point 4.2).

21.5 Consequences of non-compliance

If a report submitted does not comply with this Article, the granting authority may suspend the payment deadline (see Article 29) and apply other measures described in Chapter 5.

If the coordinator breaches its reporting obligations, the granting authority may terminate the grant or the coordinator's participation (see Article 32) or apply other measures described in Chapter 5.

ARTICLE 22 — PAYMENTS AND RECOVERIES — CALCULATION OF AMOUNTS DUE

22.1 Payments and payment arrangements

Payments will be made in accordance with the schedule and modalities set out in the Data Sheet (see Point 4.2).

They will be made in euro to the bank account indicated by the coordinator (see Data Sheet, Point 4.2) and must be distributed without unjustified delay (restrictions may apply to distribution of the initial prefinancing payment; see Data Sheet, Point 4.2).

Payments to this bank account will discharge the granting authority from its payment obligation.

The cost of payment transfers will be borne as follows:

- the granting authority bears the cost of transfers charged by its bank
- the beneficiary bears the cost of transfers charged by its bank
- the party causing a repetition of a transfer bears all costs of the repeated transfer.

Payments by the granting authority will be considered to have been carried out on the date when they are debited to its account.

22.2 Recoveries

Recoveries will be made, if — at beneficiary termination, final payment or afterwards — it turns out that the granting authority has paid too much and needs to recover the amounts undue.

The general liability regime for recoveries is as follows: At final payment, the coordinator will be fully liable for recoveries, even if it has not been the final recipient of the undue amounts. At beneficiary termination or after final payment, recoveries will be made directly against the beneficiaries concerned.

Beneficiaries will be fully liable for repaying the debts of their affiliated entities.

In case of enforced recoveries (see Article 22.4):

- the beneficiaries will be jointly and severally liable for repaying debts of another beneficiary under the Agreement (including late-payment interest), if required by the granting authority (see Data Sheet, Point 4.4)
- affiliated entities will be held liable for repaying debts of their beneficiaries under the Agreement (including late-payment interest), if required by the granting authority (see Data Sheet, Point 4.4).

22.3 Amounts due

22.3.1 Prefinancing payments

The aim of the prefinancing is to provide the beneficiaries with a float.

It remains the property of the EU until the final payment.

Within 30 days from the entry into force of this agreement, the coordinator may submit an application for a **prefinancing** payment to the granting authority, together with a financial guarantee (if required; see Data Sheet, Point 4.2 and Article 23.1).

[OPTION for beneficiaries established in Member States receiving financial assistance pursuant to Article 15(3) of Regulation (EU) No 1144/2014: Beneficiaries established in Member States receiving financial assistance may make its application for pre-financing payment into two parts: for the first part an application must be submitted within the deadline provided for in the previous paragraph, application for the remaining part of the pre-financing may be submitted only after the first part of the pre-financing has been cleared.]

Prefinancing payments (or parts of them) may be offset (without the beneficiaries' consent) against amounts owed by a beneficiary to the granting authority — up to the amount due to that beneficiary.

Payments will not be made if the payment deadline or payments are suspended (see Articles 29 and 30).

22.3.2 Amount due at beneficiary termination — Recovery

In case of beneficiary termination, the granting authority will determine the provisional amount due for the beneficiary concerned. Payments (if any) will be made with the next interim or final payment.

The **amount due** will be calculated in the following step:

Step 1 — Calculation of the total accepted EU contribution

Step 1 — Calculation of the total accepted EU contribution

The granting authority will first calculate the ‘accepted EU contribution’ for the beneficiary for all reporting periods, by calculating the ‘maximum EU contribution to costs’ (applying the funding rate to the accepted costs of the beneficiary), taking into account requests for a lower contribution to costs and CFS threshold cappings (if any; see Article 24.5) and adding the contributions (accepted unit, flat-rate or lump sum contributions and financing not linked to costs, if any).

After that, the granting authority will take into account grant reductions (if any). The resulting amount is the ‘total accepted EU contribution’ for the beneficiary.

The **balance** is then calculated by deducting the payments received (if any; see report on the distribution of payments in Article 32), from the total accepted EU contribution:

$$\begin{aligned} & \{ \text{total accepted EU contribution for the beneficiary} \\ & \text{minus} \\ & \{ \text{prefinancing and interim payments received (if any)} \} \}. \end{aligned}$$

If the balance is **positive**, the amount will be included in the next interim or final payment to the consortium.

If the balance is **negative**, it will be **recovered** in accordance with the following procedure:

The granting authority will send a **pre-information letter** to the beneficiary concerned:

- formally notifying the intention to recover, the amount due, the amount to be recovered and the reasons why and
- requesting observations within 30 days of receiving notification.

If no observations are submitted (or the granting authority decides to pursue recovery despite the observations it has received), it will confirm the amount to be recovered and ask this amount to be paid to the coordinator (**confirmation letter**).

The amounts will later on also be taken into account for the next interim or final payment.

22.3.3 Interim payments

Interim payments reimburse the eligible costs and contributions claimed for the implementation of the action during the reporting periods (if any).

Interim payments (if any) will be made in accordance with the schedule and modalities set out in the Data Sheet (see Point 4.2).

Payment is subject to the approval of the periodic report. Its approval does not imply recognition of compliance, authenticity, completeness or correctness of its content.

The **interim payment** will be calculated by the granting authority in the following steps:

Step 1 — Calculation of the total accepted EU contribution

Step 2 — Limit to the interim payment ceiling

Step 1 — Calculation of the total accepted EU contribution

The granting authority will calculate the ‘accepted EU contribution’ for the action for the reporting period, by first calculating the ‘maximum EU contribution to costs’ (applying the funding rate to the accepted costs of each beneficiary), taking into account requests for a lower contribution to costs, and CFS threshold cappings (if any; see Article 24.5) and adding the contributions (accepted unit, flat-rate or lump sum contributions and financing not linked to costs, if any).

After that, the granting authority will take into account grant reductions from beneficiary termination (if any). The resulting amount is the ‘total accepted EU contribution’.

Step 2 — Limit to the interim payment ceiling

The resulting amount is then capped to ensure that the total amount of prefinancing and interim payments (if any) does not exceed the interim payment ceiling set out in the Data Sheet (see Point 4.2).

Interim payments (or parts of them) may be offset (without the beneficiaries’ consent) against amounts owed by a beneficiary to the granting authority — up to the amount due to that beneficiary.

Payments will not be made if the payment deadline or payments are suspended (see Articles 29 and 30).

22.3.4 Final payment — Final grant amount — Revenues and Profit — Recovery

The final payment (payment of the balance) reimburses the remaining part of the eligible costs and contributions claimed for the implementation of the action (if any).

The final payment will be made in accordance with the schedule and modalities set out in the Data Sheet (see Point 4.2).

Payment is subject to the approval of the final periodic report and final report, and receipt of the study evaluating the results of the promotional and information measures. Its approval does not imply recognition of compliance, authenticity, completeness or correctness of its content.

The **final grant amount for the action** will be calculated in the following steps:

Step 1 — Calculation of the total accepted EU contribution

Step 2 — Limit to the maximum grant amount

Step 3 — Reduction due to the no-profit rule

Step 1 — Calculation of the total accepted EU contribution

The granting authority will first calculate the ‘accepted EU contribution’ for the action for all reporting periods, by calculating the ‘maximum EU contribution to costs’ (applying the funding rate to the total accepted costs of each beneficiary), taking into account requests for a lower contribution to costs, CFS threshold cappings (if any; see Article 24.5) and adding the contributions (accepted unit, flat-rate or lump sum contributions and financing not linked to costs, if any).

After that, the granting authority will take into account grant reductions (if any). The resulting amount is the ‘total accepted EU contribution’.

Step 2 — Limit to the maximum grant amount

If the resulting amount is higher than the maximum grant amount set out in Article 5.2, it will be limited to the latter.

Step 3 — Reduction due to the no-profit rule

If the no-profit rule is provided for in the Data Sheet (see Point 4.2), the grant must not produce a profit (i.e. surplus of the amount obtained following Step 2 plus the action’s revenues, over the eligible costs and contributions approved by the granting authority).

‘Revenue’ is all income generated by the action, during its duration (see Article 4), for beneficiaries that are profit legal entities.

If there is a profit, it will be deducted in proportion to the final rate of reimbursement of the eligible costs approved by the granting authority (as compared to the amount calculated following Steps 1 and 2 minus the contributions).

The **balance** (final payment) is then calculated by deducting the total amount of prefinancing and interim payments already made (if any), from the final grant amount:

$$\begin{aligned} &\{ \text{final grant amount} \\ &\text{minus} \\ &\{ \text{prefinancing and interim payments made (if any)} \} \}. \end{aligned}$$

If the balance is **positive**, it will be **paid** to the coordinator.

The final payment (or part of it) may be offset (without the beneficiaries’ consent) against amounts owed by a beneficiary to the granting authority — up to the amount due to that beneficiary.

Payments will not be made if the payment deadline or payments are suspended (see Articles 29 and 30).

If the balance is **negative**, it will be **recovered** in accordance with the following procedure:

The granting authority will send a **pre-information letter** to the coordinator:

- formally notifying the intention to recover, the final grant amount, the amount to be recovered and the reasons why
- requesting observations within 30 days of receiving notification.

If no observations are submitted (or the granting authority decides to pursue recovery despite the observations it has received), it will confirm the amount to be recovered (**confirmation letter**), together with a **debit note** with the terms and date for payment.

If payment is not made by the date specified in the debit note, the granting authority will **enforce recovery** in accordance with Article 22.4.

22.3.5 Audit implementation after final payment — Revised final grant amount — Recovery

If — after the final payment (in particular, after checks, reviews, audits or investigations; see Article 25) — the granting authority rejects costs or contributions (see Article 27) or reduces the grant (see Article 28), it will calculate the **revised final grant amount** for the beneficiary concerned.

