

GRANT CONTRACT
- EXTERNAL ACTIONS OF THE EUROPEAN UNION -

2015/356-353

(the 'Contract')

The European Union, represented by the European Commission
(the 'Contracting Authority')

of the one part,

and

GEANT Limited
Limited Company
Registration number 2806796
City House, 126 – 130 Hills Road, Cambridge, CB2 1PQ, United Kingdom
VAT number GB599731672
("the Beneficiary")

hereinafter the "Coordinator"

and

Georgian Research and Educational Networking Association (GRENA)
Not-for-Profit Organisation
Registration number: 5/9-182
10 Chovelidze Street, 0108, Tbilisi, Georgia
VAT number: GE204931654

Research and Educational Networking Association of Moldova (RENAM)
Not-for-Profit Organisation
Registration number: 1089
168 Stefan cel Mare Street, Office 314, Chisinau, Republic of Moldova
VAT number: MD1939501

United Institute of Informatics Problems of National Academy of Sciences of Belarus (UIIP NASB)
Not-for-Profit Organisation
Registration number: 190365895
6 Surganova Street, 220012, Minsk, Belarus
VAT number: not applicable

Association of Users of Ukrainian Research and Academic Network (URAN)
Not-for-Profit Organisation
Registration number: 34662584
37 Peremogy Avenue, Building 2, Kiev, Ukraine
VAT number: UA346625826581

Institute for Informatics and Automation Problems of the National Academy of Sciences of the Republic of Armenia (IIAP NAS RA)
Not-for-Profit Organisation
Registration number: 26421006073
1 P. Sevak Street, 0014, Yerevan, Armenia
VAT number: AM00008698

Institute of Information Technology of Azerbaijan - National Academy of Sciences (IIT)
Not-for-Profit Organisation
Registration number: D-2233
9 B. Vahabzade Street, AZ1141, Baku, Azerbaijan
VAT number: AZ1300308241

Verein Zur Förderung Eines Deutschen Forschungsnetzes DFN Verein E.V. (DFN)
Not-for-Profit Organisation
Registration number: VR7729NZ
1 Alexanderplatz, 10178, Berlin, Germany
VAT number: DE1366/23822

GÉANT Vereniging
Not-for-Profit Organisation
Registration number: 40535155
468 D Singel, 1017 AW, Amsterdam, The Netherlands
VAT number: NL007981752B01

who have conferred powers of attorney for the purposes of the signature of the agreement to the Coordinator,
collectively referred to as “Beneficiary(ies)” where a provision applies without distinction to the Coordinator
and the co-beneficiary(ies,

of the other part,

(the ‘Parties’)

have agreed as follows:



Special conditions

Article 1 — Purpose

- 1.1 The purpose of this Contract is the award of a grant by the Contracting Authority to finance the implementation of the action entitled: "EaP Connect" (the 'Action') described in Annex I.
- 1.2 The Beneficiary(ies) shall be awarded the grant on the terms and conditions set out in this Contract, which consists of these special conditions (the 'Special Conditions') and the annexes, which the Beneficiary(ies) hereby declares it has noted and accepted.
- 1.3 The Beneficiary(ies) accepts the grant and undertakes to be responsible for carrying out the Action.

Article 2 — Implementation period of the Action

- 2.1 This Contract shall enter into force on the date when the second of the two Parties signs.
- 2.2 Implementation of the Action shall begin on the 1 July 2015.
- 2.3 The implementation period of the Action, as laid down in Annex I, is 60 months.
- 2.4 The execution period of this Contract shall end at the latest 18 months after the end of the implementation period as stipulated in Article 2.3 unless postponed in accordance with Article 12.5 of Annex II.

Article 3 — Financing the Action

- 3.1 The total eligible costs are estimated at EUR 13 684 211 as set out in Annex III.
- 3.2 The Contracting Authority undertakes to finance a maximum amount of EUR 13 000 000.
The grant is further limited to 95% of the estimated total eligible cost of the Action specified in paragraph 1.
- 3.3 Pursuant to Article 14.7 of Annex II, 7% of the final amount of direct eligible costs of the Action established in accordance with Articles 14 and 17 of Annex II, may be claimed as indirect costs.

Article 4 — Reporting and payment arrangements

- 4.1 Payments shall be made in accordance with Article 15 of Annex II option no. 2 as set out in Article 15.1 and as amended by Article 7.2.1 below:
Initial pre-financing payment: EUR 4 791 857
Further pre-financing payments: EUR 8 208 143 (subject to the provisions of Annex II)

Article 5 — Contact addresses

- 5.1 Any communication relating to this Contract shall be in writing, state the number and title of the Action and be sent to the following addresses:

For the Contracting Authority

Payment requests and attached reports, including requests for changes to bank account arrangements shall be sent to:

European Commission
Directorate-General for European Neighbourhood and Enlargement Negotiations
For the attention of the Head of Unit B3 (Finance, Contracts & Audit - ENI)
Office J-54 03/229
Avenue du Bourget 1
B-1049 Brussels
Belgium

Copies of the documents referred to above, and correspondence of any other nature, shall be sent to:

European Commission
Directorate-General for European Neighbourhood and Enlargement Negotiations
For the attention of the Head of Unit C2 (Regional Programmes Neighbourhood East)
Office J-54 06/203
Avenue du Bourget 1
B-1049 Brussels
Belgium

For the Coordinator

GEANT Limited
Matthew Scott, Niels Hersough
City House, 126 – 130
Hills Road
Cambridge CB2 1PQ
United Kingdom

- 5.2 The expenditure verification(s) referred to in Article 15.7 of Annex II will be carried out by:

Ernst & Young
Compass House
80 Newmarket Road
Cambridge CB5 8DZ
United Kingdom

Article 6 — Annexes

- 6.1 The following documents are annexed to these Special Conditions and form an integral part of the Contract:

- Annex I: Description of the Action (including the Logical Framework of the Project)
Annex II: General Conditions applicable to European Union-financed grant contracts for External Actions
Annex III: Budget for the Action (worksheets 1, 2 and 3)
Annex IV: Contract-award procedures
Annex V: Standard request for payment and financial identification form
Annex VI: Model narrative and financial report
Annex VII: Terms of reference for an expenditure verification of a European Union financed grant contract for external actions and model report of factual findings
Annex VIII: Standard template for Transfer of Asset Ownership

- 6.2 In the event of a conflict between the provisions of the present Special Conditions and any Annex thereto, the Special Conditions shall take precedence. In the event of a conflict between the provisions of Annex II and those of the other annexes, those of Annex II shall take precedence.

Article 7 — Other specific conditions applying to the Action

- 7.1 The General Conditions are supplemented by the following:

- 7.1.1 Article 12.1 of Annex II shall be supplemented as follows:

In case where the procurement procedure described under section 1.1.5 of Annex I ("Proposed Activities and their effectiveness" – WP2 "Procurement, Network Design and Commercial Management") has been unsuccessful, or in case where less than three out of the six beneficiary countries commit to proceed to Phase B ("Network Procurement") and/or Phase C ("Network Operations") of the Action as described under section 1.1.5 of Annex I, the Parties shall duly consult.

Failing agreement on a solution, the Coordinator or the Contracting Authority may terminate this Contract by serving two months written notice, without being required to pay indemnity.

7.1.2 Article 14.9 d of Annex II shall be supplemented as follows:

Costs related to the acquisition of infrastructures, including where relevant purchase of land and/or building(s), providing connectivity to the beneficiary countries and incurred during the implementation period of the Action shall be eligible provided that the ownership of such infrastructures is transferred to the beneficiary countries at the end of the Action. Purchase of land and/or building(s) is subject to the prior written authorisation of the Contracting Authority upon duly justified request by the Coordinator.

7.1.3 In addition to the procurement rules set out in Annex IV, the Coordinator may have recourse to the competitive dialogue¹ and negotiated procedures for the procurement of goods, works and services under budget items 6.1 ("Connectivity"), 6.2 ("Network Management") and 6.3 ("Equipment") of Annex III for a maximum amount of EUR 8 670 966. The principles described in section 1 of Annex IV shall always apply.

7.2 The following derogations from the General Conditions shall apply:

7.2.1 By derogation from Article 15.1 of Annex II, option 2 (Actions with an implementation period of more than 12 months and grant of more than EUR 100 000) (iii) is amended as follows:

The payment of the balance of the final amount of the grant is not applicable. As a consequence, the total sum of pre-financing payments will represent 100% of the amount referred to in Article 3.2 of the Special Conditions. All references to the payment of the balance in the General Conditions shall be read as referring to the procedure described in the paragraph below.

The final amount of the grant shall be determined in accordance with Articles 14 and 17 of Annex II, following the submission of a Final Report and of an Expenditure Verification Report as provided for in Articles 15.2 and 15.6 of Annex II respectively. Any amounts of pre-financing paid in excess of the final amount of the grant shall be recovered in accordance with the provisions of Article 18 of Annex II.

7.2.2 By derogation to sections 2.1 and 2.2 of Annex IV and in accordance with section 2.3, the rules of nationality and origin shall not apply to the procurement of goods, works and services under budget items 6.1 ("Connectivity"), 6.2 ("Network Management") and 6.3 ("Equipment") of Annex III for a maximum amount of EUR 8 670 966.

Done in English in three originals, two originals being for the European Commission and one original being for the Beneficiary(ies)

For the Beneficiary(ies)

Name:

Title:

Signature:

Date:

Pierre BRU-FRE
Chairman of
the board
GEANT Association
11/6/2015

For the Contracting Authority

Name:

Title:

Signature:

Date:

Gerhard Schumann-Hitzler

Director Neighbourhood East

Directorate-General for European
Neighbourhood and Enlargement
Negotiations

11/6/2015

¹ Competitive dialogue as described under section 2.4.7 of the EU External Actions Practical Guide ("Procurement And Grants for European Union external actions – A Practical Guide" - <http://ec.europa.eu/europeaid/prag/>)

ANNEX I

DESCRIPTION OF THE ACTION

Title of the action:	EaPConnect
Locations of the action:	Ukraine, Belarus, Republic of Moldova ¹ , Georgia, Azerbaijan, Armenia
Name of the Coordinator	GEANT Limited
Nationality of the applicant	United-Kingdom

EuropeAid ID	n/a
Legal Entity File Number	6000067865
Legal status	Non-profit organisation, limited liability company

Applicant's contact details for the purpose of this action	
Postal address:	City House, 126 – 130 Hills Road, Cambridge, CB2 1PQ, United Kingdom
Telephone number: (fixed and mobile) Country code + city code + number	+44 (0)1223 371 300
Fax number: Country code + city code + number	+44 (0)1223 371 371
Contact person for this action:	Maria Minaricova
Contact person's email:	Maria.minaricova@geant.org
Address:	City House, 126 – 130 Hills Road, Cambridge, CB2 1PQ, United Kingdom
Website of the Organisation:	www.geant.org

¹ Hereinafter referred to as Moldova.

1 THE ACTION

1.1. Description of the Action

1.1.1. Description

Total duration of the action	60 months
Objectives of the action	<p>The overall objective of this action is to decrease the digital divide and contribute to the support of science, education and research sector in the EAP region.</p> <p>The specific objective is to increase the access to communication networks and foster the exchange of information between the research and education communities in the EaP countries and Europe as well as other world regions.</p>
Partner(s)	The project will be managed by GEANT Ltd. The organisations representing the National Research and Education Networks of the participating EaP countries, are Beneficiaries of the Action.
Target group(s)	Research organisations/Researchers Educational organisations (schools, universities) Students
Final beneficiaries	The general population of Eastern Partnership countries
Estimated results	<p>Improved access to high-capacity internet connection for the research and education community in Eastern Partnership region</p> <p>Increased capacity of internet connection provided to research and education community</p> <p>Increased communication and collaboration between research centres and universities thanks to regional high capacity network</p> <p>Increased access to high quality scientific content (publications, web services, educational material, etc.)</p> <p>Increased access to network services of value to the R&E community (eg eduroam and eduGain)</p> <p>Improved institutional capacity of EaP NRENs and self-sustainability</p>
Main activities	<p>3 phase network development programme:</p> <ul style="list-style-type: none">• Inception phase (Phase A) to commence activities and tender activities• Network procurement (Phase B)• Network operations (Phase C) <p>Promoting and supporting applications and services that use the network</p> <p>Human capacity building</p> <p>Sustainability planning and commitment-building amongst stakeholders</p>

1.1.2. Objectives

The **overall objective** of the EaPConnect action is to reduce the digital divide and contribute to the support of the science, research and education sectors in the Eastern Partnership region.

The demand for informatics services to support collaboration in research and education in the region is no less than that of EU countries. All countries in the Eastern Partnership region have a large number of young and talented citizens whose future depends heavily on the speedy development of the information society, and without which their societies are likely to continue experiencing a significant brain drain. The education, cultural and scientific sectors are promising, with several centres of excellence, but these face severe limitations in the level of international collaboration with respect to their counterparts in the European Union and other world regions.

Indeed, National Research and Education Networks (NRENs), the communication layer of e-Infrastructures, are still far from being fully developed in the Eastern Partnership region, although NRENs in the Eastern European region are better connected than those in the South Caucasus region, due to a different level of development, a more advanced telecommunication market in particular for cross-border fibres and a close cooperation with the Romanian and Polish NRENs.

The project will try to diminish the digital divide by providing access to high speed and highly reliable interconnection network among the six countries as well as towards the pan-European network for research and education GEANT.

The **specific objective** of the action is to increase the access to European research and education institutions via R&E network and foster the exchange of information between the research and education communities in the EaP countries, Europe and other world regions.

In order to contribute to the progress of the education and research sector, communication and exchange of information among the educational and research institutions in the region and the region towards the external world is to be increased. The access to the high speed, reliable R&E network is to be provided to the educational institutions in sufficient capacity to facilitate sharing of information. The collaboration between the universities and researchers is to be encouraged.

The project aims as well to contribute to increased information flows between the EaP region and Europe and contribute to increased cooperation between the two regions.

1.1.3. Relevance of the action

The policy context for regional development of e-infrastructures was set in the policy event held under the Platform 4 "Contacts between people" of the EaP in Chisinau in 11-12 December 2012 and where a Joint Declaration for supporting ICT-based e-infrastructures for research and education in the Eastern Partnership region was agreed and signed by all governments of the region, by stakeholders of e-infrastructures in the countries concerned and by 13 European e-infrastructure and research and education networking organisations.

On 11 February 2013, the Joint Declaration was sent to the High Representative of the European Union for Foreign Affairs and Security Policy and Vice-President of the European Commission, Catherine Ashton, as well as to the Commissioner for Enlargement and European Neighbourhood Policy, Štefan Füle, and to Vice-President, Neelie Kroes.

The support for e-infrastructure development was further stressed at the conference "Enhancement of European International Cooperation and Eastern Partnership in Research, Development and Innovation" held in Vilnius 30 September – 1 October 2013 under the newly created Panel for Research and Innovation of Platform 4 "Contacts between People" where participants jointly declared

“Support should be given in particular to regional cooperation in the fields of e-infrastructures including research and education networks“.

Finally at the Vilnius EaP Summit of 28-29 November 2013, Head of States and Head of Governments declared that one of the key goals for 2015 is to “gradually developing a Common Knowledge and Innovation Space to pull together several existing strands of cooperation in research and innovation”. They welcomed “work done in view to promote further electronic infrastructures for education and research in partner countries” and looked forward to “enhanced involvement in electronic infrastructures for education and research”.

Problem Analysis

The problems being addressed by the presented project is the digital divide causing the lagging behind of the education and research sector in the EaP countries. Access to information and exchanges with the outside world is one of most important attributes of a successful education system. With the fast development of ICT technologies in the past decade, the access to global information sources has become a crucial element for the competitiveness of a country and its underdevelopment a major cause for some economies to lag behind.

The lagging behind of education and research, as well as lack of access to modern information technologies is directly affecting other sectors like healthcare and government. Limited access to modern technologies is often a cause of a brain drain of highly skilled experts into countries with better facilities and possibilities for their development.

In the countries of the Eastern Partnership region, the access to R&E networks is limited, the exchange of information between scientific groups limited and knowledge exchange insufficient. As a result, a major part of the population is being excluded from the realizing their full potential that the access to high speed, reliable R&E networks would provide. The most affected sectors are education and research where the access to up-to-date information is a pre-condition for their quality.

Supporting the use of the information technologies in the region would greatly contribute to modernisation of education systems and progress in research by facilitating the access of highly skilled scientists, researchers and students to information and increasing the exchanges with the rest of the world.

This would contribute to further development of the region, modernisation and support democracy building. Sectors important for increasing the development of the EaP countries would be modernised, which would help to raise the economic growth and leverage the economic development in the region.

Target groups and their needs and constraints

The target group of the EaPConnect project would be the research and educational institutions in the Eastern Partnership countries. Universities and research centres being financed from public budgets often lack resources for arranging access to the high speed, reliable R&E network providing access to the R&E organizations in Europe and worldwide.

To meet the specialised needs of research and educational institutions the National Research and Education Networks (NRENs) have been created. The NRENs are organisations associating institutions from the research and education sector (universities, academic institutions, research centres) to commonly ensure digital connection for their students and researchers in sufficient capacity and on affordable terms. Grouping together into NREN type of organizations enables the cooperation with local authorities to support ICT development countrywide for all educational organisations. Moreover, in the rest of the world, the NRENs with their research potential are often the driving power of the development and testing of new information technologies.

The NRENs of EaP countries will be the primary beneficiaries of the project, as they are the representatives of the education and research institutions in the area of communication technologies.

Final beneficiaries

The final beneficiaries of EaPConnect network would be the citizens of the Eastern Partnership countries that would benefit from the access to the new information technologies and high quality scientific content. This would on one hand include improved education and research possibilities, on the other hand the emerging use of information technologies in other sectors like medicine, meteorology, earth science. Broadening the use of information technologies could improve the quality of these public services, increase the openness of the region towards global developments, prevent the brain drain and contribute to the economic growth in the region.

The final beneficiary groups can range from secondary school children who would have an access to Internet content from other countries in the world, to university students that can engage in more sophisticated research collaboration, to patients at a hospital or remote health centre that can be operated by a national surgeon to cure a complex or rare medical condition that requires the help of a doctor or surgeon from another part of the world. This remote assistance could be ensured via telemedicine using high-speed, highly reliable network connection.

Relevance of the action to the needs and solutions provided

The EaPConnect network will provide connectivity to the NRENs already established in the region, with the main focus on covering as many educational institutions in the region as possible as well as to achieve sustainable functioning of the NRENs.

The main activity of EaPConnect will be to forming a high speed and highly reliable interconnection network among the six countries as well as towards the pan-European network for research and education GEANT.

The concept of the research and education networks has been running successfully in Europe as well as in other parts of the world. The European GEANT network connects universities and research centres in 34 countries in Europe. Similar concepts have been introduced in different parts of the world, to support the development needs by building up regional networks and connecting them to the European GEANT. Examples are the ALICE network in Latin America, EUMEDCONNECT in the Mediterranean countries and the TEIN3 project in Asia.

1.1.4. Description of the action and its effectiveness

Overall Objectives and Purpose of the Action

The Action aims to reduce the digital divide by providing an access to high-speed, highly reliable R&E network for research and education activities between EaP region and Europe

The EaPConnect project aims to procure, install and operate a high capacity network which is terrestrial based giving greater bandwidth and reliability. The Action also aims to promote the use of the network to the existing and potential user communities in the EaP region and provide technical support to enable them to realise the benefits of the network. A key part of the Action is to develop plans and commitment amongst the stakeholders of the target countries to sustain the project beyond the EaPConnect contract timescales.

Outputs and expected results

The Action aims to deliver the following concrete outputs:

- High capacity regional R&E network for the use of the national research and education networks (NRENs) in the EaP Region.

- Network awareness and usage stimulated, applications and services supporting cooperation between the user communities in different sectors including health, education, physics, seismology, life sciences.
- Increased number of end-users and collaborations inside the region and with Europe.
- Capacity programme that provides training and transfers technical know-how to the EaP NRENs and their staff, and facilitates the utilisation of the network by the user communities.
- Change of mind of the EaP governments with regard to the advantages of strong national networks and the need to fund such activities
- Foster the development of national research and education networking by the beneficiary countries.
- Financial model identifying costs and sources of funding, eventually financing schemes for the network in such a way, that the long-term financial viability of the network will be ensured.
- Promotion activities within the primary users of the connectivity (teachers, scientists, students and academic staff) to raise awareness and support the usage of the EaP network and its services portfolio.

The following impacts on the target group are foreseen:

EaP Connect will therefore provide essential infrastructure which will help researchers and students to carry out their projects based in their home countries, and will help stem the movement of these talented nationals to better resourced developed countries, thus stemming the 'brain drain'. It is expected to accelerate the rate at which new applications can be developed and deployed. EaPConnect will allow users to participate in global research programmes, such as the EC's Horizon 2020, where international partnerships are encouraged but which rely on good quality connectivity in order to be effective. It can therefore be expected to increase the collaborations between Europe and EaP Region.

EaPConnect is expected to play an ongoing catalytic role in the further development of national research and education networking. This effect has been a characteristic of similar regional programmes in other geographic areas.

EaPConnect is planned to provide further assistance to the participants in the beneficiary countries to improve the skill sets of their staff, particularly in the technical area to help them operate their networks effectively, but also in other areas such as commercial management and marketing. EaPConnect is also expected to foster further co-operation between the EaP region research networks and with those within other regions, e.g. Europe and other world regions, and transfer experience and expertise of research network management and organisation. It is expected to equip the participants with the capabilities to be self-sufficient and to work together to achieve long term sustainability.

1.1.5. Proposed Activities and their effectiveness

The key aims of the EaPConnect programme are:

1. To establish and operate a high capacity regional network serving the needs of the user communities of the beneficiary countries
2. To promote the use of the network for collaborative research and education programmes
3. To build capacity and capabilities to maximise the benefit of research and education networking
4. To promote the project to stakeholders and prepare a sustainability plan for the programme beyond EaPConnect

The project is split into three separate consecutive phases and in all has seven work packages, one for the project management and six subject based work packages. Some of the work packages cover more

than one phase. The philosophy of the 3 phases is that these progressively require greater commitment and funding from the beneficiary participants, which is requested as the benefits of the programme become more clearly visible. It is a requirement of their continued participation in the Action that participants honour the commitments they make at each stage, including prompt payment of funding they have committed.

