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GRANT AGREEMENT for an ACTION
AGREEMENT NUMBER – EEN/SPA/09/FEA/247891

SPECIFIC ACTION

EU NETWORK OF FEMALE ENTREPRENEURSHIP AMBASSADORS

relating to the implementation of an action in the framework of the

"Entrepreneurship and Innovation" Programme (EIP)

*Decision No 1639/2006/EC of the European Parliament and of the Council of 24 October 2006 establishing a Competitiveness and Innovation Framework Programme (2007-2013)*¹

The Executive Agency for Competitiveness and Innovation (EACI) (hereinafter referred to as "the Agency"), acting under powers delegated by the Commission of the European Communities ("the European Commission"), and represented for the purposes of signature of this agreement by Mr Jose PUIGPELAT VALLS, Head of Unit, or his duly authorised representative,

of the one part,

Unione Regionale delle Camere di Commercio della Toscana *Unioncamere Toscana*

Via Lorenzo Il Magnifico 24

50129 Firenze

Italy,

hereinafter referred to as "the coordinator", represented for the purposes of signature of this agreement by Mr Enrico Ciabatti, Secretary General,

and the following co-partners,

- Camera di Commercio Industria Artigianato Agricoltura di Chieti (CCIAA Chieti) represented for the purposes of signature of this agreement by Mr Dino Di Vincenzo, President,
- SPIN - Consorzio di Ricerca in Tecnologie dell'Informazione e della Comunicazione S.c.r.l. (Consorzio SPIN) represented for the purposes of signature of this agreement by Eng. Carmine Antonio Donato, Legal Representative,

1. OJ L 310 of 9 November 2006, p. 15, Article 37.

- Camera di Commercio di Napoli/Eurosportello (Eurosportello Napoli) represented for the purposes of signature of this agreement by Cav. Lav. Gaetano Cola, President,
- Chamber of Commerce of Ravenna (CCIAA Ravenna) represented for the purposes of signature of this agreement by Dr Gianfranco Bessi, President,
- ConCentro, Azienda Speciale della CCIAA di Pordenone (Az. Sp. Concentro) represented for the purposes of signature of this agreement by Dr. Luca Penna, Managing Director,
- BIC Lazio spa (BIC Lazio) represented for the purposes of signature of this agreement by Ing. Enrico D'Agostino, President,
- Innovhub - Special Agency for Innovation of Milan Chamber of Commerce (Innovhub) represented for the purposes of signature of this agreement by Dr Alessandro Spada, President,
- Unione Regionale Delle Camere di Commercio del Molise (Unioncamere Molise) represented for the purposes of signature of this agreement by Arch Paolo di Laura Frattura, President,
- Unione Regionale Delle Camere di Commercio della Puglia (Unioncamere Puglia) represented for the purposes of signature of this agreement by On. Dr. Luigi Farace, President Legal Representative,
- Centro Servizi Promozionali per le Imprese - Azienda Speciale Della CCIAA di Cagliari (CSI Cagliari) represented for the purposes of signature of this agreement by Dr. Erriu Cristiano, Director,
- Consorzio Catania Ricerche (Catania Ricerche) represented for the purposes of signature of this agreement by Prof. Orazio Gaetano Puglisi, President,
- Consorzio Eurosportello Confesercenti (Confesercenti) represented for the purposes of signature of this agreement by Mr Giulio Sbranti, President,
- Promofirenze-Azienda Speciale della CCIAA di Firenze (Promofirenze) represented for the purposes of signature of this agreement by Dr Luigi Antonio Boldrin, General Director,
- Centro Estero delle Camere di Commercio dell'Umbria (C. Est. CCIAA Umbria) represented for the purposes of signature of this agreement by Dr. Ettore Neri, Director,
- Unioncamere del Veneto (UCV) represented for the purposes of signature of this agreement by Dr. Gian Angelo Bellati, Director,
- Camera di Commercio Industria Artigianato e Agricoltura di Ascoli Piceno (CCIAA Ascoli Piceno) represented for the purposes of signature of this agreement by Dr. Marco Peroni, General Secretary,
- Unione Regionale delle Camere di Commercio della Liguria (Unioncamere Liguria) represented for the purposes of signature of this agreement by Dr. Romano Merlo, Secretary General,
- Camera di Commercio Industria Artigianato e Agricoltura di Teramo (CCIAA Teramo) represented for the purposes of signature of this agreement by Dr. Giustino Di Carlantonio, President,

who have conferred powers of attorney to the coordinator for the purposes of signature of this agreement and any subsequent riders, according to the mandates attached to the present agreement and which form an integral part of it,

collectively "the partners", and each individually identified as "partner" for purposes of this agreement where a provision applies without distinction to the coordinator or a co-partner,

of the other part ,

collectively "the parties to the agreement",

HAVE AGREED

The **Special conditions** and the **General conditions** below, and the following **Annexes** :

Annex	I	Description of the action
Annex	II	Estimated budget of the action
Annex	III	Mandates conferring powers of attorney from the co-partners to the coordinator

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

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

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

The terms set out in **Annex I** (Description of the Action) shall take precedence over those in the other **Annexes** .