The **beneficiary revised final grant amount** will be calculated in the following step:

Step 1 — Calculation of the revised total accepted EU contribution

Step 1 — Calculation of the revised total accepted EU contribution

The granting authority will first calculate the ‘revised accepted EU contribution’ for the beneficiary, by calculating the ‘revised accepted costs’ and ‘revised accepted contributions’.

After that, it will take into account grant reductions (if any). The resulting ‘revised total accepted EU contribution’ is the beneficiary revised final grant amount.

If the revised final grant amount is lower than the beneficiary’s final grant amount (i.e. its share in the final grant amount for the action), it will be **recovered** in accordance with the following procedure:

The **beneficiary final grant amount** (i.e. share in the final grant amount for the action) is calculated as follows:

$$\left\{ \left\{ \begin{array}{l} \text{total accepted EU contribution for the beneficiary} \\ \text{divided by} \\ \text{total accepted EU contribution for the action} \end{array} \right\} \right. \\ \left. \begin{array}{l} \text{multiplied by} \\ \text{final grant amount for the action} \end{array} \right\}.$$

The granting authority will send a **pre-information letter** to the beneficiary concerned:

- formally notifying the intention to recover, the amount to be recovered and the reasons why and
- requesting observations within 30 days of receiving notification.

If no observations are submitted (or the granting authority decides to pursue recovery despite the observations it has received), it will confirm the amount to be recovered (**confirmation letter**), together with a **debit note** with the terms and the date for payment.

Recoveries against affiliated entities (if any) will be handled through their beneficiaries.

If payment is not made by the date specified in the debit note, the granting authority will **enforce recovery** in accordance with Article 22.4.

22.4 Enforced recovery

If payment is not made by the date specified in the debit note, the amount due will be recovered:

- (a) by offsetting the amount — without the coordinator or beneficiary's consent — against any amounts owed to the coordinator or beneficiary by the granting authority

In exceptional circumstances, to safeguard the EU financial interests, the amount may be offset before the payment date specified in the debit note.

- (b) by drawing on the financial guarantee(s) (if any)
- (c) by holding other beneficiaries jointly and severally liable (if any; see Data Sheet, Point 4.4)
- (d) by holding affiliated entities jointly and severally liable: not applicable
- (e) by taking legal action (see Article 43).

The amount to be recovered will be increased by **late-payment interest** at the rate set out in Article 22.5, from the day following the payment date in the debit note, up to and including the date the full payment is received.

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

Bank charges incurred in the recovery process will be borne by the beneficiary, unless Directive 2015/2366²⁰ applies.

²⁰ Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC (OJ L 337, 23.12.2015, p. 35).

22.5 Consequences of non-compliance

22.5.1 If the granting authority does not pay within the payment deadlines (see above), the beneficiaries are entitled to **late-payment interest** at the rate applied by the European Central Bank (ECB) for its main refinancing operations in euros ('reference rate'), plus the late-payment interest rate specified in the Data Sheet (Point 4.2). The reference rate is the rate in force on the first day of the month in which the payment deadline expires, as published in the C series of the *Official Journal of the European Union*.

If the late-payment interest is lower than or equal to EUR 200, it will be paid to the coordinator only on request submitted within two months of receiving the late payment.

If payments or the payment deadline are suspended (see Articles 29 and 30), payment will not be considered as late.

Late-payment interest covers the period running from the day following the due date for payment (see above), up to and including the date of payment.

Late-payment interest is not considered for the purposes of calculating the final grant amount.

22.5.2 If the coordinator breaches any of its obligations under this Article, the grant may be reduced (see Article 28) and the grant or the coordinator may be terminated (see Article 32).

Such breaches may also lead to other measures described in Chapter 5.

ARTICLE 23 — GUARANTEES

23.1 Prefinancing guarantee

If required by the granting authority (see Data Sheet, Point 4.2), the beneficiaries must provide (one or more) prefinancing guarantee in accordance with the timing and the amounts set out in the Data Sheet.

The coordinator must submit a financial guarantee to the granting authority together with the application for a prefinancing payment.

The guarantee must be in accordance with Chapter IV of Commission Delegated Regulation (EU) No 907/2014 and fulfil the following conditions:

- (a) be provided by a bank or approved financial institution established in the EU or — if requested by the coordinator and accepted by the granting authority — by a third party or a bank or financial institution established outside the EU offering equivalent security
- (b) the guarantor stands as first-call guarantor and does not require the granting authority to first have recourse against the principal debtor (i.e. the beneficiary concerned) and
- (c) remain explicitly in force until the final payment and, if the final payment takes the form of a recovery, until three months after the debit note is notified to a beneficiary.

The guarantee will be released within the following month.

23.2 Consequences of non-compliance

If the beneficiaries breach their obligation to provide the prefinancing guarantee, the prefinancing will not be paid.

Such breaches may also lead to other measures described in Chapter 5.

ARTICLE 24 — CERTIFICATES

24.1 Operational verification report (OVR)

Not applicable

24.2 Certificate on the financial statements (CFS)

If required (see Data Sheet, Point 4.3), the beneficiaries must provide certificates on their financial statements (CFS), in accordance with the schedule, threshold and conditions set out in the Data Sheet.

The coordinator must submit them as part of the periodic report (see Article 21).

If the thresholds are not met, the beneficiaries must provide copies of the relevant invoices and supporting documents proving the eligibility of the costs.

The certificates must be drawn up using the template in Annex 9, cover the costs declared on the basis of actual costs and costs according to usual cost accounting practices (if any), and fulfil the following conditions:

- (a) be provided by a qualified approved external auditor which is independent and complies with Directive 2006/43/EC²¹ (or for public bodies: by a competent independent public officer)
- (b) the verification must be carried out according to the highest professional standards to ensure that the financial statements comply with the provisions under the Agreement and that the costs declared are eligible.

The certificates will not affect the granting authority's right to carry out its own checks, reviews or audits, nor preclude the European Court of Auditors (ECA), the European Public Prosecutor's Office (EPPO) or the European Anti-Fraud Office (OLAF) from using their prerogatives for audits and investigations under the Agreement (see Article 25).

If the costs (or a part of them) were already audited by the granting authority, these costs do not need to be covered by the certificate and will not be counted for calculating the threshold (if any).

24.3 Certificate on the compliance of usual cost accounting practices (CoMUC)

Not applicable

²¹ Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts or similar national regulations (OJ L 157, 9.6.2006, p. 87).

24.4 Systems and process audit (SPA)

Not applicable

24.5 Consequences of non-compliance

If a beneficiary does not submit a certificate on the financial statements (CFS) or the certificate is rejected, the accepted EU contribution to costs will be capped to reflect the CFS threshold.

If a beneficiary breaches any of its other obligations under this Article, the granting authority may apply the measures described in Chapter 5.

ARTICLE 25 — CHECKS, REVIEWS, AUDITS AND INVESTIGATIONS — EXTENSION OF FINDINGS

25.1 Granting authority checks, reviews and audits

25.1.1 Internal checks

The granting authority may — during the action or afterwards — check the proper implementation of the action and compliance with the obligations under the Agreement, including assessing costs and contributions, deliverables and reports.

25.1.2 Project reviews

The granting authority may carry out reviews on the proper implementation of the action and compliance with the obligations under the Agreement (general project reviews or specific issues reviews).

Such project reviews may be started during the implementation of the action and until the time-limit set out in the Data Sheet (see Point 6). They will be formally notified to the coordinator or beneficiary concerned and will be considered to start on the date of the notification.

If needed, the granting authority may be assisted by independent, outside experts. If it uses outside experts, the coordinator or beneficiary concerned will be informed and have the right to object on grounds of commercial confidentiality or conflict of interest.

The coordinator or beneficiary concerned must cooperate diligently and provide — within the deadline requested — any information and data in addition to deliverables and reports already submitted (including information on the use of resources). The granting authority may request beneficiaries to provide such information to it directly. Sensitive information and documents will be treated in accordance with Article 13.

The coordinator or beneficiary concerned may be requested to participate in meetings, including with the outside experts.

For **on-the-spot** visits, the beneficiary concerned must allow access to sites and premises (including to the outside experts) and must ensure that information requested is readily available.

Information provided must be accurate, precise and complete and in the format requested, including electronic format.

On the basis of the review findings, a **project review report** will be drawn up.

The granting authority will formally notify the project review report to the coordinator or beneficiary concerned, which has 30 days from receiving notification to make observations.

Project reviews (including project review reports) will be in the language of the Agreement.

25.1.3 Audits

The granting authority may carry out audits on the proper implementation of the action and compliance with the obligations under the Agreement.

Such audits may be started during the implementation of the action and until the time-limit set out in the Data Sheet (see Point 6). They will be formally notified to the beneficiary concerned and will be considered to start on the date of the notification.

The granting authority may use its own audit service, delegate audits to a centralised service or use external audit firms. If it uses an external firm, the beneficiary concerned will be informed and have the right to object on grounds of commercial confidentiality or conflict of interest.

The beneficiary concerned must cooperate diligently and provide — within the deadline requested — any information (including complete accounts, individual salary statements or other personal data) to verify compliance with the Agreement. Sensitive information and documents will be treated in accordance with Article 13.

For **on-the-spot** visits, the beneficiary concerned must allow access to sites and premises (including for the external audit firm) and must ensure that information requested is readily available.

Information provided must be accurate, precise and complete and in the format requested, including electronic format.

On the basis of the audit findings, a **draft audit report** will be drawn up.

The auditors will formally notify the draft audit report to the beneficiary concerned, which has 30 days from receiving notification to make observations (contradictory audit procedure).

The **final audit report** will take into account observations by the beneficiary concerned and will be formally notified to them.

Audits (including audit reports) will be in the language of the Agreement.

25.2 European Commission checks, reviews and audits in grants of other granting authorities

The European Commission has the same rights of checks, reviews and audits as the granting authority.

25.3 Access to records for assessing simplified forms of funding

Not applicable.

