



ESF Social Innovation+ Initiative

Grant Agreement

Version 1.0
15 December 2022



Disclaimer

This document is aimed at assisting applicants for ESF Social Innovation+ Initiative funding. It shows the full range of provisions that may be applied to this type of grant agreement, and is provided for information purposes only. The legally binding grant agreement will be that which is signed by the parties for the action.

HISTORY OF CHANGES		
Version	Publication date	Changes
1.0	15.12.2022	▪ Initial version.

GRANT AGREEMENT

Project [insert number] — [insert acronym]

PREAMBLE

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

on the one part,

European Social Fund Agency

('granting authority'), under the powers delegated by the European Commission ('European Commission')

and on the other part,

'Beneficiary':

[**legal name**], established in [legal address],

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

By signing the Agreement, the Beneficiary accept the grant and agree to implement the action under its 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 Application form

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)

Project number: [project number, e.g. *ESF-SI-2022-ALMA-01-00X*]

Project title: [full title]

Project acronym: [acronym]

Call number: [e.g. *ESF-SI-2022-ALMA-01*]

Call title: [e.g. *European mobility and social inclusion for integrating disadvantaged young people not in employment, education, or training (NEETs)*]

Granting authority: *European Social Fund Agency*

Project starting date¹: [**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/mm/yyyy]]

Project end date: [dd/mm/yyyy]

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

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

2. Participants

List of participants:

Number	Participating organisation legal name	Short name	Country	Participant	Project main contact person			Entry date	Exit date
					Name, surname and position	Phone number	E-mail address		
1				Beneficiary					
2				Partner 1					
3				Partner 2					
4				Partner 3					
...				...					

3. Grant

Maximum grant amount and total estimated eligible contributions:

¹ This date must normally be the first day of a month and later than the entry into force of the agreement. The RAO can decide on another date, if justified by the applicants. However, the starting date may not be earlier than the submission date of the grant application – except if provided for by the basic act or in cases of extreme urgency and conflict prevention (Article 193 EU Financial Regulation 2018/1046).

Work Package	Maximum grant amount	Forms of funding
Total	[amount]	
Work Package_1	[amount]	Lump sum contribution
Work Package_2	[amount]	Unit contribution
Work Package_3	[amount]	Financing not linked to costs

4. Reporting, payments and recoveries

4.1 Continuous reporting (art 20)

Deliverables: see in Portal Reporting tool

4.2 Periodic reporting and payments

Reporting, payments and guarantees schedule (art 20, 21, 22):

Reporting					Payments			
Reporting periods			Type	Date of submission	Type	Amount	Guarantee amount	Deadline (time to pay)
RP No	Month from	Month to						
					A first (initial) prefinancing payment	[amount]	[amount] [n/a]	30 days from entry into force/financial guarantee (if required) - whichever is the latest
1	[number]	[number]	Additional prefinancing report	[date] <i>30 days after end of reporting period</i>	<i>OPTION 1:</i> Additional prefinancing; <i>OPTION 2:</i> [n/a]	[amount] [n/a]	[amount] [n/a]	60 days from receiving additional prefinancing report [financial guarantee (if required)] - whichever is the latest
2	[number]	[number]	Periodic report	[date] <i>30 days after end of reporting period</i>	A second prefinancing payment	[amount] [n/a]	[n/a]	60 days from receiving periodic report
3	[number]	[number]	Periodic report	[date] <i>30 days after end of reporting period</i>	The final payment (payment of the balance)		[n/a]	60 days from receiving periodic report

Reporting and payment modalities (art 20, 21):

Prefinancing payment ceiling: 80% of the maximum grant amount

No-profit rule: [OPTION if selected for the grant²: No/Yes]

Bank account for payments:

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

Reporting language: Language of the Agreement

4.3 Recoveries (art 21)

First-line liability for recoveries:

Agreement termination: Beneficiary

Beneficiary Final payment: Beneficiary

After final payment: Beneficiary

Joint and several liability for enforced recoveries (in case of non-payment): [OPTION if selected for the grant: Not applicable/[Name of the person/entity liable]]

5. Other

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)

Extension of findings from other grants of the Initiative to this grant (no later than X years after final payment): 5 (or 3 for grants of not more than EUR 60 000)

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

² This is a standard obligation for all EU grants. It may be unselected only under the conditions of Article 192(3) EU Financial Regulation 2018/1046):

- actions with the objective to reinforce the financial capacity of the beneficiaries
- actions where the continuity after their end is to be ensured by the income generated by the action
- grants in the form of study, research or training scholarships paid to natural persons or as other forms of direct support paid to natural persons who are most in need
- grants which are entirely in the form of financing not linked to costs
- actions implemented only by non-profit organisations (i.e. all beneficiaries and affiliated entities are non-profit organisations)
- grants with a maximum amount of not more than EUR 60 000 (low value grants).

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.

This Agreement is concluded based on the following documents which constitute the legal framework applicable to the rights and obligations of the parties and the parties agree to comply with the applicable terms set out therein:

Regulation (EU) 2021/1057 of the European Parliament and of the Council of 24 June 2021 on the European Social Fund Plus and repealing Regulation (EU) No 1296/2013;

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;

National rules applicable to the Beneficiary and its Partners, in the absence of Regulations or fund-specific rules or Initiative rules.

In case of amendment to any of the above documents, the latest version shall apply.

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).

Initiative - ESF Social Innovation+ initiative.

Days - Calendar days.

Participants - Entities participating in the action. Such as Beneficiary, Partners, subcontractors, other third parties involved in the Action, etc.

Beneficiary - legal entity responsible for the overall project implementation and management. It bears the entire financial and juridical responsibility vis-à-vis the granting authority.

Partner - legal entity taking part in the project on behalf of the Beneficiary and directly accountable to the Beneficiary. The involvement of a Partner does not change the Beneficiary's liability for the proper implementation of the project - the Beneficiary remains solely responsible for the improper implementation of the project due to Partner's action or inaction.

Partnership Agreement - contract signed between Beneficiary and Partner(s) containing all duties and responsibilities of all parties before, during and after the project implementation.

Fraud - Fraud within the meaning of Article 3 of EU Directive 2017/1371³ and Article 1 of the Convention on the protection of the European Communities' financial interests, drawn up by the Council Act of 26 July 1995⁴, 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 2988/95⁵.

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 nonbinding) rules and guidance in the area concerned.

Portal - electronic portal and exchange system managed by the granting authority.

Sound Financial Management - a principle overarching the implementation of this Agreement, namely economy, effectiveness and efficiency (including all aspects of internal control). The principle of economy requires that resources used in the pursuit of the implementation of the Action shall be made available in due time, in appropriate quantity and quality and at the best price. The principle of effectiveness concerns the attainment of the specific objectives and the achievement of the intended results. The principle of efficiency concerns the best relationship between resources employed and results achieved.

EU Restrictive Measures - restrictive measures adopted pursuant to the Treaty on European Union (TEU) or to the Treaty on the Functioning of the European Union (TFEU).

