# GRANT AGREEMENT FOR THE ERASMUS+ PROGRAMME[1]

**Project [insert number]**

## PREAMBLE

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

**on the one part**,

the **National Agency** ('NA'), ('granting authority'),

Finnish National Agency for Education

Government and its agencies

2769790–1

PL 380 (Hakaniemenranta 6), 00531 HELSINKI

erasmus.korkeakoulutus@oph.fi

FI27697901,

represented for the purposes of signature of this Agreement by Maija Airas, Head of Unit

**and**

**on the other part**,

the '**coordinator**':

[**full official name**], OID [number], established in [legal official address in full],

[official legal form] [if applicable]

[official registration No] [if applicable]

[Email address]

[VAT number], [if applicable]

Erasmus Code: [e.g. B BRUXEL01] <insert code>

Accreditation for the mobility consortium: [Accreditation reference number]

[1] Regulation (EU) 2021/817 of the European Parliament and of the Council of 20 May 2021 establishing Erasmus+: the Union Programme for education and training, youth and sport and repealing Regulation (EU) No 1288/2013, OJ L 189, 28.5.2021, pp. 1–33, ELI: http://data.europa.eu/eli/reg/2021/817/oj (Erasmus+ Regulation).

represented for the purpose of signature of this Agreement by [forename and surname, function] and the co-beneficiaries as identified in Annex 1, if they sign their 'accession form' (see Annex 4 and Article 40).

Unless otherwise specified, references to 'beneficiary', 'beneficiaries' or 'co-beneficiaries' include the coordinator.

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

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

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

The Agreement is composed of:

Preamble

Data Sheet

Terms and Conditions

Annex 1 Project description, estimated project budget and participating entities

Annex 2 Applicable rules related to the eligibility of costs and contributions (Available on the website of the NA*)

Annex 3 Applicable rates (Available on the website of the NA*)

Annex 4 Accession form and Declaration on Honour for co-beneficiaries (if applicable)

Annex 5 Specific rules (Available on the website of the NA*)

Annex 6 Templates for agreements to be used between beneficiaries and participants (Available on the website of the NA*)

Annex 7 Bank information form

*) Website of the NA where the Annexes are available: https://www.oph.fi/fi/ohjelmat/erasmus-ka131-eurooppalaisen-ja-ka171-globaalin-liikkuvuuden-hallinnointi-ja-2

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**ANNEXES**

# DATA SHEET

## 1. General data

Project summary: see Annex 1 if applicable

Project number: [project code generated by PMM]

Call: Call for Proposals 2026 – EAC/A12/2025 Erasmus+ Programme C/2025/6080

Type of action: KA171-HED

Granting authority: National Agency

Project start date: [dd/mm/yyyy]

Project end date: [dd/mm/yyyy]

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

Consortium agreement under Article 7 of the Grant agreement required: No

Applicable Erasmus+ quality standards:

https://erasmus-plus.ec.europa.eu/sites/default/files/2021-09/Erasmus-ECHE-certificat_vert-EN.pdf

As explained in: https://erasmus-plus.ec.europa.eu/sites/default/files/charter-annotated-guidelines-feb2020_en.pdf]

## 2. Participating entities

List of participating entities: see Annex 1

## 3. Grant

**Maximum grant requested:** EUR [insert amount]

**Maximum grant awarded:** EUR [insert amount]

**Grant form:** Budget-based mixed: actual costs and unit contributions

**Grant mode:** Action grant

**Budget categories based on unit contributions:**

- Organisational support
- Individual support
- Travel support
- Inclusion support for organisations

**Budget categories based on actual costs and corresponding funding rates:**

- Exceptional costs for financial guarantee: 80%
- Inclusion support for participants: 100%
- VAT: Yes – if not deductible or not refundable

**Budget flexibility**: Yes (flexibility with conditions, see Art 2 in Annex 5)

## 4. Reporting, payments and recoveries

### 4.1 Progress reporting (art 21)

**Progress reports required:** NO

## 4.2 Periodic reporting and payments

**Reporting and payment schedule** (art 21, 22)**:**

| Reporting | | | | | Payments | |
|---|---|---|---|---|---|---|
| Reporting periods | | | Type | Deadline | Type | Deadline (time to pay) |
| RP No | Date from | Date to | | | | |
| | | | | | Pre-financing | 30 days, either from the entry into force of the Agreement or from the receipt of the pre-financing guarantee, whichever is the latest |
| 1 | 01/08/2026 | 30/06/2027 | Periodic report | 45 days after end of reporting period | Not applicable | Not applicable |
| 2 | 01/08/2026 | 30/06/2028 | Periodic report | 45 days after end of reporting period | Not applicable | Not applicable |
| 3 | 01/08/2026 | 31/7/2029 | Final report | 30 days after end of reporting period | Final payment | 60 days from receiving final report |

**Pre-financing payments and guarantees:**

| Pre-financing payment | | Pre-financing guarantee |
|---|---|---|
| Type | Amount | Guarantee amount* |
| Pre-financing | [amount] | N/A |

| | | |
|---|---|---|
| | | |

**Reporting and payment modalities** (art 21, 22)**:**

No-profit rule: not applicable

Late payment interest: ECB + 3.5 %

Denomination of the bank account holder:

Bank account for payments:

Provided in bank information form Annex 7.

Conversion into euros: Double conversion[2]

Reporting language: All requests for payments and reporting must be submitted in Finnish, Swedish or English.