Phase A. Inception

Duration: up to 6 months

In this phase the project initiation will take place, the information with regard to project parameters will be updated and preparations for tendering the EaPConnect network commenced. The demand for connectivity in EaP research and education communities will be updated and current market conditions analysed. As a result a more realistic picture on the future network parameters will be defined (capacity, topology, costing) which will serve as a background for tendering the connectivity and establishing the network. Besides that it will enable creating a more realistic estimate of cost-sharing model for the EaPConnect network.

The EaP NRENs have expressed interest to participate in the project during 2015. Therefore the formal budget commitment can only be made when the cost-sharing model is defined and the beneficiary countries know what connectivity they can obtain under actual pricing. It is proposed that during the Inception Phase an initial payment of 10 000 EUR will be collected from each participating NREN. Upon collection of the resources the NRENs will be included in the project.

The project is self-inclusive – when the participating NRENs contribute proportional level of co-funding they will be involved in the project. The project does not exclude any of the EaP NRENs from the participating in the project. The condition on being involved in the project is to provide necessary level of co-funding. When an EaP NREN does not provide any co-funding, their staff can participate in the meetings, but will be required to cover their travel costs. If an EaP NREN provide partial funding, they can participate and receive proportional benefit from the EC funding to match the level of their co-funding contribution.

Most of the activities take place in Work Package (WP) 1 (Inception Phase). In order to speed up the preparations for the network procurement (WP2), this WP will also commence during the Inception Phase. During the Network Procurement Work Package the project team will prepare EaPConnect tender documentation and advertise the forthcoming tender and conduct tendering activities.

Also work to identify and evaluate possibilities for the Network Operation Centre (WP6) as well as Human Capacity Building and Knowledge Transfer (WP5) will begin.

At the end of the Inception Phase a meeting of project beneficiaries, the EaP NRENs, will take place and the results of the Inception Phase will be presented, and the way forward will be agreed. The Inception Phase will provide the countries with a more concrete outline of the possible future network parameters, extent of supporting actions and cost-sharing principles. Based on this, each of the Eastern Partnership NRENs will be expected to confirm their commitment to participate in the network and bear their share of its costs.

The decision to enter Phase B (Network procurement) is a decision the countries have to decide on and will involve the financial commitment (see below). The precondition for commencing the Phase B will be the commitment of at least 3 countries to provide their own part of co-funding, based on the cost-sharing model that will be established. Option will be given to up to 3 countries to join the network later if they express their will to do so. Otherwise, if only 3 countries participate, the cost sharing model may need to be adjusted, the cost of their participation may need to be redistributed and the network may be upgraded to provide additional capacity and/or longer duration for active members of the network.

Phase B. Network Procurement

Duration: 6-10 months

Once it is known which participants commit to the second phase the tender can be published and the formal tender procedure can be executed, resulting in recommendations for contracts with one or more service providers. After the completion of the tender, GEANT Ltd. will provide costings for participation for the first 12 months of the Network Operations Phase based on the costs of the network that have been tendered and related project costs, the cost sharing model that has been agreed and the access capacities required by each partner. Once NRENs make financial commitments for participating, GEANT Ltd. will sign the contracts with the service providers and the migration path can be defined. These activities are all within WP2 (Network Procurement) that governs the time schedule of this phase. Other work packages that are active in this phase are WP4 (Application Promotion and Support), and WP6 (Sustainability).

The precondition for commencing the Phase C will be the commitment of at least 3 countries. Option will be given to up to 3 countries to join the network later if they express their will to do so. Otherwise the cost sharing model may need to be adjusted, the cost of their participation may need to be redistributed and the network may be upgraded to provide additional capacity and/or longer duration for active members of the network.

In the event that the tender results do not allow the EaP network to be reasonably established within the budgets and timeframes of the project and/or less than 3 of the 6 beneficiary countries wish to proceed to Phase C, then GEANT Ltd. reserves the right to terminate the project.

Phase C. Network Operations

Duration: 48 Months

The Network Operation Phase is the part of the project where the participating countries are to be connected to the EaP Connect network, the technical management of the network is arranged and network management services are being provided. The steering work package for this phase is WP3 (Network Operations). Supportive activities are within WP4 (Application and Support), WP5 (Human Capacity Building) and WP6 (Sustainability). In the latter, WP6, the foundation will be laid for the sustainability verification of EaPConnect.

During network operation further network tendering and procurement activities may take place in order to upgrade the network capacity.

The Action is projected to provide service to 30 June 2020.

The precondition for commencing the Phase C will be the commitment of at least 3 countries. Option will be given to up to 3 countries to join the network later if they express their will to do so. Otherwise the cost sharing model may need to be adjusted, the cost of their participation may be redistributed and the network may be upgraded to provide additional capacity and/or longer duration for active members of the network.

The description of the seven work packages is as follows:

WP0 Project Management and Reporting

This work package will provide the overall co-ordination and administrative under-pinning for EaPConnect. It will therefore include:

- Manage the EC contract for EaPConnect
- Set up agreements with the participants for their part in EaPConnect, including their financial contributions
- Set and operate the business models to allocate shared costs between beneficiaries as fairly as possible

- Provide general administrative and financial support
- Facilitate the EaPConnect project meetings where strategic EaPConnect issues are governed
- Meet project reporting and auditing requirements

This work package will last for the duration of the programme.

WP1 Inception

This work package provides the basic information and commitment that is necessary for the Network Procurement phase.

The main activities are:

- Specify communication services, outline regional staff regional office
- Review the existing studies and views of the telecommunications market
- Survey the services and prices offered by connectivity providers to gather current market data
- Inventory of user group needs
- Audit the capabilities and training needs of the NRENs, based on the studies already conducted supplemented with participants' views.
- Audit training and exposure needs at governmental levels
- Review whether further government support is required to ensure a successful EaPConnect tender outcome.

The goal of the Work package is approval of project implementation plan and the cost sharing model principles. This approval is necessary for the further implementation of the project.

Deliverable D 1.1: Inception phase report

Deliverable D 1.2: Updated EaPConnect project implementation plan

Deliverable D 1.3: EaPConnect cost sharing principles for approval of the EaPConnect project members

Milestone M 1.1: EaPConnect project members' approval cost sharing model.

Milestone M 1.2: Commitments of beneficiary countries to Phase B

WP2 Procurement, Network Design and Commercial Management

This work package will source the EaPConnect network which will provide the project's telecommunications network backbone. The procurement will be commenced as soon as WP1 is completed and the agreement for the cost sharing model is achieved. The preparations for the procurement will start well before this. The procurement will be conducted in accordance with EC procurement procedures.

Procurement of federating the access to high quality scientific content (publications, web services, software, educational material, etc.) will also be explored.

This work package will also develop recommendation for the network topology in light of supplier offers from the procurement phase, their affordability and capacity requirements.

The work package will include:

- Prepare EaPConnect tender documentation and advertise the forthcoming tender
- Conduct the EaPConnect connectivity tender, to create the EaPConnect network connecting the NRENs to each other and to Europe.
- Conduct a tender for access to scientific content
- The topology will be determined in the light of the offers received in the tender to deliver the most economically advantageous results. The tender will examine alternative technical options for achieving connectivity (e.g. cable, dark fibre) in the light of requirements, technical merits and budget with a preference for high capacity terrestrial technologies.
- Sourcing any network equipment required by tender
- Sourcing a network management service probably subcontracted to existing NRENs or otherwise by tender

- Negotiating, awarding and managing commercial contracts with successful connectivity, equipment and network management providers.

It is intended that connectivity will be tendered for those countries that have entered the procurement phase. In the event that any NRENs are not ready to participate, including make the necessary financial contributions, then their participation would be deferred and possibly re-tendered at a later date. The topology selected should take account of this possibility. It is expected that the tender will take up to 6 - 10 months, with a further 3 months required for network implementation and testing (see WP3).

Deliverable D 2.1: EaPConnect tender document

Deliverable D 2.2: EaPConnect operational agreements with participating NRENs

Deliverable D 2.3: EaPConnect network topology document

Milestone M 2.1: Tender publication

Milestone M 2.2: Specification of hardware to be procured

Milestone M 2.1: Network topology

Milestone M 2.2: Contract with service provider

WP3 Network Operations

This work package will set EaPConnect network operational policies and oversee the EaPConnect Network Operation Centre (NOC) which will manage the network on a day to day basis. Most appropriate technical options including direct operation by GEANT Ltd or by the European NRENs located in near the EaP region.

- Oversee the implementation and testing of the EaPConnect network
- Set up and oversee the EaPConnect routing plans
- Set up and oversee interconnections with any other networks
- Set-up and oversee performance monitoring of the EaPConnect backbone and liaising on performance issues with participants' networks
- Deploy relevant services on the EaPConnect backbone and provide advice on the deployment of these services on EaPConnect participants' networks
- Oversee the running of the EaPConnect NOC
- Reporting on technical performance of the EaPConnect network

This will start while the EaPConnect tender is underway and run for the remainder of the EaPConnect project.

Deliverable D 3.1: Description of EaPConnect network and management procedures

Deliverable D 3.2: Regular Monitoring reports/network performance reports during Operational Phase

WP4 Supporting and Promoting Applications and Services

This work package is planned to increase access to network services of value to the R&E community in the region (eg eduRoam, eduGain, etc.) providing support to e-infrastructures and collaboration activities.

The main activities are:

- Create web-based community and public site
- Create social media communication channels
- Promote the project to potential users, projects, funding organisations and national governments
- Promote the use of eduRoam to the users and community (EduRoam (**education roaming**) is the secure, world-wide roaming access service developed for the international research and education community.)

- Define strategic service areas as show cases for regional awareness and support. Each participating country will adopt one or more of these areas and further develop these in a regional setting.
- Catalyse user applications and use of services in target application fields
- Seek synergies and potential collaborations with user communities in other regions already familiar with research network potential, e.g. GEANT (Europe), PSNC (Poland), RoEduNet (Romania), BREN (Bulgaria), CESNET (Czech Republic), LITNET (Lithuania), GARR (Italy), DFN (Germany), other European NRENs (Europe), TEIN (Asia Pacific), REANNZ (New Zealand), AARNET (Australia), ESnet (USA) and others.
- Organise and participate in dissemination activities to raise user awareness within the region and with other European research programmes (e.g. Horizon 2020 community), and convey the benefits to stakeholders.
- Regular reporting on application use as part of the project reports

Deliverable 4.1 EaPConnect project website and brochure updates

Deliverable 4.2 EaPConnect network launch event

WP5 Human Capacity Building and Knowledge Transfer

This work will help to develop the technical competencies and human relationships amongst the EaPConnect beneficiaries and their user communities:

- Commission and deliver a series of customised technical training courses for beneficiary NREN's staff (Network Security, LOLA – Low Latency audio visual streaming systems, Firewall systems, system security, Performance measurement and optimization for Web and Mail services, Storage and Cloud systems, Programming for Systems and Network Automation Services - Software Defined Network)
- Seek synergies and potential collaborations with user communities in other regions already familiar with research network potential, e.g. GEANT (Europe), PSNC (Poland), RoEduNet (Romania), BREN (Bulgaria), CESNET (Czech Republic), LITNET (Lithuania), GARR (Italy), DFN (Germany), other European NRENs (Europe), TEIN (Asia Pacific), REANNZ (New Zealand), AARNET (Australia), ESnet (USA) and others.
- Provide funding support, subject to budget availability, for attendance by beneficiary NRENs' staff on other activities of benefit to human capacity building for EaPConnect network: e.g. other training courses, 'on the job training' with other NRENs, attendance at conferences etc
- Assess needs for non-technical training by beneficiary NRENs: e.g. marketing, financial administration, tendering etc, and address priority areas
- Assess needs for technical skills to enhance application deployment by users, and address priority areas within the technical competence of the project
- Undertake and support a regular sequence of national and regional conferences to raise consciousness of policy makers, develop the R&E community, facilitates knowledge exchange, and engage stakeholders

This work package is intended to run for the duration of the EaPConnect project.

Deliverable 5.1 Training Plan

Deliverable 5.2 Training events

WP6 Sustainability

This work package aims to plan for continuation of the programme beyond the EaPConnect project. In this sense it is the most important part of the project as it lays the foundation for a sustainable regional network connectivity.

The activities will include:

- Coordinate and support regional EaPConnect activities

- With WP4, this work package aims to build commitment with current and potential stakeholders by showing the benefits of EaPConnect project
- Working with participants to develop proposals for the continuation of the programme
- Seeking external funding, if warranted, to support a continuation programme
- Reporting on progress towards sustainability as part of regular project reporting
- At the end of the EaPConnect project, the PPP contracts with connectivity providers will be novated from GEANT Ltd to the EaP NREN partners.
- Liaise with DG NEAR and the EC delegations to secure and maintain government endorsement of participation in the project and beyond the life of the project

This work package is intended to run for the duration of the EaPConnect project.

After three years of life of the project, a report on foreseen sustainability will be produced and submitted to the EC for review.

Towards the end of the project the EaPConnect project beneficiaries will take on some of the tasks of the WP0 to generate the potential for future self-management of the network.

Deliverable D 6.1: Progress reports as part of project reporting

Deliverable D 6.2: EaPConnect 3 year sustainability report

Annex E provides more details of the Work Package deliverables

1.1.6. Methodology

Methodology

The EaPConnect project will procure, establish and operate a regional research networking infrastructure using best practise drawn from projects carried out in Europe, Africa, the Mediterranean, Latin American and Asian research networking, while taking account of the local needs and conditions in Eastern Partnership region.

Connectivity will be tendered using Competitive Dialog as well as Negotiated Procedure, where most appropriate, to give maximum scope for negotiation with supplier and flexibility in determining the scale and topology of the infrastructure. There are two reasons to use the Competitive Dialogue and the Negotiated procedure. Firstly, it is impossible, in advance of knowing the detail of potential offers, to produce a sufficiently precise specification of requirements. In addition, European experience has shown that successful solutions very often involve more than one potential provider and the interconnection between different offers can only be effectively managed using Negotiated procedure.

Secondly, the precise capacity to be committed will, to a very significant extent, be dependent upon the overall cost of implementation. This means that there is necessarily some process of convergence between the offers received in terms of cost and volume and the commitments to be made. It is, therefore, not possible to be certain about appropriate pricing and this makes it very hard for both the providers proposing solutions and the contracting parties to make a commitment without dialogue and negotiation. The support of the EaP NREN partners will be sought to inform potential connectivity providers about the non-commercial and strategic nature of the EaP connect project in order to achieve maximum cost effectiveness of the connectivity.

Where possible and economically advantageous, the EaP Connect project will aim to enter into Private Public Partnership (PPP) agreements. At the end of the EaPConnect project, the PPP contracts with connectivity providers will be novated from GEANT Ltd to the EaP NREN partners. This way of contracting will ensure the long term sustainability of the regional NREN infrastructure.

GEANT Ltd. will act as co-ordinating partner for the project, establishing contracts with suppliers, service providers and with each of the EaP NREN Partners. Technical support, synergies and collaborations will be sought through GEANT and various other partners in the project, drawing on their

experience and expertise in developing and operation successful national and trans-national research and education networks.

Network management services for EaPConnect will be sought from an interested national or regional NREN NOC, with the option to tender for a standalone service if required.

To achieve the goal of fostering the cooperation between the research and education communities in EaP region and towards Europe, significant effort will be focused on the promotion of the network amongst the end-users and development of applications enabling research cooperation (telemedicine, e-learning, etc.). These activities will focus on the opportunities for high capacity applications and collaborations with the user communities in Europe and other world regions.

The Action also intends to liaise with other NREN organizations and projects which are providing research and education networking to share experience and best practise and develop links with their user communities.

The general principles have been:

- to conduct the programmes in close –co-operation with a single organisation in each beneficiary country, which effectively represents the research and education interests of the country and which has the support of the national stakeholders
- to phase the programmes around the network elements of the programme so as to have a preliminary period for preparations prior to tendering, a tendering phase for the network and then an operational phase. Programmes to support users and the national networks are established in parallel
- to establish management models for self-sustainability of the regional networks
- to focus on the needs of the user communities, and encourage their user of the new networks both between the beneficiary countries and between the beneficiaries and Europe.
- to pay particular attention to building adequate commitments by the beneficiary representatives and to sustaining the programmes after the Action concludes.

Procedures for follow up and internal/external evaluation

EaPConnect project progress will be reviewed by the EaP NREN partners at project meetings which are expected to be held at least three times a year and ongoing communication will be supported by teleconferencing (audio and video). There will be a three year review of the project, with emphasis on evaluation of sustainability after the project is finished.

The EaPConnect project will be regularly audited, funded out of project budgets.

Role and participation in the action of the various actors

GEANT Ltd. will act as co-ordinating partner with responsibility for the EC contract and funding. It will have specific responsibility for setting up and operating the EaPConnect network. It will have specific responsibilities for network procurement, establishing contracts with service providers and oversight of network operations.

Technical support will be provided by GEANT's partners: the European NREN partners (tentatively: PSNC, CESNET, BREN, RoEduNet, LITNET, DFN, GARR) as well as some non-European NRENs (REANNZ, AARNET, ESnet). Those partners will support the activities relating to training and technical support to lesser technically developed EaP partners, drawing on their experience and expertise in developing and operating successful national and trans-national research and education networks.

The EaP NRENs will be those organisations nominated by their governments to represent the national research and education interests of their country. The EaP NRENs will take responsibility for the development of research and education networking within their countries, including building relationships with and supporting their user communities, and providing the primary interface between the project and national stakeholders including government, users and other national interests, and ensuring that participants' obligations to EaPConnect are met.

The EaP NRENs staff will work closely with GEANT staff and other collaborators in the project to deliver the various work packages and enable deeper human capacity building and knowledge transfer to the EaP region.

For the operational management of the project, network management as well as supporting work packages, an Executive Committee will be created consisting of NREN directors and the project coordinator. The EaPConnect Executive Committee will meet semi-annually and ongoing communication will be supported by teleconferencing (audio and video). For the work within the various work packages several Working Groups will be active. The Working Groups will be led by a member of the Executive Committee.

1.1.7. Duration and indicative action plan for implementing the action (max 4 pages)

The planned duration of the action 60 months. The action plan below is based on the planned 60 months duration.

During the Inception phase the activities of the various work packages will be worked out in more detail together with the participants of the project and the updated project implementation plan will be approved by the NRENs as an outcome of Inception Phase.

A plan of the activities during the first 12 months of the project is presented below:

WP0 (Project management): the first meeting of the Executive committee including the EaP NREN directors and the project co-ordinator is planned to take place in Q3 2015 and will mainly be meant for the implementation issues of the project.

WP1 (Inception Phase, Phase A): the main work package for the first half year of the project. Besides the project implementation and issues such as the communication services, several reports will be made available. Areas to be covered are the market situation, the political view on NREN support and human resource capacity needs. These findings will be presented in a report that will be discussed and where necessary approved at an executive committee meeting. These reports will be shared with the EC.

WP2 (Network Procurement): preparations for the procurement will commence directly after the start of the project and mainly take place during Phase B.

WP3 (Network Operations): will depend on the results of the network procurement. Some EaP NRENs have indicated a need to close the connectivity contracts by December 2015, in order to be able to provide connectivity to Universities which make decisions about their suppliers in December.

WP4 (Supporting and Promoting Applications and Services): during Phase B a user support plan will be prepared, governmental representatives, together with the executive committee will be introduced to examples of successful regional and national cooperation in the area of networking

WP5 (Human capacity building and knowledge transfer): once it is known which countries will actually participate, the executive committee will be introduced to examples of successful regional and national cooperation in the area of networking.

WP6 (Sustainability): the work on regional project support will commence.

The action plan will be drawn up using the following format:

Year 1													
	Half-year 1						Half-year 2						
Activity	Month 1	2	3	4	5	6	7	8	9	10	11	12	Implementing body
Launch market analysis													GEANT Ltd, EaP NRENs,
Launch Communication channels development													GEANT Ltd, EaP NRENs,
Launch training and knowledge requirement analysis													GEANT Ltd, EaP NRENs, EU NRENs, non-EU NRENs
Report on the findings of market analysis													GEANT Ltd, EaP NRENs, EU NRENs
Agree cost-sharing model													GEANT Ltd, EaP NRENs,
Launch procurement													GEANT Ltd, EaP NRENs,
Procurement recommendations													GEANT Ltd, EaP NRENs, EU NRENs
Agreements with EaP NREN partners and suppliers concluded													GEANT Ltd, EaP NRENs
First Service roll-out commences													GEANT Ltd, EaP NRENs, EU NRENs
Launch Sustainability analysis and actions													GEANT Ltd, EaP NRENs, EU NRENs

Activity	2	3	4	5	Implementing body
In life service					GEANT Ltd, EaP NRENs, EU NRENs
Supporting and Promoting Applications and Services					GEANT Ltd, EaP NRENs, EU NRENs, non-EU NRENs

Human capacity building and knowledge transfer					GEANT Ltd, EaP NRENs, EU NRENs, non-EU NRENs
Sustainability					GEANT Ltd, EaP NRENs, EU NRENs

1.1.8. Sustainability of the action

Dissemination Plan

The principal intended output is the successful delivery and operation of the EaP regional research infrastructure and its direct connection to GÉANT in a sustainable manner.

Annual and final reports will be prepared for DG NEAR. During Phase C of the project, the partners will develop a brochure providing information about the project. This brochure will be updated once per year during until the end of the project. The project partners will also develop an overall EaPConnect website to provide an on-line presence and to inform interested parties about latest developments. EaPConnect will also develop a project logo to increase the visibility of the project. These activities will be carried out within work package 4 by the Promotion and Communication Working Group.

The EaPConnect Network launch event for the project is foreseen to take place upon establishing the network connectivity in the first half of 2016. This event will intend to bring together not only the representatives of the national research networks from the EaP region, but user group representatives and the representatives of the national funding bodies and relevant governmental institutions. It is foreseen to establish a yearly meeting between these parties in EaP region possibly through an Annual Conference to foster the co-operation between the main players in research networking and to ensure the sustainability of the project by raising awareness among the key players.