³ 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).

⁴ OJ C 316, 27.11.1995, p. 48.

⁵ 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).

Restricted Person - any entities, individuals or groups of individuals designated by the EU as subject to the EU Restrictive Measures⁶.

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).

CHAPTER 3 GRANT

ARTICLE 5 — GRANT

5.1 Form of grant

The grant is an action grant⁷ which takes the form of a contributions of lump sum, units and financing not linked to costs.

5.2 Maximum grant amount

The maximum grant amount is set out in the Data Sheet (see Point 3).

5.3 Funding rate

Not applicable

5.4 Estimated budget and forms of funding

The estimated budget for the action is set out in the Data Sheet (see Point 3).

It contains the estimated eligible contributions for the action.

The Data Sheet Point 3 also shows the types of contributions (forms of funding) to be used for each work package.

⁶ Consolidated list (the “**EU sanctions list**”) presently available at <https://data.europa.eu/euodp/en/data/dataset/consolidated-list-of-persons-groups-and-entities-subject-to-eu-financial-sanctions>. Note that the EU Official Journal is the official source of EU law and, in case of conflict, its content prevails.

⁷ 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”.

5.5 Budget flexibility

Budget flexibility does not apply; changes to the estimated budget always require an amendment (see Article 36).

Amendments for transfers between work packages are moreover possible only if:

- the work packages concerned are not already completed (and declared in a financial statement) and
- the transfers are justified by the technical implementation of the action.

ARTICLE 6 — ELIGIBLE AND INELIGIBLE CONTRIBUTIONS

In order to be eligible, 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 unit contributions (if any):

- they must be set out in the Data sheet (see Point 3) and Annex 1 and the units must be:
 - actually used or produced by the Beneficiary or the Partner(s) in the period set out in Article 4 (with the exception of units relating to the submission of the final periodic report, which may be used or produced afterwards; see Article 20)
 - necessary for the implementation of the action
- the number of units must be identifiable and verifiable, in particular supported by records and documentation (see Article 19)

b) for lump sum contributions (if any):

- they must be set out in the Data sheet (see Point 3) and Annex 1
- the work packages are completed and the work is properly implemented by the Beneficiary or the Partner(s) and/or the results are achieved, in accordance with Annex 1 and during the period set out in Article 4 (with the exception of work/results relating to the submission of the final periodic report, which may be achieved afterwards; see Article 20)

They will be calculated on the basis of the amounts set out in the Data Sheet Point 3.

- c) for financing not linked to costs (if any):** the results must be achieved or the conditions must be fulfilled as described in Annex 1.

6.2 Specific eligibility conditions

- a) Unit contributions are eligible, if they fulfil the general eligibility conditions and are calculated as unit contributions in accordance with Commission Delegated Regulation (EU)⁸ and the call conditions
- b) Financing not linked to costs are eligible, if they fulfil the general eligibility conditions and are calculated in accordance with Commission Delegated Regulation (EU)⁸ and the call conditions.

6.3 Ineligible contributions

The following contributions are **ineligible**:

- a) contributions that do not comply with the conditions set out in Article 6.1 and 6.2
- b) contributions declared under other EU grants (or grants awarded by an EU Member State, non-EU country or other body implementing the EU budget)
- c) contributions for activities implemented during Agreement suspension (see Article 28).

6.4 Consequences of non-compliance

If the Beneficiary declares contributions that are ineligible, they will be rejected (see Article 25).

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

CHAPTER 4 GRANT IMPLEMENTATION

SECTION 1 LIABILITIES, REPRESENTATION OF PARTNERS AND OBLIGATIONS OF THE BENEFICIARY

ARTICLE 7 — BENEFICIARY

The Beneficiary, as signatory of the Agreement, is fully responsible toward the granting authority for implementing it and for complying with all its obligations, i.e., it bears the entire financial and juridical responsibility vis-à-vis the granting authority. The Beneficiary guarantees that it has sufficient authority to represent all Partners participating in the action.

The Beneficiary shall establish with the Partners a Partnership Agreement (if applicable, see Data Sheet, Point 1) signed by all the Partners, governing their relationships and

⁸ Commission Delegated Regulation (EU) 2022/2175 of 5 August 2022 supplementing Regulation (EU) 2021/1060 of the European Parliament and of the Council regarding the definition of unit costs and establishment of amounts for financing not linked to costs for certain operations facilitating the integration of young persons into the labour market, education and society in the framework of the ‘Aim, Learn, Master, Achieve’ (ALMA) initiative.

responsibilities, the allocation of tasks, 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 15), settlement of internal disputes, liability, indemnification and confidentiality arrangements. The internal arrangements must not contain any provision contrary to this Agreement.

The Beneficiary shall ensure that the Partners comply with provisions set in this Agreement.

It is the responsibility of the Beneficiary to ensure that Partners do not fall under any of the situations of exclusion provided for in Regulation (EU, EURATOM) N°2018/1046. The Beneficiary undertakes throughout the duration of the Agreement to inform the granting authority without delay if it becomes aware that one of the Partners is in any of the situations of exclusion and takes the appropriate measures to exclude the Partner from the action. If a Partner is excluded from the action, the Beneficiary has the responsibility of either replace the Partner or redistribute the excluded Partner's activities among the Partnership to ensure the ongoing implementation of the action.

The Beneficiary bears the overall responsibility of the action implementation:

- a) The Beneficiary assumes responsibility for ensuring the implementation of the entire project according to the description in the Annex 1, and for securing project durability and sustainability after the end of the Initiative funding.
- b) The Beneficiary will be liable for any default, breach, failure, or non compliance to the provisions of this Agreement by itself and/or the Partners. The granting authority will be similarly liable for any breaches or failures to comply with its obligations deriving from this Agreement or from any other document referred to in Article 1 of the present Agreement.
- c) The Beneficiary is liable to the granting authority for the total value of the grant paid out, including the amounts transferred by itself to the Partners. In the event of a recovery order for full or partial reimbursement of the grant to the granting authority, the Beneficiary is responsible for the reimbursement of the grant.

The Beneficiary has to inform the granting authority:

- a) of any factors that may adversely affect (delay, hinder or make impossible) the implementation of the action, as well as all circumstances that may cause amendments of the Annex 1 (see Article 36).
- b) of any changes in the Beneficiary's or its Partner's legal status;
- c) if a change to the Beneficiary's or its Partner's legal, financial (including insolvency), technical, organisational or ownership situation is likely to affect the implementation of the action substantially or may call into question the decision to award the grant.

The Beneficiary must:

- a) inform the granting authority about any changes of information related to Participants data stored in the Portal (see Article 18);
- b) request and review any documents or information required and verify their quality and completeness before passing them on to the granting authority;
- c) submit the deliverables and reports to the granting authority;

The Beneficiary guarantees the sound financial management of the budget. This notably implies to:

- a) ensure that expenditure presented by Beneficiary has been incurred for the implementation of the action and corresponds to the activities agreed between all the Partners and indicated in the Annex 1;
- b) ensure that its own organisation as well as the Partners' ones, record and store all supporting documentation required for an adequate audit trail regarding expenditure incurred and payments made, so that it can be produced when requested (see Article 18).

