



EUROPEAN COMMISSION

Eurostat

Sectoral and regional statistics

Environmental statistics and accounts; sustainable development



GRANT AGREEMENT

NUMBER — 101022801 — 2020-SK-ENVACC

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

on the one part,

the **European Union** ('the EU'), represented by the European Commission ('the Commission'), represented for the purposes of signature of this Agreement by Viveka PALM, Director, Eurostat, Sectoral and regional statistics,

and

on the other part,

'the beneficiary':

SLOVENSKY HYDROMETEOROLOGICKY USTAV (SHMU), established in JESENIOVA 17, BRATISLAVA 833 15, Slovakia, VAT number: SK2020749852, represented for the purposes of signing the Agreement by Director General, Martin BENKO

The parties referred to above have agreed to enter into the Agreement under the terms and conditions below.

By signing the Agreement, the beneficiary accepts the grant and agrees to implement the action under its own responsibility and in accordance with the Agreement, with all the obligations and conditions it sets out.

The Agreement is composed of:

Terms and Conditions

- | | |
|----------------|---|
| Annex 1 | Description of the action |
| Annex 2 | Estimated budget for the action |
| | Annex 2a Additional information on the estimated budget |
| Annex 3 | Accession Forms: not applicable |
| Annex 4 | Model for the financial statements |
| Annex 5 | Model for the certificate on the financial statements |
| Annex 6 | Model for the certificate on the methodology (CoMUC): not applicable |
| Annex 7 | Statement on the use of the previous pre-financing payment: not applicable |

TERMS AND CONDITIONS

TABLE OF CONTENTS

CHAPTER 1 GENERAL	8
ARTICLE 1 — SUBJECT OF THE AGREEMENT.....	8
CHAPTER 2 ACTION	8
ARTICLE 2 — ACTION TO BE IMPLEMENTED.....	8
ARTICLE 3 — DURATION AND STARTING DATE OF THE ACTION.....	8
ARTICLE 4 — ESTIMATED BUDGET AND BUDGET TRANSFERS.....	8
4.1 Estimated budget.....	8
4.2 Budget transfers.....	8
CHAPTER 3 GRANT	8
ARTICLE 5 — GRANT AMOUNT, FORM OF GRANT, REIMBURSEMENT RATE AND FORMS OF COSTS.....	8
5.1 Maximum grant amount.....	8
5.2 Form of grant, reimbursement rate and forms of costs.....	8
5.3 Final grant amount — Calculation.....	9
5.4 Revised final grant amount — Calculation.....	10
ARTICLE 6 — ELIGIBLE AND INELIGIBLE COSTS.....	10
6.1 General conditions for costs to be eligible.....	10
6.2 Specific conditions for costs to be eligible.....	11
6.3 Conditions for costs of linked third parties to be eligible.....	14
6.4 Ineligible costs.....	14
6.5 Consequences of declaration of ineligible costs.....	15
CHAPTER 4 RIGHTS AND OBLIGATIONS OF THE PARTIES	15
SECTION 1 RIGHTS AND OBLIGATIONS RELATED TO IMPLEMENTING THE ACTION	15
ARTICLE 7 — GENERAL OBLIGATION TO PROPERLY IMPLEMENT THE ACTION.....	15
7.1 General obligation to properly implement the action.....	15
7.2 Consequences of non-compliance.....	15
ARTICLE 8 — RESOURCES TO IMPLEMENT THE ACTION — THIRD PARTY INVOLVED IN THE ACTION.....	15
ARTICLE 8a — IMPLEMENTATION OF ACTION TASKS BY A BENEFICIARY NOT RECEIVING FUNDING.....	16
ARTICLE 9 — PURCHASE OF GOODS, WORKS OR SERVICES.....	16
9.1 Rules for purchasing goods, works or services.....	16

9.2 Consequences of non-compliance.....	16
ARTICLE 10 — IMPLEMENTATION OF ACTION TASKS BY SUBCONTRACTORS.....	16
10.1 Rules for subcontracting action tasks.....	16
10.2 Consequences of non-compliance.....	17
ARTICLE 11 — IMPLEMENTATION OF ACTION TASKS BY LINKED THIRD PARTIES.....	17
ARTICLE 11a — FINANCIAL SUPPORT TO THIRD PARTIES.....	17
SECTION 2 RIGHTS AND OBLIGATIONS RELATED TO THE GRANT ADMINISTRATION	17
ARTICLE 12 — GENERAL OBLIGATION TO INFORM.....	17
12.1 General obligation to provide information upon request.....	17
12.2 Obligation to keep information up to date and to inform about events and circumstances likely to affect the Agreement.....	18
12.3 Consequences of non-compliance.....	18
ARTICLE 13 — KEEPING RECORDS — SUPPORTING DOCUMENTATION.....	18
13.1 Obligation to keep records and other supporting documentation.....	18
13.2 Consequences of non-compliance.....	19
ARTICLE 14 — SUBMISSION OF DELIVERABLES.....	19
14.1 Obligation to submit deliverables.....	19
14.2 Consequences of non-compliance.....	19
ARTICLE 15 — REPORTING — PAYMENT REQUESTS.....	20
15.1 Obligation to submit reports.....	20
15.2 Reporting periods.....	20
15.2a Request(s) for further pre-financing payment(s).....	20
15.3 Periodic reports — Requests for interim payments.....	20
15.4 Final report — Request for payment of the balance.....	20
15.5 Information on cumulative expenditure incurred.....	21
15.6 Currency for financial statements and conversion into euro.....	21
15.7 Language of reports.....	22
15.8 Consequences of non-compliance.....	22
ARTICLE 16 — PAYMENTS AND PAYMENT ARRANGEMENTS.....	22
16.1 Payments to be made.....	22
16.2 Pre-financing payment(s) — Amount	22
16.3 Interim payments — Amount — Calculation.....	22
16.4 Payment of the balance — Amount — Calculation.....	22
16.5 Notification of amounts due.....	23
16.6 Currency for payments.....	23

16.7 Payments to the beneficiary.....	23
16.8 Bank account for payments.....	23
16.9 Costs of payment transfers.....	23
16.10 Date of payment.....	24
16.11 Consequences of non-compliance.....	24
ARTICLE 17 — CHECKS, REVIEWS, AUDITS AND INVESTIGATIONS — EXTENSION OF FINDINGS.....	24
17.1 Checks, reviews and audits by the Commission.....	24
17.2 Investigations by the European Anti-Fraud Office (OLAF).....	26
17.3 Checks and audits by the European Court of Auditors (ECA).....	26
17.4 Checks, reviews, audits and investigations for international organisations.....	26
17.5 Consequences of findings in checks, reviews, audits and investigations — Extension of findings.....	27
17.6 Consequences of non-compliance.....	28
ARTICLE 18 — EVALUATION OF THE IMPACT OF THE ACTION.....	28
18.1 Right to evaluate the impact of the action.....	28
18.2 Consequences of non-compliance.....	28
SECTION 3 OTHER RIGHTS AND OBLIGATIONS	29
ARTICLE 19 — PRE-EXISTING RIGHTS AND OWNERSHIP OF THE RESULTS (INCLUDING INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS).....	29
19.1 Pre-existing rights and access rights to pre-existing rights.....	29
19.2 Ownership of results and rights of use.....	29
19.3 Consequences of non-compliance.....	29
ARTICLE 20 — CONFLICT OF INTERESTS.....	29
20.1 Obligation to avoid a conflict of interests.....	29
20.2 Consequences of non-compliance.....	29
ARTICLE 21 — CONFIDENTIALITY.....	30
21.1 General obligation to maintain confidentiality.....	30
21.2 Consequences of non-compliance.....	30
ARTICLE 22 — PROMOTING THE ACTION — VISIBILITY OF EU FUNDING.....	30
22.1 Communication activities by the beneficiary.....	30
22.2 Communication activities by the Commission.....	31
22.3 Consequences of non-compliance.....	32
ARTICLE 23 — PROCESSING OF PERSONAL DATA.....	32
23.1 Processing of personal data by the Commission.....	32
23.2 Processing of personal data by the beneficiary.....	32

23.3 Consequences of non-compliance.....	33
ARTICLE 24 — ASSIGNMENTS OF CLAIMS FOR PAYMENT AGAINST THE COMMISSION.....	33
CHAPTER 5 BENEFICIARY'S ROLES AND RESPONSIBILITIES	33
ARTICLE 25 — BENEFICIARY'S ROLES AND RESPONSIBILITIES.....	33
25.1 Roles and responsibilities towards the Commission.....	33
25.2 Internal division of roles and responsibilities.....	33
25.3 Internal arrangements between beneficiaries — Consortium agreement.....	34
CHAPTER 6 REJECTION OF COSTS — REDUCTION OF THE GRANT — RECOVERY — SANCTIONS — DAMAGES — SUSPENSION — TERMINATION — FORCE MAJEURE	34
SECTION 1 REJECTION OF COSTS — REDUCTION OF THE GRANT — RECOVERY — SANCTIONS	34
ARTICLE 26 — REJECTION OF INELIGIBLE COSTS.....	34
26.1 Conditions.....	34
26.2 Ineligible costs to be rejected — Calculation — Procedure.....	34
26.3 Effects.....	34
ARTICLE 27 — REDUCTION OF THE GRANT.....	34
27.1 Conditions.....	34
27.2 Amount to be reduced — Calculation — Procedure.....	35
27.3 Effects.....	35
ARTICLE 28 — RECOVERY OF UNDUE AMOUNTS.....	35
28.1 Amount to be recovered — Calculation — Procedure.....	35
ARTICLE 29 — ADMINISTRATIVE SANCTIONS.....	37
SECTION 2 LIABILITY FOR DAMAGES	37
ARTICLE 30 — LIABILITY FOR DAMAGES.....	37
30.1 Liability of the Commission.....	37
30.2 Liability of the beneficiaries.....	37
SECTION 3 SUSPENSION AND TERMINATION	38
ARTICLE 31 — SUSPENSION OF PAYMENT DEADLINE.....	38
31.1 Conditions.....	38
31.2 Procedure.....	38
ARTICLE 32 — SUSPENSION OF PAYMENTS.....	38
32.1 Conditions.....	38
32.2 Procedure.....	39
ARTICLE 33 — SUSPENSION OF THE ACTION IMPLEMENTATION.....	39
33.1 Suspension of the action implementation, by the beneficiary.....	39
33.2 Suspension of the action implementation, by the Commission.....	40

ARTICLE 34 — TERMINATION OF THE AGREEMENT.....	41
34.1 Termination of the Agreement, by the beneficiary.....	41
34.2 Termination of the participation of one or more beneficiaries, by the beneficiaries.....	41
34.3 Termination of the Agreement, by the Commission.....	41
SECTION 4 FORCE MAJEURE	43
ARTICLE 35 — FORCE MAJEURE.....	43
CHAPTER 7 FINAL PROVISIONS	44
ARTICLE 36 — COMMUNICATION BETWEEN THE PARTIES.....	44
36.1 Form and means of communication.....	44
36.2 Date of communication.....	45
36.3 Addresses for communication.....	45
ARTICLE 37 — INTERPRETATION OF THE AGREEMENT.....	45
37.1 Precedence of the Terms and Conditions over the Annexes.....	45
37.2 Privileges and immunities.....	45
ARTICLE 38 — CALCULATION OF PERIODS, DATES AND DEADLINES.....	45
ARTICLE 39 — AMENDMENTS TO THE AGREEMENT.....	46
39.1 Conditions.....	46
39.2 Procedure.....	46
ARTICLE 40 — ACCESSION TO THE AGREEMENT.....	46
ARTICLE 41 — APPLICABLE LAW AND SETTLEMENT OF DISPUTES.....	46
41.1 Applicable law.....	46
41.2 Dispute settlement.....	47
ARTICLE 42 — ENTRY INTO FORCE OF THE AGREEMENT.....	47

CHAPTER 1 GENERAL

ARTICLE 1 — SUBJECT OF THE AGREEMENT

This Agreement sets out the rights and obligations and the terms and conditions applicable to the grant awarded to the beneficiary for implementing the action set out in Chapter 2.

