

**II.20.4 Reimbursement of pre-determined flat-rate costs or pre-determined flat-rate contribution**

Where, in accordance with Article 3(a)(iv) or (d) of the Specific agreement, the grant takes the form of the reimbursement of flat-rate costs or of a flat-rate contribution, the partner must declare as eligible costs or as requested contribution the amount obtained by applying the flat rate specified in Article 3(a)(iv) or (d) of the Specific agreement.

If requested to do so in the context of the checks or audits described in Article II.27, the partner must be able to provide adequate supporting documents to prove the eligible costs or requested contribution to which the flat rate applies. However, the partner does not need to identify the actual eligible costs covered or to provide supporting documents, notably accounting statements, for the flat rate applied.

**II.20.5 Reimbursement of costs declared on the basis of the partner's usual cost accounting practices**

Where, in accordance with Article 3(a)(v) of the Specific agreement, the grant takes the form of the reimbursement of unit costs declared on the basis of the partner's usual cost accounting practices, the partner must declare as eligible costs the amount obtained by multiplying the amount per unit calculated in accordance with its usual cost accounting practices by the actual number of units used or produced. If requested to do so in the context of the checks or audits described in Article II.27, the partner must be able to provide adequate supporting documents to prove the number of units declared.

Where, in accordance with Article 3(a)(v) of the Specific agreement, the grant takes the form of the reimbursement of lump sum costs declared on the basis of the partner's usual cost accounting practices, the partner must declare as eligible costs the global amount calculated in accordance with its usual cost accounting practices, subject to the proper implementation of the corresponding tasks or part of the action. If requested to do so in the context of the checks or audits described in Article II.27, the partner must be able to provide adequate supporting documents to prove the proper implementation.

Where, in accordance with Article 3(a)(v) of the Specific agreement, the grant takes the form of the reimbursement of flat-rate costs declared on the basis of the partner's usual cost accounting practices, the partner must declare as eligible costs the amount obtained by applying the flat rate calculated in accordance with its usual cost accounting practices. If requested to do so in the context of the checks or audits described in Article II.27, the partner must be able to provide adequate supporting documents to prove the eligible costs to which the flat rate applies.

In all three cases provided for in the first, second and third subparagraphs, the partner does not need to identify the actual eligible costs covered, but it must ensure that the cost accounting practices used for the purpose of declaring eligible costs are in compliance with the following conditions:

- (a) the cost accounting practices used constitute its usual cost accounting practices and are applied in a consistent manner, based on objective criteria independent from the source of funding;
- (b) the costs declared can be directly reconciled with the amounts recorded in its general accounts; and
- (c) the categories of costs used for the purpose of determining the costs declared are exclusive of any ineligible cost or costs covered by other forms of grant in accordance with Article 3 of the Specific agreement.

Where the Special Conditions provide for the possibility for the partner to request the Commission to assess the compliance of its usual cost accounting practices, the partner may submit a request for assessment, which, where required by the Special Conditions, shall be accompanied by a certificate on the compliance of the cost accounting practices (“certificate on the compliance of the cost accounting practices”).

The certificate on the compliance of the cost accounting practices shall be produced by an approved auditor or, in case of public bodies, by a competent and independent public officer and drawn up in accordance with the Annex VIII.

The certificate shall certify that the partner's cost accounting practices used for the purpose of declaring eligible costs comply with the conditions laid down in the fourth subparagraph and with the additional conditions which may be laid down in the Special Conditions.

Where the Commission has confirmed that the usual cost accounting practices of the partner are in compliance, costs declared in application of these practices shall not be challenged *ex post*, provided that the practices actually used comply with those approved by the Commission and that the partner did not conceal any information for the purpose of their approval.

## **ARTICLE II.21 – ELIGIBILITY OF COSTS OF ENTITIES AFFILIATED TO THE PARTNER**

Where the Special Conditions or the Specific agreement contain a provision on entities affiliated to the partner, costs incurred by such an entity are eligible, provided that they satisfy the same conditions under Articles II.19 and II.20 as apply to the partner, and that the partner ensures that the conditions applicable to it under Articles II.3, II.4, II.5, II.7, II.9, II.10, and II.27 are also applicable to the entity.

## **ARTICLE II.22 – BUDGET TRANSFERS**

Without prejudice to Article II.10 and provided that the action is implemented as described in Annex I of the Specific agreement, the partner is allowed to adjust the estimated budget set out in Annex II of the Specific agreement, by transfers between the different budget

categories, without this adjustment being considered as an amendment of the Specific agreement within the meaning of Article II.12.

The first subparagraph does not apply to amounts which, in accordance with Article 3(a)(iii) or (c) of the Specific agreement, take the form of lump sums.

## **ARTICLE II.23 – TECHNICAL AND FINANCIAL REPORTING – REQUESTS FOR PAYMENT AND SUPPORTING DOCUMENTS**

### **II.23.1 Requests for further pre-financing payments and supporting documents**

Where, in accordance with Article 4.1 of the Specific agreement, the pre-financing shall be paid in several instalments and where Article 4.1 of the Specific agreement provides for a further pre-financing payment subject to having used all or part of the previous instalment, the partner may submit a request for a further pre-financing payment once the percentage of the previous instalment specified in Article 4.1 of the Specific agreement has been used.

Where, in accordance with Article 4.1 of the Specific agreement, the pre-financing shall be paid in several instalments and where Article 4.1 of the Specific agreement provides for a further pre-financing payment at the end of a reporting period, the partner shall submit a request for a further pre-financing payment within 60 days following the end of each reporting period for which a new pre-financing payment is due.

In both cases, the request shall be accompanied by the following documents:

- (a) a progress report on implementation of the action (“technical report on progress”);
- (b) a statement on the amount of the previous pre-financing instalment used to cover costs of the action (“statement on the use of the previous pre-financing instalment”), drawn up in accordance with Annex V; and
- (c) where required by Article 4.1 of the Specific agreement, a financial guarantee.

### **II.23.2 Requests for interim payments or for payment of the balance and supporting documents**

The partner shall submit a request for an interim payment or for payment of the balance within 60 days following the end of each reporting period for which, in accordance with Article 4.1 of the Specific agreement, an interim payment or the payment of the balance is due.