The Beneficiary and the Partners (and their action) must remain eligible under the EU programme funding the grant for the entire duration of the action. Contributions will be eligible only as long as the Beneficiary and the Partners and their action are eligible.

ARTICLE 8 — PARTICIPANTS WITH SPECIAL STATUS

8.1 Non-EU participants

Participants which are established in a non-EU country (if any) undertake to comply with their obligations under the Agreement and:

- to respect general principles (including fundamental rights, values and ethical principles, environmental and labour standards, rules on classified information, intellectual property rights, visibility of funding and protection of personal data)
- for the controls under Article 23: to allow for checks, reviews, audits and investigations (including on-the-spot checks, visits and inspections) by the bodies mentioned in that Article (e.g. granting authority, OLAF, Court of Auditors (ECA), etc.).

8.2 Participants which are international organisations

Participants which are international organisations (IOs; if any) undertake to comply with their obligations under the Agreement and:

- to respect general principles (including fundamental rights, values and ethical principles, environmental and labour standards, rules on classified information, intellectual property rights, visibility of funding and protection of personal data)

- for the controls under Article 23: to allow for the checks, reviews, audits and investigations by the bodies mentioned in that Article, taking into account the specific agreements concluded by them and the EU (if any).

For such participants, nothing in the Agreement will be interpreted as a waiver of their privileges or immunities, as accorded by their constituent documents or international law.

SECTION 2 RULES FOR CARRYING OUT THE ACTION

ARTICLE 9 — PROPER IMPLEMENTATION OF THE ACTION

9.1 Obligation to properly implement the action

The Beneficiary 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.

9.2 Consequences of non-compliance

If a Beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 26).

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

ARTICLE 10 — CONFLICT OF INTERESTS

10.1 Conflict of interests

The Beneficiary 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').

The Beneficiary 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.

The Beneficiary shall ensure that the Partners comply with provisions of this Article.

10.2 Consequences of non-compliance

If a Beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 26) and the Agreement or Partner may be terminated (see Article 29).

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

ARTICLE 11 – SANCTIONS

11.1 Sanctions

The Beneficiary must take all measures to prevent grant funds being made available directly or indirectly to, or for the benefit of, Restricted Persons. i.e. no transaction subject to a verified hit against the EU sanctions list shall benefit directly or indirectly from grant funding.

The Beneficiary will implement this obligation through the following measures:

- it shall screen for hits against the EU sanctions list, before entering into, and before making payments under, the relevant agreements, each Partner or contractor with whom the Beneficiary has or is expected to have a direct contractual relationship, so as to assess whether such recipient is a Restricted Person
- it shall ensure that no entity that has or is expected to have a direct contractual relationship with a Partner in relation to the implementation of the action and that would receive grant funding (“Indirect Recipient”), is a Restricted Person.

In the event that the Beneficiary assesses that any of the recipients of the grant funding referred to above is a Restricted Person, the Beneficiary shall promptly inform the granting authority.

11.2 Consequences of non-compliance

If a Beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 26) and the Agreement or Partner may be terminated (see Article 29).

The remedial measures may include, but shall not be limited to recovery by the granting authority from the Beneficiary of the amount of the grant funding provided directly or indirectly for the benefit of a recipient that is a Restricted Person under the Agreement.

The determination of remedial measures will be made in accordance with the principle of proportionality.

If a recipient of the grant funding becomes a Restricted Person after the date on which such grant funding was made available to, or for the benefit of, such recipient, the Beneficiary shall not be held liable for grant funding made available to, or for the benefit of, the Restricted Person before its listing.

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

ARTICLE 12 — CONFIDENTIALITY AND SECURITY

12.1 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 5).

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

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

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

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

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

The confidentiality obligations no longer apply if:

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

The Beneficiary shall ensure that the Partners comply with provisions of this Article.

12.2 Consequences of non-compliance

If a Beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 26).

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

ARTICLE 13 — ETHICS AND VALUES

13.1 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.

13.2 Values

The Beneficiary 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).

The Beneficiary shall ensure that the Partners comply with provisions of this Article.

13.3 Consequences of non-compliance

If a Beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 26).

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

ARTICLE 14 — DATA PROTECTION

14.1 Data processing by the granting authority

Any personal data under the Agreement will be processed under the responsibility of the granting authority (as data controller) in accordance with and for the purposes set out in the Portal rules.

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

14.2 Data processing by the Beneficiary

The Beneficiary must process personal data under the Agreement in compliance with the applicable EU, international and national law on data protection (in particular, Regulation 2016/679⁹).

The beneficiary must ensure that personal data is:

- 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.

⁹ 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)

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

The Beneficiary must inform the persons whose data are transferred to the granting authority and provide them with the Portal rules.

The Beneficiary shall ensure that the Partners comply with provisions of this Article.

14.3 Consequences of non-compliance

If a Beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 26).

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

ARTICLE 15 — INTELLECTUAL PROPERTY RIGHTS (IPR) — BACKGROUND AND RESULTS — ACCESS RIGHTS AND RIGHTS OF USE

15.1 Background and access rights to background

The Beneficiary must give the other Participants access to the background identified as needed for implementing the action.

‘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:

- held by the Beneficiary before it acceded to the Agreement and
- needed to implement the action or exploit the results.

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

15.2 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.

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

The granting authority and the European Commission has the right to use non-sensitive information relating to the action and materials and documents received from the beneficiary (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 Beneficiary' materials, documents and information is granted in the form of a royalty-free, non-exclusive and irrevocable licence, which includes the following rights:

- **use for its own purposes** (in particular, making them available to persons working for the granting authority or any other EU service (including institutions, bodies, offices, agencies, etc.) or EU Member State institution or body; copying or reproducing them in whole or in part, in unlimited numbers; and communication through press information services)
- **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)
- **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)
- **translation**
- **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 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
- **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 Beneficiary must ensure that it complies with its obligations under this Agreement (in particular, by obtaining the necessary licences and authorisations from the rights holders concerned).

Where applicable, the granting authority will insert the following information:

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

Where the Results include pre-existing rights and the Beneficiary cannot warrant the granting authority the right to use such results, the Beneficiary shall inform in writing the granting authority accordingly.

The Beneficiary shall ensure that the Partners comply with provisions of this Article.

15.4 Consequences of non-compliance

If a Beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 26).

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

ARTICLE 16 — COMMUNICATION, DISSEMINATION AND VISIBILITY

16.1 Communication — Dissemination — Promoting the action

Unless otherwise agreed with the granting authority, the Beneficiary 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.