Multiplier effects

In a similar way as other regional projects, EaPConnect project has the potential to accelerate the development of connectivity for international research within the entire EaP region, with benefits for the wider economies and societies of the region. Its benefits could be extended into the wider communities with longer term benefits for development and prosperity in the EaP area. The project foresees close co-operation with the user communities in EaP countries and Europe. It is planned to contact user groups in these regions, to raise the awareness of the new EaP regional research infrastructure and its interconnection to Europe and the world, and to increase the use and demand for these connections. Through the collaboration with user groups the project will be able to demonstrate the wider usefulness for society in general. This area will be covered within WP 4.

In developing economies, universities tend to lead in utilisation of the Internet and at the same time groom (current students) future private and public sector leaders and employees into using the Internet as a matter of habit and necessity: these are the future market of the private sector telecommunication services providers. The EaPConnect will therefore lead, within the next three to four years, to increased access demand in the private sector, which will in turn stimulate increased investment by the private sector, increased competition, and a general lowering of prices following the trend already seen in other world regions.

Sustainability

One of the practical lessons from setting up regional networks in other regions is the need to address and plan for sustainability from the outset.

There are a number of risks associated with projects of this nature and some specific ones due to the target region.

The key risks are outlined below together with the steps being taken to solve or minimise them:

1. Risk of lack of governmental support by the EaP countries. Currently government commitment to research and education networking and to supporting an NREN organisation varies markedly, yet will be key to long term sustainability of the programme. This issue is recognised by the EC and has started to be addressed by proactive involvement of government ministries in the preparatory phase of the project, and by seeking their written commitment. During the project special attention will be given to initiate a change of mind with regard to this issue. There will be a regular update on the planned activities and extensive review after year 3, is a key step for achieving this.
2. There is a risk that the funding for the EaPConnect will not be sufficient to ensure sustainability beyond the project without further external funding support. We project that the EaP network will be in place after around 12- 15 months, and so allowing around 4 years for the benefits of the network to be appreciated by the user communities and national stakeholders. It will be a key part of EaP Connect to focus on how to maintain the programme beyond the 60 months term including the possibility of further European funding. This is addressed by WP6 and is a key part of the EaP Connect programme.
3. There is a risk of a political instability in the region, which could adversely affect or event prevent deployment of the activities in certain parts of the EaP region. The political situation in the whole EaP region will be closely monitored and while including all participating beneficiaries, the establishment of the connectivity will prioritise regions with higher probably of stability and success of deployment.

The EaPConnect foresees activities to support the institutional development of the NRENs, and will benefit from continued policy level support from the EC, working with the governments of the participating countries.

The EaP Partners in the project recognise the importance of an early sustainability plan to ensure the existence of a regional research infrastructure and its interconnection to Europe after funding ceases in 2020. Different alternatives will be discussed and a working group will established to deal with the question of sustainability. A deliverable in Work Package 6 of the project will submit the sustainability plan in Year 2 of the project.

(a) financial sustainability

This is a key area to be addressed during the project.

An important element here may be the procurement of long term leases for connectivity. Where possible and economically advantageous, the EaPConnect project will aim to enter Private-Public-Partnership (PPP) contracts. At the end of the EaPConnect project, the Private-Public-Partnership (PPP) contracts will be novated from GEANT Ltd to the EaP partners. This way of contracting will ensure the long term sustainability of the regional NREN infrastructure.

(b) institutional sustainability



In order to achieve institutional sustainability, some project management responsibility will be shifted from GEANT Ltd to the EaP partners during the course of the project (to be detailed in the annual project plans and implemented following approval by the EC).

Furthermore, capacity building programmes will be developed as part of the WP5 Human Capacity Building in the project and will aim to transfer technical and operational skills and expertise to and among the EaP partners.

(c) sustainability at the policy level

The project aims to establish an enduring regional research networking infrastructure which will be further developed during and beyond the life of the project.

1.1.9. Logical Framework (see annexe)

2 THE COORDINATOR

Name of the organisation	GEANT ltd.
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2.1. Identity

The applicant's contact details for the purpose of this action	+44 (0) 1223 371390
Legal Entity File Number	6000067865
Abbreviation	GEANT
Registration number (or equivalent)	2806796
Date of registration	30/03/1993
Place of registration	London
Official address of registration	City House 126-130 Hills Road Cambridge CB2 1PQ UK
Country of registration	United Kingdom
Website and E-mail address of the organisation	www.geant.org info@geant.org
Telephone number: Country code + city code + number	+44 (0) 1223 371300
Fax number: Country code + city code + number	+44 (0) 1223 371371
Legal status	Non-profit organisation / Limited Liability Company
Profit-Making	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
NGO	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Value based	<input type="checkbox"/> Political <input type="checkbox"/> Religious <input type="checkbox"/> Humanistic <input checked="" type="checkbox"/> Neutral
Is your organisation linked with another entity?	<input type="checkbox"/> Yes, parent entity: (please specify its EuropeAid ID:.....) <input checked="" type="checkbox"/> Yes, controlled entity(ies) <input type="checkbox"/> Yes, family organisation / network entity <input type="checkbox"/> No, independent
Category	Professional organisation
Sector(s)	22040 ICT
Target group(s)	Research organisations/Researchers

3 THE CO-BENEFICIARIES

	Co-beneficiary no.1
EuropeAid ID number	GE-2014-EWO-0311561583
Name of the organisation	Georgian Research and Educational Networking Association
The co-applicant's contact details for the purpose of this action	Ramaz Kvatadze, Executive Director ramaz@grena.ge
Legal Entity File number	6000002657
Abbreviation	GRENA
Registration number (or equivalent)	5/9-182
Date of registration	26.07.1999
Place of registration	Tbilisi, Georgia
Official address of registration	10 Chovelidze street, 0108, Tbilisi, Georgia
Country of registration	Georgia
Website and E-mail address of the organisation	www.grena.ge contact@grena.ge
Telephone number: Country code + city code + number	+995 32 2250590
Fax number: Country code + city code + number	+995 32 2912952
Legal status	Profit-Making <input type="checkbox"/> Yes + No. NGO + Yes <input type="checkbox"/> No.
Value based	<input type="checkbox"/> Political <input type="checkbox"/> Religious <input type="checkbox"/> Humanistic + Neutral
Is your organisation linked with another entity?	<input type="checkbox"/> Yes, parent entity: (please specify its EuropeAid ID:.....) <input type="checkbox"/> Yes, controlled entity(ies) <input type="checkbox"/> Yes, family organisation / network entity + No, independent
History of cooperation with the applicant	GRENA is member of GEANT Association and participated in GN3plus and GN4-1 projects
Category (Refer to Section 3.2.1)	Private, Association
Sector(s) (Refer to Section 3.2.2)	22040 Information and communication technology (ICT)
Target group(s) (Refer to Section 3.2.3)	Research organizations/Researchers

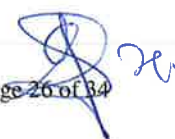
	Co-beneficiary no.2
EuropeAid ID number	N/A
Name of the organisation	Public Association RENAM (Research and Educational Networking Association of Moldova)
The co-applicant's contact details for the purpose of this action	Republic of Moldova, MD-2028, Chisinau city, Academiei street, No 5, office 324
Legal Entity File number	6000157051
Abbreviation	RENAM
Registration number (or equivalent)	REGISTERED by Ministry of Justice of the Republic of Moldova, Nr. 1089 / MD 034033
Date of registration	August "05", 1999; re-registered April "24", 2012
Place of registration	Chisinau , Republic of Moldova
Official address of registration	Republic of Moldova, Chisinau city, Stefan cel Mare street, No 168, Office 314
Country of registration	Republic of Moldova
Website and E-mail address of the organisation	www.renam.md E-mail: renam@renam.md
Telephone number: Country code + city code + number	+373 22 739827
Fax number: Country code + city code + number	+373 22 288006
Legal status	Profit-Making <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No. NGO <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No.
Value based	<input type="checkbox"/> Political <input type="checkbox"/> Religious <input type="checkbox"/> Humanistic <input checked="" type="checkbox"/> Neutral
Is your organisation linked with another entity?	<input type="checkbox"/> Yes, parent entity: (please specify its EuropeAid ID:.....) <input type="checkbox"/> Yes, controlled entity(ies) <input type="checkbox"/> Yes, family organisation / network entity <input checked="" type="checkbox"/> No, independent
History of cooperation with the applicant	Participation together with applicant in other joint projects
Category (Refer to Section 3.2.1)	Association
Sector(s) (Refer to Section 3.2.2)	<input type="checkbox"/> 22040 Information and communication technology (ICT)
Target group(s) (Refer to Section 3.2.3)	<input type="checkbox"/> Non-Governmental Organisations

	Co-beneficiary no.3
EuropeAid ID number	N/A
Name of the organisation	United Institute of Informatics Problems of National Academy of Sciences of Belarus (UIIP NASB)
The co-applicant's contact details for the purpose of this action	Prof. Alexander Tuzikov, General Director
Legal Entity File number	6000241080
Abbreviation	BASNET
Registration number (or equivalent)	190365895
Date of registration	20.06.2002
Place of registration	Minsk, Belarus
Official address of registration	Surganova Str. 6, 220012, Minsk, Belarus
Country of registration	Belarus
Website and E-mail address of the organisation	http://uiip.bas-net.by/eng/ tuzikov@newman.bas-net.by
Telephone number: Country code + city code + number	+375 29 284 21 75
Fax number: Country code + city code + number	+375 29 331 84 03
Legal status	Profit-Making <input type="checkbox"/> Yes x No. NGO <input type="checkbox"/> Yes x No.
Value based	<input type="checkbox"/> Political <input type="checkbox"/> Religious <input type="checkbox"/> Humanistic x Neutral
Is your organisation linked with another entity?	<input type="checkbox"/> Yes, parent entity: (please specify its EuropeAid ID:.....) <input type="checkbox"/> Yes, controlled entity(ies) <input type="checkbox"/> Yes, family organisation / network entity x No, independent
History of cooperation with the applicant	na
Category (Refer to Section 3.2.1)	Public, Research Institute
Sector(s) (Refer to Section 3.2.2)	43082 - Research/scientific institutions 22040 - Information and communication technology (ICT)
Target group(s) (Refer to Section 3.2.3)	Research organisations/Researchers Educational organisations (school, universities)

	Co-beneficiary no.4
EuropeAid ID number	N/A
Name of the organisation	Association of Users of Ukrainian Research and Academic Network URAN
The co-applicant's contact details for the purpose of this action	Volodymyr Galagan, 33 Polytechnichna str. Office 105, 03056 Kyiv, Ukraine, +38050-446-68-01
Legal Entity File number	6000446302
Abbreviation	URAN
Registration number (or equivalent)	34662584
Date of registration	24-10-2006
Place of registration	Solomenskaya state administration in Kyiv sity
Official address of registration	Kyiv
Country of registration	Ukraine
Website and E-mail address of the organisation	http://uran.ua
Telephone number: Country code + city code + number	+380444549815
Fax number: Country code + city code + number	+380444549814
Legal status	Profit-Making <input type="checkbox"/> Yes V No. NGO V Yes <input type="checkbox"/> No.
Value based	<input type="checkbox"/> Political <input type="checkbox"/> Religious <input type="checkbox"/> Humanistic V Neutral
Is your organisation linked with another entity?	<input type="checkbox"/> Yes, parent entity: (please specify its EuropeAid ID:.....) <input type="checkbox"/> Yes, controlled entity(ies) <input type="checkbox"/> Yes, family organisation / network entity V No, independent
History of cooperation with the applicant	GN3plus EC project 2013...2015.
Category (Refer to Section 3.2.1)	Association
Sector(s) (Refer to Section 3.2.2)	22040 Information and communication technology (ICT)
Target group(s) (Refer to Section 3.2.3)	<input checked="" type="checkbox"/> Educational organisations (school, universities) <input checked="" type="checkbox"/> Research organisations/Researchers

	Co-beneficiary no.5
EuropeAid ID number	N/A
Name of the organisation	Institute for Informatics and Automation Problems of the National Academy of Sciences of the Republic of Armenia
The co-applicant's contact details for the purpose of this action	Dr. Vladimir Sahakyan, Director
Legal Entity File number	6000104552
Abbreviation	IIAP
Registration number (or equivalent)	264.210.06073
Date of registration	29 Dec 2002
Place of registration	Arabkir State Registry, Yerevan, Armenia
Official address of registration	1, P. Sevak street, Yerevan 0014, Armenia
Country of registration	Republic of Armenia
Website and E-mail address of the organisation	http://iiap.sci.am iiap@sci.am
Telephone number: Country code + city code + number	+374 10 282080
Fax number: Country code + city code + number	+374 10 285812
Legal status	Profit-Making <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No. NGO <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No.
Value based	<input type="checkbox"/> Political <input type="checkbox"/> Religious <input type="checkbox"/> Humanistic <input checked="" type="checkbox"/> Neutral
Is your organisation linked with another entity?	<input type="checkbox"/> Yes, parent entity: (please specify its EuropeAid ID:.....) <input type="checkbox"/> Yes, controlled entity(ies) <input type="checkbox"/> Yes, family organisation / network entity <input checked="" type="checkbox"/> No, independent
History of cooperation with the applicant	na
Category (Refer to Section 3.2.1)	Public, Research Institute
Sector(s) (Refer to Section 3.2.2)	Research/scientific institutions Technological research and development Information and communication technology (ICT)
Target group(s) (Refer to Section 3.2.3)	Research organisations/Researchers Students Educational organisations (school, universities) Local authorities

	Co-beneficiary no.6
EuropeAid ID number	N/A
Name of the organisation	Institute of Information Technology of Azerbaijan National Academy of Sciences
The co-applicant's contact details for the purpose of this action	Address: B.Vahabzade str.9, Baku, Azerbaijan AZ1141 Tel: + 994125390167
Legal Entity File number	<i>Registration process ongoing</i>
Abbreviation	IIT of ANAS
Registration number (or equivalent)	D-2233
Date of registration	04.08.1997
Place of registration	Baku, Azerbaijan
Official address of registration	B.Vahabzade str.9, Baku, Azerbaijan AZ1141 (Previously: F. Aghayev 9, Baku, Azerbaijan AZ1141 As the name of the street changed)
Country of registration	Azerbaijan
Website and E-mail address of the organisation	www.ict.az secretary@iit.ab.az , iro@iit.ab.az
Telephone number: Country code + city code + number	+994125390167
Fax number: Country code + city code + number	+994125396121
Legal status	Profit-Making <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No. NGO <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No.
Value based	<input type="checkbox"/> Political <input type="checkbox"/> Religious <input type="checkbox"/> Humanistic <input checked="" type="checkbox"/> Neutral
Is your organisation linked with another entity?	<input checked="" type="checkbox"/> Yes, parent entity: Azerbaijan National Academy of Sciences (EuropeAid ID:.....) <input type="checkbox"/> Yes, controlled entity(ies) <input type="checkbox"/> Yes, family organisation / network entity <input type="checkbox"/> No, independent
History of cooperation with the applicant	-
Category (Refer to Section 3.2.1)	Research Institute
Sector(s) (Refer to Section 3.2.2)	43082: Research/scientific institutions
Target group(s) (Refer to Section 3.2.3)	Young people Students Research organisations/Researchers Educational organisations (school, universities) Local authorities



	Co-beneficiary no.7
EuropeAid ID number	N/A
Name of the organisation	VEREIN ZUR FOERDERUNG EINES DEUTSCHEN FORSCHUNGSNETZES DFN VEREIN E.V.
The co-applicant's contact details for the purpose of this action	Alexanderplatz 1, D-10178 Berlin, Germany
Legal Entity File number	6000062200
Abbreviation	DFN
Registration number (or equivalent)	7729NZ
Date of registration	20.6.1984
Place of registration	Vereinsregister des Amtsgerichts Berlin-Charlottenburg
Official address of registration	Verein zur Förderung eines Deutschen Forschungsnetzes e. V. DFN-Geschäftsstelle Berlin Alexanderplatz 1 D - 10178 Berlin, Deutschland
Country of registration	Germany
Website and E-mail address of the organisation	http://www.dfn.de/ DFN-Verein@dfn.de
Telephone number: Country code + city code + number	+49 30 884299 -0
Fax number: Country code + city code + number	+49 30 884299 -70
Legal status	Profit-Making NO NGO YES
Value based	<input type="checkbox"/> Political <input type="checkbox"/> Religious <input type="checkbox"/> Humanistic <input checked="" type="checkbox"/> Neutral
Is your organisation linked with another entity?	<input type="checkbox"/> Yes, parent entity: (please specify its EuropeAid ID:.....) <input type="checkbox"/> Yes, controlled entity(ies) <input type="checkbox"/> Yes, family organisation / network entity x No, independent
History of cooperation with the applicant	Partner in consortium of several EU-funded GEANT projects
Category (Refer to Section 3.2.1)	Association
Sector(s) (Refer to Section 3.2.2)	22-220-22040 Communications – Communications – Information and communication technology (ICT)
Target group(s) (Refer to Section 3.2.3)	Educational organisations / Research organisations / Researchers

	Co-beneficiary no.8
EuropeAid ID number	N/A
Name of the organisation	GÉANT Vereniging
The co-applicant's contact details for the purpose of this action	Brook Schofield
Legal Entity File number	6000000668
Abbreviation	TERENA
Registration number (or equivalent)	40535155
Date of registration	13-06-1986
Place of registration	Amsterdam, The Netherlands
Official address of registration	Singel 468 D, 1017 AW Amsterdam
Country of registration	The Netherlands
Website and E-mail address of the organisation	www.terena.org brook.schofield@geant.org
Telephone number: Country code + city code + number	+31.20.5304488
Fax number: Country code + city code + number	+31.20.5304499
Legal status	Profit-Making <input type="checkbox"/> Yes x No. NGO <input type="checkbox"/> Yes x No.
Value based	<input type="checkbox"/> Political <input type="checkbox"/> Religious <input type="checkbox"/> Humanistic <input checked="" type="checkbox"/> Neutral
Is your organisation linked with another entity?	<input type="checkbox"/> Yes, parent entity: (please specify its EuropeAid ID:.....) <input checked="" type="checkbox"/> Yes, controlled entity(ies) <input type="checkbox"/> Yes, family organisation / network entity <input type="checkbox"/> No, independent
History of cooperation with the applicant	The GÉANT project
Category (Refer to Section 3.2.1)	Association
Sector(s) (Refer to Section 3.2.2)	22040 ICT
Target group(s) (Refer to Section 3.2.3)	Research organisations/Researchers

4 ASSOCIATES OF THE APPLICANT PARTICIPATING IN THE ACTION

	Associate 1
Full legal name	Agencia de Administrare a Rețelei Naționale de Informatică pentru Educație și Cercetare
EuropeAid ID number	N/A
Country of Registration	Romania
Legal status	Public body
Official address	Bucharest, str. Mendeleev 21-25, room 1-2, Romania, 010362
Contact person	Octavian RUSU
Telephone number: country code + city code + number	+40 232 201001, +40744632339
Fax number: country code + city code + number	+40 232 201200
E-mail address	octavian@roedu.net
Number of employees	25
Experience of similar actions, in relation to role in the implementation of the proposed action	<p>Agency ARNIEC/RoEduNet has been involved in a some regional projects regarding networking for research and education, as follows:</p> <ul style="list-style-type: none"> - SEEREN - South Eastern European Research & Education Networking, IST-2001-38830 - RENAM - RoEduNet networks direct link and gateway construction, NATO Science Programme NIG 978385 - SEEFIRE - South-East Europe Fibre Infrastructure for Research and Education, IST contract no. 15817, FP6 - SEEREN2 - South Eastern European Research & Education Networking 2, 2005, Project type SSA, Contract No 026748, FP6 - SEERA-EI - South East European Research Area for eInfrastructures, 2009, GA 228052, FP7 - GÉANT - Gigabit European Academic Network, IST-2000-26417 - GN2 - Multi-Gigabit Pan-European Data Communications Network, GA 511082 - GN3 - Multi-Gigabit Pan-European Data Communications Network, - GN3plus , Grant Agreement No. 605243 - CEENGINE, RoEduNet staff involved in CEENET
History of cooperation with the applicants	Agency ARNIEC/RoEduNet has ancient cooperation relationships with the participant NRENs during the regional and European projects aforementioned especially with research and education network from republic of Moldova.
Role and involvement in preparing the proposed action	Agency ARNIEC/RoEduNet was involved in the preparation of the technical solution and the evaluation of the costs for different scenarios.
Role and involvement in implementing the proposed action	The contribution to the project will be on two main directions: support and expertise to reach the best technical solution and we will offer transit for neighbouring countries to reach the GEAN PoP in Bucharest.

	Associate 2
Full legal name	Research & Education Advanced Network New Zealand Limited
EuropeAid ID number	N/A
Country of Registration	New Zealand
Legal status	Limited Company (State Owned Entity)
Official address	Level 1, Qual IT House, 22 The Terrace, Wellington, New Zealand
Contact person	Steve Cotter
Telephone number: country code + city code + number	0064 4 913 1093
Fax number: country code + city code + number	n/a
E-mail address	steve.cotter@reannz.co.nz
Number of employees	21
Experience of similar actions, in relation to role in the implementation of the proposed action	Working with SDN technology for last 2 years, demonstrated first worlds SDN router at GLIF 2015.
History of cooperation with the applicants	Members of TEIN. CEO member of GEANT – chair of external advisory committee. Collaborating with GEANT as part of global CEO forum on global network architecture and cloud services programme.
Role and involvement in preparing the proposed action	Have held VCs and provided technical advice around the role of SDN in a network.
Role and involvement in implementing the proposed action	Provide technical advice around the role of SDN in a network, human capacity building and knowledge transfer to the EaP NRENs.


