

## **ANNEX E**

### **General Conditions applicable to Anna Lindh Foundation Grant Contracts**

#### **CONTENTS**

The term ‘beneficiary’ should be understood as referring to the Leader of the project. The term ‘party(ies) to this contract’ refers to the party signatory of this contract (i.e. the beneficiary and the contracting authority).

All references to ‘days’ in this contract are to calendar days, unless otherwise specified.

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## GENERAL AND ADMINISTRATIVE PROVISIONS

### ARTICLE 1 - GENERAL PROVISIONS

#### General principles

- 1.1. The Beneficiary and the Contracting Authority, are the only parties (the "Parties") to this Contract.
- 1.2. This contract and the payments attached to it may not be assigned to a third party in any manner whatsoever without the prior written consent of the Contracting Authority

#### Processing of personal data by the ALF Secretariat

- 1.3. Processing of personal data related to the implementation of the grant contract by the contracting authority takes place in accordance with the provisions of the respective financing agreement.
- 1.4. To the extent that the grant contract covers a Project financed by the European Union, the Contracting Authority may share communications related to the implementation of the grant contract with the European Commission. These exchanges shall be made to the Commission solely for the purpose of allowing the latter to exercise its rights and obligations under the applicable legislative framework and under the financing agreement with the contracting authority. The exchanges may involve transfers of personal data (such as names, contact details, photos, signatures and copies of passports or national IDs) of natural persons involved in the implementation of the grant contract. When personal data is transmitted to the Commission, the latter processes them in accordance with 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<sup>1</sup> and as detailed in the specific privacy statement published at [ePRAG](#) (A13).

#### Role of the Beneficiary

- 1.5. The Beneficiary shall:
  - a) monitor that the Project is implemented in accordance with this Contract and ensure coordination with the Partner(s) in the implementation of the Project;
  - b) be the intermediary for all communications between the Partner(s) and the ALF, as the Contracting Authority;
  - c) be responsible for supplying all documents and information to the ALF, as the Contracting Authority, which may be required under this contract, in particular in relation to the narrative report and the request for payment. Where information from the Partner(s) is required, the Beneficiary shall be responsible for obtaining, verifying and consolidating this information before passing it on to the Contracting Authority. Any information given, as well as any request made by the Beneficiary to the Contracting Authority, shall be deemed to have been given in agreement with all Partner(s);
  - d) inform the Contracting Authority of any event likely to affect or delay the implementation of the Project;
  - e) inform the Contracting Authority of any change in the legal, financial, technical, organisational or ownership situation, as well as of any change regarding the withdrawal or replacement of any of the Partner(s);
  - f) be responsible in the event of audits, checks, monitoring or evaluations, as described in Article 15, for providing all the necessary documents, including the accounts of the Partner(s), copies of the most relevant supporting documents and signed copies of any Contract concluded according to Article 10;
  - g) have full financial responsibility for ensuring that the Project is implemented in accordance with this Contract;
  - h) establish the payment request in accordance with the Contract;

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<sup>1</sup> [OJ L 295 of 21.11.2018, p. 39.](#)

- i) be the sole recipient, on behalf of the Partner(s), of the payments of the contracting authority. The Beneficiary shall ensure that the appropriate payments are then made to the Partner(s) without unjustified delay;
- j) not delegate or subcontract any, or part of, these tasks to the Partner(s) or other entities.

The Beneficiary shall ensure that the Partner(s) shall:

- a) take all necessary and reasonable measures to ensure that the Project is carried out in accordance with the Application (Annex A) and with a view to achieving the objectives laid down therein and the Terms and Conditions of this contract, in line with the principle of sound financial management and with the best practices in the field;
- b) implement the Project with the requisite care, efficiency, transparency and diligence, in line with the principle of sound financial management and with the best practices in the field;
- c) be responsible for complying with any obligation incumbent on them from this contract jointly or individually;
- d) forward to the Beneficiary the data needed to draw up the reports, financial statements and other information or documents required by this contract and the annexes thereto, as well as any information needed in the event of audits, checks, monitoring or evaluations, as described in Article 16;

## **ARTICLE 2 - OBLIGATION TO PROVIDE INFORMATION AND FINANCIAL AND NARRATIVE REPORTS**

2.1. The beneficiary shall provide the contracting authority with all required information on the implementation of the Project. The reports shall describe the implementation of the Project according to the activities envisaged, difficulties encountered and measures taken to overcome problems, eventual changes introduced, as well as the degree of achievement of its results (impact, outcomes or outputs) as measured by corresponding indicators. The reports shall be laid out in such a way as to allow monitoring of the objective(s), the means envisaged or employed and the budget details for the Project. The level of detail in any report should match that of the description of the Project and of the budget for the Project. The Beneficiary shall collect all the necessary information and draw up consolidated final reports. These reports shall:

- a) cover the Project as a whole, regardless of which part of it is financed by the contracting authority;
- b) consist of a narrative and a financial report drafted using the templates provided in Annex H, I and J; c) provide a full account of all aspects of the Project's implementation for the period covered;
- c) include the current results within an updated table based on the logical framework matrix including the results achieved by the Project (impact, outcomes or outputs) as measured by their corresponding indicators; agreed baselines and targets, and relevant sources of verification;
- d) determine if the intervention logic is still valid and propose any relevant modification including regarding the logical framework matrix;
- e) be drafted in the currency and language of this contract;
- f) include any update on the approved communication plan;
- g) include any relevant reports, publications, press releases and updates related to the Project;
- h) financial supporting documents must be submitted along with summary translations into the language of the Contract.

2.2 The special conditions may set out additional reporting requirements.

2.3. The contracting authority may request additional information at any time. The beneficiary shall provide this information within 30 days of the request, in the language of the contract.

2.4. Reports shall be submitted with the payment requests, according to Article 15. If the beneficiary fails to provide any report or fails to provide any additional information requested by the contracting authority within the set deadline without an acceptable and written explanation of the reasons, the contracting authority may terminate this contract according to Article 12.2.