16.2 Visibility — European flag and funding statement

Unless otherwise agreed with the granting authority, communication activities of the Beneficiary 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. For more information and examples on how to present the EU emblem and the statement of funding, see the Guidelines “The use of the EU emblem in the context of EU programmes 2021-2027¹⁰“.

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 its obligations under this Article, the Beneficiary may use the emblem without first obtaining approval from the granting authority. This does not, however, give it the right to exclusive use. Moreover, it may not appropriate the emblem or any similar trademark or logo, either by registration or by any other means.

16.3 Quality of information — Disclaimer

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

¹⁰ https://ec.europa.eu/info/sites/default/files/eu-emblem-rules_en.pdf

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 European Social Fund Agency. Neither the European Union nor the European Social Fund Agency can be held responsible for them.”

16.4 Specific communication, dissemination and visibility rules

The Beneficiary must **present the project** (including project summary, the Beneficiary contact details, list of the Partners (if any), European flag and funding statement and project results) on the Beneficiary’ **website** or **social media account**.

16.5 Consequences of non-compliance

If a Beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 26).

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

ARTICLE 17 — SPECIFIC RULES FOR CARRYING OUT THE ACTION

17.1 Specific rules for carrying out the action

When implementing ESF+ actions, the Beneficiary must take into account and promote equality between men and women, gender mainstreaming and the integration of gender perspective, as well as accessibility for persons with disabilities and must prevent any discrimination based on gender, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

The Beneficiary shall ensure that the Partners comply with provisions of this Article.

17.2 Consequences of non-compliance

If a Beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 26).

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

SECTION 3 GRANT ADMINISTRATION

ARTICLE 18 — GENERAL INFORMATION OBLIGATIONS

18.1 Information requests

The Beneficiary must provide - during the action or afterwards and in accordance with Article 7 - any information requested in order to verify eligibility of the 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.

18.2 Participant Register data updates

The Beneficiary must inform the granting authority - at all times, during the action or afterwards - about any changes of information related to Participants' data stored in the Portal, in particular, the Beneficiary's and Partners' name, address, legal representatives, legal form and organisation type.

18.3 Information about events and circumstances which impact the action

The Beneficiary must immediately inform the granting authority 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:
 - changes in the Beneficiary's and Partners' legal, financial, technical, organisational or ownership situation (including changes linked to one of the exclusion grounds listed in the Declaration signed before grant signature)
- b) **circumstances** affecting:
 - the decision to award the grant or
 - compliance with requirements under the Agreement.

18.4 Consequences of non-compliance

If a Beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 26).

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

ARTICLE 19 — RECORD-KEEPING

19.1 Keeping records and supporting documents

The Beneficiary must - at least until the time-limit set out in the Data Sheet (see Point 5) - 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 Beneficiary must - for the same period - keep to justify the amounts declared:

- for the following contributions the Beneficiary is not obliged to keep specific records on the actual costs incurred, but must keep:
 - for unit costs contributions (if any): adequate records and supporting documents to prove the number of units declared
 - for lump sum contributions (if any): adequate records and supporting documents to prove proper implementation of the work as described in Annex 1

- 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.

The Beneficiary must keep records and other supporting documents to prove the relevance and eligibility of the project target group.

The Beneficiary must also keep records and other supporting documents to prove compliance with the requirements under Article 11 (evidence of screening against the EU sanctions list).

The records and supporting documents must be made available upon request (see Article 18) or in the context of checks, reviews, audits or investigations (see Article 23).

If there are on-going checks, reviews, audits, investigations, litigation or other pursuits of claims under the Agreement (including the extension of findings; see Article 23), the Beneficiary must keep these records and other supporting documentation until the end of these procedures.

The beneficiary 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.

The Beneficiary shall ensure that the Partners comply with provisions of this Article.

19.2 Consequences of non-compliance

If a Beneficiary breaches any of its obligations under this Article, contributions insufficiently substantiated will be ineligible (see Article 6) and will be rejected (see Article 25), and the grant may be reduced (see Article 26).

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

ARTICLE 20 — REPORTING

20.1 Continuous reporting

The Beneficiary must continuously report on the progress of the action (e.g. **deliverables, outputs/outcomes, critical risks, indicators**, etc; if any), in the Portal Reporting tool and in accordance with the timing and conditions it sets out (as agreed with the granting authority).

20.2 Periodic reporting: Technical reports and financial statements

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

- for additional prefinancings (if any): an **additional prefinancing report**
- for a second prefinancing (if any) and final payment (payment of the balance): a **periodic report**.

There will be no interim payments.

The periodic report includes a technical and financial part. It must be prepared using the template available in the Portal Reporting tool. The technical part includes an overview of the action implementation. The financial part of the periodic report includes the financial statement. The financial statement must detail contributions indicated in the Data sheet (see Point 3), (i.e. contain the lump sum contributions for the work packages that were completed and contributions for the units implemented during the reporting period).

For the last reporting period, the Beneficiary may exceptionally also declare partial lump sum contributions for work packages that were not completed (e.g. due to force majeure or technical impossibility).

Contributions which are not declared in a financial statement will not be taken into account by the granting authority.

By signing the financial statement (directly in the Portal Reporting tool), the Beneficiary confirm that:

- the information provided is complete, reliable and true
- contributions declared are eligible (in particular, for the lump sum contributions the work packages have been completed, the work has been properly implemented and/or the results were achieved in accordance with Annex 1; see Article 6) for the final periodic report: all the revenues have been declared (if required; see Article 21).
- the contributions can be substantiated by adequate records and supporting documents (see Article 19) that will be produced upon request (see Article 18) or in the context of checks, reviews, audits and investigations (see Article 23).

20.3 Currency for financial statements and conversion into euros

The financial statements must be drafted in euro.

20.4 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).

20.5 Consequences of non-compliance

If a report submitted does not comply with this Article, the granting authority may suspend the payment deadline (see Article 27) and/or apply other measures described in Chapter 5.

If a Beneficiary breaches its reporting obligations, the granting authority may terminate the Agreement (see Article 29) or apply other measures described in Chapter 5.

ARTICLE 21 — PAYMENTS AND RECOVERIES — CALCULATION OF AMOUNTS DUE

21.1 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 Beneficiary (see Data Sheet, Point 4.2) and must be distributed without unjustified delay (restrictions may apply to distribution of the first (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.

Disbursement of the grant shall be subject to the condition that the European Commission makes the funds available. In case of non-availability of funds, the granting authority cannot be deemed responsible for late payments.

21.2 Recoveries

Recoveries will be made, if - at the Agreement or Partner 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 (first-line liability) is as follows: at final payment, the Beneficiary will be fully liable for recoveries, even if it has not been the final recipient of the undue amounts. At the Agreement or the Partner termination or after final payment, recoveries will be made directly against the Beneficiary.

In case of enforced recoveries (see Article 21.4):

- If the Beneficiary is involved in more than one project and fails to return unduly paid funds in one of the project funded by the Initiative, the granting authority has the right to withdraw the corresponding debts from any open payment in the other project.

