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Directorate-General for Communication

FRAMEWORK PARTNERSHIP AGREEMENT

FRAMEWORK AGREEMENT NUMBER – [...]

CATEGORY: MEDIA

The **European Union** (hereinafter referred to as "the Union"), represented by the European Parliament (hereinafter referred to as "the Parliament"), represented for the purposes of signature of this Framework partnership agreement by [...], Director-General for Communication,

on the one part,

and

[full official name] [ACRONYM]

[official legal status or form]

[official registration No]

[official address in full]

[VAT number],

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

on the other part,

HAVE AGREED

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

Annex I Action plan¹

Annex II General Conditions (hereinafter referred to as "the General Conditions")

¹ The action plan should include the common objectives of the parties in compliance with the objectives stipulated in the Preamble and the types of activities covered under this Framework partnership, contributing to the achievement of those objectives.

Annex III Model specific grant agreement

which form an integral part of this Framework partnership agreement, hereinafter referred to as "the Framework agreement".

The terms set out in the Special Conditions, of which the Preamble forms an integral part, shall take precedence over those set out in the Annexes.

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

PREAMBLE

The European Parliament (EP) is committed to actively communicate in order to build a better understanding of the Institution and its political nature among citizens, to encourage civic participation in the decision making process at EU level, to illustrate how the EP holds other Institutions accountable through its power of scrutiny and to produce information that is easily understood about what the EP and the European Union are debating and deciding.

For the purposes of implementing this policy, the EP has selected one or more partners engaged in the area of media, with which it shares common general objectives and wishes to establish a relationship of lasting cooperation.

The general objectives which it shares with the partner and which justify the establishment of a partnership are the following:

- to promote and multiply a better understanding of the identity, role and political nature of the EP as the only democratically elected EU institution,
- to communicate the EP's active involvement in fields that matter to EU citizens,
- to disseminate information and promote dialogue about the EP's activities.

SPECIAL CONDITIONS

ARTICLE I.1 – SUBJECT MATTER OF THE FRAMEWORK AGREEMENT. AWARD OF SPECIFIC GRANTS

I.1.1 Subject matter of the Framework agreement

I.1.1.1 The Framework agreement is concluded as part of a long-term cooperation between the Parliament and the partner (hereinafter referred to as "the partnership") with the aim to contribute to the objectives of the Union policy in the field of media as referred to in the Preamble.

The Framework agreement defines the general rights and obligations of the parties in implementing their partnership.

I.1.1.2 The partnership shall be implemented in compliance with the Action plan set out in Annex I.

I.1.1.3. For the purposes of implementing the partnership the Parliament may award to the partner specific grants for an action.

The Framework agreement shall apply to any specific grant awarded for implementation of the partnership and to the respective specific grant agreements (hereinafter referred to as "Specific agreements") concluded between the parties.

Signature of the Framework agreement shall not give rise to any obligation of the Parliament to award specific grants. It shall be without prejudice to the partner's participation in other calls for proposals for the purposes of award of grants outside the scope of the Action plan set out in Annex I.

I.1.2 Procedure for award of specific grants

The Parliament may consult its partner in order to obtain a proposal for an action in line with the Action plan set out in Annex I. Such consultation shall take place on the basis of a call for proposals open to all the partners for which this type of activity is included in the Action plan set out in Annex I. The call for proposals shall define the award criteria to be applied. The partner shall not be obliged to submit a proposal in response to such a consultation.

I.1.3. Conclusion of Specific agreements

Where the Parliament decides to award a specific grant, it shall propose to the partner to sign a Specific agreement in accordance with the model set out in Annex III. The Specific agreement shall be signed by the authorized representatives of the parties.

By signing the Specific agreement, the partner shall agree to carry out the action acting on its own responsibility in accordance with the terms and conditions laid down in the Framework agreement and the Specific agreement.

Specific agreements shall be signed before the date when the Framework agreement expires. Where the actions are carried out after the above-mentioned date, the terms of the Framework agreement shall continue to apply to the implementation of the Specific agreements governed by the Framework agreement.

ARTICLE I.2 – ENTRY INTO FORCE OF THE FRAMEWORK AGREEMENT AND DURATION OF THE PARTNERSHIP

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

I.2.2 The Framework agreement shall be concluded for a period of 4 years starting from the date of its entry into force.

ARTICLE I.3 - DATA CONTROLLER AND COMMUNICATION DETAILS OF THE PARTIES

I.3.1 Data controller

The entity acting as a data controller according to Article II.6 shall be the European Parliament's DG Communication.

I.3.2 Communication details of the Parliament

Any communication addressed to the Parliament for the purposes of sending signed Framework partnership agreements and Specific agreement shall be sent to the following address:

European Parliament
Directorate-General for Communication
Finance Unit – MOY 05T072
Rue Wiertz, 60
B-1047 Brussel
Belgium

Any communication addressed to the Parliament for administrative purposes shall be sent electronically to the following E-mail address: dgcomm-subsvention@ep.europa.eu.

Any communication for the purposes of the electronic applications, request for amendments, final reports shall be submitted through the electronic exchange system set up by the Parliament at dgcomm-egrants@ep.europa.eu. In this case, the second subparagraph of Article II.2.1 and the second subparagraph of Article II.2.2 shall not apply.