## **ARTICLE 3 - LIABILITY**

- 3.1 The Contracting Authority cannot, under any circumstances or for any reason whatsoever, be held liable for damage or injury sustained by the staff or property of the Beneficiary or its Partner(s) while the Project is being carried out or as a consequence of the Project. The Contracting Authority, cannot therefore accept any claim for compensation or increase in payment in connection with such damage or injury.
- 3.2 The Beneficiary shall assume sole liability towards third parties, including liability for damage or injury of any kind sustained by them while the Project is being carried out or as a consequence of the Project. The Beneficiary shall discharge the Contracting Authority of all liability arising from any claim or Project brought as a result of an infringement by the Beneficiary, the Beneficiary's employees or individuals for whom those employees are responsible, or as a result of a violation of a third party's rights. For the purpose of this Article 3, employees of the beneficiary and its Partner(s) shall be considered third parties.

## **ARTICLE 4 - CONFLICT OF INTERESTS AND CODE OF CONDUCT**

- 4.1 The Beneficiary and its Partner(s) shall take all necessary measures to prevent or end any situation that could compromise the impartial and objective performance of this Contract. Such conflict of interests may arise in particular as a result of economic interest, political or national affinity, family or emotional ties, or any other relevant connection or shared interest.
- 4.2 Any conflict of interests which may arise during performance of this Contract must be notified in writing to the Contracting Authority without delay. In the event of such conflict, the Beneficiary and its Partner (s) shall immediately take all necessary steps to resolve it.
- 4.3 The Contracting Authority reserves the right to verify that the measures taken are appropriate and may require additional measures to be taken if necessary.
- 4.4 The Beneficiary shall ensure that its staff as well as its partner(s)' staff, including its management, is not placed in a situation which could give rise to conflict of interests. Without prejudice to its obligation under this Contract, the Beneficiary shall replace, immediately and without compensation from the Contracting Authority, any member of its staff in such a situation.
- 4.5 The Beneficiary shall at all-time act impartially and as a faithful adviser in accordance with the code of conduct of its profession as well as with appropriate discretion. It shall refrain from making any public statements concerning the Project or the services without the prior approval of the Contracting Authority. It shall not commit the Contracting Authority, in any way whatsoever without its prior consent, and shall make this obligation clear to third parties.
- 4.6 Physical abuse or punishment, or threats of physical abuse, sexual abuse or exploitation, harassment and verbal abuse, as well as other forms of intimidation shall be prohibited. The Beneficiary shall also inform the Contracting Authority, of any breach of ethical standards or code of conduct as set in the present Article. In case the Beneficiary is aware of any violations of the abovementioned standards, it shall report in writing within 30 days to the Contracting Authority.
- 4.7 The Beneficiary, its staff and its Partner(s) shall respect human rights, applicable data protection rules and environmental legislation applicable in the country(ies) where the Project is taking place and internationally agreed core labour standards, e.g. the ILO core labour standards, conventions on freedom of association and collective bargaining, elimination of forced and compulsory labour, elimination of discrimination in respect of employment and occupation, and the abolition of child labour.
- 4.8 The Beneficiary or any related person shall not abuse of its entrusted power for private gain. The Beneficiary or its staff shall not receive or agree to receive from any person or offer or agree to give to any person or procure for any person, gift, gratuity, commission or consideration of any kind as an inducement or reward for performing or refraining from performing any act relating to the performance of the Contract or for showing favour or disfavour to

any person in relation to the Contract. The Beneficiary and its Partner(s) shall comply with all applicable laws and regulations and codes relating to anti-bribery and anti-corruption.

- 4.9 The payments to the Beneficiary under the Contract shall constitute the only income or benefit it may derive in connection with the Contract, with the exception of revenue generating activities. Any profit generated during the implementation of a Project funded by the Contracting Authority must be re-injected in the budget of the project. The Beneficiary and its staff must not exercise any activity or receive any advantage inconsistent with their obligations under the contract.
- 4.10 The execution of the contract shall not give rise to unusual commercial expenses. Unusual commercial expenses are commissions not mentioned in the Contract or not stemming from a properly concluded Contract referring to the Contract, commissions not paid in return for any actual and legitimate service, commissions remitted to a tax haven, commissions paid to a recipient who is not clearly identified or commission paid to a company which has every appearance of being a front company. The Contracting Authority and the European Commission may carry out documentary or on-the-spot checks they deem necessary to find evidence in case of suspected unusual commercial expenses.
- 4.11. The respect of the code of conduct set out in the present Article constitutes a contractual obligation. Failure to comply with the code of conduct is always deemed to be a breach of the contract under Article 12 of the General Conditions. In addition, failure to comply with the provision set out in the present Article can be qualified as grave professional misconduct that may lead either to suspension or termination of the Contract, without prejudice to the application of administrative sanctions, including exclusion from participation in future contract award procedures.

## **ARTICLE 5 - CONFIDENTIALITY**

- 5.1. Subject to Article 16, the Contracting Authority and the Beneficiary undertake to preserve the confidentiality of any information, notwithstanding its form, disclosed in writing or orally in relation to the implementation of this Contract and identified in writing as confidential until at least 5 (five) years after the payment of the balance.
- 5.2. The Beneficiary shall not use confidential information for any aim other than fulfilling its obligations under this Contract unless otherwise agreed with the Contracting Authority.
- 5.3. Although the European Commission is not the Contracting Authority, it shall still have access to all documents communicated to the Contracting Authority, and shall maintain the same level of confidentiality.