CHAPTER 2 ACTION

ARTICLE 2 — ACTION TO BE IMPLEMENTED

The grant is awarded for the action entitled '**Improvement of allocation of Road transport emissions for AEA and of coherence between AEA and PEFA moduls — 2020-SK-ENVACC**' ('action'), as described in Annex 1.

ARTICLE 3 — DURATION AND STARTING DATE OF THE ACTION

The duration of the action will be **24 months** as of 01/02/2021 ('starting date of the action').

ARTICLE 4 — ESTIMATED BUDGET AND BUDGET TRANSFERS

4.1 Estimated budget

The '**estimated budget**' for the action is set out in Annex 2.

It contains the estimated eligible costs and the forms of costs, broken down by budget category (see Articles 5, 6).

4.2 Budget transfers

The estimated budget breakdown indicated in Annex 2 may be adjusted — without an amendment (see Article 39) — by transfers of amounts between budget categories and/or forms of costs set out in Annex 2, if the action is implemented as described in Annex 1.

However, the beneficiary may not add costs relating to subcontracts not provided for in Annex 1, unless such additional subcontracts are approved by an amendment or in accordance with Article 10.

CHAPTER 3 GRANT

ARTICLE 5 — GRANT AMOUNT, FORM OF GRANT, REIMBURSEMENT RATE AND FORMS OF COSTS

5.1 Maximum grant amount

The '**maximum grant amount**' is EUR 53,805.68 (fifty three thousand eight hundred and five EURO and sixty eight eurocents).

5.2 Form of grant, reimbursement rate and forms of costs

The grant reimburses **90% of the action's eligible costs** ('**reimbursement of eligible costs grant**'; see Article 6 and Annex 2).

The estimated eligible costs of the action are EUR **59,784.09** (fifty nine thousand seven hundred and eighty four EURO and nine eurocents).

Eligible costs (see Article 6) must be declared under the following forms ('**cost forms**')

(a) for **direct personnel costs**:

- for personnel not paid on the basis of time spent, but on deliverables (e.g. number of conducted interviews, number of translated pages): as actually incurred costs ('**actual costs**');
- for all other personnel: on the basis of the amounts per unit set out in Annex 2a ('**unit costs**');

(b) for **direct travel and subsistence costs**: as actually incurred costs (**actual costs**);

(c) for **direct costs of subcontracting**: as actually incurred costs (**actual costs**);

(d) for direct costs of providing financial support to third parties: not applicable;

(e) for **other direct costs** as actually incurred costs ('**actual costs**');

(f) for **indirect costs**: on the basis of a flat-rate applied as set out in Article 6.2.Point F ('**flat-rate costs**');

5.3 Final grant amount — Calculation

The '**final grant amount**' depends on the actual extent to which the action is implemented in accordance with the Agreement's terms and conditions.

This amount is calculated by the Commission — when the payment of the balance is made — in the following steps:

Step 1 – Application of the reimbursement rate to the eligible costs

Step 2 – Limit to the maximum grant amount

Step 3 – Reduction due to the no-profit rule

Step 4 – Reduction due to substantial errors, irregularities or fraud or serious breach of obligations

5.3.1 Step 1 — Application of the reimbursement rate to the eligible costs

The reimbursement rate (see Article 5.2) is applied to the eligible costs (actual costs, unit costs, flat-rate costs; see Article 6) declared by the beneficiary (see Article 15) and approved by the Commission (see Article 16).

5.3.2 Step 2 — Limit to the maximum grant amount

If the amount obtained following Step 1 is higher than the maximum grant amount set out in Article 5.1, it will be limited to the latter.

5.3.3 Step 3 — Reduction due to the no-profit rule

Not applicable

5.3.4 Step 4 — Reduction due to substantial errors, irregularities or fraud or serious breach of obligations

If the grant is reduced (see Article 27), the Commission will calculate the reduced grant amount by deducting the amount of the reduction (calculated in proportion to the seriousness of the errors, irregularities or fraud or breach of obligations, in accordance with Article 27.2) from the maximum grant amount set out in Article 5.1.

The final grant amount will be the lower of the following two:

- the amount obtained following Steps 1 to 3 or
- the reduced grant amount following Step 4.

5.4 Revised final grant amount — Calculation

If — after the payment of the balance (in particular, after checks, reviews, audits or investigations; see Article 17) — the Commission rejects costs (see Article 26) or reduces the grant (see Article 27), it will calculate the '**revised final grant amount**'.

This amount is calculated by the Commission on the basis of the findings, as follows:

- in case of **rejection of costs**: by applying the reimbursement rate to the *revised* eligible costs approved by the Commission;
- in case of **reduction of the grant**: by deducting the amount of the reduction (calculated in proportion to the seriousness of the errors, irregularities or fraud or breach of obligations, in accordance with Article 27.2) from the maximum grant amount for the beneficiary (see Article 5.1 and Annex 2).

In case of **rejection of costs and reduction of the grant**, the revised final grant amount will be the lower of the two amounts above.

ARTICLE 6 — ELIGIBLE AND INELIGIBLE COSTS

6.1 General conditions for costs to be eligible

'**Eligible costs**' are costs that meet the following criteria:

(a) for actual costs:

- (i) they must be actually incurred by the beneficiary;
- (ii) they must be incurred in the period set out in Article 3, with the exception of costs relating to the submission of the final report (see Article 15);

- (iii) they must be indicated in the estimated budget set out in Annex 2;
 - (iv) they must be incurred in connection with the action as described in Annex 1 and necessary for its implementation;
 - (v) they must be identifiable and verifiable, in particular recorded in the beneficiary's accounts in accordance with the accounting standards applicable in the country where the beneficiary is established and with the beneficiary's usual cost accounting practices;
 - (vi) they must comply with the applicable national law on taxes, labour and social security, and
 - (vii) they must be reasonable, justified and must comply with the principle of sound financial management, in particular regarding economy and efficiency;
- (b) for **unit costs**:
- (i) they must be calculated as follows:
 - {amounts per unit set out in Annex 2a
 - multiplied by
 - the number of actual units};
 - (ii) the number of actual units must comply with the following conditions:
 - the units must be actually used or produced in the period set out in Article 3;
 - the units must be necessary for implementing the action or produced by it, and
 - the number of units must be identifiable and verifiable, in particular supported by records and documentation (see Article 13);
- (c) for **flat-rate costs**:
- (i) they must be calculated by applying the flat-rate set out in Annex 2, and
 - (ii) the costs (actual costs or unit costs to which the flat-rate is applied must comply with the conditions for eligibility set out in this Article;
- (d) for **lump sum costs**: not applicable.

6.2 Specific conditions for costs to be eligible

Costs are eligible if they comply with the general conditions (see above) and the specific conditions set out below, for each of the following budget categories:

- A. direct personnel costs;
- B. direct travel and subsistence costs;
- C. direct costs of subcontracting;
- D. not applicable;
- E. other direct costs.
- F. indirect costs.

‘Direct costs’ are costs that are directly linked to the action implementation and can therefore be attributed to it directly. They must not include any indirect costs (see Point F below).

‘Indirect costs’ are costs that are not directly linked to the action implementation and therefore cannot be attributed directly to it.

A. Direct personnel costs

Types of eligible personnel costs

A.1 Personnel costs are eligible if they are related to personnel working for the beneficiary under an employment contract (or equivalent appointing act) and assigned to the action (**‘costs for employees (or equivalent)’**).

If paid on the basis of time spent, their amount is eligible if it corresponds to the amount per unit set out in Annex 2a multiplied by the number of actual days worked on the action.

If paid on the basis of deliverables, their amount is eligible if it is limited to the amount per deliverable (including social security contributions, taxes or other costs included in the remuneration, if they arise from national law or the contract).

A.2 The **costs for natural persons working under a direct contract** with the beneficiary other than an employment contract or **seconded by a third party against payment** are eligible personnel costs, if:

- (a) the person works under conditions similar to those of an employee (in particular regarding the way the work is organised, the tasks that are performed and the premises where they are performed);
- (b) the result of the work carried out belongs to the beneficiary (unless agreed otherwise), and
- (c) the costs are not significantly different from those for personnel performing similar tasks under an employment contract with the beneficiary.

If paid on the basis of time spent, their amount is eligible if it corresponds to the amount per unit set out in Annex 2a multiplied by the number of actual days worked on the action.

If paid on the basis of deliverables, their amount is eligible if it is limited to the amount per deliverable (including social security contributions, taxes or other costs included in the remuneration, if they arise from national law or the contract).

Calculation

Personnel costs must be calculated by the beneficiary as follows:

- (a) for personnel costs declared as **unit costs** (budget categories A.1 and A.2, paid on basis of time spent):

{ daily rate

multiplied by

number of actual days worked on the action (rounded up or down to the nearest half-day)),

The number of actual days declared for a person must be identifiable and verifiable (see Article 13).

The '**daily rate**' is the rate of the pay grade set out in Annex 2a (or — for personnel without an applicable pay grade — the rate of the grade with the closest basic salary);

- (b) for personnel costs declared as **actual costs** (budget category A.1 and A.2, paid on basis of deliverables):

{ amount per deliverable
multiplied by
number of deliverables produced for the action }.