This request shall be accompanied by the following documents:

- (a) an interim report (“interim technical report”) or, for the payment of the balance, a final report on implementation of the action (“final technical report”), drawn up in accordance with Annex IV; the interim or final technical report must contain the information needed to justify the eligible costs declared or the contribution requested on the basis of unit costs and lump sums where the grant takes the form of the

reimbursement of unit or lump sum costs or of a unit or lump sum contribution in accordance with Article 3(a)(ii), (iii), (b) or (c) of the Specific agreement, as well as information on subcontracting as referred to in Article II.10.2(d);

- (b) an interim financial statement (“interim financial statement”) or, for the payment of the balance, a final financial statement (“final financial statement”); the interim or final financial statements must include a breakdown of the amounts claimed by the partner and its affiliated entities; it must be drawn up in accordance with the structure of the estimated budget set out in Annex II of the Specific agreement and with Annex V and detail the amounts for each of the forms of grant set out in Article 3 of the Specific agreement for the reporting period concerned;
- (c) only for the payment of the balance, a summary financial statement (“summary financial statement”); this statement must include a breakdown of the amounts declared or requested by the partner and its affiliated entities, aggregating the financial statements already submitted previously and indicating the receipts referred to in Article II.25.3.2 for the partner and its affiliated entities; it must be drawn up in accordance with Annex V;
- (d) a certificate on the financial statements and underlying accounts (“certificate on the financial statements”) where the following conditions are met:
  - (i) in case of a specific grant for an action, where such a certificate is required by Article 4.1 of the Specific agreement or where both the total contribution in the form of reimbursement of actual costs as referred to in Article 3(a)(i) of the Specific agreement is at least EUR 750 000 and the partner requests a reimbursement in that form of at least EUR 325 000 (when adding all previous reimbursements in that form for which a certificate on the financial statements has not been submitted),
  - (ii) in case of a specific operating grant, where such a certificate is required by Article 4.1 of the Specific agreement or where the total contribution in the form of reimbursement of actual costs as referred to in Article 3(a)(i) of the Specific agreement is at least EUR 100 000.

This certificate shall be produced by an approved auditor or, in case of public bodies, by a competent and independent public officer and drawn up in accordance with Annex VI. It shall certify that the costs declared in the interim or final financial statement by the partner or its affiliated entities for the categories of costs reimbursed in accordance with Article 3(a)(i) of the Specific agreement are real, accurately recorded and eligible in accordance with the Framework agreement and the Specific agreement. In addition, for the payment of the balance, it shall certify that all the receipts referred to in Article II.25.3.2 have been declared; and

- (e) where required by Article 4.1 of the Specific agreement, an operational verification report (“operational verification report”), produced by an independent third party approved by the Commission and drawn up in accordance with Annex VII.

This report shall state that the actual implementation of the action as described in the interim or final report complies with the conditions set out in the Framework agreement and the Specific agreement.

The partner shall certify that the information provided in the request for interim payment or for payment of the balance is full, reliable and true. It shall also certify that the costs incurred can be considered eligible in accordance with Framework agreement and the Specific agreement and that the request for payment is substantiated by adequate supporting documents that can be produced in the context of the checks or audits described in Article II.27. In addition, for the payment of the balance, it shall certify that all the receipts referred to in Article II.25.3.2 have been declared.

### **II.23.3 Non-submission of documents**

Where the partner has failed to submit a request for interim payment or payment of the balance accompanied by the documents referred to above within 60 days following the end of the corresponding reporting period and where the partner still fails to submit such a request within 60 days following a written reminder sent by the Commission, the Commission reserves the right to terminate the Specific agreement in accordance with Article II.16.2.2(b), with the effects described in the second and the third subparagraphs of Article II.16.3.

### **II.23.4 Currency for requests for payment and financial statements and conversion into euro**

Requests for payment and financial statements shall be drafted in euro.

Where the partner keeps its general accounts in a currency other than the euro, it shall convert costs incurred in another currency into euro at the average of the daily exchange rates published in the C series of *Official Journal of the European Union*, determined over the corresponding reporting period. Where no daily euro exchange rate is published in the *Official Journal of the European Union* for the currency in question, conversion shall be made at the average of the monthly accounting rates established by the Commission and published on its website ([http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/inforeuro/inforeuro\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm)), determined over the corresponding reporting period.

Where the partner keeps its general accounts in euro, it shall convert costs incurred in another currency into euro according to its usual accounting practices.

## **ARTICLE II.24 – PAYMENTS AND PAYMENT ARRANGEMENTS**

### **II.24.1 Pre-financing**

The pre-financing is intended to provide the partner with a float.

Without prejudice to Article II.24.6, where Article 4.1 of the Specific agreement provides for a pre-financing payment upon entry into force of the Specific agreement, the Commission



shall pay to the partner within 30 days following that date or, where required by Article 4.1 of the Specific agreement, following receipt of the financial guarantee.

Where payment of pre-financing is conditional on receipt of a financial guarantee, the financial guarantee shall fulfill the following conditions:

- (a) it is provided by a bank or an approved financial institution or, at the request of the partner and acceptance by the Commission, by a third party;
- (b) the guarantor stands as first-call guarantor and does not require the Commission to have recourse against the principal debtor (i.e. the partner); and
- (c) it provides that it remains in force until the pre-financing is cleared against interim payments or payment of the balance by the Commission and, in case the payment of the balance is made in the form of a debit note, three months after the debit note is notified to the partner. The Commission shall release the guarantee within the following month.

#### **II.24.2 Further pre-financing payments**

Without prejudice to Articles II.24.5 and II.24.6, on receipt of the documents referred to in Article II.23.1, the Commission shall pay to the partner the new pre-financing instalment within 60 days.

Where the statement on the use of the previous pre-financing instalment submitted in accordance with Article II.23.1 shows that less than 70% of the previous pre-financing instalment paid has been used to cover costs of the action, the amount of the new pre-financing to be paid shall be reduced by the difference between the 70% threshold and the amount used.

#### **II.24.3 Interim payments**

Interim payments are intended to reimburse or cover the eligible costs incurred for the implementation of the action during the corresponding reporting periods.

Without prejudice to Articles II.24.5 and II.24.6, on receipt of the documents referred to in Article II.23.2, the Commission shall pay to the partner the amount due as interim payment within the time limit specified in Article 4.2 of the Specific agreement.

This amount shall be determined following approval of the request for interim payment and of the accompanying documents and in accordance with the fourth, fifth and sixth subparagraphs. Approval of the request for interim payment and of the accompanying documents shall not imply recognition of the regularity or of the authenticity, completeness and correctness of the declarations and information it contains.