## **ARTICLE 6 – COMMUNICATION AND VISIBILITY**

- 6.1. Unless the Anna Lindh Foundation agrees or requests otherwise, the Beneficiary shall take all necessary steps to publicise the fact that the European Union has co-financed the project. Such measures must comply with the Communication Guidelines of the Anna Lindh Foundation and shall comply with the Communication and Visibility Requirements for European Union External Projects laid down and published by the European Commission, that can be found at [https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/visibility\\_requirements\\_near\\_english.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/visibility_requirements_near_english.pdf) (or with any other guidelines agreed between the Contracting Authority and the beneficiary). The logo of the Anna Lindh Foundation should also be displayed on any information, communication and visibility materials and/or activities implemented: <https://communication.annalindh.org/use-logo>
- 6.2. In particular, the Beneficiary shall mention the Anna Lindh Foundation's financial contribution from EU funds in any information given about the project, in its internal and annual reports, and in any dealings with the media. It shall display the Anna Lindh Foundation and the European Union logos wherever appropriate.
- 6.3. The Anna Lindh Foundation logo, as well as EU logo, must be displayed in all the publications (leaflets, brochures, magazines, newsletters, CDs, PowerPoints presentations, reports, etc.), promotional materials (posters, banners, rolls-up, stickers, USB keys, mugs, pens, notebooks, bags, etc.), online tools (websites, social media pages) and media supports (press kits, press releases, etc.). The logos must be accompanied by the tagline “With the support of...” In

any publication, in addition to the logos and the tagline, this sentence should be included: "The content of this publication is the sole responsibility of < Beneficiary's name > and does not necessarily reflect the position of the Anna Lindh Foundation or the European Union." In addition, the mention of the ALF website address [www.annalindhfoundation.org](http://www.annalindhfoundation.org) is requested.

- 6.4. In publications, when possible, a brief presentation of the Anna Lindh Foundation should be included. In case there are space constraints, the mention of the ALF website address [www.annalindhfoundation.org](http://www.annalindhfoundation.org) is requested.
- 6.5. The logo of the Anna Lindh Foundation, as well as EU logo, must be displayed and visible in all the public events of the granted Project through its inclusion in banners, roll-ups, posters, PowerPoint presentations and any other promotional tool related to the project used during the public event (conferences, seminars, etc.).
- 6.6. The Beneficiary authorises the Contracting Authority and the European Commission to publish its name and address, nationality, the purpose of the grant, duration and location, as well as the maximum amount of the grant and rate of funding of the Project's eligible costs, as laid down in the Article 3.2 of the Special Conditions (Grant Contract). Derogation from publication of this information may be granted if it could endanger the Beneficiary or harm its interests.

## **ARTICLE 7 - OWNERSHIP/USE OF RESULTS AND ASSETS**

- 7.1. Unless otherwise stipulated in the special conditions, ownership of and title and intellectual and industrial property rights to the Project's results, reports and other documents relating to it shall be vested in the Beneficiary.
- 7.2. Without prejudice to Article 7.1 and subject to Article 5, the Beneficiary grants the Contracting Authority and the European Commission the right to use freely and as it sees fit all documents deriving from the Project, whatever their form, provided it does not thereby breach existing industrial and intellectual property rights.
- 7.3. The Beneficiary shall ensure that it has all rights to use any pre-existing intellectual property rights necessary to implement this Contract.
- 7.4. In case natural, recognizable persons are depicted in a photograph or film, the Beneficiary shall, in the final report to the Contracting Authority, submit a statement of these persons giving their permissions for the described use of their images. The above does not refer to photographs taken or films shot in public places where random members of the public are identifiable only hypothetically and to public persons acting in their public activities.

## **ARTICLE 8 – MONITORING AND EVALUATION OF THE PROJECT**

- 8.1. The Application (Annex A) should describe in detail the monitoring and evaluation arrangement that the Beneficiary will put in place.
- 8.2. If the Anna Lindh Foundation carries out an interim or ex-post evaluation or a monitoring exercise, the Beneficiary shall undertake to provide it and/or the persons authorised by the Anna Lindh Foundation (staff and/or external auditors) with any document or information which will assist with the evaluation or monitoring mission(s), and grant them the access rights described in Article 16.2. Representatives of the Anna Lindh Foundation shall be invited to participate in the main monitoring and in the evaluation mission(s) relating to the performance of the Project implemented by the Beneficiary. The Anna Lindh Foundation shall be invited to comment the evaluation mission(s)' Terms of Reference before the exercise is launched, as well as the draft report(s) before they are finalized.
- 8.3. If either the Beneficiary or its Partner(s) carries out or commissions an evaluation in the course of the Project, it shall provide the other with a copy of the evaluation report. All the evaluation and monitoring reports, including final values for each of the indicators in the logical framework, shall be submitted to the Anna Lindh Foundation with the Final Narrative Report (Annex H).

## **ARTICLE 9 - AMENDMENT OF THE CONTRACT**

- 9.1. Any amendment to this Contract, including the annexes thereto, must be set out in writing. This Contract can be modified only during its execution period.
- 9.2. The amendment may not have the purpose or the effect of making changes to this contract that would call into question the grant award decision or be contrary to the equal treatment of applicants. The maximum grant referred to in Article 3.2 of the special conditions shall not be increased.
- 9.3. If an amendment is requested by the Beneficiary, it must submit that request to the Contracting Authority 30 days before the date on which the amendment should enter into force, unless there are special circumstances duly substantiated by the Beneficiary and accepted by the Contracting Authority.
- 9.4. Where the amendment to the Budget does not affect the expected results of the Project (i.e. impact, outcomes, outputs) and the financial impact is limited to a transfer between items within the same main budget heading (main budget heading such as Human Resources, Activity 1, Activity 2, etc.), including cancellation or introduction of an item, or a transfer between main budget headings involving a variation of 25% or less of the amount originally entered (or as modified by addendum) in relation to each concerned main heading for eligible costs, an addendum to the Contract is not required, the Beneficiary may amend the budget and must inform in writing, without delay, the Contracting Authority of the changes needed. This method may not be used to amend the headings for the indirect costs, for the contingency reserve or for the in-kind contributions.

Changes in the dates and/or locations of activities as well as change of Partner(s) must be notified to the Contracting Authority by the Beneficiary in writing providing justifications without delay.

Changes in the Description of the Project and the Logical Framework that affect the expected results (impact, outcomes, outputs) shall be agreed in writing with the Contracting Authority before the modification takes place. Approved changes must be explained in the final report.