B. Direct travel and subsistence costs

Travel and subsistence costs (including related duties, taxes and charges, such as non-deductible value added tax (VAT) paid by the beneficiary if it is not a public body acting as public authority) are eligible if they are in line with the beneficiary's usual practices on travel.

C. Direct costs of subcontracting (including related duties, taxes and charges, such as non-deductible value added tax (VAT) paid by the beneficiary, if it is not a public body acting as public authority) are eligible if the conditions in Article 10.1.1 are met.

D. Direct costs of providing financial support to third parties

Not applicable

E. Other direct costs

- E.1 The depreciation costs of equipment, infrastructure or other assets** (new or second-hand) as recorded in the beneficiary's accounts are eligible, if they were purchased in accordance with Article 9.1.1 and written off in accordance with international accounting standards and the beneficiary's usual accounting practices.

The **costs of renting or leasing** equipment, infrastructure or other assets (including related duties, taxes and charges, such as non-deductible value added tax (VAT) paid by the beneficiary if it is not a public body acting as public authority) are also eligible, if they do not exceed the depreciation costs of similar equipment, infrastructure or assets and do not include any financing fees.

The only portion of the costs that will be taken into account is that which corresponds to the duration of the action and rate of actual use for the purposes of the action.

- E.2 Costs of other goods and services** (including related duties, taxes and charges, such as non-deductible value added tax (VAT) paid by the beneficiary if it is not a public body acting as public authority) are eligible, if they are purchased specifically for the action and in accordance with Article 9.1.1.

Such goods and services include, for instance, consumables and supplies, dissemination, protection of results, certificates on the financial statements (if they are required by the Agreement), translations and publications.

F. Indirect costs

Indirect costs are eligible if they are declared on the basis of the flat-rate of **30%** of the eligible direct personnel costs (see Article 5.2 and Point A above) if the beneficiary falls under Article 5 of Regulation No 223/2009¹ and 7% of the eligible direct costs (see Article 5.2 and Points A to E above) if it doesn't.

If the beneficiary receives an EU operating grant², it cannot declare indirect costs for the period covered by the operating grant, unless it can demonstrate that the operating grant does not cover any costs of the action.

6.3 Conditions for costs of linked third parties to be eligible

Not applicable

6.4 Ineligible costs

'Ineligible costs' are:

- (a) costs that do not comply with the conditions set out above (Article 6.1 to 6.3), in particular:
 - (i) costs related to return on capital;
 - (ii) debt and debt service charges;
 - (iii) provisions for future losses or debts;
 - (iv) interest owed;
 - (v) doubtful debts;
 - (vi) currency exchange losses;
 - (vii) bank costs charged by the beneficiary's bank for transfers from the Commission;
 - (viii) excessive or reckless expenditure;
 - (ix) deductible VAT;
 - (x) costs incurred during suspension of the implementation of the action (see Article 33);
 - (xi) in-kind contributions provided by third parties;

¹ Regulation (EC) No 223/2009 of the European Parliament and of the Council of 11 March 2009 on European statistics and repealing Regulation (EC, Euratom) No 1101/2008 of the European Parliament and of the Council on the transmission of data subject to statistical confidentiality to the Statistical Office of the European Communities, Council Regulation (EC) No 322/97 on Community Statistics, and Council Decision 89/382/EEC, Euratom establishing a Committee on the Statistical Programmes of the European Communities (OJ L 87, 31.3.2009, p. 164).

² For the definition, see Article 121(1)(b) of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 218, 26.10.2012, p.1) ('**Financial Regulation No 966/2012**'): '**operating grant**' means direct financial contribution, by way of donation, from the budget in order to finance the functioning of a body which pursues an aim of general EU interest or has an objective forming part of and supporting an EU policy.

- (b) costs declared under another EU grant (including grants awarded by a Member State and financed by the EU budget and grants awarded by bodies other than the Commission for the purpose of implementing the EU budget); in particular, indirect costs if the beneficiary is already receiving an EU operating grant in the same period, unless it can demonstrate that the operating grant does not cover any costs of the action;
- (c) costs for staff of a national (or regional/local) administration, for activities that are part of the administration's normal activities (i.e. not undertaken only because of the grant);
- (d) costs (especially travel and subsistence costs) for staff or representatives of EU institutions, bodies or agencies;

6.5 Consequences of declaration of ineligible costs

Declared costs that are ineligible will be rejected (see Article 26).

This may also lead to any of the other measures described in Chapter 6.

CHAPTER 4 RIGHTS AND OBLIGATIONS OF THE PARTIES

SECTION 1 RIGHTS AND OBLIGATIONS RELATED TO IMPLEMENTING THE ACTION

ARTICLE 7 — GENERAL OBLIGATION TO PROPERLY IMPLEMENT THE ACTION

7.1 General obligation to properly implement the action

The beneficiary must implement the action as described in Annex 1 and in compliance with the provisions of the Agreement and all legal obligations under applicable EU, international and national law.

7.2 Consequences of non-compliance

If the beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 27).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 8 — RESOURCES TO IMPLEMENT THE ACTION — THIRD PARTY INVOLVED IN THE ACTION

The beneficiary must have the appropriate resources to implement the action.

If it is necessary to implement the action, the beneficiary may:

- purchase goods, works and services (see Article 9);
- call upon subcontractors to implement action tasks described in Annex 1 (see Article 10).

In these cases, the beneficiary retains sole responsibility towards the Commission for implementing the action.

ARTICLE 8a — IMPLEMENTATION OF ACTION TASKS BY A BENEFICIARY NOT RECEIVING FUNDING

Not applicable

ARTICLE 9 — PURCHASE OF GOODS, WORKS OR SERVICES

9.1 Rules for purchasing goods, works or services

9.1.1 If necessary to implement the action, the beneficiary may purchase goods, works or services.

The beneficiary must make such purchases ensuring the best value for money or, if appropriate, the lowest price. In doing so, it must avoid any conflict of interests (see Article 20).

The beneficiary must ensure that the Commission, the European Court of Auditors (ECA) and the European Anti-Fraud Office (OLAF) can exercise their rights under Articles 17 and 18 also towards their contractors.

9.1.2 If the beneficiary is a ‘contracting authority’ within the meaning of Directive 2004/18/EC³ (or 2014/24/EU⁴) or ‘contracting entity’ within the meaning of Directive 2004/17/EC⁵ (or 2014/25/EU⁶), it must comply with the applicable national law on public procurement.

9.2 Consequences of non-compliance

If the beneficiary breaches any of its obligations under Article 9.1.1, the costs related to the contract concerned will be ineligible (see Article 6) and will be rejected (see Article 26).

If the beneficiary breaches any of its obligations under Article 9.1.2, the grant may be reduced (see Article 27).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 10 — IMPLEMENTATION OF ACTION TASKS BY SUBCONTRACTORS

10.1 Rules for subcontracting action tasks

10.1.1 If necessary to implement the action, the beneficiary may award subcontracts covering the implementation of certain action tasks described in Annex 1.

³ Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public work contracts, public supply contracts and public service contracts (OJ L 134, 30.04.2004, p. 114).

⁴ Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94, 28.3.2014, p. 65).

⁵ Directive 2004/17/EC of the European Parliament and of the Council of 31 March 2004 coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors (OJ L 134, 30.04.2004, p. 1).

⁶ Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC (OJ L 94, 28.3.2014, p. 243).

The beneficiary must award the subcontracts ensuring the best value for money or, if appropriate, the lowest price. In doing so, it must avoid any conflict of interests (see Article 20).

The tasks to be implemented and the estimated cost for each subcontract must be set out in Annex 1 and the total estimated costs of subcontracting must be set out in Annex 2. The Commission may however approve subcontracts not set out in Annex 1 and 2 without amendment (see Article 39), if:

- they are specifically justified in the final technical report and
- they do not entail changes to the Agreement which would call into question the decision awarding the grant or breach the principle of equal treatment of applicants.

The beneficiary must ensure that the Commission, the European Court of Auditors (ECA) and the European Anti-Fraud Office (OLAF) can exercise their rights under Articles 17 and 18 also towards their subcontractors.

10.1.2 The beneficiary must ensure that its obligations under Articles 20, 21, 22 and 30 also apply to the subcontractors.

If the beneficiary is a 'contracting authority' within the meaning of Directive 2004/18/EC (or 2014/24/EU) or 'contracting entity' within the meaning of Directive 2004/17/EC (or 2014/25/EU), it must comply with the applicable national law on public procurement.

10.2 Consequences of non-compliance

If the beneficiary breaches any of its obligations under Article 10.1.1, the costs related to the subcontract concerned will be ineligible (see Article 6) and will be rejected (see Article 26).

If the beneficiary breaches any of its obligations under Article 10.1.2, the grant may be reduced (see Article 27).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 11 — IMPLEMENTATION OF ACTION TASKS BY LINKED THIRD PARTIES

Not applicable

ARTICLE 11a — FINANCIAL SUPPORT TO THIRD PARTIES

Not applicable

SECTION 2 RIGHTS AND OBLIGATIONS RELATED TO THE GRANT ADMINISTRATION

ARTICLE 12 — GENERAL OBLIGATION TO INFORM

12.1 General obligation to provide information upon request

The beneficiary must provide — during implementation of the action or afterwards — any information requested in order to verify eligibility of the costs, proper implementation of the action and compliance with the other obligations under the Agreement.

12.2 Obligation to keep information up to date and to inform about events and circumstances likely to affect the Agreement

The beneficiary must keep information stored in the Participant Portal Beneficiary Register (via the electronic exchange system; see Article 36) up to date, in particular, its name, address, legal representatives, legal form and organisation type.

The beneficiary must immediately inform the Commission of any of the following:

- (a) **events** which are likely to affect significantly or delay the implementation of the action or the EU financial interests, in particular:
 - (i) changes in its legal, financial, technical, organisational or ownership situation
- (b) **circumstances** affecting:
 - (i) the decision to award the grant or
 - (ii) compliance with requirements under the Agreement.

12.3 Consequences of non-compliance

If the beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 27).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 13 — KEEPING RECORDS — SUPPORTING DOCUMENTATION

13.1 Obligation to keep records and other supporting documentation

The beneficiary must — for a period of **three years after the payment of the balance** — keep records and other supporting documentation in order to prove the proper implementation of the action and the costs they declare as eligible.

The beneficiary must make them available upon request (see Article 12) or in the context of checks, reviews, audits or investigations (see Article 17).

