GRANT AGREEMENT FOR AN ACTION WITH MULTIPLE BENEFICIARIES

ERASMUS MUNDUS JOINT MASTER DEGREES (EMJMD)

Financing exclusively by lump sum and/or unit costs contribution(s)

AGREEMENT NUMBER – XXXXXXXX
PROJECT NUMBER – XXXXXXXX

The Education, Audiovisual and Culture Executive Agency (hereinafter referred to as “the Agency”), acting under powers delegated by the European Commission (hereinafter referred to as “the Commission”) represented for the purposes of signature of this Agreement by Mr XXXXXXXX XXXXXXXX, Head of Unit for Erasmus+: Higher Education – Erasmus Mundus Joint Master Degrees,

on the one part,

and

XXXXXXXX

XXXXXXXX, XXXXXXXX

XXXXXXXX

PO BOX XXXX

XX - XXXXXXXX XXXXXXXX

hereinafter referred to as “the coordinator”, represented for the purposes of signature of this Agreement by XXXXXXXX

and the other beneficiaries listed in Annex IV

duly represented by the coordinator by virtue of the mandates included in Annex IV for the signature of this Agreement, hereinafter referred to collectively as “the beneficiaries”, and individually as “beneficiary” for the purposes of this Agreement where a provision applies without distinction between the coordinator or another beneficiary,

on the other part,

Whereas the Commission has taken the decisions n° C(2013) 8550 of 04/12/2013 and n° C(2014) 6158 of 03/09/2014 authorising the use of lump sum and reimbursement on the basis of unit costs to cover one or more different categories of eligible costs under the Erasmus+ Programme - Key Action 1: Erasmus Mundus Joint Master Degrees.
HAVE AGREED

to the Special Conditions (hereinafter referred to as “the Special Conditions”) and the following Annexes:

Annex I  Description of the action
Annex II General Conditions (hereinafter referred to as “the General Conditions”)
Annex III Estimated budget of the action
Annex IV List of beneficiaries and mandates provided to the coordinator by the other beneficiaries
Annex V  Model technical report
Annex VI Model financial statement
Annex VII Model terms of reference for the certificate on the financial statements and underlying accounts: not applicable
Annex VIII Model terms of reference for the operational verification report: not applicable
Annex IX Minimum requirements for the Health and Accident Insurance coverage of EMJMD students
Annex X Minimum requirements and recommendations for student selection & scholarship management

which form an integral part of this Agreement, hereinafter referred to as "the Agreement".

The terms set out in the Special Conditions shall take precedence over those set out in the Annexes.

The terms of Annex II "General Conditions" shall take precedence over the other Annexes.
SPECIAL CONDITIONS

ARTICLE I.1 - SUBJECT MATTER OF THE AGREEMENT

A European Union grant is awarded, under the terms and conditions set out in the Special Conditions, the General Conditions and the other Annexes to the Agreement, for the action entitled XXXXXXXX XXXXXXXX ("the action") as described in Annex I.

With the signature of the Agreement, the beneficiaries accept the grant and agree to implement the action, acting on their own responsibility.

ARTICLE I.2 - ENTRY INTO FORCE OF THE AGREEMENT AND DURATION OF THE ACTION

I.2.1 The Agreement shall enter into force on the date on which the last party signs.

I.2.2 The action shall run for XX months as of XX/XX/XXX ("the starting date of the action") and shall end on XX/XX/XXX.

ARTICLE I.3 - MAXIMUM AMOUNT AND FORM OF THE GRANT

The grant shall be of a maximum amount of EUR XXXXXXXX and shall take the form of:

(a) Reimbursement of eligible costs: not applicable.

(b) A unit contribution ("unit contribution") to cover the following categories of eligible costs related to the EMJMD students scholarships, as indicated in the Erasmus+ Programme Guide:
   - participation costs
   - travel and installation costs
   - subsistence costs

(c) A lump sum contribution of maximum EUR XXXXXXXX ("lump sum contribution") to cover the following categories of eligible costs:
   
   - contribution to the EMJMD consortium management costs for the preparatory year financed by a lump sum amount of EUR 20.000 (if relevant)
   
   - contribution to the EMJMD consortium management costs and costs for invited scholars and guest lecturers financed by a lump sum amount of EUR 50.000 per intake of the EMJMD for a total of three intakes. A reduction of EUR 1.950 will be applied for each scholar week not duly carried out and/or not reported.

(d) Flat-rate contribution: not applicable
ARTICLE I.4 - ADDITIONAL PROVISIONS ON REPORTING, PAYMENTS AND PAYMENT ARRANGEMENTS

I.4.1 Reporting periods, payments and additional supporting documents

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

- Upon entry into force of the Agreement, a pre-financing payment of 25% of the maximum amount specified in Article I.3 shall be paid to the coordinator.

Further pre-financing payments:

- A second pre-financing payment of 50% of the maximum amount specified in Article I.3 shall be paid to the coordinator, subject to having used at least 70% of the previous pre-financing instalment paid, and to the receipt of a progress report on the implementation of the action (“technical report on progress”), and a statement on the amount of the previous pre-financing instalment used to cover costs of the action (“statement on the use of the previous pre-financing instalment”), drawn up in accordance with Annexes V and VI, including an extract from the EACEA mobility tool in order for the Agency to check the level of consumption of the first instalment;

- A third pre-financing payment of 25% of the maximum amount specified in Article I.3 shall be paid to the coordinator, subject to having used at least 70% of the previous pre-financing instalments paid, and to the receipt of a progress report on the implementation of the action (“technical report on progress”), and a statement on the amount of the previous pre-financing instalment used to cover costs of the action (“statement on the use of the previous pre-financing instalment”), drawn up in accordance with Annexes V and VI, including an extract from the EACEA mobility tool in order for the Agency to check the level of consumption of the previous instalments;

- Should preceding pre-financing instalments not be executed in full, a further pre-financing (fourth pre-financing) shall be requested by the coordinator in order to reach the maximum amount of pre-financings. A fourth pre-financing request (accompanied by the forms specified in Annexes V and VI) should be submitted no later than one year before the end of the period set out in Article I.2.2.

Payment of the balance:

- Sole reporting period from the starting date of the action to the end of the period set out in Article I.2.2: The balance shall be paid to the coordinator, subject to the receipt of the final report accompanied by a summary financial statement, drawn up in accordance with Annex V and VI.

Reporting arrangements:

The documents referred to in Annexes V and VI must be submitted by the following months:

1) a technical report by XX.XX.XXX;
2) a **second pre-financing request** (accompanied by the forms specified in Annexes V and VI) by **XX.XX.XXXX**;

3) a **third pre-financing request** (accompanied by the forms specified in Annexes V and VI) **no later than XX.XX.XXXX**;

4) a **final report** covering the whole duration of the action, accompanied by a summary financial statement (forms to use specified in Annexes V and VI) **must be submitted no later than 60 calendar days after the end date** of the action set out in Article I.2.

**I.4.2 Time limit for payments**

The time limit for the Agency to make further pre-financing payments and payment of the balance is 60 days.

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

All requests for payments, technical reports and financial statements shall be submitted in English, French or German.

**ARTICLE I.5 - BANK ACCOUNT FOR PAYMENTS**

All payments shall be made to the coordinator's bank account, denominated in euro, as indicated below:

Name of bank: **XXXXXXXXX XXXXXXXXX**  
Address of branch: **XXXXXXXXX, XXXXXXXXX**  
**XX - XXXXXXXX XXXXXXXX**  
Precise denomination of the account holder: **XXXXXXXXX**  
Full account number (including bank codes): **XXXXXXXXX**  
IBAN code: **XXXXXXXXXX**

**ARTICLE I.6 - DATA CONTROLLER AND COMMUNICATION DETAILS OF THE PARTIES**

**I.6.1 Data controller**

The entity acting as a data controller according to Article II.6 shall be the Director of the Agency.

**I.6.2 Communication details of the Agency**

Any communication addressed to the Agency shall be sent to the following address:

   Education, Audiovisual and Culture Executive Agency
I.6.3 Communication details of the beneficiaries

Any communication from the Agency to the beneficiaries shall be sent to the following address:

XXXXXXXX XXXXXXXX
XXXXXXXX
XXXXXXXXX, XXXXXXX
XXXXXXXX
PO BOX XXXX
XXXXXXXXX - XXXXXXX XXXXXXXX

ARTICLE I.7 - ADDITIONAL PROVISIONS ON USE OF THE RESULTS (INCLUDING INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS)

For the purposes of Article II.8.1 the beneficiaries agree that the right of the Agency and of the Commission to make free use of the results of the action shall include the rights to publish and to reproduce the final report on implementation of the action (“final report”) referred to in Article I.4.1, provided it does not result in a breach of confidentiality obligations.

In addition to the provisions of Article II.8.3, the beneficiaries shall warrant that the Agency and/or the European Union (hereinafter referred to as ”the Union”) has the rights to:

(a) communicate the results of the action by any other types of communication not specified in the General Conditions;

(b) edit or re-write in another way the results of the action, including shortening, summarising, modifying the content, correcting technical errors in the content;

(c) cut, insert meta-data, legends or other graphic, visual, audio or word elements in the results of the action;

(d) extract a part (e.g. audio or video files) of, divide into parts or compile the results of the action;

(e) prepare derivative works of the results of the action;

(f) translate, insert subtitles in, dub the results of the action in all official languages of EU;

(g) authorise or sub-licence the modes of exploitation set out above to third parties.

The Agency and/or the Union shall have the rights of use specified in the General Conditions and set out above for the whole duration of the industrial or intellectual property rights concerned.
ARTICLE I.8 - SETTLEMENT OF DISPUTES WITH NON EU BENEFICIARIES

By way of derogation from Article II.18.2, where a beneficiary is legally established in a country other than a Member State of the European Union (the 'non EU beneficiary'), the Agency and/or the Union and/or the non EU beneficiary may bring before the Courts of Brussels any dispute between the Agency and/or the Union and the non EU beneficiary concerning the interpretation, application or validity of the Agreement, if such dispute cannot be settled amicably. In such case where one party (i.e. the Agency, the Union or the non EU beneficiary) has brought proceedings before the Courts of Brussels concerning the interpretation, application or validity of the Agreement, the other party may not bring a claim arising from the interpretation, application or validity of the Agreement in any other court than the Courts of Brussels already seized.

ARTICLE I.9 - OTHER SPECIAL CONDITIONS

ARTICLE I.9.1 - MINIMUM INSURANCE REQUIREMENTS
The beneficiaries shall provide a health and accident insurance scheme that guarantees adequate coverage in accordance with Annex IX.

ARTICLE I.9.2 - MINIMUM STUDENT SELECTION & SCHOLARSHIP MANAGEMENT REQUIREMENTS
The beneficiaries shall adhere to the minimum requirements and recommendations for students' selection and scholarship management provided in Annex X.

ARTICLE I.9.3 - PARTICIPATION IN MEETINGS ORGANISED BY THE AGENCY
Representatives of the beneficiaries are expected to participate in meetings organised by the Agency, i.e. indicatively up to two meetings per year. The expenses for participation are eligible costs and are covered by the project budget under "lump sum contribution to the management costs".

ARTICLE I.9.4 - DISSEMINATION AND EXPLOITATION OF RESULTS

I.9.4.1 - Dissemination

Beneficiaries of grants under the Erasmus+ Programme have the duty to ensure that the work undertaken within the framework of this grant agreement and the results accruing from it receive substantial visibility. The co-ordinator must pay specific attention to the importance of dissemination, exploitation of results of the action and to their visibility at a transnational level. In this respect, the co-ordinator must:

- create and maintain (at least during the project lifetime) a website for the action. The website must be kept up-to-date with at least: a description of the project, the contact details of the co-ordinator, the list of beneficiaries, mention of the European Union's financial support with the relevant logo (see Article I.9.4.2), and access to the principal results, as and when they become available.
– update the project summary in accordance with the instructions provided in Annex V.

– provide during the project lifetime the Agency and/or the Commission with the information requested in order to promote the Erasmus+ Programme and disseminate the results. This may include answering questionnaires and entering data into databases.

– use the Erasmus+ Project Results Platform, on the website http://ec.europa.eu/programmes/erasmus-plus/projects/ to disseminate and exploit project results and deliverables in accordance with the instructions provided therein. The approval of the final report will be subject to the upload of the project results/deliverables on the aforementioned platform by the time of its submission.

I.9.4.2 - Publicity Obligations

For the purpose of Article II.7 of the grant agreement, relating to the publicity and use of the relevant logo, the beneficiaries must follow the instructions available on the following website: https://eacea.ec.europa.eu/about-eacea/visual-identity_en

The beneficiaries must inform the public, press and media of the action (internet included), which must, in conformity with Article II.7 mentioned above, visibly indicate “with the support of the Erasmus+ Programme of the European Union” as well as the graphic logos.