25.4 OLAF, EPPO and ECA audits and investigations

The following bodies may also carry out checks, reviews, audits and investigations — during the action or afterwards:

- the European Anti-Fraud Office (OLAF) under Regulations No 883/2013²² and No 2185/96²³
- the European Public Prosecutor's Office (EPPO) under Regulation 2017/1939
- the European Court of Auditors (ECA) under Article 287 of the Treaty on the Functioning of the EU (TFEU) and Article 257 of EU Financial Regulation 2018/1046.

If requested by these bodies, the beneficiary concerned must provide full, accurate and complete information in the format requested (including complete accounts, individual salary statements or other personal data, including in electronic format) and allow access to sites and premises for on-the-spot visits or inspections — as provided for under these Regulations.

To this end, the beneficiary concerned must keep all relevant information relating to the action, at least until the time-limit set out in the Data Sheet (Point 6) and, in any case, until any ongoing checks, reviews, audits, investigations, litigation or other pursuits of claims have been concluded.

25.5 Consequences of checks, reviews, audits and investigations — Extension of findings

25.5.1 Consequences of checks, reviews, audits and investigations in this grant

Findings in checks, reviews, audits or investigations carried out in the context of this grant may lead to rejections (see Article 27), grant reduction (see Article 28) or other measures described in Chapter 5.

Rejections or grant reductions after the final payment will lead to a revised final grant amount (see Article 22).

Findings in checks, reviews, audits or investigations during the action implementation may lead to a request for amendment (see Article 39), to change the description of the action set out in Annex 1.

²² Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18/09/2013, p. 1).

²³ Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15/11/1996, p. 2).

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

25.5.2 Extension from other grants

Not applicable

25.6 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, costs or contributions insufficiently substantiated will be ineligible (see Article 6) and will be rejected (see Article 27), and the grant may be reduced (see Article 28).

Such breaches may also lead to other measures described in Chapter 5.

ARTICLE 26 — IMPACT EVALUATIONS

Not applicable

CHAPTER 5 — CONSEQUENCES OF NON-COMPLIANCE

SECTION 1 — REJECTIONS AND GRANT REDUCTION

ARTICLE 27 — REJECTION OF COSTS AND CONTRIBUTIONS

27.1 Conditions

The granting authority will — at beneficiary termination, *[OPTION for actions with several RPs and interim payments: interim payment]*, final payment or afterwards — reject any costs or contributions which are ineligible (see Article 6), in particular following checks, reviews, audits or investigations (see Article 25).

Ineligible costs or contributions will be rejected.

27.2 Procedure

If the rejection does not lead to a recovery, the Member State will formally notify the coordinator or beneficiary concerned of the rejection, the amounts and the reasons why. The coordinator or beneficiary concerned may — within 30 days of receiving notification — submit observations if it disagrees with the rejection (payment review procedure).

If the rejection leads to a recovery, the Member State will follow the contradictory procedure with pre-information letter set out in Article 22.

27.3 Effects

If the granting authority rejects costs, it will deduct them from the costs declared and then calculate the amount due (and, if needed, make a recovery; see Article 22).

ARTICLE 28 — GRANT REDUCTION

28.1 Conditions

The granting authority may — at beneficiary termination, final payment or afterwards — reduce the grant for a beneficiary, if:

- (a) the beneficiary (or a person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has committed:
 - (i) substantial errors, irregularities or fraud or
 - (ii) serious breach of obligations under this Agreement or during its award (including improper implementation of the action, non-compliance with the call conditions, submission of false information, failure to provide required information, breach of ethics or security rules (if applicable), etc.), or
- (b) extension of findings: not applicable.

The amount of the reduction will be calculated for each beneficiary concerned and proportionate to the seriousness and the duration of the errors, irregularities or fraud or breach of obligations, by applying an individual reduction rate to their accepted EU contribution.

28.2 Procedure

If the grant reduction does not lead to a recovery, the granting authority will formally notify the coordinator or beneficiary concerned of the reduction, the amount to be reduced and the reasons why. The coordinator or beneficiary concerned may — within 30 days of receiving notification — submit observations if it disagrees with the reduction (payment review procedure).

If the grant reduction leads to a recovery, the granting authority will follow the contradictory procedure with pre-information letter set out in Article 22.

28.3 Effects

If the granting authority reduces the grant, it will deduct the reduction and then calculate the amount due (and, if needed, make a recovery; see Article 22).

SECTION 2 — SUSPENSION AND TERMINATION

ARTICLE 29 — PAYMENT DEADLINE SUSPENSION

29.1 Conditions

The granting authority may — at any moment — suspend the payment deadline if a payment cannot be processed because:

- (a) the required reports or the study (see Article 21) has not been submitted or is not complete or additional information is needed

- (b) there are doubts about the amount to be paid (e.g. queries about eligibility, need for a grant reduction, etc.) and additional checks, reviews, audits or investigations are necessary, or
- (c) there are other issues affecting the EU financial interests.

29.2 Procedure

The granting authority will formally notify the coordinator of the suspension and the reasons why.

The suspension will **take effect** the day the notification is sent.

If the conditions for suspending the payment deadline are no longer met, the suspension will be **lifted** — and the remaining time to pay (see Data Sheet, Point 4.2) will resume.

If the suspension exceeds two months, the coordinator may request the granting authority to confirm if the suspension will continue.

If the payment deadline has been suspended due to the non-compliance of the report and the revised report is not submitted (or was submitted but is also rejected), the granting authority may also terminate the grant or the participation of the coordinator (see Article 32).

ARTICLE 30 — PAYMENT SUSPENSION

30.1 Conditions

The granting authority may — at any moment — suspend payments, in whole or in part for one or more beneficiaries, if:

- (a) a beneficiary (or a person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has committed or is suspected of having committed:
 - (i) substantial errors, irregularities or fraud or
 - (ii) serious breach of obligations under this Agreement or during its award (including improper implementation of the action, non-compliance with the call conditions, submission of false information, failure to provide required information, breach of ethics or security rules (if applicable), etc.), or
- (b) extension of findings: not applicable.

If payments are suspended for one or more beneficiaries, the granting authority will make partial payment(s) for the part(s) not suspended. If suspension concerns the final payment, the payment (or recovery) of the remaining amount after suspension is lifted will be considered to be the payment that closes the action.

30.2 Procedure

Before suspending payments, the granting authority will send a **pre-information letter** to the beneficiary concerned:

- formally notifying the intention to suspend payments and the reasons why and
- requesting observations within 30 days of receiving notification.

If the granting authority does not receive observations or decides to pursue the procedure despite the observations it has received, it will confirm the suspension (**confirmation letter**). Otherwise, it will formally notify that the procedure is discontinued.

At the end of the suspension procedure, the granting authority will also inform the coordinator.

The suspension will **take effect** the day after the confirmation notification is sent.

If the conditions for resuming payments are met, the suspension will be **lifted**. The granting authority will formally notify the beneficiary concerned (and the coordinator) and set the suspension end date.

During the suspension, no prefinancing will be paid to the beneficiaries concerned. For interim payments, the periodic reports for all reporting periods except the last one (see Article 21) must not contain any financial statements from the beneficiary concerned (or its affiliated entities). The coordinator must include them in the next periodic report after the suspension is lifted or — if suspension is not lifted before the end of the action — in the last periodic report.

ARTICLE 31 — GRANT AGREEMENT SUSPENSION

31.1 Beneficiaries-requested Grant Agreement suspension

31.1.1 Conditions and procedure

The beneficiaries may request the suspension of the grant agreement or any part of it, if exceptional circumstances — in particular *force majeure* (see Article 35) — make implementation impossible or excessively difficult.

Partial suspension of the programme cannot lead to the postponement of the project's end date set out in the Data Sheet (see Point 1).

The coordinator must submit a request for **amendment** (see Article 39), with:

- the reasons why
- the date the suspension takes effect; this date may be before the date of the submission of the amendment request and
- the expected date of resumption.

If the party receiving the request signs the amendment, the suspension will **take effect** on the day specified in the amendment.

Once circumstances allow for implementation to resume, the coordinator must immediately request another **amendment** of the Agreement to set the suspension end date, the resumption date (one day after suspension end date) and make other changes necessary to adapt the action to the new situation (see Article 39) — unless the grant has been terminated (see Article 32).

The suspension will be **lifted** with effect from the suspension end date set out in the amendment. This date may be before the date of the submission of the amendment request.

During the suspension, no prefinancing will be paid. Costs incurred or contributions for activities implemented during grant suspension are not eligible (see Article 6.3).

31.2 Granting authority-initiated Grant Agreement suspension

31.2.1 Conditions

The granting authority may suspend the grant agreement or any part of it, if:

- (a) a beneficiary (or a person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has committed or is suspected of having committed:
 - (i) substantial errors, irregularities or fraud or
 - (ii) serious breach of obligations under this Agreement or during its award (including improper implementation of the action, non-compliance with the call conditions, submission of false information, failure to provide required information, breach of ethics or security rules (if applicable), etc.), or
- (b) extension of findings: not applicable
- (c) other:
 - (i) linked action issues: not applicable
 - (ii) additional GA suspension grounds: not applicable.

31.2.2 Procedure

Before suspending the grant, the granting authority will send a **pre-information letter** to the coordinator:

- formally notifying the intention to suspend the grant and the reasons why and
- requesting observations within 30 days of receiving notification.

If the granting authority does not receive observations or decides to pursue the procedure despite the observations it has received, it will confirm the suspension (**confirmation letter**). Otherwise, it will formally notify that the procedure is discontinued.

The suspension will **take effect** the day after the confirmation notification is sent (or on a later date specified in the notification).

Once the conditions for resuming implementation of the action are met, the granting authority will formally notify the coordinator a **lifting of suspension letter**, in which it will set the suspension end date and invite the coordinator to request an amendment of the Agreement to set the resumption date (one day after suspension end date), extend the duration and make other changes necessary to adapt the action to the new situation (see Article 39) — unless the grant has been terminated (see Article 32). The suspension will be **lifted** with effect from the

suspension end date set out in the lifting of suspension letter. This date may be before the date on which the letter is sent.

