Framework Partnership Agreement
concerning the European Topic Centre on Climate change impacts, vulnerability and adaptation

EEA/NSV/10/001

The European Environment Agency (the "Agency"), represented for the signature of this framework agreement by Prof Jacqueline McGlade, Executive Director of the one part,

and

[...], established in [...], represented by [...], or his/her authorized representative, the partner acting as coordinator of the consortium, (the "coordinator") and the other partners identified in Article I.1.3 below,

of the other part

HAVE AGREED

to the Preamble, the Special Conditions, the General Conditions and Annexes, which form the current Framework Partnership Agreement ("the framework agreement").

The Preamble presents the context of the partnership to form the European Topic Centre on Climate change impacts, vulnerability and adaptation.

The Special Conditions and the General Conditions define the scope and the duration of the framework agreement as well as the functioning of the partnership.

The following documents are annexed to the framework agreement:

Annex I - Actions planned under the partnership
Annex II - Model specific grant agreement
Annex III - Consortium and cost statement forms

The terms of the Special Conditions, of which the Preamble forms an integral part, shall take precedence over those in the other parts of the framework agreement. The terms of the General Conditions shall take precedence over those in the Annexes.

Through his signature, the coordinator accepts the terms of the framework agreement and their application to any specific grant agreements subsequently concluded between the parties.

PREAMBLE

Regulation (EEC) 401/2009 of 23 April 2009 on the European Environment Agency and the European Environment Information and Observation Network (codified version) describes in its Article 4(4)-(6) European Topic Centres as part of the Agency’s network. Topic Centres are dealing, for instance, with the harmonisation of environmental information of the member countries, the processing of these in databases, the analysis of the information including the use of models to describe the present and foreseeable state of the environment, and the presentation
of the information to support policy making.

In this specific context, the Agency has selected a consortium of partners, particularly active in the domain of [...] and plans to establish a durable co-operation aiming at fulfilling all tasks of a European Topic Centre.

The Agency and the consortium share common objectives in the above-mentioned domain which are laid down in Annex I and justify the setting up of a partnership.
ARTICLE I.1 – SUBJECT

I.1.1. The framework agreement is concluded as part of an ongoing, formalised relationship of cooperation between the Agency and the consortium ("the partnership") on the basis of Agency objectives and an action plan set out in Annex I, in order to contribute to the objectives of the Agency policy referred to in the Preamble.

I.1.2. The purpose of the framework agreement is to define the respective roles and responsibilities of the Agency and the consortium in implementing their partnership. The specific grant agreements that may be signed under the framework agreement shall relate to grants for the European Topic Centre’s (annual) work programme or specific parts thereof ("work programmes").

I.1.3. The consortium is composed of the partner acting as coordinator and the following legal entities, who shall accede to the framework agreement in accordance with the procedure referred to in Article I.2.1, as partners assuming the rights and obligations established by the framework agreement with effect from the date on which it enters into force:

- …, established in …, represented by …, or his/her authorised representative ("partner"),
- …, established in …, represented by …, or his/her authorised representative ("partner"),
- …, established in …, represented by …, or his/her authorised representative ("partner"),

(...)

(hereinafter referred to as the “partners")

I.1.4. The consortium shall carry out the work set out in Annex I to this framework agreement in accordance with the conditions set out in this framework agreement.

I.1.5. The partners shall conclude a consortium agreement regarding the internal operation and management of the consortium. The consortium agreement shall include all aspects necessary for the management of the consortium and the implementation of the framework agreement and specific agreements as well as any necessary intellectual property provisions.

ARTICLE I.2 – CONSTITUTION OF THE CONSORTIUM

I.2.1. The coordinator shall ensure that the legal entities identified in Article I.1.3 complete the formalities for them to accede to the contract. At the latest 60 calendar days after the entry into force of the contract, the coordinator shall send to the Agency one of the three duly completed and signed originals of Form A (set out in Annex III), which shall be obtained from each of the partners identified in Article I.1.3. The two remaining signed originals shall be kept by the coordinator and the partner concerned and be made available for consultation at the request of any other partner.

I.2.2. Should any legal entity identified in Article I.1.3 fail or refuse to accede to the framework agreement within the deadline established in the previous paragraph, the Agency is no longer bound by its offer to contract with the said legal entities. The Agency may terminate the framework agreement in accordance with Article II.12, where any legal entity identified in Article I.1.3 does not accede to the framework agreement in accordance with the provisions established by the Agency.
I.2.3. However, the consortium may propose appropriate solutions to the Agency to ensure the implementation of the partnership including, where necessary, the accession to the framework agreement of legal entities other than those identified in Article I.1.3 in accordance with the provisions in Article I.3.

I.2.4. In the case of termination, no costs incurred by the consortium under the partnership up to the date of termination of the framework agreement can be approved or accepted as eligible for reimbursement by the Agency financial contribution. Any pre-financing provided to the consortium and any interest generated by the pre-financing must be returned in full to the Agency within 30 calendar days of notification of termination.