	Associate 3
Full legal name	Consortium GARR
EuropeAid ID number	6000003481 (legal entity number)
Country of Registration	Italy
Legal status	non-profit association
Official address	via dei Tizii 6, 00185, Roma (Italy)
Contact person	Claudio Allocchio
Telephone number: country code + city code + number	+39 334 6533255
Fax number: country code + city code + number	+39 06 49622000
E-mail address	Claudio.Allocchio@garr.it
Number of employees	50
Experience of similar actions, in relation to role in the implementation of the proposed action	participation in various projects (EUmedconnect, EUchina/india, ...)
History of cooperation with the applicants	we cooperate in GEANT (and earlier) projects since more than 25 years
Role and involvement in preparing the proposed action	proposing areas where EaP NRENs can benefit from the project support
Role and involvement in implementing the proposed action	collaboration and assistance with knowledge transfer to the EaP NRENs

	Associate 4
Full legal name	INSTITUTE OF BIOORGANIC CHEMISTRY PAS - POZNAN SUPERCOMPUTING AND NETWORKING CENTRE
EuropeAid ID number	
Country of Registration	POLAND
Legal status	Non-profit, public body
Official address	12/14 NOSKOWSKIEGO STREET, 61-704 POZNAN, POLAND
Contact person	Authorised representative: MAREK FIGLEROWICZ – Director of Institute Contact person: ARTUR BINCZEWSKI – Network Technology Division Director
Telephone number: country code + city code + number	+48 61 858 20 01
Fax number: country code + city code + number	+ 48 61 852 59 54
E-mail address	office@man.pozna.pl
Number of employees	300
Experience of similar actions, in relation to role in the implementation of the proposed action	<p>PSNC was involved in the preparation and planning of the Polish NREN network – PIONIER. PSNC together with other Polish MAN and HPC networks and centres joined PIONIER Consortium responsible for the PIONIER project. The PIONIER network was built using public funds from 2003 till 2010. PSNC was chosen as the network operator. During the network operation PSNC and PIONIER consortium established cooperation with other neighbouring countries and NREN networks (Germany, Lithuania, Belarus, Ukraine, Slovakia, Czech Republic) and has built connections (Cross Border Dark Fibers) to these countries. In 2006-2007 PSNC was coordinating Porta Optica Study project focusing on providing feasibility study of development of high speed networks for NRENs in 9 Eastern European countries: Estonia, Latvia, Lithuania, Belarus, Ukraine, Moldova, Georgia, Armenia and Azerbaijan.</p> <p>PSNC actively participates in GEANT actions and services. Together with other NRENs PSNC delivers GEANT services.</p>
History of cooperation with the applicants	PSNC cooperated with the most of the European NREN networks under various social and technical projects (novel services). Mainly under GEANT and TERENA actions and initiatives.
Role and involvement in preparing the proposed action	PSNC can actively support the preparation process for the proposed action. PSNC and its experience can serve as an example where advanced NREN network was built and is continuously being developed with use of public funds and EU projects. PSNC can take part in the preparation process for the strategy, funding and cooperation schemes.
Role and involvement in implementing the proposed action	PSNC using its experience can actively support the project implementation process. PSNC staff can provide technical, financial and administrative expertise. PSNC staff can support negotiation strategy (with national bodies) for the proposed NREN network funding scheme.



	Associate 5
Full legal name	Kauno technologijos universitetas on behalf of Lithuanian research and education network LITNET
EuropeAid ID number	N/A
Country of Registration	Lithuania
Legal status	Non-profit (university)
Official address	K. Donelaicio 73, Kaunas
Contact person	Raimundas Tuminauskas
Telephone number: country code + city code + number	+37037300033
Fax number: country code + city code + number	+37037300643
E-mail address	Raimundas.tuminauskas@ktu.lt
Number of employees	Approx. 2000
Experience of similar actions, in relation to role in the implementation of the proposed action	<p>LITNET is a continuous programme funded by the ministry of education of Lithuania and implemented by six universities (KTU, VU, VGTU, VDU, KU, ŠU) The highest governing body of LITNET is a board consisting of ministry-appointed representatives, and representatives from the implementing universities.</p> <p>Currently LITNET operates national dark-fibre backbone connecting all major universities and research centres to a high speed research information infrastructure. embers of Lithuanian R&E community have access to high capacity research data archives, instruments and perform data-intensive tasks without restrictions.</p> <p>The dark fibre connection with Polish R&E network PIONIER was established 2 years ago, adding experience in installing and operation of international connectivity to LITNET portfolio.</p> <p>LITNET operates the first and most advanced CERT in Lithuania.</p> <p>Federated services (AAI, eduroam) and identity federation of Lithuanian R&E organizations was established and is operated by LITNET.</p>
History of cooperation with the applicants	<p>LITNET has participated in the Porta Optica Study project as a work package leader (FP-6 SSA contract No.026617)</p> <p>Consortium partner of GN projects since 2000, and active member of GEANT Association.</p>
Role and involvement in preparing the proposed action	LITNET will contribute available expertise to the preparation of network, security, and federation parts of the proposal.
Role and involvement in implementing the proposed action	<p>LITNET is ready to share the experience and make contributions in the fields of network design, security and federations part of the implementation.</p> <p>LITNET will participate in the exchange of the experiences operating network and associated services in the advanced R&E community environment.</p> <p>LITNET shall look for possibilities for network connectivity resiliency in the region and possibilites to expand the international cross-border R&E connections.</p>

	Associate 6
Full legal name	AARNet Pty Ltd
EuropeAid ID number	N/A
Country of Registration	Australia
Legal status	Not-for-profit company
Official address	AARNet Level 2, Binary Centre, Building 1 3 Richardson Place North Ryde NSW 2113 Australia
Contact person	David Wilde
Telephone number: country code + city code + number	+61 3 9211 8447
Fax number: country code + city code + number	+61 2 9779 6969
E-mail address	david.wilde@aarnet.edu.au
Number of employees	70-80
Experience of similar actions, in relation to role in the implementation of the proposed action	AARNet is Australia's Research and Education network, established in 1989. As well as operating the national R&E network, AARNet actively support R&E networking in the Asia and Pacific regions, working with TEIN, APAN and other regional organisations to extend R&E networking into less developed countries.
History of cooperation with the applicants	AARNet have worked closely with the Géant Association over many years, through participation in Terena meetings and projects, as well as common international projects such as the Global Network Architecture (www.gna-re.net), and others.
Role and involvement in preparing the proposed action	Knowledge-sharing regarding activities related to SDN (Software Defined Networking). Possibly providing information and advice on other projects related to R&E networking more generally, as required.
Role and involvement in implementing the proposed action	Advice/project-management/deployment activities related to implementation of SDN testbed. Possible participation in other projects related to R&E networking more generally, as required.



LOGICAL FRAMEWORK FOR THE PROJECT				
	Intervention logic	Objectively verifiable indicators of achievement	Sources and means of verification	Assumptions
Overall objectives	Decrease the digital divide and contribute to the support of science, education and research sector in the EAP region			The underlying assumption here, which is widely accepted, is that improved access to ICTs at any level has a major positive impact on the support of science, education and research sector.
Specific objective	<p>SO1: Creation of the Eastern Partnership Research and Education Network and connecting it to NRENs in the region as well as towards the pan-European network for research and education GEANT.</p> <p>SO2: Procure and federate the access to high quality scientific content for the region (publications, web services, software, educational materials, etc)</p> <p>SO3: Establish and deploy eduroam along with the Authentication and Authorisation Infrastructure and stimulate</p>	<p>SO1:</p> <p>a) Improved overall availability, target of: 50%</p> <p>b) All EaP NRENs connected to the GEANT backbone</p> <p>SO2: Number of Regional research and education institutions and Communities utilizing services and having access to the scientific content</p> <p>Target: 2 Identity providers per countries in the first year of operation of the service</p> <p>SO3:</p> <p>a) All Countries operating</p>	<p>SO1: Network Statistics, Traffic Graphs, and Project Reports</p> <p>SO2: Usage Statistics and Project Reports</p> <p>SO3: Usage Statistics and Project Reports</p> <p>SO4: Project Reports; Independent Reports from User Communities</p>	<p>a) Participating countries will make the requisite payments towards project beneficiary contribution</p> <p>b) There is service provider infrastructure that can be procured at competitive prices based on short or long-term leases to provide both connectivity</p>

	<p>integration towards GEANT services providing support to e-infrastructures and collaboration activities.</p> <p>SO4: Improved institutional capacity of EAP NRENs and long term sustainability</p> <p>SO5: Increase the access to high capacity R&E networks and foster the exchange of information between the research and education communities in the EAP countries and Europe</p>	<p>Eduroam after the end of year 2</p> <p>SO4;</p> <p>Number of joint events in the Region: 2</p> <p>SO5: Increased traffic volume and/or increased number of additional users, projects utilizing the network infrastructure and services</p>	<p>SO5: Usage Statistics and Project Reports</p>	<p>and resilience to existing connections</p> <p>c) User Communities will be sufficiently organized to take up services</p> <p>d) The 6 EAP NRENs will be mutually willing to work towards technical and organizational collaboration that will lead to a transparent network</p>
Expected results	<p>R1 – Creation and consolidation of the EaPConnect network, including the inclusion of new e-infrastructure services</p> <p>R2 – Increased intra-regional and international communication and collaboration between research centres and universities, including the increased use of online applications for research cooperation</p>	<p>R1.1 All countries connected at the end of year 2</p> <p>R1.2 At least one new infrastructure service implemented for example eduRoam, by the end of year 2</p> <p>R2: Increasing volume of traffic within the region and with the rest</p>	<p>R1.1: Project Reports and Traffic Graphs</p> <p>R1.2: Project Reports and usage statistics</p> <p>R2: Traffic Graphs and Project Reports</p> <p>R3:EAP Connect Annual Reports; Project Reports; and Traffic Graphs</p>	<p>a) Participating countries will make the requisite payments towards project beneficiary contribution</p> <p>b) Researchers within and outside EAP region will seize the opportunity of improved connectivity as well as access to advanced</p>

	R3 – Increase responsibility of EAP actors in the EaPConnect network and overall improved institutional capacity of EAP NRENs and towards self-sustainability	of the world R3: At least 3 NRENs to move from organizational and infrastructure readiness to H2020 readiness (operation and financial) at the end of the project	from NRENs, EaPConnect and GEANT	<p>applications to engage in research collaboration</p> <p>c) There will be continuing political, regulatory, and financial support to NRENs and institutions' IT and ICT from national governments and governmental institutions.</p> <p>d) The impact of the regional political and economic situation on the project is minimal</p>
Activities	<p>A1.1: Design of the most cost-effective technical solution for the network;</p> <p>A1.2: Procurement of the network from telecom providers;</p> <p>A1.3: Network management to provide stable services;</p> <p>A1.4: Deployment of new e-infrastructure services (Identity Federation and Eduroam);</p> <p>A1.5: Developing and running</p>	<p>A1.1: EaPConnect NRENs, GEANT and EU-NRENs Technical Staff time</p> <p>A1.2: EaPConnect NRENs and EU NREN staff (time) working with GEANT procurement experts; Connectivity and Equipment from contracted service providers</p> <p>A1.3: Establish EaPConnect NOC as part of the action staffed by EAP Connect Technical Staff (time);</p>	<p>Progress on all these activities will be available in the following ways:</p> <p>a) Reports given to the bi-annual project administrative meetings and also posted on the project Intranet</p> <p>b) For specific events and activities, reports at the time of closure posted on the Project Intranet</p> <p>c) Annual Progress Reports that will comprehensively cover the progress during each year of implementation.</p>	<p>A1.1: None</p> <p>A1.2: Internal – EaPConnect NRENs making their counterpart contribution; External – Timely release of funds by EC</p> <p>A1.3: Internal – Agreed location of the NOC and staff to be trained</p>

	<p>training and capacity building activities for the creation and consolidation of the NRENS</p> <p>A2.1: Promotion of the use of the network to the end-users (students, researchers, doctors);</p> <p>A2.2: Increasing political dialogue to raise the political and financial support to the connectivity issues;</p> <p>A2.3: Development and provision of ICT applications for the use of the research and education community.</p> <p>A2.4: Awareness raising and promoting the project to potential users and projects.</p> <p>A3.1 Prepare handover of the administrative, financial and operational activities from GEANT to the EAP NRENS;</p> <p>A3.2: Awareness raising and promoting the project to potential funding organisations and national governments</p>	<p>working with Outsourced NOC services during a capacity building phase</p> <p>A1.4: EaPConnect NRENS Technical Staff working with contracted expertise; Equipment and applications from contracted vendors; Colocation services procured at a high availability location; Capacity building for relevant EaPConnect NRENS personnel requiring travel and per diems</p> <p>A1.5: Travel, per diems, and related costs for joint training events; hardware and application training resources from vendors; EaPConnect NRENS and training partners staff time. Number of trained staff from EAP; Number of events.</p> <p>A2.1, A2.2, A2.4, and A3.2: Communication materials and resources; travel and per diems for occasional face to face engagement especially at stakeholder events or for high level meetings; EaPConnect NRENS and GEANT</p>	<p><i>COSTS THE ACTION:</i></p> <p><i>Please refer to the detailed budget where these are broken down</i></p>	<p>in NOC operation</p> <p>A1.4: External – Availability of NREN staff for training</p> <p>A1.5: External – Availability of NREN staff for training; Availability of expert external capacity building partners</p> <p>A2: None</p> <p>A3.1: Internal – managerial and technical readiness of the EaPConnect NRENS to prepare management and operational responsibility</p> <p>A3.2: None</p>
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		<p>staff time; Number of outreach events; Number of high-level political meetings. One regional-level network launch and closure event.</p> <p>A2.3: Hardware and applications (from contracted vendors) for hosting applications and services, along with procured colocation services at high availability locations; EaPConnect NRENs and EU NREN staff time</p> <p>A3.1: GEANT and EaPConnect NRENs staff time; travel and per diems for face to face meetings and capacity building</p>		
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ANNEX II

General Conditions applicable to European Union-financed grant contracts for external actions

CONTENTS

Explanations of the terms used throughout these General Conditions may be found in the 'Glossary of terms', Annex A1 to the Practical Guide.

In case of operating grants, the term "Action" should be understood as "Work Programme".

The term "Coordinator" refers to the Beneficiary identified as the Coordinator in the Special Conditions.

The term "Beneficiary(ies)" refers collectively to all Beneficiaries, including the Coordinator, of the Action. When there is only one Beneficiary of the Action, the terms Beneficiary(ies) and Coordinator should both be understood as referring to the only Beneficiary of the Action.

The term "party(ies) to this Contract" refers to the party signatory of this Contract (i.e. the Beneficiary(ies) and the Contracting Authority).

All references to "days" in this Contract are to calendar days, unless otherwise specified.

Table of content

1. Article 1 - General Provisions	2
2. Article 2 - Obligation to provide financial and narrative reports	3
3. Article 3 - Liability	4
4. Article 4 - Conflict of interests and good conduct	4
5. Article 5 - Confidentiality	5
6. article 6 - Visibility	5
7. article 7 - Ownership/use of results and assets	6
8. Article 8 – Evaluation/monitoring of the Action.....	6
9. Article 9 — Amendment of the Contract.	7
10. Article 10 — Implementation	7
11. Article 11 – Extension and suspension.....	8
12. Article 12 — Termination of the Contract	9
13. Article 13 — Applicable law and dispute settlement.....	12
14. Article 14 — Eligible costs	12
15. Article 15 — Payment and interest on late payment.....	15
16. Article 16 — Accounts and technical and financial checks	20
17. Article 17 — Final amount of the grant	21
18. Article 18 — Recovery	23

GENERAL AND ADMINISTRATIVE PROVISIONS

ARTICLE 1 - GENERAL PROVISIONS

General principles

- 1.1. The Beneficiary(ies) and the Contracting Authority are the only parties to this Contract. Where the European Commission is not the Contracting Authority, it is not party to this Contract, which confers on the European Commission only the rights and obligations explicitly mentioned in this Contract.
- 1.2. This Contract and the payments attached to it may not be assigned to a third party in any manner whatsoever without the prior written consent of the Contracting Authority.

Data protection

- 1.3. Any personal data will be processed solely for the purposes of the performance, management and monitoring of this Contract by the Contracting Authority and may also be passed to the bodies charged with monitoring or inspection tasks under European Union law. Beneficiaries will have the right of access to their personal data and the right to rectify any such data. If the Beneficiary(ies) have any queries concerning the processing of personal data, they shall address them to the Contracting Authority. The Beneficiary(ies) will have right of recourse at any time to the European Data Protection Supervisor.
- 1.4. The Beneficiary(ies) shall limit access and use of personal data to that strictly necessary for the performance, management and monitoring of this Contract and shall adopt all appropriate technical and organisational security measures necessary to preserve the strictest confidentiality and limit access to this data.

Role of the Beneficiary(ies)

- 1.5. The Beneficiary(ies) shall:
 - a) carry out the Action jointly and severally vis-a-vis the Contracting Authority taking all necessary and reasonable measures to ensure that the Action is carried out in accordance with the Description of the Action in Annex I and the terms and conditions of this Contract.

To this purpose, the Beneficiary(ies) shall implement the Action with the requisite care, efficiency, transparency and diligence, in line with the principle of sound financial management and with the best practices in the field.
 - b) be responsible for complying with any obligation incumbent on them from this Contract jointly or individually;
 - c) forward to the Coordinator the data needed to draw up the reports, financial statements and other information or documents required by this Contract and the Annexes thereto, as well as any information needed in the event of audits, checks, monitoring or evaluations, as described in Article 16;
 - d) ensure that all information to be provided and requests made to the Contracting Authority are sent via the Coordinator;
 - e) agree upon appropriate internal arrangements for the internal coordination and representation of the Beneficiary(ies) vis- a-vis the Contracting Authority for any matter concerning this Contract, consistent with the provisions of this Contract and in compliance with the applicable legislation(s).

Role of the Coordinator

1.6. The Coordinator shall:

- a) monitor that the Action is implemented in accordance with this Contract and ensure coordination with all Beneficiary(ies) in the implementation of the Action;
- b) be the intermediary for all communications between the Beneficiary(ies) and the Contracting Authority;
- c) be responsible for supplying all documents and information to the Contracting Authority which may be required under this Contract, in particular in relation to the narrative reports and the requests for payment. Where information from the Beneficiary(ies) is required, the Coordinator shall be responsible for obtaining, verifying and consolidating this information before passing it on to the Contracting Authority.

Any information given, as well as any request made by the Coordinator to the Contracting Authority, shall be deemed to have been given in agreement with all Beneficiary(ies);

- d) inform the Contracting Authority of any event likely to affect or delay the implementation of the Action;
- e) inform the Contracting Authority of any change in the legal, financial, technical, organisational or ownership situation of any of the Beneficiary(ies), as well as, of any change in the name, address or legal representative of any of the Beneficiary(ies);
- f) be responsible in the event of audits, checks, monitoring or evaluations, as described in Article 16 for providing all the necessary documents, including the accounts of the Beneficiary(ies), copies of the most relevant supporting documents and signed copies of any contract concluded according to Article 10.
- g) have full financial responsibility for ensuring that the Action is implemented in accordance with this Contract;
- h) make the appropriate arrangements for providing the financial guarantee, when requested, under the provisions of Article 4.2 of the Special Conditions
- i) establish the payment requests in accordance with the Contract;
- j) be the sole recipient, on behalf of all of the Beneficiary(ies), of the payments of the Contracting Authority. The Coordinator shall ensure that the appropriate payments are then made to the Beneficiary(ies) without unjustified delay;
- k) not delegate any, or part of, these tasks to the Beneficiary(ies) or other entities.

ARTICLE 2 - OBLIGATION TO PROVIDE FINANCIAL AND NARRATIVE REPORTS

- 2.1. The Beneficiary(ies) shall provide the Contracting Authority with all required information on the implementation of the Action. The report shall be laid out in such a way as to allow comparison of the objective(s), the means envisaged or employed, the results expected and obtained and the budget details for the Action. The level of detail in any report should match that of the Description of the Action and of the Budget for the Action. The Coordinator shall collect all the necessary information and draw up consolidated interim and final reports. These reports shall:

- a) cover the Action as a whole, regardless of which part of it is financed by the Contracting Authority;
- b) consist of a narrative and a financial report drafted using the templates provided in Annex VI;
- c) provide a full account of all aspects of the Action's implementation for the period covered, including in case of simplified cost options the qualitative and quantitative

information needed to demonstrate the fulfilment of the conditions for reimbursement established in this Contract ;

- d) be drafted in the currency and language of this Contract;
- e) include any update on the Communication plan as provided by Article 6.2
- f) include any relevant reports, publications, press releases and updates related to the Action;

2.2. Additionally the final report shall:

- a) cover any period not covered by the previous reports
- b) include the proofs of the transfers of ownership as referred to in Article 7.5.

2.3. The Special Conditions may set out additional reporting requirements.

2.4. The Contracting Authority may request additional information at any time. The Coordinator shall provide this information within 30 days of the request, in the language of the Contract.

2.5. Reports shall be submitted with the payment requests, according to Article 15. If the Coordinator fails to provide any report or fails to provide any additional information requested by the Contracting Authority within the set deadline without an acceptable and written explanation of the reasons, the Contracting Authority may terminate this Contract according to Article 12.2 (a) and (f).

ARTICLE 3 - LIABILITY

3.1. The Contracting Authority cannot under any circumstances or for any reason whatsoever be held liable for damage or injury sustained by the staff or property of the Beneficiary(ies) while the Action is being carried out or as a consequence of the Action. The Contracting Authority cannot, therefore, accept any claim for compensation or increases in payment in connection with such damage or injury.

3.2. The Beneficiary(ies) shall assume sole liability towards third parties, including liability for damage or injury of any kind sustained by them while the Action is being carried out or as a consequence of the Action. The Beneficiary(ies) shall discharge the Contracting Authority of all liability arising from any claim or action brought as a result of an infringement of rules or regulations by the Beneficiary(ies) or the Beneficiary(ies)'s employees or individuals for whom those employees are responsible, or as a result of violation of a third party's rights. For the purpose of this Article 3 employees of the Beneficiary(ies) shall be considered third parties.

ARTICLE 4 - CONFLICT OF INTERESTS AND GOOD CONDUCT

4.1. The Beneficiary(ies) shall take all necessary measures to prevent or end any situation that could compromise the impartial and objective performance of this Contract. Such conflict of interests may arise in particular as a result of economic interest, political or national affinity, family or emotional ties, or any other relevant connection or shared interest.

4.2. Any conflict of interests which may arise during performance of this Contract must be notified in writing to the Contracting Authority without delay. In the event of such conflict, the Coordinator shall immediately take all necessary steps to resolve it.

4.3. The Contracting Authority reserves the right to verify that the measures taken are appropriate and may require additional measures to be taken if necessary.