21.3 Amounts due

21.3.1 Prefinancing payments

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

For a **first (initial) prefinancing**, the amount due, schedule and modalities are set out in the Data Sheet (see Point 4.2).

For a **second prefinancing** (if any), the amount due, schedule and modalities are also set out in the Data Sheet (see Point 4.2). However, if the statement on the use of the previous prefinancing payment shows that less than 70% was used, the amount set out in the Data Sheet will be reduced by the difference between the 70% threshold and the amount used.

For **additional prefinancing** (if any), the amount due, schedule and modalities are also set out in the Data Sheet (see Point 4.2).

Prefinancing payments (or parts of them) may be offset (without the Beneficiary's consent) against amounts owed by a Beneficiary to the granting authority - up to the amount due to the Beneficiary.

Payments will not be made if the payment deadline is suspended (see Article 27).

21.3.2 Amount due at the Agreement or Partner termination — Recovery

In case of the Agreement or Partner termination, the granting authority will determine the provisional amount due for the Beneficiary.

This will be done on the basis of work packages already completed in previous periodic reports. Payment for ongoing/not yet completed work packages which the Beneficiary was working on before termination (if any) will not be made.

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

Step 1 — Calculation of the total accepted EU contribution

The granting authority will first calculate the 'accepted EU contribution' for the Beneficiary, on the basis of the Beneficiary's contributions of lump sum, units and financing not linked to costs for the work packages which were approved in previous periodic reports.

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, from the total accepted EU contribution:

$$\left\{ \begin{array}{l} \text{total accepted EU contribution for the Beneficiary} \\ \text{minus} \\ \text{prefinancing payments received} \end{array} \right\}.$$

If the balance is **positive**, the amount will be included in the final payment to the Beneficiary.

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:

- 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 Beneficiary (**confirmation letter**).

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

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

The final payment (payment of the balance) reimburses the remaining eligible contributions claimed for the implemented work packages and remaining units (if any).

Work packages (or parts of them) that have not been delivered or cannot be approved will be rejected (see Article 25).

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 the work packages declared. Their approval does not imply recognition of compliance, authenticity, completeness or correctness of their 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 contributions for the approved work packages and the unit contributions for the accepted units.

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 contributions approved by the granting authority).

'Revenue' is all income generated by the action, during its duration (see Article 4), for Beneficiary that is profit legal entity.

If there is a profit, it will be deducted in proportion to the final rate of reimbursement of the eligible contributions 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 payments already made, from the final grant amount:

$$\{ \text{final grant amount minus} \\ \text{\{ prefinancing payments made \}} \}.$$

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

The final payment (or part of it) may be offset (without the Beneficiary's 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 is suspended (see Article 27).

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:

- 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 21.4.

21.3.4 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 23) - the granting authority rejects contributions (see Article 25) or reduces the grant (see Article 26), it will calculate the **revised final grant amount** for the Beneficiary.

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

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 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, it will be **recovered** in accordance with the following procedure:

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

- 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.

If payment is not made by the date specified in the debit note, the granting authority will **enforce recovery** in accordance with Article 21.4.

21.4 Enforced recovery

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

- by offsetting the amount - without the Beneficiary’s consent - against any amounts owed to Beneficiary by the granting authority (including withdrawing the corresponding debts from any open payment in the other project - where Beneficiary is involved in more than one project funded by the Initiative)
- by drawing on the financial guarantee(s) (if any)
- by taking legal action (see Article 38).

Partial payments will be first credited against expenses, charges and then against the principal.

21.5 Consequences of non-compliance

If a Beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 26) and the Agreement may be terminated (see Article 29).

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

ARTICLE 22 — GUARANTEES

22.1 Prefinancing guarantee

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

The Beneficiary must submit them to the granting authority in due time before the prefinancing they are linked to.

The guarantees must be drawn up using the template published on the Portal and fulfil the following conditions:

- be provided by a bank or approved financial institution established in the EU or - if requested by the Beneficiary and accepted by the granting authority - by a third party or a bank or financial institution established outside the EU offering equivalent security
- 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) and
- remain explicitly in force until the final payment and, if the final payment takes the form of a recovery, until five months after the debit note is notified to the Beneficiary.

They will be released within the following month.

As an alternative to requesting a guarantee on prefinancing, according to the risk assessment, the granting authority may decide:

- to replace it with a **joint and several guarantee by a third party**
- to replace it with an irrevocable and unconditional **joint guarantee of the Beneficiary and Partner(s)**
- **to split the payment** of the prefinancing into several instalments (**additional prefinancing**).

22.2 Consequences of non-compliance

If a Beneficiary breaches its 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 23 — CHECKS, REVIEWS, AUDITS AND INVESTIGATIONS — EXTENSION OF FINDINGS

23.1 Granting authority checks, reviews and audits

23.1.1 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 contributions, deliverables and reports.

23.1.2 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 5). They will be formally notified to the Beneficiary 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 Beneficiary will be informed and have the right to object on grounds of commercial confidentiality or conflict of interest.

The Beneficiary 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 Beneficiary to provide such information to it directly. Sensitive information and documents will be treated in accordance with Article 12.

The Beneficiary may be requested to participate in meetings, including with the outside experts. For **on-the-spot** visits, the Beneficiary 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 Beneficiary, which has 30 days from receiving notification to make observations.

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

The Beneficiary shall ensure that the Partners comply with provisions of this Article.

23.1.3 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 5). They will be formally notified to the Beneficiary 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 will be informed and have the right to object on grounds of commercial confidentiality or conflict of interest.

The Beneficiary 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 12.

For **on-the-spot** visits, the Beneficiary 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, 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 and will be formally notified to them.

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

The Beneficiary shall ensure that the Partners comply with provisions of this Article.

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

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

23.3 Access to records for assessing simplified forms of funding

The Beneficiary must give the European Commission access to their statutory records for the periodic assessment of simplified forms of funding which are used in EU programmes.

The Beneficiary shall ensure that the Partners comply with provisions of this Article.

23.4 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 883/2013¹¹ and No 2185/96¹²
- 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 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 must keep all relevant information relating to the action, at least until the time-limit set out in the Data Sheet (Point 5) and, in any case, until any ongoing checks, reviews, audits, investigations, litigation or other pursuits of claims have been concluded.

The Beneficiary shall ensure that the Partners comply with provisions of this Article.

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

23.5.1 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 25), grant reduction (see Article 26) 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 21).

Findings in checks, reviews, audits or investigations during the action implementation may lead to a request for amendment (see Article 36), to change the description of the action set out in Annex 1.

¹¹ 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).

¹² Council Regulation (Euratom, EC) No 2185/1996 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).

Checks, reviews, audits or investigations that find systemic or recurrent errors, irregularities, fraud or breach of obligations in any EU grant may also lead to consequences in other grants of the Initiative ('extension to other grants').