I.3.3 Communication details of the partner

Any communication from the Parliament to the partner for the purpose of sending signed Framework partnership agreements, Specific agreements and related official correspondence shall be sent to the following address:

[Full name]

[Function]

[Name of the entity]

[Full official address]

E-mail address: [complete]

Any communication from the Parliament to the partner for any other purposes must be sent electronically to the following E-mail address: [complete]

ARTICLE I.4 – SPECIAL PROVISIONS ON BUDGET TRANSFERS

By way of derogation from the first subparagraph of Article II.22, budget transfers between budget categories are limited to 20% of the estimated eligible costs of the action specified in Article I.3 of the specific grant agreement. Any transfer up to that threshold or any introduction of a new cost category (not foreseen in the estimated budget) shall require **prior written** authorization of the Parliament on the amount of each budget category for which the transfer is intended..

SIGNATURES

For the partner

[function/forename/surname]

For the Parliament

Juana Lahousse-Juárez

[signature]

Done at [place], [date]

[signature]

Done at Brussels, [date]

In duplicate in English

ANNEX II

GENERAL CONDITIONS

TABLE OF CONTENTS

PART A – LEGAL AND ADMINISTRATIVE PROVISIONS

- II.1 – GENERAL OBLIGATIONS OF THE PARTNER
- II.2 – COMMUNICATIONS BETWEEN THE PARTIES
- II.3 – LIABILITY FOR DAMAGES
- II.4 – CONFLICT OF INTERESTS
- II.5 – CONFIDENTIALITY
- II.6 – PROCESSING OF PERSONAL DATA
- II.7 – VISIBILITY OF UNION FUNDING
- II.8 – PRE-EXISTING RIGHTS AND OWNERSHIP AND USE OF THE RESULTS
(INCLUDING INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS)
- II.9 – AWARD OF CONTRACTS NECESSARY FOR THE IMPLEMENTATION OF AN
ACTION
- II.10 – SUBCONTRACTING OF TASKS FORMING PART OF AN ACTION
- II.11 – FINANCIAL SUPPORT TO THIRD PARTIES (NOT APPLICABLE)
- II.12 – AMENDMENTS TO THE FRAMEWORK AGREEMENT AND THE SPECIFIC
AGREEMENTS
- II.13 – ASSIGNMENT OF CLAIMS FOR PAYMENTS TO THIRD PARTIES
- II.14 – FORCE MAJEURE
- II.15 – SUSPENSION OF THE IMPLEMENTATION
- II.16 – TERMINATION OF THE FRAMEWORK AGREEMENT AND THE SPECIFIC
AGREEMENTS
- II.17 – ADMINISTRATIVE AND FINANCIAL PENALTIES
- II.18 – APPLICABLE LAW, SETTLEMENT OF DISPUTES AND ENFORCEABLE
DECISION

PART B – FINANCIAL PROVISIONS

- II.19 – ELIGIBLE COSTS
- II.20 – IDENTIFIABILITY AND VERIFIABILITY OF THE AMOUNTS DECLARED
- II.21 – ELIGIBILITY OF COSTS OF ENTITIES AFFILIATED TO THE PARTNER
- II.22 – BUDGET TRANSFERS
- II.23 – TECHNICAL AND FINANCIAL REPORTING – REQUESTS FOR PAYMENT
AND SUPPORTING DOCUMENTS
- II.24 – PAYMENTS AND PAYMENT ARRANGEMENTS
- II.25 – DETERMINING THE FINAL AMOUNT OF A SPECIFIC GRANT
- II.26 – RECOVERY
- II.27 – CHECKS, AUDITS AND EVALUATION

PART A – LEGAL AND ADMINISTRATIVE PROVISIONS

ARTICLE II.1 – GENERAL OBLIGATIONS OF THE PARTNER

The partner shall:

- (a) respect the common general objectives that formed the basis for establishing the partnership, as mentioned in the Preamble and in the Action plan set out in Annex I, and endeavour to achieve in practice those objectives in each action for which a specific grant is awarded;
- (b) maintain relations of mutual co-operation and regular and transparent exchanges of information with the Parliament on the implementation and the follow-up to implementation of the Action plan set out in Annex I and of any specific grant awarded by the Parliament under the Framework agreement, as well as on other matters of common interest related to the Framework agreement;
- (c) be responsible for complying with any legal obligations incumbent on it;
- (d) be responsible for carrying out the actions, for which specific grants were awarded, in accordance with the terms and conditions of the Framework agreement and the Specific agreements;
- (e) inform the Parliament immediately of any change in its legal, financial, technical, organisational or ownership situation and of any change in its name, address or legal representative;
- (f) inform the Parliament immediately of any change likely to affect or delay the implementation of an action, for which a specific grant was awarded, of which the partner is aware.

ARTICLE II.2 – COMMUNICATIONS BETWEEN THE PARTIES

II.2.1 Form and means of communications

Any communication relating to the Framework agreement or a Specific agreement or to their implementation shall be made in writing (in paper or electronic form), shall bear the number of the agreement concerned and shall be made using the communication details identified in Article I.3.