**4.3 Certificates on financial statements** (art 24)

Not applicable

**4.4 Recoveries** (art 22)

**First-line liability for recoveries:**

At beneficiary termination: Beneficiary concerned

At final payment: Coordinator

After final payment: Beneficiary concerned

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

Each beneficiary is liable for amounts owed by other beneficiaries only up to the maximum of its own grant amount (Limited joint and several liability of other beneficiaries)

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

**Applicable law** (art 43)**:**

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

Non-EU beneficiaries: Special applicable law regime: EU law + national law of the country of the granting authority + general principles governing the law of international organisations and the general rules of international law.

**Dispute settlement forum** (art 43)**:**

All beneficiaries: competent national courts of the country of the granting authority.

**6. Other**

[2] Beneficiaries with general accounts established in a currency other than the euro must convert the costs recorded in their accounts into euro, at the average of the daily exchange rates published in the C series of the Official Journal of the European Union (ECB website), calculated over the corresponding reporting period.

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

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

**Specific rules:** Specified in Annex 5

**Standard time-limits after project end:**

Confidentiality: 5 years after final payment

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

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

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

Extension of findings from other grants to this grant: up to 5 (or 3 for grants of not more than EUR 60 000) years after the final payment

## TERMS AND CONDITIONS

## 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 project set out in Chapter 2.

### ARTICLE 2 — DEFINITIONS

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

Project - The action which is being funded by the grant in the context of this Agreement.

Grant - The financial contribution by way of donation awarded in the context of this Agreement as a result of the project's selection in the Call.

Call - The call specified in the Data Sheet and published in the Erasmus+ Programme Guide 2026[3] setting out the conditions for participation and funding applicable to this project.

Participating entities - Entities participating in the project as beneficiaries, affiliated entities, associated partners, third parties giving in-kind contributions, subcontractors or recipients of financial support to third parties.

Participants - Individuals participating in the project activities for whom financial or other support is foreseen under this grant.

Beneficiaries - All signatories of this Agreement: directly or through an accession form (also referred to as 'co-beneficiaries').Associated partners - Entities which participate in the project, but without the right to charge costs or claim contributions.

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

In-kind contributions - In-kind contributions within the meaning of Article 2(38) of EU Financial Regulation 2024/2509, i.e. non-financial resources made available free of charge by third parties.

Fraud - Fraud within the meaning of Article 3 of EU Directive 2017/1371[4] and Article 1 of the Convention on the protection of the European Communities' financial interests, drawn up by the Council Act of 26 July 1995[5], as well as any other wrongful or criminal deception intended to result in financial or personal gain.

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[3] Erasmus+ Programme Guide 2026 is an integral part of the Erasmus+ Programme Call for proposals 2026 setting out the conditions for participation and funding for calls in line with the 2026 Erasmus+ Annual Work Programme and the Erasmus+ Regulation. Published at: https://erasmus-plus.ec.europa.eu/erasmus-programme-guide .

[4] 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).

[5] OJ C 316, 27.11.1995, p. 48.

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 2988/95[6].

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 138(1)(c) of EU Financial Regulation 2024/2509[7].

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

The Erasmus+ and European Solidarity Corps platform - the single-entry point to all IT systems provided by the European Commission to the National Agency, applicants, beneficiaries and other actors active in Erasmus+. Accessible at: https://webgate.ec.europa.eu/erasmus-esc/ .

Erasmus+ reporting and management tool - Beneficiary module of the Erasmus+ and European Solidarity Corps platform allowing beneficiaries to access the project information, encode activities and participants, report on budget use, request individual participant reports and submit final reports to their National Agencies according to reporting requirements under this Agreement.

## CHAPTER 2 PROJECT

### ARTICLE 3 — PROJECT

The grant is awarded for the project set out in the Data Sheet (see Point 1), as described in Annex 1.

### ARTICLE 4 — DURATION AND STARTING DATE

The duration and the starting date of the project 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 grant[8] which takes the form of a budget-based mixed grant (i.e. a grant based on unit contributions, but which also includes actual costs incurred.)

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[6] 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).

[7] 'Professional misconduct' includes in particular, the following: violation of ethical standards of the profession; wrongful conduct with impact on professional credibility; breach of generally accepted professional ethical standards; false declarations/misrepresentation of information; participation in a cartel or other agreement distorting competition; violation of IPR; attempting to influence decision-making processes by taking advantage, through misrepresentation, of a conflict of interests, or to obtain confidential information from public authorities to gain an advantage; incitement to discrimination, hatred or violence or similar activities contrary to the EU values where negatively affecting or risking to affect the performance of a legal commitment.

[8] For the definition, see Article 183(2)(a) EU Financial Regulation 2024/2509: '**action grant**' means an EU grant to finance "an action intended to help achieve a Union policy objective".

### 5.2 Maximum grant awarded

The maximum grant awarded is set out in the Data Sheet (see Point 3) and consists of the awarded budget based on the estimated project budget (Annex 1).

### 5.3 Funding rate

The funding rate for actual costs is set out in the Data Sheet (see Point 3).

Unit contributions are not subject to any funding rate.

### 5.4 Estimated project budget, budget categories and forms of funding

The estimated budget for the project is set out in Annex 1.

It contains the estimated eligible costs and unit contributions for the project, broken down by participating entity and budget category.

Annex 1 also shows the types of costs and contributions (forms of funding)[9] to be used for each budget category.

The details on the calculation of the unit contributions are explained in Annex 2.

### 5.5 Budget flexibility

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

However:

- other changes require an amendment or simplified approval, if specifically provided for in Annex 5.

## ARTICLE 6 — ELIGIBLE AND INELIGIBLE COSTS AND CONTRIBUTIONS

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

### 6.1 General eligibility conditions

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

(a) for actual costs (if any):

(i) they must be actually incurred by the beneficiary

(ii) they must be incurred in the period set out in Article 4

[9] See Article 125 EU Financial Regulation 2024/2509.