Without prejudice to any ceiling set out in Article 4.1 of the Specific agreement and to Articles II.24.5 and II.24.6, the amount due as interim payment shall be determined as follows:



- (a) where, in accordance with Article 3(a) of the Specific agreement, the grant takes the form of the reimbursement of eligible costs, the amount obtained by application of the reimbursement rate specified in that Article to the eligible costs of the action approved by the Commission for the concerned reporting period and the corresponding categories of costs, for the partner and its affiliated entities; if Article 4.1 of the Specific agreement specifies another reimbursement rate, this other rate shall be applied instead;
- (b) where, in accordance with Article 3(b) of the Specific agreement, the grant takes the form of a unit contribution, the amount obtained by multiplying the unit contribution specified in that Article by the actual number of units approved by the Commission for the concerned reporting period for the partner and its affiliated entities;
- (c) where, in accordance with Article 3(c) of the Specific agreement, the grant takes the form of a lump sum contribution, the lump sum specified in that Article for the partner and its affiliated entities, subject to approval by the Commission of the proper implementation during the concerned reporting period of the corresponding tasks or part of the action in accordance with Annex I of the Specific agreement;
- (d) where, in accordance with Article 3(d) of the Specific agreement, the grant takes the form of a flat-rate contribution, the amount obtained by applying the flat rate referred to in that Article to the eligible costs or to the contribution accepted by the Commission for the concerned reporting period for the partner and its affiliated entities.

Where Article 3 of the Specific agreement provides for a combination of different forms of grant, these amounts shall be added.

Where Article 4.1 of the Specific agreement requires that the interim payment clears all or part of the pre-financing paid to the partner, the amount of pre-financing to be cleared shall be deducted from the amount due as interim payment, as determined in accordance with the fourth and fifth subparagraphs.

#### **II.24.4 Payment of the balance**

The payment of the balance, which may not be repeated, is intended to reimburse or cover after the end of the period set out in Article 2.2 of the Specific agreement the remaining part of the eligible costs incurred by the partner for its implementation. Where the total amount of earlier payments is greater than the final amount of the grant determined in accordance with Article II.25, the payment of the balance may take the form of a recovery as provided for by Article II.26.

Without prejudice to Articles II.24.5 and II.24.6, on receipt of the documents referred to in Article II.23.2, the Commission shall pay the amount due as the balance within the time limit specified in Article 4.2 of the Specific agreement.

This amount shall be determined following approval of the request for payment of the balance and of the accompanying documents and in accordance with the fourth subparagraph. Approval of the request for payment of the balance and of the accompanying documents shall not imply recognition of the regularity or of the authenticity, completeness and correctness of the declarations and information it contains.

The amount due as the balance shall be determined by deducting, from the final amount of the grant determined in accordance with Article II.25, the total amount of pre-financing and interim payments already made.

#### **II.24.5 Suspension of the time limit for payment**

The Commission may suspend the time limit for payment specified in Article 4.2 of the Specific agreement or in Article II.24.2 at any time by formally notifying the partner that its request for payment cannot be met, either because it does not comply with the provisions of the Framework agreement and the Specific agreement, or because the appropriate supporting documents have not been produced, or because there is doubt about the eligibility of the costs declared in the financial statement.

The partner shall be notified as soon as possible of any such suspension, together with the reasons thereof.

Suspension shall take effect on the date when notification is sent by the Commission. The remaining payment period shall start to run again from the date on which the requested information or revised documents are received or the necessary further verification, including on-the-spot checks, is carried out. Where the suspension exceeds two months, the partner may request a decision by the Commission on whether the suspension is to be continued.

Where the time limit for payment has been suspended following the rejection of one of the technical reports or financial statements provided for by Article II.23 and the new report or statement submitted is also rejected, the Commission reserves the right to terminate the Specific agreement in accordance with Article II.16.2.2(b), with the effects described in Article II.16.3.

#### **II.24.6 Suspension of payments**

The Commission may, at any time during the implementation of a Specific agreement, suspend the pre-financing payments, interim payments or payment of the balance:

- (a) if the Commission has evidence that the partner has committed substantial errors, irregularities or fraud in the award procedure or in the implementation of the grant, or if the partner fails to comply with its obligations under the Framework agreement or the Specific agreement;
- (b) if the Commission has evidence that the partner has committed systemic or recurrent errors, irregularities, fraud or breach of obligations under other grants funded by the Union or by the European Atomic Energy Community which were awarded to that partner under similar conditions, provided that those errors, irregularities, fraud or breach of obligations have a material impact on a specific grant awarded under the Framework agreement; or
- (c) if the Commission suspects substantial errors, irregularities, fraud or breach of obligations committed by the partner in the award procedure or in the implementation





of the Framework agreement or the Specific agreement and needs to verify whether they have actually occurred.

Before suspending payments, the Commission shall formally notify the partner of its intention to suspend payments, specifying the reasons thereof and, in the cases referred to in points (a) and (b) of the first subparagraph, the necessary conditions for resuming payments. The partner shall be invited to make any observations within 30 calendar days from receipt of this notification.

If, after examination of the observations submitted by the partner, the Commission decides to stop the procedure of payment suspension, the Commission shall formally notify the partner thereof.

If no observations have been submitted or if, despite the observations submitted by the partner, the Commission decides to pursue the procedure of payment suspension, it may suspend payments by formally notifying the partner, specifying the reasons for the suspension and, in the cases referred to in points (a) and (b) of the first subparagraph, the definitive conditions for resuming payments or, in the case referred to in point (c) of the first subparagraph, the indicative date of completion of the necessary verification.

The suspension of payments shall take effect on the date when the notification is sent by the Commission.

In order to resume payments, the partner shall endeavour to meet the notified conditions as soon as possible and shall inform the Commission of any progress made in this respect.

The Commission shall, as soon as it considers that the conditions for resuming payments have been met or the necessary verification, including on-the-spot checks, has been carried out, formally notify the partner thereof.

During the period of suspension of payments and without prejudice to the right to suspend the implementation in accordance with Article II.15.1 or to terminate the Specific agreement in accordance with Article II.16.1, the partner is not entitled to submit any requests for payments and supporting documents referred to in Article II.23.

The corresponding requests for payments and supporting documents may be submitted as soon as possible after resumption of payments or may be included in the first request for payment due following resumption of payments in accordance with the schedule laid down in Article 4 of the Specific agreement.