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 Framework agreement or the Specific agreement refer 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.3. 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.3. 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 Parliament using the postal services is considered to have been received by the Parliament on the date on which it is registered by the department identified in Article I.3.2.

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 Parliament shall not be held liable for any damage caused or sustained by the partner, including any damage caused to third parties as a consequence of or during the implementation of an action.

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

ARTICLE II.4 - CONFLICT OF INTERESTS

II.4.1 The partner shall take all necessary measures to prevent any situation where the impartial and objective implementation of the Framework agreement or the Specific agreements 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 Framework agreement or the Specific agreements shall be notified to the Parliament, in writing, without delay. The partner shall immediately take all the necessary steps to rectify this situation. The Parliament 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 Parliament and the partner 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 Framework agreement or the Specific agreements and which are explicitly indicated in writing as confidential.

II.5.2 The partner shall not use confidential information and documents for any reason other than fulfilling its obligations under the Framework agreement and the Specific agreements, unless otherwise agreed with the Parliament in writing.

II.5.3 The Parliament and the partner shall be bound by the obligations referred to in Articles II.5.1 and II.5.2 during the implementation of the Framework agreement and the Specific agreements and for a period of five years starting from the payment of the balance under the Specific agreement concerned, unless:

- (a) the concerned party 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 Parliament

Any personal data included in the Framework agreement and the Specific agreements shall be processed by the Parliament 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.3.1 solely for the purposes of the implementation, management and monitoring of the Framework agreement and the Specific agreements, without prejudice to possible transmission to the bodies charged with the monitoring or inspection tasks in application of Union law.

The partner shall have the right of access to his/her personal data and the right to rectify any such data. Should the partner have any queries concerning the processing of his/her personal data, He/she shall address them to the data controller, identified in Article I.3.1.

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

II.6.2 Processing of personal data by the partner

Where the Framework agreement or the Specific agreement requires the processing of personal data by the partner, the partner may act only under the supervision of the data controller identified in Article I.3.1, 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 partner grants to its personnel shall be limited to the extent strictly necessary for the implementation, management and monitoring of the Framework agreement and the Specific agreements.

The partner undertakes 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 Parliament;
- (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 its 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 Parliament requests or agrees otherwise, any communication or publication related to an action, made by the partner, 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.

The European Union emblem must be displayed in association with the EP logo.

The obligation to display the European Union emblem does not confer to the partner a right of exclusive use. The partner 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 partner is exempted from the obligation to obtain prior permission from the Parliament to use the European Union emblem.

II.7.2 Disclaimers excluding Parliament responsibility

Any communication or publication related to an action, made by the partner in any form and using any means, shall indicate that it reflects only the author's view and that the Parliament is 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 partner

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

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 Specific agreement, the partner 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 Parliament at the latest before the commencement of implementation.

The partner shall ensure that it or its affiliated entities have all the rights to use any pre-existing industrial and intellectual property rights during the implementation of the Specific agreement.

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

Without prejudice to Articles II.1, II.3 and II.8.1, the partner grants the Union the right to use the results of an action for the following purposes:

- (a) use for its own purposes, and in particular, making available to persons working for the Parliament, other 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 Parliament documents;
- (e) storage in paper, electronic or other format;
- (f) archiving in line with the document management rules applicable to the Parliament;
- (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 Union may be provided for in the Specific agreement.

The partner shall warrant that the Union has the right to use any pre-existing industrial and intellectual property rights, which have been included in the results of an action. Unless specified otherwise in the Specific agreement, 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 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 AN ACTION

II.9.1 Where the implementation of an action requires the procurement of goods, works or services, the partner 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, it shall avoid any conflict of interests.

A partner acting in its capacity of a contracting authority within the meaning of Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC or a contracting entity 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 partner shall retain sole responsibility for carrying out the action concerned and for compliance with the provisions of the Framework agreement and the Specific agreement. The partner shall ensure that any procurement contract contains provisions stipulating that the contractor has no rights vis-à-vis the Parliament under the Framework agreement or the Specific agreement.

II.9.3. The partner shall ensure that the conditions applicable to it 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 AN 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 an action as described in Annex I of a Specific agreement.

II.10.2 The partner may subcontract tasks forming part of an 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 II of the Specific agreement;
- (d) any recourse to subcontracting, if not provided for in Annex I of the Specific agreement, is communicated by the partner and approved by the Parliament without prejudice to Article II.12.2;
- (e) the partner ensures that the conditions applicable to it under Article II.7 are also applicable to the subcontractor.

ARTICLE II.11 - FINANCIAL SUPPORT TO THIRD PARTIES

Not applicable

ARTICLE II.12 – AMENDMENTS TO THE FRAMEWORK AGREEMENT AND THE SPECIFIC AGREEMENTS

II.12.1 Any amendment to the Framework agreement or a Specific agreement shall be made in writing.

II.12.2 An amendment may not have the purpose or the effect of making changes to the Framework agreement or the Specific agreement which would call into question the Parliament's decision to establish the framework partnership or to award the specific grant or which would 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, as far as Specific agreements are concerned, at the latest one month before the end of the period set out in Article 2.2 of the Specific agreement, except in cases duly substantiated by the party requesting the amendment and accepted by the other party.