If there are on-going checks, reviews, audits, investigations, litigation or other pursuits of claims under the Agreement (including the extension of findings; see Articles 17), the beneficiary must keep the records and other supporting documentation until the end of these procedures.

The beneficiary must keep the original documents. Digital and digitalised documents are considered originals if they are authorised by the applicable national law. The Commission may accept non-original documents if it considers that they offer a comparable level of assurance.

13.1.1 Records and other supporting documentation on the technical implementation

The beneficiary must keep records and other supporting documentation on the technical implementation of the action, in line with the accepted standards in the respective field.

13.1.2 Records and other documentation to support the costs declared

The beneficiary must keep the records and documentation supporting the costs declared, in particular the following:

- (a) for **actual costs**: adequate records and other supporting documentation to prove the costs declared, such as contracts, subcontracts, invoices and accounting records. In addition, the beneficiary's usual cost accounting practices and internal control procedures must enable direct reconciliation between the amounts declared, the amounts recorded in its accounts and the amounts stated in the supporting documentation;
- (b) for **unit costs**: adequate records and other supporting documentation to prove the number of units declared. The beneficiary does not need to identify the actual eligible costs covered or to keep or provide supporting documentation (such as accounting statements) to prove the amount per unit;
- (c) for **flat-rate costs**: adequate records and other supporting documentation to prove the eligibility of the costs to which the flat-rate is applied. The beneficiary does not need to identify the costs covered or provide supporting documentation (such as accounting statements) to prove the amount declared at a flat-rate.
- (d) for **lump sum costs**: not applicable.

In addition, for **personnel costs** (declared as unit costs), the beneficiary must keep **time records** for the number of days declared. The time records must be in writing and approved by the persons working on the action and their supervisors, at least monthly. In the absence of reliable time records of the days worked on the action, the Commission may accept alternative evidence supporting the number of days declared, if it considers that it offers an adequate level of assurance.

For personnel costs (declared as actual costs), the beneficiary must also keep **records** on the number of **deliverables** declared.

13.2 Consequences of non-compliance

If the beneficiary breaches any of its obligations under this Article, costs insufficiently substantiated will be ineligible (see Article 6) and will be rejected (see Article 26), and the grant may be reduced (see Article 27).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 14 — SUBMISSION OF DELIVERABLES

14.1 Obligation to submit deliverables

The beneficiary must submit:

- the '**deliverables**' identified in Annex 1, in accordance with the timing and conditions set out in it.

14.2 Consequences of non-compliance

If the beneficiary breaches any of its obligations under this Article, the Commission may apply any of the measures described in Chapter 6.

ARTICLE 15 — REPORTING — PAYMENT REQUESTS

15.1 Obligation to submit reports

The beneficiary must submit to the Commission (see Article 36) the technical and financial reports set out in this Article. These reports include the request for payment and must be drawn up using the forms and templates provided in the electronic exchange system (see Article 36).

15.2 Reporting periods

The action has one **'reporting period'**:

- RP1: from month 1 to month 24

15.2a Request(s) for further pre-financing payment(s)

Not applicable

15.3 Periodic reports — Requests for interim payments

Not applicable

15.4 Final report — Request for payment of the balance

The beneficiary must submit — within 60 days following the end of the reporting period — a final report, which includes the request for payment of the balance.

The **final report** must include the following:

(a) a **'final technical report'** containing:

- (i) an **explanation of the work carried out** by the beneficiary;
- (ii) an **overview of the implementation** of the action, including milestones and deliverables identified in Annex 1.

This report must include explanations justifying the differences between work expected to be carried out in accordance with Annex 1 and that actually carried out.

- (iii) **summary for publication** by the Commission: not applicable;
- (iv) **answers to the 'questionnaire'**: not applicable;

(b) a **'final financial report'** containing:

- (i) an **'individual financial statement'** (see Annex 4), for the reporting period.

The individual financial statement must detail the eligible costs (actual costs, unit costs and flat-rate costs; see Article 6) for each budget category (see Annex 2).

The beneficiary must declare all eligible costs, even if — for actual costs, unit costs and flat-rate costs — they exceed the amounts indicated in the estimated budget (see Annex

2). Amounts which are not declared in the individual financial statement will not be taken into account by the Commission.

The individual financial statement(s) must also detail the **receipts of the action** (see Article 5.3.3).

The beneficiary must **certify** that:

- the information provided is full, reliable and true;
 - the costs declared are eligible (see Article 6);
 - the costs can be substantiated by adequate records and supporting documentation (see Article 13) that will be produced upon request (see Article 12) or in the context of checks, reviews, audits and investigations (see Article 17), and
 - that all the receipts have been declared (see Article 5.3.3);
- (ii) an **explanation** of the **use of resources** and the information on subcontracting (see Article 10), for the reporting period concerned;
- (iii) special provisions for the JRC: not applicable;
- (iv) a '**final summary financial statement**', created automatically by the electronic exchange system, including the **request for payment of the balance**;
- (v) '**certificate on the financial statements**': a certificate (drawn up in accordance with Annex 5) for the beneficiary, if:
- it requests EUR 325 000 or more as reimbursement of actual costs and
 - the maximum grant amount indicated, for the beneficiary, in the estimated budget (see Annex 2) as reimbursement of actual costs is EUR 750 000 or more.

15.5 Information on cumulative expenditure incurred

Not applicable

15.6 Currency for financial statements and conversion into euro

Financial statements must be drafted in euro.

The beneficiary with accounting established in a currency other than the euro must convert the costs recorded in their accounts into euro, at the average of the daily euro exchange rates published in the C series of the *Official Journal of the European Union*, calculated over the corresponding reporting period.

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

The beneficiary with accounting established in euro must convert costs incurred in another currency into euro according to their usual accounting practices.

15.7 Language of reports

All reports (including financial statement(s)) must be submitted in the language of the Agreement.

15.8 Consequences of non-compliance

If the reports submitted do not comply with this Article, the Commission may suspend the payment deadline (see Article 31) and apply any of the other measures described in Chapter 6.

If the beneficiary breaches its obligation to submit the reports and if it fails to comply with this obligation within 30 days following a written reminder, the Commission may terminate the Agreement (see Article 34) or apply any of the other measures described in Chapter 6.

ARTICLE 16 — PAYMENTS AND PAYMENT ARRANGEMENTS

16.1 Payments to be made

The following payments will be made to the beneficiary:

- a **pre-financing payment**;
- one **payment of the balance**, on the basis of the request for payment of the balance (see Article 15).

16.2 Pre-financing payment(s) — Amount

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

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

The amount of the pre-financing payment will be EUR **21,522.27** (twenty one thousand five hundred and twenty two EURO and twenty seven eurocents).

The Commission will — except if Article 32 applies — make the pre-financing payment to the beneficiary within 30 days from the entry into force of the Agreement (see Article 42).

16.3 Interim payments — Amount — Calculation

Not applicable

16.4 Payment of the balance — Amount — Calculation

The payment of the balance reimburses the remaining part of the eligible costs incurred by the beneficiary for the implementation of the action.

If the total amount of earlier payments is greater than the final grant amount (see Article 5.3), the payment of the balance takes the form of a recovery (see Article 28).

If the total amount of earlier payments is lower than the final grant amount, the Commission will pay the balance within 90 days from receiving the final report (see Article 15.4), except if Articles 31 or 32 apply.

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

The **amount due as the balance** is calculated by the Commission by deducting the total amount of pre-financing (if any) already made, from the final grant amount determined in accordance with Article 5.3:

$$\begin{aligned} & \{ \text{final grant amount (see Article 5.3)} \\ & \text{minus} \\ & \{ \text{pre-financing (if any) made} \} \}. \end{aligned}$$

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

The amount to be paid may however be offset — without the beneficiary's consent — against any other amounts owed by the beneficiary to the Commission or an executive agency (under the EU budget), up to the maximum grant amount indicated, for the beneficiary, in the estimated budget (see Annex 2).

If the balance is negative, it will be recovered (see Article 28).

16.5 Notification of amounts due

When making payments, the Commission will formally notify to the beneficiary the amount due, specifying that it concerns the payment of the balance.

For the payment of the balance, the notification will also specify the final grant amount.

In the case of reduction of the grant or recovery of undue amounts, the notification will be preceded by the contradictory procedure set out in Articles 27 and 28.

16.6 Currency for payments

The Commission will make all payments in euro.

16.7 Payments to the beneficiary

Payments will be made to the beneficiary.

Payments to the beneficiary will discharge the Commission from its payment obligation.

16.8 Bank account for payments

All payments will be made to the following bank account:

Name of bank: STATNA POKLADNICA
Full name of the account holder: SLOVENSKY HYROMETEOROLOGICKY USTAV
IBAN code: SK1981800000007000391672

16.9 Costs of payment transfers

The cost of the payment transfers is borne as follows:

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

16.10 Date of payment

Payments by the Commission are considered to have been carried out on the date when they are debited to its account.

16.11 Consequences of non-compliance

16.11.1 If the Commission does not pay within the payment deadlines (see above), the beneficiary is entitled to **late-payment interest** at the rate applied by the European Central Bank (ECB) for its main refinancing operations in euros ('reference rate'), plus three and a half points. The reference rate is the rate in force on the first day of the month in which the payment deadline expires, as published in the C series of the *Official Journal of the European Union*.

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

Late-payment interest is not due if the beneficiary is an EU Member States (including regional and local government authority or other public body acting on behalf of a Member State for the purpose of this Agreement).

Suspension of the payment deadline or payments (see Articles 31 and 32) will not be considered as late payment.

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

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

16.11.2 Not applicable.

ARTICLE 17 — CHECKS, REVIEWS, AUDITS AND INVESTIGATIONS — EXTENSION OF FINDINGS

17.1 Checks, reviews and audits by the Commission

17.1.1 Right to carry out checks

The Commission will — during the implementation of the action or afterwards — check the proper implementation of the action and compliance with the obligations under the Agreement, including assessing deliverables and reports.

For this purpose, the Commission may be assisted by external persons or bodies.

The Commission may also request additional information in accordance with Article 12.

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

17.1.2 Right to carry out reviews

The Commission may — during the implementation of the action or afterwards — carry out reviews on the proper implementation of the action (including assessment of deliverables and reports) and compliance with the obligations under the Agreement.

Reviews may be started **up to three years after the payment of the balance**. They will be formally notified to the beneficiary and will be considered to have started on the date of the formal notification.

If the review is carried out on a third party (see Articles 9 to 11a), the beneficiary must inform the third party.

The Commission may carry out reviews directly (using its own staff) or indirectly (using external persons or bodies appointed to do so). It will inform the beneficiary of the identity of the external persons or bodies. They have the right to object to the appointment on grounds of commercial confidentiality.