#### **II.24.7 Notification of amounts due**

The Commission shall formally notify the amounts due, specifying whether it is a further pre-financing payment, an interim payment or the payment of the balance. In the case of payment of the balance, it shall also specify the final amount of the grant determined in accordance with Article II.25.

## **II.24.8 Interest on late payment**

On expiry of the time limits for payment specified in Article 4.2 of the Specific agreement and in Articles II.24.1 and II.24.2, and without prejudice to Articles II.24.5 and II.24.6, the partner is entitled to interest on late payment at the rate applied by the European Central Bank for its main refinancing operations in euros ("the reference rate"), plus three and a half points. The reference rate shall be the rate in force on the first day of the month in which the time limit for payment expires, as published in the C series of the *Official Journal of the European Union*.

The first subparagraph shall not apply where the partner is a Member State of the Union, including regional and local government authorities and other public bodies acting in the name and on behalf of the Member State.

The suspension of the time limit for payment in accordance with Article II.24.5 or of payment by the Commission in accordance with Article II.24.6 may not be considered as late payment.

Interest on late payment shall cover the period running from the day following the due date for payment, up to and including the date of actual payment as established in Article II.24.10. The interest payable shall not be considered for the purposes of determining the final amount of grant within the meaning of Article II.25.3.

By way of derogation from the first subparagraph, when the calculated interest is lower than or equal to EUR 200, it shall be paid to the partner only upon request submitted within two months of receiving late payment.

## **II.24.9 Currency for payments**

Payments by the Commission shall be made in euro.

## **II.24.10 Date of payment**

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

## **II.24.11 Costs of payment transfers**

Costs of the payment transfers shall be borne in the following way:

- (a) costs of transfer charged by the bank of the Commission shall be borne by the Commission;
- (b) costs of transfer charged by the bank of the partner shall be borne by the partner;
- (c) all costs of repeated transfers caused by one of the parties shall be borne by the party which caused the repetition of the transfer.

## **ARTICLE II.25 – DETERMINING THE FINAL AMOUNT OF A SPECIFIC GRANT**

### **II.25.1 Calculation of the final amount**

Without prejudice to Articles II.25.2, II.25.3 and II.25.4, the final amount of the specific grant shall be determined as follows:

- (a) where, in accordance with Article 3(a) of the Specific agreement, the grant takes the form of the reimbursement of eligible costs, the amount obtained by application of the reimbursement rate specified in that Article to the eligible costs of the action approved by the Commission for the corresponding categories of costs, for the partner and its affiliated entities;
- (b) where, in accordance with Article 3(b) of the Specific agreement, the grant takes the form of a unit contribution, the amount obtained by multiplying the unit contribution specified in that Article by the actual number of units approved by the Commission for the partner and its affiliated entities;
- (c) where, in accordance with Article 3(c) of the Specific agreement, the grant takes the form of a lump sum contribution, the lump sum specified in that Article for the partner and its affiliated entities, subject to approval by the Commission of the proper implementation of the corresponding tasks or part of the action in accordance with Annex I of the Specific agreement;
- (d) where, in accordance with Article 3(d) of the Specific agreement, the grant takes the form of a flat-rate contribution, the amount obtained by applying the flat rate referred to in that Article to the eligible costs or to the contribution accepted by the Commission for the partner and its affiliated entities.

Where Article 3 of the Specific agreement provides for a combination of different forms of grant, these amounts shall be added.

### **II.25.2 Maximum amount**

The total amount paid to the partner by the Commission may in no circumstances exceed the maximum amount specified in Article 3 of the Specific agreement.

Where the amount determined in accordance with Article II.25.1 exceeds this maximum amount, the final amount of the grant shall be limited to the maximum amount specified in Article 3 of the Specific agreement.

### **II.25.3 No-profit rule and taking into account of receipts**

**II.25.3.1** The specific grant may not produce a profit for the partner, unless specified otherwise in the Special Conditions or in the Specific agreement. "Profit" shall mean a surplus of the receipts over the eligible costs of the action.



**II.25.3.2** The receipts to be taken into account are the receipts established, generated or confirmed on the date on which the request for payment of the balance is drawn up by the partner, which fall within one of the following two categories:

- (a) income generated by the action; or
- (b) financial contributions specifically assigned by the donors to the financing of the eligible costs of the action reimbursed by the Commission in accordance with Article 3(a)(i) of the Specific agreement.

**II.25.3.3** The following shall not be considered as a receipt to be taken into account for the purpose of verifying whether the grant produces a profit for the partner:

- (a) financial contributions referred to in point (b) of Article II.25.3.2, which may be used by the partner to cover costs other than the eligible costs under the Specific agreement;
- (b) financial contributions referred to in point (b) of Article II.25.3.2, the unused part of which is not due to the donor at the end of period set out in Article 2.2 of the Specific agreement;
- (c) in case of a specific operating grant, amounts dedicated to the building up of reserves.

**II.25.3.4** The eligible costs to be taken into account are the eligible costs approved by the Commission for the categories of costs reimbursed in accordance with Article 3(a) of the Specific agreement.

**II.25.3.5** Where the final amount of the grant determined in accordance with Articles II.25.1 and II.25.2 would result in a profit for the partner, the profit shall be deducted in proportion to the final rate of reimbursement of the actual eligible costs of the action approved by the Commission for the categories of costs referred to in Article 3(a)(i) of the Specific agreement. This final rate shall be calculated on the basis of the final amount of the grant in the form referred to in Article 3(a)(i) of the Specific agreement, as determined in accordance with Articles II.25.1 and II.25.2.

## **II.25.4 Reduction for poor, partial or late implementation**

If the action is not implemented or is implemented poorly, partially or late, the Commission may reduce the grant initially provided for, in line with the actual implementation of the action according to the terms laid down in the Framework agreement and the Specific agreement.

## **ARTICLE II.26 – RECOVERY**

### **II.26.1 Financial responsibility**

Where an amount is to be recovered under the terms of the Framework agreement and any Specific agreement, the partner shall repay the Commission the amount in question. The partner shall be responsible for the repayment of any amount unduly

paid by the Commission as a contribution towards the costs incurred by its affiliated entities.

## **II.26.2 Recovery procedure**

Before recovery, the Commission shall formally notify the partner of its intention to recover the amount unduly paid, specifying the amount due and the reasons for recovery and inviting the partner to make any observations within a specified period.