(iii) they must be declared under one of the budget categories set out in Annex 1 and Annex 2

(iv) they must be incurred in connection with the project as described in Annex 1 and necessary for its implementation

(v) they must be identifiable and verifiable, in particular recorded in the beneficiary's accounts in accordance with the accounting standards applicable in the country where the beneficiary is established and with the beneficiary's usual cost accounting practices

(vi) they must comply with the applicable national law on taxes, labour and social security and

(vii) they must be reasonable, justified and must comply with the principle of sound financial management, in particular regarding economy and efficiency

(b) for unit contributions:

(i) they must be declared under one of the budget categories set out in Annex 1 and Annex 2

(ii) the units must:

- be actually used or produced by the beneficiary in the period set out in Article 4

- be necessary for implementing the project or produced by it and

(iii) the number of units must be identifiable and verifiable, in particular supported by records and documentation (see Article 20).

**Indirect costs**

Indirect costs, if allowed by the call conditions, will be reimbursed at the flat rate as set out in the Data Sheet (see Point 3).

### 6.2 Specific eligibility conditions for each budget category

For each budget category, the **specific eligibility conditions** are set in Annex 2.

### 6.3 Ineligible costs and contributions

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

(a) costs or contributions that do not comply with the conditions set out above (see Articles 6.1 and 6.2), in particular:

(i) costs related to return on capital and dividends paid by a beneficiary

(ii) debt and debt service charges

(iii) provisions for future losses or debts

(iv) interest owed

(v) currency exchange losses

(vi) bank costs charged by the beneficiary's bank for transfers from the granting authority

(vii) excessive or reckless expenditure

(viii) deductible or refundable VAT (including VAT paid by public bodies acting as public authority)

(ix) costs incurred or contributions for activities implemented during grant agreement suspension (see Article 31)

(x) in-kind contributions by third parties

(b) costs or contributions declared under other EU grants (or grants awarded by an EU Member State, non-EU country or other body implementing the EU budget), except for the following cases:

(i) if the action grant is combined with an operating grant[10] running during the same period and the beneficiary can demonstrate that the operating grant does not cover any (direct or indirect) costs of the action grant

(c) costs or contributions for staff of a national (or regional/local) administration, for activities that are part of the administration's normal activities (i.e. not undertaken only because of the grant)

(d) costs or contributions (especially travel and subsistence) for staff or representatives of EU institutions, bodies or agencies

(e) other:

(i) costs or contributions declared specifically ineligible in the call conditions.

### 6.4 Consequences of non-compliance

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

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

[10] For the definition, see Article 183(2)(b) EU Financial Regulation 2024/2509: '**operating grant**' means an EU grant to finance "the functioning of a body which has an objective forming part of and supporting an EU policy".

## CHAPTER 4 GRANT IMPLEMENTATION

## SECTION 1 CONSORTIUM: BENEFICIARIES, AFFILIATED ENTITIES, OTHER PARTICIPATING ENTITIES AND PARTICIPANTS

### ARTICLE 7 — BENEFICIARIES

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

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

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

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

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

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

(a) Each beneficiary must:

(i) keep information stored in the Erasmus+ reporting and management tool up to date (see Article 19)

(ii) inform the granting authority (and the other beneficiaries) immediately of any events or circumstances likely to affect significantly or delay the implementation of the project (see Article 19)

(iii) submit to the coordinator in good time:

- the pre-financing guarantees (if required; see Article 23)
- the financial statements
- the contribution to the deliverables and technical reports (see Article 21)
- any other documents or information required by the granting authority under the Agreement

(b) The coordinator must:

(i) monitor that the project is implemented properly (see Article 11)

(ii) act as the intermediary for all communications between the consortium and the granting authority, unless the Agreement or granting authority specifies otherwise, and in particular:

- submit the prefinancing guarantees to the granting authority (if any)
- request and review any documents or information required and verify their quality and completeness before passing them on to the granting authority
- submit the deliverables and reports to the granting authority
- inform the granting authority about the payments made to the other beneficiaries (report on the distribution of payments; if required, see Articles 22 and 32)

(iii) distribute the payments received from the granting authority to the other beneficiaries without unjustified delay (see Article 22).

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

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

Moreover, coordinators which are 'sole beneficiaries'[11] may delegate the tasks set out in point (b)(i) to (iii) above to one of their members. The coordinator retains sole responsibility for compliance with the obligations under the Agreement.

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

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

- the internal organisation of the consortium
- the management of access to the Erasmus+ reporting and management tool
- different distribution keys for the payments and financial responsibilities in case of recoveries (if any)
- additional rules on rights and obligations related to background and results (see Article 16)

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[11] For the definition, see Article 190(2) EU Financial Regulation 2024/2509: "Where several entities satisfy the criteria for being awarded a grant and together form one entity, that entity may be treated as the **sole beneficiary**, including where it is specifically established for the purpose of implementing the action financed by the grant."

- settlement of internal disputes
- liability, indemnification and confidentiality arrangements between the beneficiaries.

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

## ARTICLE 8 — AFFILIATED ENTITIES

Not applicable

## ARTICLE 9 — OTHER PARTICIPATING ENTITIES INVOLVED IN THE PROJECT

### 9.1 Associated partners

Not applicable

### 9.2 Third parties giving in-kind contributions to the project

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

Third parties giving in-kind contributions do not implement any project tasks. They may not charge costs or contributions to the project and the costs for the in-kind contributions are not eligible. The third parties and their in-kind contributions should be set out in Annex 1.