ARTICLE I.3 – EVOLUTION OF THE CONSORTIUM

I.3.1. The consortium may be enlarged to include other legal entities, which shall accede to the framework agreement by means of Form B (set out in Annex III). The Agency is deemed to have accepted this legal entity as a partner in the consortium, if it does not object within six weeks of receipt of Form B. Any new partner shall comply with any condition required by the Financial Regulation or other formalities that may be required by any other provision of this framework agreement.

I.3.2. Acceding legal entities shall assume the rights and obligations of partners as established by the framework agreement with effect from the date of their accession to the framework agreement. Partners leaving the consortium shall be bound by the provisions of the framework agreement regarding the terms and conditions applicable to the termination of their participation.

ARTICLE I.4 – AWARD OF GRANTS

I.4.1. The Agency shall decide on the content of work programmes that reflects the annual management plans of the Agency.

I.4.2. The Agency may consult the consortium in order to obtain a proposal for work programmes in line with the action plan set out in Annex I. Such consultation shall take place on the basis of an invitation to submit proposals. The Agency shall to that end stipulate the technical and financial criteria that the work programme must satisfy if they are to qualify for an Agency grant. The consortium or partners shall be free to submit a proposal for work programme to the Agency in response to the consultation carried out. The Agency shall be free to accept or refuse the proposal submitted by the consortium and shall give the reasons for its decision.

I.4.3. Where the Agency decides to accept a proposal for a work programme, it shall send the consortium a specific grant agreement ("specific agreement") in accordance with the model in Annex II. The specific agreement is governed by the terms of the framework agreement and must be signed by the authorised representatives of the parties under the same conditions as the framework agreement.

I.4.4. By signing the specific agreement, the consortium undertakes to carry out the work programme under his own responsibility on the terms laid down in the specific agreement and the annexes thereto and in compliance with the undertakings entered into under the framework agreement.

I.4.5. Signature of the framework agreement by the parties shall not give rise to any obligation on the Agency to award a grant.
ARTICLE I.5 – DURATION

I.5.1. The framework agreement shall enter into force on the date when the last of the two parties signs.

I.5.2. It shall be concluded for a period of 3 (three) years starting from the date of its entry into force.

I.5.3. Specific agreements must be signed before the date when the framework agreement expires. Where the work programmes are carried out after the above-mentioned date, the terms of the framework agreement shall continue to apply to the implementation of the corresponding specific agreements.

ARTICLE I.6 – FINANCING THE WORKPROGRAMMES

I.6.1. Co-financing amounting to not less than 10% of the estimated total eligible cost of a work programme shall be required for each work programme for which an Agency grant is awarded.

I.6.2. Prior to concluding a specific agreement, the consortium must submit proof of the amount of co-financing to be provided. The co-financing may be provided either from the partners’ own resources or from other sources of external finance.

I.6.3. Contributions involving real estate shall be excluded from the calculation of the amount of co-financing.

I.6.4. The provisions relating to the submission of the reports and other documents relating to the work programme and the arrangements for payment of the grant are set out in the specific agreement.

ARTICLE I.7 – GENERAL ADMINISTRATIVE PROVISIONS

Any communication in connection with this framework agreement or a specific agreement shall be in writing, indicating the number of the agreement, and shall be sent to the following addresses:

For the Agency:

Requests for payment and other financial information must be addressed to:

European Environment Agency
[Name and function]
Kongens Nytorv 6
1050 Copenhagen K, Denmark
Tel: + 45 [...]
Fax: + 45 [...]
Email: [...]@eea.europa.eu

The technical reports and all other correspondence must be sent to:

European Environment Agency
[Name and function]
Kongens Nytorv 6
1050 Copenhagen K, Denmark
Tel: + 45 [...]
Fax: + 45 [...]
Email: [...]@eea.europa.eu
Ordinary mail shall be considered to have been received by the Agency on the date on which it is formally registered by the Agency.

For the consortium:

Name of partner coordinating the consortium
Name of ETC Manager
Address
Tel: + […]
Fax: + […]
Email: […]@ […]

ARTICLE I.8 – LAW APPLICABLE AND COMPETENT COURT

I.8.1. Grants are governed by the terms of the framework agreement and specific agreements, the Community rules applicable and, on a secondary level, by the law of Denmark relating to grants.

I.8.2. The consortium/a partner may bring legal proceedings regarding decisions by the Agency concerning the application of the provisions of the above-mentioned agreements and the arrangements for implementing it, before the Court of First Instance of the European Communities and, in the event of appeal, the Court of Justice of the European Communities.

ARTICLE I.9 – DATA PROTECTION

All personal data contained in and relating to the framework agreement and specific agreements shall be processed in accordance with Regulation (EC) No 45/2001 of the European Parliament and of the Council on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data. Such data shall be processed solely in connection with the implementation and follow-up of the framework agreement and specific agreements by the Agency, without prejudice to the possibility of passing the data to the bodies responsible for inspection and audit in accordance with Community legislation.