The beneficiary must provide — within the deadline requested — any information and data in addition to deliverables and reports already submitted (including information on the use of resources).

The beneficiary may be requested to participate in meetings, including with external experts.

For **on-the-spot** reviews, the beneficiary must allow access to its sites and premises, including to external persons or bodies, and must ensure that information requested is readily available.

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

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

The Commission will formally notify the review report to the beneficiary, who has 30 days to formally notify observations ('**contradictory review procedure**').

Reviews (including review reports) are in the language of the Agreement.

17.1.3 Right to carry out audits

The Commission may — during the implementation of the action or afterwards — carry out audits on the proper implementation of the action and compliance with the obligations under the Agreement.

Audits may be started **up to three years after the payment of the balance**. They will be formally notified to the beneficiary and will be considered to have started on the date of the formal notification.

If the audit is carried out on a third party (see Articles 9 to 11a), the beneficiary must inform the third party.

The Commission may carry out audits directly (using its own staff) or indirectly (using external persons or bodies appointed to do so). It will inform the beneficiary of the identity of the external persons or bodies. They have the right to object to the appointment on grounds of commercial confidentiality.

The beneficiary must provide — within the deadline requested — any information (including complete accounts, individual salary statements or other personal data) to verify compliance with the Agreement.

For **on-the-spot** audits, the beneficiary must allow access to its sites and premises, including to external persons or bodies, and must ensure that information requested is readily available.

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

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

The Commission will formally notify the draft audit report to the beneficiary, who has 30 days to formally notify observations ('**contradictory audit procedure**'). This period may be extended by the Commission in justified cases.

The '**final audit report**' will take into account observations by the beneficiary. The report will be formally notified to it.

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

The Commission may also access the beneficiary's statutory records for the periodical assessment of unit costs or flat-rate amounts.

17.2 Investigations by the European Anti-Fraud Office (OLAF)

Under Regulations No 883/2013⁸ and No 2185/96⁹ (and in accordance with their provisions and procedures), the European Anti-Fraud Office (OLAF) may — at any moment during implementation of the action or afterwards — carry out investigations, including on-the-spot checks and inspections, to establish whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the EU.

17.3 Checks and audits by the European Court of Auditors (ECA)

Under Article 287 of the Treaty on the Functioning of the European Union (TFEU) and Article 161 of the Financial Regulation No 966/2012¹⁰, the European Court of Auditors (ECA) may — at any moment during implementation of the action or afterwards — carry out audits.

The ECA has the right of access for the purpose of checks and audits.

17.4 Checks, reviews, audits and investigations for international organisations

⁸ Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18/09/2013, p. 1).

⁹ Council Regulation (Euratom, EC) No 2185/1996 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15/11/1996, p. 2).

¹⁰ Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26/10/2012, p. 1).

Not applicable

17.5 Consequences of findings in checks, reviews, audits and investigations — Extension of findings

17.5.1 Findings in this grant

Findings in checks, reviews, audits or investigations carried out in the context of this grant may lead to the rejection of ineligible costs (see Article 26), reduction of the grant (see Article 27), recovery of undue amounts (see Article 28) or to any of the other measures described in Chapter 6.

Rejection of costs or reduction of the grant after the payment of the balance will lead to a revised final grant amount (see Article 5.4).

Findings in checks, reviews, audits or investigations may lead to a request for amendment for the modification of Annex 1 (see Article 39).

Checks, reviews, audits or investigations that find systemic or recurrent errors, irregularities, fraud or breach of obligations may also lead to consequences in other EU grants awarded under similar conditions (**'extension of findings from this grant to other grants'**).

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

17.5.2 Findings in other grants

The Commission may extend findings from other grants to this grant (**'extension of findings from other grants to this grant'**), if:

- (a) the beneficiary is found, in other EU grants awarded under similar conditions, to have committed systemic or recurrent errors, irregularities, fraud or breach of obligations that have a material impact on this grant and
- (b) those findings are formally notified to the beneficiary — together with the list of grants affected by the findings — **no later than three years after the payment of the balance** of this grant.

The extension of findings may lead to the rejection of costs (see Article 26), reduction of the grant (see Article 27), recovery of undue amounts (see Article 28), suspension of payments (see Article 32), suspension of the action implementation (see Article 33) or termination (see Article 34).

17.5.3 Procedure

The Commission will formally notify the beneficiary the systemic or recurrent errors and its intention to extend these audit findings, together with the list of grants affected.

17.5.3.1 If the findings concern **eligibility of costs**: the formal notification will include:

- (a) an invitation to submit observations on the list of grants affected by the findings;
- (b) the request to submit **revised financial statements** for all grants affected;
- (c) the **correction rate for extrapolation** established by the Commission on the basis of the systemic or recurrent errors, to calculate the amounts to be rejected, if the beneficiary:

- (i) considers that the submission of revised financial statements is not possible or practicable or
- (ii) does not submit revised financial statements.

The beneficiary has 90 days from receiving notification to submit observations, revised financial statements or to propose a duly substantiated **alternative correction method**. This period may be extended by the Commission in justified cases.

The Commission may then start a **rejection procedure** in accordance with Article 26, either on the basis of the revised financial statements, the alternative method or the correction rate announced.

17.5.3.2 If the findings concern **substantial errors, irregularities or fraud or serious breach of obligations**: the formal notification will include:

- (a) an invitation to submit observations on the list of grants affected by the findings and
- (b) the flat-rate the Commission intends to apply according to the principle of proportionality.

The beneficiary has 90 days from receiving notification to submit observations or to propose a duly substantiated alternative flat-rate.

The Commission may then start a **reduction procedure** in accordance with Article 27, either on the basis of the alternative flat-rate or the flat-rate announced.

17.6 Consequences of non-compliance

If the beneficiary breaches any of its obligations under this Article, any insufficiently substantiated costs will be ineligible (see Article 6) and will be rejected (see Article 26).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 18 — EVALUATION OF THE IMPACT OF THE ACTION

18.1 Right to evaluate the impact of the action

The Commission may carry out interim and final evaluations of the impact of the action measured against the objective of the EU programme.

Evaluations may be started during implementation of the action and **up to three years after the payment of the balance**. The evaluation is considered to start on the date of the formal notification to the beneficiary.

The Commission may make these evaluations directly (using its own staff) or indirectly (using external bodies or persons it has authorised to do so).

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

18.2 Consequences of non-compliance

If the beneficiary breaches any of its obligations under this Article, the Commission may apply the measures described in Chapter 6.

SECTION 3 OTHER RIGHTS AND OBLIGATIONS

ARTICLE 19 — PRE-EXISTING RIGHTS AND OWNERSHIP OF THE RESULTS (INCLUDING INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS)

19.1 Pre-existing rights and access rights to pre-existing rights

Where industrial and intellectual property rights (including rights of third parties) exist prior to the Agreement, the beneficiary must establish a list of these pre-existing industrial and intellectual property rights, specifying the owner and any persons that have a right of use.

The beneficiary must — before starting the action — submit this list to the Commission.

19.2 Ownership of results and rights of use

The results of the action (including the reports and other documents relating to it) are owned by the beneficiary.

The beneficiary must give the Commission the right to use the results for their communication activities under Article 22.

19.3 Consequences of non-compliance

If the beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 27).

Such a breach may also lead to any of the other measures described in Chapter 6.

ARTICLE 20 — CONFLICT OF INTERESTS

20.1 Obligation to avoid a conflict of interests

The beneficiary must take all measures to prevent any situation where the impartial and objective implementation of the action is compromised for reasons involving economic interest, political or national affinity, family or emotional ties or any other shared interest ('**conflict of interests**').

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

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

20.2 Consequences of non-compliance

If the beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 27) and the Agreement may be terminated (see Article 34).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 21 — CONFIDENTIALITY

21.1 General obligation to maintain confidentiality

During implementation of the action and **for five years after the payment of the balance**, the parties must keep confidential any data, documents or other material (in any form) that is identified as confidential at the time it is disclosed (**‘confidential information’**).

They may use confidential information to implement the Agreement.

The confidentiality obligations no longer apply if:

- (a) the disclosing party agrees to release the other party;
- (b) the information becomes generally and publicly available, without breaching any confidentiality obligation;
- (c) the disclosure of the confidential information is required by EU or national law.

21.2 Consequences of non-compliance

If the beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 27).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 22 — PROMOTING THE ACTION — VISIBILITY OF EU FUNDING

22.1 Communication activities by the beneficiary

22.1.1 General obligation to promote the action and its results

The beneficiary must promote the action and its results.

22.1.2 Information on EU funding — Obligation and right to use the EU emblem

Unless the Commission requests or agrees otherwise, any communication activity related to the action (including at conferences, seminars, in information material, such as brochures, leaflets, posters, presentations, etc., in electronic form, via social media, etc.) and any infrastructure, equipment or major result funded by the grant must:

- display the EU emblem and
- include the following text:

“This [insert appropriate description, e.g. report, publication, conference, infrastructure, equipment, insert type of result, etc.] was funded by the European Union.”

When displayed in association with another logo, the EU emblem must have appropriate prominence.

For the purposes of its obligations under this Article, the beneficiary may use the EU emblem without first obtaining approval from the Commission.

This does not, however, give him the right to exclusive use.

Moreover, the beneficiary may not appropriate the EU emblem or any similar trademark or logo, either by registration or by any other means.

22.1.3 Disclaimer excluding Commission responsibility

Any communication activity related to the action must indicate the following disclaimer:

“The content of this [insert appropriate description, e.g. report, publication, conference, etc.] represents the views of the author only and is his/her sole responsibility. The European Commission does not accept any responsibility for use that may be made of the information it contains.”

22.2 Communication activities by the Commission

22.2.1 Right to use beneficiary's materials, documents or information

The Commission may use information relating to the action, documents notably summaries for publication and public deliverables as well as any other material, such as pictures or audio-visual material received from any beneficiary (including in electronic form).

This does not change the confidentiality obligations in Article 21, which still apply.

The right to use the beneficiary's materials, documents and information includes:

- (a) **use for its own purposes** (in particular, making them available to persons working for the Commission or any other EU institution, body, office or agency or body or institutions in EU Member States; and copying or reproducing them in whole or in part, in unlimited numbers);
- (b) **distribution to the public** (in particular, publication as hard copies and in electronic or digital format, publication on the internet, as a downloadable or non-downloadable file, broadcasting by any channel, public display or presentation, communicating through press information services, or inclusion in widely accessible databases or indexes);
- (c) **editing or redrafting** for communication and publicising activities (including shortening, summarising, inserting other elements (such as meta-data, legends, other graphic, visual, audio or text elements), extracting parts (e.g. audio or video files), dividing into parts, use in a compilation);
- (d) **translation**;
- (e) giving **access in response to individual requests** under Regulation No 1049/2001¹¹, without the right to reproduce or exploit;
- (f) **storage** in paper, electronic or other form;

¹¹ Regulation (EC) No 1049/2001 of the European Parliament and of the Council of 30 May 2001 regarding public access to European Parliament, Council and Commission documents (OJ L 145, 31/5/2001, p. 43).