### 9.3 Subcontractors

Subcontractors may participate in the project, if necessary for its implementation.

Subcontractors must implement their project tasks in accordance with Article 11. The beneficiaries' costs for subcontracting are considered entirely covered by the unit contributions (irrespective of the actual subcontracting costs incurred, if any).

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

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

### 9.4 Participants

When the beneficiary provides support to participants as part of project implementation, it must do so in accordance with the conditions specified in Annexes 1, 2, 3, 5 and 6[12] to this Agreement.

[12] If applicable

## ARTICLE 10 — PARTICIPATING ENTITIES WITH SPECIAL STATUS

### 10.1 Non-EU participating entities

Participating entities 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 submission of certificates under Article 24: to use qualified external auditors which are independent and comply with comparable standards as those set out in EU Directive 2006/43/EC[13]
- for the controls under Article 25: 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.).

Special rules on dispute settlement apply (see Data Sheet, Point 5).

### 10.2 Participating entities which are international organisations

Not applicable

# SECTION 2 RULES FOR CARRYING OUT THE PROJECT

## ARTICLE 11 — PROPER IMPLEMENTATION OF THE PROJECT

### 11.1 Obligation to properly implement the project

The beneficiaries must implement the project as described in Annex 1 and in compliance with the provisions of the Agreement, the Call conditions, the applicable quality standards, the applicable accreditation standards as listed in the Data Sheet as well as all legal obligations under applicable EU, international and national law.

### 11.2 Consequences of non-compliance

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

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

## ARTICLE 12 — CONFLICT OF INTERESTS

### 12.1 Conflict of interests

The beneficiaries must take all measures to prevent any situation where the impartial and objective implementation of the Agreement could be compromised for reasons involving

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

family, emotional life, political or national affinity, economic interest or any other direct or indirect interest ('conflict of interests').

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

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

### 12.2 Consequences of non-compliance

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

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

## ARTICLE 13 — CONFIDENTIALITY AND SECURITY

### 13.1 Sensitive information

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

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

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

The beneficiaries may disclose sensitive information to their personnel or other participating entities involved in the project only if they:

(a) need to know it in order to implement the Agreement and

(b) are bound by an obligation of confidentiality.

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

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

(a) this is necessary to implement the Agreement or safeguard the EU financial interests and

(b) the recipients of the information are bound by an obligation of confidentiality.

The confidentiality obligations no longer apply if:

(a) the disclosing party agrees to release the other party

(b) the information becomes publicly available, without breaching any confidentiality obligation

(c) the disclosure of the sensitive information is required by EU, international or national law.

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

### 13.2 Classified information

Not applicable.

### 13.3 Consequences of non-compliance

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

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

## ARTICLE 14 — ETHICS AND VALUES

### 14.1 Ethics

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

### 14.2 Values

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

### 14.3 Consequences of non-compliance

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

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

## ARTICLE 15 — DATA PROTECTION

### 15.1 Data processing by the granting authority

Any personal data under the Agreement will be processed under the responsibility of the data controller identified in the Privacy Statement available at https://ec.europa.eu/erasmus-esc-personal-data in accordance with the applicable data protection legislation, in particular

Regulation 2018/1725[14] and related national data protection acts, and for the purposes set out in the Privacy Statement .

### 15.2 Data processing by the beneficiaries

The beneficiaries must process personal data under the Agreement in compliance with the applicable EU, international and national law on data protection (in particular, Regulation 2016/679[15] and Regulation 2018/1725). The beneficiaries act as processors in this processing activity.

They 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.

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

The beneficiaries must inform the persons whose data are transferred to the granting authority and provide them with the Privacy Statement available at https://ec.europa.eu/erasmus-esc-personal-data.

### 15.3 Consequences of non-compliance

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

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

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[14] Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).

[15] 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).

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

### 16.1 Background and access rights to background

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

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

(a) held by the beneficiaries before they acceded to the Agreement and

(b) needed to implement the project or exploit the results.

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

### 16.2 Ownership of results

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

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

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

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

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

(a) **use for their own purposes** (in particular, making them available to persons working for them or any other 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)

(b) **distribution to the public** (in particular, publication as hard copies and in electronic or digital format, publication on the internet, as a downloadable or non-downloadable file, broadcasting by any channel, public display or presentation, communicating through press information services, or inclusion in widely accessible databases or indexes)

(c) **editing or redrafting** (including shortening, summarising, inserting other elements (e.g. meta-data, legends, other graphic, visual, audio or text elements), extracting parts (e.g. audio or video files), dividing into parts, use in a compilation)

(d) **translation**

(e) **storage** in paper, electronic or other form

(f) **archiving**, in line with applicable document-management rules

(g) the right to authorise **third parties** to act on its behalf or sub-license to third parties the modes of use set out in Points (b), (c), (d) and (f), if needed for the information, communication and publicity activity of the granting authority

(h) **processing**, analysing, aggregating the materials, documents and information received and **producing derivative works** and

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

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

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

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

### 16.4 Specific rules on IPR, results and background

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

### 16.5 Consequences of non-compliance

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

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

## ARTICLE 17 — COMMUNICATION, DISSEMINATION AND VISIBILITY

### 17.1 Communication — Dissemination — Promoting the project

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

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

### 17.2 Visibility — European flag and funding statement

Unless otherwise agreed with the granting authority, communication activities of the beneficiaries related to the project (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

Co-funded by the European Union

Funded by the European Union

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

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

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

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

### 17.3 Quality of information — Disclaimer

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

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

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

### 17.4 Specific communication, dissemination and visibility rules

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

### 17.5 Consequences of non-compliance

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

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

## ARTICLE 18 — SPECIFIC RULES FOR CARRYING OUT THE PROJECT

### 18.1 Specific rules for carrying out the project

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

### 18.2 Consequences of non-compliance

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

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

# SECTION 3 GRANT ADMINISTRATION

## ARTICLE 19 — GENERAL INFORMATION OBLIGATIONS

### 19.1 Information requests

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

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

### 19.2 Data updates in the Erasmus+ reporting and management tool

The beneficiaries must keep — at all times, during the project— their information stored in the Erasmus+ reporting and management tool up to date, in particular, their name, address, legal

representatives, legal form and organisation type.