I – SPECIAL CONDITIONS

ARTICLE I.1 – PURPOSE

- I.1.1. The Agency has decided to award a grant, under the terms and conditions set out in the Special Conditions, the General Conditions and the Annexes to the agreement, which the partners hereby declare that they have taken note of and accept, for the action entitled 'Women Ambassadors in Italy (WAI)' ("the action").
- I.1.2. The partners accept the grant and undertake to do everything in their power to carry out the action as described in Annex I, acting under their own responsibility.

ARTICLE I.2 – DURATION

- I.2.1. The agreement shall enter into force on the date when the last contracting party signs ("the date of entry into force of the agreement").
- I.2.2. The action shall run for 24 months from 01/08/2009 ("the starting date of the action").

ARTICLE I.3 – ROLE OF THE PARTNERS

- I.3.1. The coordinator shall 'inter alia':
- (a) ensure that the action is implemented in accordance with the agreement;
 - (b) be the intermediary for all communication between the co-partners and the Agency in accordance with Article I.8. Any claims that the Agency might have in respect of the agreement shall be addressed to, and answered by, the coordinator, except where specifically stated otherwise in the agreement;
 - (c) be responsible for supplying all documents and information to the Agency which may be required under the agreement, in particular in relation to the request for payment. The co-ordinator shall not delegate any part of this task to the co-partners or to any other party. Where information from the co-partners is required, the coordinator shall be responsible for obtaining and verifying this information and for passing it on to the Agency;
 - (d) inform the co-partners concerning any event, of which he is aware, that is liable to substantially affect or delay the implementation of the action;
 - (e) inform the Agency of transfers of budget, as provided in Article I.4.4;
 - (f) make the appropriate arrangements for the partners to provide the financial guarantees when requested, under the provisions of Article I.5;
 - (g) establish the payment requests on behalf of the partners, detailing the exact share and amount assigned to each partner, in accordance with the agreement, the estimated eligible costs as foreseen in Annex II, and the actual costs incurred. All payments by the Agency are made to the bank account referred to in paragraph 1 of Article I.7;
 - (h) where designated the sole recipient of payments on behalf of all of the partners, ensure that all the appropriate payments are made to the co-partners within 30 days upon receipt of the funds paid by the Agency, unless there is a justified delay, in accordance with Article I.5 and in accordance with Annex II and shall inform the Agency of the distribution of the Community financial contribution between the co-partners and of the date of transfer;

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- I.3.2. The co-partners shall 'inter alia':
- (a) agree upon appropriate arrangements for the proper performance of the work incumbent upon them pursuant to Annex I.
 - (b) forward to the coordinator the data needed to draw up the reports, financial statements and other documents provided for in the agreement including its Annexes;
 - (c) ensure that all information to be provided to the Agency is sent via the coordinator, except where the agreement specifically stipulates otherwise;
 - (d) inform the coordinator immediately concerning any event, of which they are aware, that is liable to substantially affect or delay the implementation of the action;
 - (e) inform the Agency via the coordinator of transfers of budget, as provided in Article I.4.4;
 - (f) provide the coordinator with all the necessary documents in the event of audits, checks or evaluations, as described in Articles II.19 and II.6.

ARTICLE I.4 – FINANCING THE ACTION

- I.4.1. The total costs of the action are estimated at EUR 178 208,00 (one hundred and seventy-eight thousand two hundred and eight Euros), as shown in the estimated budget in Annex II. The estimated budget shall give a detailed breakdown of the costs that are eligible for Community funding under the terms of Article II.14, of any other costs that the action may entail, and of all receipts, so that receipts and costs balance.

The estimated budget in Annex II shall include a table indicating the breakdown of estimated eligible costs and receipts between each partner. The table shall be agreed collectively by the partners and shall be deemed to form an integral part of the budget of the agreement.

- I.4.2. The total eligible costs of the action for which the grant is awarded are estimated at EUR 178 208,00 (one hundred and seventy-eight thousand two hundred and eight Euros), as shown in the estimated budget in Annex II.

Subject to the conditions laid down in Article II.14.3, indirect costs are eligible for flat-rate funding fixed at maximum 7% of the partners total eligible direct costs, as shown in the estimated budget in Annex II.

- I.4.3. The Agency shall contribute a maximum of EUR 89 104,00 (eighty-nine thousand one hundred and four Euros), equivalent to 50,00 % of the estimated total eligible costs indicated in Article I.4.2. The final amount of the grant shall be determined as specified in Article II.17, without prejudice to Article II.19.

The grant may not finance the entire costs of the action. The amounts and sources of co-financing other than from Community funds shall be set out in the estimated budget referred to in Article I.4.1.

- I.4.4. By way of derogation from Article II.13, a partner may, when carrying out the action, adjust the estimated budget by transfers between items of eligible costs, provided that this adjustment of expenditure does not affect the implementation of the action and the transfer between items does not exceed 20% of the total costs of this partner. The partner shall inform the Agency in writing through the coordinator at the latest at the time of the final report.

By way of derogation from Article II.13, partners may, when carrying out the action, transfer between themselves the estimated budget set out in Annex II, provided that this adjustment of expenditure does not affect the implementation of the action and the transfer does not exceed 20% of the total eligible costs of the recipient partner. The coordinator shall inform the Agency in writing at the latest at the time of the final report.