Where the action, or part of the action, is a publication, the mention and graphic logos must appear on the cover or the first pages following the editor's mention.

If the action includes events for the public, signs and posters related to this action must be displayed. This must include the logos mentioned under paragraph 1. Authorisation to use the logos described in paragraph 1 implies no right of exclusive use and is limited to this agreement.

ARTICLE I.9.5 - FINANCIAL PENALTIES

I.9.5.1 - Penalties in case of non-compliance with publicity provisions

The obligation to comply with the publicity provisions set out in Article II.7 constitutes a substantial obligation. Without prejudice to the right to terminate the grant, in case of failure to fulfil this obligation, the Agency may apply a 20% reduction of the grant initially provided for.

I.9.5.2 - Penalties in case of poor, partial, or late implementation

In order to determine the final EU grant, the Agency will analyse and rate the final report on a scale of maximum 100 points. The score given will reflect the project overall performance. With reference to Article II.25.4, in case of poor, partial or late implementation, the reduction of the grant initially provided for will be as follows:

- 25% if the project scores at least 40 points and below 50 points;
- 35% if the project scores at least 30 points and below 40 points;
- 55% if the project scores at least 20 points and below 30 points;
- 75% if the project scores below 20 points.

ARTICLE I.9.6 - INAPPLICABILITY OF THE NO-PROFIT PRINCIPLE
By way of derogation from Article II.25.3, the no-profit principle does not apply to the action.

**ARTICLE I.9.7 - SPECIAL PROVISIONS ON THE CONVERSION OF COSTS INCURRED IN ANOTHER CURRENCY INTO EURO**

By way of derogation from Article II.23.4, any conversion into euro of costs incurred in other currencies shall be made by the beneficiaries at the monthly accounting rate established by the Commission and published on its website http://ec.europa.eu/budget/contracts_grants/info_contracts/infereuro/infereuro_en.cfm

**SIGNATURES**

For the coordinator

**xxxxxxxxxxxxxxx**,  
Function:  

[signature]  
Done in  
Date:

For the Agency

**xxxxxxxxxxxxxxx**,  
Head of Unit  

[signature]  
Done in Brussels  
Date:

In duplicate in English

In duplicate in English
ANNEX I

DESCRIPTION OF THE ACTION

The grant awarded aims at implementing the activities as they are described in the application form submitted by:

xxxxxxx xxxxxxxx

for the action entitled:

xxxxxxx xxxxxxxx

and registered by the Agency under the reference:

xxxxxxx xxxxxxxx
ANNEX II

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PART A – LEGAL AND ADMINISTRATIVE PROVISIONS

ARTICLE II.1 – GENERAL OBLIGATIONS AND ROLES OF THE BENEFICIARIES

II.1.1 General obligations and role of the beneficiaries

The beneficiaries shall:

(a) be jointly and severally responsible for carrying out the action in accordance with the terms and conditions of the Agreement;

(b) be responsible for complying with any legal obligations incumbent on them jointly or individually;

(c) make appropriate internal arrangements for the proper implementation of the action, consistent with the provisions of this Agreement; where provided for in the Special Conditions, those arrangements shall take the form of an internal co-operation agreement between the beneficiaries.

II.1.2 General obligations and role of each beneficiary

Each beneficiary shall:

(a) inform the coordinator immediately of any change likely to affect or delay the implementation of the action of which the beneficiary is aware;

(b) inform the coordinator immediately of any change in its legal, financial, technical, organisational or ownership situation or of its affiliated entities and of any change in its name, address or legal representative or of its affiliated entities;

(c) submit in due time to the coordinator:

(ii) the data needed to draw up the reports, financial statements and other documents provided for in the Agreement;

(iii) all the necessary documents in the event of audits, checks or evaluation in accordance with Article II.27;

(iv) any other information to be provided to the Agency according to the Agreement, except where the Agreement requires that such information is submitted directly by the beneficiary to the Agency.

II.1.3 General obligations and role of the coordinator

The coordinator shall:

(a) monitor that the action is implemented in accordance with the Agreement;
(b) be the intermediary for all communications between the beneficiaries and the Agency, except where provided otherwise in the Agreement, and, in particular, the coordinator shall:

(i) immediately provide the Agency with the information related to any change in the name, address, legal representative as well as in the legal, financial, technical, organisational or ownership situation of any of the beneficiaries or of its affiliated entities or to any event likely to affect or delay the implementation of the action, of which the coordinator is aware;

(ii) bear responsibility for supplying all documents and information to the Agency which may be required under the Agreement, except where provided otherwise in the Agreement; where information is required from the other beneficiaries, the coordinator shall bear responsibility for obtaining and verifying this information before passing it on to the Agency;

(c) make the appropriate arrangements for providing any financial guarantees required under the Agreement;

(d) establish the requests for payment in accordance with the Agreement;

(e) where it is designated as the sole recipient of payments on behalf of all of the beneficiaries, ensure that all the appropriate payments are made to the other beneficiaries without unjustified delay;

(f) bear responsibility for providing all the necessary documents in the event of checks and audits initiated before the payment of the balance, and in the event of evaluation in accordance with Article II.27;

(g) transfer to the beneficiaries, without delay, any document relating to the action or the grant.

The coordinator shall not subcontract any part of its tasks to the other beneficiaries or to any other party.

ARTICLE II.2 – COMMUNICATIONS BETWEEN THE PARTIES

II.2.1 Form and means of communications

Any communication relating to the Agreement or to its implementation shall be made in writing (in paper or electronic form), shall bear the number of the Agreement and shall be made using the communication details identified in Article I.6.

Electronic communications shall be confirmed by an original signed paper version of that communication if requested by any of the parties provided that this request is submitted without unjustified delay. The sender shall send the original signed paper version without unjustified delay.
Formal notifications shall be made by registered mail with return receipt or equivalent, or by equivalent electronic means.

**II.2.2 Date of communications**

Any communication is deemed to have been made when it is received by the receiving party, unless the agreement refers to the date when the communication was sent.

Electronic communication is deemed to have been received by the receiving party on the day of successful dispatch of that communication, provided that it is sent to the addressees listed in Article I.6. Dispatch shall be deemed unsuccessful if the sending party receives a message of non-delivery. In this case, the sending party shall immediately send again such communication to any of the other addresses listed in Article I.6. In case of unsuccessful dispatch, the sending party shall not be held in breach of its obligation to send such communication within a specified deadline.

Mail sent to the Agency using the postal services is considered to have been received by the Agency on the date on which it is registered by the department identified in Article I.6.2.

Formal notifications made by registered mail with return receipt or equivalent, or by equivalent electronic means, shall be considered to have been received by the receiving party on the date of receipt indicated on the return receipt or equivalent.

**ARTICLE II.3 – LIABILITY FOR DAMAGES**

**II.3.1** The Agency shall not be held liable for any damage caused or sustained by any of the beneficiaries, including any damage caused to third parties as a consequence of or during the implementation of the action.

**II.3.2** Except in cases of force majeure, the beneficiaries shall compensate the Agency for any damage sustained by it as a result of the implementation of the action or because the action was not implemented or implemented poorly, partially or late.

**ARTICLE II.4 – CONFLICT OF INTERESTS**

**II.4.1** The beneficiaries shall take all necessary measures to prevent any situation where the impartial and objective implementation of the Agreement is compromised for reasons involving economic interest, political or national affinity, family or emotional ties or any other shared interest (“conflict of interests”).

**II.4.2** Any situation constituting or likely to lead to a conflict of interests during the implementation of the Agreement shall be notified to the Agency, in writing, without delay. The beneficiaries shall immediately take all the necessary steps to rectify this situation. The Agency reserves the right to verify that the measures taken are appropriate and may require additional measures to be taken within a specified deadline.
ARTICLE II.5 – CONFIDENTIALITY

II.5.1 The Agency and the beneficiaries shall preserve the confidentiality of any information and documents, in any form, which are disclosed in writing or orally in relation to the implementation of the Agreement and which are explicitly indicated in writing as confidential.

II.5.2 The beneficiaries shall not use confidential information and documents for any reason other than fulfilling their obligations under the Agreement, unless otherwise agreed with the Agency in writing.

II.5.3 The Agency and the beneficiaries shall be bound by the obligations referred to in Articles II.5.1 and II.5.2 during the implementation of the Agreement and for a period of five years starting from the payment of the balance, unless:

(a) the party concerned agrees to release the other party from the confidentiality obligations earlier;

(b) the confidential information becomes public through other means than in breach of the confidentiality obligation through disclosure by the party bound by that obligation;

(c) the disclosure of the confidential information is required by law.

ARTICLE II.6 – PROCESSING OF PERSONAL DATA

II.6.1 Processing of personal data by the Agency

Any personal data included in the Agreement shall be processed by the Agency pursuant to 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.

Such data shall be processed by the data controller identified in Article I.6.1 solely for the purposes of the implementation, management and monitoring of the Agreement, without prejudice to possible transmission to the bodies charged with the monitoring or inspection tasks in application of Union law.

The beneficiaries shall have the right of access to their personal data and the right to rectify any such data. Should the beneficiaries have any queries concerning the processing of their personal data, they shall address them to the data controller, identified in Article I.6.1.

The beneficiaries shall have the right of recourse at any time to the European Data Protection Supervisor.

II.6.2 Processing of personal data by the beneficiaries
Where the Agreement requires the processing of personal data by the beneficiaries, the beneficiaries may act only under the supervision of the data controller identified in Article I.6.1, in particular with regard to the purpose of the processing, the categories of data which may be processed, the recipients of the data and the means by which the data subject may exercise his or her rights.

The access to data that the beneficiaries grant to their personnel shall be limited to the extent strictly necessary for the implementation, management and monitoring of the Agreement.

The beneficiaries undertake to adopt appropriate technical and organisational security measures having regard to the risks inherent in the processing and to the nature of the personal data concerned, in order to:

(a) prevent any unauthorised person from gaining access to computer systems processing personal data, and especially:

   (i) unauthorised reading, copying, alteration or removal of storage media;

   (ii) unauthorised data input as well as any unauthorised disclosure, alteration or erasure of stored personal data;

   (iii) unauthorised persons from using data-processing systems by means of data transmission facilities;

(b) ensure that authorised users of a data-processing system can access only the personal data to which their access right refers;

(c) record which personal data have been communicated, when and to whom;

(d) ensure that personal data being processed on behalf of third parties can be processed only in the manner prescribed by the Agency;

(e) ensure that, during communication of personal data and transport of storage media, the data cannot be read, copied or erased without authorisation;

(f) design their organisational structure in such a way that it meets data protection requirements.

ARTICLE II.7 – VISIBILITY OF UNION FUNDING

II.7.1 Information on Union funding and use of European Union emblem

Unless the Agency requests or agrees otherwise, any communication or publication related to the action, made by the beneficiaries jointly or individually, including at conferences, seminars or in any information or promotional materials (such as brochures, leaflets, posters, presentations, etc.), shall indicate that the action has received funding from the Union and shall display the European Union emblem.
When displayed in association with another logo, the European Union emblem must have appropriate prominence.

The obligation to display the European Union emblem does not confer to the beneficiaries a right of exclusive use. The beneficiaries shall not appropriate the European Union emblem or any similar trademark or logo, either by registration or by any other means.

For the purposes of the first, second and third subparagraphs and under the conditions specified therein, the beneficiaries are exempted from the obligation to obtain prior permission from the Agency to use the European Union emblem.

II.7.2 Disclaimers excluding Agency and Commission responsibility

Any communication or publication related to the action, made by the beneficiaries jointly or individually in any form and using any means, shall indicate that it reflects only the author's view and that the Agency and the Commission are not responsible for any use that may be made of the information it contains.

ARTICLE II.8 – PRE-EXISTING RIGHTS AND OWNERSHIP AND USE OF THE RESULTS (INCLUDING INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS)

II.8.1 Ownership of the results by the beneficiaries

Unless stipulated otherwise in the Agreement, ownership of the results of the action, including industrial and intellectual property rights, and of the reports and other documents relating to it, shall be vested in the beneficiaries.

II.8.2 Pre-existing industrial and intellectual property rights

Where industrial and intellectual property rights, including rights of third parties, exist prior to the conclusion of the Agreement, the beneficiaries shall establish a list which shall specify all rights of ownership and use of the pre-existing industrial and intellectual property rights and disclose it to the Agency at the latest before the commencement of implementation.

The beneficiaries shall ensure that they or their affiliated entities have all the rights to use any pre-existing industrial and intellectual property rights during the implementation of the Agreement.