- 4.4. The Beneficiary(ies) shall ensure that its staff, including its management, is not placed in a situation which could give rise to conflict of interests. Without prejudice to its obligation under this Contract, the Beneficiary(ies) shall replace, immediately and without compensation from the Contracting Authority, any member of its staff in such a situation.
- 4.5. The Beneficiary(ies) shall respect human rights and applicable environmental legislation including multilateral environmental agreements, as well as internationally agreed core labour standards.

ARTICLE 5 - CONFIDENTIALITY

- 5.1. Subject to Article 16, the Contracting Authority and the Beneficiary(ies) undertake to preserve the confidentiality of any information, notwithstanding its form, disclosed in writing or orally in relation to the implementation of this Contract and identified in writing as confidential until at least 5 years after the payment of the balance.
- 5.2. The Beneficiary(ies) shall not use confidential information for any aim other than fulfilling their obligations under this Contract unless otherwise agreed with the Contracting Authority.
- 5.3. Where the European Commission is not the Contracting Authority it shall still have access to all documents communicated to the Contracting Authority and shall maintain the same level of confidentiality.

ARTICLE 6 - VISIBILITY

- 6.1. Unless the European Commission agrees or requests otherwise, the Beneficiary(ies) shall take all necessary steps to publicise the fact that the European Union has financed or co-financed the Action. Such measures shall comply with the Communication and Visibility Manual for European Union External Actions laid down and published by the European Commission, that can be found at:

http://ec.europa.eu/europeaid/communication-and-visibility-manual-eu-external-actions_en

or with any other guidelines agreed between the European Commission and the beneficiary(ies).

- 6.2. The Coordinator shall submit a communication plan for the approval of the European Commission and report on its implementation in accordance with Article 2.
- 6.3. In particular, the Beneficiary(ies) shall mention the Action and the European Union's financial contribution in information given to the final recipients of the Action, in its internal and annual reports, and in any dealings with the media. It shall display the European Union logo wherever appropriate.
- 6.4. Any notice or publication by the Beneficiary(ies) concerning the Action, including those given at conferences or seminars, shall specify that the Action has received European Union funding. Any publication by the Beneficiary(ies), in whatever form and by whatever medium, including the internet, shall include the following statement: 'This document has been produced with the financial assistance of the European Union. The contents of this document are the sole responsibility of < Beneficiary(ies)'s name > and can under no circumstances be regarded as reflecting the position of the European Union.'
- 6.5. The Beneficiary(ies) authorises the Contracting Authority and the European Commission (where it is not the Contracting Authority) to publish its name and address, nationality, the

purpose of the grant, duration and location as well as the maximum amount of the grant and the rate of funding of the Action's costs, as laid down in Article 3 of the Special Conditions. Derogation from publication of this information may be granted if it could endanger the Beneficiary(ies) or harm their interests.

ARTICLE 7 - OWNERSHIP/USE OF RESULTS AND ASSETS

- 7.1. Unless otherwise stipulated in the Special Conditions, ownership of, and title and intellectual and industrial property rights to, the Action's results, reports and other documents relating to it will be vested in the Beneficiary(ies).
- 7.2. Without prejudice to Article 7.1, the Beneficiary(ies) grant the Contracting Authority (and the European Commission where it is not this Contracting Authority) the right to use freely and as it sees fit, and in particular, to store, modify, translate, display, reproduce by any technical procedure, publish or communicate by any medium all documents deriving from the Action whatever their form, provided it does not thereby breach existing industrial and intellectual property rights.
- 7.3. The Beneficiary(ies) shall ensure that it has all rights to use any pre-existing intellectual property rights necessary to implement this Contract.
- 7.4. In case natural, recognizable persons are depicted in a photograph or film, the Coordinator shall, in the final report to the Contracting Authority, submit a statement of these persons giving their permissions for the described use of their images. The above does not refer to photographs taken or films shot in public places where random members of the public are identifiable only hypothetically and to public persons acting in their public activities.
- 7.5. Unless otherwise clearly specified in the Description of the Action in Annex I, the equipment, vehicles and supplies paid for by the Budget for the Action shall be transferred to the final beneficiaries of the Action, at the latest when submitting the final report.

If there are no final beneficiaries of the Action to whom the equipment, vehicles and supplies can be transferred, the Beneficiary(ies) may transfer these items to:

- local authorities
- local Beneficiary(ies)
- local affiliated entity(ies)
- another action funded by the European Union
- or, exceptionally, retain ownership of these items.

In such cases, the Coordinator shall submit a justified written request for authorisation to the Contracting Authority, with an inventory listing the items concerned and a proposal concerning their use, in due time and at the latest with the submission of the final report.

In no event may the end use jeopardize the sustainability of the Action or result in a profit for the Beneficiary(ies).

- 7.6 Copies of the proofs of transfer of any equipment and vehicles for which the purchase cost was more than EUR 5000 per item, shall be attached to the final report. Proofs of transfer of equipment and vehicles whose purchase cost was less than EUR 5000 per item shall be kept by the Beneficiary(ies) for control purposes.

ARTICLE 8 – EVALUATION/MONITORING OF THE ACTION

- 8.1. If the European Commission carries out an interim or ex post evaluation or a monitoring mission, the Coordinator shall undertake to provide it and/or the persons authorised by it with the documents or information necessary for the evaluation or monitoring mission.

Representatives of the European Commission shall be invited to participate in the main monitoring and in the evaluation missions relating to the performance of the Action performed by the Beneficiary(ies).

- 8.2. If either the Beneficiary(ies) or the European Commission carries out or commissions an evaluation in the course of the Action, it shall provide the other with a copy of the evaluation report.

ARTICLE 9 — AMENDMENT OF THE CONTRACT.

- 9.1. Any amendment to this Contract, including the annexes thereto, shall be set out in writing. This Contract can be modified only during its execution period.
- 9.2. The amendment may not have the purpose or the effect of making changes to this Contract that would call into question the grant award decision or be contrary to the equal treatment of applicants. The maximum grant referred to in Article 3.2 of the Special Conditions may not be increased.
- 9.3. If an amendment is requested by the Beneficiary(ies), the Coordinator shall submit a duly justified request to the Contracting Authority thirty days before the date on which the amendment should enter into force, unless there are special circumstances duly substantiated and accepted by the Contracting Authority.
- 9.4. Where the amendment to the Budget or Description of the Action does not affect the basic purpose of the Action and the financial impact is limited to a transfer between items within the same main budget heading including cancellation or introduction of an item, or a transfer between main budget headings involving a variation of 25% or less of the amount originally entered (or as modified by addendum) in relation to each concerned main heading for eligible costs, the Coordinator may amend the budget and inform the Contracting Authority accordingly, in writing and at the latest in the next report. This method may not be used to amend the headings for indirect costs, for the contingency reserve, for in-kind contributions or the amounts or rates of simplified cost options.
- 9.5. Changes of address, bank account or auditor may simply be notified by the Coordinator. However, in duly substantiated circumstances, the Contracting Authority may oppose the Coordinator's choice.
- 9.6. The Contracting Authority reserves the right to require that the auditor referred to in Article 5.2 of the Special Conditions be replaced if considerations which were unknown when this Contract was signed cast doubt on the auditor's independence or professional standards.

ARTICLE 10 — IMPLEMENTATION

Implementation contracts

- 10.1. If the Beneficiary(ies) have to conclude implementation contracts with contractors in order to carry out the Action, these may only cover a limited portion of the Action and shall respect the contract-award procedures and rules of nationality and origin set out in Annex IV of this Contract.
- 10.2. To the extent relevant, the Beneficiary(ies) shall ensure that the conditions applicable to them under Articles 3, 4, 5, 6, 7, 8 and 16 of these General Conditions are also applicable to contractors awarded an implementation contract.
- 10.3. The Coordinator shall provide in its report to the Contracting Authority a comprehensive and detailed report on the award and implementation of the contracts awarded under article 10.1, in accordance with the reporting requirements in section 2 of Annex VI.

Financial support to third parties

- 10.4. In order to support the achievement of the objectives of the Action, and in particular where the implementation of the Action requires financial support to be given to third parties, the Beneficiary(ies) may award financial support if so provided by the Special Conditions.
- 10.5. The maximum amount of financial support shall be limited to EUR 60 000 per each third party, except where the main purpose of the Action is to redistribute the grant.
- 10.6. The Description of the Action, in conformity with the relevant instructions given in this regard by the Contracting Authority, shall define the types of entities eligible for financial support and include a fixed list with the types of activity which may be eligible for financial support. The criteria for the selection of the third parties recipient of this financial support, including the criteria for determining its exact amount, shall also be specified.
- 10.7. The Coordinator shall provide in its report to the Contracting Authority a comprehensive and detailed report on the award and implementation of any financial support given. These reports should provide, amongst other, information on the award procedures, on the identities of the recipient of financial support, the amount granted, the results achieved, the problems encountered and solutions found, the activities carried out as well as a timetable of the activities which still need to be carried out.
- 10.8. To the extent relevant, the Beneficiary(ies) shall ensure that the conditions applicable to them under Articles 3, 4, 5, 6, 7, 8 and 16 of these General Conditions are also applicable to third parties awarded financial support.

ARTICLE 11 – EXTENSION AND SUSPENSION

Extension

- 11.1. The Coordinator shall inform the Contracting Authority without delay of any circumstances likely to hamper or delay the implementation of the Action. The Coordinator may request an extension of the Action's implementation period as laid down in Article 2 of the Special Conditions in accordance to Article 9. The request shall be accompanied by all the supporting evidence needed for its appraisal.

Suspension by the Coordinator

- 11.2. The Coordinator may suspend implementation of the Action, or any part thereof, if exceptional circumstances, notably of force majeure, make such implementation excessively difficult or dangerous. The Coordinator shall inform the Contracting Authority without delay, stating the nature, probable duration and foreseeable effects of the suspension.
- 11.3. The Coordinator or the Contracting Authority may then terminate this Contract in accordance with Article 12.1. If the Contract is not terminated, the Beneficiary(ies) shall endeavour to minimise the time of its suspension and any possible damage and shall resume implementation once circumstances allow, informing the Contracting Authority accordingly.

Suspension by the Contracting Authority

- 11.4. The Contracting Authority may request the Beneficiary(ies) to suspend implementation of the Action, or any part thereof, if exceptional circumstances, notably of force majeure, make such implementation excessively difficult or dangerous. To this purpose, the Contracting Authority shall inform the Coordinator stating the nature and probable duration of the suspension.

- 11.5. The Coordinator or the Contracting Authority may then terminate this Contract in accordance with Article 12.1. If the Contract is not terminated, the Beneficiary(ies) shall endeavour to minimise the time of its suspension and any possible damage and shall resume implementation once circumstances allow and after having obtained the approval of the Contracting Authority.
- 11.6. The Contracting Authority may also suspend this Contract or the participation of a Beneficiary(ies) in this Contract if the Contracting Authority has evidence that, or if, for objective and well justified reasons, the Contracting Authority deems necessary to verify whether presumably:
- a) the grant award procedure or the implementation of the Action have been subject to substantial errors, irregularities or fraud;
 - b) the Beneficiary(ies) have breached any substantial obligation under this Contract.
- 11.7. The Coordinator shall provide any requested information, clarification or document within 30 days of receipt of the requests sent by the Contracting authority. If, notwithstanding the information, clarification or document provided by the Coordinator, the award procedure or the implementation of the grant prove to have been subject to substantial errors, irregularities, fraud, or breach of obligations, then the Contracting Authority may terminate this Contract according to Article 12(2) h.

Force majeure

- 11.8. The term force majeure, as used herein covers any unforeseeable events, not within the control of either party to this Contract and which by the exercise of due diligence neither party is able to overcome such as acts of God, strikes, lock-outs or other industrial disturbances, acts of the public enemy, wars whether declared or not, blockades, insurrection, riots, epidemics, landslides, earthquakes, storms, lightning, floods, washouts, civil disturbances, explosion. A decision of the European Union to suspend the cooperation with the partner country is considered to be a case of force majeure when it implies suspending funding under this Contract.
- 11.9. The Beneficiary(ies) shall not be held in breach of its contractual obligations if it is prevented from fulfilling them by circumstances of force majeure.

Extension of the implementation period following a suspension.

- 11.10. In case of suspension according to Articles 11.2, 11.4 and 11.6, the implementation period of the Action shall be extended by a period equivalent to the length of suspension, without prejudice to any amendment to the Contract that may be necessary to adapt the Action to the new implementing conditions. This Article 11.10 does not apply in case of an operating grant.

ARTICLE 12 — TERMINATION OF THE CONTRACT

Termination in case of force majeure

- 12.1. In the cases foreseen in Article 11.2 and 11.4, if the Coordinator or the Contracting Authority believes that this Contract can no longer be executed effectively or appropriately, it shall duly consult the other. Failing agreement on a solution, the Coordinator or the Contracting Authority may terminate this Contract by serving two months written notice, without being required to pay indemnity.

Termination by the Contracting Authority

- 12.2. Without prejudice to Article 12.1, in the following circumstances the Contracting Authority may, after having duly consulted the Coordinator, terminate this Contract or the participation of any Beneficiary(ies) in this Contract without any indemnity on its part when:
- a) a Beneficiary(ies) fails, without justification, to fulfil any substantial obligation incumbent on them individually or collectively by this Contract and, after being given notice by letter to comply with those obligations, still fails to do so or to furnish a satisfactory explanation within 30 days of receipt of the letter;
 - b) a Beneficiary(ies) is bankrupt or 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 proceedings concerning those matters or is in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
 - c) a Beneficiary(ies), or any related entity or person, have been found guilty of an offence concerning their professional conduct proven by any means;
 - d) a Beneficiary(ies), or any related entity or person, have committed fraud, corruption, or are involved in a criminal organisation, money laundering or any other illegal activity detrimental to the European Union's financial interests;
 - e) a change to a Beneficiary(ies)'s legal, financial, technical, organisational or ownership situation or the termination of the participation of a Beneficiary(ies) substantially affects the implementation of this Contract or calls into question the decision awarding the grant;
 - f) a Beneficiary(ies) or any related person, are guilty of misrepresentation in supplying the information required in the award procedure or in the implementation of the Action or fails to supply – or fails to supply within the deadlines set under this Contract - any information related to the Action required by the Contracting Authority;
 - g) a Beneficiary(ies) has not fulfilled 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;
 - h) the Contracting Authority has evidence that a Beneficiary(ies), or any related entity or person, has committed substantial errors, irregularities or fraud in the award procedure or in the implementation of the Action;
 - i) a Beneficiary(ies) is subject to an administrative penalty referred to in Article 12(8);
 - j) the Contracting Authority has evidence that a Beneficiary(ies) is subject to a conflict of interests;
 - k) the European Commission has evidence that a Beneficiary(ies) has committed systemic or recurrent errors or irregularities, fraud, or serious breach of obligations under other grants financed by the European Union and awarded to that specific Beneficiary(ies) under similar conditions, provided that those errors, irregularities, fraud or serious breach of obligations have a material impact on this grant.
- 12.3. In the cases referred to in points (c), (d) (f) (h) and (k) above, any related person means any physical person with powers of representation, decision-making or control in relation to the Beneficiary(ies). Any related entity means, in particular, any entity which meets the criteria laid down by Article 1 of the Seventh Council Directive No 83/349/EEC of 13 June 1983.

Termination of a Beneficiary(ies) participation by the Coordinator

- 12.4. In duly justified cases, the participation of a Beneficiary(ies) in this Contract may be also terminated by the Coordinator. To this purpose, the Coordinator shall communicate to the Contracting Authority the reasons for the termination of its participation and the date on which the termination shall take effect, as well as a proposal on the reallocation of the tasks of the Beneficiary(ies) whose participation is terminated, or on its possible replacement. The proposal shall be sent in good time before the termination is due to take effect. If the Contracting Authority agrees, the Contract shall be amended accordingly in conformity with Article 9.

End date

- 12.5. The payment obligations of the European Union under this Contract shall end 18 months after the implementation period laid down in Article 2 of the Special Conditions, unless this Contract is terminated according to Article 12.

The Contracting Authority shall postpone this end date, so as to be able to fulfil its payment obligations, in all cases where the Coordinator has submitted a payment request in accordance with contractual provisions or, in case of dispute, until completion of the dispute settlement procedure provided for in Article 13. The Contracting Authority shall notify the Coordinator of any postponement of the end date.

- 12.6. This Contract will be terminated automatically if it has not given rise to any payment by the Contracting Authority within two years of its signature.

Effects of Termination

- 12.7. Upon termination of this Contract the Coordinator shall take all immediate steps to bring the Action to a close in a prompt and orderly manner and to reduce further expenditure to a minimum.

Without prejudice to Article 14, the Beneficiary(ies) shall be entitled to payment only for the part of the Action carried out, excluding costs relating to current commitments that are due to be executed after termination.

To this purpose, the Coordinator shall introduce a payment request to the Contracting Authority within the time limit set by Article 15.2 starting from the date of termination.

In the event of termination according to Article 12.1, the Contracting Authority may agree to reimburse the unavoidable residual expenditures incurred during the notice period, provided, the first paragraph of this Article 12.7 has been properly executed.

In the cases of termination foreseen in Article 12.2 a), c), d), f), h) and k) the Contracting Authority may, after having properly consulted the Coordinator and depending on the gravity of the failings, request full or partial repayment of amounts unduly paid for the Action.

Administrative and Financial penalties

- 12.8. Without prejudice to the application of other remedies laid down in the Contract, a Beneficiary(ies) who has made false declarations, substantial errors, irregularities and fraud or was in serious breach of its contractual obligations may be excluded from all contracts and grants financed by the EU for a maximum of five years from the date on which the infringement is established, to be confirmed after an adversarial procedure with the European Commission, in accordance with the Financial Regulations applicable to the contracts covered by the Budget or the EDF. The period may be increased to ten years in the event of a repeated offence within five years of the first infringement.

- 12.9. In addition or in alternative to the administrative sanctions laid down in Article 12.8, a Beneficiary(ies) may also be subject to financial penalties representing 2-10% of the total value of this Contract. This rate may be increased to 4-20% in the event of a repeated offence within five years of the first infringement.
- 12.10. The European Commission shall formally notify the Beneficiary(ies) concerned of any decision to apply such penalties.

ARTICLE 13 — APPLICABLE LAW AND DISPUTE SETTLEMENT

- 13.1. This Contract shall be governed by the law of the country of the Contracting Authority or, where the Contracting Authority is the European Commission, by the European Union law supplemented as appropriate by Belgian law.
- 13.2. The parties to this Contract shall do everything possible to settle amicably any dispute arising between them during the implementation of this Contract. To that end, they shall communicate their positions and any solution that they consider possible in writing, and meet each other at either's request. The Coordinator and the Contracting Authority shall reply to a request sent for an amicable settlement within 30 days. Once this period has expired, or if the attempt to reach amicable settlement has not produced an agreement within 120 days of the first request, the Coordinator or the Contracting Authority may notify the other part that it considers the procedure to have failed.
- 13.3. In the event of failure to reach an amicable agreement, the dispute may by common agreement of the Coordinator and the Contracting Authority be submitted for conciliation by the European Commission if it is not the Contracting Authority. If no settlement is reached within 120 days of the opening of the conciliation procedure, each party may notify the other that it considers the procedure to have failed.
- 13.4. In the event of failure of the above procedures, each party to this Contract may submit the dispute to the courts of the country of the Contracting Authority, or to the Brussels courts where the Contracting Authority is the European Commission.

FINANCIAL PROVISIONS

ARTICLE 14 — ELIGIBLE COSTS

Cost eligibility criteria

- 14.1. Eligible costs are actual costs incurred by the Beneficiary(ies) which meet all the following criteria:
- a) they are incurred during the implementation of the Action as specified in Article 2 of the Special Conditions. In particular:
 - (i) Costs relating to services and works shall relate to activities performed during the implementation period. Costs relating to supplies shall relate to delivery and installation of items during the implementation period. Signature of a contract, placing of an order, or entering into any commitment for expenditure within the implementation period for future delivery of services, works or supplies after expiry of the implementation period do not meet this requirement. Cash transfers between the Coordinator and/or the other Beneficiary(ies) and/or affiliated entity(ies) may not be considered as costs incurred;
 - (ii) Costs incurred should be paid before the submission of the final reports. They may be paid afterwards, provided they are listed in the final report together with the estimated date of payment;

- (iii) An exception is made for costs relating to final reports, including expenditure verification, audit and final evaluation of the Action, which may be incurred after the implementation period of the Action;
 - (iv) Procedures to award contracts, as referred to in Article 10, may have been initiated and contracts may be concluded by the Beneficiary(ies) before the start of the implementation period of the Action, provided the provisions of Annex IV have been respected.
- b) they are indicated in the estimated overall budget for the Action;
 - c) they are necessary for the implementation of the Action;
 - d) they are identifiable and verifiable, in particular being recorded in the accounting records of the Beneficiary(ies) and determined according to the accounting standards and the usual cost accounting practices applicable to the Beneficiary(ies);
 - e) they comply with the requirements of applicable tax and social legislation;
 - f) they are reasonable, justified and comply with the requirements of sound financial management, in particular regarding economy and efficiency.

Eligible direct costs

14.2. Subject to Article 14.1 and, where relevant, to the provisions of Annex IV being respected, the following direct costs of the Beneficiary(ies) shall be eligible:

- a) the cost of staff assigned to the Action, corresponding to actual gross salaries including social security charges and other remuneration-related costs; salaries and costs shall not exceed those normally borne by the Beneficiary(ies), unless it is justified by showing that it is essential to carry out the Action;
- b) travel and subsistence costs for staff and other persons taking part in the Action, provided they do not exceed those normally borne by the Beneficiary(ies) according to its rules and regulations, or the rates published by the European Commission at the time of such mission if reimbursed on the basis of simplified cost options;
- c) purchase costs for equipment (new or used) and supplies specifically for the purposes of the Action, provided that ownership is transferred at the end of the Action when required in Article 7.5;
- d) costs of consumables;
- e) costs entailed by contracts awarded by the Beneficiary(ies) for the purposes of the Action referred to in Article 10.
- f) costs deriving directly from the requirements of the Contract (dissemination of information, evaluation specific to the Action, audits, translation, reproduction, insurance, etc.) including financial service costs (in particular the cost of transfers and financial guarantees where required according to the Contract);
- g) duties, taxes and charges, including VAT, paid and not recoverable by the beneficiaries, unless otherwise provided in the Special Conditions;
- h) overheads, in the case of an operating grant.