- (g) **archiving**, in line with applicable document-management rules, and
- (h) the right to authorise **third parties** to act on its behalf or sub-license the modes of use set out in Points (b), (c), (d) and (f) to third parties if needed for the communication and publicising activities of the Commission.

If the right of use is subject to rights of a third party (including personnel of the beneficiary), the beneficiary must ensure that it complies with its obligations under this Agreement (in particular, by obtaining the necessary approval from the third parties concerned).

Where applicable (and if provided by the beneficiary), the Commission will insert the following information:

“© – [year] – [name of the copyright owner]. All rights reserved. Licensed to the European Union (EU) under conditions.”

22.3 Consequences of non-compliance

If the beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 27).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 23 — PROCESSING OF PERSONAL DATA

23.1 Processing of personal data by the Commission

Any personal data under the Agreement will be processed by the Commission under Regulation No 45/2001¹² and according to the ‘notifications of the processing operations’ to the Data Protection Officer (DPO) of the Commission (publicly accessible in the DPO register).

Such data will be processed by the ‘**data controller**’ of the Commission, for the purposes of implementing, managing and monitoring the Agreement or protecting the EU financial interests (including checks, reviews, audits and investigations; see Article 17).

The persons whose personal data are processed have the right to access and correct their own personal data. For this purpose, they must send any queries about the processing of their personal data to the data controller, via the contact point indicated in the privacy statement(s) on the Commission websites.

They also have the right to have recourse at any time to the European Data Protection Supervisor (EDPS).

23.2 Processing of personal data by the beneficiary

The beneficiary must process personal data under the Agreement in compliance with applicable EU and national law on data protection (including authorisations or notification requirements).

¹² Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 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 (OJ L 8, 12/01/2001, p 1).

The beneficiary may grant its personnel access only to data that is strictly necessary for implementing, managing and monitoring the Agreement.

The beneficiary must inform the personnel whose personal data are collected and processed by the Commission. For this purpose, it must provide them with the privacy statement(s) (see above), before transmitting their data to the Commission.

23.3 Consequences of non-compliance

If the beneficiary breaches any of its obligations under Article 23.2, the Commission may apply any of the measures described in Chapter 6.

ARTICLE 24 — ASSIGNMENTS OF CLAIMS FOR PAYMENT AGAINST THE COMMISSION

The beneficiary may not assign any of its claims for payment against the Commission to any third party, except if approved by the Commission on the basis of a reasoned, written request by the beneficiary.

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

In no circumstances will an assignment release the beneficiary from its obligations towards the Commission.

CHAPTER 5 BENEFICIARY'S ROLES AND RESPONSIBILITIES

ARTICLE 25 — BENEFICIARY'S ROLES AND RESPONSIBILITIES

25.1 Roles and responsibilities towards the Commission

The beneficiary has full responsibility for implementing the action and complying with the Agreement.

The beneficiary is itself responsible for:

- (a) monitoring that the action is implemented properly (see Article 7);
- (b) informing the Commission immediately of any events or circumstances likely to affect significantly or delay the implementation of the action (see Article 12);
- (c) submitting the deliverables and reports to the Commission (see Articles 14 and 15);
- (d) submitting to the Commission in good time any documents or information required,

and may not subcontract these tasks.

25.2 Internal division of roles and responsibilities

Not applicable

25.3 Internal arrangements between beneficiaries — Consortium agreement

Not applicable

CHAPTER 6 REJECTION OF COSTS — REDUCTION OF THE GRANT — RECOVERY — SANCTIONS — DAMAGES — SUSPENSION — TERMINATION — FORCE MAJEURE

SECTION 1 REJECTION OF COSTS — REDUCTION OF THE GRANT — RECOVERY — SANCTIONS

ARTICLE 26 — REJECTION OF INELIGIBLE COSTS

26.1 Conditions

The Commission will — **at the payment of the balance or afterwards** — reject any costs which are ineligible (see Article 6), in particular following checks, reviews, audits or investigations (see Article 17).

The rejection may also be based on the **extension of findings from other grants to this grant** (see Article 17.5.2).

26.2 Ineligible costs to be rejected — Calculation — Procedure

Ineligible costs will be rejected in full.

If the rejection of costs does not lead to a recovery (see Article 28), the Commission will formally notify the beneficiary of the rejection of costs, the amounts and the reasons why (if applicable, together with the notification of amounts due; see Article 16.5). The beneficiary may — within 30 days of receiving notification — formally notify the Commission of its disagreement and the reasons why.

If the rejection of costs leads to a recovery, the Commission will follow the contradictory procedure with pre-information letter set out in Article 28.

26.3 Effects

If the Commission rejects costs **at the payment of the balance**, it will deduct them from the total eligible costs declared in the final summary financial statement (see Article 15.3 and 15.4). It will then calculate payment of the balance as set out in Article 16.3 or 16.4.

If the Commission rejects costs **after the payment of the balance**, it will calculate the revised final grant amount as set out in Article 5.4. If the revised final grant amount is lower than the final grant amount, the Commission will recover the difference (see Article 28).

ARTICLE 27 — REDUCTION OF THE GRANT

27.1 Conditions

The Commission may — **at the payment of the balance or afterwards** — reduce the grant, if:

(a) the beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has committed:

- substantial errors, irregularities or fraud or
- serious breach of obligations under the Agreement or during the award procedure (including improper implementation of the action, submission of false information, failure to provide required information, breach of ethical principles) or

(b) the beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has committed — in other EU grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on this grant (**extension of findings from other grants to this grant**; see Article 17.5.2).

27.2 Amount to be reduced — Calculation — Procedure

The amount of the reduction will be proportionate to the seriousness of the errors, irregularities or fraud or breach of obligations.

Before reduction of the grant, the Commission will formally notify a '**pre-information letter**' to the beneficiary:

- informing it of its intention to reduce the grant, the amount it intends to reduce and the reasons why and
- inviting it to submit observations within 30 days of receiving notification

If the Commission does not receive any observations or decides to pursue reduction despite the observations it has received, it will formally notify **confirmation** of the reduction (if applicable, together with the notification of amounts due; see Article 16).

27.3 Effects

If the Commission reduces the grant at the time of **the payment of the balance**, it will calculate the reduced grant amount and then determine the amount due as payment of the balance (see Articles 5.3 and 16.4).

If the Commission reduces the grant **after the payment of the balance**, it will calculate the revised final grant amount (see Article 5.4). If the revised final grant amount is lower than the final grant amount, the Commission will recover the difference (see Article 28).

ARTICLE 28 — RECOVERY OF UNDUE AMOUNTS

28.1 Amount to be recovered — Calculation — Procedure

The Commission will — **at the payment of the balance or afterwards** — claim back amount that was paid but is not due under the Agreement.

28.1.1 Recovery at payment of the balance

If the payment of the balance takes the form of a recovery (see Article 16.4), the Commission will formally notify a '**pre-information letter**' to the beneficiary:

- informing it of its intention to recover, the amount due as the balance and the reasons why and
- inviting it to submit observations within 30 days of receiving notification.

If no observations are submitted or the Commission decides to pursue recovery despite the observations it has received, it will **confirm** the amount to be recovered and formally notify to the beneficiary a **debit note** with the terms and the date for payment (together with the notification of amounts due; see Article 16.5).

If payment is not made by the date specified in the debit note, the Commission will **recover** the amount:

- (a) by '**offsetting**' it — without the beneficiary's consent — against any amounts owed to the beneficiary by the Commission or an executive agency (from the EU budget).

In exceptional circumstances, to safeguard the EU financial interests, the Commission may offset before the payment date specified in the debit note;

- (b) not applicable;

- (c) joint and several liability of other beneficiaries: not applicable;

- (d) by **taking legal action** (see Article 41) or by **adopting an enforceable decision** under Article 299 of the Treaty on the Functioning of the EU (TFEU) and Article 79(2) of the Financial Regulation No 966/2012.

If payment is not made by the date in the debit note, the amount to be recovered (see above) will be increased by **late-payment interest** at the rate set out in Article 16.11, from the day following the payment date in the debit note, up to and including the date the Commission receives full payment of the amount.

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

Bank charges incurred in the recovery process will be borne by the beneficiary, unless Directive 2007/64/EC¹³ applies.

28.1.2 Recovery of amounts after payment of the balance

If — after the payment of the balance — the Commission revised the final grant amount (see Article 5.4), and the revised final grant amount is lower than the final grant amount (see Article 5.3), it will formally notify a **pre-information letter** to the beneficiary:

- informing it of its intention to recover, the amount to be repaid and the reasons why and
- inviting it to submit observations within 30 days of receiving notification.

¹³ 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 (OJ L 319, 05.12.2007, p. 1).

If no observations are submitted or the Commission decides to pursue recovery despite the observations it has received, it will **confirm** the amount to be recovered and formally notify to the beneficiary a **debit note**. This note will also specify the terms and the date for payment.

If payment is not made by the date specified in the debit note, the Commission will **recover** the amount:

- (a) by '**offsetting**' it — without the beneficiary's consent — against any amounts owed to the beneficiary by the Commission or an executive agency (from the EU budget).

In exceptional circumstances, to safeguard the EU financial interests, the Commission may offset before the payment date specified in the debit note;

- (b) joint and several liability of other beneficiaries: not applicable;

- (c) by **taking legal action** (see Article 41) or by **adopting an enforceable decision** under Article 299 of the Treaty on the Functioning of the EU (TFEU) and Article 79(2) of the Financial Regulation No 966/2012.

If payment is not made by the date in the debit note, the amount to be recovered (see above) will be increased by **late-payment interest** at the rate set out in Article 16.11, from the day following the date for payment in the debit note, up to and including the date the Commission receives full payment of the amount.

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

Bank charges incurred in the recovery process will be borne by the beneficiary, unless Directive 2007/64/EC applies.

ARTICLE 29 — ADMINISTRATIVE SANCTIONS

In addition to contractual measures, the Commission may also adopt administrative sanctions under Articles 106 and 131(4) of the Financial Regulation No 966/2012 (i.e. exclusion from future procurement contracts, grants, prizes and expert contracts and/or financial penalties).