- 9.5. Changes of address, changes of bank account may simply be notified by the beneficiary, however, in duly substantiated circumstances, the contracting authority may oppose the beneficiary's choice.

## **ARTICLE 10 - IMPLEMENTATION**

- 10.1. If the implementation of the project requires the Beneficiary to procure goods or services, it shall ensure sound financial management and with the best practices in the field.
- 10.2. The Beneficiary may not subcontract tasks forming any part of the Description of Project which covers core tasks.

## **ARTICLE 11 – EXTENSION AND SUSPENSION**

### **Extension**

- 11.1. The Beneficiary shall inform the Contracting Authority without delay of any circumstances likely to hamper or delay the implementation of the Project. The Beneficiary may request an extension of the Project's implementation period as laid down in Article 2 of the Special Conditions in accordance with Article 9. The request shall be accompanied by all the supporting evidence needed for its appraisal.

### **Suspension by the beneficiary**

- 11.2. The Beneficiary may suspend implementation of the Project, or any part thereof, if exceptional circumstances, notably of force majeure, make such implementation excessively difficult or dangerous. The Beneficiary shall inform

the Contracting Authority without delay, stating the nature, probable duration and foreseeable effects of the suspension.

11.3. The Beneficiary or the Contracting Authority may then terminate this Contract in accordance with Article 12.1. If the Contract is not terminated, the Beneficiary shall endeavour to minimise the time of its suspension and any possible damage and shall resume implementation once circumstances allow, informing the Contracting Authority accordingly.

#### **Suspension by the contracting authority**

11.4. The Contracting Authority may request the Beneficiary to suspend implementation of the Project, or any part thereof, if exceptional circumstances, notably of force majeure, make such implementation excessively difficult or dangerous. To this purpose, the Contracting Authority shall inform the beneficiary stating the nature and probable duration of the suspension.

11.5. The Beneficiary or the Contracting Authority may then terminate this Contract in accordance with Article 12.1. If the Contract is not terminated, the Beneficiary shall endeavour to minimise the time of its suspension and any possible damage and shall resume implementation once circumstances allow and after having obtained the approval of the Contracting Authority.

11.6. The Contracting Authority may also suspend this contract or the participation of a Partner(s) in this Contract if the Contracting Authority has evidence that, or if, for objective and well justified reasons, the Contracting Authority deems necessary to verify whether presumably:

- a) the Grant award procedure or the implementation of the Project have been subject to breach of obligations, irregularities or fraud;
- b) the Partner(s) has breached any substantial obligation under this contract.

11.7. The Beneficiary shall provide any requested information, clarification or document within 30 days of receipt of the requests sent by the Contracting Authority. If, notwithstanding the information, clarification or document provided by the Beneficiary, the award procedure or the implementation of the Grant prove to have been subject to breach of obligations, irregularities or fraud, or breach of obligations, then the Contracting Authority may terminate this contract according to Article 12(2) h.

#### **Force majeure**

11.8. The term force majeure, as used herein, covers any unforeseeable events not within the control of either party to this contract and which, by the exercise of due diligence, neither party is able to overcome, such as acts of God, strikes, lock-outs or other industrial disturbances, acts of the public enemy, wars whether declared or not, blockades, insurrection, riots, epidemics, landslides, earthquakes, storms, lightning, floods, washouts, civil disturbances, explosion.

11.9. The Beneficiary shall not be held in breach of its contractual obligations if it is prevented from fulfilling them by circumstances of force majeure.

#### **Extension of the implementation period following a suspension**

11.10. In case of suspension according to Articles 11.2, 11.4 and 11.6, the implementation period of the Project shall be extended by a period equivalent to the length of suspension, without prejudice to any amendment to the Contract that may be necessary to adapt the Project to the new implementing conditions.

## **ARTICLE 12 - TERMINATION OF THE CONTRACT**

### **Termination in case of force majeure**

12.1. In the cases foreseen in Article 11.2 and 11.4, if the Beneficiary or the Contracting Authority believes that this Contract can no longer be executed effectively or appropriately, it shall duly consult the other. Failing agreement on a solution, the Beneficiary or the Contracting Authority may terminate this Contract by serving two months written notice, without being required to pay indemnity.

### **Termination by the Contracting Authority**

12.2. Without prejudice to Article 12.1, in the following circumstances the Contracting Authority may, after having duly consulted the Beneficiary, terminate this Contract or the participation of any Partner in this Contract without any indemnity on its part when:

- a) the Beneficiary fails, without justification, to fulfil any substantial obligation incumbent on it by this Contract and, after being given notice by letter to comply with those obligations, still fails to do so or to furnish a satisfactory explanation within 30 days of receipt of the letter;
- b) the Beneficiary or any person that assumes unlimited liability for the debts of the Beneficiary is bankrupt, subject to insolvency or winding up procedures, is having its assets administered by a liquidator or by the courts, has entered into an arrangement with creditors, has suspended business activities, or is in any analogous situation arising from a similar procedure provided for under any national law or regulations relevant to the Beneficiary;
- c) the Beneficiary, or any related entity or person, have been found guilty of grave professional misconduct proven by any means which the Contracting Authority can justify;
- d) it has been established by a final judgment or a final administrative decision or by proof in possession of the Contracting Authority that the Beneficiary has been guilty of fraud, corruption, involvement in a criminal organisation, money laundering or terrorist financing, terrorist related offences, child labour or other forms of trafficking in human beings or circumventing fiscal, social or any other applicable legal obligations, including through the creation of an entity for this purpose;
- e) a change to the Beneficiary's legal, financial, technical, organisational or ownership situation or the termination of the participation of a Partner(s) substantially affects the implementation of this Contract or calls into question the decision awarding the Grant;
- f) the Beneficiary or any related person are guilty of misrepresentation in supplying the information required in the award procedure or in the implementation of the Project or fail to supply – or fail to supply within the deadlines set under this Contract - any information related to the Project required by the Contracting Authority;
- g) the Beneficiary has not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which it is established;
- h) the Contracting Authority has evidence that the Beneficiary, or any related entity or person, has committed breach of obligations, irregularities or fraud in the implementation of the Project;
- i) the Beneficiary is subject to an administrative penalty referred to in Article 12.8;
- j) the Contracting Authority has evidence that the Beneficiary is subject to a conflict of interests;
- k) the European Commission has evidence that the Beneficiary has committed systemic or recurrent errors, irregularities, fraud or serious breach of obligations under other grants financed by the European Union and awarded to that specific Beneficiary under similar conditions, provided that those errors, irregularities, fraud or serious breach of obligations have a material impact on this Grant.