II.12.4 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 partner against the Parliament 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 Parliament if it has accepted the assignment on the basis of a written and reasoned request to that effect made by the partner. In the absence of such an acceptance, or in the event of failure to observe the terms thereof, the assignment shall have no effect on the Parliament.

II.13.2 In no circumstances shall such an assignment release the partner from its obligations towards the Parliament.

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 Framework agreement or a Specific 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 Framework agreement or a Specific agreement if it has been prevented from fulfilling them by *force majeure*.

ARTICLE II.15 – SUSPENSION OF THE IMPLEMENTATION

II.15.1 Suspension of the implementation of an action by the partner

The partner may suspend the implementation of an action or any part thereof, if exceptional circumstances make such implementation impossible or excessively difficult, in particular in the event of *force majeure*. The partner shall inform the Parliament without delay, giving all the necessary reasons and details and the foreseeable date of resumption.

Unless the Specific agreement is terminated in accordance with Article II.16.1 or points (b) or (c) of Article II.16.2.2, the partner shall, once the circumstances allow resuming the implementation of the action, inform the Parliament immediately and present a request for amendment of the Specific agreement as provided for in Article II.15.3.2.

II.15.2 Suspension of the implementation by the Parliament

II.15.2.1 The Parliament may suspend the implementation of an action or any part thereof or the implementation of the Framework agreement:

- (a) if the Parliament has evidence that the partner has committed substantial errors, irregularities or fraud in the award procedure or in the implementation of the Framework agreement or the Specific agreements or if the partner fails to comply with its obligations under those agreements;
- (b) if the Parliament has evidence that the partner has committed systemic or recurrent errors, irregularities, fraud or breach of obligations under other grants funded by the Union or the European Atomic Energy Community

which were awarded to the partner under similar conditions, provided that those errors, irregularities, fraud or breach of obligations have a material impact on one or more specific grants awarded under the Framework agreement; or

- (c) if the Parliament suspects substantial errors, irregularities, fraud or breach of obligations committed by the partner in the award procedure or in the implementation of the Framework agreement or the Specific agreements and needs to verify whether they have actually occurred.

II.15.2.2 The implementation of each action for which a specific grant has been awarded is deemed automatically suspended from the date on which the suspension of the implementation of the Framework agreement takes effect.

II.15.2.3 Before suspending the implementation the Parliament shall formally notify the partner 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 partner shall be invited to submit observations within 30 calendar days from receipt of this notification.

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

If no observations have been submitted or if, despite the observations submitted by the partner, the Parliament decides to pursue the suspension procedure, it may suspend the implementation by formally notifying the partner 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 suspension shall take effect on the day of the receipt of the notification by the partner or on a later date, where the notification so provides.

In order to resume the implementation of the Framework agreement or the action, the partner shall endeavour to meet the notified conditions as soon as possible and shall inform the Parliament of any progress made in this respect.

Unless the Framework agreement or the Specific agreement is terminated in accordance with Article II.16.1 or points (b), (h) or (i) of Article II.16.2.2, the Parliament 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 partner thereof and invite the partner to present a request for amendment of the Specific agreement concerned, as provided for in Article II.15.3.2 or, where applicable, lay down the

necessary adaptations of the Framework agreement, on which the parties need to agree in accordance with Article II.15.3.1.

II.15.3 Effects of the suspension

II.15.3.1 If the Framework agreement is not terminated, it may be adapted to the new implementing conditions in accordance with Article II.12. Such an amendment shall not have as a purpose or effect to extend the period set out in Article I.2.2.

The suspension of the implementation of the Framework agreement and of all automatically suspended actions in accordance with Article II.15.2.2 is deemed lifted as from the date of the notification by the Parliament referred to in the sixth subparagraph of Article II.15.2.3. In this case Article II.15.3.2 shall not apply.

II.15.3.2 If the implementation of a suspended action can be resumed and the Specific agreement is not terminated, an amendment to the Specific 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 of the implementation of the action 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 of the Specific agreement enters into force.

II.15.3.3 Any costs incurred by the partner, 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 Parliament to suspend the implementation of the action or of the Framework agreement is without prejudice to its right to terminate the Framework agreement or the Specific agreement in accordance with Article II.16.2 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 FRAMEWORK AGREEMENT AND THE SPECIFIC AGREEMENTS

II.16.1 Termination of the Framework agreement or a Specific agreement by the partner

The partner may terminate the Framework agreement at any time by formally notifying the Parliament thereof, specifying the date on which the termination shall take effect. The notification shall be sent before the termination is due to take effect. The partner shall complete the implementation of any Specific agreement, governed by the Framework

agreement, which has entered into force before the date on which the termination of the Framework agreement takes effect.

In duly justified cases the partner may terminate a Specific agreement by formally notifying the Parliament 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 Parliament considers that the reasons exposed cannot justify the termination, it shall formally notify the partner, specifying the grounds thereof, and the Specific agreement shall be deemed to have been terminated improperly, with the consequences set out in the third subparagraph of Article II.16.3.

II.16.2 Termination of the Framework agreement or a Specific agreement by the Parliament

II.16.2.1 The Parliament may decide to terminate the Framework agreement at any time by formally notifying the partner thereof, specifying the date on which the termination shall take effect. The notification shall be sent before the termination is due to take effect. Without prejudice to its right to terminate a Specific agreement according to Article II.16.2.2 and the effects of such a termination according to Article II.16.3, the Parliament shall honour its obligations arising from the implementation of any Specific agreement, governed by the Framework agreement, which has entered into force before the date on which the termination of the Framework agreement takes effect.