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

The Agency may use the personal data of the members of the partnership (i.e., name, functions, address, telephone and fax numbers, E-Mail address) for information and communication purposes.
II – GENERAL CONDITIONS
PART A: LEGAL AND ADMINISTRATIVE PROVISIONS

ARTICLE II.1 – PERFORMANCE OBLIGATIONS

1. The consortium shall:
   (a) take all necessary and reasonable measures to ensure that the framework agreement and the specific agreements are carried out in accordance with the terms and conditions of this framework agreement;
   (b) make appropriate internal arrangements to ensure the efficient implementation of the framework agreement and the specific agreements, and shall ensure that any agreement concluded between the partners to this end does not contradict the provisions of the framework agreement and the specific agreements. Such agreement(s) may, inter alia, specify the organisation of the work to be carried out, decision-making and dispute settlement procedures, and specify provisions concerning access rights within the limits established in this framework agreement;
   (c) inform the Agency of any event which might affect the implementation of the framework agreement and the specific agreements and the rights of the Agency and of any circumstance affecting the conditions of participation referred to the Financial Regulation and any requirements of the framework agreement, including any change of control;
   (d) provide all detailed data requested by the Agency for the purposes of the proper administration of the framework agreement and the specific agreements.

2. Each partner shall:
   (a) ensure that all information to be provided to the Agency is sent via the coordinator, except for those cases foreseen in the framework agreement;
   (b) make appropriate arrangements for the proper performance of its work identified in work programmes. To this end, the partner shall designate one or more persons who shall manage and monitor its work, ensure that the tasks assigned are correctly performed, and inform the Agency of the name and contact details of the person designated and of any changes to that information;
   (c) inform the Agency of any event which might affect the implementation of the framework agreement and the specific agreements and the rights of the Agency;
   (d) provide the Agency and Court of Auditors directly with information requested in the framework of controls and audits, as provided for in Article II.23;
   (e) ensure that any agreements or contracts entered into between the partner and any subcontractor, or other third party, contain provisions extending the Agency and the Court of Auditors’ right to audit any work carried out under the specific agreements for which costs are claimed from the Agency financial contribution;
   (f) undertake to ensure that the conditions applicable to it under Articles II.9, II.10, II.11, II.12 are also applicable to any third party whose costs are claimed under the specific agreements by means of Article II.19;
   (g) take part in meetings concerning the supervision, monitoring and evaluation of the framework agreement and the specific agreements which are relevant to it;
   (h) take all necessary steps to avoid commitments that are incompatible with the obligations provided for in this framework agreement and inform the other partners and the Agency of any unavoidable obligations which may arise during the duration of the framework agreement which may have implications for any of its obligations under the framework agreement and the specific agreements;
   (i) carry out the work programmes in accordance with fundamental ethical principles;
(j) endeavour to promote equal opportunities between men and women in the implementation of the framework agreement and the specific agreements;

(k) ensure that the Agency is informed if and when any eligibility criteria established by the Financial Regulation cease(s) to be met during the duration of the framework agreement and the specific agreements;

(l) take every necessary precaution to avoid any risk of conflict of interest relating to economic interests, political or national affinities, family or emotional ties or any other interests liable to influence the impartial and objective performance of the framework agreement and the specific agreements and shall inform the Agency without delay of any situation which could lead to such a conflict of interest.

3. The coordinator shall:

(a) ensure that the tasks identified in Article I.2. regarding accession to the framework agreement and the specific agreements are carried out in a timely manner;

(b) be the intermediary for communication between the partners and the Agency;

(c) submit to the Agency the cost statements provided for in Article II.19;

(d) receive all payments made by the Agency to the consortium and administer the Agency contribution regarding its allocation between partners and activities in accordance with the framework agreement and the specific agreements and the decisions taken by the consortium. The coordinator shall ensure that all the appropriate payments are made to partners without unjustified delay;

(e) keep accounts making it possible to determine at any time what portion of the Agency funds has been paid to each partner for the purposes of the work programmes.

(f) The coordinator shall inform the Agency of the distribution of the funds and the date of transfers to the partners.

4. The Agency shall:

(a) monitor the scientific, technological and financial execution of the work programmes and ensure that the Agency financial contribution is provided when and where necessary under the conditions established by the framework agreement and the specific agreements;

(b) carry out review, analysis and approval of work programmes deliverables within the periods indicated in the specific agreements;

(c) maintain the confidentiality of any information, data, reports or other deliverables or knowledge communicated to it as confidential, in accordance with the provisions of Article II.5.

ARTICLE II.2 – LIABILITY

II.2.1. The consortium/the partners shall have sole responsibility for complying with any legal obligations incumbent on them.

II.2.2. The Agency shall not, in any circumstances or on any grounds, be held liable in the event of a claim under a specific agreement relating to any damage caused during the work programme’s execution. Consequently, the Agency will not entertain any request for indemnity or reimbursement accompanying any such claim.

II.2.3. Except in cases of force majeure, the consortium shall make good any damage sustained by the Agency as a result of the execution or faulty execution of the work programme.

II.2.4. The consortium/the partners shall assume sole liability towards third parties, including for damage of any kind sustained by them while the work programme is being carried out.
ARTICLE II.3 – CONFLICT OF INTERESTS

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

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

ARTICLE II.4 – OWNERSHIP/USE OF THE RESULTS

II.4.1. Unless stipulated otherwise in this framework agreement or in a specific 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 partner concerned.