### 19.3 Information about events and circumstances which impact the project

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

(a) **events** which are likely to affect or delay the implementation of the project or affect the EU's financial interests, in particular:

(i) changes in their legal, financial, technical, organisational or ownership situation (including changes linked to one of the exclusion grounds listed in the declaration of honour signed before grant signature)

(b) **circumstances** affecting:

(ii) the decision to award the grant or

(iii) compliance with requirements under the Agreement.

### 19.4 Consequences of non-compliance

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

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

## ARTICLE 20 — RECORD-KEEPING

### 20.1 Keeping records and supporting documents

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

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

(a) for actual costs: adequate records and supporting documents to prove the costs declared (such as contracts, subcontracts, invoices and accounting records); in addition, the beneficiaries' usual accounting and internal control procedures must enable direct reconciliation between the amounts declared, the amounts recorded in their accounts and the amounts stated in the supporting documents.

(b) for unit contributions: the beneficiaries do not need to keep specific records on the actual costs incurred but must keep adequate records and supporting documents to prove the number of units declared.

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

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

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

### 20.2 Consequences of non-compliance

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

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

## ARTICLE 21 — REPORTING

### 21.1 Progress reporting

Where applicable, the coordinator must submit a progress report in accordance with the timing set out in the Data sheet (see Point 4.2) and conditions set in Annex 5.

### 21.2 Periodic and final reporting

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

- for additional pre-financing (if any): a **periodic report**
- for the final payment: a **final report**.

The reports include a technical and financial part and must be prepared using the template provided by the National Agency or in the Erasmus+ reporting and management tool[16].

The technical part includes an overview of the project implementation.

The financial part includes:

- a statement on the use of the previous pre-financing payment (if requesting additional pre-financing)
- the financial statements (individual and consolidated for all beneficiaries and affiliated entities, if any)
- the explanation on the use of resources (or detailed cost reporting table, if required).

The financial statements must detail the eligible costs and contributions for the units implemented in the reporting period.

[16] See Annex 5 – Specific Rules

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

By signing the declaration on honour attached to the report (in the Erasmus+ reporting and management tool), the beneficiary confirms that:

- the information provided is complete, reliable and true

- the costs and unit contributions declared are eligible (see Article 6)

- the contributions can be substantiated by adequate records and supporting documents (see Article 20 and Annex 2) that will be produced upon request (see Article 19) or in the context of checks, reviews, audits and investigations (see Article 25).

### 21.3 Currency for financial statements and conversion into euros

The financial statements must be drafted in euro.

Beneficiaries with general accounts established in a currency other than the euro must convert the costs recorded in their accounts into euro, at the average of the daily exchange rates published in the C series of the *Official Journal of the European Union* (ECB website[17]), calculated over the corresponding reporting period.

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

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

### 21.4 Reporting language

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

### 21.5 Consequences of non-compliance

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

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

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

## ARTICLE 22 — PAYMENTS AND RECOVERIES — CALCULATION OF AMOUNTS DUE

### 22.1 Payments and payment arrangements

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

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

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

The cost of payment transfers will be borne as follows:

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

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

### 22.2 Recoveries

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

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

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

For enforced recoveries (see Article 22.4), the liability regime specified in Data Sheet, Point 4.4 applies.

### 22.3 Amounts due

#### 22.3.1 Pre-financing payments

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

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

For **initial pre-financing** (if any), the amount due, schedule and modalities are set out in the Data Sheet (see Point 4.2).

For **additional pre-financings** (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 pre-financing 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.

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

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

### 22.3.2 Amount due at beneficiary termination — Recovery

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

The **amount due** will be calculated based on the approved grant for the beneficiary concerned.

The granting authority will first calculate the 'eligible grant' for the beneficiary for the period up to its termination, by adding the eligible unit contributions and the eligible actual costs (determined by applying the funding rate), if any.

After that, the granting authority will deduct grant reductions (if any). The resulting amount is the 'approved grant' for the beneficiary.

The **balance** is then calculated by deducting the payments received (if any; see report on the distribution of payments in Article 32), from the approved grant for that beneficiary:

{approved grant for the beneficiary

minus

{payments received by the beneficiary (if any)}}.

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

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

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

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

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

### 22.3.3 Interim payments

Not applicable.

**22.3.4 Final payment — Approved grant — Recovery**

The final payment (payment of the balance) reimburses the remaining part of the eligible costs and contributions claimed for the implementation of the project (if any) up to the approved grant amount.

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

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

The **approved grant** for the project will be calculated as follows:

The granting authority will first calculate the 'eligible grant' for the entire project period, by adding the eligible contributions and costs for approved activities and cost items after corrections, if any.

The granting authority will then deduct grant reductions (if any) from the eligible grant. The resulting amount is the 'approved grant'.

If the approved grant is higher than the grant awarded set out in Article 5.2, the approved grant will be capped to the amount of the grant awarded.

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

{approved grant

minus

prefinancing payments made (if any)}.

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

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

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

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

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

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

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

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

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

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

The **revised grant** for the project will be calculated for the entire project period by adding the revised eligible contributions and costs for approved activities and cost items after corrections (if any) and deducting the grant reductions (if any).