II.8.3 Rights of use of the results and of pre-existing rights by the Agency and/or the Union

Without prejudice to Articles II.1.1, II.3 and II.8.1, the beneficiaries grant the Agency and/or the Union the right to use the results of the action for the following purposes:

(a) use for its own purposes, and in particular, making available to persons working for the Agency, the Union institutions, agencies and bodies and to Member States' institutions,
as well as, copying and reproducing in whole or in part and in unlimited number of copies;

(b) distribution to the public, and in particular, publication in hard copies and in electronic or digital format, publication on the internet, including on the Europa website, as a downloadable or non-downloadable file, broadcasting by any kind of technique of transmission, public display or presentation, communication through press information services, inclusion in widely accessible databases or indexes;

(c) translation;

(d) giving access upon individual requests without the right to reproduce or exploit, as provided for by 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;

(e) storage in paper, electronic or other format;

(f) archiving in line with the document management rules applicable to the Agency and/or the Commission;

(g) rights to authorise or sub-licence the modes of exploitation set out in points (b) and (c) to third parties.

Additional rights of use for the Agency and/or the Union may be provided for in the Special Conditions.

The beneficiaries shall warrant that the Agency and/or the Union has the right to use any pre-existing industrial and intellectual property rights, which have been included in the results of the action. Unless specified otherwise in the Special Conditions, those pre-existing rights shall be used for the same purposes and under the same conditions applicable to the rights of use of the results of the action.

Information about the copyright owner shall be inserted when the result is divulged by the Agency and/or the Union. The copyright information shall read: "© – year – name of the copyright owner. All rights reserved. Licenced to the European Union under conditions."

ARTICLE II.9 – AWARD OF CONTRACTS NECESSARY FOR THE IMPLEMENTATION OF THE ACTION

II.9.1 Where the implementation of the action requires the procurement of goods, works or services, the beneficiaries shall award the contract to the tender offering best value for money or, as appropriate, to the tender offering the lowest price. In doing so, they shall avoid any conflict of interests.

Beneficiaries acting in their capacity of contracting authorities within the meaning of 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 or contracting entities within the meaning of 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 shall abide by the applicable national public procurement rules.

II.9.2 The beneficiaries shall retain sole responsibility for carrying out the action and for compliance with the provisions of the Agreement. The beneficiaries shall ensure that any procurement contract contains provisions stipulating that the contractor has no rights vis-à-vis the Agency under the Agreement.

II.9.3 The beneficiaries shall ensure that the conditions applicable to them under Articles II.3, II.4, II.5, II.8 and II.27 are also applicable to the contractor.

ARTICLE II.10 – SUBCONTRACTING OF TASKS FORMING PART OF THE ACTION

II.10.1 A "subcontract" is a procurement contract within the meaning of Article II.9, which covers the implementation by a third party of tasks forming part of the action as described in Annex I.

II.10.2 Beneficiaries may subcontract tasks forming part of the action, provided that, in addition to the conditions specified in Article II.9 and the Special Conditions, the following conditions are complied with:

(a) subcontracting only covers the implementation of a limited part of the action;

(b) recourse to subcontracting is justified having regard to the nature of the action and what is necessary for its implementation;

(c) the estimated costs of the subcontracting are clearly identifiable in the estimated budget set out in Annex III;

(d) any recourse to subcontracting, if not provided for in Annex I, is communicated by the coordinator and approved by the Agency without prejudice to Article II.12.2;

(e) the beneficiaries ensure that the conditions applicable to them under Article II.7 are also applicable to the subcontractor.

ARTICLE II.11 – FINANCIAL SUPPORT TO THIRD PARTIES

II.11.1 Where the implementation of the action requires giving financial support to third parties, the beneficiaries shall give such financial support in accordance with the conditions specified in Annex I, which shall at least contain:
(a) the maximum amount of financial support, which shall not exceed EUR 60 000 for each third party except where the financial support is the primary aim of the action as specified in Annex I;

(b) the criteria for determining the exact amount of the financial support;

(c) the different types of activity that may receive financial support, on the basis of a fixed list;
(d) the definition of the persons or categories of persons which may receive financial support;

(e) the criteria for giving the financial support.

II.11.2 By way of derogation from Article II.11.1, in case the financial support takes the form of a prize, the beneficiaries shall give such financial support in accordance with the conditions specified in Annex I, which shall at least contain:

(a) the conditions for participation;

(b) the award criteria;

(c) the amount of the prize;

(d) the payment arrangements.

II.11.3 The beneficiaries shall ensure that the conditions applicable to them under Articles II.3, II.4, II.5, II.7, II.8 and II.27 are also applicable to the third parties receiving financial support.

ARTICLE II.12 – AMENDMENTS TO THE AGREEMENT

II.12.1 Any amendment to the Agreement shall be made in writing.

II.12.2 An amendment may not have the purpose or the effect of making changes to the Agreement which would call into question the decision awarding the grant or be contrary to the equal treatment of applicants.

II.12.3 Any request for amendment shall be duly justified and shall be sent to the other party in due time before it is due to take effect, and in any case one month before the end of the period set out in Article I.2.2, except in cases duly substantiated by the party requesting the amendment and accepted by the other party.

II.12.4 A request for amendment on behalf of the beneficiaries shall be submitted by the coordinator. If a change of coordinator is requested without its agreement, the request shall be submitted by all the other beneficiaries.

II.12.5 Amendments shall enter into force on the date on which the last party signs or on the date of approval of the request for amendment.
Amendments shall take effect on a date agreed by the parties or, in the absence of such an agreed date, on the date on which the amendment enters into force.

ARTICLE II.13 – ASSIGNMENT OF CLAIMS FOR PAYMENTS TO THIRD PARTIES

II.13.1 Claims for payments of the beneficiaries against the Agency may not be assigned to third parties, except in duly justified cases where the situation warrants it.

The assignment shall only be enforceable against the Agency if it has accepted the assignment on the basis of a written and reasoned request to that effect made by the coordinator on behalf of the beneficiaries. In the absence of such acceptance, or in the event of failure to observe the terms thereof, the assignment shall have no effect on the Agency.

II.13.2 In no circumstances shall such an assignment release the beneficiaries from their obligations towards the Agency.

ARTICLE II.14 – FORCE MAJEURE

II.14.1 "Force majeure" shall mean any unforeseeable exceptional situation or event beyond the parties' control, which prevents either of them from fulfilling any of their obligations under the Agreement, which was not attributable to error or negligence on their part or on the part of subcontractors, affiliated entities or third parties involved in the implementation and which proves to be inevitable in spite of exercising all due diligence. 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, as well as labour disputes, strikes or financial difficulties cannot be invoked as force majeure.

II.14.2 A party faced with force majeure shall formally notify the other party without delay, stating the nature, likely duration and foreseeable effects.

II.14.3 The parties shall take the necessary measures to limit any damage due to force majeure. They shall do their best to resume the implementation of the action as soon as possible.

II.14.4 The party faced with force majeure shall not be held to be in breach of its obligations under the Agreement if it has been prevented from fulfilling them by force majeure.

ARTICLE II.15 – SUSPENSION OF THE IMPLEMENTATION OF THE ACTION

II.15.1 Suspension of the implementation by the beneficiaries
The coordinator, on behalf of the beneficiaries, may suspend the implementation of the action or any part thereof, if exceptional circumstances make such implementation impossible or excessively difficult, in particular in the event of *force majeure*. The coordinator shall inform the Agency without delay, giving all the necessary reasons and details and the foreseeable date of resumption.

Unless the Agreement or the participation of a beneficiary is terminated in accordance with Articles II.16.1, II.16.2 or points (c) or (d) of Article II.16.3.1, the coordinator shall, once the circumstances allow resuming the implementation of the action, inform the Agency immediately and present a request for amendment of the Agreement as provided for in Article II.15.3.

**II.15.2 Suspension of the implementation by the Agency**

**II.15.2.1** The Agency may suspend the implementation of the action or any part thereof:

(a) if the Agency has evidence that a beneficiary has committed substantial errors, irregularities or fraud in the award procedure or in the implementation of the Agreement or if a beneficiary fails to comply with its obligations under the Agreement;

(b) if the Agency has evidence that a beneficiary has committed systemic or recurrent errors, irregularities, fraud or breach of obligations under other grants funded by the Union or the European Atomic Energy Community which were awarded to that beneficiary under similar conditions, provided that those errors, irregularities, fraud or breach of obligations have a material impact on this grant; or

(c) if the Agency suspects substantial errors, irregularities, fraud or breach of obligations committed by a beneficiary in the award procedure or in the implementation of the Agreement and needs to verify whether they have actually occurred.

**II.15.2.2** Before suspending the implementation the Agency shall formally notify the coordinator of its intention to suspend, specifying the reasons thereof, and, in the cases referred to in points (a) and (b) of Article II.15.2.1, the necessary conditions for resuming the implementation. The coordinator shall be invited to submit observations on behalf of all beneficiaries within 30 calendar days from receipt of this notification.

If, after examination of the observations submitted by the coordinator, the Agency decides to stop the suspension procedure, it shall formally notify the coordinator thereof.

If no observations have been submitted or if, despite the observations submitted by the coordinator, the Agency decides to pursue the suspension procedure, it may suspend the implementation by formally notifying the coordinator thereof, specifying the reasons for the suspension and, in the cases referred to in points (a) and (b) of Article II.15.2.1, the definitive conditions for resuming the
implementation or, in the case referred to in point (c) of Article II.15.2.1, the indicative date of completion of the necessary verification.

The coordinator shall inform the other beneficiaries immediately. The suspension shall take effect five calendar days after the receipt of the notification by the coordinator or on a later date, where the notification so provides.

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

Unless the Agreement or the participation of a beneficiary is terminated in accordance with Articles II.16.1, II.16.2 or points (c), (i) or (j) of Article II.16.3.1, the Agency shall, as soon as it considers that the conditions for resuming the implementation have been met or the necessary verification, including on-the-spot checks, has been carried out, formally notify the coordinator thereof and invite the coordinator to present a request for amendment of the Agreement as provided for in Article II.15.3.

II.15.3 Effects of the suspension

If the implementation of the action can be resumed and the Agreement is not terminated, an amendment to the Agreement shall be made in accordance with Article II.12 in order to establish the date on which the action shall be resumed, to extend the duration of the action and to make any other modifications that may be necessary to adapt the action to the new implementing conditions.

The suspension is deemed lifted as from the date of resumption of the action agreed by the parties in accordance with the first subparagraph. Such a date may be before the date on which the amendment enters into force.

Any costs incurred by the beneficiaries, during the period of suspension, for the implementation of the suspended action or the suspended part thereof, shall not be reimbursed or covered by the grant.

The right of the Agency to suspend the implementation is without prejudice to its right to terminate the Agreement or the participation of a beneficiary in accordance with Article II.16.3 and its right to reduce the grant or recover amounts unduly paid in accordance with Articles II.25.4 and II.26.

Neither party shall be entitled to claim compensation on account of a suspension by the other party.

ARTICLE II.16 – TERMINATION OF THE AGREEMENT

II.16.1 Termination of the Agreement by the coordinator
In duly justified cases, the coordinator, on behalf of all beneficiaries, may terminate the Agreement by formally notifying the Agency thereof, stating clearly the reasons and specifying the date on which the termination shall take effect. The notification shall be sent before the termination is due to take effect.

If no reasons are given or if the Agency considers that the reasons exposed cannot justify the termination, it shall formally notify the coordinator, specifying the grounds thereof, and the Agreement shall be deemed to have been terminated improperly, with the consequences set out in the fourth subparagraph of Article II.16.4.

**II.16.2 Termination of the participation of one or more beneficiaries by the coordinator**

In duly justified cases, the participation of any one or several beneficiaries in the Agreement may be terminated by the coordinator, acting on request of that beneficiary or those beneficiaries, or on behalf of all the other beneficiaries. When notifying such termination to the Agency, the coordinator shall include the reasons for the termination of the participation, the opinion of the beneficiary or beneficiaries the participation of which is terminated, the date on which the termination shall take effect and the proposal of the remaining beneficiaries relating to the reallocation of the tasks of that beneficiary or those beneficiaries or, where relevant, to the nomination of one or more replacements which shall succeed that beneficiary or those beneficiaries in all their rights and obligations under the Agreement. The notification shall be sent before the termination is due to take effect.

If no reasons are given or if the Agency considers that the reasons exposed cannot justify the termination, it shall formally notify the coordinator, specifying the grounds thereof, and the participation shall be deemed to have been terminated improperly, with the consequences set out in the fourth subparagraph of Article II.16.4.

Without prejudice to Article II.12.2, an amendment to the Agreement shall be made, in order to introduce the necessary modifications.