ARTICLE I.5 – PAYMENT ARRANGEMENTS

The grant to the action shall be paid in accordance with the provisions of Article II.15 of the General Conditions and the following provisions:

I.5.1. First pre-financing

Within 45 (forty-five) calendar days from the date when the signed agreement and all the mandates are officially received by the Agency, a pre-financing payment of EUR 62 372,80 (sixty-two thousand three hundred and seventy-two Euros and eighty CENTS) representing 70.0% of the amount specified in Article I.4.3, shall be made to the coordinator.

I.5.2. Payment of the balance

Upon completion of the action, a payment representing the balance of the grant determined in accordance with Article II.17 shall be made to the coordinator.

The request for payment of the balance shall be drawn up in accordance with the provisions of Article I.3.1 (g) and Article II.15.3 and shall be accompanied by the following documents:

- a final technical implementation report;
- a final financial statement of the eligible costs actually incurred following the structure of the estimated budget including a consolidated statement and a breakdown between each partner;
- where required according to the provision below, a certificate on the financial statements and underlying accounts produced by an approved auditor. The certificate shall certify that the costs declared by the partners in the financial statements on which the request of payment is based are real, accurately recorded and eligible and that receipts have been declared in accordance with the agreement;

Each partner for whom the amount of Community funding is equivalent to or exceeds EUR 150 000,00 (one hundred and fifty thousand Euros) shall provide, in addition, an external audit report on the action's accounts, except where the partner concerned is a public body or an international organisation.

The amount of the final payment shall be determined on the basis of the eligible costs actually incurred, as shown in the final statement and validated by the Agency in accordance with article 1.4.3. Where appropriate the amount of any pre-financing previously paid to the partner shall be deducted.

The balance of the grant shall be paid to the coordinator upon approval by the Agency of the final technical implementation report and final financial statements in accordance with the procedure laid down in Article II.15.3.

The Agency shall have 90 days to approve or reject the report and to pay the balance in accordance with Article II.17, or to request additional supporting documents or information under the procedure laid down in Article II.15.3. The partner shall have 20 (twenty) calendar days in which to submit additional information or a new report.

The payment of the balance of the grant may be suspended by the Agency in accordance with the procedure in Article II.16.2.

ARTICLE I.6 – SUBMISSION OF REPORTS AND OTHER DOCUMENTS

The technical implementation reports, financial statements and any other documents referred to in Article II.15 shall be submitted in accordance with the provisions of Annex III of the agreement and the following:

1.6.1. The partners shall submit, through the coordinator and in the format provided by the Agency, the following documents:

- (a) a technical progress report;
- (b) a final technical implementation report and final financial statements.

All these documents shall be submitted in English, in 2 (two) originals and 1 (one) electronic format. Any other deliverable shall be submitted in accordance with Annex I.

1.6.2. The technical progress report shall be submitted within 45 (forty-five) days following the end of the first project year, covering the first 12 months of the project. The final technical implementation report and financial statements, including a consolidated statement and a breakdown between each partner, shall be submitted within 60 (sixty) calendar days following the closing date of the action specified in Article I.2.2 covering the whole duration of the action.

ARTICLE I.7 – BANK ACCOUNT

Payments shall be made to the coordinator's bank account or sub-account denominated in Euro, as indicated below:

Name of the bank: CASSA DI RISPARMIO DI LUCCA PISA LIVORNO SPA (BANCO POPOLARE)

Address of the branch:

8, PIAZZA DELLA LIBERTA
FIRENZE
Italy

Precise denomination of the account holder: UNIONCAMERE TOSCANA

IBAN account code: IT82A0620002800000000122707

This account or sub-account must make it possible to identify funds paid by the Agency.

If the funds paid to this account yield interest or equivalent benefits under the law of the State on whose territory the account is opened, such interest or benefits shall, if they are generated by pre-financing payments, be recovered by the Agency as specified in Article II.16.4.

ARTICLE I.8 – GENERAL ADMINISTRATIVE PROVISIONS

Any communication in connection with this agreement shall be in writing, in English, indicating the number of the agreement, the title and acronym of the action, and shall be sent to the following addresses:

For the Agency:

Executive Agency for Competitiveness and Innovation (EACI)
CIP Network Project Management Unit
Mr Jose PUIGPELAT VALLS, Head of Unit,
Rue du Bourget 1
B-1140 Bruxelles

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

For the coordinator:

Unione Regionale delle Camere di Commercio della Toscana
Dr. Ciabatti Enrico, Secretary General
Via Lorenzo Il Magnifico 24
50129 Firenze
Italy

Any communication from the Agency to the co-partners and vice-versa shall be made through the coordinator in accordance with Articles I.3.1 (b) and I.3.2 (c).

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ARTICLE I.9 – LAW APPLICABLE AND COMPETENT COURT

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

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

ARTICLE I.10 – DATA PROTECTION

All personal data contained in the agreement shall be processed in accordance with Regulation (EC) N° 45/2001² of the European Parliament and of the Council on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data. Such data shall be processed solely in connection with the implementation and follow-up of the agreement by the unit mentioned in point I.8 without prejudice to the possibility of passing data to internal audit services, to the Court of Auditors, to the Financial Irregularities Panel and/or to the European Anti-Fraud Office (OLAF) for the purposes of safeguarding the financial interest of the Community.

Partners may, on written request, gain access to their personal data and correct any information that is inaccurate or incomplete. They should address any questions regarding the processing of their personal data to services of the Agency mentioned in Article I.8. The partners may lodge a complaint against the processing of their personal data with the European Data Protection Supervisor at any time.