The cases of termination under points (b), (c), (d), (h), (j) and (k) may refer also to persons who are members of the administrative, management or supervisory body of the Beneficiary and/or to persons having powers of representation, decision or control with regard to the Beneficiary.

12.3. In the cases referred to in points (c), (f), (h) and (k) above, any related person means any physical person with powers of representation, decision-making or control in relation to the Beneficiary. Any related entity means, in particular, any entity which meets the criteria laid down by Article 1 of the Seventh Council Directive No 83/349/EEC of 13 June 1983.

#### **Termination of a Partner(s) participation by the Beneficiary**

12.4. In duly justified cases, the participation of a Partner in this Contract may be also terminated by the Beneficiary. To this purpose, the Beneficiary shall communicate to the Contracting Authority the reasons for the termination of its participation and the date on which the termination shall take effect, as well as a proposal on the reallocation of the tasks of the Partner whose participation is terminated, or on its possible replacement. The proposal shall be sent in good time before the termination is due to take effect.

#### **End date**

12.5. The payment obligations of the Contracting Authority under this Contract shall end 6 months after the implementation period laid down in Article 2 of the Special Conditions, unless this Contract is terminated according to Article 12.

The Contracting Authority shall postpone this end date, so as to be able to fulfil its payment obligations, in all cases where the Beneficiary has submitted a payment request in accordance with contractual provisions or, in case of dispute, until completion of the dispute settlement procedure provided for in Article 13. The Contracting Authority shall notify the Beneficiary of any postponement of the end date.

12.6. This Contract will be terminated automatically if it has not given rise to any payment by the Contracting Authority within two years of its signature.

#### **Effects of termination**

12.7. Upon termination of this Contract the Beneficiary shall take all immediate steps to bring the Project to a close in a prompt and orderly manner and to reduce further expenditure to a minimum.

Without prejudice to Article 14, the Beneficiary shall be entitled to payment only for the part of the Project carried out, excluding costs relating to current commitments that are due to be executed after termination.

To this purpose, the Beneficiary shall introduce a payment request to the Contracting Authority within the time limit set by Article 15.2 starting from the date of termination.

In the event of termination according to Article 12.1, the Contracting Authority may agree to reimburse the unavoidable residual expenditures incurred during the notice period, provided the first paragraph of this Article 12.7 has been properly executed.

In the cases of termination foreseen in Article 12.2 a), c), d), f), h) and k), the Contracting Authority may, after having properly consulted the Beneficiary and depending on the gravity of the failings, request full or partial repayment of amounts unduly paid for the Project.

### **ARTICLE 13 - APPLICABLE LAW AND DISPUTE SETTLEMENT**

13.1. This Contract shall be governed by the law of the country of the Contracting Authority.

- 13.2. The parties to this contract shall do everything possible to settle amicably any dispute arising between them during implementation of this Contract. To that end, they shall communicate their positions and any solution that they consider possible in writing. The Beneficiary and the Contracting Authority shall reply to a request for an amicable settlement within 30 days. Once this period has expired, or if the attempt to reach amicable settlement has not produced agreement within 60 days of the first request, the Beneficiary or the Contracting Authority may notify the other that it considers the procedure to have failed.
- 13.3. In the event of failure to reach an amicable agreement, each party to this Contract may submit the dispute to the courts of the country of the Contracting Authority.

## FINANCIAL PROVISIONS

### ARTICLE 14 - ELIGIBLE COSTS

#### Cost eligibility criteria

14.1. Eligible costs are actual costs incurred by the Beneficiary and its Partner(s) which meet all the following criteria:

- a) they are incurred during the implementation of the Project as specified in Article 2 of the Special Conditions. In particular:
  - (i) costs relating to services shall relate to activities performed during the implementation period. Costs relating to supplies shall relate to delivery of items during the implementation period. Signature of a Contract, placing of an order, or entering into any commitment for expenditure within the implementation period for future delivery of services or supplies after expiry of the implementation period do not meet this requirement. Cash transfers between the Beneficiary and/or the other Partner(s) may not be considered as costs incurred;
  - (ii) costs incurred should be paid before the submission of the final reports.
- b) they are indicated in the estimated overall Budget for the Project;
- c) they are necessary for the implementation of the Project;
- d) they are identifiable and verifiable, in particular being recorded in the accounting records of the Beneficiary and its Partner(s) and determined according to the accounting standards and the usual cost accounting practices applicable to the Beneficiary and its Partner(s);
- e) they comply with the requirements of applicable tax and social legislation;
- f) they are reasonable, justified and comply with the requirements of sound financial management, in particular regarding economy and efficiency.