During the suspension, no prefinancing will be paid. Costs incurred or contributions for activities implemented during suspension are not eligible (see Article 6.3).

The beneficiaries may not claim damages due to suspension by the granting authority (see Article 33).

Grant suspension does not affect the granting authority's right to terminate the grant or a beneficiary (see Article 32) or reduce the grant (see Article 28).

ARTICLE 32 — GRANT AGREEMENT OR BENEFICIARY TERMINATION

32.1 Beneficiaries-requested Grant Agreement termination

32.1.1 Conditions and procedure

The beneficiaries may request the termination of the grant agreement.

The coordinator must submit a request for **amendment** (see Article 39), with:

- the reasons why
- the date the beneficiaries end work on the action ('end of work date') and
- the date the termination takes effect ('termination date'); this date must be after the date of the submission of the amendment request.

The termination will **take effect** on the termination date specified in the amendment.

If no reasons are given or if the granting authority considers the reasons do not justify termination, it may consider the grant terminated improperly.

32.1.2 Effects

The coordinator must — within 90 days from when termination takes effect — submit a **periodic report** (for the open reporting period until termination), **the final report** and **the study evaluating the results** of the promotional and information measures.

The granting authority will calculate the final grant amount and final payment on the basis of the report and the study submitted and taking into account the costs incurred and contributions for activities implemented before termination takes effect (see Article 22). Costs relating to contracts due for execution only after termination are not eligible.

If the granting authority does not receive the reports within the deadline, only costs and contributions which are included in an approved periodic report will be taken into account (no costs/contributions if no periodic report was ever approved).

Improper termination may lead to a grant reduction (see Article 28).

After termination, the beneficiaries' obligations (in particular Articles 13 (confidentiality and security), 16 (IPR), 17 (communication, dissemination and visibility), 21 (reporting), 25

(checks, reviews, audits and investigations), 26 (impact evaluation), 27 (rejections), 28 (grant reduction) and 42 (assignment of claims)) continue to apply.

32.2 Consortium-requested beneficiary termination

32.2.1 Conditions and procedure

The coordinator may request the termination of the participation of one or more beneficiaries, on request of the beneficiary concerned or on behalf of the other beneficiaries.

The coordinator must submit a request for **amendment** (see Article 39), with:

- the reasons why
- the opinion of the beneficiary concerned (or proof that this opinion has been requested in writing)
- the date the beneficiary ends work on the action ('end of work date')
- the date the termination takes effect ('termination date'); this date must be after the date of the submission of the amendment request.

If the termination concerns the coordinator and is done without its agreement, the amendment request must be submitted by another beneficiary (acting on behalf of the consortium).

The termination will **take effect** on the termination date specified in the amendment.

If no information is given or if the granting authority considers that the reasons do not justify termination, it may consider the beneficiary to have been terminated improperly.

32.2.2 Effects

The coordinator must — within 60 days from when termination takes effect — submit:

- (i) a **report on the distribution of payments** to the beneficiary concerned
- (ii) a **termination report** from the beneficiary concerned, for the open reporting period until termination, containing an overview of the progress of the work, the financial statement, and, if applicable, the certificate on the financial statement (CFS) or copies of the relevant invoices and supporting documents (see Articles 21 and 24.2 and Data Sheet, Point 4.3)
- (iii) a second **request for amendment** (see Article 39) with other amendments needed (e.g. reallocation of the tasks and the estimated budget of the terminated beneficiary; addition of a new beneficiary to replace the terminated beneficiary; change of coordinator, etc.).

The granting authority will calculate the amount due to the beneficiary on the basis of the report submitted and taking into account the costs incurred and contributions for activities implemented before termination takes effect (see Article 22). Costs relating to contracts due for execution only after termination are not eligible.

The information in the termination report must also be included in the periodic report for the next reporting period (see Article 21).

If the granting authority does not receive the termination report within the deadline, only costs and contributions which are included in an approved periodic report will be taken into account (no costs/contributions if no periodic report was ever approved).

If the granting authority does not receive the report on the distribution of payments within the deadline, it will consider that:

- the coordinator did not distribute any payment to the beneficiary concerned and that
- the beneficiary concerned must not repay any amount to the coordinator.

If the second request for amendment is accepted by the granting authority, the Agreement is **amended** to introduce the necessary changes (see Article 39).

If the second request for amendment is rejected by the granting authority (because it calls into question the decision awarding the grant or breaches the principle of equal treatment of applicants), the grant may be terminated (see Article 32).

Improper termination may lead to a reduction of the grant (see Article 31) or grant termination (see Article 32).

After termination, the concerned beneficiary's obligations (in particular Articles 13 (confidentiality and security), 16 (IPR), 17 (communication, dissemination and visibility), 21 (reporting), 25 (checks, reviews, audits and investigations), 26 (impact evaluation), 27 (rejections), 28 (grant reduction) and 42 (assignment of claims)) continue to apply.

32.3 Granting authority -initiated Grant Agreement or beneficiary termination

32.3.1 Conditions

The granting authority may terminate the grant agreement or the participation of one or more beneficiaries, if:

- (a) one or more beneficiaries do not accede to the Agreement (see Article 40)
- (b) a change to the action or the legal, financial, technical, organisational or ownership situation of a beneficiary is likely to substantially affect the implementation of the action or calls into question the decision to award the grant (including changes linked to one of the exclusion grounds listed in the declaration of honour)
- (c) following termination of one or more beneficiaries, the necessary changes to the Agreement (and their impact on the action) would call into question the decision awarding the grant or breach the principle of equal treatment of applicants
- (d) implementation of the action has become impossible or the changes necessary for its continuation would call into question the decision awarding the grant or breach the principle of equal treatment of applicants

- (e) a beneficiary (or person with unlimited liability for its debts) is subject to bankruptcy proceedings or similar (including insolvency, winding-up, administration by a liquidator or court, arrangement with creditors, suspension of business activities, etc.)
- (f) a beneficiary (or person with unlimited liability for its debts) is in breach of social security or tax obligations
- (g) a beneficiary (or person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has been found guilty of grave professional misconduct
- (h) a beneficiary (or person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has committed fraud, corruption, or is involved in a criminal organisation, money laundering, terrorism-related crimes (including terrorism financing), child labour or human trafficking
- (i) a beneficiary (or person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) was created under a different jurisdiction with the intent to circumvent fiscal, social or other legal obligations in the country of origin (or created another entity with this purpose)
- (j) a beneficiary (or person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has committed:
 - (i) substantial errors, irregularities or fraud or
 - (ii) serious breach of obligations under this Agreement or during its award (including improper implementation of the action, non-compliance with the call conditions, submission of false information, failure to provide required information, breach of ethics or security rules (if applicable), etc.)
- (k) extension of findings: not applicable
- (l) despite a specific request by the granting authority, a beneficiary does not request — through the coordinator — an amendment to the Agreement to end the participation of one of its associated partners that is in one of the situations under points (d), (f), (e), (g), (h), (i) or (j) and to reallocate its tasks, or
- (m) other:
 - (i) linked action issues: not applicable
 - (ii) additional GA termination grounds: not applicable.

32.3.2 Procedure

Before terminating the grant or participation of one or more beneficiaries, the granting authority will send a **pre-information letter** to the coordinator or beneficiary concerned:

- formally notifying the intention to terminate and the reasons why and
- requesting observations within 30 days of receiving notification.

If the granting authority does not receive observations or decides to pursue the procedure despite the observations it has received, it will confirm the termination and the date it will take effect (**confirmation letter**). Otherwise, it will formally notify that the procedure is discontinued.

For beneficiary terminations, the granting authority will — at the end of the procedure — also inform the coordinator.

The termination will **take effect** the day after the confirmation notification is sent (or on a later date specified in the notification; ‘termination date’).

32.3.3 Effects

(a) for **Grant Agreement termination**:

The coordinator must — within 90 days from when termination takes effect — submit a **periodic report** (for the last open reporting period until termination), **the final report** and **study evaluating the results** of the promotional and information measures.

The granting authority will calculate the final grant amount and final payment on the basis of the report submitted and taking into account the costs incurred and contributions for activities implemented before termination takes effect (see Article 22). Costs relating to contracts due for execution only after termination are not eligible.

If the grant is terminated for breach of the obligation to submit reports, the coordinator may not submit any report after termination.

If the granting authority does not receive the report within the deadline, only costs and contributions which are included in an approved periodic report will be taken into account (no costs/contributions if no periodic report was ever approved).

Termination does not affect the granting authority’s right to reduce the grant (see Article 28) or to impose administrative sanctions (see Article 34).

The beneficiaries may not claim damages due to termination by the granting authority (see Article 33).

After termination, the beneficiaries’ obligations (in particular Articles 13 (confidentiality and security), 16 (IPR), 17 (communication, dissemination and visibility), 21 (reporting), 25 (checks, reviews, audits and investigations), 26 (impact evaluation), 27 (rejections), 28 (grant reduction) and 42 (assignment of claims)) continue to apply.

(b) for **beneficiary termination**:

The coordinator must — within 60 days from when termination takes effect — submit:

- (i) a **report on the distribution of payments** to the beneficiary concerned

- (ii) a **termination report** from the beneficiary concerned, for the open reporting period until termination, containing an overview of the progress of the work, the financial statement, and, if applicable, the certificate on the financial statement (CFS) or copies of the relevant invoices and supporting documents (see Articles 21 and 24.2 and Data Sheet, Point 4.3)
- (iii) a **request for amendment** (see Article 39) with any amendments needed (e.g. reallocation of the tasks and the estimated budget of the terminated beneficiary; addition of a new beneficiary to replace the terminated beneficiary; change of coordinator, etc.).

The granting authority will calculate the amount due to the beneficiary on the basis of the report submitted and taking into account the costs incurred and contributions for activities implemented before termination takes effect (see Article 22). Costs relating to contracts due for execution only after termination are not eligible.

The information in the termination report must also be included in the periodic report for the next reporting period (see Article 21).