SECTION 2 LIABILITY FOR DAMAGES

ARTICLE 30 — LIABILITY FOR DAMAGES

30.1 Liability of the Commission

The Commission cannot be held liable for any damage caused to the beneficiary or to third parties as a consequence of implementing the Agreement, including for gross negligence.

The Commission cannot be held liable for any damage caused by the beneficiary or third parties involved in the action, as a consequence on implementing the Agreement.

30.2 Liability of the beneficiaries

Except in case of force majeure (see Article 35), the beneficiary must compensate the Commission

for any damage it sustains as a result of the implementation of the action or because the action was not implemented in full compliance with the Agreement.

SECTION 3 SUSPENSION AND TERMINATION

ARTICLE 31 — SUSPENSION OF PAYMENT DEADLINE

31.1 Conditions

The Commission may — at any moment — suspend the payment deadline (see Article 16.2 to 16.4) if a request for payment (see Article 15) cannot be approved because:

- (a) it does not comply with the provisions of the Agreement (see Article 15);
- (b) the technical or financial report(s) have not been submitted or are not complete or additional information is needed, or
- (c) there is doubt about the eligibility of the costs declared in the financial statement(s) and additional checks, reviews, audits or investigations are necessary.

31.2 Procedure

The Commission will formally notify the beneficiary of the suspension and the reasons why.

The suspension will **take effect** the day notification is sent by the Commission (see Article 36).

If the conditions for suspending the payment deadline are no longer met, the suspension will be **lifted** — and the remaining period will resume.

If the suspension exceeds two months, the beneficiary may request the Commission if the suspension will continue.

If the payment deadline has been suspended due to the non-compliance of the technical or financial report(s) (see Article 15) and the revised report or statement is not submitted or was submitted but is also rejected, the Commission may also terminate the Agreement (see Article 34.3.1(i)).

ARTICLE 32 — SUSPENSION OF PAYMENTS

32.1 Conditions

The Commission may — at any moment — suspend payments, in whole or in part, if:

- (a) the beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has committed or is suspected of having committed:
 - (i) substantial errors, irregularities or fraud or
 - (ii) serious breach of obligations under the Agreement or during the award procedure (including improper implementation of the action, submission of false information, failure to provide required information, breach of ethical principles) or

- (b) the beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has committed — in other EU grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on this grant (**extension of findings from other grants to this grant**; see Article 17.5.2).

If suspension concerns the payment of the balance, the payment (or recovery) after suspension is lifted will be considered to be the payment that closes the action.

32.2 Procedure

Before suspending payments, the Commission will formally notify the beneficiary:

- informing it of its intention to suspend payments and the reasons why and
- inviting it to submit observations within 30 days of receiving notification.

If the Commission does not receive observations or decides to pursue the procedure despite the observations it has received, it will formally notify **confirmation** of the suspension. Otherwise, it will formally notify that the suspension procedure is not continued.

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

If the conditions for resuming payments are met, the suspension will be **lifted**. The Commission will formally notify the beneficiary.

The beneficiary may suspend implementation of the action (see Article 33.1) or terminate the Agreement (see Article 34.1 and 34.2).

ARTICLE 33 — SUSPENSION OF THE ACTION IMPLEMENTATION

33.1 Suspension of the action implementation, by the beneficiary

33.1.1 Conditions

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

33.1.2 Procedure

The beneficiary must immediately formally notify to the Commission the suspension (see Article 36), stating:

- the reasons why and
- the expected date of resumption.

The suspension will **take effect** the day this notification is received by the Commission.

Once circumstances allow for implementation to resume, the beneficiary must immediately formally notify the Commission and request an **amendment** of the Agreement to set the date on which the

action will be resumed, extend the duration of the action and make other changes necessary to adapt the action to the new situation (see Article 39) — unless the Agreement has been terminated (see Article 34).

The suspension will be **lifted** with effect from the resumption date set out in the amendment. This date may be before the date on which the amendment enters into force.

Costs incurred during suspension of the action implementation are not eligible (see Article 6).

33.2 Suspension of the action implementation, by the Commission

33.2.1 Conditions

The Commission may suspend implementation of the action or any part of it, if:

- (a) the beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has committed or is suspected of having committed:
 - (i) substantial errors, irregularities or fraud or
 - (ii) serious breach of obligations under the Agreement or during the award procedure (including improper implementation of the action, submission of false information, failure to provide required information, breach of ethical principles) or
- (b) the beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has committed — in other EU grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on this grant (**extension of findings from other grants to this grant**; see Article 17.5.2).

33.2.2 Procedure

Before suspending implementation of the action, the Commission will formally notify the beneficiary:

- informing it of its intention to suspend the implementation and the reasons why and
- inviting it to submit observations within 30 days of receiving notification.

If the Commission does not receive observations or decides to pursue the procedure despite the observations it has received, it will formally notify **confirmation** of the suspension. Otherwise, it will formally notify that the procedure is not continued.

The suspension will **take effect** five days after confirmation notification is received by the beneficiary (or on a later date specified in the notification).

It will be **lifted** if the conditions for resuming implementation of the action are met.

The beneficiary will be formally notified of the lifting and the Agreement will be **amended** to set the date on which the action will be resumed, extend the duration of the action and make other changes necessary to adapt the action to the new situation (see Article 39) — unless the Agreement has been terminated (see Article 34).

The suspension will be lifted with effect from the resumption date set out in the amendment. This date may be before the date on which the amendment enters into force.

Costs incurred during suspension are not eligible (see Article 6).

The beneficiary may not claim damages due to suspension by the Commission (see Article 30).

Suspension of the action implementation does not affect the Commission's right to terminate the Agreement (see Article 34), reduce the grant or recover amounts unduly paid (see Articles 27 and 28).

ARTICLE 34 — TERMINATION OF THE AGREEMENT

34.1 Termination of the Agreement, by the beneficiary

34.1.1 Conditions and procedure

The beneficiary may terminate the Agreement.

The beneficiary must formally notify termination to the Commission (see Article 36), stating:

- the reasons why and
- the date the termination will take effect. This date must be after the notification.

If no reasons are given or if the Commission considers the reasons do not justify termination, the Agreement will be considered to have been '**terminated improperly**'.

The termination will **take effect** on the day specified in the notification.

34.1.2 Effects

The beneficiary must — within 60 days from when termination takes effect — submit the final report (see Article 15.4).

If the Commission does not receive the report within the deadline (see above), no costs will be taken into account.

The Commission will **calculate** the final grant amount (see Article 5.3) and the balance (see Article 16.4) on the basis of the report(s) submitted. Only costs incurred until termination takes effect are eligible (see Article 6). Costs relating to contracts due for execution only after termination are not eligible.

Improper termination may lead to a reduction of the grant (see Article 27).

After termination, the beneficiary's obligations (in particular, Articles 15, 17, 18, 19, 21, 22, 24, 26, 27 and 28) continue to apply.

34.2 Termination of the participation of one or more beneficiaries, by the beneficiaries

Not applicable

34.3 Termination of the Agreement, by the Commission

34.3.1 Conditions

The Commission may terminate the Agreement, if:

- (a) non-accession to the Agreement: not applicable;
- (b) a change to the legal, financial, technical, organisational or ownership situation of the beneficiary is likely to substantially affect or delay the implementation of the action or calls into question the decision to award the grant;
- (c) amendment impossible after termination of participation of a beneficiary: not applicable;
- (d) implementation of the action is prevented by force majeure (see Article 35) or suspended by the beneficiary (see Article 33.1) and either:
 - (i) resumption is impossible, or
 - (ii) the necessary changes to the Agreement would call into question the decision awarding the grant or breach the principle of equal treatment of applicants;
- (e) the beneficiary is declared bankrupt, being wound up, having its affairs administered by the courts, has entered into an arrangement with creditors, has suspended business activities, or is subject to any other similar proceedings or procedures under national law;
- (f) the beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has been found guilty of professional misconduct, proven by any means;
- (g) the beneficiary does not comply with the applicable national law on taxes and social security;
- (h) the beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has committed fraud, corruption, or is involved in a criminal organisation, money laundering, terrorism-related crimes (including terrorism financing), child labour or human trafficking;
- (i) the beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has committed:
 - (i) substantial errors, irregularities or fraud or
 - (ii) serious breach of obligations under the Agreement or during the award procedure (including improper implementation of the action, submission of false information, failure to provide required information, breach of ethical principles);
- (j) the beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has committed — in other EU grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on this grant grant (**extension of findings from other grants to this grant**; see Article 17.5.2);
- (k) refusal to remove a linked third party: not applicable.

34.3.2 Procedure

Before terminating the Agreement, the Commission will formally notify the beneficiary:

- informing it of its intention to terminate and the reasons why and
- inviting it, within 30 days of receiving notification, to submit observations and — in case of Point (i.ii) above — to inform the Commission of the measures to ensure compliance with the obligations under the Agreement.

If the Commission does not receive observations or decides to pursue the procedure despite the observations it has received, it will formally notify to the beneficiary **confirmation** of the termination and the date it will take effect. Otherwise, it will formally notify that the procedure is not continued.

The termination will **take effect**:

- for terminations under Points (b), (c), (e), (g), (i.ii) and (k) above: on the day specified in the notification of confirmation (see above);
- for terminations under Points (a), (d), (f), (h), (i.i) and (j) above: on the day after the notification of the confirmation is received by the beneficiary.

34.3.3 Effects

The beneficiary must — within 60 days from when termination takes effect — submit a final report (see Article 15.4).

If the Agreement is terminated for breach of the obligation to submit report(s) (see Articles 15.8 and 34.3.1(i)), the beneficiary may not submit any report(s) after termination.

If the Commission does not receive the report within the deadline (see above), no costs will be taken into account.

The Commission will **calculate** the final grant amount (see Article 5.3) and the balance (see Article 16.4) on the basis of the report(s) submitted. Only costs incurred until termination takes effect are eligible (see Article 6). Costs relating to contracts due for execution only after termination are not eligible.

This does not affect the Commission's right to reduce the grant (see Article 27) or to impose administrative sanctions (Article 29).

The beneficiary may not claim damages due to termination by the Commission (see Article 30).

After termination, the beneficiary's obligations (in particular Articles 15, 17, 18, 19, 21, 22, 24, 26, 27 and 28) continue to apply.

SECTION 4 FORCE MAJEURE

ARTICLE 35 — FORCE MAJEURE

'Force majeure' means any situation or event that:

- prevents either party from fulfilling their obligations under the Agreement,

- was unforeseeable, exceptional situation and beyond the parties' control,
- was not due to error or negligence on their part (or on the part of third parties involved in the action), and
- proves to be inevitable in spite of exercising all due diligence.