**II.16.3 Termination of the Agreement or the participation of one or more beneficiaries by the Agency**

**II.16.3.1** The Agency may decide to terminate the Agreement or the participation of any one or several beneficiaries participating in the action, in the following circumstances:

(a) if a change to the beneficiary’s legal, financial, technical, organisational or ownership situation is likely to affect the implementation of the Agreement substantially or calls into question the decision to award the grant;

(b) if, following the termination of the participation of any one or several beneficiaries, the necessary modifications to the Agreement would call into question the decision awarding the grant or would result in unequal treatment of applicants;

(c) if the beneficiaries do not implement the action as specified in Annex I or if a beneficiary fails to comply with another substantial obligation incumbent on it under the terms of the Agreement;
(d) in the event of force majeure, notified in accordance with Article II.14, or in the event of suspension by the coordinator as a result of exceptional circumstances, notified in accordance with Article II.15, where resuming the implementation is impossible or where the necessary modifications to the Agreement would call into question the decision awarding the grant or would result in unequal treatment of applicants;

(e) if a beneficiary is declared bankrupt, is being wound up, is having its affairs administered by the courts, has entered into an arrangement with creditors, has suspended business activities, is the subject of any other similar proceedings concerning those matters, or is in an analogous situation arising from a similar procedure provided for in national legislation or regulations;

(f) if a beneficiary or any related person, as defined in the second subparagraph, have been found guilty of professional misconduct proven by any means;

(g) if a beneficiary is not in compliance with its obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which it is established or in which the action is implemented;

(h) if the Agency has evidence that a beneficiary or any related person, as defined in the second subparagraph, have committed fraud, corruption, or are involved in a criminal organisation, money laundering or any other illegal activity detrimental to the Union's financial interests;

(i) if the Agency has evidence that a beneficiary or any related person, as defined in the second subparagraph, have committed substantial errors, irregularities or fraud in the award procedure or in the implementation of the Agreement, including in the event of submission of false information or failure to submit required information in order to obtain the grant provided for in the Agreement; or

(j) if the Agency has evidence that a beneficiary has committed systemic or recurrent errors, irregularities, fraud or breach of obligations under other grants funded by the Union or the European Atomic Energy Community which were awarded to that beneficiary under similar conditions, provided that those errors, irregularities, fraud or breach of obligations have a material impact on this grant.

For the purposes of points (f), (h) and (i), "any related person" shall mean any natural person which has the power to represent the beneficiary or to take decisions on its behalf.

II.16.3.2 Before terminating the Agreement or the participation of any one or several beneficiaries, the Agency shall formally notify the coordinator and, as may be the case, the beneficiary(ies) concerned of its intention to terminate, specifying the
reasons thereof and inviting the coordinator, within 45 calendar days from receipt of the notification, to submit observations on behalf of all beneficiaries and, in the case of point (c) of Article II.16.3.1, to inform the Agency about the measures taken to ensure that the beneficiaries continue to fulfil their obligations under the Agreement.

If, after examination of the observations submitted by the coordinator, the Agency decides to stop the termination procedure, it shall formally notify the coordinator thereof.

If no observations have been submitted or if, despite the observations submitted by the coordinator, the Agency decides to pursue the termination procedure, it may terminate the Agreement or the participation of any one or several beneficiaries by formally notifying the coordinator thereof, specifying the reasons for the termination.

In the cases referred to in points (a), (b), (c), (e) and (g) of Article II.16.3.1, the formal notification shall specify the date on which the termination takes effect. In the cases referred to in points (d), (f), (h), (i) and (j) of Article II.16.3.1, the termination shall take effect on the day following the date on which the formal notification was received by the coordinator.

II.16.4 Effects of termination

Where the Agreement is terminated, payments by the Agency shall be limited to the amount determined in accordance with Article II.25 on the basis of the eligible costs incurred by the beneficiaries and the actual level of implementation of the action on the date when the termination takes effect. Costs relating to current commitments, which are not due for execution until after the termination, shall not be taken into account. The coordinator shall have 60 days from the date when the termination of the Agreement takes effect, as provided for in Articles II.16.1 and II.16.3.2, to produce a request for payment of the balance in accordance with Article II.23.2. If no request for payment of the balance is received within this time limit, the Agency shall not reimburse or cover any costs which are not included in a financial statement approved by it or which are not justified in a technical report approved by it. In accordance with Article II.26, the Agency shall recover any amount already paid, if its use is not substantiated by the technical reports and, where applicable, by the financial statements approved by the Agency.

Where the participation of a beneficiary is terminated, the beneficiary concerned shall submit to the coordinator a technical report and, where applicable, a financial statement covering the period from the end of the last reporting period according to Article I.4 for which a report has been submitted to the Agency to the date on which the termination takes effect. The technical report and the financial statement shall be submitted in due time to allow the coordinator to draw up the corresponding payment request. Only those costs incurred by the beneficiary concerned up to the date when termination of its participation takes effect shall be reimbursed or covered by the grant. Costs relating to current commitments, which were not due for execution until after the termination, shall not be taken into account. The request for payment for the beneficiary concerned shall be included in the next payment request submitted by the coordinator in accordance with the schedule laid down in Article I.4.
Where the Agency, in accordance with point (c) of Article II.16.3.1, is terminating the Agreement on the grounds that the coordinator has failed to produce the request for payment and, after a reminder, has still not complied with this obligation within the deadline set out in Article II.23.3, the first subparagraph shall apply, subject to the following:

(a) there shall be no additional time period from the date when the termination of the Agreement takes effect for the coordinator to produce a request for payment of the balance in accordance with Article II.23.2; and

(b) the Agency shall not reimburse or cover any costs incurred by the beneficiaries up to the date of termination or up to the end of the period set out in Article I.2.2, whichever is the earlier, which are not included in a financial statement approved by it or which are not justified in a technical report approved by it.

In addition to the first, second and third subparagraphs, where the Agreement or the participation of a beneficiary is terminated improperly by the coordinator within the meaning of Articles II.16.1 and II.16.2, or where the Agreement or the participation of a beneficiary is terminated by the Agency on the grounds set out in points (c), (f), (h), (i) and (j) of Article II.16.3.1, the Agency may also reduce the grant or recover amounts unduly paid in accordance with Articles II.25.4 and II.26, in proportion to the gravity of the failings in question and after allowing the coordinator, and, where relevant, the beneficiaries concerned, to submit their observations.

Neither party shall be entitled to claim compensation on account of a termination by the other party.

ARTICLE II.17 – ADMINISTRATIVE AND FINANCIAL PENALTIES

II.17.1 By virtue of Articles 109 and 131(4) 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 with due regard to the principle of proportionality, a beneficiary which has committed substantial errors, irregularities or fraud, has made false declarations in supplying required information or has failed to supply such information at the moment of the submission of the application or during the implementation of the grant, or has been found in serious breach of its obligations under the Agreement shall be liable to:

(a) administrative penalties consisting of exclusion from all contracts and grants financed by the Union budget for a maximum of five years from the date on which the infringement is established and confirmed following a contradictory procedure with the beneficiary; and/or

(b) financial penalties of 2% to 10% of the value of the contribution the beneficiary concerned is entitled to in accordance with the estimated budget set out in Annex III.
In the event of another infringement within five years following the establishment of the first infringement, the period of exclusion under point (a) may be extended to 10 years and the range of the rate referred to in point (b) may be increased to 4% to 20%.

II.17.2 The Agency shall formally notify the beneficiary concerned of any decision to apply such penalties.

The Agency is entitled to publish such decision under the conditions and within the limits specified in Article 109(3) of Regulation (EU, EURATOM) No 966/2012.

An action may be brought against such decision before the General Court of the European Union, pursuant to Article 263 Treaty on the Functioning of the European Union ("TFEU").

ARTICLE II.18 – APPLICABLE LAW, SETTLEMENT OF DISPUTES AND ENFORCEABLE DECISION

II.18.1 The Agreement is governed by the applicable Union law complemented, where necessary, by the law of Belgium.

II.18.2 Pursuant to Article 272 TFEU, the General Court or, on appeal, the Court of Justice of the European Union, shall have sole jurisdiction to hear any dispute between the Agency and/or the Union and any beneficiary concerning the interpretation, application or validity of this Agreement, if such dispute cannot be settled amicably.

II.18.3 By virtue of Article 299 TFEU, for the purposes of recoveries within the meaning of Article II.26 or financial penalties, the Commission may adopt an enforceable decision to impose pecuniary obligations on persons other than States. An action may be brought against such decision before the General Court of the European Union pursuant to Article 263 TFEU.
PART B – FINANCIAL PROVISIONS

ARTICLE II.19 – ELIGIBLE COSTS – NOT APPLICABLE

ARTICLE II.20 – IDENTIFIABILITY AND VERIFIABILITY OF THE AMOUNTS DECLARED

II.20.1 Reimbursement of actual costs

Where, in accordance with Article I.3(a)(i), the grant takes the form of the reimbursement of actual costs, the beneficiary must declare as eligible costs the costs it actually incurred for the action.

If requested to do so in the context of the checks or audits described in Article II.27, the beneficiary must be able to provide adequate supporting documents to prove the costs declared, such as contracts, invoices and accounting records. In addition, the beneficiary's usual accounting and internal control procedures must permit direct reconciliation of the amounts declared with the amounts recorded in its accounting statements as well as with the amounts indicated in the supporting documents.

II.20.2 Reimbursement of pre-determined unit costs or pre-determined unit contribution

Where, in accordance with Article I.3(a)(ii) or (b), the grant takes the form of the reimbursement of unit costs or of a unit contribution, the beneficiary must declare as eligible costs or as requested contribution the amount obtained by multiplying the amount per unit specified in Article I.3(a)(ii) or (b) by the actual number of units used or produced.

If requested to do so in the context of the checks or audits described in Article II.27, the beneficiary must be able to provide adequate supporting documents to prove the number of units declared. However, the beneficiary does not need to identify the actual eligible costs covered or to provide supporting documents, notably accounting statements, to prove the amount declared per unit.

II.20.3 Reimbursement of pre-determined lump sum costs or pre-determined lump sum contribution

Where, in accordance with Article I.3(a)(iii) or (c), the grant takes the form of the reimbursement of lump sum costs or of a lump sum contribution, the beneficiary must declare as eligible costs or as requested contribution the global amount specified in Article I.3(a)(iii) or (c), subject to the proper implementation of the corresponding tasks or part of the action as described in Annex I.

If requested to do so in the context of the checks or audits described in Article II.27, the beneficiary must be able to provide adequate supporting documents to prove the proper implementation. However, the beneficiary does not need to identify the actual
eligible costs covered or to provide supporting documents, notably accounting statements, to prove the amount declared as lump sum.

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

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

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

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

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

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

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

In all three cases provided for in the first, second and third subparagraphs, the beneficiary does not need to identify the actual eligible costs covered, but it must ensure that the cost accounting practices used for the purpose of declaring eligible costs are in compliance with the following conditions:
(a) the cost accounting practices used constitute its usual cost accounting practices and are applied in a consistent manner, based on objective criteria independent from the source of funding;

(b) the costs declared can be directly reconciled with the amounts recorded in its general accounts; and

(c) the categories of costs used for the purpose of determining the costs declared are exclusive of any ineligible cost or costs covered by other forms of grant in accordance with Article I.3.

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

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

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

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

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

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

**ARTICLE II.22 – BUDGET TRANSFERS – NOT APPLICABLE**

**ARTICLE II.23 – TECHNICAL AND FINANCIAL REPORTING – REQUESTS FOR PAYMENT AND SUPPORTING DOCUMENTS**
II.23.1 Requests for further pre-financing payments and supporting documents

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

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

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

(a) a progress report on implementation of the action ("technical report on progress");

(b) a statement on the amount of the previous pre-financing instalment used to cover costs of the action ("statement on the use of the previous pre-financing instalment"), drawn up in accordance with Annex VI; and

(c) where required by Article I.4.1, a financial guarantee.