II.4.2. Without prejudice to paragraph 1, the partner grants the Agency the right to make free use of the results of an action as it deems fit, provided it does not thereby breach its confidentiality obligations or existing industrial and intellectual property rights.

ARTICLE II.5 – CONFIDENTIALITY

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

ARTICLE II.6 – PUBLICITY

II.6.1. Unless the Agency requests otherwise, any communication or publication by the consortium about the work programme, including at a conference or seminar, shall indicate that the work programme has received funding from the Agency.

No communication or publication by the consortium, in any form and medium, shall be done without explicit authorisation of the Agency.

II.6.2. The partners authorise the Agency to publish the following information in any form and medium, including via the Internet:
- the partners’ names and the addresses,
- the subject and purpose of the grant,
- the amount granted and the proportion of the action's total cost covered by the funding.

Upon a reasoned and duly substantiated request by a partner, the Agency may agree to forgo such publicity if disclosure of the information indicated above would risk compromising the partner's security or prejudicing his commercial interests.
ARTICLE II.7 – EVALUATION OF WORK PROGRAMMES

Whenever the Agency carries out an interim or final evaluation of the work programme’s impact measured against the objectives of the Agency, the consortium undertakes to make available to the Agency and/or persons authorised by it all such documents or information as will allow the evaluation to be successfully completed and to give them the rights of access specified in Article II.23.

ARTICLE II.8 – SUSPENSION OF WORK PROGRAMMES

II.8.1. The consortium may suspend implementation of a work programme if exceptional circumstances make this impossible or excessively difficult, notably in the event of force majeure. He shall inform the Agency without delay, giving all the necessary reasons and details and the foreseeable date of resumption.

II.8.2. If the Agency does not terminate the agreement under Article II.12.2, the consortium shall resume implementation once circumstances allow and shall inform the Agency accordingly. The duration of the work programme shall be extended by a period equivalent to the length of the suspension. In accordance with Article II.14, a supplementary written agreement shall be concluded to extend the duration of the work programme and to make any amendments that may be necessary to adapt the work programme to the new implementing conditions.

ARTICLE II.9 – FORCE MAJEURE

II.9.1. 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 and specific agreements, was not attributable to error or negligence on their part, and proves insurmountable in spite of all due diligence. Defects in equipment or material or delays in making them available (unless due to force majeure), labour disputes, strikes or financial difficulties cannot be invoked as force majeure by the defaulting party.

II.9.2. A party faced with force majeure shall inform the other party without delay by registered letter with advice of delivery or equivalent, stating the nature, probable duration and foreseeable effects.

II.9.3. Neither of the parties shall be held in breach of their obligations under the agreement if they are prevented from fulfilling them by force majeure. The parties shall make every effort to minimise any damage due to force majeure.

II.9.4. The work programme may be suspended in accordance with Article II.8.

ARTICLE II.10 – AWARD OF CONTRACTS

II.10.1. If a partner has to conclude contracts in order to carry out a work programme and they constitute costs of the work programme under an item of eligible direct costs in the estimated budget of the work programme annexed to a specific agreement, he shall seek competitive tenders from potential contractors and award the contract to the bid offering best value for money; in doing so he shall observe the principles of transparency and equal treatment of potential contractors and shall take care to avoid any conflict of interests.

II.10.2. Contracts as referred to in paragraph 1 may be awarded only in the following cases:
(a) they may only cover the execution of a limited part of the work programme;
(b) recourse to the award of contracts must be justified having regard to the nature of the
(c) the tasks concerned must be set out in the Annex of a specific agreement and the corresponding estimated costs must be set out in detail in the budget in estimated budget of the work programme;

(d) any recourse to the award of contracts while the work programme is under way, if not provided for in the initial grant application, shall be subject to prior written approval by the Agency;

(e) the partner shall retain sole responsibility for carrying out the work programme and for compliance with the provisions of the agreement. The partner must undertake to make the necessary arrangements to ensure that the contractor waives all rights in respect of the Agency under the framework agreement and specific agreements;

(f) the partner must undertake to ensure that the conditions applicable to him under Articles II.2, II.3, II.4, II.5, II.6, II.7, II.11, II.20 and II.23 of the framework agreement are also applicable to the contractor.

ARTICLE II.11 – ASSIGNMENT

Claims against the Agency may not be transferred.

In exceptional circumstances, where the situation warrants it, the Agency may authorise the assignment to a third party of the framework agreement and payments flowing from it following a written request to that effect, giving reasons, from the consortium. If the Agency agrees, it must make its agreement known in writing before the proposed assignment takes place. In the absence of the above authorisation, or in the event of failure to observe the terms thereof, the assignment shall not be enforceable against and shall have no effect on the Agency.

In no circumstances shall such an assignment release the contractor from his obligations to the Agency.

ARTICLE II.12 – TERMINATION

II.12.1 Termination by the consortium or a partner

The consortium may terminate the framework agreement at any time by giving 90 (ninety) calendar days' written notice. Where he avails himself of that right, he must undertake to complete the implementation of any specific agreements which have entered into force before the date when termination of the framework agreement takes effect.