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

23.5.2 Extension from other grants

Findings of checks, reviews, audits or investigations in other grants of the Initiative may be extended to this grant, if:

- the Beneficiary is found, in other grants of the Initiative, to have committed systemic or recurrent errors, irregularities, fraud or breach of obligations that have a material impact on this grant and
- those findings are formally notified to the Beneficiary - together with the list of grants affected by the findings - within the time-limit for audits set out in the Data Sheet (see Point 5).

The granting authority will formally notify the Beneficiary of the intention to extend the findings and the list of grants affected.

If the extension concerns **rejections of contributions**: the notification will include:

- an invitation to submit observations on the list of grants affected by the findings
- the request to submit revised financial statements for all grants affected
- the correction rate for extrapolation, established on the basis of the systemic or recurrent errors, to calculate the amounts to be rejected, if the Beneficiary considers that the submission of revised financial statements is not possible or practicable, or does not submit revised financial statements.

If the extension concerns **grant reductions**: the notification will include:

- an invitation to submit observations on the list of grants affected by the findings and
- the **correction rate for extrapolation**, established on the basis of the systemic or recurrent errors and the principle of proportionality.

The Beneficiary has **60 days** from receiving notification to submit observations, revised financial statements or to propose a duly substantiated **alternative correction method/rate**.

On the basis of this, the granting authority will analyse the impact and decide on the implementation (i.e. start rejection or grant reduction procedures, either on the basis of the revised financial statements or the announced/alternative method/rate or a mix of those; see Articles 25 and 26).

23.6 Consequences of non-compliance

If a Beneficiary breaches any of its obligations under this Article, contributions insufficiently substantiated will be ineligible (see Article 6) and will be rejected (see Article 25), and the grant may be reduced (see Article 26).

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

ARTICLE 24 — IMPACT EVALUATIONS

24.1 Impact evaluation

The granting authority may carry out impact evaluations of the action, measured against the objectives and indicators of the EU programme funding the grant.

Such evaluations may be started during implementation of the action and until the time-limit set out in the Data Sheet (see Point 5). They will be formally notified to the Beneficiary and will be considered to start on the date of the notification.

If needed, the granting authority may be assisted by independent outside experts.

The Beneficiary must provide any information relevant to evaluate the impact of the action, including information in electronic format.

The Beneficiary shall ensure that the Partners comply with provisions of this Article.

24.2 Consequences of non-compliance

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

CHAPTER 5 CONSEQUENCES OF NON-COMPLIANCE

SECTION 1 REJECTIONS AND GRANT REDUCTION

ARTICLE 25 — REJECTION OF CONTRIBUTIONS

25.1 Conditions

The granting authority will - at Agreement termination, prefinancing payment, final payment or afterwards - reject any contributions which are ineligible (see Article 6), in particular following checks, reviews, audits or investigations (see Article 23).

The rejection may also be based on the extension of findings from other grants of the Initiative to this grant (see Article 23).

Ineligible contributions will be rejected.

25.2 Procedure

If the rejection does not lead to a recovery, the granting authority will formally notify the Beneficiary of the rejection, the amounts and the reasons why. If the rejection is identified in the final payment, the Beneficiary 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 granting authority will follow the contradictory procedure with pre-information letter set out in Article 21.

25.3 Effects

If the granting authority rejects contributions, it will deduct them from the contributions declared and then calculate the amount due (and, if needed, make a recovery; see Article 21).

ARTICLE 26 — GRANT REDUCTION

26.1 Conditions

The granting authority may - at the Agreement or Partner 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:
 - substantial errors, irregularities or fraud or
 - 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) 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 - in other grants of the Initiative - systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on this grant (extension of findings; see Article 23.5).

The amount of the reduction will be calculated proportionally to the seriousness and the duration of the errors, irregularities or fraud or breach of obligations.

26.2 Procedure

If the grant reduction does not lead to a recovery, the granting authority will formally notify the Beneficiary of the reduction, the amount to be reduced and the reasons why. The Beneficiary 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 21.

26.3 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 21).

SECTION 2 SUSPENSION AND TERMINATION

ARTICLE 27 — PAYMENT DEADLINE SUSPENSION

27.1 Conditions

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

- a) the amount is not due; or
- b) the appropriate reports and supporting documents (see Article 20) have not been provided and therefore the granting authority needs to request clarifications, modifications or additional information to the reports. Such clarifications or additional information may notably be requested by the granting authority if it has doubts about compliance by the Beneficiary with its obligations in the implementation of the Agreement; or
- c) credible information has come to the notice of the granting authority that puts in doubt the eligibility of the reported contributions; or
- d) credible information has come to the notice of the granting authority that indicates a significant deficiency in the functioning of the internal control system of the Beneficiary or that the contributions reported by the Beneficiary is linked to a serious irregularity and has not been corrected. In this case, the granting authority may suspend the payment deadline if it is necessary to prevent significant damage to the EU's financial interests.

27.2 Procedure

The granting authority shall notify the Beneficiary as soon as possible, and in any case within 30 days from the date on which the payment request was received, of the reasons for the suspension, specifying – where applicable - the additional information required.

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 Beneficiary 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 supporting documents and the revised report is not submitted (or was submitted but is also rejected), the granting authority may also terminate the Agreement (see Article 29).

ARTICLE 28 — AGREEMENT SUSPENSION

28.1 Suspension for exceptional circumstances

28.1.1 Conditions and procedure

The Beneficiary may request the suspension of the Agreement or any part of it, if exceptional circumstances - in particular *force majeure* (see Article 32) - make implementation impossible or excessively difficult.

The Beneficiary must submit a request for **amendment** (see Article 36), with:

- the reasons why, including the measures taken to minimise any possible damage;
- 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.

The suspension will **take effect** on the day specified in the amendment.

Once circumstances allow for implementation to resume, the Beneficiary must immediately request another **amendment** of the Agreement to set the suspension end date, 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 36) - unless the Agreement has been terminated (see Article 29). 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.

The Beneficiary shall inform the granting authority immediately and provide all the necessary details, including the measures taken to minimise any possible damage, and the foreseeable effect and date of resumption.

The granting authority may also notify the Beneficiary of the suspension of the Agreement if exceptional circumstances so require, in particular:

- when a relevant EU Decision identifying a violation of human rights has been adopted;
- or
- in cases such as crisis entailing a change of EU policy.

The Parties shall minimise the duration of the suspension and shall resume implementation once the conditions allow. During the suspension period, the Beneficiary shall be entitled to the reimbursement of the minimum costs, including new legal commitments, necessary for a possible resumption of the implementation of the Agreement. The Parties shall agree on such

costs, including the reimbursement of legal commitments entered into for implementing the Agreement before the notification of the suspension was received which the Beneficiary cannot reasonably suspend, reallocate or terminate on legal grounds. This is without prejudice to any amendments to the Agreement that may be necessary to adapt the Agreement to the new implementing conditions, including, if possible, the extension of the Implementation Period or to the termination of the Agreement in accordance with Article 29. In case of suspension due to *force majeure*, the Implementation Period is automatically extended by an amount of time equivalent to the duration of the suspension.