If no observations have been submitted or if, despite the observations submitted by the partner, the Commission decides to pursue the recovery procedure, the Commission may confirm recovery by formally notifying to the partner a debit note ("debit note"), specifying the terms and the date for payment.

If payment has not been made by the date specified in the debit note, the Commission shall recover the amount due:

- (a) by offsetting it against any amounts owed to the partner by the Union or the European Atomic Energy Community (Euratom) ("offsetting"); in exceptional circumstances, justified by the necessity to safeguard the financial interests of the Union, the Commission may recover by offsetting before the due date; the partner's prior consent shall not be required; an action may be brought against such offsetting before the General Court of the European Union pursuant to Article 263 TFEU;
- (b) by drawing on the financial guarantee where provided for in accordance with Article 4.1 of the Specific agreement ("drawing on the financial guarantee");
- (c) by taking legal action in accordance with Article II.18.2 or with the Special Conditions or by adopting an enforceable decision in accordance with Article II.18.3.

## **II.26.3 Interest on late payment**

If payment has not been made by the date set out in the debit note, the amount due shall bear interest at the rate established in Article II.24.8. Interest on late payment shall cover the period running from the day following the due date for payment, up to and including the date when the Commission actually receives payment in full of the outstanding amount.

Any partial payment shall first be appropriated against charges and interest on late payment and then against the principal.

## **II.26.4 Bank charges**

Bank charges incurred in connection with the recovery of the sums owed to the Commission shall be borne by the partner except where Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 on payment services

in the internal market amending Directives 97/7/EC, 2002/65/EC, 2005/60/EC and 2006/48/EC and repealing Directive 97/5/EC applies.

## **ARTICLE II.27 – CHECKS, AUDITS AND EVALUATION**

### **II.27.1 Technical and financial checks or audits and interim and final evaluations**

The Commission may carry out technical and financial checks and audits in relation to the use of a specific grant. It may also check the statutory records of the partner for the purpose of periodic assessments of lump sum, unit cost or flat-rate amounts.

Information and documents provided in the framework of checks or audits shall be treated on a confidential basis.

In addition, the Commission may carry out interim or final evaluation of the impact of an action measured against the objective of the Union programme concerned.

Checks, audits or evaluations made by the Commission may be carried out either directly by its own staff or by any other outside body authorised to do so on its behalf.

Such checks, audits or evaluations may be initiated during the implementation of the Specific agreement and for a period of five years starting from the date of payment of the balance for the action concerned. This period shall be limited to three years if the maximum amount specified in Article 3 of the Specific agreement is not more than EUR 60 000.

The check, audit or evaluation procedure shall be deemed to be initiated on the date of receipt of the letter of the Commission announcing it.

### **II.27.2 Duty to keep documents**

The partner shall keep all original documents, especially accounting and tax records, stored on any appropriate medium, including digitalised originals when they are authorised by its national law and under the conditions laid down therein, for a period of five years starting from the date of payment of the balance for the action concerned.

This period shall be limited to three years if the maximum amount specified in Article 3 of the Specific agreement is not more than EUR 60 000.

The periods set out in the first and second subparagraphs shall be longer if there are on-going audits, appeals, litigation or pursuit of claims concerning the grant, including in the case referred to in Article II.27.7. In such cases, the partner shall keep the documents until such audits, appeals, litigation or pursuit of claims are closed.

### **II.27.3 Obligation to provide information**

The partner shall provide any information, including information in electronic format, requested by the Commission, or by any other outside body authorised by it, in the context of checks, audits or evaluations as referred to in Article II.27.1.





In case the partner does not comply with the obligation set out in the first subparagraph, the Commission may consider:

- (a) any cost insufficiently substantiated by information provided by the partner as ineligible;
- (b) any unit, lump sum or flat-rate contribution insufficiently substantiated by information provided by the partner as undue.

#### **II.27.4 On-the-spot visits**

During an on-the-spot visit, the partner shall allow Commission staff and outside personnel authorised by the Commission to have access to the sites and premises where the action concerned is or was carried out, and to all the necessary information, including information in electronic format.

It shall ensure that the information is readily available at the moment of the on-the-spot visit and that information requested is handed over in an appropriate form.

In case the partner refuses to provide access to the sites, premises and information in accordance with the first and second subparagraphs, the Commission may consider:

- (a) any cost insufficiently substantiated by information provided by the partner as ineligible;
- (b) any unit, lump sum or flat-rate contribution insufficiently substantiated by information provided by the partner as undue.

#### **II.27.5 Contradictory audit procedure**

On the basis of the findings made during the audit, a provisional report ("draft audit report") shall be drawn up. It shall be sent by the Commission or its authorised representative to the partner, which shall have 30 days from the date of receipt to submit observations. The final report ("final audit report") shall be sent to the partner within 60 days of expiry of the time limit for submission of observations.

#### **II.27.6 Effects of audit findings**

On the basis of the final audit findings, the Commission may take the measures which it considers necessary, including recovery of all or part of the payments made by it under the Specific agreement concerned, in accordance with Article II.26.

In the case of final audit findings made after the payment of the balance, the amount to be recovered shall correspond to the difference between the revised final amount of the specific grant, determined in accordance with Article II.25, and the total amount paid to the partner under the Specific agreement for the implementation of the action.

#### **II.27.7 Correction of systemic or recurrent errors, irregularities, fraud or breach of obligations**

- II.27.7.1** The Commission may take all measures which it considers necessary, including recovery of all or part of the payments made by it under a Specific agreement, in accordance with Article II.26, where the following conditions are fulfilled:



- (a) the partner is found, on the basis of an audit of other grants awarded to it under similar conditions, to have committed systemic or recurrent errors, irregularities, fraud or breach of obligations that have a material impact on a specific grant awarded under the Framework agreement; and
- (b) the final audit report containing the findings of the systemic or recurrent errors, irregularities, fraud or breach of obligations is received by the partner within the period referred to in Article II.27.1.

**II.27.7.2** The Commission shall determine the amount to be corrected under the Specific agreement concerned:

- (a) wherever possible and practicable, on the basis of costs unduly declared as eligible under the Specific agreement.

For that purpose, the partner shall revise the financial statements submitted under the Specific agreement taking account of the findings and resubmit them to the Commission within 60 days from the date of receipt of the final audit report containing the findings of the systemic or recurrent errors, irregularities, fraud or breach of obligations.