In duly justified cases, the consortium may withdraw his request for a grant and terminate the specific agreement at any time by giving 90 (ninety) calendar days' written notice stating the reasons, without being required to furnish any indemnity on this account. If no reasons are given or if the Agency does not accept the reasons, the consortium shall be deemed to have terminated this agreement improperly, with the consequences set out in Article II.12.4.

In duly justified cases, a partner may withdraw his request for a grant and terminate the specific agreement at any time by giving 90 (ninety) calendar days' written notice stating the reasons, without being required to furnish any indemnity on this account. If no reasons are given or if the Agency does not accept the reasons, the partner shall be deemed to have terminated this agreement improperly, with the consequences set out in Article II.12.4.

II.12.2 Termination by the Agency

The Agency may decide to terminate the framework agreement and/or the specific agreements or to terminate the participation of a partner, without any indemnity on its part, in the following circumstances:
(a) in the event of a legal, financial, technical, organisational or auditing change in the consortium’s situation that is liable to affect framework agreement and/or the specific agreements substantially or to call into question the decision to award the grant;

(b) if the consortium fails to fulfil a substantial obligation incumbent on him under the terms of the framework agreement and/or the specific agreements, including its annexes;

(c) in the event of force majeure, notified in accordance with Article II.9, or if a work programme has been suspended as a result of exceptional circumstances, notified in accordance with Article II.8;

(d) if a partner is declared bankrupt, is being wound up or is the subject of any other similar proceedings;

(e) if a partner is found guilty of an offence involving his professional conduct by a judgment having the force of res judicata or if he is guilty of grave professional misconduct proven by any justified means;

(f) if a partner is guilty of misrepresentation or submits reports inconsistent with reality to obtain the grant provided for in the framework agreement and/or the specific agreements;

(g) if a partner has intentionally or by negligence committed a substantial irregularity in performing the framework agreement and/or the specific agreements or in the event of fraud, corruption or any other illegal activity on the part of the contractor to the detriment of the European Communities’ financial interests. A substantial irregularity consists of any infringement of a provision of an agreement or regulation resulting from an act or an omission on the part of the partner, which causes or might cause a loss to the Community budget.

II.12.3 Termination procedure

The procedure is initiated by registered letter with advice of delivery or equivalent.

In the cases referred to in points (a), (b) and (d) of Article II.12.2., the consortium shall have 30 (thirty) calendar days to submit his observations and take any measures necessary to ensure continued fulfilment of his obligations under the framework agreement and/or the specific agreements. If the Agency fails to confirm acceptance of these observations by giving written approval within 30 (thirty) calendar days of receiving them, the procedure shall continue to run.

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

If notice is not given in the cases referred to in points (c), (e), (f) and (g) of Article II.12.2., termination shall take effect from the day following the date on which notification of the Agency’s decision to terminate the agreement is received.

II.12.4 Effects of termination

In the event of termination of a specific agreement, payments by the Agency shall be limited to the eligible costs actually incurred by the consortium up to the date when termination takes effect, in accordance with Article II.18. Costs relating to current commitments that are not due to be executed until after termination shall not be taken into account.

The consortium shall have 90 (ninety) calendar days from the date when termination of the specific agreement takes effect, as notified by the Agency, to produce a request for final payment. If no request for final payment is received within this time limit, the Agency shall not reimburse the expenditure incurred by the consortium up to the date of termination and it shall recover any
amount if its use is not substantiated by the technical implementation reports and financial statements approved by the Agency.

By way of exception, in the event of improper termination by the consortium or termination by the Agency on the grounds set out in points (e), (f) or (g) of Article II.12.2., the Agency may require the partial or total repayment of sums already paid under the specific agreement on the basis of technical implementation reports and financial statements approved by the Agency, in proportion to the gravity of the failings in question and after allowing the consortium to submit his observations.

ARTICLE II.13 – FINANCIAL PENALTIES

By virtue of the Financial Regulation applicable to the Agency, any partner declared to be in grave breach of his obligations shall be liable to financial penalties of between 2% and 10% of the value of the grant in question, with due regard for the principle of proportionality. This rate may be increased to between 4% and 20% in the event of a repeated breach in the five years following the first.

The consortium shall be notified in writing of any decision by the Agency to apply such financial penalties.

ARTICLE II.14 – SUPPLEMENTARY AGREEMENTS

II.14.1. Any amendment to the framework agreement and/or a specific agreement must be the subject of a written supplementary agreement. No oral agreement may bind the parties to this effect.

II.14.2. The supplementary agreement may not have the purpose or the effect of making changes to the framework agreement and/or a specific agreement which might call into question the decision awarding the framework agreement and/or a specific agreement or result in unequal treatment of applicants.

II.14.3. If the request for amendment is made by the consortium, he must send it to the Agency in good time before it is due to take effect and in the case of specific agreements, one month before the closing date of the work programme, except in cases duly substantiated by the consortium and accepted by the Agency.

ARTICLE II.15 – TECHNICAL COLLECTIVE RESPONSIBILITY

Technical implementation of the framework agreement and a specific agreement shall be the collective responsibility of the partners. To that end each partner shall take all necessary and reasonable measures to attain the objectives of the framework agreement and a specific agreement, and to carry out the work incumbent on the defaulting partner.