ARTICLE I.11 – OTHER SPECIAL CONDITIONS

The following other special conditions apply to this agreement:

- I.11.1. The coordinator shall submit the payment requests in accordance with Article I.5 including the underlying financial statements in national currency. By way of derogation from Article II.16.1, any conversion of actual costs into euros shall be made by the Agency at the monthly accounting rate established by the Commission (published on its website) applicable on the first working day of the month following the period covered by the financial statement concerned.
- I.11.2. Without prejudice to the provisions of Article II.14.1, the costs relating to the final reports and audit certificates shall be eligible only when incurred by the partners within a maximum period of two months following the completion of the action as specified in Article I.2.2.

2. OJ L 8 of 12 January 2001, p. 1.

II – GENERAL CONDITIONS

PART A – LEGAL AND ADMINISTRATIVE PROVISIONS

ARTICLE II.1 – LIABILITY

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

ARTICLE II.2 – CONFLICT OF INTERESTS

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

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

ARTICLE II.3 – OWNERSHIP/USE OF THE RESULTS

- II.3.1 Unless stipulated otherwise in the agreement, ownership of the results of the action, including industrial and intellectual property rights, and of the reports and other documents relating to it shall be vested in the partners.
- II.3.2 Without prejudice to Article II.3.1, the partners grant the Agency the right to make free use of the results of the action as it deems fit, provided it does not thereby breach its confidentiality obligations or existing industrial and intellectual property rights.

ARTICLE II.4 – CONFIDENTIALITY

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

ARTICLE II.5 – PUBLICITY

- II.5.1 Unless the Agency requests otherwise, any communication or publication by the partners collectively or any one of the partners individually about the action, including at a conference or seminar, shall indicate that the action has received funding from the Community.

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

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- II.5.2 The partners authorise the Agency and/or the Commission to publish the following information in any form and medium, including via the Internet:
- the partners' names and addresses,
 - the subject and purpose of the grant,
 - the amount granted and the proportion of the action's total cost covered by the funding.

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

ARTICLE II.6 – EVALUATION

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

ARTICLE II.7 – SUSPENSION

- II.7.1 The coordinator, in agreement with the co-partners, may suspend implementation of the action if exceptional circumstances make this impossible or excessively difficult, notably in the event of *force majeure*. The coordinator shall inform the Agency without delay, giving all the necessary reasons and details and the foreseeable date of resumption.
- II.7.2 If the Agency does not terminate the agreement under Article II.11.3, the partners shall resume implementation of the action as initially planned once circumstances allow and the coordinator shall inform the Agency accordingly. The duration of the action might be extended by a period equivalent to the length of the suspension. In accordance with Article II.13, a supplementary written agreement shall be concluded to extend the duration of the action and to make any amendments that may be necessary to adapt the action to the new implementing conditions.

ARTICLE II.8 – FORCE MAJEURE

- II.8.1 Force majeure shall mean any unforeseeable exceptional situation or event beyond the parties' control which prevents them from fulfilling any of their obligations under the agreement, was not attributable to error or negligence on their part, and proves insurmountable in spite of all due diligence. Defects in equipment or material or delays in making them available (unless due to force majeure), labour disputes, strikes or financial difficulties cannot be invoked as force majeure by the defaulting party.
- II.8.2 A party faced with force majeure shall inform the other party without delay by registered letter with advice of delivery or equivalent, stating the nature, probable duration and foreseeable effects.
- II.8.3 The party faced with force majeure shall not be held in breach of his obligations under the agreement if he's prevented from fulfilling them by force majeure. The parties shall make every effort to minimise any damage due to force majeure.
- II.8.4 The action may be suspended in accordance with Article II.7.

ARTICLE II.9 – AWARD OF CONTRACTS

- II.9.1 If the partners have to conclude contracts in order to carry out the action and they constitute costs of the action under an item of eligible direct costs in the estimated budget, they shall award the contract to the bid offering the best value for money; in doing so they shall take care to avoid any conflict of interests.
- II.9.2 Contracts as referred to in Article II.9.1 may be awarded only in the following cases:
- a) they may only cover the execution of a limited part of the action;
 - b) recourse to the award of contracts must be justified having regard to the nature of the action and what is necessary for its implementation;
 - c) the tasks concerned must be set out in Annex I and the corresponding estimated costs must be set out in detail in the budget in Annex II;
 - d) any recourse to the award of contracts while the action is under way, if not provided for in the initial grant application, shall be subject to prior written authorisation by the Agency,
 - e) the partners shall retain sole responsibility for carrying out the action and for compliance with the provisions of the agreement. The partners must undertake to make the necessary arrangements to ensure that the contractor waives all rights in respect of the Agency under the agreement;
 - f) the partners must undertake to ensure that the conditions applicable to them under Articles II.1, II.2, II.3, II.4, II.5, II.6, II.10 and II.19 of the agreement are also applicable to the contractor.

ARTICLE II.10 – ASSIGNMENT

Claims against the Agency may not be transferred.

In exceptional circumstances, where the situation warrants it, the Agency may authorise the assignment to a third party of the agreement and payments flowing from it following a written request to that effect, giving of the above authorisation, or in the event of failure to observe the terms thereof, the assignment shall not be enforceable against and shall have no effect on the Agency.

In no circumstances shall such an assignment release the partners from their obligations to the Agency.