If the revised grant is lower than the approved grant, the difference will be recovered.

For **multi-beneficiary projects**, after final payment, the recoveries are against the beneficiary concerned and it is necessary to calculate the revised grant of the beneficiary concerned[18].

The **revised grant of the beneficiary concerned** is then calculated by revising its eligible grant (adding the revised eligible contributions and costs for approved activities and cost items after corrections, if any) and deducting its grant reductions, if any.

If the revised grant of the beneficiary concerned is lower than its share in the approved grant, the difference will be recovered.

The amount to be recovered from the beneficiary will be calculated as follows:

{the beneficiary's share in the approved grant}

minus

{the beneficiary's revised grant}

For the above calculation, the beneficiary's share [19] in the approved grant has to be calculated as follows:

{{eligible grant for the beneficiary[20]

divided by

[18] I.e. the beneficiary that was audited

[19] The beneficiary's share in the approved grant is not necessarily equal to the money it received from the coordinator. The amount to be recovered will be calculated using the beneficiary's notional share in the approved grant irrespectively of the amount received from the coordinator.

[20] Applying calculation under article 22.3.2.

eligible grant for the project[21}

multiplied by

approved grant}

Procedure for recovery

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

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

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

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

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

### 22.4 Enforced recovery

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

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

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

(b) by drawing on the financial guarantee(s) (if any)

(c) by holding other beneficiaries jointly and severally liable (if any; see Data Sheet, Point 4.4)

(d) by taking legal action (see Article 43).

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

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

[21] Applying calculation under article 22.3.4.

Bank charges incurred in the recovery process will be borne by the beneficiary, unless Directive 2015/2366[22] applies.

### 22.5 Consequences of non-compliance

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

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

Late-payment interest is not due if all beneficiaries are EU Member States (including regional and local government authorities or other public bodies acting on behalf of a Member State for the purpose of this Agreement).

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

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

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

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

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

## ARTICLE 23 — GUARANTEES

### 23.1 Pre-financing guarantee

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

The coordinator must submit them to the granting authority in due time before the prefinancing they are linked to. The guarantee must fulfil the following conditions:

(a) be provided by a bank or approved financial institution established in the EU or — if requested by the coordinator and accepted by the granting authority — by a third party or a bank or financial institution established outside the EU offering equivalent security

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

(b) the guarantor stands as first-call guarantor and does not require the granting authority to first have recourse against the principal debtor (i.e. the beneficiary concerned) and

(c) remain explicitly in force until the final payment and, if the final payment takes the form of a recovery, until five months after the debit note is notified to a beneficiary.

They will be released within the following month.

### 23.2 Consequences of non-compliance

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

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

## ARTICLE 24 — CERTIFICATES ON FINANCIAL STATEMENTS

Not applicable.

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

### 25.1 Granting authority checks, reviews and audits

#### 25.1.1 Internal checks

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

#### 25.1.2 Project reviews

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

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

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

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

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

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

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

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

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

### 25.1.3 Audits

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

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

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

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

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

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

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

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

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

Audits (including audit reports) will be in the language of the Agreement, unless otherwise agreed with the granting authority (see Data Sheet, Point 4.2).

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

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

### 25.3 Access to records for assessing simplified forms of funding

The beneficiaries 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.

### 25.4 OLAF, EPPO and ECA audits and investigations

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

- the European Anti-Fraud Office (OLAF) under Regulations No 883/2013[23] and No 2185/96[24]
- 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 263 of EU Financial Regulation 2024/2509.

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

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

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

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

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

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[23] 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).

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

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

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

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 EU grants awarded under similar conditions ('extension to other grants').

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

**25.5.2 Extension from other grants**

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

(a) the beneficiary concerned is found, in other EU grants awarded under similar conditions, to have committed systemic or recurrent errors, irregularities, fraud or breach of obligations that have a material impact on this grant and

(b) those findings are formally notified to the beneficiary concerned — together with the list of grants affected by the findings — within the time-limit for audits set out in the Data Sheet (see Point 6).

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

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

(a) an invitation to submit observations on the list of grants affected by the findings

(b) the request to submit revised financial statements for all grants affected

(c) 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 concerned:

(i) considers that the submission of revised financial statements is not possible or practicable or

(ii) does not submit revised financial statements.

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

(a) an invitation to submit observations on the list of grants affected by the findings and

(b) the **correction rate for extrapolation**, established on the basis of the systemic or recurrent errors and the principle of proportionality.

The beneficiary concerned 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 27 and 28).

### 25.6 Consequences of non-compliance

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

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

## ARTICLE 26 — IMPACT EVALUATIONS

Not applicable.

# CHAPTER 5 CONSEQUENCES OF NON-COMPLIANCE

## SECTION 1 REJECTIONS AND GRANT REDUCTION

## ARTICLE 27 — REJECTION OF COSTS AND CONTRIBUTIONS

### 27.1 Conditions

The granting authority will — at beneficiary termination, final payment or afterwards — reject any costs or contributions which are ineligible (see Article 6), in particular following checks, reviews, audits or investigations (see Article 25).

The rejection may also be based on the extension of findings from other grants to this grant (see Article 25).

Ineligible costs or contributions will be rejected.

### 27.2 Procedure

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

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

### 27.3 Effects

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

## ARTICLE 28 — GRANT REDUCTION

### 28.1 Conditions

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

(a) the beneficiary (or a person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has committed:

(i) substantial errors, irregularities or fraud or

(ii) serious breach of obligations under this Agreement or during its award (including improper implementation of the project, non-compliance with the Call conditions, submission of false information, failure to provide required information, breach of ethics or security rules (if applicable), etc.), or

(b) extension of findings: 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 EU grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on this grant (extension of findings; see Article 25.5).