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

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

This request shall be accompanied by the following documents:

(a) an interim report ("interim technical report") or, for the payment of the balance, a final report on implementation of the action ("final technical report"), drawn up in accordance with Annex V; the interim or final technical report must contain the information needed to justify the eligible costs declared or the contribution requested on the basis of unit costs and lump sums where the grant takes the form of the reimbursement of unit or lump sum costs or of a unit or lump sum contribution in accordance with Article I.3(a)(ii), (iii), (b) or (c), as well as information on subcontracting as referred to in Article II.10.2(d);

(b) an interim financial statement ("interim financial statement") or, for the payment of the balance, a final financial statement ("final financial statement"); the interim or final financial statements must include a consolidated statement as well as a breakdown of the amounts claimed by each beneficiary and its affiliated entities; they must be drawn up in accordance with the structure of the estimated budget set out in Annex III and with Annex VI and detail the amounts for each of the forms of grant set out in Article I.3 for the reporting period concerned;
(c) only for the payment of the balance, a summary financial statement ("summary financial statement"); this statement must include a consolidated financial statement and a breakdown of the amounts declared or requested by each beneficiary and its affiliated entities, aggregating the financial statements already submitted previously and indicating the receipts referred to in Article II.25.3.2 for each beneficiary and its affiliated entities; it must be drawn up in accordance with Annex VI;

(d) where required by Article I.4.1 or for each beneficiary for which the total contribution in the form of reimbursement of actual costs as referred to in Article I.3(a)(i) is at least EUR 750 000 and which requests a reimbursement in that form of at least EUR 325 000 (when adding all previous reimbursements in that form for which a certificate on the financial statements has not been submitted), a certificate on the financial statements and underlying accounts ("certificate on the financial statements");

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

(e) where required by Article I.4.1, an operational verification report ("operational verification report"), produced by an independent third party approved by the Agency and drawn up in accordance with Annex VIII.

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

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

II.23.3 Non-submission of documents

Where the coordinator has failed to submit a request for interim payment or payment of the balance accompanied by the documents referred to above within 60 days following the end of the corresponding reporting period and where the coordinator still fails to submit such a request within 60 days following a written reminder sent by the Agency, the Agency reserves the right to terminate the Agreement in accordance with Article II.16.3.1(c), with the effects described in the third and the fourth subparagraphs of Article II.16.4.

II.23.4 Currency for requests for payment and financial statements and conversion into euro
Requests for payment and financial statements shall be drafted in euro.

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

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

ARTICLE II.24 – PAYMENTS AND PAYMENT ARRANGEMENTS

II.24.1 Pre-financing

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

Without prejudice to Articles II.24.5 and II.24.6, where Article I.4.1 provides for a pre-financing payment upon entry into force of the Agreement, the Agency shall pay to the coordinator within 30 days following that date or, where required by Article I.4.1, following receipt of the financial guarantee.

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

(a) it is provided by a bank or an approved financial institution or, at the request of the coordinator and acceptance by the Agency, by a third party;

(b) the guarantor stands as first-call guarantor and does not require the Agency and/or the Commission to have recourse against the principal debtor (i.e. the beneficiary concerned); and

(c) it provides that it remains in force until the pre-financing is cleared against interim payments or payment of the balance by the Agency and, in case the payment of the balance is made in the form of a debit note, three months after the debit note is notified to a beneficiary. The Agency shall release the guarantee within the following month.

II.24.2 Further pre-financing payments

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

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

II.24.3 Interim payments

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

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

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

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

(a) where, in accordance with Article I.3(a), the grant takes the form of the reimbursement of eligible costs, the amount obtained by application of the reimbursement rate specified in that Article to the eligible costs of the action approved by the Agency for the concerned reporting period and the corresponding categories of costs, beneficiaries and affiliated entities; if Article I.4.1 specifies another reimbursement rate, this other rate shall be applied instead;

(b) where, in accordance with Article I.3(b), the grant takes the form of a unit contribution, the amount obtained by multiplying the unit contribution specified in that Article by the actual number of units approved by the Agency for the concerned reporting period and for the corresponding beneficiaries and affiliated entities;

(c) where, in accordance with Article I.3(c), the grant takes the form of a lump sum contribution, the lump sum specified in that Article for the corresponding beneficiaries and affiliated entities, subject to approval by the Agency of the proper implementation during the concerned reporting period of the corresponding tasks or part of the action in accordance with Annex I;

(d) where, in accordance with Article I.3(d), the grant takes the form of a flat-rate contribution, the amount obtained by applying the flat rate referred to in that Article to the eligible costs or to the contribution accepted by the Agency for the concerned reporting period and the corresponding beneficiaries and affiliated entities.

Where Article I.3 provides for a combination of different forms of grant, these amounts shall be added.
Where Article I.4.1 requires that the interim payment clears all or part of the pre-financing paid to the beneficiaries, the amount of pre-financing to be cleared shall be deducted from the amount due as interim payment, as determined in accordance with the fourth and fifth subparagraphs.

II.24.4 Payment of the balance

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

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

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

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

II.24.5 Suspension of the time limit for payment

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

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

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

Where the time limit for payment has been suspended following the rejection of one of the technical reports or financial statements provided for by Article II.23 and the new report or
statement submitted is also rejected, the Agency reserves the right to terminate the Agreement in accordance with Article II.16.3.1(c), with the effects described in Article II.16.4.

II.24.6 Suspension of payments

The Agency may, at any time during the implementation of the Agreement, suspend the pre-financing payments, interim payments or payment of the balance for all beneficiaries, or suspend the pre-financing payments or interim payments for any one or several beneficiaries:

(a) if the Agency has evidence that a beneficiary has committed substantial errors, irregularities or fraud in the award procedure or in the implementation of the grant, or if a beneficiary fails to comply with its obligations under the Agreement;

(b) if the Agency has evidence that a beneficiary has committed systemic or recurrent errors, irregularities, fraud or breach of obligations under other grants funded by the Union or by the European Atomic Energy Community which were awarded to that beneficiary under similar conditions, provided that those errors, irregularities, fraud or breach of obligations have a material impact on this grant; or

(c) if the Agency suspects substantial errors, irregularities, fraud or breach of obligations committed by a beneficiary in the award procedure or in the implementation of the Agreement and needs to verify whether they have actually occurred.

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

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

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

The coordinator shall inform the other beneficiaries immediately. The suspension of payments shall take effect on the date when the notification is sent by the Agency.

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

The Agency shall, as soon as it considers that the conditions for resuming payments have been met or the necessary verification, including on-the-spot checks, has been carried out, formally notify the coordinator thereof.
During the period of suspension of payments and without prejudice to the right to suspend the implementation of the action in accordance with Article II.15.1 or to terminate the Agreement or the participation of a beneficiary in accordance with Article II.16.1 and Article II.16.2, the coordinator is not entitled to submit any requests for payments and supporting documents referred to in Article II.23 or, where the suspension concerns the pre-financing payments or interim payments for one or several beneficiaries only, any requests for payments and supporting documents relating to the participation of the concerned beneficiary or beneficiaries in the action.

The corresponding requests for payments and supporting documents may be submitted as soon as possible after resumption of payments or may be included in the first request for payment due following resumption of payments in accordance with the schedule laid down in Article I.4.1.

II.24.7 Notification of amounts due

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

II.24.8 Interest on late payment

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

The first subparagraph shall not apply where all beneficiaries are Member States of the Union, including regional and local government authorities and other public bodies acting in the name and on behalf of the Member State for the purpose of this Agreement.

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

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

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

II.24.9 Currency for payments

Payments by the Agency shall be made in euro.
II.24.10 Date of payment

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

II.24.11 Costs of payment transfers

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

(a) costs of transfer charged by the bank of the Agency and/or the Commission shall be borne by the Agency and/or the Commission;

(b) costs of transfer charged by the bank of a beneficiary shall be borne by the beneficiary;

(c) all costs of repeated transfers caused by one of the parties shall be borne by the party which caused the repetition of the transfer.

II.24.12 Payments to the coordinator

Payments to the coordinator shall discharge the Agency from its payment obligation.

ARTICLE II.25 – DETERMINING THE FINAL AMOUNT OF THE GRANT

II.25.1 Calculation of the final amount

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

(a) where, in accordance with Article I.3(a), the grant takes the form of the reimbursement of eligible costs, the amount obtained by application of the reimbursement rate specified in that Article to the eligible costs of the action approved by the Agency for the corresponding categories of costs, beneficiaries and affiliated entities;

(b) where, in accordance with Article I.3(b), the grant takes the form of a unit contribution, the amount obtained by multiplying the unit contribution specified that Article by the actual number of units approved by the Agency for the corresponding beneficiaries and affiliated entities;

(c) where, in accordance with Article I.3(c), the grant takes the form of a lump sum contribution, the lump sum specified in that Article for the corresponding beneficiaries and affiliated entities, subject to approval by the Agency of the proper implementation of the corresponding tasks or part of the action in accordance with Annex I;

(d) where, in accordance with Article I.3(d), the grant takes the form of a flat-rate contribution, the amount obtained by applying the flat rate referred to in that Article to the eligible costs or to the contribution accepted by the Agency for the corresponding beneficiaries and affiliated entities.
Where Article I.3 provides for a combination of different forms of grant, these amounts shall be added.

II.25.2 Maximum amount

The total amount paid to the beneficiaries by the Agency may in no circumstances exceed the maximum amount specified in Article I.3.

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

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

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

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

(a) income generated by the action; or

(b) financial contributions specifically assigned by the donors to the financing of the eligible costs of the action reimbursed by the Agency in accordance with Article I.3(a)(i).

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

(a) financial contributions referred to in point (b) of Article II.25.3.2, which may be used by the beneficiaries to cover costs other than the eligible costs under the Agreement;

(b) financial contributions referred to in point (b) of Article II.25.3.2, the unused part of which is not due to the donors at the end of the period set out in Article I.2.2.

II.25.3.4 The eligible costs to be taken into account are the consolidated eligible costs approved by the Agency for the categories of costs reimbursed in accordance with Article I.3(a).

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

II.25.4 Reduction for poor, partial or late implementation

Without prejudice to the right to terminate the Agreement referred to in Article II.16 and without prejudice to the right of the Agency to apply penalties referred to in “Article II.17, if the action is not implemented or is implemented poorly, partially or late, the Agency may reduce the grant initially provided for, in line with the actual implementation of the action according to the terms laid down in the Agreement.

ARTICLE II.26 – RECOVERY

II.26.1 Recovery at the time of payment of the balance

Where the payment of the balance takes the form of a recovery, the coordinator shall repay the Agency the amount in question, even if it has not been the final recipient of the amount due.

II.26.2 Recovery after payment of the balance

Where an amount is to be recovered in accordance with Articles II.27.6, II.27.7 and II.27.8, the beneficiary concerned by the audit or OLAF findings shall repay the Agency the amount in question. Where the audit findings do not concern a specific beneficiary, the coordinator shall repay the Agency the amount in question, even if it has not been the final recipient of the amount due.

Each beneficiary shall be responsible for the repayment of any amount unduly paid by the Agency as a contribution towards the costs incurred by its affiliated entities.

II.26.3 Recovery procedure

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

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

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

(a) by offsetting it against any amounts owed to the beneficiary concerned by the Union or the European Atomic Energy Community (Euratom) (“offsetting”);
exceptional circumstances, justified by the necessity to safeguard the financial interests of the Union, the Agency may recover by offsetting before the due date; the beneficiary’s prior consent shall not be required; an action may be brought against such offsetting before the General Court of the European Union pursuant to Article 263 TFEU;

(b) by drawing on the financial guarantee where provided for in accordance with Article I.4.1 (“drawing on the financial guarantee”);

(c) by holding the beneficiaries jointly and severally liable up to the value of the contribution that the beneficiary held liable is entitled to receive. This contribution shall be that indicated in the estimated budget breakdown as set out in Annex III as last amended;

(d) by taking legal action in accordance with Article II.18.2 or with the Special Conditions or by adopting an enforceable decision in accordance with Article II.18.3.

For the purposes of point (c) of the third subparagraph, the beneficiaries shall not be jointly and severally liable for financial penalties which could be imposed on any defaulting beneficiary in accordance with Article II.17.

II.26.4 Interest on late payment

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

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

II.26.5 Bank charges


ARTICLE II.27 – CHECKS, AUDITS AND EVALUATION

II.27.1 Technical and financial checks, audits, interim and final evaluations
The Agency and/or the Commission may carry out technical and financial checks and audits in relation to the use of the grant. It may also check the statutory records of the beneficiaries for the purpose of periodic assessments of lump sum, unit cost or flat-rate amounts.

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

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

Checks, audits or evaluations made by the Agency and/or the Commission may be carried out either directly by its own staff or by any other outside body authorised to do so on its behalf. Such checks, audits or evaluations may be initiated during the implementation of the Agreement and for a period of five years starting from the date of payment of the balance. This period shall be limited to three years in case the maximum amount specified in Article I.3 is not more than EUR 60 000.

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

II.27.2 Duty to keep documents

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

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

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

II.27.3 Obligation to provide information

Where a check, audit or evaluation is initiated before the payment of the balance, the coordinator shall provide any information, including information in electronic format, requested by the Agency and/or Commission or by any other outside body authorised by it. Where appropriate, the Agency and/or the Commission may request such information to be provided directly by a beneficiary.

Where a check or audit is initiated after payment of the balance, such information shall be provided by the beneficiary concerned.