ARTICLE II.11 – TERMINATION OF THE AGREEMENT OR OF THE PARTICIPATION OF A PARTNER**II.11.1 Termination of the agreement by the coordinator**

In duly justified cases, the coordinator, in agreement with the co-partners, may withdraw the partners' request for a grant and terminate the agreement at any time by giving 60 (sixty) days written notice stating the reasons, without being required to furnish any indemnity on this account.

If no reasons are given or if the Agency does not accept the reasons, the agreement shall be deemed to have been terminated improperly, with the consequences set out in the fifth subparagraph of Article II.11.5.

II.11.2 Termination of the participation of a partner

In duly justified cases, the coordinator may request to terminate the participation of a partner by giving 60 (sixty) days written notice. The co-ordinator shall include with any such request to the Agency the remaining partners' proposal to reallocate the tasks of that partner or where relevant to nominate a replacement, the reasons for the termination of the participation and the opinion of the partner whose participation is requested to be terminated.

In duly justified cases, any partner may decide to terminate his participation in the agreement. The request must be submitted to the Agency by the coordinator by giving 60 (sixty) days notice stating the reasons.

If no reasons are given or if the Agency does not accept the reasons, the participation shall be deemed to have been terminated improperly, with the consequences set out in the fifth subparagraph of Article II.11.5.

The termination of the participation of the partner concerned shall take effect on the date of the Agency's approval. A written additional agreement shall be concluded to make any amendments necessary to adapt the action to the new implementing conditions resulting from partial termination.

II.11.3 Termination by the Agency

The Agency may decide to terminate the agreement or the participation of any one or several partners in the action without any indemnity on its part, in the following circumstances:

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

II.11.4 Termination procedure

The procedure is initiated by registered letter with advice of delivery or equivalent. The coordinator shall ensure that all partners are duly informed.

In the cases referred to in points (a), (b) and (d) of paragraph 3, the coordinator in consultation with the partners, shall have 30 days to submit his observations and take any measures necessary to ensure continued fulfilment of his obligations under the agreement. If the Agency fails to confirm acceptance of these observations by giving written approval within 30 days of receiving them, the procedure shall continue to run.

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

If notice is not given in the cases referred to in points (c), (e), (f) and (g) of paragraph 3, termination shall take effect from the day following the date on which notification of the Agency's decision to terminate the agreement is received.

II.11.5 Effects of termination

In the event of termination of the agreement, payments by the Agency shall be limited to the eligible costs actually incurred by the partners up to the date when termination takes effect, in accordance with Article II.17. Costs relating to current commitments that are not due to be executed until after termination shall not be taken into account.

The coordinator shall have 60 (sixty) days from the date when termination of the agreement takes effect to produce a request for final payment in accordance with Article II.15.3. If no request for final payment is received within this time limit, the Agency shall not reimburse the expenditures incurred by the partners up to the date of termination and it shall recover any amount if its use is not substantiated by the technical implementation reports and financial statements approved by the Agency.

Where termination affects the participation of a partner, only those eligible costs actually incurred by the partner concerned up to the date when termination of his participation takes effect shall be considered eligible, in accordance with Article II.17. Costs relating to current commitments that were not due to be executed until after termination shall not be taken into account. The request for payment of the eligible costs incurred up to the date when the termination of the participation of the partner concerned takes effect shall be included in the following payment request due according to the schedule laid down in Article I.6.

By way of exception, at the end of the period of notice referred to in Article II.11.3, where the Agency is terminating the agreement on the grounds that the coordinator has failed to produce the final technical implementation report and/or the final financial statements within the deadline stipulated in Article I.7 and the coordinator have still not complied with this obligation within two months following the written reminder sent by the Agency by registered letter with advice of delivery or equivalent, the Agency shall not reimburse the expenditure incurred by the partners up to the date on which

the action ended and it shall recover any amount if its use is not substantiated by the technical implementation reports and financial statements approved by the Agency.

By way of exception, in the event of improper termination of the agreement by the coordinator, or a partner's participation in the action, or termination by the Agency on the grounds set out in points (e), (f) or (g) of Article II.11.3, the Agency may require the partial or total repayment of sums already paid under the agreement on the basis of technical implementation reports and financial statements approved by the Agency, in proportion to the gravity of the failings in question and after allowing the coordinator, and when relevant the partners, to submit their observations.

ARTICLE II.12 – FINANCIAL PENALTIES

By virtue of the Financial Regulation applicable to the general budget of the European Communities, any one or several of the partners declared to be in grave breach of their obligations under the agreement shall be liable to financial penalties of between 2% and 10% of the value of their share of the grant in question, with due regard for the principle of proportionality. This rate may be increased to between 4% and 20% in the event of a repeated breach in the 5 (five) years following the first. The partner concerned shall be notified in writing of any decision by the Agency to apply such financial penalties.

ARTICLE II.13 – SUPPLEMENTARY AGREEMENTS

- II.13.1 This agreement including its annexes may be modified only by a written supplementary agreement. No oral agreement may bind the parties to this effect.
- II.13.2 The supplementary agreement may not have the purpose or the effect of making changes to the agreement which might call into question the decision awarding the grant or result in unequal treatment of applicants.
- II.13.3 Where the request for amendment is made by the coordinator, in agreement with the co-partners, he must send the request to the Agency in good time before it is due to take effect and at all events 30 (thirty) calendar days before the closing date of the action, except in cases duly substantiated by the coordinator and accepted by the Agency.