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

### 28.2 Procedure

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

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

### 28.3 Effects

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

## SECTION 2 SUSPENSION AND TERMINATION

### ARTICLE 29 — PAYMENT DEADLINE SUSPENSION

#### 29.1 Conditions

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

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

(b) there are doubts about the amount to be paid (e.g. ongoing extension procedure, queries about eligibility, need for a grant reduction, etc.) and additional checks, reviews, audits or investigations are necessary, or

(c) there are other issues affecting the EU financial interests.

#### 29.2 Procedure

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

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

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

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

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

### ARTICLE 30 — PAYMENT SUSPENSION

#### 30.1 Conditions

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

(a) a beneficiary (or a person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has committed or is suspected of having committed:

  (i) substantial errors, irregularities or fraud or

  (ii) serious breach of obligations under this Agreement or during its award (including improper implementation of the project, non-compliance with the Call conditions, submission of false information, failure to provide required information, breach of ethics or security rules (if applicable), failing to cooperate with checks, reviews, audits and investigations, etc.), or

(b) extension of findings: a beneficiary (or a person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has committed — in other EU grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on this grant (extension of findings; see Article 25.5).

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

### 30.2 Procedure

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

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

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

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

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

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

During the suspension, no prefinancing will be paid to the beneficiaries concerned.

## ARTICLE 31 — GRANT AGREEMENT SUSPENSION

### 31.1 Consortium-requested GA suspension

#### 31.1.1 Conditions and procedure

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

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

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

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

Once circumstances allow for implementation to resume, the coordinator must immediately request an **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 project to the new situation (see Article 39) — unless the grant has been terminated (see Article 32). The suspension will be **lifted** with effect from the suspension end date set out in the amendment. This date may be before the date of the submission of the amendment request.

During the suspension, no pre-financing will be paid. Moreover, no units may be implemented. Ongoing units must be interrupted, and no new units may be started. Costs incurred or contributions for activities implemented during grant suspension are not eligible (see Article 6.3).

## 31.2 Granting Authority-initiated GA suspension

### 31.2.1 Conditions

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

(a) a beneficiary (or a person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has committed or is suspected of having committed:

(i) substantial errors, irregularities or fraud or

(ii) serious breach of obligations under this Agreement or during its award (including improper implementation of the project, non-compliance with the Call conditions, submission of false information, failure to provide required information, breach of ethics or security rules (if applicable), failing to cooperate with checks, reviews, audits and investigations, etc.), or

(b) extension of findings: a beneficiary (or a person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has committed — in other EU grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on this grant (extension of findings; see Article 25.5)

### 31.2.2 Procedure

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

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

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

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

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

During the suspension, no pre-financing will be paid. Moreover, no units may be implemented, ongoing units must be interrupted, and no new units may be started. Costs incurred or contributions for activities implemented during suspension are not eligible (see Article 6.3).

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

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

## ARTICLE 32 — GRANT AGREEMENT OR BENEFICIARY TERMINATION

### 32.1 Consortium-requested GA termination

#### 32.1.1 Conditions and procedure

The beneficiaries may request the termination of the grant.

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

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

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

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

#### 32.1.2 Effects

The coordinator must — within 60 days from when termination takes effect — submit a **final report** (for the open reporting period until termination).

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

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

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

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

### 32.2 Consortium-requested beneficiary termination

#### 32.2.1 Conditions and procedure

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

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

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

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

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

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

#### 32.2.2 Effects

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

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

(ii) a **termination report** from the beneficiary concerned, for the open reporting period until termination, containing an overview of the progress of the work, the financial statement, and the explanation on the use of resources,

(iii) a second **request for amendment** (see Article 39) with other amendments needed (e.g. reallocation of the tasks and the estimated budget of the terminated beneficiary; addition of a new beneficiary to replace the terminated beneficiary; change of coordinator, etc.).

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

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

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

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

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

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

If the second request for amendment is rejected by the granting authority (because it calls into question the decision awarding the grant[25] or breaches the principle of equal treatment of applicants), the grant may be terminated (see Article 32).

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

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

### 32.3 Grant authority-initiated GA or beneficiary termination

#### 32.3.1 Conditions

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

(a) one or more beneficiaries do not accede to the Agreement (see Article 40)

(b) a change to the project or the legal, financial, technical, organisational or ownership situation of a beneficiary is likely to substantially affect the implementation of the

project or calls into question the decision to award the grant (including changes linked to one of the exclusion grounds listed in the declaration of honour)

(c) following termination of one or more beneficiaries, the necessary changes to the Agreement (and their impact on the project) would call into question the decision awarding the grant or breach the principle of equal treatment of applicants

(d) implementation of the project has become impossible or the changes necessary for its continuation would call into question the decision awarding the grant or breach the principle of equal treatment of applicants

(e) a beneficiary (or person with unlimited liability for its debts) is subject to bankruptcy proceedings or similar (including insolvency, winding-up, administration by a liquidator or court, arrangement with creditors, suspension of business activities, etc.)

(f) a beneficiary (or person with unlimited liability for its debts) is in breach of social security or tax obligations

(g) a beneficiary (or person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has been found guilty of grave professional misconduct

(h) a beneficiary (or person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has committed fraud, corruption, or is involved in a criminal organisation, money laundering, terrorism-related crimes (including terrorism financing), child labour or human trafficking

(i) a beneficiary (or person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) was created under a different jurisdiction with the intent to circumvent fiscal, social or other legal obligations in the country of origin (or created another entity with this purpose)

(j) a beneficiary (or person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has committed:

    (i) substantial errors, irregularities or fraud or

    (ii) serious breach of obligations under this Agreement or during its award (including improper implementation of the project, non-compliance with the Call conditions, submission of false information, failure to provide required information, breach of ethics or security rules (if applicable), failing to cooperate with checks, reviews, audits and investigations, etc.)