In case the beneficiary concerned does not comply with the obligations set out in the first and second subparagraphs, the Agency and/or the Commission may consider:
(a) any cost insufficiently substantiated by information provided by the beneficiary as ineligible;

(b) any unit, lump sum or flat-rate contribution insufficiently substantiated by information provided by the beneficiary as undue.

II.27.4 On-the-spot visits

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

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

In case the beneficiary concerned refuses to provide access to the sites, premises and information in accordance with the first and second subparagraphs, the Agency and/or the Commission may consider:

(a) any cost insufficiently substantiated by information provided by the beneficiary as ineligible;

(b) any unit, lump sum or flat-rate contribution insufficiently substantiated by information provided by the beneficiary as undue.

II.27.5 Contradictory audit procedure

On the basis of the findings made during the audit, a provisional report (“draft audit report”) shall be drawn up. It shall be sent by the Agency and/or the Commission or its authorised representative to the beneficiary concerned, which shall have 30 days from the date of receipt to submit observations. The final report (“final audit report”) shall be sent to the beneficiary concerned within 90 days of expiry of the time limit for submission of observations, unless the observations submitted by the beneficiary lead to further audit work, checks or discussions by the Agency and/or the Commission or its authorised representative.

II.27.6 Effects of audit findings

On the basis of the final audit findings, the Agency and/or the Commission may take the measures which it considers necessary, including recovery at the time of payment of the balance or after payment of the balance of all or part of the payments made by it, in accordance with Article II.26.

In the case of final audit findings made after the payment of the balance, the amount to be recovered shall correspond to the difference between the revised final amount of the grant, determined in accordance with Article II.25, and the total amount paid to the beneficiaries under the Agreement for the implementation of the action.
II.27.7 Correction of systemic or recurrent errors, irregularities, fraud or breach of obligations

II.27.7.1 The Agency and/or the Commission may take all measures which it considers necessary, including recovery at the time of payment of the balance or after payment of the balance of all or part of the payments made by it under the Agreement, in accordance with Article II.26, where the following conditions are fulfilled:

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

(b) the final audit report containing the findings of the systemic or recurrent errors, irregularities, fraud or breach of obligations is received by the beneficiary within the period referred to in Article II.27.1.

II.27.7.2 The Agency and/or the Commission shall determine the amount to be corrected under the Agreement:

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

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

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

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

The Agency and/or the Commission shall formally notify the extrapolation method to be applied to the beneficiary concerned, which shall have 60 days from the date of receipt of the notification to submit observations and to propose a duly substantiated alternative method.
If the Agency and/or the Commission accepts the alternative method proposed by the beneficiary, it shall formally notify the beneficiary concerned thereof and determine the revised eligible costs by applying the accepted alternative method.

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

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

(c) where ineligible costs cannot serve as a basis for determining the amount to be corrected, by applying a flat rate correction to the maximum amount of the grant specified in Article I.3 or part thereof, having regard to the principle of proportionality.

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

If the Agency and/or the Commission accepts the alternative flat rate proposed by the beneficiary, it shall formally notify the beneficiary concerned thereof and correct the grant amount by applying the accepted alternative flat rate.

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

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

II.27.8 Checks and inspections by OLAF
The European Anti-Fraud Office (OLAF) shall have the same rights as the Agency and the Commission, notably right of access, for the purpose of checks and investigations.

By virtue of Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities and Regulation (EU, EURATOM) No 883/2013 of the European Parliament and the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF), OLAF may also carry out on-the-spot checks and inspections in accordance with the procedures laid down by Union law for the protection of the financial interests of the Union against fraud and other irregularities.

Where appropriate, OLAF findings may lead to recovery by the Agency and/or the Commission.

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

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

ESTIMATED BUDGET OF THE ACTION
ANNEX IV

LIST OF BENEFICIARIES AND MANDATES
PROVIDED TO THE COORDINATOR BY THE OTHER BENEFICIARIES

XXXXXXXX XXXXXXXX, XXXXXXXX (1)

XXXXXXXX XXXXXXXX, XXXXXXXX (2)

XXXXXXXX XXXXXXXX, XXXXXXXX (3)

XXXXXXXX XXXXXXXX, XXXXXXXX (4)

XXXXXXXX XXXXXXXX, XXXXXXXX (5)
ANNEX V

MODEL TECHNICAL REPORT

The templates of technical reports to be used are available online at the following address:

The templates of financial statements to be used are available online at the following address:

ANNEX VII

MODEL TERMS OF REFERENCE FOR THE CERTIFICATE ON THE FINANCIAL STATEMENTS AND UNDERLYING ACCOUNTS

[NOT APPLICABLE]
ANNEX VIII

MODEL TERMS OF REFERENCE FOR THE OPERATIONAL VERIFICATION REPORT

[NOT APPLICABLE]
ANNEX IX

MINIMUM REQUIREMENTS FOR THE HEALTH AND ACCIDENT INSURANCE COVERAGE OF EMJMD STUDENTS

The document is available online at the following address:

MINIMUM REQUIREMENTS FOR THE HEALTH AND ACCIDENT INSURANCE COVERAGE OF EMJMD STUDENTS

The purpose of this annex is to set the minimum required level of the obligatory insurance coverage for eligible student candidates who have received a European Union grant to study in an Erasmus Mundus Joint Master Degree (EMJMD) course.

In the context of this document candidates to receive the obligatory insurance coverage by the consortium/partnership are:

- EMJMD student scholarship holders

Consortia should ensure in their contractual relations with the insurance companies that the family member(s) of the insured scholarship holder (grantee) could sign the same insurance coverage without any restrictions related to the age of the family member, making clear that such an extension of coverage will be at the cost of the insured.

Candidates for whom insurance coverage provided by the consortium/partnership is not obligatory are:

- EMJMD scholars / guest lecturers

Cover must take effect by the time the EMJMD scholarship holder starts its journey to participate in the Master course (maximum two months prior to the start of the specific EMJMD intake to which the grantee is enrolled) and must be valid until two months after the end of the same intake, unless there is a prior end to the EMJMD grantee status.

Each consortium shall be responsible for the respect of any local legislation as far as insurance is concerned, such as - for example - the compulsory affiliation to a mutual insurance company.

Results to be obtained:

- The insurer must provide high-quality insurance services to cover EMJMD student scholarship holders in relation to certain risks such as illness, accident, death, permanent disability, third-party liability etc.

  High quality services, among others, are for example a call-centre accessible 24h/24h with operators speaking English, French, German and Spanish during at least 80% of the time (with local assistance back up available 24h/24h if needed), availability of the specific insurance cards (indicating the name of the insured person) within maximum 10 days, etc.

- The cover must automatically be provided by the consortium/partnership's chosen insurer to all EMJMD student scholarship holders for their mandatory as well as non-mandatory (if relevant) mobility study periods in both Programme and Partner countries.

- The cover must include all worldwide travel required for the participation in the EMJMD.

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1. "The end" is understood as the last official activity in the context of the intake; this is usually the graduation ceremony.
2. Change in status is considered to be taking up an activity other than that for which the grant has been awarded.
Reasons for travel may be:

- departure to the destination where the action will take place;
- travel between the participating Higher Education Institutions (HEIs);
- return trip home following completion of the action or during the academic breaks within the specific eligibility period of the action;
- preparatory meetings;
- mid-term evaluation meetings;
- final evaluation meeting;
- courses, conferences, seminars, research, cultural and intercultural sessions.

In the event of a return trip home during the period covered by the EMJMD scholarship the participant shall also receive cover for medical costs and urgent dental care. This coverage must be guaranteed for periods up to 4 weeks.

The insurance contract must cover all the risks set out in points A to G below:

A. Conditions that must apply

- Non deductible
- Non-permanent and non-chronic mental disorders will not be accepted as exclusions

B. Sickness/pregnancy and childbirth/accident

This must cover out-patient and hospital expenses as a result of sickness, pregnancy, childbirth or accidents arising during the period of cover. It must make provision for direct payment of all hospitalisation costs.

100% cover must be provided in respect of:

- Doctors' fees
- Medicines, examinations and analyses prescribed by a physician
- Urgent dental care following an accident
- All hospital expenses and surgical fees (including advances on hospital expenses)
- Repatriation in the event of serious illness or accident

Cover must be total in respect of these services. Pregnancies at stage less than 6 months, at the moment of departure from the home country to participate in the action, shall not be excluded from cover.

C. Death

Cover must be provided around the clock and must include death during the period of cover following accident, whether or not it is attributable to the trans-national EMJMD activity.

Cover in the event of death must include, in all cases, even suicide:

- Transport of the mortal remains to the place chosen by the deceased's family
- Funeral and laying-out costs
- The cost of the coffin

D. Permanent invalidity

Eligible candidates must have round-the-clock cover against partial or full disability of a permanent nature resulting from an accident. The cover must not be restricted to a disability directly attributable to the performance of the trans-national EMJMD activity.

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3 For urgent dental care without accident the amount covered must be up to a minimum of 250 EUR per year
E. Third-party liability

Eligible candidates must have round-the-clock cover against financial consequences of third party liability, by virtue of the legislation or case-law of the host country, occasioned by physical or material damage to third parties.

In all cases, this cover must extend to the eligible candidates’ host HEIs where the eligible candidate’s action may devolve third-party liability to them.

F. Theft and loss of documents

Eligible candidates must be insured against the risk of theft and loss of the following documents:

- Identification documents (e.g. identity card, passport, etc.)
- Travel tickets

G. Supplementary assistance services

Supplementary assistance services may be offered separately, provided that they comply with the minimum conditions set out in the specifications. Examples of such services are:

- Travel expenses for family members in the event of the eligible candidates’ death, serious illness or serious accident
- Early return in the event of a serious illness or accident affecting a close family member, etc.
ANNEX X

MINIMUM REQUIREMENTS AND RECOMMENDATIONS FOR STUDENT SELECTION & SCHOLARSHIP MANAGEMENT

The document is available online at the following address:

MINIMUM REQUIREMENTS AND RECOMMENDATIONS FOR STUDENT SELECTION & SCHOLARSHIP MANAGEMENT

This annex describes the basic elements and minimum requirements for the selection of Erasmus Mundus Joint Master Degrees (EMJMD) students (section A), as well as for the management of EMJMD scholarships (section B). It is meant to safeguard the application of the Erasmus+ EMJMD rules as well as provide support and guidance in the actual scholarship management process.

Section A. focuses on the student selection process, concerning both EMJMD scholarship holders and students admitted to the Master course without an EMJMD scholarship. It presents a set of minimum requirements to be followed during this process as well as guidance on how best to manage the most crucial parts of the process.

Section B. provides information and guidance on how to proceed during the EMJMD scholarship application process, and how to manage the EMJMD scholarship attribution and monitoring in the EACEA mobility tool (EMT).
Section A. STUDENT SELECTION PROCEDURE

The Erasmus+ Programme requires that an EMJMD has a joint application, eligibility, selection and admission criteria for their students as well as for the scholars / guest lecturers engaged by the consortium. This section presents a set of minimum and mandatory requirements to be followed during the student selection procedure.

The selection procedure and criteria are to be designed and agreed upon by all members of the consortium and be implemented during the three intakes covered by the grant agreement. Any changes to the procedure will have to be reported to the Agency in the context of the EMJMD periodic reporting obligations.

A.1 EMJMD WEBSITE

The consortium website is a vital tool for:

- Promoting the programme
- Disseminating information about its structure and content, its excellence and innovative character
- Informing potential candidates (students or scholars/guest lecturers) about its enrolment conditions, its scholarship opportunities and the application procedures
- Providing information on the joint programme activities, events, publications, etc.
- Ensuring the necessary networking between students, academics, alumni and other stakeholders concerned by its implementation

It is therefore of crucial importance that each Erasmus+: EMJMD has its own website which can be found easily and has its own URL, independent from the partner universities’ websites. The recommendations hereafter represent the minimum elements that an EMJMD website must include in order to provide adequate, consistent and online information about the study programme.

Website standard elements

The website includes a Legal Notice and standard statements:

a. Disclaimer on contained data.

b. Information relating to individuals (personal data) is collected and used in accordance with the Regulation (EC) N° 45/2001 of the European Parliament and of the Council of 18.12.2000 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 L8 of 12.1.2001, p. 1).

c. Indication of the latest update for each (/its most relevant) pages/sections.

Erasmus+ EMJMD website – General

a. The joint programme is clearly identified as "Erasmus+: Erasmus Mundus".

b. The logo of the European Commission with the "Erasmus+" wording, and guidelines on the visual identity for Erasmus+ is available at: https://eacea.ec.europa.eu/about-eacea/visual-identity_en

Annex II of the Erasmus+ Programme Guide contains guidance on the dissemination and exploitation of results and requirements for EU visibility on project outputs.

c. The website information is available in English. It may also be available in further languages, in particular the EMJMD’s taught languages.