II.16.2.2 The Parliament may decide to terminate the Framework agreement or a Specific agreement in the following circumstances:

- (a) if a change to the partner's legal, financial, technical, organisational or ownership situation is likely to affect the implementation of the Framework agreement or the Specific agreement substantially or calls into question the Parliament's decision to establish the framework partnership or to award the specific grant;
- (b) if the partner does not implement the action as specified in Annex I of the Specific agreement or fails to comply with another substantial obligation incumbent on it under the terms of the Framework agreement or the Specific agreement;
- (c) in the event of *force majeure*, notified in accordance with Article II.14, or in the event of suspension by the partner 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 Framework agreement or the Specific agreement would call into question the Parliament's decision to establish the framework partnership or

to award the specific grant or would result in unequal treatment of applicants;

- (d) if the partner 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;
- (e) if the partner or any related person, as defined in the second subparagraph, have been found guilty of professional misconduct proven by any means;
- (f) if the partner 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;
- (g) if the Parliament has evidence that the partner 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;
- (h) if the Parliament has evidence that the partner 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 Framework agreement or the Specific agreement, including in the event of submission of false information or failure to submit required information in order to establish the framework partnership with the Parliament or to obtain a specific grant; or
- (i) if the Parliament has evidence that the partner has committed systemic or recurrent errors, irregularities, fraud or breach of obligations under other grants funded by the Union or the European Atomic Energy Community which were awarded to the partner under similar conditions, provided that those errors, irregularities, fraud or breach of obligations have a material impact on a specific grant awarded under the Framework agreement.

For the purposes of points (e), (g) and (h), "any related person" shall mean any natural person who has the power to represent the partner or to take decisions on its behalf.

II.16.2.3 Before terminating the Framework agreement or a Specific agreement in accordance with Article II.16.2.2, the Parliament shall formally notify the partner of its intention to terminate, specifying the reasons thereof and inviting the partner, within 45 calendar days from receipt of the notification, to submit observations and, in the case of point (b) of Article II.16.2.2, to inform the Parliament about the measures taken to ensure that it continues to fulfil its obligations under the agreement concerned.

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

If no observations have been submitted or if, despite the observations submitted by the partner, the Parliament decides to pursue the termination procedure, it may terminate the Framework agreement or the Specific agreement by formally notifying the partner thereof, specifying the reasons for the termination.

In the cases referred to in points (a), (b), (d) and (f) of Article II.16.2.2, the formal notification shall specify the date on which the termination takes effect. In the cases referred to in points (c), (e), (g), (h) and (i) of Article II.16.2.2, the termination shall take effect on the day following the date on which the formal notification was received by the partner.

II.16.3 Effects of termination

Where a Specific Agreement is terminated, payments by the Parliament shall be limited to the amount determined in accordance with Article II.25 on the basis of the eligible costs incurred by the partner 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 partner shall have 60 days from the date when the termination of the Specific agreement takes effect, as provided for in Articles II.16.1 and II.16.2.3, 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 Parliament 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 Parliament 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 Parliament.

Where the Parliament, in accordance with point (b) of Article II.16.2.2, is terminating the Specific agreement on the grounds that the partner 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 Specific agreement takes effect for the partner to produce a request for payment of the balance in accordance with Article II.23.2; and

- (b) the Parliament shall not reimburse or cover any costs incurred by the partner up to the date of termination or up to the end of the period set out in Article 2.2 of the Specific agreement, 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 and second subparagraphs, where the Specific agreement is terminated improperly by the partner within the meaning of Article II.16.1, or where the Specific agreement is terminated by the Parliament on the grounds set out in points (b), (e), (g), (h) and (i) of Article II.16.2.2, the Parliament may also reduce the specific 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 partner to submit its observations.

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

ARTICLE II.17 – ADMINISTRATIVE AND FINANCIAL PENALTIES

II.17.1 By virtue of Articles 109 and 131(4) of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and with due regard to the principle of proportionality, if the partner 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 an application or during the implementation of the Framework agreement or a Specific agreement, or has been found in serious breach of its obligations under the Framework agreement or a Specific agreement, it 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 partner; and/or
- (b) financial penalties of 2% to 10% of the maximum amount of the specific grant in question as set out in Article 3 of the Specific agreement concerned.

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 Parliament shall formally notify the partner of any decision to apply such penalties.

The Parliament 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 of the Treaty on the Functioning of the European Union ("TFEU").

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

II.18.1 The Framework agreement and any Specific agreement are 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 Union and the partner concerning the interpretation, application or validity of the Framework agreement or any Specific 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 Parliament 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

II.19.1 Conditions for the eligibility of costs

"Eligible costs" of the action are costs actually incurred by the partner which meet the following criteria:

- (a) they are incurred in the period of duration of the action set out in Article 2.2 of the Specific agreement, with the exception of costs relating to the request for payment of the balance and the corresponding supporting documents referred to in Article II.23.2;
- (b) they are indicated in the estimated budget set out in Annex I of the Specific agreement;
- (c) they are incurred in connection with the action as described in Annex I of the Specific agreement and are necessary for its implementation;
- (d) they are identifiable and verifiable, in particular being recorded in the accounting records of the partner and determined according to the applicable accounting standards of the country where the partner is established and with the usual cost accounting practices of the partner;

- (e) they comply with the requirements of applicable tax and social legislation; and
- (f) they are reasonable, justified, and comply with the principle of sound financial management, in particular regarding economy and efficiency.