ARTICLE II.16 – FINANCIAL COLLECTIVE RESPONSIBILITY

II.16.1. Should a specific agreement be terminated or the participation of a partner be terminated in accordance with Article II.12, and a partner does not honour the reimbursement of the amount due by that partner, the consortium will reimburse the amount due to the Agency.

II.16.2. The amount due to the Agency may not exceed the value of the contribution due to the consortium in accordance with Article 3 of the specific agreement.

The amount to be recovered shall be allocated between the remaining partners other than those referred to in Article II.16.3 in accordance with their pro rata share in the overall specific agreement.
This allocation shall be based on the relative weight of all those partners not excluded by Article II.16.3, taking into account their share of the provisional costs as indicated in the specific agreement when pre-financing is to be recovered and their share of accepted certified costs when payment is to be recovered.

Any amount claimed from a partner shall not exceed the contribution it is entitled to receive according to applicable reimbursement rates. The amount a partner is entitled to receive is based on its provisional costs as indicated in the specific agreement when pre-financing is to be recovered and is based on its certified costs accepted by the Agency when a settled payment is to be recovered.

II.16.3. Articles II.16.1 and II.16.2 do not apply where the defaulting partner is a public body, an international organisation or a partner whose participation to the indirect action is guaranteed by a Member State.

II.16.4. The consortium is not collectively responsible for:

(a) any amount owed by a defaulting partner for any breach discovered after the final implementation date;

(b) sanctions referred to in Article II.13 imposed on a defaulting partner.
PART B: FINANCIAL MANAGEMENT

ARTICLE II.17 – ELIGIBLE COSTS – GENERAL PRINCIPLES

Eligible costs are those actual costs which are necessary for a work programme, can be substantiated, and are incurred during the period specified in Article 2 of a specific agreement. Eligible costs after this period shall be limited to those relating to the reporting, review or evaluation requirements of this framework agreement.

II.17.1. Costs shall exclude any profit, be recorded in the accounts of the partner that incurred them, and be determined in accordance with accounting principles relating to historic costs. The accounting procedures used in the recording of costs and receipts shall respect the accounting rules of the State in which the partner is established as well as permit the direct reconciliation between the costs and receipts incurred for the implementation of the work programme and the overall statement of accounts relating to the overall business activity of the partner.

II.17.2. No partner shall incur unnecessarily high or extravagant cost on a work programme. No costs may be charged in respect of marketing, sales, distribution costs for products and services, interest, return on capital employed, provisions for future losses or liabilities, and any costs related to other projects.

Partners shall be authorised to transfer between themselves the budget set out in the table of the indicative breakdown of estimated eligible costs, provided that: the amounts transferred do not exceed 10% of the amount allocated to the beneficiary in the table of the indicative breakdown of estimated eligible costs. Any other properly substantiated transfer approved by partners directly concerned shall require prior written approval by the Agency.

Each partner shall be authorised to transfer the budget set out in the table of the indicative breakdown of estimated eligible costs between categories of costs, in compliance with the first and second subparagraphs. However, he shall not be required to obtain the agreement of the other partners.

II.17.3. Personnel

Personnel costs shall comprise the actual costs (gross remuneration and related charges). Only the costs of the actual hours worked by the persons directly carrying out the work under the work programme may be charged to the contract. Such persons must:
- be directly employed by the partner in accordance with his national legislation,
- be under the sole technical supervision of the latter,
- be remunerated in accordance with the normal practices of the partner, provided that these are regarded as acceptable by the Agency.

All the working time charged to the project must be recorded throughout the duration of a work programme, or, in the case of the coordinator, no later than two months after the end of the duration of a work programme, and be certified at least once a month by the designated project manager, or an authorised senior employee of the partner.

II.17.4. Durable equipment

Costs relating to the purchase or leasing with option to buy of durable equipment may be charged as direct cost.

The eligible costs for durable equipment leased with option to buy shall not exceed the
costs that would have been incurred if the equipment had been purchased, taking account of the formula below.

The costs to be charged to the project shall be calculated according to the following formula:

\[ \frac{A}{B} \times C \times D \]

- \( A \) = the period in months during which the durable equipment is used for the work programme after invoicing,
- \( B \) = the depreciation period for the durable equipment: 36 months for computer equipment costing less than EUR 25 000 or 60 months for other equipment,
- \( C \) = the actual cost of the durable equipment,
- \( D \) = the percentage of usage of the durable equipment for the project.

The durable equipment may have been purchased or leased with option to buy:
- within the six months preceding the work programme commencement date,
- for a previous agreement concluded with the Agency, provided that the depreciation period has not been exceeded. Only the costs relating to the unexpired depreciation period may be charged.

Hire costs shall be charged to the project pursuant to Article II.17.8.

II.17.5. Subcontracts

Partners may conclude subcontracts subject to the terms and conditions specified in Article II.10.

The partner shall ensure that subcontracts include an obligation for the subcontractors to submit invoices making reference to the work programme and providing a detailed description of the tasks or supply concerned.