In the case of systemic or recurrent errors, irregularities, fraud or breach of obligations found after the payment of the balance, the amount to be recovered shall correspond to the difference between the revised final amount of the specific grant concerned, determined in accordance with Article II.25 on the basis of the revised eligible costs declared by the partner and approved by the Commission, and the total amount paid to the partner under the Specific agreement for the implementation of the action;

- (b) where it is not possible or practicable to quantify precisely the amount of ineligible costs under the Specific agreement, by extrapolating the correction rate applied to the eligible costs for the grants for which the systemic or recurrent errors or irregularities have been found.

The Commission shall formally notify the extrapolation method to be applied to the partner, which shall have 60 days from the date of receipt to submit observations and to propose a duly substantiated alternative method.

If the Commission accepts the alternative method proposed by the partner, it shall formally notify the partner thereof and determine the revised eligible costs by applying the accepted alternative method.

If no observations have been submitted or if the Commission does not accept the observations or the alternative method proposed by the partner, the Commission shall formally notify the partner thereof and determine the revised eligible costs by applying the extrapolation method initially notified to the partner.

In the case of systemic or recurrent errors, irregularities, fraud or breach of obligations found after the payment of the balance, the amount to be recovered shall correspond to the difference between the revised final amount of the specific grant concerned,

determined in accordance with Article II.25 on the basis of the revised eligible costs after extrapolation, and the total amount paid to the partner under the Specific agreement for the implementation of the action; or

- (c) where ineligible costs cannot serve as a basis for determining the amount to be corrected, by applying a flat rate correction to the specific grant, having regard to the principle of proportionality.

The Commission shall formally notify the flat rate to be applied to the partner, which shall have 60 days from the date of receipt to submit observations and to propose a duly substantiated alternative flat rate.

If the Commission accepts the alternative flat rate proposed by the partner, it shall formally notify the partner thereof and correct the grant amount by applying the accepted alternative flat rate.

If no observations have been submitted or if the Commission does not accept the observations or the alternative flat rate proposed by the partner, the Commission shall formally notify the partner thereof and correct the grant amount by applying the flat rate initially notified to the partner.

In the case of systemic or recurrent errors, irregularities, fraud or breach of obligations found after the payment of the balance, the amount to be recovered shall correspond to the difference between the revised final amount of the specific grant concerned after flat-rate correction and the total amount paid to the partner under the Specific agreement for the implementation of the action.

#### **II.27.8 Checks and inspections by OLAF**

The European Anti-Fraud Office (OLAF) shall have the same rights as the Commission, notably right of access, for the purpose of checks and investigations.

By virtue of Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities and Regulation (EC) No 1073/1999 of the European Parliament and the Council of 25 May 1999 concerning investigations conducted by the European Anti-Fraud Office (OLAF), OLAF may also carry out on-the-spot checks and inspections in accordance with the procedures laid down by Union law for the protection of the financial interests of the Union against fraud and other irregularities.

Where appropriate, OLAF findings may lead to recovery by the Commission.

#### **II.27.9 Checks and audits by the European Court of Auditors**

The European Court of Auditors shall have the same rights as the Commission, notably right of access, for the purpose of checks and audits.



EUROPEAN COMMISSION  
DG  
Directorate  
**Unit**

### ANNEX III – MODEL SPECIFIC GRANT AGREEMENT

#### SPECIFIC AGREEMENT No ..../. .

This specific agreement (hereinafter referred to as "the Specific agreement") is concluded between:

The **European Union** (hereinafter referred to as "the Union"), represented by the European Commission (hereinafter referred to as "the Commission"), represented for the purposes of signature of the Specific agreement by [function, DG/service, forename and surname]<sup>1</sup>,

on the one part,

**and**

[full official name] [ACRONYM]

[official legal status or form]<sup>2</sup>

[official registration No]<sup>3</sup>

[official address in full]

[VAT number],

hereinafter referred to as "the partner", represented for the purposes of signature of the Specific agreement by [function, forename and surname],

on the other part.

The following annexes form an integral part of the Specific agreement:

Annex I [Description of the action]<sup>4</sup> [Work programme of the partner]<sup>5</sup>

<sup>1</sup> The person representing the Commission must be an authorising officer (by delegation or sub-delegation) designated in accordance with document 60008 of 22/02/2001 'Mise en place de la Charte des ordonnateurs'.

<sup>2</sup> To be deleted or filled in according to the "Legal Entity" form

<sup>3</sup> To be deleted or filled in according to the "Legal Entity" form

## ARTICLE 1 – SUBJECT MATTER OF THE SPECIFIC AGREEMENT<sup>6</sup>

### *[Option 1 –specific grants for an action:]*

The Specific agreement is concluded in the context of the partnership established between the parties. It is drawn up in accordance with the relevant terms of framework partnership agreement No [...] signed between the Commission and the partner on [insert the date on which the last party has signed the Framework agreement] (hereinafter referred to as "the Framework agreement").

The Commission has decided to award a grant ("specific grant for an action"), under the terms and conditions set out in the Specific agreement and the Framework agreement, for the action entitled [insert title of the action in bold] ("the action") as described in Annex I.

With the signature of the Specific agreement, the partner accepts the grant and agrees to implement the action in accordance with the terms and conditions of the Specific agreement and the Framework agreement, acting on its own responsibility.]

### *[Option 2 –specific operating grants:]*

The Specific agreement is concluded in the context of the partnership established between the parties. It is drawn up in accordance with the relevant terms of framework partnership agreement No [...] signed between the Commission and the partner on [insert the date on which the last party has signed the Framework agreement] (hereinafter referred to as "the Framework agreement").

The Commission has decided to award a grant ("specific operating grant"), under the terms and conditions set out in the Specific agreement and the Framework agreement, for the work programme of the partner, as described in Annex I, which corresponds to the statutory activities and objectives of the partner.

With the signature of the Specific agreement, the partner accepts the grant and agrees to implement the work programme in accordance with the terms and conditions of the Specific agreement and the Framework agreement, acting on its own responsibility.

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<sup>4</sup> Use this option in case of a grant for an action

<sup>5</sup> Use this option in the case of an operating grant

<sup>6</sup> Select option 1 and delete option 2 if the Framework agreement covers only specific grants for an action. Select option 2 and delete option 1 if the Framework agreement covers only specific operating grants. Leave both options in the model Specific agreement attached to the Framework agreement if the Framework agreement covers both specific grants for an action and specific operating grants. In this case the choice has to be done at the time of the signature of the Specific agreement.

The generic term "action" used hereinafter in the Specific agreement shall mean the work programme of the partner as described in Annex I.]