The following cannot be invoked as force majeure:

- any default of a service, defect in equipment or material or delays in making them available, unless they stem directly from a relevant case of force majeure,
- labour disputes or strikes, or
- financial difficulties.

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

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

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

CHAPTER 7 FINAL PROVISIONS

ARTICLE 36 — COMMUNICATION BETWEEN THE PARTIES

36.1 Form and means of communication

Communication under the Agreement (information, requests, submissions, 'formal notifications', etc.) must:

- be made in writing and
- bear the number of the Agreement.

All communication must be made through the Participant Portal **electronic** exchange system and using the forms and templates provided there.

If — after the payment of the balance — the Commission finds that a formal notification was not accessed, a second formal notification will be made by registered post with proof of delivery ('formal notification on **paper**'). Deadlines will be calculated from the moment of the second notification.

Communications in the electronic exchange system must be made by persons authorised according to the Participant Portal Terms & Conditions. For naming the authorised persons, the beneficiary must have designated — before the signature of this Agreement — a 'legal entity appointed representative (LEAR)'. The role and tasks of the LEAR are stipulated in his/her appointment letter (see Participant Portal Terms & Conditions).

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

36.2 Date of communication

Communications are considered to have been made when they are sent by the sending party (i.e. on the date and time they are sent through the electronic exchange system).

Formal notifications through the **electronic** exchange system are considered to have been made when they are received by the receiving party (i.e. on the date and time of acceptance by the receiving party, as indicated by the time stamp). A formal notification that has not been accepted within 10 days after sending is considered to have been accepted.

Formal notifications **on paper** sent by **registered post** with proof of delivery (only after the payment of the balance) are considered to have been made on either:

- the delivery date registered by the postal service or
- the deadline for collection at the post office.

If the electronic exchange system is temporarily unavailable, the sending party cannot be considered in breach of its obligation to send a communication within a specified deadline.

36.3 Addresses for communication

The **electronic** exchange system must be accessed via the following URL:

<https://ec.europa.eu/research/participants/portal/desktop/en/projects/>

The Commission will formally notify the beneficiary in advance of any changes to this URL.

The address for **paper** communications to the Commission (if exceptionally allowed) is the official mailing address indicated on the Commission's website. For the beneficiary, it is the legal address specified in the Participant Portal Beneficiary Register.

ARTICLE 37 — INTERPRETATION OF THE AGREEMENT

37.1 Precedence of the Terms and Conditions over the Annexes

The provisions in the Terms and Conditions of the Agreement take precedence over its Annexes.

Annex 2 takes precedence over Annex 1.

37.2 Privileges and immunities

Not applicable

ARTICLE 38 — CALCULATION OF PERIODS, DATES AND DEADLINES

In accordance with Regulation No 1182/71¹⁴, periods expressed in days, months or years are calculated from the moment the triggering event occurs.

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

ARTICLE 39 — AMENDMENTS TO THE AGREEMENT

39.1 Conditions

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

Amendments may be requested by any of the parties.

39.2 Procedure

The party requesting an amendment must submit a request for amendment signed in the electronic exchange system (see Article 36).

The request for amendment must include:

- the reasons why;
- the appropriate supporting documents.

The Commission may request additional information.

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

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

An amendment **takes effect** on the date agreed by the parties or, in the absence of such an agreement, on the date on which the amendment enters into force.

ARTICLE 40 — ACCESSION TO THE AGREEMENT

Not applicable

ARTICLE 41 — APPLICABLE LAW AND SETTLEMENT OF DISPUTES

41.1 Applicable law

The Agreement is governed by the applicable EU law, supplemented if necessary by the law of Belgium.

¹⁴ Regulation (EEC, Euratom) No 1182/71 of the Council of 3 June 1971 determining the rules applicable to periods, dates and time-limits (OJ L 124, 8/6/1971, p. 1).

41.2 Dispute settlement

If a dispute concerning the interpretation, application or validity of the Agreement cannot be settled amicably, the General Court — or, on appeal, the Court of Justice of the European Union — has sole jurisdiction. Such actions must be brought under Article 272 of the Treaty on the Functioning of the EU (TFEU).

If a dispute concerns administrative sanctions, offsetting or an enforceable decision under Article 299 TFEU (see Articles 28, 29 and 30), the beneficiary must bring action before the General Court — or, on appeal, the Court of Justice of the European Union — under Article 263 TFEU.

ARTICLE 42 — ENTRY INTO FORCE OF THE AGREEMENT

The Agreement will enter into force on the day of signature by the Commission or the beneficiary, depending on which is later.

17 FEB. 2021

SIGNATURES

For the beneficiary

For the Commission

Predmet: Grantová zmluva č. 101022801 - 2020-SK-ENVACC

Táto zmluva (ďalej len „zmluva“) je uzavretá medzi týmito stranami:

Európska únia (ďalej len „EÚ“), zastúpená Európskou komisiou (ďalej len „Komisia“) zastúpená na účely podpisu tejto zmluvy riaditeľkou Viveka PALM, riaditeľka Odvetvové a regionálne štatistiky EUROSTAT a

„Príjemca“:

SLOVENSKÝ HYDROMETEOROLOGICKÝ USTAV (SHMU), so sídlom v JESENIOVEJ 17, BRATISLAVA 833 15, Slovensko, DIČ: SK2020749852, zastúpená na účely podpisu zmluvy generálnym riaditeľom Martinom BENKOM

Vyššie uvedené strany sa dohodli na uzavretí zmluvy za podmienok nižšie. Podpísaním dohody príjemca prijíma grant a zaväzuje sa vykonať prácu na vlastnú zodpovednosť a v súlade s dohodou, so všetkými povinnosťami a podmienkami, ktoré sú zmluvou stanovené.

KAPITOLA 1 VŠEOBECNE USTANOVENIA

Článok 1 - Predmet dohody

Táto zmluva stanovuje práva a povinnosti a podmienky platné pre grant príjemcovi za vykonanie práce uvedenej v kapitole 2.

KAPITOLA 2 VÝKON PRÁCE

Článok 2 – Práca, ktorá sa má vykonať

Grant sa udeľuje na prácu s názvom „Zlepšenie alokácie emisií z cestnej dopravy pre emisné účty AEA a koherenciu medzi modulmi AEA a PEFA - 2020-SK-ENVACC “ („práca“), ako je uvedené v prílohe 1.

Článok 3 - Dĺžka a dátum začatia práce

Práca bude trvať 24 mesiacov od 1. 2.21 („počiatočný dátum práce“).

Článok 4 - Odhadovaný rozpočet a prevod rozpočtu

4.1 Odhadovaný rozpočet

„Odhadovaný rozpočet“ na prácu je uvedený v prílohe 2. Obsahuje odhadované oprávnené náklady a formy nákladov v členení podľa rozpočtovej kategórie (pozri Články 5, 6).

4.2 Rozpočtové prevody

Odhadované rozdelenie rozpočtu uvedené v prílohe 2 je možné upraviť - bez zmeny a doplnenia (pozri článok 39) - prevodmi súm medzi rozpočtovými kategóriami a/alebo stanovenými formami nákladov v prílohe 2, ak sa akcia realizuje podľa popisu v prílohe 1. Príjemca však nemôže pripočítať náklady na subdodávky, ktoré nie sú uvedené v prílohe 1, pokiaľ tieto dodatočné subdodávky nie sú schválené dodatkom alebo v súlade s článkom 10.

KAPITOLA 3 GRANT

Článok 5 - Suma grantu, forma grantu, sadzba náhrad a formy nákladov

5.1 Maximálna výška grantu

„Maximálna výška grantu“ je 53 805,68 EUR (päťdesiattritisíc osemsto päť EURO a šesťdesiat osem eurocentov).

5.2 Forma grantu, miera úhrady a formy nákladov

Grantom sa hradí 90 % oprávnených nákladov na prácu („úhrada grantu oprávnených nákladov; pozri článok 6 a prílohu 2). Odhadované oprávnené náklady na akciu sú 59 784,09 EUR (päťdesiatdeväťtisíc sedemsto osemdesiatštyri EURO a deväť centov). Oprávnené náklady (pozri článok 6) sa musia deklarovať pomocou nasledujúcich formulárov („nákladové formuláre“):

a) na priame personálne náklady:

- pre zamestnancov neplatených na základe odpracovaného času, ale na základe výsledkov (napr. počet preložených strán): ako skutočne vynaložené náklady („skutočné náklady“);

- pre všetkých ostatných zamestnancov: na základe súm na jednotky stanovených v prílohe 2a („jednotka nákladu“);

b) pre priame cestovné náklady a diéty: ako skutočne vynaložené náklady („skutočné náklady“);

c) na priame náklady na subdodávky: ako skutočne vynaložené náklady („skutočné náklady“);

d) na priame náklady na poskytovanie finančnej podpory tretím stranám: neuplatňuje sa;

e) ostatné priame náklady ako skutočne vzniknuté náklady (ďalej len „skutočné náklady“);

f) pre nepriame náklady: na základe paušálnej sadzby stanovenej v článku 6.2 bod f („paušálna sadzba“ nákladov)

KAPITOLA 7 ZÁVEREČNÉ USTANOVENIA

Článok 37 - Výklad dohody

37.1 Prednosť obchodných podmienok pred prílohami

Ustanovenia obchodných podmienok dohody majú prednosť pred jej prílohami. Príloha 2 má prednosť pred prílohou 1.

Článok 41 - Rozhodné právne predpisy a riešenie sporov

41.1 Rozhodné právo

Táto dohoda sa riadi príslušnými právnymi predpismi EÚ, ktoré sú v prípade potreby doplnené právnymi predpismi Belgicka.

41.2 Riešenie sporov

Ak nie je možné vyriešiť spor týkajúci sa výkladu, uplatňovania alebo platnosti dohody priateľsky, rozhoduje všeobecný súd - alebo v odvolacom konaní Súdny dvor Európskej únie. Takéto žaloby musia byť podané podľa článku 272 Zmluvy o fungovaní EÚ (TFEU). Ak sa spor týka administratívnych sankcií, započítania alebo vykonateľného rozhodnutia podľa článku 299 TFEU (pozri články 28, 29 a 30), musí príjemca podať žalobu na Všeobecnom súde – alebo v odvolacom konaní na Súdny dvor Európskej únie - podľa článku 263 TFEU.

Článok 42 - Nadobudnutie platnosti zmluvy

Dohoda nadobúda platnosť dňom podpisu Komisiou alebo príjemcom, podľa toho, čo je neskôr.