II.17.6. Travel and subsistence

Travel and related subsistence costs for the partner's personnel may be charged to the project. The prior approval of the Agency shall be required for any destination outside the territory of the Agency's Member Countries, unless such a destination is provided for in Annex II of a specific agreement.

Travel and subsistence costs shall be established on the basis of the normal rules of the partner, provided that these are regarded as acceptable by the Agency.

II.17.7. Meeting costs

Costs related to the arrangements of meetings for the purpose of the project may be charged. These may include travel and subsistence costs of participants that are not employed by the consortium organisations established on the basis of the rules of the Agency.

The prior written approval of the Agency shall be required for any meeting not provided for in Annex II of the specific agreement.
II.17.8. Other specific project costs

Other specific project costs may be charged subject to prior written approval of the Agency unless provided for in Annex II of the specific agreement.

II.17.9. Overhead costs

Partners may charge overheads calculated as a flat-rate amount of 20% of all direct costs referred to in Article II.17.3, II.17.4, II.17.6, II.17.7, II.17.8, which is deemed to cover any indirect costs incurred by the partner under a work programme. A partner may request a lower percentage when this is required, for instance, by his internal rules.

ARTICLE II.18 – JUSTIFICATION OF COSTS

Eligible costs shall be reimbursed where they are justified by the partner. To this end, the partner shall maintain, on a regular basis and in accordance with the normal accounting conventions of the State in which he is established, the accounts for the project and appropriate documentation to support and justify in particular the costs and time reported in his cost statements. This documentation must be precise, complete and effective.

ARTICLE II.19 – COST STATEMENTS

II.19.1. The partners shall submit cost statements expressed in national currency and in Euro in the format specified in Annex III. Any conversion of actual costs into Euros shall be made at the daily rate published in the Official Journal of the European Union or, failing that, at the monthly accounting rate established by the Commission and published on its website:


applicable on the day when the payment order is issued by the Agency, unless specific provisions are laid down for the purpose in the Special Conditions in a specific agreement.

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

No account shall be taken of exchange gains or losses between the issue of the cost statement and the receipt of any payment.

Partners shall submit their cost statements to the Agency through the coordinator.

In addition, the coordinator shall submit the corresponding integrated cost statements in Euros in the format specified in Annex III.

Cost statements, including the integrated cost statement, shall be submitted to the Agency within two months of the end of the period covered by the cost statement.

The final cost statement, including the integrated cost statement, shall be submitted to the Agency within two months of the end of the duration of the work programme.

The Agency reserves the right to withhold part or, exceptionally, all of the payment of the Agency financial contribution in case of failure to submit a cost statement or other work programme deliverable.
II.19.2. The Agency may suspend the period for payment laid down in Article 4 of a specific agreement at any time by notifying a partner that his request for payment cannot be met, either because it does not comply with the provisions of the agreement, or because appropriate supporting documents must be produced or because there is a suspicion that some of the expenses in the financial statement are not eligible and additional checks are being conducted.

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

II.19.3. On expiry of the period for payment specified in Article 4 of the specific agreement or the equivalent article in the framework agreement, and without prejudice to paragraph 2 of this Article, the consortium may, within two months following the date of receipt of a late payment, request payment of interest on the late payment at the rate applied by the European Central Bank for its main refinancing operations in Euros, plus three and a half points; the reference rate to which the increase applies shall be the rate in force on the first day of the month of the final date for payment, as published in the C series of the Official Journal of the European Union. This provision shall not apply to recipients of a grant which are public authorities.

Interest on late payment shall cover the period from the final date for payment, exclusive, up to the date of payment as defined in paragraph 1, inclusive. The interest shall not be treated as a receipt for the purposes of determining the final grant. The suspension of payment by the Agency may not be considered as late payment.

II.19.4. The consortium shall have two months from the date of notification by the Agency of the final amount of the grant determining the amount of the payment of the balance or the recovery order pursuant to Article II.22, or failing that of the date on which the payment of the balance was received, to request information in writing on the determination of the final grant, giving reasons for any disagreement. After this time such requests shall no longer be considered. The Agency undertakes to reply in writing within two months following the date on which the request for information is received, giving reasons for its reply. This procedure is without prejudice to the consortium's right to appeal against the Agency's decision pursuant to the Article I.8 on Law applicable and competent court. Under the terms of Community legislation in this matter, such appeals must be lodged within two months following the notification of the decision to the applicant or, failing that, following the date on which the applicant learned of the decision.

ARTICLE II.20 – THE AGENCY FINANCIAL CONTRIBUTION

II.20.1. The Agency shall make its contribution to the consortium under the following cumulative conditions:

(a) the contribution is based on the reimbursement of eligible costs claimed by partners through the coordinator; and

(b) on the basis of financial statements provided by each partner.

II.20.2. At the time of the submission of the last financial statement the final amount of the Agency financial contribution will be established taking into account all amounts which the consortium has already received. The Agency financial contribution cannot give rise to any profit for the partners.
II.20.3. *Partners* subject to the provisions of the state aid framework on cumulating public funding must ensure that they comply with its provisions.