## ARTICLE 2 – ENTRY INTO FORCE OF THE SPECIFIC AGREEMENT AND DURATION

2.1 The Specific agreement shall enter into force on the date on which the last party signs.

2.2 The action shall run for **[insert number in bold] [months/days]** as of [the first day [of the month] following the date when the last party signs the Specific agreement][insert date]<sup>7</sup> ("the starting date"). [The above period shall be determined on the basis of calendar days].]

## ARTICLE 3 - MAXIMUM AMOUNT AND FORM OF THE GRANT

The grant shall be of a **maximum amount of EUR [...]** and shall take the form of<sup>8</sup>:

- (a) [The reimbursement of [...]% of the eligible costs of the action ("reimbursement of eligible costs"), which are estimated at EUR [...]] and which are:]  
[Reimbursement of eligible costs: not applicable]
- (i) [actually incurred ("reimbursement of actual costs") for the [following categories of costs] [for [the partner] [and] [the following affiliated entities]: [...]] [reimbursement of actual costs: not applicable]

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<sup>7</sup> For a specific grant for an action such a date shall be later than the date of entry into force of the Specific agreement unless authorised otherwise by the authorising officer, if the applicant can demonstrate the need to start the action before the entry into force of the grant agreement. In any case the indicated date should not be earlier than the date of the submission of the grant application (Article 130 FR post revision).

For a specific operating grant such a date may be earlier than the date of entry into force of the Specific agreement but should neither be earlier than the date of submission of the grant application nor be earlier than the start of the partner's financial year.

<sup>8</sup> Please complete the form(s) which apply/ies to your grant in point (a), indents (i) to (v), point (b), point (c) and point (d). In case one of the forms is not used please leave in reference to the option for the sake of cross-references and simply indicate that they are not applicable (ex.: (a)(v) reimbursement of costs declared on the basis of the partner's usual cost accounting practices: not applicable). Please put the form(s) which apply/ies in bold.



- (ii) *[declared on the basis of an amount of EUR [...] per [unit] (“reimbursement of unit costs”) for the [following categories of costs] [for [the partner] [and] [the following affiliated entities]: [...]] [reimbursement of unit costs: not applicable]*
- (iii) *[declared on the basis of a lump sum of EUR [...]] (“reimbursement of lump sum costs”) for the [following categories of costs] [for [the partner] [and] [the following affiliated entities]: [...]] [reimbursement of lump sum costs: not applicable]*
- (iv) *[declared on the basis of a flat-rate of [...] % of the eligible [direct][other] costs (“reimbursement of flat-rate costs”) for the [following categories of costs] [for [the partner] [and] [the following affiliated entities]: [...]] [reimbursement of flat-rate costs: not applicable]*
- (v) *[declared on the basis of [an amount per [unit]][a lump sum][a flat-rate] calculated in accordance with the partner’s usual cost accounting practices (“reimbursement of costs declared on the basis of the partner’s usual cost accounting practices”) for the [following categories of costs] [for [the partner] [and] [the following affiliated entities]: [...]] [reimbursement of costs declared on the basis of the partner’s usual cost accounting practices: not applicable]*

(b) *unit contribution: not applicable*

(c) *lump sum contribution: not applicable*

(d) *flat-rate contribution: not applicable*

## ARTICLE 4 – ADDITIONAL PROVISIONS ON REPORTING, PAYMENTS AND PAYMENT ARRANGEMENTS

### 4.1 Reporting periods, payments *[and additional supporting documents]*

In addition to the provisions set out in Articles II.23 and II.24 of the Framework agreement, the following reporting and payment arrangements shall apply:

- *[Upon entry into force of the Specific agreement, a pre-financing payment of [EUR [...]] [...] % of the maximum amount specified in Article 3] shall be paid to the partner [subject to the receipt of a guarantee of [EUR [...]] [an amount equal to the pre-financing to be paid]];*

***[Option 2 – Where all payments (further pre-financing payments or interim payments) are triggered by the end of a reporting period:***

- *Reporting period 1 from the entry into force of the Specific agreement to [date or month]:*

*[A second pre-financing payment of [EUR [...]] [...] % of the maximum amount specified in Article 3] shall be paid to the partner [subject to the receipt of a guarantee of [EUR [...]] [an amount equal to the pre-financing instalment to be paid]];*

*[A first interim payment shall be paid to the partner [, subject  
[to the receipt of an operational verification report (“operational verification report”) in  
accordance with Article II.23.2(e) of the Framework agreement] [and]  
[to the receipt of a certificate on the financial statements and underlying accounts  
(“certificate on the financial statements”) in accordance with Article II.23.2(d) of the  
Framework agreement [where the total contribution in the form of reimbursement of actual  
costs as referred to in Article 3(a)(i) is at least EUR [...]][and][where the partner requests a  
reimbursement in that form of at least EUR [...]]]<sup>9</sup>*

*[For the purpose of determining the amount due as interim payment in accordance with  
Article II.24.3 of the Framework agreement, the reimbursement rate to be applied to the  
eligible costs approved by the Commission shall be [...]]%]<sup>10</sup>*

*[The first interim payment shall clear [...] % of] the amount of the pre-financing previously  
paid.]*

*[The [first interim payment][total amount of pre-financing and interim payments] shall not  
exceed [EUR [...]] [...] % of the maximum amount specified in Article 3.]*

- *Reporting period 2 from [date or month] to [date or month]:*

*[A third pre-financing payment of [EUR [...]] [...] % of the maximum amount specified in  
Article 3] shall be paid to the partner [subject to the receipt of a guarantee of [EUR [...]] [an  
amount equal to the pre-financing instalment to be paid]];*

*[A [first][second] interim payment shall be paid to the partner [, subject  
[to the receipt of an operational verification report (“operational verification report”) in  
accordance with Article II.23.2(e) of the Framework agreement] [and]  
[to the receipt of a certificate on the financial statements and underlying accounts  
(“certificate on the financial statements”) in accordance with Article II.23.2(d) of the  
Framework agreement [where the total contribution in the form of reimbursement of actual  
costs as referred to in Article 3(a)(i) is at least EUR [...]]][and][where the partner requests a  
reimbursement in that form of at least EUR [...]]]<sup>11</sup>*

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<sup>9</sup> To be added **only** where the authorising officer responsible decides, as an exception to the general condition set out in Article II.23.2(d) of the Framework agreement, to require certificates on the financial statements **below** the thresholds set out in Article II.23.2(d) of the Framework agreement.