(k) extension of findings: a beneficiary (or person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has committed — in other EU grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on this grant (extension of findings; see Article 25.5)

(l) despite a specific request by the granting authority, a beneficiary does not request — through the coordinator — an amendment to the Agreement to end the participation of

one of its affiliated entities or associated partners that is in one of the situations under points (d), (f), (e), (g), (h), (i) or (j) and to reallocate its tasks.

### 32.3.2 Procedure

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

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

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

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

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

### 32.3.3 Effects

(a) for **GA termination**:

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

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

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

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

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

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

After termination, the beneficiaries' obligations (in particular Articles 13 (confidentiality and security), 16 (IPR), 17 (communication, dissemination and visibility), 21 (reporting), 25 (checks, reviews, audits and investigations), 26 (impact

evaluation), 27 (rejections), 28 (grant reduction) and 42 (assignment of claims)) continue to apply.

(b) for **beneficiary termination**:

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

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

(ii) a **termination report** from the beneficiary concerned, for the open reporting period until termination, containing an overview of the progress of the work, the financial statement, and the explanation on the use of resources

(iii) a **request for amendment** (see Article 39) with any amendments needed (e.g. reallocation of the tasks and the estimated budget of the terminated beneficiary; addition of a new beneficiary to replace the terminated beneficiary; change of coordinator, etc.).

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

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

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

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

- the coordinator did not distribute any payment to the beneficiary concerned and that

- the beneficiary concerned must not repay any amount to the coordinator.

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

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

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

## SECTION 3 OTHER CONSEQUENCES: DAMAGES AND ADMINISTRATIVE SANCTIONS

### ARTICLE 33 — DAMAGES

#### 33.1 Liability of the granting authority

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

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

#### 33.2 Liability of the beneficiaries

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

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

### ARTICLE 34 — ADMINISTRATIVE SANCTIONS AND OTHER MEASURES

In addition or as an alternative to the contractual measures provided under this Agreement, administrative sanctions (i.e. exclusion from EU award procedures and/or financial penalties) or other public law measures may be adopted (see, for instance, Articles 137 to 148 EU Financial Regulation 2024/2509 and Articles 4 and 7 of Regulation 2988/95[26]).

## SECTION 4 FORCE MAJEURE

### ARTICLE 35 — FORCE MAJEURE

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

'Force majeure' means any situation or event that:

- prevents either party from fulfilling their obligations under the Agreement,
- was unforeseeable, exceptional situation and beyond the parties' control,
- was not due to error or negligence on their part (or on the part of other participating entities involved in the project), and

[26] 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).

- proves to be inevitable in spite of exercising all due diligence.

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

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

## CHAPTER 6 FINAL PROVISIONS

### ARTICLE 36 — COMMUNICATION BETWEEN THE PARTIES

#### 36.1 Forms and means of communication — Electronic management

Specific rules set out in Annex 5 apply.

#### 36.2 Date of communication

Specific rules set out in Annex 5 apply.

### ARTICLE 37 — INTERPRETATION OF THE AGREEMENT

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

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

Estimated project budget takes precedence over the description of the project in Annex 1.

### ARTICLE 38 — CALCULATION OF PERIODS AND DEADLINES

In accordance with Regulation No 1182/71[27], periods expressed in days, months or years are calculated from the moment the triggering event occurs.

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

'Days' means calendar days, not working days.

### ARTICLE 39 — AMENDMENTS

#### 39.1 Conditions

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

Amendments may be requested by any of the parties.

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[27] 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).

### 39.2 Procedure

The party requesting an amendment must submit a 'request for amendment' (see Annex 5).

The coordinator submits and receives requests for amendment on behalf of the beneficiaries (see Annex 4). If a change of coordinator is requested without its agreement, the submission must be done by another beneficiary (acting on behalf of the other beneficiaries).

The request for amendment must include:

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

The granting authority may request additional information.

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

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

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

## ARTICLE 40 — ACCESSION AND ADDITION OF NEW BENEFICIARIES

### 40.1 Accession of the beneficiaries mentioned in the Preamble

The beneficiaries which are not coordinator must accede to the grant by signing the accession form (see Annex 4).

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

### 40.2 Addition of new beneficiaries

In justified cases, the beneficiaries may request the addition of a new beneficiary.

For this purpose, the coordinator must submit a request for amendment in accordance with Article 39. It must include an accession form (see Annex 4) signed by the new beneficiary.

New beneficiaries will assume the rights and obligations under the Agreement with effect from the date of their accession specified in the accession form (see Annex 4).

## ARTICLE 41 — TRANSFER OF THE AGREEMENT

Not applicable.

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

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

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

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

## ARTICLE 43 — APPLICABLE LAW AND SETTLEMENT OF DISPUTES

### 43.1 Applicable law

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

### 43.2 Dispute settlement

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

## ARTICLE 44 — ENTRY INTO FORCE

The Agreement will enter into force on the day of last signature, which is of the granting authority.

SIGNATURES CONFIRMING THE ACCEPTANCE OF THIS AGREEMENT AND ALL ITS PARTS AND ANNEXES

| For the beneficiary | For the granting authority |
|---|---|
| [forename/surname/function] | Maija Airas, Head of Unit |
| Done at [place] on [date] | Done at Helsinki on [date] |