#### Eligible direct costs

14.2. Subject to Article 14.1, and where relevant, to the provisions of Annex C being respected, the following direct costs of the Beneficiary and its Partner(s) shall be eligible:

- a) the cost of staff assigned to the Project, corresponding to actual gross salaries including social security charges and other remuneration-related costs (excluding performance-based bonuses); salaries and costs shall not exceed those normally borne by the Beneficiary and its Partner(s), unless it is justified by showing that it is essential to carry out the Project;
- b) travel and subsistence costs for staff and other persons taking part in the Project, provided they do not exceed those normally borne by the Beneficiary and its Partner(s) according to its rules and regulations. In addition, the rates published by the European Commission at the time of contract signature may never be exceeded [https://ec.europa.eu/international-partnerships/system/files/per\\_diem\\_rates\\_20191218.pdf](https://ec.europa.eu/international-partnerships/system/files/per_diem_rates_20191218.pdf);
- c) rental cost for equipment (new or used) and supplies specifically dedicated to the purposes of the Project;
- d) costs of consumables;
- e) costs deriving directly from the requirements of the Contract (dissemination of information, evaluation specific to the Project, translation, reproduction, insurance, etc.) including financial service costs (cost of bank transfers);

- f) taxes and charges, including VAT, paid and not recoverable by the Beneficiary, unless otherwise provided in the Special Conditions;
- g) costs related to the involvement of persons with official residence in one of the Euro-Mediterranean Partnership Countries in the Project activities;
- h) cost related to the involvement of nationals, residents outside the geographical zone covered by the ALF, provided that it is agreed with the Foundation before any cost is engaged;
- i) value of work provided by volunteers taking part in the Project implementation (such value cannot be considered an in-kind contribution).

### **Performance-based financing**

14.3. The payment of the Anna Lindh Foundation's contribution may be partly or entirely linked to the achievement of results measured by reference to previously set milestones or through performance indicators. Such performance-based financing is not subject to other sub-articles of Article 14. The relevant results and the means to measure their achievement shall be clearly described in Annex A.

The amount to be paid per achieved result shall be set out in Annex C. The method to determine the amount to be paid per achieved result shall be clearly described in Annex A, take into account the principle of sound financial management and avoid double-financing of costs. The Beneficiary shall submit any necessary supporting documents, including where relevant accounting documents to prove that the results described in Annex A have been achieved.

### **Contingency reserve**

14.4. A contingency reserve not exceeding 5 % of the direct eligible costs may be included in the Budget of the Project to allow for adjustments necessary in the light of unforeseeable changes of circumstances on the ground. It can be used only with the prior written authorisation of the Contracting Authority, upon duly justified request by the Beneficiary.

### **Indirect costs**

14.5. The indirect costs for the Project are those eligible costs which may not be identified as specific costs directly linked to the implementation of the Project and may not be booked to it directly according to the conditions of eligibility in Article 14.1. However, they are incurred by the Beneficiary and its Partner(s) in connection with the eligible direct costs for the Project. They may not include ineligible costs as referred to in Article 14.8 or costs already declared under another costs item or heading of the Budget of this Contract.

A fixed percentage of the total amount of direct eligible costs of the Project not exceeding 7% may be claimed to cover indirect costs for the Project. Flat-rate funding in respect of indirect costs does not need to be supported by accounting documents.

### **In-kind contributions**

14.6. A maximum percentage of 5% of the total amount of direct eligible costs of the Project and as listed separately in Annex C is considered as an eligible cost and is considered as co-financing upon fulfilling the following conditions:

- a) The corresponding cost must be included in the Contract's Budget and reported in the financial report under a separate heading.
- b) The type of in-kind contribution as indicated in the Contract Budget must not be subject to subsequent changes.
- c) In-kind contributions must comply with national tax legislation.

- d) The value of the eligible in-kind contribution must not exceed by the percentage either by the percentage the costs actually borne and duly supported by accounting documents or the costs generally accepted on the concerned market of reference.
- e) Volunteer work is not accepted as an in-kind contribution.
- f) Eligibility of contributions in-kind is subject to verification during the final reporting of the project. Supporting documents must be provided for contributions in-kind, such as quotations for similar services and for the same durations, and presented as part of the detailed breakdown of expenditure and the financial supporting documents (translated into the language of the Contract) and the costs involved should not be higher than the corresponding costs generally accepted on the concerned market of reference.
- g) The value of the equipment and/or furniture in use as in-kind contribution must have a price-tag entered in the Beneficiary's accounting system.
- h) The costs involved must pass the test for eligible costs in article 14.1 of these General Conditions.

### **Volunteers' work**

14.7. The value of the work provided by volunteers can be recognised as an eligible cost of the Project and may be treated as co-financing by the Beneficiary.

Where the estimated eligible costs include costs for volunteers' work, the Contracting Authority's contribution shall not exceed the estimated eligible costs other than the costs for volunteers' work.

The beneficiary shall declare personnel costs for the work carried out by volunteers on the basis of unit costs authorised in accordance with Annex C.

### **Non-eligible costs**

14.8. The following costs shall **not** be considered eligible:

- a) debts and debt service charges (interest);
- b) provisions for losses, debts or potential future liabilities;
- c) costs declared by the Beneficiary and financed by another action or work programme receiving a European Union grant (including through the European Development Fund);
- d) purchases of equipment, land or buildings;
- e) currency exchange losses;
- f) credits to third parties;
- g) financial support to third parties (sub-granting);
- h) performance-based bonuses included in costs of staff;
- i) costs related to the involvement of non-nationals and non-residents of a member state in the Project activities unless prior approval of the Contracting Authority is obtained.

## **ARTICLE 15 - PAYMENT AND INTEREST ON LATE PAYMENT**

### **Payment procedures**

15.1 The Contracting Authority must pay the Grant to the Beneficiary following the payment procedures below, as set out in Article 4 of the Special Conditions:

- a) an initial pre-financing payment of 70 % of the maximum amount referred to in Article 3.2 of the Special Conditions (excluding contingencies);

- b) the balance of the final amount of the Grant. Reports shall be presented in accordance with Article 2 of these General Conditions.

### **Submission of final reports**

15.2. The Beneficiary shall submit the final report to the Contracting Authority no later than 45 days after the implementation period as defined in Article 2 of the Special Conditions. The deadline for submission of the final report may be extended upon written approval by the Contracting Authority.

### **Payment request**

15.3 The payment request of the balance shall be drafted using the model in Annex G and shall be accompanied by the following in line with Article 2 of these General Conditions;

- a) a narrative and financial reports in accordance with templates provided in Annexes H and I;
- b) detailed breakdown of expenditure as required under Article 15.6;
- c) participants' lists in accordance with the template provided in Annex J.