If the granting authority does not receive the termination report within the deadline, only costs and contributions included in an approved periodic report will be taken into account (no costs/contributions if no periodic report was ever approved).

If the granting authority does not receive the report on the distribution of payments within the deadline, it will consider that:

- the coordinator did not distribute any payment to the beneficiary concerned and that
- the beneficiary concerned must not repay any amount to the coordinator.

If the request for amendment is accepted by the granting authority, the Agreement is **amended** to introduce the necessary changes (see Article 39).

If the request for amendment is rejected by the granting authority (because it calls into question the decision awarding the grant or breaches the principle of equal treatment of applicants), the grant may be terminated (see Article 32).

After termination, the concerned beneficiary's obligations (in particular Articles 13 (confidentiality and security), 16 (IPR), 17 (communication, dissemination and visibility), 21 (reporting), 25 (checks, reviews, audits and investigations), 26 (impact evaluation), 27 (rejections), 28 (grant reduction) and 42 (assignment of claims)) continue to apply.

SECTION 3 OTHER CONSEQUENCES: DAMAGES AND ADMINISTRATIVE SANCTIONS

ARTICLE 33 — DAMAGES

33.1 Liability of the granting authority

The granting authority cannot be held liable for any damage caused to the beneficiaries or to third parties as a consequence of the implementation of the Agreement, including for gross negligence.

The granting authority cannot be held liable for any damage caused by any of the beneficiaries or other participants involved in the action, as a consequence of the implementation of the Agreement.

33.2 Liability of the beneficiaries

The beneficiaries must compensate the granting authority for any damage it sustains as a result of the implementation of the action or because the action was not implemented in full compliance with the Agreement, provided that it was caused by gross negligence or wilful act.

The liability does not extend to indirect or consequential losses or similar damage (such as loss of profit, loss of revenue or loss of contracts), provided such damage was not caused by wilful act or by a breach of confidentiality.

ARTICLE 34 — ADMINISTRATIVE SANCTIONS AND OTHER MEASURES

Nothing in this Agreement may be construed as preventing the adoption of administrative sanctions (i.e. exclusion from EU award procedures according to Article 64 of Regulation (EU) No 1306/2013²⁴ and/or financial penalties according to Article 5 of Commission Delegated Regulation (EU) 2015/1829) or other public law measures, in addition or as an alternative to the contractual measures provided under this Agreement (see, for instance, Articles 135 to 145 EU Financial Regulation 2018/1046 and Articles 4 and 7 of Regulation 2988/95²⁵).

SECTION 4 FORCE MAJEURE

ARTICLE 35 — FORCE MAJEURE

A party prevented by force majeure from fulfilling its obligations under the Agreement cannot be considered in breach of them.

‘Force majeure’ means any situation or event that:

²⁴ Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008 (OJ L 347, 20.12.2013, p. 549).

²⁵ Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.1995, p. 1).

- prevents either party from fulfilling their obligations under the Agreement,
- was unforeseeable, exceptional situation and beyond the parties' control,
- was not due to error or negligence on their part (or on the part of other participants involved in the action), and
- proves to be inevitable in spite of exercising all due diligence.

Any situation constituting force majeure must be formally notified to the other party without delay, stating the nature, likely duration and foreseeable effects.

The parties must immediately take all the necessary steps to limit any damage due to force majeure and do their best to resume implementation of the action as soon as possible.

CHAPTER 6 FINAL PROVISIONS

ARTICLE 36 — COMMUNICATION BETWEEN THE PARTIES

36.1 Forms and means of communication

Communication under the Agreement (information, requests, submissions, 'formal notifications', etc.) must:

- be made in writing
- clearly identify the Agreement (project number and acronym) and
- using the forms and templates when provided.

Except for formal notifications, the parties should recourse to communications using electronic means.

Formal notifications must be made by registered post with proof of delivery ('formal notification on paper').

However, formal notifications may be sent electronically if the applicable national law in the Member State concerned allows it, notably with proof of delivery.

36.2 Date of communication

Communications are considered to have been made when they are sent by the sending party (i.e. on the date and time they are sent).

Formal notifications on paper sent by registered post with proof of delivery are considered to have been made on either:

- the delivery date registered by the postal service or
- the deadline for collection at the post office.

36.3 Addresses for communication

Formal notifications on paper addressed to the granting authority must be sent to the following address:

[competent authority name]

[Unit]

[Address]

email: [email address]

Formal notifications on paper addressed to the beneficiaries must be sent to their legal address as specified in the Participant Portal Beneficiary Register.

ARTICLE 37 — INTERPRETATION OF THE AGREEMENT

The provisions in the Data Sheet take precedence over the rest of the Terms and Conditions of the Agreement.

Annex 5 takes precedence over the Terms and Conditions; the Terms and Conditions take precedence over the Annexes other than Annex 5.

Annex 2 takes precedence over Annex 1.

ARTICLE 38 — CALCULATION OF PERIODS AND DEADLINES

In accordance with Regulation No 1182/71²⁶, periods expressed in days, months or years are calculated from the moment the triggering event occurs.

The day during which that event occurs is not considered as falling within the period.

‘Days’ means calendar days, not working days.

ARTICLE 39 — AMENDMENTS

39.1 Conditions

The Agreement may be amended, unless the amendment entails changes to the Agreement which would call into question the decision awarding the grant or breach the principle of equal treatment of applicants.

Amendments may be requested by any of the parties.

39.2 Procedure

The party requesting an amendment must submit a request for amendment (see Article 36).

²⁶ Regulation (EEC, Euratom) No 1182/71 of the Council of 3 June 1971 determining the rules applicable to periods, dates and time-limits (OJ L 124, 8/6/1971, p. 1).

The coordinator submits and receives requests for amendment on behalf of the beneficiaries (see Annex 3). If a change of coordinator is requested without its agreement, the submission must be done by another beneficiary (acting on behalf of the other beneficiaries).

The request for amendment must include:

- the reasons why
- the appropriate supporting documents and
- for a change of coordinator without its agreement: the opinion of the coordinator (or proof that this opinion has been requested in writing).

The granting authority may request additional information.

If the party receiving the request agrees, it must sign the amendment within 45 days of receiving notification (or any additional information the granting authority has requested). If it does not agree, it must formally notify its disagreement within the same deadline. The deadline may be extended, if necessary for the assessment of the request. If no notification is received within the deadline, the request is considered to have been rejected.

An amendment **enters into force** on the day of the signature of the receiving party.

An amendment **takes effect** on the date of entry into force or other date specified in the amendment.

ARTICLE 40 — ACCESSION AND ADDITION OF NEW BENEFICIARIES

40.1 Accession of the beneficiaries mentioned in the Preamble

The beneficiaries which are not coordinator must accede to the grant by signing the accession form (see Annex 3), within 30 days after the entry into force of the Agreement (see Article 44).

They will assume the rights and obligations under the Agreement with effect from the date of its entry into force (see Article 44).

If a beneficiary does not accede to the grant within the above deadline, the coordinator must — within 30 days — request an amendment (see Article 39) to terminate the beneficiary and make any changes necessary to ensure proper implementation of the action. This does not affect the granting authority's right to terminate the grant (see Article 32).

40.2 Addition of new beneficiaries

Not applicable.

ARTICLE 41 — TRANSFER OF THE AGREEMENT

Not applicable.

ARTICLE 42 — ASSIGNMENTS OF CLAIMS FOR PAYMENT AGAINST THE GRANTING AUTHORITY

The beneficiaries may not assign any of their claims for payment against the granting authority to any third party, except if expressly approved in writing by the granting authority on the basis of a reasoned, written request by the coordinator (on behalf of the beneficiary concerned).

If the granting authority has not accepted the assignment or if the terms of it are not observed, the assignment will have no effect on it.

In no circumstances will an assignment release the beneficiaries from their obligations towards the granting authority.

ARTICLE 43 — APPLICABLE LAW AND SETTLEMENT OF DISPUTES

43.1 Applicable law

The Agreement is governed by the applicable EU law, supplemented if necessary by the national law of the Member State of the granting authority.

43.2 Dispute settlement

If a dispute concerns the interpretation, application or validity of the Agreement, the parties must bring action before the competent courts of the Member State of the granting authority.

ARTICLE 44 — ENTRY INTO FORCE

The Agreement will enter into force on the day of signature by the granting authority or the coordinator, depending on which is later.

SIGNATURES

For the coordinator
[forename/surname/function]
[signature]
Done in [English]

For the granting authority
[forename/surname]
[signature]
Done in [English]

[date] [stamp][date] [stamp]

ANNEX 1

DESCRIPTION OF THE ACTION

ANNEX 2**ESTIMATED BUDGET**

ANNEX 2 AGRIP MGA — MULTI + MONO

ESTIMATED BUDGET FOR THE ACTION

	Estimated eligible ¹ costs (per budget category)											Estimated EU contribution ²				
	Direct costs									Indirect costs	Total costs	EU contribution to eligible costs			Maximum grant amount ⁶	
	A. Personnel costs		B. Subcontracting costs	C. Purchase costs				D. Other cost categories	E. Indirect costs ³	Funding rate % ⁴		Maximum EU contribution ⁵	Requested EU contribution			
	A.1 Employees (or equivalent)	A.4 SME owners and natural person beneficiaries	B. Subcontracting	C.1 Travel and subsistence			C.2 Equipment	C.3 Other goods, works and services	D.1 Financial support to third parties	E. Indirect costs						
	A.2 Natural persons under direct contract			Travel	Accommodation	Subsistence										
A.3 Seconded persons																
Forms of funding	Actual costs	Unit costs ⁷	Actual costs	Actual costs	Actual costs	Actual costs	Actual costs	Actual costs	Actual costs	Flat-rate costs ⁸						
	a1	a3	b	c1a	c1b	c1c	c2	c3	d1a	e = flat-rate * (a1 + a3)	f = a+b+c+d+e	U	g = f * U%	h	m	
1 – [short name beneficiary]																
1.1 – [short name affiliated entity]																
2 – [short name beneficiary]																
2.1 – [short name affiliated entity]																
X – [short name associated partner]																
Total consortium																

ANNEX 2a

ADDITIONAL INFORMATION ON UNIT COSTS AND CONTRIBUTIONS

SME owners/natural person beneficiaries without salary

See [*Additional information on unit costs and contributions \(Annex 2a and 2b\)*](#)

ANNEX 3

ACCESSION FORM FOR BENEFICIARIES²⁷

(To be filled in and signed by all beneficiaries other than the coordinator and then later on for amendments for any new beneficiary (coordinator or other).)