During the suspension, no prefinancing will be paid. Moreover, no units may be implemented and no work may be done. Ongoing units and work packages must be interrupted and no new units and no new work packages may be started. Contributions for activities implemented during Agreement suspension are not eligible (see Article 6.3).

Neither of the Parties shall be held liable for breach of its obligations under the Agreement if *force majeure* or exceptional circumstances prevent it from fulfilling said obligations, and provided it takes any measures to minimise any possible damage.

28.2 Granting authority-initiated Agreement suspension

28.2.1 Conditions

The granting authority may suspend the implementation of the Agreement, fully or partly, 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 or is suspected of having committed:
 - substantial errors, irregularities or fraud or
 - 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) the granting authority has proof that irregularities, fraud or breach of obligations have occurred which call into question the reliability or effectiveness of the Beneficiary's internal control system or the legality and regularity of the underlying transactions
- c) 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 - in other grants of the Initiative - systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on this grant (extension of findings; see Article 23.5).

28.2.2 Procedure

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

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

Before suspension, the granting authority shall formally notify the Beneficiary of its intention to suspend, inviting the Beneficiary to make observations within 30 days from the receipt of the notification.

If the Beneficiary does not submit observations, or if - after examination of the observations submitted by the Beneficiary - the granting authority decides to pursue the suspension, the granting authority may suspend all or part of the implementation of the Agreement serving 7 days' prior notice.

In case of suspension of part of the implementation of the Agreement, upon request of the Beneficiary, the Parties shall enter into discussions in order to find the arrangements necessary to continue the part of the implementation that is not suspended.

Following suspension of the implementation of the Agreement, the granting authority may terminate the Agreement in accordance with Article 29, recover amounts unduly paid and/or, in agreement with the Beneficiary, resume implementation of the Agreement. In the latter case, the Parties will amend the Agreement where necessary. Once the conditions for resuming implementation of the action are met, the granting authority will formally notify the Beneficiary with a **lifting of suspension letter**, in which it will set the suspension end date and invite the Beneficiary 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 36) - unless the Agreement has been terminated (see Article 29). 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. Contributions for activities implemented during suspension are not eligible (see Article 6.3). Moreover, no units may be implemented and no work may be done. Ongoing units and work packages must be interrupted and no new units and no new work packages may be started. The Beneficiary may not claim damages due to suspension by the granting authority (see Article 30).

Agreement suspension does not affect the granting authority's right to terminate the Agreement (see Article 29) or reduce the grant (see Article 26).

ARTICLE 29 — AGREEMENT TERMINATION

29.1 Beneficiary-requested Agreement termination

29.1.1 Conditions and procedure

The Beneficiary may request the termination of the Agreement.

The Beneficiary must submit a request for **amendment** (see Article 36), with:

- the reasons why
- the date the Beneficiary ends 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 Agreement terminated improperly.

29.1.2 Effects

The Beneficiary must - within 60 days from when termination takes effect - submit a **periodic report** (for the open reporting period until termination).

The granting authority will calculate the final grant amount and final payment on the basis of the report submitted and taking into account the contributions for activities implemented before the end of work date (see Article 21). Partial lump sum contributions for work packages that were not completed (e.g. due to technical reasons) may exceptionally be taken into account.

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

Improper termination may lead to a grant reduction (see Article 26).

After termination, the Beneficiary's obligations (in particular Articles 12 (confidentiality and security), 15 (IPR), 16 (communication, dissemination and visibility), 20 (reporting), 23 (checks, reviews, audits and investigations), 24 (impact evaluation), 25 (rejections), 26 (grant reduction)) continue to apply.

29.2 Granting authority-initiated Agreement or Partner termination

29.2.1 Conditions

The granting authority may terminate the Agreement or the participation of one or more Partners, if:

- a) a change to the action or the legal, financial, technical, organisational or ownership situation of the Beneficiary or any Partner 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)
- b) following termination of one or more Partners, 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
 - c) 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
 - d) the Beneficiary has failed to submit requested information within given deadlines
 - e) the Beneficiary or any Partner has failed to ensure that no grant funds were made available directly or indirectly to, or for the benefit of, Restricted Persons
 - f) the Beneficiary or any Partner (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.)
 - g) any Initiative rules, laws or regulations have been breached by the Beneficiary or any Partner
 - h) the Beneficiary or any Partner receive additional funding from the European Union for all or part of the project expenditure reported under the Initiative during the period of the implementation of the project
 - i) the Beneficiary or any Partner (or person with unlimited liability for its debts) is in breach of social security or tax obligations
 - j) the Beneficiary or any Partner (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
 - k) the Beneficiary or any Partner (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
 - l) the Beneficiary or any Partner (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)
 - m) the Beneficiary or any Partner (or person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has committed:
 - substantial errors, irregularities or fraud or

- 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.)
 - irregularities, fraud or breach of obligations have occurred which call into question the reliability or effectiveness of the Beneficiary's or any Partner internal control system or the legality and regularity of the underlying transactions.
- n) the Beneficiary or any Partner (or person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has committed - in other grants of the Initiative - systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on this grant (extension of findings; see Article 23.5)
- o) despite a specific request by the granting authority, Beneficiary does not request an amendment to the Agreement to end the participation of one of the Partners that is in one of the situations under points (c), (f), (i), (j), (k), (l) or (m) and to reallocate its tasks.

29.2.2 Procedure

Before terminating the Agreement or participation of one or more Partners, the granting authority will send a **pre-information letter** to the Beneficiary:

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

During this period, and until the termination takes effect, the granting authority may suspend the time limit for any payment as a precautionary measure informing the Beneficiary immediately in writing.

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 the Partner terminations, the granting authority will - at the end of the procedure - also inform the Beneficiary.

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

29.2.3 Effects

- a) for **Agreement termination**:

The Beneficiary must - within 60 days from when termination takes effect - submit a **periodic report** (for the last open reporting period until termination).

The granting authority will calculate the final grant amount and final payment on the basis of the report submitted and taking into account the contributions for activities implemented before termination takes effect (see Article 21). Partial lump sum contributions for work packages that were not completed (e.g. due to technical reasons) may exceptionally be taken into account. Only units implemented until termination will be accepted.

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

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

Termination does not affect the granting authority's right to reduce the grant (see Article 26) or to impose administrative sanctions (see Article 31).

The Beneficiary may not claim damages due to termination by the granting authority (see Article 30).

After termination, the Beneficiary's obligations (in particular Articles 12 (confidentiality and security), 15 (IPR), 16 (communication, dissemination and visibility), 20 (reporting), 23 (checks, reviews, audits and investigations), 24 (impact evaluation), 25 (rejections), 26 (grant reduction) continue to apply.

b) for **Partner termination**:

The Beneficiary must - within 60 days from when termination takes effect - submit:

- a **termination report** from the Beneficiary about the Partner concerned, for the open reporting period until termination, containing an overview of the progress of the work and the financial statement
- a **request for amendment** (see Article 36) with any amendments needed (e.g. reallocation of the tasks and the estimated budget of the terminated Partner; addition of a new Partner to replace the terminated Partner; etc.).