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PART B – FINANCIAL PROVISIONS

ARTICLE II.14 – ELIGIBLE COSTS

II.14.1 Eligible costs of the action are costs actually incurred by the partner, which meet the following criteria:

- they are incurred during the duration of the action as specified in article 1.2.2 of the agreement with the exception of costs relating to final reports and certificates on the action financial statements and underlying accounts;
- they are connected with the subject of the agreement and they are indicated in the estimated overall budget of the action;
- they are necessary for the implementation of the action which is subject of the grant;
- they are identifiable and verifiable in particular being recorded in the accounting records of the partner and determined according to the applicable accounting standards of the country where the partner is established and according to the usual cost-accounting practices of the partner;
- they comply with the requirements of applicable tax and social legislation;
- they are reasonable, justified and comply with the requirements of sound financial management in particular regarding economy and efficiency.

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

II.14.2 The eligible direct costs for the action are those costs which, with due regard for the conditions of eligibility set out in Article II.14.1, are identifiable as specific costs directly linked to performance of the action and which can therefore be booked to it direct.

In particular, the following direct costs are eligible provided that they satisfy the criteria set out in Article II.14.1:

- Personnel costs : the cost of staff assigned to the action, comprising actual salaries plus social security charges and other statutory costs included in the remuneration, provided that this does not exceed the average rates corresponding to the partner's usual policy on remuneration; The corresponding salary costs of personnel of national administrations are eligible to the extent that they relate to the cost of activities which the relevant public authority would not carry out if the project concerned were not undertaken;
- Travel and subsistence : travel and subsistence allowances for staff taking part in the action, provided that they are in line with the partner's usual practices on travel costs or do not exceed the scales approved annually by the European Commission;
- Subcontracting : costs entailed by other contracts awarded by the partner for the purposes of carrying out the action, provided that the conditions laid down in Article II.9 are met. Costs of (in-house) consultants should be included in this category.
- Other specific costs : these are costs arising directly from requirements imposed by the agreement (dissemination of information, specific evaluation of the action, audits, translations, reproduction, etc.), including the costs of any financial services (especially the cost of financial guarantees). Such costs may also include specific costs incurred by the coordinator for fulfilling his responsibilities in his capability of the body responsible for the overall management of the action and the co-ordination of the partners.

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

By way of derogation from Article II.14.1, the indirect costs incurred in carrying out the action are only eligible for flat-rate funding fixed at maximum 7% of the partners total eligible direct costs. Indirect costs need not be supported by accounting documents.

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

- return on capital;
- debt and debt service charges;
- provisions for losses or potential future liabilities;
- interest owed;
- doubtful debts;
- exchange losses;
- VAT, unless the partner can show that he is unable to recover it;
- costs declared by a partner and covered by another action or work programme receiving a Community grant;
- excessive or reckless expenditure;

II.14.5 Contributions in kind shall not count as actual expenditure by the partners and shall not constitute eligible costs.

II.14.6 By way of derogation from Article II.14.3, indirect costs shall not be eligible under a grant for an action awarded to a partner who already receives an operating grant from the Community budget during the period in question.

ARTICLE II.15 – REQUESTS FOR PAYMENT

Payments shall be made in accordance with the provisions of Article I.5 of the Special Conditions and the following provisions:

II.15.1 – First Prefinancing

The first prefinancing is intended to provide the partners with a float.

Where required by the provisions of Article I.5.1 on pre-financing, the partner concerned shall provide a financial guarantee from a bank or an approved financial institution established in one of the Member States of the European Union.

The financial guarantee shall be drawn up in accordance with the model letter to be provided by the Agency and shall indicate that the guarantor stands as first call guarantor who shall not require the Agency to have recourse against the principal debtor (i.e. the partner concerned).

The financial guarantee shall remain in force until final payments by the Agency match the proportion of the total grant accounted for by prefinancing. The Agency undertakes to release the guarantee within 60 (sixty) days following that date.

II.15.2 – Payment of the balance

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

By the appropriate deadline indicated in Article I.6.5, the coordinator shall submit a request for payment of the balance accompanied by the following documents:

- a final technical implementation report of the action;

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- final financial statements of the eligible costs actually incurred, following the structure of the estimated budget, including a consolidated statement and a breakdown between each partner;
- where required by the provisions of Article I.5 on payment of the balance, a certificate on the financial statements and underlying accounts produced by an approved auditor. The certificate shall certify that the costs declared by the partners in the financial statements on which the request of payment is based are real, accurately recorded and eligible and that all receipts have been declared, in accordance with the agreement;
- copies of bank statements showing the transfer to the co-partners of the second pre-financing paid by the Agency.

The documents accompanying the request for payment shall be drawn up in accordance with the provisions of Article I.6 and the annexes. The coordinator shall certify that the information provided in his request for payment is full, reliable and true. He shall also certify that the costs incurred can be considered eligible in accordance with the agreement, that all receipts have been declared, and that his request for payment is substantiated by adequate supporting documents that can be checked.

The request for payment of the balance is deemed inadmissible if at least one of the above documents is missing. Where the request for payment is inadmissible, the Agency shall inform the coordinator in writing.