Simplified cost options

14.3. In accordance with the detailed provisions in Annex III, eligible costs may also be constituted by any or a combination of the following cost options:

- a) unit costs;
- b) lump sums;
- c) flat-rate financing.

- 14.4. The methods used by the Beneficiary(ies) to determine unit costs, lump sums or flat-rates shall be clearly described and substantiated in Annex III and shall ensure compliance with the no-profit rule and shall avoid double funding of costs. The information used can be based on the Beneficiary(ies)'s historical and/or actual accounting and cost accounting data or on external information where available and appropriate.

Costs declared under simplified cost options shall satisfy the eligibility criteria set out in Article 14.1 and 14.2. They do not need to be backed by accounting or supporting documents, save those necessary to demonstrate the fulfillment of the conditions for reimbursement established in Annex I and III.

These costs may not include ineligible costs as referred to in Article 14.9 or costs already declared under another costs item or heading of the budget of this Contract.

The amounts or rates of unit costs, lump sums or flat-rates set out in Annex III may not be amended unilaterally and may not be challenged by ex post verifications.

- 14.5. The total amount of financing that may be awarded on the basis of simplified cost options may not exceed EUR 60 000 per each Beneficiary, unless otherwise provided for in the Special Conditions.

Contingency reserve

- 14.6. A reserve for contingencies and/or possible fluctuations in exchange rates not exceeding 5% of the direct eligible costs may be included in the budget for the Action, to allow for adjustments necessary in the light of unforeseeable changes of circumstances on the ground. It can be used only with the prior written authorisation of the Contracting Authority, upon duly justified request by the Coordinator.

Indirect costs

- 14.7. The indirect costs for the action are those eligible costs which may not be identified as specific costs directly linked to the implementation of the Action and may not be booked to it directly according to the conditions of eligibility in Article 14.1. However, they are incurred by the Beneficiary(ies) in connection with the eligible direct costs for the Action. They may not include ineligible costs as referred to in Article 14.9 or costs already declared under another costs item or heading of the budget of this Contract.

A fixed percentage of the total amount of direct eligible costs of the Action not exceeding the percentage laid down in Article 3 of the Special Conditions may be claimed to cover indirect costs for the Action. Flat-rate funding in respect of indirect costs does not need to be supported by accounting documents. This amount shall not be taken into account with regard to the maximum amount of simplified cost options.

Indirect costs shall not be eligible under a grant for an action awarded to a Beneficiary who already receives an operating grant financed from the European Union budget during the period in question.

This Article 14.7 does not apply in the case of an operating grant.

In kind contributions

- 14.8. Any contributions in kind, which shall be listed separately in Annex III, do not represent actual expenditure and are not eligible costs. Unless otherwise specified in the Special Conditions, contributions in kind may not be treated as co-financing by the Beneficiary(ies).

If contributions in kind are accepted as co-financing, the Beneficiary(ies) shall ensure they comply with national tax and social security rules.

Notwithstanding the above, if the Description of the Action provides for contributions in kind, such contributions have to be provided.

Non-eligible costs

14.9. The following costs shall not be considered eligible:

- a) debts and debt service charges (interest);
- b) provisions for losses or potential future liabilities;
- c) costs declared by the Beneficiary(ies) and financed by another action or work programme receiving a European Union grant (including through the European Development Fund);
- d) purchases of land or buildings, except where necessary for the direct implementation of the Action and according to the conditions specified in the Special Conditions; in all cases the ownership shall be transferred in accordance with Article 7.5, at the latest at the end of the Action;
- e) currency exchange losses;
- f) credits to third parties, unless otherwise specified in the Special Conditions
- g) salary costs of the personnel of national administrations, unless otherwise specified in the Special Conditions and only to the extent that they relate to the cost of activities which the relevant public authority would not carry out if the Action were not undertaken.

Affiliated entities

14.10. Where the Special Conditions contain a provision on entities affiliated to a Beneficiary, costs incurred by such entity may be eligible, provided that they satisfy the same conditions under Articles 14 and 16, and that the Beneficiary ensures that Articles 3, 4, 5, 6, 10 and 16 are also applicable to the entity.

ARTICLE 15 — PAYMENT AND INTEREST ON LATE PAYMENT

Payment procedures

15.1. The Contracting Authority must pay the grant to the Coordinator following one of the payment procedures below, as set out in Article 4 of the Special Conditions.

Option 1: Actions with an implementation period of 12 months or less or grant of EUR 100 000 or less

- (i) an initial pre-financing payment of 80 % of the maximum amount referred to in Article 3.2 of the Special Conditions (excluding contingencies);
- (ii) the balance of the final amount of the grant.

Option 2: Actions with an implementation period of more than 12 months and grant of more than EUR 100 000

- (i) an initial pre-financing payment of 100 % of the part of the estimated budget financed by the Contracting Authority for the first reporting period (excluding contingencies). The part of the budget financed by the Contracting Authority is

calculated by applying the percentage set out in Article 3.2 of the Special Conditions;

- (ii) further pre-financing payments of 100 % of the part of the estimated budget financed by the Contracting Authority for the following reporting period (excluding not authorised contingencies):
- the reporting period is intended as a twelve-month period unless otherwise provided for in the Special Conditions. When the remaining period to the end of the Action is up to 18 months, the reporting period shall cover it entirely;
 - within 60 days following the end of the reporting period, the Coordinator shall present an interim report or, if unable to do so, it shall inform the Contracting Authority of the reasons and provide a summary of progress of the Action;
 - if at the end of the reporting period the part of the expenditure actually incurred which is financed by the Contracting Authority is less than 70 % of the previous payment (and 100 % of any previous payments), the further pre-financing payment shall be reduced by the amount corresponding to the difference between the 70 % of the previous pre-financing payment and the part of the expenditure actually incurred which is financed by the Contracting Authority;
 - the Coordinator may submit a request for further pre-financing payment before the end of the reporting period, when the part of the expenditure actually incurred which is financed by the Contracting Authority is more than 70 % of the previous payment (and 100 % of any previous payments). In this case, the following reporting period starts anew from the end date of the period covered by this payment request;
 - in addition, for grants of more than EUR 5 000 000, a further pre-financing payment may be made only if the part financed by the Contracting Authority of the eligible costs approved is at least equal to the total amount of all the previous payments excluding the last one;
 - the total sum of pre-financing payments may not exceed 90 % of the amount referred to in Article 3.2 of the Special Conditions, excluding not authorised contingencies;

- (iii) the balance of the final amount of the grant.

Option 3: All Actions

- (i) the final amount of the grant.

Submission of final reports

- 15.2. The Coordinator shall submit the final report to the Contracting Authority no later than three months after the implementation period as defined in Article 2 of the Special Conditions. The deadline for submission of the final report is extended to six months where the Coordinator does not have its headquarters in the country where the Action is implemented.

Payment request

- 15.3. The payment request shall be drafted using the model in Annex V and shall be accompanied by:

- a) a narrative and financial report in line with Article 2;
- b) a forecast budget for the following reporting period in case of request of further pre-financing;
- c) an expenditure verification report or a detailed breakdown of expenditure if required under Article 15.7;

For the purposes of the initial pre-financing payment, the signed contract serves as payment request. A financial guarantee shall be attached if required in the Special Conditions.

Payment shall not imply recognition of the regularity or of the authenticity, completeness and correctness of the declarations and information provided.

Payment deadlines

- 15.4. The initial pre-financing payment shall be made within 30 days of receipt of the payment request by the Contracting Authority.

Further pre-financing payments and payments of the balance shall be made within 60 days of receipt of the payment request by the Contracting Authority.

However, further pre-financing payments and payments of the balance shall be made within 90 days of receipt of the payment request by the Contracting Authority in any of the following cases:

- a) one Beneficiary with affiliated entity(ies);
- b) if more than one Beneficiary is party to this Contract;
- c) if the Commission is not the Contracting Authority
- d) for grants exceeding EUR 5 000 000

The payment request is deemed accepted if there is no written reply by the Contracting Authority within the deadlines set above.

Suspension of the period for payments

- 15.5. Without prejudice to Article 12, the Contracting Authority may suspend the time-limits for payments by notifying the Coordinator that:

- a) the amount indicated in its request of payments is not due, or;
- b) proper supporting documents have not been supplied, or;
- c) the Contracting Authority needs to request clarifications, modifications or additional information to the narrative or financial reports, or;
- d) the Contracting Authority has doubts on the eligibility of expenditure and needs to carry out additional checks, including on-the-spot checks to make sure that the expenditure is eligible, or;
- e) it is necessary to verify whether presumed substantial errors, irregularities or fraud have occurred in the grant award procedure or the implementation of the Action, or;
- f) it is necessary to verify whether the Beneficiary(ies) have breached any substantial obligations under this Contract, or;
- g) the visibility obligations set out in Article 6 are not complied with.

The suspension of the time-limits for payments starts when the above notification is sent by the Contracting Authority to the Coordinator. The time-limit starts running again on the

date on which a correctly formulated request for payment is recorded. The Coordinator shall provide any requested information, clarification or document within 30 days of the request.

If, notwithstanding the information, clarification or document provided by the Coordinator, the payment request is still inadmissible, or if the award procedure or the implementation of the grant proves to have been subject to substantial errors, irregularities, fraud, or breach of obligations, then the Contracting Authority may refuse to proceed further with payments and may, in the cases foreseen in Article 12, terminate accordingly this Contract.

In addition, the Contracting Authority may also suspend payments as a precautionary measure without prior notice, prior to, or instead of, terminating this Contract as provided for in Article 12.

Interest on late payment

15.6. If the Contracting Authority pays the Coordinator after the time limit, it shall pay default interest as follows:

- a) at the rediscount rate applied by the central bank of the country of the Contracting Authority if payments are in the currency of that country;
- b) at the rate applied by the European Central Bank to its main refinancing transactions in euro, as published in the Official Journal of the European Union, C series, if payments are in euro,
- c) on the first day of the month in which the time-limit expired, plus three and a half percentage points. The interest will be payable for the time elapsed between the expiry of the payment deadline and the date on which the Contracting Authority's account is debited.

By way of exception, when the interest calculated in accordance with this provision is lower than or equal to EUR 200, it will be paid to the Coordinator only upon demand submitted within two months of receiving late payment.

The default interest is not considered as income for the purposes of Article 17.2.

This Article 15.6 does not apply if the Coordinator is a European Union Member State, including regional and local government authorities or other public body acting in the name and on behalf of the Member State for the purpose of the Contract.

Expenditure verification report

15.7. The Coordinator must provide an expenditure verification report for:

- a) any request for further pre-financing payment in case of grants of more than EUR 5 000 000;
- b) any final report in the case of a grant of more than EUR 100 000.

The expenditure verification report shall conform to the model in Annex VII and shall be produced by an auditor approved or chosen by the Contracting Authority. The auditor shall meet the requirements set out in the Terms of Reference for expenditure verification in Annex VII.

The auditor shall examine whether the costs declared by the Beneficiary(ies) and the revenue of the Action are real, accurately recorded and eligible under this Contract. The expenditure verification report shall cover all expenditure not covered by any previous expenditure verification report.

If no expenditure verification is required with requests for pre-financing payments, a detailed breakdown of expenditure covering the preceding reporting periods not already covered, shall be provided for every other request for further pre-financing payment and starting with the second request for further pre-financing payment (i.e. 3rd, 5th, 7th... pre-financing payment).

The detailed breakdown of expenditure shall provide the following information for each cost heading in the financial report and for all underlying entries and transactions: amount of the entry or transaction, accounting reference (e.g. ledger, journal or other relevant reference) description of the entry or transaction (detailing the nature of the expenditure) and reference to underlying documents (e.g. invoice number, salary slip or other relevant reference), in line with Article 16.1. It shall be provided in electronic form and spread sheet format (excel or similar) whenever possible.

The detailed breakdown of expenditure shall be supported by a declaration of honour by the Coordinator that the information in the payment request is full, reliable and true and that the costs declared have been incurred and can be considered as eligible in accordance to this Contract.

The final report shall in all cases include a detailed breakdown of expenditure covering the whole Action.

Where the Coordinator is a government department or a public body, the Contracting Authority may accept to substitute the expenditure verification with a detailed breakdown of expenditure.

The expenditure verification report shall not be provided by the Coordinator if the verification is directly done by the Contracting Authority's own staff, by the Commission or by a body authorised to do so on their behalf, according to Article of 5.2 of the Special Conditions.

Financial guarantee

- 15.8. If the grant exceeds EUR 60 000 the Contracting Authority may request a financial guarantee for the amount of the initial pre-financing payment.

The guarantee shall be denominated in euro or in the currency of the Contracting Authority, conforming to the model in Annex VIII and, unless the Contracting Authority agrees otherwise, provided by an approved bank or financial institution established in one of the Member States of the European Union. This guarantee shall remain in force until its release by the Contracting Authority when the payment of the balance is made.

This provision shall not apply if the Coordinator is a non-profit organisation, an organisation which has signed a framework partnership agreement with the European Commission, a government department or public body, unless otherwise stipulated in the Special Conditions.

Rules for currency conversion

- 15.9. The Contracting Authority shall make payments to the Coordinator to the bank account referred to in the financial identification form in Annex V, which allows the identification of the funds paid by the Contracting Authority. The Contracting Authority shall make payments in the currency set in the Special Conditions.

Reports shall be submitted in the currency set out in the Special Conditions, and may be drawn from financial statements denominated in other currencies, on the basis of the Beneficiary(ies)'s applicable legislation and applicable accounting standards. In such case and for the purpose of reporting, conversion into the currency set in the Special

Conditions shall be made using the rate of exchange at which the Contracting Authority's contribution was recorded in the Beneficiary(ies)'s accounts, unless otherwise provided for in the Special Conditions.

Costs incurred in other currencies than the one used in the Beneficiary(ies)'s accounts shall be converted using the monthly Inforeuro on the date of payment or according to its usual accounting practices if so provided for in the Special Conditions.

In the event of an exceptional exchange-rate fluctuation, the Parties shall consult each other with a view to amending the Action in order to lessen the impact of such a fluctuation. Where necessary, the Contracting Authority may take additional measures such as terminating the Contract.

ARTICLE 16 — ACCOUNTS AND TECHNICAL AND FINANCIAL CHECKS

Accounts

- 16.1. The Beneficiary(ies) shall keep accurate and regular accounts of the implementation of the Action using an appropriate accounting and double-entry book-keeping system.

The accounts:

- a) may be an integrated part of or an adjunct to the Beneficiary(ies)'s regular system;
 - b) shall comply with the accounting and bookkeeping policies and rules that apply in the country concerned;
 - c) shall enable income and expenditure relating to the Action to be easily traced, identified and verified.
- 16.2. The Coordinator shall ensure that any financial report as required under Article 2 can be properly and easily reconciled to the accounting and bookkeeping system and to the underlying accounting and other relevant records. For this purpose the Beneficiary(ies) shall prepare and keep appropriate reconciliations, supporting schedules, analyses and breakdowns for inspection and verification.

Right of access

- 16.3. The Beneficiary(ies) shall allow verifications to be carried out by the European Commission, the European Anti-Fraud Office, the European Court of Auditors and any external auditor authorised by the Contracting Authority. The Beneficiary(ies) have to take all steps to facilitate their work.
- 16.4. The Beneficiary(ies) shall allow the above entities to:
- a) access the sites and locations at which the Action is implemented;
 - b) examine its accounting and information systems, documents and databases concerning the technical and financial management of the Action;
 - c) take copies of documents;
 - d) carry out on-the-spot-checks;
 - e) conduct a full audit on the basis of all accounting documents and any other document relevant to the financing of the Action.
- 16.5. Additionally the European Anti-Fraud Office shall be allowed to carry out on-the-spot checks and inspections in accordance with the procedures laid down by the European Union legislation for the protection of the financial interests of the European Union against fraud and other irregularities.

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

- 16.6. Access given to agents of the European Commission, European Anti-Fraud Office and the European Court of Auditors and to any external auditor authorised by the Contracting Authority carrying out verifications as provided for by this Article as well as by Article 15.7 shall be on the basis of confidentiality with respect to third parties, without prejudice to the obligations of public law to which they are subject.

Record keeping

- 16.7. The Beneficiary(ies) shall keep all records, accounting and supporting documents related to this Contract for five years following the payment of the balance and for three years in case of grants not exceeding EUR 60 000, and in any case until any on-going audit, verification, appeal, litigation or pursuit of claim has been disposed of.

They shall be easily accessible and filed so as to facilitate their examination and the Coordinator shall inform the Contracting Authority of their precise location.

- 16.8. All the supporting documents shall be available in the original form, including in electronic form.

- 16.9. In addition to the reports mentioned in Article 2, the documents referred to in this Article include:

- a) Accounting records (computerised or manual) from the Beneficiary(ies)'s accounting system such as general ledger, sub-ledgers and payroll accounts, fixed assets registers and other relevant accounting information;
- b) Proof of procurement procedures such as tendering documents, bids from tenderers and evaluation reports;
- c) Proof of commitments such as contracts and order forms;
- d) Proof of delivery of services such as approved reports, time sheets, transport tickets, proof of attending seminars, conferences and training courses (including relevant documentation and material obtained, certificates) etc;
- e) Proof of receipt of goods such as delivery slips from suppliers;
- f) Proof of completion of works, such as acceptance certificates;
- g) Proof of purchase such as invoices and receipts;
- h) Proof of payment such as bank statements, debit notices, proof of settlement by the contractor;
- i) Proof that taxes and/or VAT that have been paid cannot actually be reclaimed;
- j) For fuel and oil expenses, a summary list of the distance covered, the average consumption of the vehicles used, fuel costs and maintenance costs;
- k) Staff and payroll records such as contracts, salary statements and time sheets. For local staff recruited on fixed-term contracts, details of remuneration paid, duly substantiated by the person in charge locally, broken down into gross salary, social security charges, insurance and net salary. For expatriate and/or European-based staff (if the Action is implemented in Europe) analyses and breakdowns of expenditure per month of actual work, assessed on the basis of unit prices per verifiable block of time worked and broken down into gross salary, social security charges, insurance and net salary.

ARTICLE 17 — FINAL AMOUNT OF THE GRANT

Final amount

- 17.1. The grant may not exceed the maximum ceiling in Article 3.2 of the Special Conditions either in terms of the absolute value or the percentage stated therein.

If the eligible costs of the Action at the end of the Action are less than the estimated eligible costs as referred to in Article 3.1 of the Special Conditions, the grant shall be limited to the amount obtained by applying the percentage laid down in Article 3.2 of the Special Conditions to the eligible costs of the Action approved by the Contracting Authority.

- 17.2. In addition and without prejudice to its right to terminate this Contract pursuant to Article 12, if the Action is implemented poorly or partially - and therefore not in accordance with the Description of the Action in Annex I - or late, the Contracting Authority may, by a duly reasoned decision and after allowing the Beneficiary(ies) to submit its observations, reduce the initial grant in line with the actual implementation of the Action and in accordance with the terms of this Contract. This applies as well with regards to the visibility obligations set out in Article 6.

No profit

- 17.3. The grant may not produce a profit for the Beneficiary(ies), unless specified otherwise in Article 7 of the Special Conditions. Profit is defined as a surplus of the receipts over the eligible costs approved by the Contracting Authority when the request for payment of the balance is made.

- 17.4. The receipts to be taken into account are the consolidated receipts on the date on which the payment request for the balance is made by the Coordinator that fall within one of the two following categories:

- a) income generated by the Action, unless otherwise specified in the Special Conditions;
- b) financial contributions specifically assigned by the donors to the financing of the same eligible costs financed by this Contract. Any financial contribution that may be used by the Beneficiary(ies) to cover costs other than those eligible under this Contract or that are not due to the donor where unused at the end of the Action are not to be considered as a receipt to be taken into account for the purpose of verifying whether the grant produces a profit for the Beneficiary(ies).

- 17.5. In case of an operating grant, amounts dedicated to the building up of reserves shall not be considered as a receipt.

- 17.6. Where the final amount of the grant determined in accordance with the Contract would result in a profit, it shall be reduced by the percentage of the profit corresponding to the final European Union contribution to the eligible costs actually incurred approved by the Contracting Authority.

- 17.7. The provisions in Article 17.3 shall not apply to:

- a) actions the objective of which is the reinforcement of the financial capacity of a Beneficiary, if specified in Article 7 of the Special Conditions;
- b) actions which generate an income to ensure their continuity beyond the end of this Contract, if specified in Article 7 of the Special Conditions;
- c) other direct support paid to natural persons in most need, such as unemployed persons and refugees, if specified in Article 7 of the Special Conditions;
- d) study, research or training scholarships paid to natural persons;
- e) grants of EUR 60.000 or less.

ARTICLE 18 — RECOVERY

Recovery

- 18.1. If any amount is unduly paid to the Coordinator, or if recovery is justified under the terms of this Contract, the Coordinator undertakes to repay the Contracting Authority these amounts.
- 18.2. In particular, payments made do not preclude the possibility for the Contracting Authority to issue a recovery order following an expenditure verification report, an audit or further verification of the payment request.
- 18.3. If a verification reveals that the methods used by the Beneficiary(ies) to determine unit costs, lump sums or flat-rates are not compliant with the conditions established in this Contract and, therefore an undue payment has been made, the Contracting Authority shall be entitled to recover proportionately up to the amount of the unit costs, lump sums or flat rate financing.
- 18.4. The Coordinator undertakes to repay any amounts paid in excess of the final amount due to the Contracting Authority within 45 days of the issuing of the debit note, the latter being the letter by which the Contracting Authority requests the amount owed by the Coordinator.

Interest on late payments

- 18.5. Should the Coordinator fail to make repayment within the deadline set by the Contracting Authority, the Contracting Authority may increase the amounts due by adding interest:
 - a) at the rediscount rate applied by the central bank of the country of the Contracting Authority if payments are in the currency of that country;
 - b) at the rate applied by the European Central Bank to its main refinancing transactions in euro, as published in the Official Journal of the European Union, C series, where payments are in euros;

on the first day of the month in which the time-limit expired, plus three and a half percentage points. The default interest shall be incurred over the time which elapses between the date of the payment deadline set by the Contracting Authority, and the date on which payment is actually made. Any partial payments shall first cover the interest thus established.