[BEN legal name (short name)], PIC **[number]**, established in **[legal address]**

hereby agrees

to become *[beneficiary]/[coordinator]*

in Agreement **[insert number] — [insert acronym]** ('the Agreement')

between **[COO legal name (short name)]** **and** the **[insert name of the MS competent authority]** acting on behalf of and for the account of **[name of the Member State]** ('granting authority')

[OPTION for beneficiaries which are NOT coordinator: and mandates

the coordinator to submit and sign in its name and on its behalf any **amendments** to the Agreement, in accordance with Article 39. */*

By signing this accession form, the beneficiary accepts the grant and agrees to *[OPTION: for coordinators: take on the obligations and role of coordinator and to]* implement it in accordance with the Agreement, with all the obligations and terms and conditions it sets out *[OPTION for new beneficiaries/coordinators: as from [insert date]]* *[the date of the signature of the accession form]/[the date of entry into force of the amendment]* ('**accession date**') if the granting authority agrees with the request for amendment.

Beneficiaries which enter in the context of a partial transfer of rights and obligations (PTRO; 'partial takeover') acknowledge and accept that they may be held jointly and severally liable for undue amounts paid to the beneficiary they replace (i.e recoveries). */*.

SIGNATURE

For the beneficiary /new beneficiary/new coordinator

[function/forename/surname]

[signature]

Done in **[English]** on **[stamp]**

²⁷ Template published on [Portal Reference Documents](#).

ANNEX 4

MODEL FOR THE FINANCIAL STATEMENTS

ANNEX 4 AGRIP MGA — MULTI + MONO

FINANCIAL STATEMENT FOR [PARTICIPANT NAME] FOR REPORTING PERIOD [NUMBER]

	Eligible ¹ costs (per budget category)										EU contribution ²					Revenues
	Direct costs									Indirect costs	Total costs	EU contribution to eligible costs			Total requested EU contribution	Income generated by the action
	A. Personnel costs		B. Subcontracting costs	C. Purchase costs			D. Other cost categories	E. Indirect costs ²	Funding rate % ³	Maximum EU contribution ⁴		Requested EU contribution				
	A.1 Employees (or equivalent)	A.4 SME owners and natural person beneficiaries	C.1 Travel and subsistence			C.2 Equipment	C.3 Other goods, works and services	D.X Financial support to third parties	E. Indirect costs							
	A.2 Natural persons under direct contract		Travel	Accommodation	Subsistence											
A.3 Seconded persons																
Forms of funding	Actual costs	Unit costs ⁵	Actual costs	Actual costs	Actual costs	Actual costs	Actual costs	Actual costs	Actual costs	Flat-rate costs ⁶						
	a1	a3	b	c1a	c1b	c1c	c2	c3	d1a	e = flat-rate* (a1 + a3)	f = a+b+c+d+e	U	g = f*U%	h	m	n
XX – [short name beneficiary/affiliated entity]																

ANNEX 5

SPECIFIC RULES

INTELLECTUAL PROPERTY RIGHTS (IPR) — BACKGROUND AND RESULTS — ACCESS RIGHTS AND RIGHTS OF USE (— ARTICLE 16)

List of background

The beneficiaries must, where industrial and intellectual property rights (including rights of third parties) exist prior to the Agreement, establish a list of these pre-existing industrial and intellectual property rights, specifying the rights owners.

The coordinator must — before starting the action — submit this list to the granting authority.

Rights of use of the granting authority and the European Commission on results for information, communication, dissemination and publicity purposes

The granting authority and the European Commission also have the right to exploit non-sensitive results of the action for information, communication, dissemination and publicity purposes, using any of the following modes:

- **use for their own purposes** (in particular, making them available to persons working for them or any other Member State or EU service (including institutions, bodies, offices, agencies, etc.) or institution or body from another Member State; copying or reproducing them in whole or in part, in unlimited numbers; and communication through press information services)
- **distribution to the public** in hard copies, in electronic or digital format, on the internet including social networks, as a downloadable or non-downloadable file
- **editing** or **redrafting** (including shortening, summarising, changing, correcting, cutting, inserting elements (e.g. meta-data, legends or other graphic, visual, audio or text elements), extracting parts (e.g. audio or video files), dividing into parts or use in a compilation)
- translation including inserting subtitles/dubbing in all official languages of EU
- **storage** in paper, electronic or other form
- **archiving** in line with applicable document-management rules
- the right to authorise **third parties** to act on its behalf or sub-license to third parties, including if there is licensed background, any of the rights or modes of exploitation set out in this provision
- **processing**, analysing, aggregating the results and **producing derivative works**

- **disseminating** the results in widely accessible databases or indexes (such as through ‘open access’ or ‘open data’ portals or similar repositories, whether free of charge or not).

The beneficiaries must ensure these rights of use for the whole duration they are protected by industrial or intellectual property rights.

If results are subject to moral rights or third party rights (including intellectual property rights or rights of natural persons on their image and voice), the beneficiaries must ensure that they comply with their obligations under this Agreement (in particular, by obtaining the necessary licences and authorisations from the rights holders concerned).

COMMUNICATION, DISSEMINATION AND VISIBILITY (— ARTICLE 17)

Additional communication and dissemination activities

The beneficiaries must engage in the following additional communication and dissemination activities:

- **present the project** (including project summary, coordinator contact details, list of participants, European flag and funding statement and special logo and project results) on the beneficiaries’ **websites** or **social media accounts**

Special logos

All visual information and promotion material used must bear the ‘*Enjoy, it’s from Europe!*’ logo:



which must be:

- in English, but it is possible to translate the text in a footnote
- vertical
- in colour (orange = 8-M74-Y90-K0) or in black and white (orange replaced with black K100 and blue with grey K60)
- in a size which is proportional to the size of the material on which it is placed.

Depending on the theme of the campaign, the logo may be accompanied by one of the following texts:

Theme	Text
-------	------

Environment	The European Union supports campaigns that promote respect for the environment.
Quality and food safety	The European Union supports campaigns that promote high quality agricultural products.
Health	The European Union supports campaigns that promote a healthy lifestyle.
Diversity	The European Union supports campaigns that promote a wide variety of agricultural products.
Tradition	The European Union supports campaigns that promote agricultural traditions.

SPECIFIC RULES FOR CARRYING OUT THE ACTION (— ARTICLE 18)

Specific rules for information and promotion campaigns for agricultural products

When implementing information and promotion campaigns, the beneficiaries must respect the following conditions:

- ensure that the information and promotion measures are objective, unbiased and non-discriminatory
- ensure that the information and promotion measures also promote the EU action and use both the EU flag and funding statement and the special logo
- when using a project website for the information and promotion measures: use an .eu domain, include clear information about the website owner and ensure that the website is either shut down after the end of the action or, if continued, properly maintained and protected against cybersquatting
- for **mentions of origin** of the promoted products:
 - ensure that the information and promotion measures are not origin-oriented
 - ensure that the main message is EU-oriented (and not focused on a specific origin) and, in particular, that:
 - the mention of origin complements the main EU message
 - the mention of origin does not encourage consumers to buy domestic goods solely because of their origin and the information on the particular properties of the product is also provided
 - the mention of origin remains secondary; this means for actions in EU Member States, that the text or symbol(s) referring to the origin must be *less* prominent than the text or symbol(s) referring to the main EU message; for actions in non-EU countries, it must be *not more* prominent than text or symbol(s) referring to the main EU message

- the main EU message is not obscured by material related to the mention of origin (such as pictures, colours, symbols, etc.) and this material appears in a separate area
- ensure that the mention of origin refers to national level or above (i.e. refers to a supra-national area or a Member State, but not below) — unless the mention of origin is part of:
 - an outermost regions logo ('RUP logo')²⁸ or related visual material
 - a national quality scheme with an origin in its name
 - an origin mentioned in the name of a product recognised under one of the following EU quality schemes:
 - protected designation of origin (PDO)
 - protected geographical indication (PGI) or
 - traditional specialities guaranteed (TSG)²⁹
- the mention of origin is limited to visual material (i.e. not audio)
- for use of **brands**:
 - ensure that the information and promotion measures are not brand-oriented
 - ensure that — except for information and promotion measures concerning national quality schemes registered as trade-mark — the use of brands:
 - is limited to:
 - demonstrations or tastings (at fairs, business-to-business events, on websites or in point of sales) and
 - printed information and promotional material distributed during such demonstrations and tastings

and

²⁸ See Annex I to Commission Delegated Regulation (EU) No 179/2014 of 6 November 2013 supplementing Regulation (EU) No 228/2013 of the European Parliament and of the Council with regard to the register of operators, the amount of aid for the marketing of products outside the region, the logo, the exemption from import duties for certain bovine animals and the financing of certain measures relating to specific measures for agriculture in the outermost regions of the Union (OJ L 63, 4.3.2014, p. 3).

²⁹ Commission Delegated Regulation (EU) No 664/2014 of 18 December 2013 supplementing Regulation (EU) No 1151/2012 of the European Parliament and of the Council with regard to the establishment of the Union symbols for protected designations of origin, protected geographical indications and traditional specialities guaranteed and with regard to certain rules on sourcing, certain procedural rules and certain additional transitional rules (OJ L 179, 19.6.2014, p. 17).