The granting authority will calculate the amount due to the Beneficiary on the basis of the report submitted (i.e. lump sum contributions for completed and approved work packages and only units implemented until termination will be accepted).

Lump sum contributions for ongoing/not yet completed work packages will have to be included in the periodic report for the next reporting periods when those work packages have been completed.

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

If the request for amendment is accepted by the granting authority, the Agreement is **amended** to introduce the necessary changes (see Article 36).

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 Agreement may be terminated (see Article 29).

SECTION 3 OTHER CONSEQUENCES: DAMAGES AND ADMINISTRATIVE SANCTIONS

ARTICLE 30 — DAMAGES

30.1 Liability of the granting authority

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

30.2 Liability of the Beneficiary

The Beneficiary 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 31 — 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 and/or financial penalties) 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 144 EU Financial Regulation 2018/1046 and Articles 4 and 7 of Regulation 2988/95¹³).

¹³ 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).

SECTION 4 FORCE MAJEURE

ARTICLE 32 — 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 unforeseeable and exceptional situation or event beyond the Parties’ control which prevents either of them from fulfilling any of their obligations under the Agreement, which may not be attributed to error or negligence on either part, and which could not have been avoided by the exercise of due diligence. Defects in equipment or material or delays in making them available cannot be invoked as *force majeure*, unless they stem directly from a relevant case of *force majeure*. Labour disputes, strikes or financial problems of the Beneficiary cannot be invoked as *force majeure* by the defaulting Party.

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 33 — COMMUNICATION BETWEEN THE PARTIES

33.1 Forms and means of communication — Electronic management

This Agreement is managed fully electronically through the Portal.

All communications must be made electronically through the Portal, in accordance with the Portal terms and conditions and using the forms and templates provided there (except if explicitly instructed otherwise by the granting authority).

Communications must be made in writing and clearly identify the Agreement (project number and acronym).

Communications must be made by persons authorised according to the Portal terms and conditions. For naming the authorised persons, Beneficiary must have designated - before the signature of this Agreement - a ‘legal entity appointed representative (LEAR)’. The role and tasks of the LEAR are stipulated in their appointment letter (see Portal terms and conditions).

If the electronic exchange system is temporarily unavailable, instructions will be given on the Portal.

33.2 Date of communication

The sending date for communications made through the Portal will be the date and time of sending, as indicated by the time logs.

The receiving date for communications made through the Portal will be the date and time the communication is accessed, as indicated by the time logs. Formal notifications that have not been accessed within 10 days after sending, will be considered to have been accessed (see Portal terms and conditions).

If a communication is exceptionally made on paper (by e-mail or postal service), general principles apply (i.e. date of sending/receipt). Formal notifications by registered post with proof of delivery will be considered to have been received either on the delivery date registered by the postal service or the deadline for collection at the post office.

If the electronic exchange system is temporarily unavailable and no temporary alternative method of communication was specified by the granting authority, the sending party cannot be considered in breach of its obligation to send a communication within a specified deadline.

33.3 Addresses for communication

The Portal can be accessed via the granting authority website.

The address for paper communications to the granting authority (if exceptionally allowed) is the official mailing address indicated on its website.

For Beneficiary, it is the legal address specified in the Portal.

ARTICLE 34 — INTERPRETATION OF THE AGREEMENT

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

ARTICLE 35 — CALCULATION OF PERIODS AND DEADLINES

In accordance with Regulation No 1182/71¹⁴, 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.

¹⁴ 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).

ARTICLE 36 — AMENDMENTS

36.1 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.

Beneficiary must inform granting authority about events or expected project plans, deviations that change the scope of the project, project activities, Partners, extend the duration of the action, or otherwise change the project or the obligations of the Beneficiary defined in the Agreement.

The possibility of extending duration of the action is indicated in the call conditions.

36.2 Procedure

The party requesting an amendment must submit a request for amendment signed directly in the Portal.

The request for amendment must include:

- the reasons why
- the appropriate supporting documents.

The granting authority may request additional information.

If the party receiving the request agrees, it must sign the amendment in the tool within 30 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 37 — TRANSFER OF THE AGREEMENT

In justified cases, the Beneficiary may request the transfer of the grant to a new beneficiary, provided that this would not call into question the decision awarding the grant or breach the principle of equal treatment of applicants.

The Beneficiary must submit a request for **amendment** (see Article 36), with

- the reasons why
- additional supporting documents (if required by the granting authority).

The new beneficiary will assume the rights and obligations under the Agreement with effect from the date of accession specified in the amendment.

ARTICLE 38 — APPLICABLE LAW AND SETTLEMENT OF DISPUTES

38.1 Applicable law

The Agreement is governed by the Lithuanian law.

38.2 Dispute settlement

Disputes concerning the implementation of this Agreement shall be settled through negotiations between the parties or the Complaints procedure set in Article 38.3 (where applicable). In case of failure to resolve dispute through negotiations or Complaints procedure - in accordance with the procedure established by the laws of the Republic of Lithuania in the Vilnius City District Court or the Vilnius Regional Court, depending on the nature and amount of the claims.

38.3 Complaints procedure

In case of a complaint following a written decision taken by granting authority regarding the award of grant and implementation of the action (e. g. rejection of contributions, grant reduction, agreement suspension or termination, etc.) the Complaints procedure is obligatory. Complaint must be submitted to the granting authority not later than 30 days after the Beneficiary became aware of the decision of the granting authority in question. The Beneficiary is required to provide as much detail relevant to the complaint as possible, including (if relevant) any documents and correspondence.

The granting authority shall respond not later that within 30 days after receiving the complaint. The aim is to resolve all complaints within the timescales above; however, if a complaint is very complex, it may occasionally be necessary to extend the time limit for responding to the complaint. In such case the granting authority shall inform the complainant of progress of the investigation, the reasons for the delay, and the new deadline.

The above procedure and timeframes shall not prejudice the start-up or ongoing implementation of activities financed by the Initiative.

The Complaints procedure shall not be applicable to: matters that have already been fully investigated through the Complaints procedure, anonymous complaints, complaints regarding access to information where procedures and remedies are set out in legislation/regulation, e.g. access to documents, general data protection.

All complaints received will be dealt with confidentially.

All complaints must be submitted in English, in writing (post or email) to the following address:
European Social Fund Agency of Lithuania (ESFA)

M. Katkauskas str. 44,
LT-01109 Vilnius, Republic of Lithuania
Email: complaints@esf.lt

ARTICLE 39 — ENTRY INTO FORCE

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

SIGNATURES

For the Beneficiary

[function/forename/surname]

[electronic signature]

Done in [English]

on [electronic time stamp]

For the granting authority

[forename/surname]

[electronic signature]

Done in [English]

on [electronic time stamp]