Offsetting

- 18.6. Amounts to be repaid to the Contracting Authority may be offset against amounts of any kind due to the Coordinator, after informing it accordingly. This shall not affect the Parties' right to agree on payment in instalments.

Other provisions

- 18.7. The repayment under Article 18.4 or the offsetting under Article 18.6 amount to the payment of the balance.
- 18.8. Bank charges incurred by the repayment of amounts due to the Contracting Authority shall be borne entirely by the Coordinator.
- 18.9. The guarantee securing the prefinancing may be invoked in order to repay any amount owed by the Beneficiary(ies), and the guarantor shall not delay payment nor raise objections for any reason whatsoever.

- 18.10. Without prejudice to the prerogative of the Contracting Authority, if necessary, the European Union may, as donor, proceed itself to the recovery by any means.

ANNEX III. Budget for the Action

Costs	All Years				Year 1			
	Unit ¹³	# of units	Unit value (in EUR)	Total Cost (in EUR) ²	Unit	# of units	Unit value (in EUR)	Total Cost (in EUR)
1. Human Resources								
1.1 Salaries (gross salaries including social security charges and other related costs, local staff)								
1.1.1 Project Management (GEANT)	Per Mmths	68	6,298	428,963	Per Mmths	13.62	6,298	85,793
1.1.2 Procurement (GEANT)	Per Mmths	7	8,325	55,800	Per Mmths	1.34	8,325	11,160
1.1.3 IT & CTO (GEANT)	Per Mmths	30	6,295	186,284	Per Mmths	5.92	6,295	37,257
1.1.4 Finance (GEANT)	Per Mmths	10	4,311	41,171	Per Mmths	1.91	4,311	8,234
1.1.5 Administration (GEANT)	Per Mmths	30	9,379	283,901	Per Mmths	6.05	9,379	56,780
1.1.6 Project Management (EaP NRENS)	Per Mmths	460	1,317	606,094	Per Mmths	92.07	1,317	121,219
1.1.7 Project Management (EU NRENS)	Per Mmths	37	4,799	178,306	Per Mmths	7.43	4,799	35,661
1.3 Per diems for missions/travel								
1.3.1 Abroad EU NRENS (staff assigned to the Action)	Per diem	700	203	142,135	Per diem	140	203	28,427
1.3.2 Abroad EaP NRENS (staff assigned to the Action)	Per diem	680	203	138,074	Per diem	136	203	27,615
1.3.3 Non EU NRENS	Per diem	150	203	30,458	Per diem	30	203	6,092
1.3.4 Seminar/conference participants	Per diem	600	203	121,830	Per diem	120	203	24,366
Subtotal Human Resources				2,213,015				442,603
2. Travel								
2.1. International travel	Per flight	550	1,000	550,000	Per flight	110	1,000	110,000
Subtotal Travel				550,000				110,000
3. Equipment and supplies								
Subtotal Equipment and supplies								
4. Local office								
Subtotal Local office								
5. Other costs, services								
5.1 Online publications (Journals, Books)	Per year	5	100,000	500,000	Per year	1	100,000	100,000
5.2 Publications	Per year	5	15,000	75,000	Per year	1	15,000	15,000
5.3 Studies	Per year	5	10,000	50,000	Per year	1	10,000	10,000
5.4 Translation and Interpretation	Per year	5	10,000	50,000	Per year	1	10,000	10,000
5.5 Expenditure verification	Per year	5	8,000	40,000	Per year	1	8,000	8,000
5.6 Financial Services	Per year	5	3,000	15,000	Per year	1	3,000	3,000
5.7 Meetings, conference and Seminars	Per year	5	65,000	325,000	Per year	1	65,000	65,000
5.8 Legal & Professional fees	Per year	1	300,000	300,000	Per year	1	300,000	300,000
Subtotal Other costs, services				1,355,000				511,000
6. Other								
6.1 Connectivity	Per network			7,300,966				3,200,472
6.2 Network management	Per network			640,000				150,000
6.3 Equipment	Per country			730,000				300,000
Subtotal Other				8,670,966				3,650,472
7. Subtotal direct eligible costs of the Action (1-6)				12,788,982				4,714,075
8. Indirect costs (maximum 7% of 7, subtotal of direct eligible costs of the Action)				895,229				329,985
9. Total eligible costs of the Action (7+ 8)				13,684,211				5,044,060
10. Provision for contingency reserve (maximum 5% of 7, subtotal of direct eligible costs of the Action)								
11. Total eligible costs (9+10)				13,684,211				5,044,060

2. Justification of the Budget for the Action

2. Justification of the Budget for the Action		All Years	
Costs	Clarification of the budget items	Justification of the estimated costs	
1. Human Resources			
1.1 Salaries (gross salaries including social security charges and other related costs, local staff)			
1.1.1 Project Management (GEANT)	Salaries paid to GEANT Ltd.	Salaries payment calculated as hours worked times hourly wage	
1.1.2 Procurement (GEANT)			
1.1.3 IT & CTO (GEANT)			
1.1.4 Finance (GEANT)			
1.1.5 Administration (GEANT)			
1.1.6 Project Management (EaP NRENS)	Salaries paid to EaP NRENS	Salaries payment calculated as hours worked times hourly wage	
1.1.7 Project Management (EU NRENS)	Salaries paid to EU NRENS	Salaries payment calculated as hours worked times hourly wage	
1.3 Per diems for missions/travel			
1.3.1 Abroad EU NRENS (staff assigned to the Action)	Per diem expenses incurred by the EU NRENS	Per diem expenses calculated based on the number of units of travel times EC standard per diem rate	
1.3.2 Abroad EaP NRENS (staff assigned to the Action)	Per diem expenses incurred by the EaP NRENS	Per diem expenses calculated based on the number of units of travel times EC standard per diem rate	
1.3.3 Non EU NRENS	Per diem expenses incurred by the Non EU NRENS	Per diem expenses calculated based on the number of units of travel times EC standard per diem rate	
1.3.4 Seminar/conference participants	Per diem expenses incurred by others	Per diem expenses calculated based on the number of units of travel times EC standard per diem rate	
Subtotal Human Resources			
2. Travel			
2.1. International travel	Beneficiary partners and staff travels for seminar, conference and meetings	Assuming about 550 international travels with an average of 1000 EURO per travel	
2.2 Local transportation			
Subtotal Travel			
3. Equipment and supplies	not applicable	not applicable	
Subtotal Equipment and supplies			
4. Local office	not applicable	not applicable	
Subtotal Local office			
5. Other costs, services			
5.1 Online publications (Journals, Books)	Online access for EaP beneficiaries to journals, eBooks, high quality scientific content and publications available online	Based on previous GEANT experience	
5.2 Publications	Reports, brochures, documentary, newsletter and content authoring, etc. (sort and hard prints) - all to be used for activities of beneficiaries in the project	Based on previous GEANT experience	
5.3 Studies	Feasibility studies, Case Research studies, project collaboration, etc. of the project	Based on previous GEANT experience	
5.4 Translation and Interpretation	Translation and interpreters services	Based on previous GEANT experience	
5.5 Expenditure verification	Grant Audit fees	Based on the current costs for other GEANT projects	
5.6 Financial Services	Bank charges and other financial services related to keeping separate accounts for the project and performing transactions	Based on previous GEANT experience	
5.7 Meetings, conference and Seminars	Costs for annual conferences, workshops and other partner meetings (rental fee of space(hall), facilities, equipment, reception, etc.)	Based on previous GEANT experience	
5.8 Legal & Professional fees	Legal costs of external agencies related to the project (contracts review, Financial & Tax advisory professional services - needed also for VAT related activities)	Based on previous GEANT experience	
Subtotal Other costs, services			
6. Other			
6.1 Connectivity	Costs for leasing international capacity to link partners on the TEIN3 network	Taking into account TEIN3 and wider DANTE's experience, likely partner capacity requirements and market trends	
6.2 Network management	Costs of services to operate and manage the network, in co-operation with the connectivity service providers (network management tools, software, servers, computers, network transmission equipment)	Taking into account expenditures from previous projects and other factors	
6.3 Equipment	Internet routing equipment, network transmission equipment, optical equipment, routers, switches, servers	Cost of up to 6 new routers and switches, other internet network equipment, servers	
Subtotal Other			
8. Indirect costs (maximum 7% of 7, subtotal of direct eligible costs of the Action)	Office costs (e.g. office security, maintenance, rent), office expenses (e.g. IT equipment, insurance), staff costs (staff welfare, recruitment, training), professional services fees (internal audit fees, payroll services) etc.	Based on GEANT experience	

2. Expected sources of funding & summary of estimated costs

		Amount	Percentage
		EUR	%
Expected sources of funding			
EU contribution (A)		13,000,000.00	
Other contributions (Applicant, other Donors etc)			
Name	Conditions		
EaP NRENs	n/a	684,211.00	
Expected TOTAL CONTRIBUTIONS		13,684,211.00	
Estimated Costs			
Estimated TOTAL ELIGIBLE COSTS (B)			
EU contribution expressed as a percentage of total eligible costs (A/B x 100)		13,684,211.00	95.00%

ANNEX IV

Procurement by grant Beneficiaries in the context of European Union external actions

1. GENERAL PRINCIPLES

If the implementation of an Action requires procurement by the Beneficiary(ies), the contract must be awarded to the tender offering best value for money (i.e. the tender offering the best price-quality ratio), or, in case of work or supply contracts not involving after-sales service, to the tender offering the lowest price.

Contracts must be awarded in accordance with procurement rules and procedures:

- (a) ensuring sufficient transparency, fair competition and adequate ex-ante publicity
- (b) ensuring equal treatment, proportionality and non-discrimination;
- (c) avoiding conflicts of interests throughout the entire procurement procedure.

Contracts must not be split artificially to circumvent procurement thresholds.

To this end, the rules set out in sections 2 to 7 below, subject to section 8, must be followed. These lay down the minimum procedures to be followed and it is not precluded that other procedures offering more competition are used.

The European Commission will carry out *ex post* checks on Beneficiary(ies)'s compliance with these rules. Failure to comply with these rules would render the related expenditure ineligible for EU/EDF funding.

The provisions of this Annex apply *mutatis mutandis* to contracts to be concluded by the Beneficiary(ies)'s affiliated entity(ies).

2. ELIGIBILITY FOR CONTRACTS

2.1. The nationality rule

Participation in tender procedures managed by the Beneficiary(ies) is open on equal terms to all natural and legal persons effectively established in a Member State or a country, territory or region mentioned as eligible by the relevant regulation/basic act governing the eligibility rules for the grant as per Annexes a2a to a2c to the Practical Guide. Tenderers must state their nationality in their tenders and provide the usual proof of nationality under their national legislation.

This rule does not apply to the experts proposed under service tenders financed by the grant.

2.2. The rule of origin

If the basic act or the other applicable instruments so require, the tenderer must prove the origin¹ of the supplies acquired under the grant. Where rules of origin need to be respected², contractors must

¹ For the purpose of this annex, the term "origin" is defined in chapter 2 of Regulation (EC) No 450/2008 of the European Parliament and of the Council of 23 April 2008 laying down the EU Customs Code (Modernised Customs Code).

² Under the CIR (i.e. not IPA I) and the EDF (once the 2014 amendment to Annex IV to the Cotonou Agreement has come into force) supplies may originate from any country if the amount of the supplies to be procured is below 100.000 € per purchase.

present proof of origin to the Beneficiary(ies) at the latest when the first invoice is presented. The certificate of origin must be made out by the competent authorities of the country of origin of the supplies and must comply with the rules laid down by the relevant Union legislation.

2.3. Exceptions to the rules on nationality and origin

Where an agreement on widening the market for procurement of goods, works or services applies, access must also be open to nationals and goods originating from other countries under the conditions laid down in that agreement.

In addition, in duly substantiated exceptional cases foreseen by the applicable regulations, in order to give access to nationals or goods originating from countries other than those referred to in sections 2.1 and 2.2, a derogation by the European Commission must be sought prior to the launch of the procedures..

2.4. Grounds for exclusion from participation in procurement

Candidates or tenderers will be excluded from taking part in a procurement procedure if:

- (1) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- (2) they or persons having powers of representation, decision-making or control over them have been convicted of an offence concerning their professional conduct by a judgment of a competent authority which has the force of *res judicata*;
- (3) they have been guilty of grave professional misconduct proven by any means which the Beneficiary(ies) can justify;
- (4) they have not fulfilled 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 they are established or with those of the country of the Beneficiary(ies) or those of the country where the contract is to be performed;
- (5) they are not in compliance with their 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 they are established or with those of the country of the contracting authority or those of the country where the contract is to be performed.
- (6) they or persons having powers of representation, decision making or control over them have been the subject of a judgment which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity, where such illegal activity is detrimental to the EU's financial interests;
- (7) they are currently subject to an administrative penalty referred to in section 2.3.4 of the Practical Guide

Candidates or tenderers must certify that they are not in one of the situations listed above.

Points (1) to (4) do not apply to the purchase of supplies on particularly advantageous terms from either a supplier which is definitively winding up its business activities, or the receivers or liquidators of a bankruptcy, through an arrangement with creditors, or through a similar procedure under national law.

2.5. Exclusion from award of contracts

Contracts may not be awarded to candidates or tenderers which, during the procurement procedure:

- (a) are subject to a conflict of interests;
- (b) are guilty of misrepresentation in supplying the information required by the Beneficiary(ies) as a condition of participation in the contract procedure or fail to supply this information.

3. COMMON PROCUREMENT RULES

The tender documents must be drafted according to best international practice. If they do not have their own documents, Beneficiaries may voluntarily use the models published in the Practical Guide on the EuropeAid website. The European Commission will not publish notices and tender documents issued by the Beneficiary(ies).

The time-limits for applications and/or tenders must be long enough to give interested parties a reasonable period to prepare and submit their tenders.

An evaluation committee must be set up to evaluate both applications and/or tenders of a value of EUR 60 000 or more on the basis of the exclusion, selection and award criteria published by the Beneficiary(ies) in advance in the tender documents. This committee must have an odd number of members, at least three, with all the technical and administrative capacities necessary to give an informed opinion on the tenders.

4. SPECIFIC RULES FOR SERVICE CONTRACTS

4.1. Contracts from EUR 300 000 and above

- Service contracts from EUR 300 000 and above must be awarded by means of an international restricted tender procedure following publication of a contract notice.

The contract notice is to be published in all appropriate media, in particular on the Beneficiary's web site, in the international press and the national press of the country in which the Action is being carried out, or in other specialist periodicals. It must state the number of candidates which will be invited to submit tenders within a range of four to eight candidates, and must be sufficient to ensure genuine competition.

All would-be service providers fulfilling the conditions referred to in section 2 may take part but only candidates satisfying the published selection criteria and invited in writing by the Beneficiary may submit a tender.

4.2. Contracts of less than EUR 300 000 but more than EUR 60 000

Such contracts must be awarded by means of a competitive negotiated procedure without publication, in which the Beneficiary consults at least three service providers of its choice and negotiates the terms of the contract with one or more of them.

4.3. Contracts of EUR 60 000 or less

For services of a value of EUR 60 000 or less, the procedures established by the Beneficiary may be used, while respecting the rules and principles laid down in sections 1, 2 and 3 of this annex.

5. SPECIFIC RULES FOR SUPPLY CONTRACTS

5.1. Contracts from EUR 300 000 and above

Supply contracts from EUR 300 000 and above must be awarded by means of an international open tender procedure following publication of a contract notice.

The contract notice is to be published in all appropriate media, in particular on the Beneficiary's web site, in the international press and the national press of the country in which the Action is being carried out, or in other specialist periodicals.

Any would-be supplier which fulfils the conditions referred to in section 2 may submit a tender.

5.2. Contracts between EUR 100 000 and less than EUR 300 000

Such contracts are awarded by means of an open tender procedure published locally: the contract notice is published in all appropriate media at least in the country in which the Action is being carried out.

A local open tender procedure must provide other eligible suppliers with the same opportunities as local firms.

5.3. Contracts of less than EUR 100 000 but more than EUR 60 000

Such contracts must be awarded by means of a competitive negotiated procedure without publication of a contract notice. The Beneficiary consults at least three suppliers of its choice and negotiates the terms of the contract with one or more of them.

5.4. Contracts of EUR 60 000 or less

For supply contracts of EUR 60 000 or less, the procedures established by the Beneficiary may be used, while respecting the rules and principles laid down in sections 1, 2 and 3 of this annex.

6. SPECIFIC RULES FOR WORKS CONTRACTS

6.1. Contracts from EUR 5 000 000 and above

Works contracts of EUR 5 000 000 or more must be awarded by means of an international open tender procedure following publication of a contract notice.

The contract notice is to be published in all appropriate media, in particular on the Beneficiary's web site, in the international press and the national press of the country in which the Action is being carried out, or in other specialist periodicals.

Any contractor which fulfils the conditions referred to in section 2 may submit a tender.

6.2. Contracts of between EUR 300 000 and less than EUR 5 000 000

Such contracts must be awarded by means of an open tender procedure published locally: the contract notice is published in all appropriate media at least in the country in which the Action is being carried out.

A local open tender procedure must provide other eligible contractors with the same opportunities as local firms.

6.3. Contracts of less than EUR 300 000 but more than EUR 60 000

Such contracts must be awarded by means of a competitive negotiated procedure without publication, in which the Beneficiary consults at least three contractors of its choice and negotiates the terms of the contract with one or more of them.

6.4. Contracts of EUR 60 000 or less

For works contracts of EUR 60 000 or less, the procedures established by the Beneficiary(ies) may be used, while respecting the rules and principles laid down in sections 1, 2 and 3 of this annex.

7. USE OF NEGOTIATED PROCEDURE

The Beneficiary(ies) may decide to use the negotiated procedure on the basis of a single tender in the following cases:

- (a) for the purposes of humanitarian aid and civil protection operations or for crisis management aid. Crisis situations may be invoked only when they have been formally recognised by the European Commission. The Contracting Authority will inform the Coordinator if a crisis situation has been declared and the period for which the declaration will be in force.
- (b) where the services are entrusted to public-sector bodies or to non-profit institutions or associations and relate to activities of an institutional nature or designed to provide assistance to peoples in the social field;
- (c) where contracts extend on-going activities:
 - (i) not included in the main service contract which have become necessary to perform the contract for unforeseen circumstances, and provided that the additional service cannot be technically and economically separated from the principal contract without serious inconvenience for the Beneficiary(ies) and the aggregate amount of additional services does not exceed 50 % of the value of the principal contract; or
 - (ii) which consist in the repetition of similar services entrusted to the contractor providing services under the initial contract, provided that:
 - (a) a contract notice was published for the first service and the possibility of using the negotiated procedure for new services for the project and the estimated cost were clearly indicated in the contract notice published for the first service; and
 - (b) the extension of the contract for a value and duration not exceeding the value and the duration of the initial contract.
- (d) for additional deliveries by the original supplier intended either as a partial replacement of normal supplies or installations or as the extension of existing supplies or installations, where a change of supplier would oblige the Beneficiary(ies) to acquire equipment having different technical characteristics which would result in either incompatibility or disproportionate technical difficulties in operation and maintenance;
- (e) for additional works not included in the initial contract concluded which have, through unforeseen circumstances, become necessary for carrying out the works and on condition that such works cannot be technically or economically separated from the main contract without serious inconvenience for the Beneficiary(ies) and on the condition that, although separable from the performance of the original contract, are strictly necessary for its completion and where the aggregate value of contracts awarded for additional works does not exceed 50 % of the value of the principal contract.
- (f) where the tender procedure has been unsuccessful, that is where no qualitatively and/or financially worthwhile tender has been received. In such cases, after cancelling the tender procedure, the Beneficiary may negotiate with one or more tenderers of its choice, from among

those that took part in the tender procedure, provided that the initial terms of the tender procedure are not substantially altered;

- (g) where the contract concerned follows a contest and must, under the rules applying, be awarded to the winner of the contest or to one of the winners of the contest, in which case, all winners shall be invited to participate in the negotiations;
- (h) where, for technical reasons, or for reasons connected with the protection of exclusive rights, the contract can be awarded only to a particular service provider;
- (i) where warranted by the nature or particular characteristics of the supplies, for example, where performance of the contract is exclusively reserved for the holders of patents or licences to use patents;
- (j) where the orders are placed with a Humanitarian Procurement Centre, recognised as such by the relevant service of the European Commission or with a central buying office (see section 8.5);
- (k) for the issue of the expenditure verification report and the financial guarantee where they are required under the contract;
- (l) for contracts declared to be secret, or for contracts whose performance must be accompanied by special security measures or when the protection of the essential interests of the European Union or the partner country so requires;
- (m) for contracts in respect of supplies quoted and purchased on a commodity market;
- (n) for contracts in respect of purchases on particularly advantageous terms, either from a supplier which is definitively winding up its business activities, or from the receivers or liquidators of a bankruptcy, an arrangement with creditors, or a similar procedure under national law;
- (o) where a new contract has to be concluded after early termination of an existing contract.

8. SPECIAL CASES

Different rules than those specified in this annex may apply in the following cases, with the exception of the principles described in section 1 and the rules on nationality and origin provided for in section 2, which always apply.

8.1. Co-financing

When the Action is co-financed by several donors and one of the other donors, whose contribution is greater than that of the European Commission, imposes procurement rules on the Beneficiary(ies) that differ from those set out in sections 3 to 7, the Beneficiary(ies) may apply these rules.

8.2. Public administrations of the Member States

Where the Beneficiary(ies) or an affiliated entity is a contracting authority and/or a contracting entity within the meaning of the EU Directives applicable to procurement procedures, it must apply the relevant provisions of those texts, in preference to the rules set out in this annex. Notwithstanding the foregoing, the rules on nationality and origin set out in section 2 still apply.

8.3. International Organisations

Where the Beneficiary(ies) or an affiliated entity is an international organisation, it applies its own procurement rules if they offer guarantees equivalent to internationally accepted standards. Where its pillars have been positively assessed the relevant rules are considered equivalent. If the Organisation's rules do not offer equivalent guarantees, or in specific cases, the European

Commission and the Beneficiary will agree on the use of other procurement procedures offering such guarantees. In this case, the rules to be followed are set forth in the Special Conditions.