II.19.2 Eligible direct costs

"Direct costs" of the action are those specific costs which are directly linked to the implementation of the action and can therefore be attributed directly to it. They may not include any indirect costs.

To be eligible, direct costs shall comply with the conditions of eligibility set out in Article II.19.1.

In particular, the following categories of costs are eligible direct costs, provided that they satisfy the conditions of eligibility set out in Article II.19.1 as well as the following conditions:

- (a) the costs of personnel working under an employment contract with the partner or an equivalent appointing act and assigned to the action, comprising actual salaries plus social security contributions and other statutory costs included in the remuneration, provided that these costs are in line with the partner's usual policy on remuneration; those costs may also include additional remunerations, including payments on the basis of supplementary contracts regardless of the nature of those contracts, provided that they are paid in a consistent manner whenever the same kind of work or expertise is required, independently from the source of funding used;

The costs of natural persons working under a contract with the partner other than an employment contract may be assimilated to such costs of personnel, provided that the following conditions are fulfilled:

- (i) the natural person works under the instructions of the partner and, unless otherwise agreed with the partner, in the premises of the partner;
 - (ii) the result of the work belongs to the partner; and
 - (iii) the costs are not significantly different from the costs of staff performing similar tasks under an employment contract with the partner;
- (b) costs of travel and related subsistence allowances, provided that these costs are in line with the partner's usual practices on travel;
- (c) the depreciation costs of equipment or other assets (new or second-hand) as recorded in the accounting statements of the partner, provided that the asset has been purchased in accordance with Article II.9 and that it is written off in accordance with the international accounting standards and the usual accounting practices of the partner; the costs of rental or lease of equipment or other assets are also eligible, provided that these

costs do not exceed the depreciation costs of similar equipment or assets and are exclusive of any finance fee;

Only the portion of the equipment's depreciation, rental or lease costs corresponding to the period set out in Article 2.2 of the Specific agreement concerned and the rate of actual use for the purposes of the action may be taken into account. By way of exception, the Special Conditions or the Specific agreement may provide for the eligibility of the full cost of purchase of equipment, where justified by the nature of the action and the context of the use of the equipment or assets;

- (d) costs of consumables and supplies, provided that they are purchased in accordance with Article II.9 and are directly assigned to the action;
- (e) costs arising directly from requirements imposed by the Framework agreement or the Specific agreement (dissemination of information, specific evaluation of the action, audits, translations, reproduction), including the costs of requested financial guarantees, provided that the corresponding services are purchased in accordance with Article II.9;
- (f) costs entailed by subcontracts within the meaning of Article II.10, provided that the conditions laid down in that Article are met;
- (g) duties, taxes and charges paid by the partner, notably value added tax (VAT), provided that they are included in eligible direct costs, and unless specified otherwise in the Special Conditions or in the Specific agreement.

II.19.3 Eligible indirect costs

"Indirect costs" of the action are those costs which are not specific costs directly linked to the implementation of the action and can therefore not be attributed directly to it. They may not include any costs identifiable or declared as eligible direct costs.

To be eligible, indirect costs shall represent a fair apportionment of the overall overheads of the partner and shall comply with the conditions of eligibility set out in Article II.19.1.

Unless otherwise specified in the Article 3 of the Specific agreement, eligible indirect costs shall be declared on the basis of a flat rate of 7% of the total eligible direct costs.

II.19.4 Ineligible costs

In addition to any other costs which do not fulfill the conditions set out in Article II.19.1, the following costs shall not be considered eligible:

- (a) return on capital;
- (b) debt and debt service charges;
- (c) provisions for losses or debts;

- (d) interest owed;
- (e) doubtful debts;
- (f) exchange losses;
- (g) costs of transfers from the Parliament charged by the bank of the partner;
- (h) costs declared by the partner in the framework of another action receiving a grant financed from the Union budget (including grants awarded by a Member State and financed from the Union budget and grants awarded by other bodies than the Parliament for the purpose of implementing the Union budget); in particular, indirect costs shall not be eligible under a specific grant for an action awarded to the partner when it already receives an operating grant financed from the Union budget during the period in question;
- (i) contributions in kind from third parties;
- (j) excessive or reckless expenditure;
- (k) deductible VAT.

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

The partner 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 partner must be able to provide adequate supporting documents to prove the costs declared, such as contracts, invoices and accounting records. In addition, the partner'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.

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

Where the Special Conditions or the Specific agreement contain a provision on entities affiliated to the partner, costs incurred by such an entity are eligible, provided that they

satisfy the same conditions under Articles II.19 and II.20 as apply to the partner, and that the partner ensures that the conditions applicable to it under Articles II.3, II.4, II.5, II.7, II.9, II.10, and II.27 are also applicable to the entity.