- complies with the following:
 - only brands that fall within the definition of trade marks under Articles 4 and 74 of Regulation 2017/1001³⁰ or Article 3 of Directive 2015/2436³¹ are used
 - the display of brands does not weaken the main EU message and, in particular:
 - the display of brands remains secondary (i.e. in a smaller format than the main EU message)
 - the main EU message is not obscured by the display of branded material (such as pictures, colours, symbols, etc.)
 - the brands are limited to visual display (i.e. not audio)
 - all members of the beneficiary organisation have been given an equal opportunity to display their brands and the brands are displayed together in an equally visible manner in an area separate from that devoted to the main EU message
 - the brands are displayed as follows:
 - for fairs, business-to-business events or point of sales, either:
 - all brands together in a banner on the front of the counter, with the banner not exceeding 5 % of the total surface area of the front of the counter (or proportionally less if less than 5 brands are mentioned)
 - or
 - the brands individually, in separate and identical booths in a neutral and identical way, on the front of the counter, with the display of the brand name not exceeding 5 % of the total surface area of the front of the counter (or proportionally less if less than 5 brands are mentioned)
 - for websites: all brands together, either:
 - in a banner at the bottom of the webpage, with:

³⁰ Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (OJ L 154, 16.6.2017, p. 1).

³¹ Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trade marks (OJ L 336, 23.12.2015, p. 1).

- the banner not exceeding 5% of the total surface area of the webpage (or proportionally less if less than 5 brands are mentioned) and
 - each brand being smaller than the European flag (emblem) (see Article 17)
- or
- on a dedicated webpage distinct from the home page, in a neutral and identical way for each brand
 - for printed information and promotional material distributed during demonstrations and tastings: all brands together in a banner at the bottom of the page, with the banner not exceeding 5 % of the total surface area of the page (or proportionally less if less than 5 brands are mentioned)
- for **health claims** (i.e. information on the impact of a product on health):
 - ensure that the health claim for actions in EU Member States complies with the Annex to Regulation No 1924/2006³² or is approved by the national authority responsible for public health in the Member State where the operations are carried out; for actions in non-EU countries, it must be approved by the competent national authority in the country where the operations are carried out
 - for actions in EU Member States:
 - ensure that information and promotion measures concerning a **national quality scheme** focus on the scheme and not on individual products (i.e. individual products are only used to illustrate the scheme and appear as a secondary message, not weakening the main EU message)
 - ensure that visual information and promotion material used includes a reference to the national [Food Based Dietary Guidelines \(FBDG\)](https://knowledge4policy.ec.europa.eu/health-promotion-knowledge-gateway/food-based-dietary-guidelines-europe-source-documents-food_en)³³ of the targeted Member States for the promoted products.

Specific rules for financial support to third parties

Where financial support to third parties is given to entities that are linked to the beneficiary³⁴, the beneficiaries must ensure that the costs charged to the action are limited to the costs

³² Regulation (EC) No 1924/2006 of the European Parliament and of the Council of 20 December 2006 on nutrition and health claims made on foods (OJ L 404, 30.12.2006, p. 9).

³³ https://knowledge4policy.ec.europa.eu/health-promotion-knowledge-gateway/food-based-dietary-guidelines-europe-source-documents-food_en

³⁴ ‘**Linked entities**’ are entities that have a link with the beneficiary, in particular, a legal or capital link, which is neither limited to the action nor established for the sole purpose of its implementation.

actually incurred and that the entities comply with the principle of sound financial management and keep records on their costs.

ANNEX 6

MODEL FOR THE CERTIFICATE ON THE FINANCIAL STATEMENT (CFS)³⁵

(To be filled out by the CFS auditor, printed on their own letterhead and signed (on paper). The scanned PDF should be submitted by the beneficiary (both for themselves and their affiliated entities).)

Terms of Reference

1. Background and subject matter

A certificate on the financial statements (CFS) must be provided for entities that participate as beneficiary or affiliated entities ('participants') in AGRIP SIMPLE grants — provided that it is required under the Grant Agreement and that certain thresholds of declared expenditure are met (see EU Grant Agreement Data Sheet and Article 24.2).

The purpose of the CFS is to provide the granting authority with sufficient information to be able to assess whether costs that are declared on the basis of actual costs or costs according to usual cost accounting practices (if any) and, if relevant, also revenues comply with the conditions set out in the Grant Agreement.

2. Scope and applicable standards

The engagement is to perform specific **agreed-upon procedures** to verify the eligibility of the costs claimed under the Grant Agreement. It is not an assurance engagement; the auditor does not provide an audit opinion, nor express assurance.

The following standards apply:

- the International Standard on Related Services ('ISRS') 4400 (revised) *Agreed-upon Procedures Engagements* as issued by the International Auditing and Assurance Standards Board (IAASB)
- the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants (IESBA), including the independence requirements (*see explanations below*).

Certificates must be issued according to the highest professional standards. The work must be planned in a way that effective verification can be performed. The auditor must use the

³⁵ Template published on [Portal Reference Documents](#).

evidence obtained from the procedures performed as the basis for the certificate. Matters which are important for the findings and evidence that the work was carried out in accordance with the Terms of Reference must be documented. The findings must be described in sufficient detail to enable the participant and the granting authority to ensure appropriate follow-up.

3. Auditors who may deliver a certificate

The participant is free to choose a **qualified external auditor**, including its usual external auditor, provided that:

- the auditor is **independent** from the participant and
- the provisions of **Directive 2006/43/EC**³⁶ (or similar standards) are complied with.

Although ISRS 4400 states that independence is not a requirement for engagements to carry out agreed-upon procedures, it is one of the qualities to ensure an unbiased approach and therefore required for CFS auditors. Compliance with the IESBA Code's independence requirements is therefore mandatory.

Public bodies can choose an external auditor or an independent public officer. In this case, independence is usually defined as independence 'in fact and in appearance' (*e.g. that the officer is not involved in drawing up the financial statements*). It is for each public body to appoint the public officer and ensure their independence. The certificate should refer to this appointment.

The **CFS costs** themselves can be charged to the project and the choice of auditor should therefore comply with the minimum criteria on best value for money and no conflict of interest as set out in the Grant Agreement. If the participant uses their usual audit firm, it is presumed that they already have an agreement that complies with these provisions.

4. Procedures to be followed and expected results

The verifications should be undertaken on the basis of inquiry and analysis, (re)computation, comparison, other accuracy checks, observation, inspection of records and documents and by interviewing the participant (and the persons working for them).

The sample-based testing of transactions should be based on the confidence level following the basic systems checks. The sampling method (and size of the sample) should be explained.

General reference can also be made to the similar procedures under the [EU Grants Indicative Audit Programme](#).

4.1 Basic systems checks

³⁶ Directive [2006/43/EC](#) of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts or similar national regulations (OJ L 157, 9.6.2006, p. 87).

The auditor must obtain a basic understanding of the beneficiary's accounting system, time-recording system and usual practices.

For this purpose, the following documentation must be examined:

- the Grant Agreement (and amendments)
- the periodic reports and financial statements
- internal guidelines and procedures regarding usual accounting practices, purchasing practices, practices regarding travel and rules for giving financial support to third parties (if any).

The auditor must verify that:

- the accounting system is reliable, accurate, up-to-date and exhaustive
- the participant has a double-entry book-keeping system
- the accounting system (analytical or other suitable internal system) makes it possible to identify costs and revenues linked to the project
- expenses/revenues under the grant have been recorded systematically using a numbering system that distinguishes them from expenses/income for other projects
- the time-recording system is reliable (time-declarations or other time-recording system)
- the usual practices are compatible with the requirements under the Grant Agreement and in line with national law.

4.2 Verification of eligibility of the costs declared

Sample-based testing of transactions

The auditor must assess the eligibility of the costs declared by testing transactions on a sample basis.

For this purpose, the following **documentation** must be examined:

- for personnel costs:
 - salary slips
 - time records/time sheets
 - employment contracts
 - proofs of payment and relevant accounting documents (*personnel accounts, bank statements, invoices, receipts, etc*)
 - other documents (*social security legislation, etc*)
- for subcontracting:

- calls for tender (if any)
- received tenders (if any)
- justification for the choice of subcontractor
- contracts with subcontractors
- invoices
- proofs of payment and relevant accounting documents
- other documents (*national rules on public tendering if applicable, EU Directives, etc*)
- for travel and subsistence costs:
 - transport invoices and tickets (— only for actual costs)
 - proofs of payment and relevant accounting documents (— only for actual costs)
 - other documents (*proofs of attendance such as minutes of meetings, reports, etc*)
- for equipment costs:
 - invoices
 - delivery slips / certificates of first use
 - proofs of payment and relevant accounting documents
 - depreciation method of calculation
- for costs of other goods and services:
 - invoices
 - proofs of payment and relevant accounting documents
- for financial support to third parties:
 - proposals and project files of supported projects
 - for grants: grant agreements/decisions with the recipients of the support and acceptance forms (if applicable)
 - for prizes: rules of contest
 - expense claims
 - proofs of payment and relevant accounting documents.
- for specific cost categories: documents to be requested depend on the cost category.

The auditor must verify that the costs declared comply with the **general eligibility rules** set out in the Grant Agreement.

In particular, the costs must:

- be actually incurred
- be linked to the subject of the Grant Agreement and indicated in the beneficiary's estimated budget (i.e. the latest version of Annex 2)
- be necessary to implement the action which is the subject of the grant
- be reasonable and justified, and comply with the requirements of sound financial management, in particular as regards economy and efficiency³⁷
- have been incurred during the action (duration as defined in the Grant Agreement), with the exception of the invoice for the audit certificate and costs relating to the submission of the last report
- not be covered by another EU grant (*see below ineligible costs*)
- be identifiable, verifiable and, in particular, recorded in the participant's accounting records and determined according to the applicable accounting standards of the country where it is established and its usual cost accounting practices
- comply with the requirements of applicable national laws on taxes, labour and social security
- be in accordance with the provisions of the Grant Agreement and
- have been converted to euro at the rate laid down in the Grant Agreement:
 - for participants with accounts established in a currency other than the euro:

Costs incurred in another currency must be converted into euros at the average of the daily euro exchange rates published in the C series of the [EU Official Journal](#) determined over the corresponding reporting period.