<sup>10</sup> To be added only in the specific cases where the authorising officer responsible decides that the reimbursement rate specified in Article 3 will not be applied for all payments reimbursing eligible costs.

<sup>11</sup> To be added **only** where the authorising officer responsible decides, as an exception to the general condition set out in Article II.23.2(d) of the Framework agreement, to require certificates on the financial statements **below** the thresholds set out in Article II.23.2(d) of the Framework agreement.

*[For the purpose of determining the amount due as interim payment in accordance with Article II.24.3 of the Framework agreement, the reimbursement rate to be applied to the eligible costs approved by the Commission shall be [...]%.]<sup>12</sup>*

*[The [first][second] interim payment shall clear [...]% of] the amount of the [first][and second] pre-financing previously paid.]*

*[The [[first][second] interim payment] [total amount of pre-financing and interim payments] shall not exceed [EUR [...]] [...]% of the maximum amount specified in Article 3.]*

*[Idem for further reporting periods]*

***[All grants]***

- *[Sole][Last]<sup>13</sup> reporting period from [date/month] to the end of the period set out in Article 2.2: The balance shall be paid to the partner [, subject  
[to the receipt of an operational verification report ("operational verification report") in accordance with Article II.23.2(e) of the Framework agreement] [and]  
[to the receipt of a certificate on the financial statements and underlying accounts ("certificate on the financial statements") in accordance with Article II.23.2(d) of the Framework agreement [where the total contribution in the form of reimbursement of actual costs as referred to in Article 3(a)(i) is at least EUR [...]] [and] [where the partner requests a reimbursement in that form of at least EUR [...]]]<sup>14</sup>*

*[In addition to the reporting requirements set out in in Article II.23 of the Framework agreement, the partner shall inform the Commission by [31 December] [30 November] each year about the cumulative expenditure incurred from the starting date set out in Article 2.2. This information is required for the Commission's accounting purposes and may not be used for determining the final amount of the grant.]<sup>15</sup>*

<sup>12</sup> To be added only in the specific cases where the authorising officer responsible decides that the reimbursement rate specified in Article 3 will not be applied for all payments reimbursing eligible costs.

<sup>13</sup> Please choose:

- "sole" if no payment prior to the payment of the balance is triggered by the end of a reporting period (only pre-financing payments are made, depending on the signature of the agreement and, if split into several instalments, on the consumption of prior pre-financing payments according to Option 1);
- "last" if at least one payment prior to the payment of the balance is triggered by the end of a reporting period (Option 2 or combination of Options 1 and 2).

In any case, either "sole" or "last" shall appear: the closure of the expenditure takes the form of the payment of the balance, so this sentence is compulsory for all grant agreements.

<sup>14</sup> To be added **only** where the authorising officer responsible decides, as an exception to the general condition set out in Article II.23.2(d) of the Framework agreement, to require certificates on the financial statements **below** the thresholds set out in Article II.23.2(d) of the Framework agreement.

<sup>15</sup> To be added in the case of grants of more than EUR 5 000 000 for which a pre-financing is paid and the reporting periods for interim payments or payments of the balance exceed eighteen months.

#### **4.2 Time limit for payments**

The time limit for the Commission to make payment of the balance is 60days.

#### **4.3 Language of requests for payments, technical reports and financial statements**

All requests for payments, technical reports and financial statements shall be submitted in [language].

### **ARTICLE 5 – BANK ACCOUNT FOR PAYMENTS**

All payments shall be made to the partner's bank account as indicated below:

Name of bank: [...]

Address of branch: [...]

Precise denomination of the account holder: [...]

Full account number (including bank codes): [...]

[IBAN code: [...]]<sup>16</sup>

### ***[ARTICLE XX – ENTITIES AFFILIATED TO THE PARTNER<sup>17</sup>***

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<sup>16</sup> BIC or SWIFT code applies to for countries where the IBAN code does not apply.

<sup>17</sup> Please include this provision if the partner would involve different affiliated entities in the implementation of the different specific action grants. In this case please delete the similar provision related to affiliated entities from the Framework agreement.

The provision regarding affiliated entities does not apply to specific operating grants. Therefore if the Framework agreement covers only specific operating grants all references to "affiliated entities" in the provisions of the Specific agreement should be deleted before the model Specific agreement is attached to the Framework agreement. If the Framework agreement covers both grants for an action and operating grants the respective

*For the purposes of the Specific agreement the following entities are considered as affiliated entities to the partner:*

- *[name of the entity];*
  - *[name of the entity];*
- [idem for further affiliated entities]*

*The partner shall inform the Commission immediately of any change in the legal, financial, technical, organisational or ownership situation of its affiliated entities and of any change in their name and address.]*

***[ARTICLE XX – SPECIAL PROVISIONS ON BUDGET TRANSFERS INVOLVING USE OF PROVISIONS FOR [CONTINGENCIES] [AND] [FOREIGN EXCHANGE LOSSES]<sup>18</sup>***

*By way of derogation from the first subparagraph of Article II.22 of the Framework agreement, any use of the provisions for [contingencies][and][foreign exchange losses] included in the estimated budget in Annex II shall be communicated by the partner and approved by the Commission.]*

***[ARTICLE XX – SPECIAL PROVISIONS ON CONTRIBUTIONS IN KIND<sup>19</sup>***

*In addition to the provisions set out in Article 3 of the Specific agreement and Article II.25 of the Framework agreement, the grant may not exceed [...] % of the total of the eligible costs of the*

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provisions should be deleted before the signature of the Specific agreement for implementation of a specific operating grant.

<sup>18</sup> This provision could be included in the model Specific agreement attached to the Framework agreement as an option and actually used only for those specific grants where relevant. The option should be deleted where the Framework agreement already contains a similar provision.

<sup>19</sup> To be added where co-financing is assessed at the level of the total costs of the action and where contributions in kind are accepted as co-financing

*action and of the unit, lump sum or flat-rate contributions referred to in Article II.25 of the Framework agreement and of the value of the contributions in kind.*

*For this purpose, the final value of the contributions in kind shall be determined at the time of payment of the balance by multiplying their unit value as indicated in Annex II by the number of units actually obtained by the partner.]*

## SIGNATURES

For the partner

[function/ forename / surname]

[signature]

Done at [place], [date]

For the Commission

[forename /surname]

[signature]

Done at [place], [date]

In duplicate in English