On receipt of the complete set of documents, the Agency shall have 60 (sixty) calendar days in order to:

- approve the final technical implementation report of the action and the final financial statements and pay the balance of the grant;
- ask the coordinator for supporting documents or any additional information it deems necessary to allow the approval of the final technical implementation report and/or of the final financial statements;
- reject the final technical implementation report and/or the final financial statements and ask for the submission of a new report and/or financial statements.

Failing a written reply from the Agency within the time limit for scrutiny indicated above, the final technical implementation report shall be deemed to have been approved. Approval of the final technical implementation report shall not imply recognition of its regularity or of the authenticity, completeness and correctness of the declarations and information it contains.

Requests for additional information, a new report or new financial statements shall be notified to the coordinator in writing. The time limit for scrutiny shall be extended by the time it takes to obtain this information. The coordinator shall be informed of that request and the extension of the delay for scrutiny by means of a formal document. The coordinator shall have 30 (thirty) calendar days to submit the information or new documents requested.

Extension of the delay for approval of the report may delay the payment by the equivalent time.

Where the final technical implementation report and the final financial statements are rejected, and a new report and financial statements requested, the approval procedure described in this article shall apply.

In the event of renewed request for additional information or renewed rejection, the Agency reserves the right to terminate the agreement by invoking Article II.11.3 (b).

ARTICLE II.16 – GENERAL PROVISIONS ON PAYMENTS

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

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

II.16.2 The Agency may suspend the period for payment laid down in Article II.15 at any time by notifying the coordinator that his request for payment cannot be met, either because it does not comply with the provisions of the agreement, or because the appropriate supporting documents have not been produced or because there is a suspicion that some of the expenses in the financial statements are not eligible and additional checks are being conducted.

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

The Agency shall inform the coordinator of any such suspension by registered letter with advice of delivery or equivalent, setting out the reasons for suspension.

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

- II.16.3 On expiry of the period for payment specified in Article I.5 and II.15, and without prejudice to Article II.16.2, the partners are entitled to interest on the late payment at the rate applied by the European Central Bank for its main refinancing operations in euros, plus 3,5 (three and a half) points; the reference rate to which the increase applies shall be the rate in force on the first day of the month of the final date for payment, as published in the C series of the Official Journal of the European Union. This provision shall not apply to recipients of a grant which are public authorities of the Member States of the European Union.

Interest on late payment shall cover the period from the final date for payment, exclusive, up to the date of payment as defined in Article II.16.1, inclusive. The interest shall not be treated as a receipt for the action for the purposes of determining the final grant within the meaning of Article II.17.4. The suspension of payment by the Agency may not be considered as late payment.

By way of exception, when the interest calculated in accordance with the provisions of the first and second subparagraphs is lower than or equal to EUR 200, it shall be paid to the coordinator only upon demand submitted within two months of receiving late payment.

- II.16.4 The Agency shall deduct the interest yielded by pre-financing which exceeds EUR 50 000 as provided for in Article I.5 from the payment of the balance of the amount due to the partner. The interest shall not be treated as a receipt for the action within the meaning of Article II.17.4.

Where the pre-financing payments exceed EUR 750 000 per agreement at the end of each financial year, the interest shall be recovered for each reporting period. Taking account of the risks associated with the management environment and the nature of actions financed, the Agency may recover the interest generated by pre-financing lower than EUR 750 000 at least once a year.

Where the interest yielded exceeds the balance of the amount due to the partner as indicated in Article II.15.3, or is generated by pre-financing referred to in the previous subparagraph, the Agency shall recover it in accordance with Article II.18.

Interest yielded by pre-financing paid to Member States is not due to the Agency.

- II.16.5 The coordinator shall have 2 (two) months from the date of notification by the Agency of the final amount of the grant determining the amount of the payment of the balance or the recovery order pursuant to Article II.17, or failing that from the date on which the payment of the balance was received, to request information in writing on the determination of the final grant, giving reasons for any disagreement. After this time such requests will no longer be considered. The Agency undertakes to reply in writing within 2 (two) months following the date on which the request for information is received, giving reasons for its reply. This procedure is without prejudice to the partners' right to appeal against the Agency's decision pursuant to Article I.9. Under the terms of Community legislation in this matter, such appeals must be lodged within 2 (two) months following the notification of the decision to the applicant or, failing that, following the date on which the applicant learned of the decision.

ARTICLE II.17 – DETERMINING THE FINAL GRANT

- II.17.1 Without prejudice to information obtained subsequently pursuant to Article II.19, the Agency shall adopt the amount of the final payment to be granted to the partners on the basis of the documents referred to in Article II.15.3 which it has approved.
- II.17.2 The total amount paid by the Agency may not in any circumstances exceed the maximum amount of the grant laid down in Article I.4.3, even if the total actual costs eligible exceed the estimated total eligible costs specified in Article I.4.2.