If no daily euro exchange rate is published in the EU Official Journal for the currency in question, the rate used must be the average of the monthly accounting exchange rates established by the European Commission and published on its [website](#)

- for participants with accounts established in euro:

Costs incurred in another currency should be converted into euros applying the participant's usual accounting practice.

³⁷ To be assessed in particular on the basis of the procurement and selection procedures for service providers.

The auditor must verify whether expenditure includes **VAT** and, if so, verify that the participant:

- cannot recover the VAT (this must be supported by a statement from the competent body) and
- is not a public body acting as a public authority.

In addition, the auditor must verify that the costs declared comply with the **specific cost eligibility rules** set out in the Grant Agreement.

Personnel costs

The auditor must verify that:

- personnel costs have been charged and paid in respect of the actual time devoted (including correct conversion to day-equivalents) by the participant's personnel to implementing the action justified on the basis of time sheets or other appropriate time-recording system (such as monthly declaration in accordance with the Grant Agreement)
- personnel costs (and the daily rate, if applicable) were calculated on the basis of gross salary, wages or fees (plus obligatory social charges and other supplementary payments, but excluding any other non-eligible costs) specified in an employment or other type of contract, not exceeding the average rates corresponding to the participant's usual policy on remuneration
- the work was carried out during the period of implementation of the action (duration as defined in the Grant Agreement)
- the personnel costs are not covered by another EU grant (*see below ineligible costs*)
- for supplementary payments: the conditions set out in the Grant Agreement are met (i.e. that it is part of the participant's usual remuneration practices and is paid in a consistent manner whenever the same kind of work or expertise is required and that the criteria used to calculate the supplementary payments are objective and generally applied by the participant, regardless of the source of funding used)
- for in-house consultants and seconded personnel: the conditions set out in the Grant Agreement are met (i.e. that the person works under conditions similar to those of an employee, that the result of the work carried out belongs to the participant (unless agreed otherwise), and that the costs are not significantly different from those for personnel performing similar tasks under an employment contract).

The auditor should verify that the management and accounting system ensures proper allocation of the personnel costs to various activities carried out by the participant and funded by various donors.

Subcontracting costs

The auditor must verify that:

- the subcontracting complies with best value for money (or lowest price) and that there was no conflict of interests
- the subcontracting was necessary to implement the action
- the subcontracting was provided for in Annex 1 and Annex 2 or agreed to by the granting authority at a later stage
- the subcontracting is supported by accounting documents in accordance with national accounting law
- public bodies have complied with the national rules on public procurement.

Travel and subsistence costs

The auditor must verify that travel and subsistence costs:

- have been charged and paid in accordance with the participant's internal rules/usual practices (or, in the absence of such rules/practices, that they do not exceed the scale normally accepted by the granting authority) (— only for actual costs)
- are not covered by another EU grant (*see below ineligible costs*)
- were incurred for travels linked to action tasks set out in Annex 1 of the Grant Agreement.

Equipment costs

The auditor must verify that:

- the equipment is purchased, rented or leased at normal market prices
- public bodies have complied with the national rules on public procurement
- the equipment is written off, depreciation has been calculated according to the applicable tax and accounting rules and only the portion of the depreciation corresponding to the duration of the action has been declared (except if the Grant Agreement allows for full purchase costs)
- the costs are not covered by another EU grant (*see below ineligible costs*).

Costs of other goods and services

The auditor must verify that:

- the purchase complies with best value for money (or lowest price) and that there was no conflict of interests
- public bodies have complied with the national rules on public procurement
- the costs are not covered by another EU grant (*see below ineligible costs*).

Costs of providing financial support to third parties (if applicable)


The auditor must obtain the details and breakdown of the costs of providing financial support to third parties and sample cost items selected randomly (full coverage is required if there are fewer than 10 items, otherwise the sample should have a minimum of 10 items or 10% of the total, whichever number is highest).

The auditor must verify that:

- the maximum amount of financial support for each third party did not exceed the maximum amount fixed in the Grant Agreement (or otherwise agreed with the granting authority)
- the other conditions set out in the Grant Agreement were respected.

Specific cost categories (if applicable)

The verifications for specific cost categories depend on the specific eligibility conditions set out in the Grant Agreement.

 Specific cost categories based on unit costs, flat-rates or lump sum do not need to be checked. The CFS covers only cost categories on the basis of actual costs or costs according to usual cost accounting practices.

Finally, the auditor must verify that the beneficiary has not declared any costs that are explicitly declared **ineligible** under the Grant Agreement:

- costs relating to return on capital
- debt and debt service charges
- provisions for future losses or debts
- interest owed
- currency exchange losses
- bank costs charged by the participant's bank for payments under the Grant Agreement
- excessive or reckless expenditure
- deductible VAT
- VAT incurred by a public body acting as a public authority
- costs incurred during Grant Agreement suspension
- in-kind contributions provided by third parties free of charge
- costs or contributions declared under other EU grants (or grants awarded by a Member State, third country or other body implementing the EU budget), except for the following cases:
 - Synergy actions: not applicable

- if the action grant is combined with an operating grant³⁸ running during the same period and the participant can demonstrate that the operating grant does not cover any (direct or indirect) costs of the action grant
- costs incurred for permanent staff of a national administration for activities that are part of its normal activities (i.e. not undertaken only because of the grant): not applicable
- costs incurred for staff or representatives of EU institutions, bodies or agencies: not applicable
- place of performance obligation: not applicable
- other ineligible costs (if applicable): [insert name of excluded cost category].

For detailed guidance on procedures for calculating eligible cost, see the [EU Grants AGA — Annotated Grant Agreement](#).

4.3 Verification of revenues

The auditor must verify that the participant has declared revenues within the meaning of the Grant Agreement, i.e. income generated by the action (*e.g. from the sale of products, services and publications, conference fees*).

5. Handling and follow-up of CFS findings

If the auditor finds discrepancies/exceptions, the cost item should normally not be included in the financial statement submitted (and does not need to be mentioned in this CFS).

If the issue cannot be rectified by excluding the costs from the financial statement or is of more serious systemic nature, it should be reported on in the CFS.

Cases where the auditor has doubts, should also be reported. In addition, the auditor is requested to mention any general comments and other observations that may be relevant for the assessment (or its follow-up).

The CFS does not affect the granting authority's right to carry out its own assessment or audits. Neither does the reimbursement of costs covered by a certificate preclude the granting authority, the European Commission, the European Anti-Fraud Office (OLAF), the European Public Prosecutor's Office (EPPO) or the European Court of Auditors from carrying out checks, reviews, audits and investigations in accordance with the Grant Agreement. The CFS audit is not a full audit and does not give assurance about the legality and regularity of the costs declared.

³⁸ For the definition, see Article 180(2)(b) of EU Financial Regulation 2018/1046: '**operating grant**' means an EU grant to finance "the functioning of a body which has an objective forming part of and supporting an EU policy".

Certificate

To

[Organisation full name
address]

We, [full name of the audit firm], established in [full address/city/country], represented for signature of this certificate by [name and function of an authorised representative],

hereby certify

that the findings are the factual results of the agreed upon procedures performed, in particular that:

- 1 — We have verified the costs and revenues declared in the financial statement of [organisation legal name (short name)], PIC [number], under Grant Agreement No [insert number] — [insert acronym], covering costs for the following reporting period(s): [insert reporting period(s)].

Total costs subject to this expenditure verification: EUR [insert number].

- 2 — The verification was carried out according to the standards and agreed procedures set out in the Terms of Reference.
- 3 — The verification found that the costs and revenues declared in the financial statements are compliant with the legal and financial provisions of the Grant Agreement.

With the following exceptions:

[insert findings and corresponding amounts (if quantifiable)]

Additional observations and comments:

[insert additional information]

- 4 — We are qualified/authorised to deliver this certificate *[(for additional information, see appendix to this certificate)]* and not subject to any conflict of interest.

- 5 — The beneficiary paid a **price** of EUR [insert amount]) (including VAT of EUR [insert amount]) for this audit certificate. *[OPTION 1: These costs are eligible under the grant and included in the financial statement.]/[OPTION 2: These costs were not charged to the grant.]*

SIGNATURE

For the auditor

[forename/surname/function]

[signature]

[date] [stamp]

ANNEX 7

MODEL FOR PERIODIC TECHNICAL REPORT

[1st/ 2nd/ 3rd] Periodic technical report for the action [insert project acronym]

Grant Agreement number: [insert Grant Agreement number]
 Title of the action: [insert project title]
 Start date of the action: [insert dd/mm/yyyy]
 Duration of the action: [insert duration in months]
 Period covered by the report: from [insert dd/mm/yyyy] to [insert dd/mm/yyyy]

1) Description of the activities carried out with justifications for any deviations to the activities foreseen (max 1500 characters per activity)

	Description of the activities foreseen in the project ¹⁾ including an indication of the estimated output and results indicators ²⁾	Description of the activities carried out, showing the output and results indicators	Explanations justifying the differences between activities expected to be carried out and those actually carried out
Activity 1 [title]			
Activity 2 [title]			
Activity 3 [title]			
Activity n [title]			

¹⁾ Annex 1 to the Grant Agreement

²⁾ cf. Article 22 of Commission Implementing Regulation (EU) 2015/1831

2) Enclosure of the copies of all not yet submitted material and visuals used

ANNEX 8

MODEL FOR FINAL TECHNICAL REPORT

Final technical report for the action [insert acronym]

Grant Agreement number: [insert Grant Agreement number]
Title of the action: [insert action title]
Start date of the action: [insert dd/mm/yyyy]
Duration of the action: [insert duration in months]

1) **Overview of the activities** carried out and the achieved outcome of the action using, in particular, the impact indicators as referred to in Article 22 of Commission Implementing Regulation (EU) 2015/1831 (*max 6000 characters*)

2) **Summary** for publication (*max 3000 characters*)