For the purposes of the initial pre-financing payment, the signed Contract serves as payment request. Payment shall not imply recognition of the regularity or of the authenticity, completeness and correctness of the declarations and information provided.

### **Payment deadlines**

15.4 The initial pre-financing payment shall be made within 30 days of receipt of the duly countersigned Grant Contract by the Contracting Authority.

The payments of the balance shall be made within 45 days of receipt of the payment request by the Contracting Authority.

### **Suspension of the period for payments**

15.5. Without prejudice to Article 12, the time-limits for payments may be suspended by notifying the Beneficiary that:

- a) the amount indicated in its request of payments is not due, or;
- b) proper supporting documents have not been supplied, or;
- c) clarifications, modifications or additional information to the narrative or financial reports are needed, or;
- d) there are doubts on the eligibility of expenditure and it is necessary to carry out additional checks, including on-the-spot checks or an audit to make sure that the expenditure is eligible, or;
- e) it is necessary to verify, including through an OLAF investigation, whether presumed breach of obligations, irregularities or fraud have occurred in the Grant award procedure or the implementation of the Project, or;
- f) it is necessary to verify whether the beneficiary have breached any substantial obligations under this Contract, or;
- g) the visibility obligations set out in Article 6 are not complied with.

The suspension of the time-limits for payments starts when the above notification is sent to the Beneficiary. The time-limit starts running again on the date on which a correctly formulated request for payment is recorded. The Beneficiary shall provide any requested information, clarification or document within 30 days of the request.

If, notwithstanding the information, clarification or document provided by the Beneficiary, the payment request is still inadmissible, or if the award procedure or the implementation of the Grant proves to have been subject to irregularities, fraud, or breach of obligations, then the Contracting Authority may suspend payments, and in the cases foreseen in Article 12, terminate accordingly this Contract.

In addition, the Contracting Authority may also suspend payments as a precautionary measure without prior notice, prior to, or instead of, terminating this contract as provided for in Article 12.

### **Detailed breakdown of expenditure**

15.6 A detailed breakdown of expenditure covering the preceding reporting period not already covered shall be provided for payment request other than pre-financing payment.

The detailed breakdown of expenditure shall provide the following information for each cost heading in the financial report and for all underlying entries and transactions: amount of the entry or transaction, accounting reference (e.g. ledger, journal or other relevant reference), description of the entry or transaction (detailing the nature of the expenditure) and reference to underlying documents (e.g. invoice number, salary slip or other relevant reference), in line with Article 16.1. It shall be provided in electronic format and spread sheet format (Excel or similar) whenever possible. All financial supporting documents must be submitted with a summary translation into the language of the Contract.

The detailed breakdown of expenditure shall be supported by a declaration of honour by the Beneficiary stating that the information in the payment request is full, reliable and true and that the costs declared have been incurred and can be considered as eligible in accordance to this Contract.

The final report shall in all cases include a detailed breakdown of expenditure covering the whole Project.

### **Rules for currency conversion**

15.7. The Contracting Authority shall make payments to the Beneficiary to the bank account referred to in the Financial Identification Form in Annex F, which allows the identification of the funds paid by the Contracting Authority. The Contracting Authority shall make payments in the currency set in the Special Conditions.

Reports shall be submitted in the currency set out in the Special Conditions, and may be drawn from financial statements denominated in other currencies, on the basis of the Beneficiary's applicable legislation and applicable accounting standards. In such case and for the purpose of reporting, conversion into the currency set in the Special Conditions shall be made using the rate of exchange at which the Contracting Authority's contribution was recorded in the Beneficiary's accounts, unless otherwise provided for in the Special Conditions. If, at the end of the Project, a part of the expenses is pre-financed by the Beneficiary (or by other donors), the conversion rate to be applied to this balance is the one set in the Special Conditions according to the Beneficiary's usual accounting practice. If no specific provision is foreseen in the Special Conditions, the exchange rate of the last instalment received from the Contracting Authority will be applied.

15.8. Unless otherwise provided for in the Special Conditions, costs incurred in other currencies than the one used in the Beneficiary's accounts for the project shall be converted according to its usual accounting practices, provided they respect the following basic requirements: (i) they are written down as an accounting rule, i.e. they are a standard practice of the Beneficiary; (ii) they are applied consistently; (iii) they give equal treatment to all types of transactions and funding sources; (iv) the system can be demonstrated and the exchange rates are easily accessible for verifications.

In the event of an exceptional exchange-rate fluctuation, the parties shall consult each other with a view to amending the Project in order to lessen the impact of such a fluctuation. Where necessary, the Contracting Authority may take additional measures such as terminating the Contract.

## **ARTICLE 16 - ACCOUNTS AND TECHNICAL AND FINANCIAL CHECKS**

### **Accounts:**

16.1. The Beneficiary shall keep accurate and regular accounts of the implementation of the Project using an appropriate accounting and double-entry book-keeping system.

The accounts:

- a) may be an integrated part of or an adjunct to the Beneficiary's regular system;
- b) shall comply with the accounting and bookkeeping policies and rules that apply in the country concerned;
- c) shall enable income and expenditure relating to the Project to be easily traced, identified and verified.

16.2. The Beneficiary shall ensure that any financial report as required under Article 2 can be properly and easily reconciled to the accounting and bookkeeping system and to the underlying accounting and other relevant records. For this purpose, the Beneficiary shall prepare and keep appropriate reconciliations, supporting schedules, analyses and breakdowns for inspection and verification.

### **Right of access**

16.3. The Beneficiary shall allow verifications to be carried out by the Contracting Authority, the European Commission, the European Anti-Fraud Office, the European Court of Auditors and any external auditor authorised by the Contracting Authority. The Beneficiary has to take all steps to facilitate their work.

16.4. The Beneficiary shall allow the above entities to:

- a) access the sites and locations at which the Project is implemented;
- b) examine its accounting and information systems, documents and databases concerning the technical and financial management of the Project;
- c) take copies of documents;
- d) carry out on-the-spot-checks;
- e) conduct a full audit on the basis of all accounting documents and any other document relevant to the financing of the Project.