Joint study programme offered by the EMJMD

a. The website displays the EMJMD’s title and acronym.

b. The institutions that are members of the EMJMD consortium are clearly identified with:
   - a link to the relevant pages of their institutional website;
   - contact addresses (/persons) for the joint programme.

c. The website includes a short description of the joint programme, notably regarding:
   - its content and structure including the different mobility (/specialisation) tracks and/or research topics;
   - if applicable, the placement / internship possibilities offered;
   - main objectives and expected outputs;
   - tuition / training / research languages;
   - final degree(s) awarded – in English and the actual delivery language(s) – including, if applicable, the joint diploma supplement.

d. The website provides a comprehensive description of the joint programme contents (either on specific pages or in a separate and downloadable document) including:
   - the list of mandatory and elective courses / seminars / training modules with their corresponding number of credits (if applicable);
   - the nature, timing, required outputs, etc. of the on-going and final evaluation (tests, exams, projects, thesis, etc.);
   - the evaluation grid(s) and minimal results required to pass;
   - re-sit possibilities, procedure and timing;
   - the academic staff responsible for the EMJMD content in the different partner institutions.

e. If applicable, the associated partners are listed with an indication of their role in the joint programme and the respective services they provide to the students.

f. The website includes a link to the Consortium Agreement signed by the partner, which provides detailed information on the consortium organisation and internal management.

Student admission requirements

a. The website contains a specific section describing the students’ admission requirements and application procedure, including:
   - the student “participation costs” (/enrolment fees), what these fees cover, and what other “extra costs”, if any, will have to be covered by the student;
   - if applicable, the different participation costs amounts for students candidates from Programme and Partner Countries, indicating clearly the conditions applicable to each of these two categories;
   - the academic achievements (if applicable, in ECTS credits) and linguistic competence required to enter the joint programme;
   - the support documents required.

b. The student application form is available online (either through a downloadable template or via a web based application form).

c. The student admission conditions/requirements specifies the different scholarships available (including the EMJMD one) and provides specific pages describing the conditions and procedure for applying for theses scholarships;

d. The website provides a link to the “Student Agreement” template used by the consortium and that specifies in detail the rights and obligations of the two parties (student candidate and consortium).
**Erasmus+ EMJMD Scholarship**

a. The website specifies the type of EMJMD scholarships offered:
   - explaining the different eligibility criteria applicable to Programme and Partner Country students (including the 12-month residency rule to a Programme Country);
   - providing a detailed timetable for application and communication of selection results;
   - indicating the maximum number of applications a student candidate can introduce;
   - indicating:
     - the total scholarship amount;
     - the detail of its different components (travel and installation, contribution to the participation costs, monthly allowance);
     - the amount that will be actually allocated to the student;
     - the services they will be offered with the part of the scholarship charged by the consortium (including the mandatory insurance scheme for students).

b. The EMJMD scholarship application form is available online (downloadable or via an online application tool).

c. The students are informed about the fact that their personal data will be sent to the Agency and may be used by other bodies involved in the management of EMJMD acting as stakeholders of the programme (i.e. European Commission, Erasmus+ National Offices, EU Delegations, Erasmus Mundus Students and Alumni Association) for facilitating the student access to the joint programme.

d. The appeal procedure following the rejection of a scholarship application is clearly explained and the relevant conditions and appeal form are provided.

e. Specific contacts are provided for additional information of the scholarship application procedure.

**Other useful information**

a. The website contains a FAQ section.

b. There is a link to the Erasmus Mundus Students and Alumni Association (EMA: [http://www.em-a.eu/](http://www.em-a.eu/)) homepage and, if applicable, to the specific joint programme alumni association.

c. The website contains practical information and useful links for each of the countries represented in the consortium (visa and residence permits requirements, socio-cultural aspects, accommodation, cost of living, etc.).

**Additional elements within your website not listed above**

Any additional information concerning your website content you may consider as useful for existing and future Erasmus+ EMJMD consortia.

**A.2 Student applications**

Information concerning the application procedure, timetable (deadline for application, estimated time for the notification of results, appeal deadline, etc.), eligibility and selection criteria must be available to all potential applicants at the latest three (3) months before the scholarship application deadline.

Consortia must make the student candidates aware of the fact that they can apply for an EMJMD scholarship to any of the Erasmus+ Erasmus Mundus courses of their choice (see the EMJMD catalogue website available under the following link: [http://eacea.ec.europa.eu/erasmus-plus/library/emjmd-catalogue_en](http://eacea.ec.europa.eu/erasmus-plus/library/emjmd-catalogue_en)), but for a given academic year the number of applications must be limited to maximum three different joint programmes.
Although consortia are free to define different requirements, eligibility and/or selection criteria for the different mobility/specialisation tracks they offer, these should be clearly indicated in the scholarship application documents. However, while the consortium can ask for the student's "preferred" mobility tracks (/host institutions), in order for instance to ensure a balanced distribution of students among the different partners, such mobility preferences cannot play a role when selecting the scholarship candidates nor when selecting a "reserve list" student in case of cancellations from the "main list" students (see also the EMT).

The application form contains all the data listed below:

- personal co-ordinates of the candidate;
- year of birth;
- (European format) CV;
- proof of nationality (copy of passport);
- proof of place of residence (e.g. residence certificate and certificate from the candidate's place of work, study or training);
- certified (translated) copy of university diplomas;
- certified (translated) transcript of study results;
- (certified copy of) language test results;
- (if applicable) preferred mobility track;
- motivation letter;
- recommendation letters and references;
- description of the eligibility criteria for an EMJMD scholarship and declaration from the candidate that these criteria are fulfilled;
- description of the selection criteria, procedure and timetable.

A.3 Submission, Registration and Eligibility Check of Student Applications

It is the consortium's responsibility to ensure that all candidates proposed for an EMJMD scholarship (on the "main list" and on the "reserve list"), fulfil the EMJMD scholarship holder's eligibility criteria.

In this context, the eligibility check on applications is performed either by:

- the coordinating institution only;
- the coordinating institution and some partner institutions; or
- the whole consortium.

The eligibility check covers all the aspects listed below:

- respect of application deadline;
- completeness of the application file;
- eligibility of the candidate in relation to the EMJMD criteria.

All applications are subject of an acknowledgement of receipt.

The eligibility decision on student applications is taken either by:

- the coordinator/partner institution(s) that performed the check; or
- an "Eligibility Committee"

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2 Candidates with multiple nationalities must decide at application stage under which nationality they apply.

3 It is the responsibility of the consortium to verify the place of residence of the student candidate. The place of residence should be verified on the basis of the provision of the documents listed in the PRADO website. For example:
- a residence certificate issued in accordance with the candidate's municipality normal registration rules;
- a certificate from the candidate's place of work, study or training issued by the employer or institution in question.
Both documents must have been issued within 12 months before the submission deadline of applying for an EMJMD student scholarship, i.e. the consortium's official deadline for student application.

4 Nationality and residence, 12-months residency rule, non EMMC (Erasmus Mundus – Action 1) scholarship holder previously, etc.
If the composition of the "Eligibility Committee" is different from the Selection Committee its composition must be specified in the "Technical report".

Ineligible applicants must be:
- informed immediately after the eligibility check;
- provided with the reasons of ineligibility;
- provided with information on the appeal procedure.

**A.4 QUALITY ASSESSMENT OF ELIGIBLE APPLICATIONS**

The assessment of candidates applications is performed in accordance with joint selection criteria agreed among the consortium partners and involves the partner institutions as well as external bodies (if applicable). The assessor(s) involved in the assessment of applications must sign a "Non-conflict of Interest" declaration, so as to ensure equal treatment of the student candidates. Each eligible EMJMD scholarship application may be assessed by:
- one assessor;
- two assessors;
- more than two assessors.

The assessor(s) can be member(s) of either:
- the coordinating institution only;
- some of the partner institutions;
- all partner institutions;
- organisations that are not partners of the consortium.

If other actors are involved in the assessment they must be specified in the "Technical report".

The quality assessment must take into consideration the criteria listed below (non-exhaustive list):
- very good/outstanding study results (= academic excellence) in the relevant study areas;
- academic potential;
- level of language skills;
- motivation;
- recommendations;
- work experience and professional qualifications (if applicable);
- results of interviews (if applicable).

**A.5 STUDENT SELECTION**

The selection exercise must result in an absolute ranking list of candidates in decreasing order of merits, split in two different groups, i.e. one for Programme Country candidates and another for Partner Country candidates.

In this context, it must be ensured that the selection decision is based on the ranking list(s) and that it includes the "main" and "reserve list" of selected students under each of the two categories of scholarships. The two "reserve lists" must reflect the absolute ranking order of scholarship candidates.

The minutes of the "Selection Committee" meeting (the selection decision) must be signed by all its members (who must have signed in advance a declaration of "Non-conflict of interest") and be included in the "Technical report", comprising information about its composition and the origin and function of the members.

It is the consortium's responsibility to ensure that all the candidates proposed for an EMJMD scholarship have the necessary academic (linguistic) expertise to actively follow the joint programme and have serious chances to conclude their EMJMD study period successfully.
In the event that EMJMD scholarships have been offered to students who did not have the required (/minimal) academic (/linguistic) knowledge at recruitment stage, the Agency may decide to request the full reimbursement of the scholarship amounts concerned.

At the end of the students' selection and at the latest by the deadline to encode the data of all selected (main and reserve lists) and non-selected \(^5\) students in the EMT (no later than 15.04 preceding the start of each intake), must be ensured in accordance with the instructions and requirements on how to create and manage the main, reserve and non-selected lists of scholarship candidates specified in the "EMT User Manual" and in Section B below.

Non-selected student candidates must be:

- informed immediately after the selection decision;
- provided with the reasons of being rejected;
- provided with information on the appeal procedure.

**A.6 INFORMATION TO THE APPLICANTS**

Consortia must immediately inform all those applicants who have not been excluded for eligibility reasons about the result of their application.

It is recommended to inform the main and reserve list students immediately after the Selection Committee decision (in order to allow them to get prepared well in time and to avoid that the candidates apply to other scholarship schemes). \(^5\) In this context, the Agency cannot be made responsible for the communication on the selection results between the consortium and the scholarship applicants.

For the EMJMD students proposed for a scholarship, the notification must include:

- a model of the Student Agreement;
- student guidelines/handbook with practical information on the EMJMD;
- the scholarship amount.

For the students placed on the EMJMD reserve list, the notification must include:

- the results of the quality assessment;
- information regarding the management / use of the reserve list;
- the procedure to follow for an appeal to the selection decision.

**A.7 ARCHIVING OF STUDENT APPLICATIONS**

All selected applications are archived (5 years following the closure of the grant agreement) in paper form and/or electronically.

The archived applications must include:

- the eligibility assessment(s) for all applications;
- the quality assessment(s) for eligible applications;
- the Eligibility and Selection Committees' minutes.

\(^5\) "Non-selected students" are eligible students who do not fulfil the consortium selection criteria and who would not be enrolled in the EMJMD even on a self-paying basis
Section B. SCHOLARSHIP ALLOCATION AND MANAGEMENT OF CANDIDATES LISTS

B.1 CREATION OF THE SCHOLARSHIP CANDIDATES LISTS

At the latest by the scholarship application deadline (no later than 15.04), all data related to the student scholarship applicants will have to be encoded in the EMT following the instructions contained in the corresponding “User Manual”.

On the day of the above mentioned deadline, the database will be closed and it will not be possible to include new data or to update the existing one anymore.

In order to prepare their lists of scholarship candidates, consortia should follow the following approach:

a. On the basis of their absolute ranking list(s) of candidates, consortia must start including the students in the main list following the order of merits.
   
o. Candidates must be separated in two different lists corresponding to the two categories of EMJMD student scholarships, i.e. Programme Country and Partner Country students. Students eligible for a specific “geographical window” must be included under the Partner country list.
   
o. If the main list already includes three students with the same nationality, the following students with the same nationality must be placed on the reserve list.

b. The order of the students in the reserve list must correspond to the order of the students in the absolute ranking list. In this context:
   
o. There is one reserve list for Programme Country candidates (including the specific “geographical windows” if applicable) and another one for Partner Country candidates.
   
o. If the joint programme includes different admission and selection criteria in accordance with the specialisation/mobility track, these must be clearly specified in the minutes of the “Selection Committee” meeting (the selection decision), as well as in the absolute ranking list, in order for the Agency to validate the replacement of main list candidates by a reserve list ones in cases of withdrawals.

b. Contrary to the main and reserve list, the data on the “non-selected list” does not need to provide all the details on the candidates but only their nationality and gender. This information can be grouped and recorded in the EMT in groups (e.g. 8 Swedish females, 28 Brazilian males, etc.)