ARTICLE II.22 – BUDGET TRANSFERS

Without prejudice to Article II.10 and provided that the action is implemented as described in Annex I of the Specific agreement, the partner is allowed to adjust the estimated budget set out in Annex I of the Specific agreement, by transfers between the different budget categories, without this adjustment being considered as an amendment of the Specific agreement within the meaning of Article II.12.

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

II.23.1 Requests for payment of the balance and supporting documents

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

This request shall be accompanied by the following documents:

- a final report of the implementation of the action (“technical report”)
- a financial statement (“financial statement”); this statement must include a summary and a breakdown of the amounts declared or requested by the partner and its affiliated entities, aggregating the financial statements already submitted previously and indicating the receipts referred to in Article II.25.3.2 for the partner and its affiliated entities.

Both reports must be drawn up using the forms and templates provided in the electronic exchange system.

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

II.23.3 Non-submission of documents

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

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

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

Where the partner keeps its general accounts in a currency other than the euro, it shall convert costs incurred in another currency into euro at the average of the daily exchange rates published in the C series of *Official Journal of the European Union*, determined over the corresponding reporting period. Where no daily euro exchange rate is published in the *Official Journal of the European Union* for the currency in question, conversion shall be made at the average of the monthly accounting rates established by the European 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.

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

ARTICLE II.24 – PAYMENTS AND PAYMENT ARRANGEMENTS

II.24.1 Pre-financing

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

Without prejudice to Article II.24.4, where Article 4.1 of the Specific agreement provides for a pre-financing payment upon entry into force of the Specific agreement, the Parliament shall pay to the partner within 30 days following that date.

II.24.2 Payment of the balance

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

Without prejudice to Articles II.24.3 and II.24.4, on receipt of the documents referred to in Article II.23.2, the Parliament shall pay the amount due as the balance within the time limit specified in Article 4.2 of the Specific agreement.

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

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

II.24.3 Suspension of the time limit for payment

The Parliament may suspend the time limit for payment specified in Article 4.2 of the Specific agreement or in Article II.24 at any time by formally notifying the partner that its request for payment cannot be met, either because it does not comply with the provisions of the Framework agreement and the Specific agreement, or because the appropriate supporting documents have not been produced, or because there is doubt about the eligibility of the costs declared in the financial statement.

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

Suspension shall take effect on the date when notification is sent by the Parliament. The remaining payment period shall start to run again from the date on which the requested information or revised documents are received or the necessary further verification, including on-the-spot checks, is carried out. Where the suspension exceeds two months, the partner may request a decision by the Parliament 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 Parliament reserves the right to terminate the Specific agreement in accordance with Article II.16.2.2(b), with the effects described in Article II.16.3.

II.24.4 Suspension of payments

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

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

- (c) if the Parliament suspects substantial errors, irregularities, fraud or breach of obligations committed by the partner in the award procedure or in the implementation of the Framework agreement or the Specific agreement and needs to verify whether they have actually occurred.

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

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

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

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

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

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

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

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

II.24.5 Notification of amounts due

The Parliament 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.24.6 Interest on late payment

On expiry of the time limits for payment specified in Article 4.2 of the Specific agreement and in Article II.24.1 and without prejudice to Articles II.24.3 and II.24.4, the partner is entitled to interest on late payment at the rate applied by the European Central Bank for its main refinancing operations in euros ("the reference rate"), plus three and a half points. The reference rate shall be the rate in force on the first day of the month in which the time limit for payment expires, as published in the C series of the *Official Journal of the European Union*.

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

The suspension of the time limit for payment in accordance with Article II.24.3 or of payment by the Parliament in accordance with Article II.24.4 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.24.8. The interest payable shall not be considered for the purposes of determining the final amount of grant within the meaning of Article II.25.3.

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

II.24.7 Currency for payments

Payments by the Parliament shall be made in euro.

II.24.8 Date of payment

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

II.24.9 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 Parliament shall be borne by the Parliament;
- (b) costs of transfer charged by the bank of the partner shall be borne by the partner;

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

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

II.25.1 Calculation of the final amount

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

- the amount obtained by application of the reimbursement rate specified in that Article to the eligible costs of the action approved by the Parliament for the corresponding categories of costs, for the partner and its affiliated entities.

II.25.2 Maximum amount

The total amount paid to the partner by the Parliament may in no circumstances exceed the maximum amount of the co-financing of the total eligible costs awarded to the actions as specified in Article 3 of the Specific agreement.

Where the total eligible costs determined in accordance with Article II.25.1 exceeds the maximum amount initially approved by the Parliament, the final amount of the co-financing shall be limited to the maximum amount specified in Article 3 of the Specific agreement.

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

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

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

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

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

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

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

II.25.3.5 Where the final amount of the grant determined in accordance with Articles II.25.1 and II.25.2 would result in a profit for the partner, the profit shall be deducted in proportion to the final rate of reimbursement of the actual eligible costs of the action approved by the Parliament.

II.25.4 Reduction for poor, partial or late implementation

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

ARTICLE II.26 – RECOVERY

II.26.1 Financial responsibility

Where an amount is to be recovered under the terms of the Framework agreement and any Specific agreement, the partner shall repay the Parliament the amount in question. The partner shall be responsible for the repayment of any amount unduly paid by the Parliament as a contribution towards the costs incurred by its affiliated entities.