- II.17.3 If the actual eligible costs when the action ends are lower than the estimated total eligible costs, the Agency's contribution shall be limited to the amount obtained by applying the Community grant percentage specified in Article I.4.3 to the actual eligible costs approved by the Agency.
- II.17.4 The partners hereby agree that the grant shall be limited to the amount necessary to balance the action's receipts and expenditures and that it may not in any circumstances produce a profit for them.
- Profit shall mean any surplus of total actual receipts attributable to the action over the total actual costs of the action. The actual receipts to be taken into account shall be those which have been established, generated or confirmed on the date on which the request for payment of the balance is drawn up by the coordinator for financing other than the Community grant, to which shall be added the amount of the grant determined by applying the principles laid down in Articles II.17.2 and II.17.3. For the purposes of this article, only actual costs falling within the categories set out in the estimated budget referred to in Article I.4.1 and contained in Annex II shall be taken into account; non-eligible costs shall always be covered by nonCommunity resources.
- Any surplus determined in this way shall result in a corresponding reduction in the amount of the grant.
- II.17.5 Without prejudice to the right to terminate the agreement under Article II.11, and without prejudice to the right of the Agency to apply the penalties referred to in Article II.12, if the action is not implemented or is implemented poorly, partially or late, the Agency may reduce the grant initially provided for in line with the actual implementation of the action on the terms laid down in the agreement.
- II.17.6 On the basis of the amount of the final payment determined in this way and of the aggregate amount of the payments already made under the terms of the agreement, the Agency shall set the amount of the payment of the balance as being the amount still owing to the partners. Where the aggregate amount of the payments already made exceeds the amount of the final grant, the Agency shall issue a recovery order for the surplus.

ARTICLE II.18 – RECOVERY

- II.18.1 Where an amount, paid by the Agency to the coordinator in his capacity of recipient of all payments, is to be recovered under the terms of the agreement, the coordinator undertakes to repay the Agency the sum in question, on whatever terms and by whatever date it may specify, even if he has not been the final recipient of the amount due. In the latter case, if payment has not been made by the due date, the Agency reserves the right to recover directly the amount due from the final recipient.
- Where such an amount to be recovered under the terms of the agreement was directly paid by the Agency to a partner, or if recovery is justified under Article II.12 of the agreement, the partner concerned undertakes to repay the Agency the sum in question, on whatever terms and by whatever date it may specify.
- II.18.2 If the obligation to repay the amount due is not honoured by the date set by the Agency, the amount due shall bear interest at the rate indicated in Article II.16.3. Interest on late payment shall cover the period between the date set for payment, exclusive, and the date when the Agency receives full payment of the amount owed, inclusive.
- Any partial payment shall first be entered against charges and interest on late payment and then against the principal.
- II.18.3 If payment has not been made by the due date, sums owed to the Agency may be recovered by offsetting them against any sums owed to the concerned partner after informing him accordingly by registered letter with advice of delivery or equivalent, or, calling in the financial guarantee provided in accordance with Article II.15.1. In exceptional circumstances, justified by the necessity to safeguard the financial interests of the Communities, the Agency may recover by offsetting before the due date of the payment. The partners' prior consent shall not be required.
- II.18.4 Bank charges occasioned by the recovery of the sums owed to the Agency shall be borne solely by the concerned partner.
- II.18.5 The partners understand that under Article 256 of the Treaty establishing the European Community, the European Commission may adopt an enforceable decision formally establishing an amount as receivable from persons other than States. An action may be brought against such decision before the Court of First Instance of the European Communities.

ARTICLE II.19 – CHECKS AND AUDITS

- II.19.1 The coordinator undertakes to provide any detailed information requested by the Agency or by any other outside body authorised by the Agency and/or the European Commission to check that the action and the provisions of the agreement are being properly implemented. Where the Agency and/or the European Commission so wish, they may request such information to be provided directly by a co-partner.
- II.19.2 The partners shall keep at the Commission's and/or Agency's disposal all original documents, especially accounting and tax records, or, in exceptional and duly justified cases, certified copies of original documents relating to the agreement, stored on any appropriate medium that ensures their integrity in accordance with the applicable national legislation, for a period of 5 (five) years from the date of payment of the balance specified in Article I.5.3.
- II.19.3 The partners agree that the Commission and/or the Agency may have an audit of the use made of the grant carried out either directly by its own staff or by any other outside body authorised to do so on its behalf. Such audits may be carried out throughout the period of implementation of the agreement until the balance is paid and for a period of 5 (five) years from the date of payment of the balance. Where appropriate, the audit findings may lead to recovery decisions by the Agency and/or the European Commission.
- II.19.4 The partners undertake to allow Agency staff and outside personnel authorised by the Agency and/or the European Commission the appropriate right of access to sites and premises where the action is carried out and to all the information, including information in electronic format, needed in order to conduct such audits.
- II.19.5 By virtue of Council Regulation (Euratom, EC) N° 2185/96 and Regulation (EC) N° 1073/1999³ of the European Parliament and the Council, the European AntiFraud Office (OLAF) may also carry out on the spot checks and inspections in accordance with the procedures laid down by Community law for the protection of the financial interests of the European Communities against fraud and other irregularities. Where appropriate, the inspection findings may lead to recovery decisions by the Agency and/or the European Commission.
- II.19.6 The European Court of Auditors shall have the same rights as the Agency and the European Commission, notably right of access, as regards checks and audits.

3. OJ L 136 of 31 May 1999, p. 1.

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SIGNATURES

For the Agency,

Mr Jose PUIGPELAT VALLS, Head of Unit

Date 23 - Nov - 2007

Signature 

Done in Brussels, in duplicate, in English

For the coordinator,

and on behalf of the co-partners identified in the preamble of this agreement,

Mr Enrico Ciabatti, Secretary General,

Date 15 DIC. 2009

Signature 

Done in FLORENCE⁴, in duplicate, in English

4. Insert place.