16.5. Additionally, the European Anti-Fraud Office shall be allowed to carry out on-the-spot checks and inspections in accordance with the procedures laid down by the European Union legislation for the protection of the financial interests of the European Union against fraud and other irregularities.

Where appropriate, the findings may lead to recovery by the Contracting Authority or the European Commission.

16.6. Access given to agents of the Contracting Authority, the European Commission, European Anti-Fraud Office and the European Court of Auditors and to any external auditor authorised by the Contracting Authority carrying out verifications as provided for by this article as well as by Article 15.6 shall be on the basis of confidentiality with respect to third parties, without prejudice to the obligations of public law to which they are subject.

### **Record keeping**

16.7. The Beneficiary shall keep all records, accounting and supporting documents related to this Contract for three years following the payment of the balance, and in any case until any on-going audit, verification, appeal, litigation or pursuit of claim has been disposed of.

They shall be easily accessible and filed so as to facilitate their examination and the Beneficiary shall inform the Contracting Authority of their precise location.

16.8. All the supporting documents shall be available either in the original form, including in electronic form, or as a copy.

16.9. In addition to the reports mentioned in Article 2, the documents referred to in this article include:

- a) accounting records (computerised or manual) from the Beneficiary's accounting system such as general ledger, sub-ledgers and payroll accounts, fixed assets registers and other relevant accounting information;
- b) proof of procurement procedures such as price quotations, tendering documents, bids from tenders and evaluation reports;
- c) proof of commitments such as contracts and order forms;
- d) proof of delivery of services such as approved reports, time sheets, transport tickets, proof of attending seminars, conferences and training courses (including relevant documentation and material obtained, certificates), etc.;
- e) proof of receipt of goods such as delivery slips from suppliers;
- f) proof of purchase such as invoices and receipts;
- g) proof of payment such as bank statements, debit notices, proof of settlement by the contractor;
- h) proof that taxes and/or VAT that have been paid cannot actually be reclaimed;
- i) for fuel and oil expenses, a summary list of the distance covered, the average consumption of the vehicles used, fuel costs and maintenance costs;
- j) staff and payroll records such as contracts, salary statements and time sheets. For local staff recruited on fixed-term contracts, details of remuneration paid, duly substantiated by the person in charge locally, broken down into gross salary, social security charges, insurance and net salary.

16.10. Failure to comply with the obligations set forth in Article 16.1 to 16.9 constitutes a case of breach of a substantial obligation under this contract. In this case, the Contracting Authority may in particular suspend the Contract, payments or the time-limit for a payment, terminate the Contract and/or reduce the Grant.

## **ARTICLE 17 - FINAL AMOUNT OF THE GRANT**

17.1. The Grant may not exceed the maximum ceiling in Article 3.2 of the Special Conditions either in terms of the absolute value or the percentage stated therein.

If the eligible costs of the Project at the end of the Project are less than the estimated eligible costs as referred to in Article 3.1 of the Special Conditions, the Grant shall be limited to the amount obtained by applying the percentage laid down in Article 3.2 of the Special Conditions to the eligible costs of the Project approved by the Contracting Authority.

17.2. In addition and without prejudice to its right to terminate this Contract pursuant to Article 12, if the Project is implemented poorly or partially - and therefore not in accordance with the Description of the Project in Annex A - or late, the Contracting Authority may, by a duly reasoned decision and after allowing the Beneficiary to submit its observations, reduce the initial Grant in line with the actual implementation of the Project and in accordance with the terms of this Contract. This applies as well with regards to the visibility obligations set out in Article 6. In case of breach of obligations, fraud or irregularities, the Contracting Authority may also reduce the Grant in proportion of the seriousness of breach of obligations, fraud or irregularities.

## **ARTICLE 18 — RECOVERY**

### **Recovery**

- 18.1. If any amount is unduly paid to the Beneficiary, or if recovery is justified under the terms of this Contract, the Beneficiary undertakes to repay the Contracting Authority these amounts.
- 18.2. In particular, payments made do not preclude the possibility for the Contracting Authority to issue a recovery order following an expenditure verification report, an audit or further verification of the detailed breakdown of expenditure related to a payment request.
- 18.3. If a verification reveals that the methods used by the Beneficiary to determine unit costs, lump sums or flat-rates are not compliant with the conditions established in this Contract, the Contracting Authority shall be entitled to reduce the final amount of the Grant proportionately up to the amount of the unit costs, lump sums or flat rate financing.
- 18.4. The Beneficiary undertakes to repay any amounts paid in excess of the final amount due to the Contracting Authority within 45 days of the issuing of the debit note, the latter being the letter by which the Contracting Authority requests the amount owed by the Beneficiary.

### **Interest on late payments**

- 18.5. Should the Beneficiary fail to make repayment within the deadline set by the Contracting Authority, the Contracting Authority may increase the amounts due by adding interest:
- a) at the rediscount rate applied by the central bank of the country of the Contracting Authority if payments are in the currency of that country;
  - b) at the rate applied by the European Central Bank to its main refinancing transactions in Euros, as published in the Official Journal of the European Union, C series, where payments are in Euros;

on the first day of the month in which the time-limit expired, plus three and a half percentage points. The default interest shall be incurred over the time which elapses between the date of the payment deadline set by the Contracting Authority, and the date on which payment is actually made. Any partial payments shall first cover the interest thus established.

### **Offsetting**

- 18.6. Amounts to be repaid to the Contracting Authority may be offset against amounts of any kind due to the Beneficiary, after informing it accordingly. This shall not affect the parties' right to agree on payment in instalments.

### **Other provisions**

- 18.7. The repayment under Article 18.4 or the offsetting under Article 18.6 amount correspond to the payment of the balance.
- 18.8. Bank charges incurred by the repayment of amounts due to the Contracting Authority shall be borne entirely by the Beneficiary.
- 18.9. Without prejudice to the prerogative of the Contracting Authority, if necessary, the European Union may, as donor, proceed itself to the recovery by any means.

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