The “non-selected list” includes all the candidates who neither fulfil the EMJMD scholarship eligibility criteria, nor the consortium’s joint admission requirements (i.e. student who would not be admitted in the Master course even on a self-paying basis).

In addition to these EMJMD student scholarship lists, prior to the beginning and during the implementation of each intake, consortia will have to keep track of the:

- "Non-scholarship holders’ students’ list: this list available in the EMT will have to include all the students who have enrolled in the EMJMD without an EMJMD scholarship. If a “reserve list” student decides to enrol in the master course on a self-paying basis, he will have to be moved in the EMT from the “reserve list” to the “non-scholarship holders’ list (the EMT will indicate the previous status, i.e. registration on the reserve list of the student, in a history log file). Only those self-paying students, that have been (initially) listed on the EMJMD reserve list can profit from an EMJMD scholarship in the event of withdrawal/cancellation/no-show of an EMJMD student candidate.

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6 This rule applies “per Category” and the geographical windows are considered separate categories. This means that a consortium can include, for instance, three Brazilian candidates on its main list for Partner Country students, another one in the “Latin America – Region B” window (if applicable), and another three – should they have resided for more than 12 months in a Programme Country during the last 5 years – under the Programme Country main list of students.
Contrary to the main and reserve lists that will be closed by the scholarship application deadline, the “non-scholarship holders list” will remain open for inclusion of new names until the end of October of the academic year concerned, in order to allow consortia to recruit and enrol students up to the beginning of the EMJMD intake.

- **“Scholar scholarship” holders’ main list**\(^7\): each EMJMD course is expected to engage minimum 4 different scholars/guest lecturers per student intake for a minimum of 8 weeks in total per intake. A “week” is defined as minimum 4 out of 7 consecutive calendar days. It is not possible to consider 8 consecutive days as 2 weeks.

Scholar/guest lecturers’ mobility is considered eligible in the following cases:

- mobility between the partners of the consortium (including to/from associated partners);
- mobility from outside the consortium, in case such mobility is clearly linked to the Master course.

A scholar/guest lecturer paid by other EU funding schemes (including other Erasmus+ actions) cannot be considered eligible, nor can their engagement be reported as an EMJMD scholar week.

There is no maximum number of EMJMD scholars to be engaged per student intake. The minimum duration per engagement of an EMJMD scholar is 4 to 7 consecutive calendar days (= one week). Days of scholar work may include travelling time.

The remuneration of scholars/guest lecturers from the management lump sum contribution can be fixed by the consortium. The amount to be paid to scholars should cover both travel/installation contribution and working fees. Details of the scholars' engagement in the EMJMD in terms of mobility duration, nationality, origin and hosting HEI, activities carried out, etc. must be duly encoded in the EMT. The Agency will reduce the amount of the lump sum by 1 950 EUR for each scholar week not duly carried out and/or not reported (see also Article I.3.c and I.9.5.2 of the grant agreement).

In accordance with the Master course requirements, and in line with the minimum requirements specified above, consortia are free to determine their own scholars' selection procedure and calendar. The scholar/guest lecturer scholarship data can be encoded in the EMT at any time during the EMJMD implementation in accordance with the specific selection calendar agreed upon by the consortium and no later than the given reporting deadlines.

### B.2 INFORMING THE SCHOLARSHIP CANDIDATES

- The consortium informs its "main list" candidates as soon as the selection process has been concluded. This will allow the scholarship candidates preparing their arrival in Europe and, more specifically, obtaining their visa. The consortium will have to do so under its own responsibility, ensuring to avoid any misunderstanding on the enforceability of its notification.

- In its notification to the candidates who have been offered a scholarship, the consortium must provide detailed information on all the necessary elements to enrol in the joint programme on time. For Partner Country scholarship holders this concerns most particularly the visa requirements but also all other cultural, logistic, administrative, linguistic, etc. elements required to ensure an efficient starting of their joint programme activities. The notification must also specify the exact amount of the scholarship, the different elements composing this amount and the way it will be paid to the student during the EMJMD study period.

- Consortia must include in the scholarship notification a deadline by which the students must confirm their acceptance of the scholarship and, for Partner Country students, a request for confirmation, that they have launched the necessary procedures for obtaining their visa for their first mobility in a Programme Country HEI. This may reduce the risk of withdrawals at a later stage and allow for the replacement of withdrawn candidates well in time before the beginning of the intake.

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\(^7\) As scholars are selected throughout the EMJMD implementation period of the intake in question, there is no need to include them in a reserve list. As soon as the selection decision has been taken by the consortium and the scholar has confirmed his/her acceptance of the scholarship, he/she can be encoded in the relevant EMT main list.
The notification should also specify the academic/linguistic levels of competence expected from the students prior and during the joint programme, in order to receive and continue receiving the scholarship payments.

Despite the quality of their student's selection procedures, consortia may be confronted with cases in which the student's actual capacity, skills and/or levels of competence in some crucial areas (linguistic, academic, psychological, etc.) will not allow him/her to participate in the joint programme with serious chances of graduation at the end of it.

In order to address these types of situations, consortia must put in place in the early days of the programme specific evaluation tests that will allow them assessing the student's capacity to efficiently follow the joint programme. The results of these tests will allow the consortium and the student concerned to reinforce individual teaching and learning strategies in order to correct weaknesses in the student academic (linguistic) levels of competence, and increase his/her chances of success at the end of the programme.

However, if, after having been given a chance to re-sit, the student's performance is still far below the consortium's minimal performance requirements, the scholarship must be terminated.

The nature, calendar, expected performance results and consequences in case of failure of these evaluation and performance tests must be communicated to the students prior to their enrolment in the course and specified in the student agreement that they will have to sign with the consortium at the time of the enrolment.

### B.3 MANAGEMENT OF THE RESERVE LIST

The replacement of a "main list" student by a "reserve list" one can only be implemented after a relevant requested has been introduced in the EMT in accordance with the procedure described in "User Manual" and accepted by the Agency.

As a result, consortia must avoid sending formal scholarship offers to reserve list students before the Agency has accepted the corresponding replacements.

The request to replace a "main list" student by a "reserve list" can be effected only if s/he is replaced by the first eligible candidate on the reserve list. In this particular case, attention should be paid to the EMJMD condition concerning the nationality of the reserve list candidate and to the rule as regards the presence of maximum three nationals from the same country among the scholarship holders for a given category of students (Programme / Partner Country). If this is the case (i.e. there are already three other students with the same nationality on the main list), the consortium will have to take the next eligible candidate respecting its own ranking list.

Two exceptions can be accepted to the above mentioned rule.

- **a.** the first one corresponds to cases where the academic or linguistic background of the first eligible candidate on the reserve list does not correspond to the consortium requirements for the particular mobility/specialisation track concerned and it is not possible to reallocate the student under another track. This exception can only be granted to those consortia that have defined different application requirements in accordance with their mobility/specialisations tracks and that have clearly identified their main list and reserve list students in accordance with these tracks;

- **b.** the second one results from timing issues when withdrawal /cancellation /no-show of a student candidate occurs shortly before the actual beginning of the intake, making it impossible for certain Partner Country nationals to obtain their visa in time, with no possibility for the student to follow the initial stages of the programme through e-learning methods or to catch up the missed parts of the study programme - both only within the first month of the Masters course. In this case the consortium can propose another candidate but it will have to demonstrate that those who are better ranked will not be able to join the programme in time.

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8 In very particular circumstances, where there are no candidates of other nationalities available on the reserve list, the Agency can make an exception to the geographical balance rule. Requests for such exceptions must be clearly justified and are not automatically granted.
In any event, the following conditions must be duly respected:

When student candidates withdraw their participation in the Master course before the start of the intake to which they have been admitted, including no-show and cancellation cases, or EMJMD scholarship holders drop-out from the Masters, then the consortium has the possibility to reallocate the scholarship to another student. Such replacements must be – via the EMT – notified to and approved by the Agency. Additionally the consortium should bear the following in mind:

- The new EMJMD scholarship recipient(s) must have been included in the consortium’s relevant reserve list of potential EMJMD scholarship holders of the same intake.
- The geographical balance criterion must be respected.
- The new scholarship recipient must be able to start the Master course within the first month of the academic year, thus be entitled to the award of the full EMJMD scholarship for the entire study period.
- A scholarship reallocation of a drop-out student (i.e. a student who has started the course and has benefited from any amount of the scholarship) to a student on the reserve list and/or non-scholarship holders of the same intake is not allowed.
- In case no-show and/or drop-out students cannot be replaced, the corresponding unspent amounts of the scholarships must be accumulated, transferred and consumed in the next intake(s), thus forming full scholarships of Programme or Partner Country students.
- During the third intake, if a student drops-out after the start of the Masters course and/or the remaining budget accumulated by the consortia during previous intakes is not sufficient to award a full EMJMD scholarship at the beginning of the last intake, then the unspent amount will need to be reimbursed to EACEA.

In addition for Heading 4 scholarships (geographical windows), in case of a student candidate withdrawal or a scholarship cancellation, the reallocation of the scholarship in the same intake is also possible to an eligible scholarship candidate from a country belonging to any geographical window under the same funding instrument (European Neighbourhood Instrument-ENI, Development Cooperation Instrument-DCI, Partnership instrument-PI). However, such reallocation will only be accepted if under the same geographical window there are no eligible candidates to whom the scholarship can be reallocated, i.e. either to a student candidate in the reserve list or to a student intending to participate on a self-paying basis.

At the time of a student drop-out (i.e. student decides to discontinue the study programme or resulting from a consortium decision to expel the student), the consortium must encode in the EMT the scholarship amount that was spent up to that moment (i.e. the amounts of the contributions to the student’s participation costs, travel/installation costs and subsistence costs) following the correct application of the payment rules laid down in point B.4 below.

Further details on the withdrawal/no-show of a student candidate, of a student candidate scholarship cancellation and of student drop-out cases will also have to be provided in the request(s) for further pre-financing and in the final report.

**B.4 STUDENT SCHOLARSHIP PAYMENT RULES**

- The contribution to travel and installation costs shall be paid in full to the student as follows:
  - Contribution to travel costs:
    - for 60 ECTS credits courses: the full amount upon arrival at the first host HEI;
    - for 90/120 ECTS credits courses: the full amount for year 1 upon arrival at the first host HEI, and the full amount for year 2 upon beginning of the third semester. The amount paid to the student for year 2 remains unaffected should the student drop-out or be expelled after the third semester and before graduation.
    - any unspent travel costs (e.g. a student drops-out before the third semester or the difference between maximum contribution awarded and actual contribution paid) can be accumulated

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A full scholarship includes the whole amount of participation, travel & installation, and subsistence costs, which in total corresponds to a maximum of 49 000 EUR. The total amount of a full scholarship is meant to be financed by the EMJMD grant only.
and transferred to the next intake(s) and form part of a full EMJMD scholarship that can be awarded to a student of that intake.

- **Contribution to installation costs:**
  - shall be paid in full upon arrival at the first host HEI of the student resident in a Partner Country.

  - The contribution to the participation costs can be charged directly by the consortium to the individual student scholarship. The amount of participation costs charged to the scholarship holder must be clearly specified in the Student Agreement which is to be signed between the student and the consortium.

  In case a student drops out before graduation, the participation costs can be charged to the EMJMD scholarship as follows:

    - **for 60 ECTS credits courses:**
      - participation costs can be fully charged to the scholarship, i.e. no reduction for drop-out cases during a one-year course;
    - **for 90/120 ECTS credits courses:**
      - should the student drop-out before the beginning of the third-semester mobility, then the participation costs for year 2 cannot be charged on the scholarship;
      - should the student drop-out during or after the third semester mobility, then the participation costs for year 2 may be charged to the scholarship.
      - any unspent participation costs (e.g. a student drops-out before the third semester or the difference between maximum contribution awarded and actual contribution paid) can be accumulated and transferred to the next intake(s) and form part of a full EMJMD scholarship that can be awarded to a student of that intake.

- **The contribution to subsistence costs** (i.e. monthly allowance for living costs) must be paid in full to the students on a monthly basis and up to the maximum of:

    - 12 instalments for 60 ECTS credits courses;
    - 18 instalments for 90 ECTS credits courses;
    - 24 instalments for 120 ECTS credits courses.

The EMJMD consortium shall be held responsible for any overpayments made to the students and the respective amount shall be recovered by the Agency. Furthermore, it is not allowed to split the payments into more instalments than those indicated above. The payment arrangements of the subsistence allowance must be in line with the provisions detailed in the bilaterally (consortium / student) signed Student Agreement.