II.20.4. The *Agency* financial contribution shall be offset by any interest or equivalent benefits yielded by the pre-financing of the project, as referred to in Article II.21.

II.20.5. Where a *work programme* has not effectively commenced within three months of the payment of the pre-financing, the *Agency* may:
- determine to add interest on the pre-financing from its payment until the effective Commencement Date at the rate applied by the European Central Bank for its main refinancing operations in Euros, or
- require the reimbursement of the pre-financing together with such interest.

II.20.6. All payments shall be treated as pre-financing until acceptance of the appropriate deliverables, or, if none are specified, until acceptance of the final report.

II.20.7. If the actual eligible costs at the end of the *work programme* are lower than the estimated total eligible costs, the *Agency* financial contribution shall be limited to the amount obtained by applying the reimbursement rate agreed in the *specific agreement* to the actual eligible costs approved by the *Agency*.

II.20.8. Without prejudice to the right to terminate a *specific agreement*, if the *work programme* 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 project on the terms laid down in this *framework agreement*.

II.20.9. The total amount paid to the *consortium* by the *Agency* may not in any circumstances exceed the maximum amount of the grant laid down in Article 3 in the *specific agreement* even if the total actual eligible costs exceed the estimated total eligible costs specified in Article 3 in the *specific agreement*.

II.20.10. The *Agency* undertakes to pays sums due pursuant to a *specific agreement* within the period for payment laid down in Article 4 of a *specific agreement* from the date on which the *Agency* approved or should have approved the report or reports and/or other deliverables ("the date of approval") to the date on which the *Agency* account is debited. This payment period may be suspended by the *Agency* if it informs the partners concerned, at any time within the period for payment laid down in Article 4 of a *specific agreement* counting from the date of approval, that their payment request (or requests) is (or are) not admissible either because the amount is not due or because the necessary supporting documents have not been produced, or if the *Agency* sees the need for further checks. The payment period shall continue to run from the date on which the properly established payment request (or requests) is (or are) first registered.

Upon expiry of the time limit set in the first paragraph and without prejudice to the second paragraph, the *consortium* may, within two months of receiving the late payment, claim interest at the rate applied by the European Central Bank to its operations in Euros plus one and a half percentage points.

II.20.11. In the event of late payment the *consortium* may claim interest, within two months of receipt of the payment. Interest shall be calculated at the rate applied by the European Central Bank to its principal refinancing operations, as published in the C series of the Official Journal of the European Communities, in force on the first calendar day of the month in which the due date falls, plus three and a half percentage points. Interest shall be payable for the time elapsed between expiry of the payment deadline and the date of payment. Date of payment is the date upon which the *Agency* account is debited. Any
such interest payment is not considered as part of the financial contribution of the Agency established by the provisions of Article 3 of the specific agreement.

ARTICLE II.21 – INTEREST YIELDED BY PRE-FINANCING PROVIDED BY THE AGENCY

II.21.1. In accordance with the provisions of the Financial Regulation, pre-financing granted to the coordinator on behalf of the consortium remains the property of the Agency.

II.21.2. The coordinator shall inform the Agency of the amount of any interest or equivalent benefits yielded by the pre-financing it has received from the Agency. Notification must be made annually if the interest in question represents a significant amount, and in any event when the request for interim payments and the request for payment of the balance of the grant are made.

ARTICLE II.22 – REIMBURSEMENT TO THE AGENCY AND RECOVERY ORDERS

II.22.1. If any amount is unduly paid to the consortium or if recovery is justified under the terms of the agreement, the consortium undertakes to repay the Agency the sum in question on whatever terms and by whatever date it may specify.

II.22.2. If the consortium fails to pay by the date set by the Agency, the sum due shall bear interest at the rate indicated in Article II.20.11. Interest on late payment shall cover the period between the date set for payment and the date when the Agency receives full payment of the amount owed.

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

II.22.3. Sums owed to the Agency may be recovered by offsetting them against any sums owed to the consortium, after informing the latter accordingly, or by calling in any financial guarantee. The consortium’s prior consent shall not be required.

II.22.4. Bank charges occasioned by the recovery of the sums owed to the Agency shall be borne solely by the consortium.

II.22.5. The consortium understands that under Article 256 of the Treaty establishing the European Community, the Agency may adopt an enforceable decision formally establishing an amount as receivable from persons other than States.

ARTICLE II.23 – AUDITING

The Agency, or any representative authorised by it, may initiate an audit at any time during the agreement and up to five years after each payment of the Agency contribution.

The Agency or any authorised representative may have access, at any reasonable time, in particular to the personnel of the contractors connected with the project, the documentation, computer records and equipment that it considers relevant. In this connection, it may request that data be handed over to it in an appropriate form in order, for instance, to ascertain the eligibility of the costs.

The European Court of Auditors and the European Anti-Fraud Office (OLAF) may proceed to examine the use made of the financial contribution from the Agency pursuant to this framework agreement.
SIGNATURES

For the Consortium,
Name and function
Signature: _______________________

For the Agency,
Prof. Jacqueline McGlade
Executive Director
Signature: _______________________

Done at … on …
Done at Copenhagen on

In duplicate in English.