II.26.2 Recovery procedure

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

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

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

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

II.26.3 Interest on late payment

If payment has not been made by the date set out in the debit note, the amount due shall bear interest at the rate established in Article II.24.6. 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 Parliament actually receives payment in full of the outstanding amount.

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

II.26.4 Bank charges

Bank charges incurred in connection with the recovery of the sums owed to the Parliament shall be borne by the partner except where Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 on payment services in the internal market amending Directives 97/7/EC, 2002/65/EC, 2005/60/EC and 2006/48/EC and repealing Directive 97/5/EC applies.

ARTICLE II.27 – CHECKS, AUDITS AND EVALUATION

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

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

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

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

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

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

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

II.27.2 Duty to keep documents

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

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

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

II.27.3 Obligation to provide information

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

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

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

II.27.4 On-the-spot visits

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

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

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

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

II.27.5 Contradictory audit procedure

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

II.27.6 Effects of audit findings

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

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

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

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

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

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

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

For that purpose, the partner shall revise the financial statements submitted under the Specific agreement taking account of the findings and resubmit them to the Parliament

within 60 days from the date of receipt of the final audit report containing the findings of the systemic or recurrent errors, irregularities, fraud or breach of obligations.

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

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

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

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

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

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

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

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

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

If no observations have been submitted or if the Parliament does not accept the observations or the alternative flat rate proposed by the partner, the Parliament shall

formally notify the partner thereof and correct the grant amount by applying the flat rate initially notified to the partner.

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

II.27.8 Checks and inspections by OLAF

The European Anti-Fraud Office (OLAF) shall have the same rights as the Parliament, 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 Parliament in order to protect the European Communities' financial interests against fraud and other irregularities and Regulation (EC) No 1073/1999 of the European Parliament and the Council of 25 May 1999 concerning investigations conducted by the European Anti-Fraud Office (OLAF), OLAF may also carry out on-the-spot checks and inspections in accordance with the procedures laid down by Union law for the protection of the financial interests of the Union against fraud and other irregularities.

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

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

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

ANNEX III – MODEL SPECIFIC GRANT AGREEMENT

FRAMEWORK PARTNERSHIP AGREEMENT COMM/FPA/2016/... **SPECIFIC AGREEMENT COMM/SUBV/2016/M/...**

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

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

on the one part,

and

[full official name] [ACRONYM]

[official legal status or form]

[official registration No]

[official address in full]

[VAT number],

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

on the other part.

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

Annex I Grant application form & budget estimates for the action

ARTICLE 1 – SUBJECT MATTER OF THE SPECIFIC AGREEMENT

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

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

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

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

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

2.2 The action shall run for **[insert number in bold]** [months/days] as of **insert date** ("the starting date").

ARTICLE 3 - MAXIMUM AMOUNT AND FORM OF THE GRANT

The grant shall be of a **maximum amount of EUR [...]** and shall take the form of the reimbursement of [...] % of the total eligible costs of the action ("reimbursement of eligible costs") as shown in the Budget Estimates of Annex I, which are estimated at EUR [...] and which are actually incurred ("reimbursement of actual costs") for the beneficiary.

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

4.1 Reporting period, payments

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

- Upon entry into force of the Specific Agreement, a pre-financing payment of EUR, which is 50% of the contribution requested from the European Parliament shall be paid to the beneficiary
- Sole reporting period from the starting date to the end of the period set out in Article 2.2.

The beneficiary must submit a request for payment of the balance within 60 calendar days following the end of the reporting period. The request for payment must be accompanied by:

- a) a final activity report;
- b) a final financial statement

Both reports must be drawn up in accordance with Article II.23.

4.2 Time limit for payments

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

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

All requests for payments, the final activity report and financial statements shall be submitted in English.

ARTICLE 5 – SPECIAL PROVISIONS ON BUDGET TRANSFERS

By way of derogation from the first subparagraph of Article II.22, budget transfers between budget categories are limited to 20% of the estimated eligible costs of the action specified in Article I.3. Any transfer up to that threshold or any introduction of a new cost category (not foreseen in the estimated budget) shall require prior written authorization of the Parliament on the amount of each budget category for which the transfer is intended.

ARTICLE 6 – BANK ACCOUNT FOR PAYMENTS

All payments shall be made to the partner's bank account as indicated in the Financial Identification Form in annex.

ARTICLE 7 – SUBMISSION OF REPORTS AND OTHER DOCUMENTS

In order to maintain relations of mutual co-operation and regular exchange of information with the Parliament and to adopt a transparent attitude with regard to managing and keeping accounts on the actions for which a Union grant is awarded, regular checks on the implementation of the specific agreements will be done by the Information Office of the European Parliament of the country where the action is carried out, in line with Article II.27 of the Framework partnership agreement.

The final technical implementation report, summary financial statement and other documents referred to in Article 4.1 must be submitted electronically in English within 60 days following the closing date of the action specified in Article 2.

SIGNATURES

For the partner

[*function/* forename / surname]

For the Parliament

[forename /surname]

[signature]
Done at [place], [date]

[signature]
Done at Brussels, [date]

In duplicate in English