If allowed by the applicable regulatory provisions of the European Union, the origin of the goods and the nationality of the organisations, companies and experts selected for carrying out activities in the Action shall be determined in accordance with the Organisation's relevant rules. In any event goods, organisations, companies and experts eligible under the applicable regulatory provisions of the European Union shall be eligible.

In all other cases the contractors and supplies shall originate in the Member States or the countries, territories or regions mentioned as eligible by the relevant regulation/basic act governing the eligibility rules for the grant as per Annexes a2a to a2c to the Practical Guide. Any departure from the rules of origin and nationality set out above is subject to the specific provisions of the applicable regulatory provisions of the European Union.

8.4. Traditional Agencies

Where the Beneficiary(ies) or an affiliated entity is a traditional agency (public legal entities created by the Union legislator to exercise Union competences in specific areas of expertise), it applies its own procurement rules.

8.5. Central Buying Offices / Humanitarian Procurement Centres

Where the Beneficiary(ies) uses a central buying office as service provider, he selects it in conformity with the procedures set out above for service contracts. This central buying office applies the rules imposed on the Beneficiary.

Where a Humanitarian Procurement Centre recognised as such by the European Commission³ is used, it applies the rules agreed upon at the time of its approval.

* * *

³ See: http://dgecho-partners-helpdesk.eu/actions_implementation/procurement_in_humanitarian_aid/start

Annex V: Standard request for payment and financial identification form

ANNEX V

Payment request for Grant Contract

European Union external actions

<Date of the payment request >

For the attention of

<address of the Contracting Authority>

<Financial unit/section indicated in the Contract >¹

Reference number of the Grant Contract:

Title of the Grant Contract:

Name and address of the Coordinator:

Payment request number:

Period covered by the payment request:

Dear Sir/Madam,

I hereby request *< a further pre-financing payment/payment of the balance >* under the Contract mentioned above.

The amount requested is *<according to the Option indicated in Article 4(1) of the Special Conditions of the Contract/the following: ...>*.

Please find attached the following supporting documents:

- expenditure verification report or detailed breakdown of expenditure (if required by Article 15.7 of the General Conditions of the Contract)*
- financial guarantee(if required by Article 4 of the Special Conditions of the Contract)*
- narrative and financial interim report (for further pre-financing payments)*

¹ Please do not forget to send a copy of this letter to the entities mentioned in Article 5(1) of the Special Conditions of the Contract, if any.

- *a forecast budget for the subsequent reporting period (for further pre-financing payments)*
- *narrative and financial final report (for payment of the balance).*

The payment should be made to the following bank account: <give the account number shown on the financial identification form annexed to the Contract²>

Declaration on honour

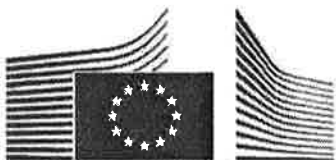
I hereby certify that the information contained in this payment request is full, reliable and true, and is substantiated by adequate supporting documents that can be checked.

I hereby certify that the costs declared have been incurred in accordance with this Contract and that they can be considered as eligible in accordance with the Contract.

Yours faithfully,

< Signature >

² In case a different bank account has to be used a new financial identification form has to be timely submitted.



FINANCIAL IDENTIFICATION

PRIVACY STATEMENT

http://ec.europa.eu/budget/library/contracts_grants/info_contracts/privacy_statement_en.pdf

ACCOUNT NAME

ACCOUNT NAME ①	GEANT EPIC EC EUR		
ADDRESS	CITY HOUSE		
	126-130 HILLS ROAD		
TOWN/CITY	CAMBRIDGE	POSTCODE	CB2 1PQ
COUNTRY	UNITED KINGDOM		

① The name or title under which the account has been opened and not the name of the account holder

CONTACT	Munyaradzi Shahwe		
TELEPHONE	+44 (0) 1223 371366	FAX	+44 (0) 1223 371371
E-MAIL	Munyaradzi.Shahwe@geant.org		

BANK

BANK NAME	Barclays Bank PLC		
BRANCH ADDRESS	Bene't Street		
TOWN/CITY	Cambridge	POSTCODE	CB2 3PZ
COUNTRY	United Kingdom		
ACCOUNT NUMBER	6502-6499		
IBAN ②	GB81 BARC 2017 1965 0264 99		

② If the IBAN Code (International Bank Account Number) is applied in the country where your bank is situated


REMARKS:

--

BANK STAMP + SIGNATURE OF BANK REPRESENTATIVE
(Both obligatory) ③

--

DATE + SIGNATURE OF ACCOUNT HOLDER
(Obligatory)

 27/5/15

③ It is preferable to attach a copy of recent bank statement. Please note that the bank statement has to provide all the information listed above under 'ACCOUNT NAME' and 'BANK'.
In this case, the stamp of the bank and the signature of the bank's representative are not required. The signature of the account-holder is obligatory in all cases.

ANNEX VI INTERIM NARRATIVE REPORT

- This report must be completed and signed by the Contact person of the Coordinator.
- The information provided below must correspond to the financial information that appears in the financial report.
- Please complete the report using a typewriter or computer (*you can find this form at the following address <Specify>*).
- Please expand the paragraphs as necessary.
- *Please refer to the Special Conditions of your grant contract and send one copy of the report to each address mentioned.*
- The Contracting Authority will reject any incomplete or badly completed reports.
- The answer to all questions must cover the reporting period as specified in point 1.6.

Table of contents

List of acronyms used in the report

1. Description

- 1.1. Name of Coordinator of the grant contract:
- 1.2. Name and title of the Contact person:
- 1.3. Name of Beneficiary(ies) and affiliated entity(ies) in the Action:
- 1.4. Title of the Action:
- 1.5. Contract number:
- 1.6. Start date and end date of the reporting period:
- 1.7. Target country(ies) or region(s):
- 1.8. Final beneficiaries &/or target groups¹ (if different) (including numbers of women and men):
- 1.9. Country(ies) in which the activities take place (if different from 1.7):

¹ "Target groups" are the groups/entities who will be directly positively affected by the project at the Project Purpose level, and "final beneficiaries" are those who will benefit from the project in the long term at the level of the society or sector at large.

2. Assessment of implementation of Action activities

2.1. Executive summary of the Action

Please give a global overview of the Action's implementation for the reporting period (no more than ½ page)

Please list the indicators of the Specific Objective, and provide level of achievement if available at this stage:

SO. "Indicator 1" : target value

SO. "Indicator 2" : target value

2.2. Results and Activities

What is your assessment of the results of the Action so far? Include observations on the performance and the achievement of outputs, outcomes and impact in relation to specific and overall objectives, and whether the Action has had any unforeseen positive or negative results.

Following Annex 1, please list **all** the results with progress of the related indicators and all the related activities implemented during the reporting period

R1 – "Title of result 1"

<quantify the achievement of each result from the beginning of the action and explain any changes, especially any underperformance; refer to the indicators and assumptions in the Logframe>:

1.1 "Indicator 1": target value (R1)

1.2 "Indicator 2": target value (R1)

1.3

A1.1 "Title of the activity: Conference at location W with X participants for Y days on Z dates"

Topics/activities covered <please elaborate>:

Reason for any changes in the planned activity <please explain any problems (e.g. delay, cancellation, postponement of activities) which have arisen and how they have been addressed> (if applicable):

Please list any risks that might have jeopardised the realisation of some activities and explain how they have been tackled.

A1.2 – Title of activity 2"

...

R2 – Title of result 2"

...

2.1 "Indicator 1" : target value (R2)

..

2.2 "Indicator 2" : target value (R2)

...

A2.1 – "Title of activity 1" (R2)

...

A2.2 – Title of activity 2" (R2)

...

2.3. If relevant, submit a revised logframe, highlighting the changes.

Please list all contracts (works, supplies, services) above €60 000 awarded for the implementation of the action during the reporting period, giving for each contract the amount, the award procedure followed and the name of the contractor.

2.4. Please provide an updated action plan ²

Year	Half-year 1						Half-year 2						
Activity	Month 1	2	3	4	5	6	7	8	9	10	11	12	Implementing body
<i>Example</i>	<i>example</i>												<i>Example</i>
Preparation Activity 1(title)													Beneficiary or affiliated entity 1
Execution Activity 1(title)													Beneficiary of affiliate entity 1
Preparation Activity 2 (title)													Beneficiary or affiliate entity 2
Etc.													

3. Beneficiaries/affiliated entities and other Cooperation

- 3.1. How do you assess the relationship between the Beneficiaries/affiliated entities of this grant contract (i.e. those having signed the mandate for the Coordinator or the affiliated entity statement)? Please provide specific information for each Beneficiary/affiliated entity.
- 3.2. How would you assess the relationship between your organisation and State authorities in the Action countries? How has this relationship affected the Action?
- 3.3. Where applicable, describe your relationship with any other organisations involved in implementing the Action:
 - Associate(s) (if any)
 - Contractor(s) (if any)
 - Final Beneficiaries and Target groups
 - Other third parties involved (including other donors, other government agencies or local government units, NGOs, etc.)

² This plan will cover the financial period between the interim report and the next report.

- 3.4. Where applicable, outline any links and synergies you have developed with other actions.
- 3.5. If your organisation has received previous EU grants in view of strengthening the same target group, in how far has this Action been able to build upon/complement the previous one(s)? (List all previous relevant EU grants).

4. Visibility

How is the visibility of the EU contribution being ensured in the Action?

The European Commission may wish to publicise the results of Actions. Do you have any objection to this report being published on the EuropeAid website? If so, please state your objections here.

Name of the contact person for the Action:

.....

Signature:

Location:

Date report due:

Date report sent:

ANNEX VI FINAL NARRATIVE REPORT

- This report must be completed and signed by the Contact person of the Coordinator.
- The information provided below must correspond to the financial information that appears in the financial report.
- Please complete the report using a typewriter or computer (*you can find this form at the following address <Specify>*).
- Please expand the paragraphs as necessary.
- *Please refer to the Special Conditions of your grant contract and send one copy of the report to each address mentioned.*
- The Contracting Authority will reject any incomplete or badly completed reports.
- Unless otherwise specified, the answer to all questions must cover the reporting period as specified in point 1.6.
- Please do not forget to attach to this report the proof of the transfers of ownership referred to in Article 7.5 of the General Conditions.

Table of contents

List of acronyms used in the report

1. Description

- 1.1. Name of Coordinator of the grant contract:
- 1.2. Name and title of the Contact Person:
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- 1.4. Title of the Action:
- 1.5. Contract number:
- 1.6. Start date and end date of the Action:
- 1.7. Target country(ies) or region(s):
- 1.8. Final beneficiaries &/or target groups¹ (if different) (including numbers of women and men):
- 1.9. Country(ies) in which the activities take place (if different from 1.7):

¹ "“Target groups”” are the groups/entities who will be directly positively affected by the project at the Project Purpose level, and ““final beneficiaries”” are those who will benefit from the project in the long term at the level of the society or sector at large.

2. Assessment of implementation of Action activities

2.1. Executive summary of the Action

Please give a global overview of the Action's implementation for the whole duration of the project

What has been the outcome on both the final beneficiaries &/or target group (if different) and the situation in the target country or target region which the Action addressed?

Please list the indicators of the Specific Objective, and provide level of achievement if available at this stage:

SO. "Indicator 1" : target value

SO. "Indicator 2" : target value

2.2. Results and Activities

What is your assessment of the results of the Action so far? Include observations on the performance and the achievement of outputs, outcomes and impact in relation to specific and overall objectives, and whether the Action has had any unforeseen positive or negative results.

Following Annex 1, please list **all** the results with progress of the related indicators and all the related activities implemented during the reporting period.

In case unit costs, lump sums or flat-rates are agreed, please provide the necessary information justifying the costs in the financial report. (ex. number of actual units etc.)

R1 – "Title of result 1"

<quantify the achievement of each result from the beginning of the action and explain any changes, especially any underperformance; refer to the indicators and assumptions in the Logframe>:

1.1 "Indicator 1": target value (R1)

1.2 "Indicator 2": target value (R1)

1.3

A1.1 "Title of the activity: Conference at location W with X participants for Y days on Z dates"

Topics/activities covered <please elaborate>:

Reason for any changes in the planned activity <please explain any problems (e.g. delay, cancellation, postponement of activities) which have arisen and how they have been addressed> (if applicable):

Please list any risks that might have jeopardised the realisation of some activities and explain how they have been tackled.

A1.2 – Title of activity 2"

<Contract number>

<Start date and end date of the reporting period>

...

R2 – Title of result 2"

...

2.1 "Indicator 1" : target value (R2)

..

2.2 "Indicator 2" : target value (R2)

...

A2.1 – "Title of activity 1" (R2)

...

A2.2 – Title of activity 2" (R2)

...

- 2.3.** Describe if the Action will continue after the support from the European Union has ended. Are there any follow up activities envisaged? What will ensure the sustainability of the Action?
- 2.4.** Explain how the Action has mainstreamed cross-cutting issues such as promotion of human rights,² gender equality,³ democracy, good governance, children's rights and indigenous peoples, environmental sustainability⁴ and combating HIV/AIDS (if there is a strong prevalence in the target country/region).⁵
- 2.5.** How and by whom have the activities been monitored/evaluated? Please summarise the results of the feedback received from the beneficiaries and others.
- 2.6.** What has your organisation or any actor involved in the Action learned from the Action and how has this learning been utilised and disseminated?
- 2.7.** Please list all materials (and number of copies) produced during the Action on whatever format (please enclose a copy of each item, except if you have already done so in the past).
- Please state how the items produced are being distributed and to whom.*
- 2.8.** Please list all contracts (works, supplies, services) above € 60000 awarded for the implementation of the Action since the last interim report if any or during the reporting period, giving for each contract the amount, the award procedure followed and the name of the contractor.

3. Beneficiaries/affiliated entities and other Cooperation

- 3.1.** How do you assess the relationship between the Beneficiaries/affiliated entities of this grant contract (i.e. those having signed the mandate for the Coordinator or an affiliated entity statement)? Please provide specific information for each Beneficiary/affiliated entity.

² Including those of people with disabilities. For more information, see 'Guidance note on disability and development' at http://ec.europa.eu/europeaid/guidance-note-disability-and-development-eu-delegations-and-services_en

³ https://ec.europa.eu/europeaid/toolkit-mainstreaming-gender-equality-ec-development-cooperation_en

⁴ Guidelines for environmental integration are available at: https://ec.europa.eu/europeaid/sectors/economic-growth/environment-and-green-economy/climate-change-and-environment_en

⁵ Please refer to EC Guidelines on gender equality, disabilities, etc.

<Contract number>

<Start date and end date of the reporting period>

- 3.2. Is the above agreement between the signatories to the grant contract to continue? If so, how? If not, why?
- 3.3. How would you assess the relationship between your organisation and State authorities in the Action countries? How has this relationship affected the Action?
- 3.4. Where applicable, describe your relationship with any other organisations involved in implementing the Action:
- Associate(s) (if any)
 - Contractor(s) (if any)
 - Final Beneficiaries and Target groups
 - Other third parties involved (including other donors, other government agencies or local government units, NGOs, etc.)
- 3.5. Where applicable, outline any links and synergies you have developed with other actions.
- 3.6. If your organisation has received previous EU grants in view of strengthening the same target group, in how far has this Action been able to build upon/complement the previous one(s)? (List all previous relevant EU grants).
- 3.7. How do you evaluate cooperation with the services of the Contracting Authority?

4. Visibility

How is the visibility of the EU contribution being ensured in the Action?

The European Commission may wish to publicise the results of Actions. Do you have any objection to this report being published on the EuropeAid website? If so, please state your objections here.

5. Location of records, accounting and supporting documents

Please indicate in a table the location of records, accounting and supporting documents for each Beneficiary and affiliated entity entitled to incur costs.

Name of the contact person for the Action:

Signature:Location:

Date report due:Date report sent:

ANNEX VI - FINANCIAL REPORT

Nota Bene

The beneficiary(ies) alone is responsible for ensuring that the financial information provided in these tables is correct.

Forecast budget and follow-up

In accordance with Article 15.3 of the General Conditions a forecast budget for the subsequent reporting period or for the remaining period (if shorter) must be provided with any request for payment of further pre-financing instalment.

Interim Report & Final Report

Additional information on expenditure incurred in local or other currencies than the euro (or the currency of the Contract) may be asked by the Contracting Authority

Addenda and use of contingencies

To be filled in case of an addendum and/or when contingencies are used.

ROUNDINGS

Figures have to be rounded to the nearest euro cent

Contract No
Implementation period of the contract (dd/mm/yyyy-dd/mm/yyyy)

Forecast Budget & follow-up

Expenditures	Previous period (dd/mm/yyyy-dd/mm/yyyy)			Real Previous Period			Following period (dd/mm/yyyy-dd/mm/yyyy)			
	Unit	# Units	Unit value (in EUR)	Total Cost (in EUR)	Total Cost (in EUR)		Unit	# Units	Unit value (in EUR)	Total Cost (in EUR)
1. Human Resources										
1.1 Salaries (gross amounts, local staff)										
1.1.1 Technical	Per month									
1.1.2 Administrative/ support staff	Per month									
1.2 Salaries (gross amounts, expat/int. staff)	Per month									
1.3 Per diems for missions/travel	Per diem									
1.3.1 Abroad (staff assigned to the Action)	Per diem									
1.3.2 Local (staff assigned to the Action)	Per diem									
1.3.3 Seminar/conference participants	Per diem									
Subtotal Human Resources										
2. Travel										
2.1 International travel	Per flight									
2.2 Local transportation	Per month									
3. Equipment and supplies										
3.1 Purchase or rent of vehicles	Per vehicle									
3.2 Furniture, computer equipment										
3.3 Machines, tools...										
3.4 Spare parts/equipment for machines, tools										
3.5 Other (please specify)										
Subtotal Equipment and supplies										
4. Local office										
4.1 Vehicle costs	Per month									
4.2 Office rent	Per month									
4.3 Consumables - office supplies	Per month									
4.4 Other services (tel/fax, electricity/heating, maintenance)	Per month									
Subtotal Local office										
5. Other costs, services										
5.1 Publications										
5.2 Studies, research										
5.3 Expenditure verification/Audit										
5.4 Evaluation costs										
5.5 Translation, interpreters										
5.6 Financial services (bank guarantee costs etc.)										
5.7 Costs of conferences/seminars										
5.8 Visibility actions										
Subtotal Other costs, services										
6. Other										
Subtotal Other										
7. Subtotal direct eligible costs of the Action (1-6)										
8. Indirect costs (maximum 7% of 7. subtotal of direct eligible costs of the Action)										
9. Total eligible costs of the Action (7+ 8)										
10. Provision for contingency reserve (maximum 5% of 7. subtotal of direct eligible costs of the Action)										
11. Total eligible costs (9+10)										
12. Taxes										
13. Total accepted costs of the action (11+12)										

Addenda or use of contingencies

Contract No
Implementation period of the contract (dd/mm/yyyy-dd/mm/yyyy)

Expenditures	Budget as per contract/last addendum signed				Use of contingencies/ addenda	Budget as per new addendum signed (Only to be completed when an amendment is necessary)			
	Unit	# Units (a)	Unit value (in EUR)	Total Cost (in EUR)		Unit	# Units (a)	Unit value (in EUR)	Total Cost (in EUR)
			(b)	(a)*(b)				(b)	(a)*(b)
1. Human Resources									
1.1 Salaries (gross salaries including social security charges and other related costs, local staff)									
1.1.1 Technical	Per month								
1.1.2 Administrative/support staff	Per month					Per month			
1.2 Salaries (gross amounts incl social sec charges and other related costs, expat/int. staff)	Per month					Per month			
1.3 Per diems for missions/travel									
1.3.1 Abroad (staff assigned to the Action)	Per diem					Per diem			
1.3.2 Local (staff assigned to the Action)	Per diem					Per diem			
1.3.3 Seminar/conference participants	Per diem					Per diem			
Subtotal Human Resources									
2. Travel									
2.1. International travel	Per flight					Per flight			
2.2 Local transportation	Per month					Per month			
Subtotal Travel									
3. Equipment and supplies									
3.1 Purchase or rent of vehicles	Per vehicle					Per vehicle			
3.2 Furniture, computer equipment									
3.3 Machines, tools, etc.									
3.4 Spare parts/equipment for machines, tools									
3.5 Other (please specify)									
Subtotal Equipment and supplies									
4. Local office									
4.1 Vehicle costs	Per month					Per month			
4.2 Office rent	Per month					Per month			
4.3 Consumables - office supplies	Per month					Per month			
4.4 Other services (tel/fax, electricity/heating, maintenance)	Per month					Per month			
Subtotal Local office									
5. Other costs, services									
5.1 Publications									
5.2 Studies, research									
5.3 Expenditure verification/Audit									
5.4 Evaluation costs									
5.5 Translation, interpreters									
5.6 Financial services (bank guarantee costs etc.)									
5.7 Costs of conferences/seminars									
5.8 Visibility actions									
Subtotal Other costs, services									
6. Other									
Subtotal Other									
7. Subtotal direct eligible costs of the Action (1-6)									
8. Indirect costs (maximum 7% of 7, subtotal of direct eligible costs of the Action)									
9. Total eligible costs of the Action (7+8)									
10. Provision for contingency reserve (maximum 5% of 7, subtotal of direct eligible costs of the Action)									
11. Total eligible costs (9+10)									
12. - Taxes									
- Contributions in kind									
13. Total accepted costs of the Action (11+12)									

Contract No

Implementation period of the contract (dd/mm/yyyy-dd/mm/yyyy)

Interim financial report:
period (dd/mm/yyyy-dd/mm/yyyy)

Expenditures	Unit	# Units	Unit value (in EUR)	Total Cost (in EUR)	allowed reallocation (article 9.4 of the GC)	# Units	Unit value (in EUR)	Total Cost (in EUR)	Cumulated costs (before current report (in EUR)	Cumulated costs (from start of implementation to present report included) (in EUR)
		(a)	(b)	(c)=a*b		(a)	(b)	(c)=a*b	(d)	(f)=c+d
1. Human Resources										
1.1 Salaries (gross amounts, local staff)										
1.1.1 Technical	Per month									
1.1.2 Administrative/ support staff	Per month									
1.2 Salaries (gross amounts, expat/int. staff)	Per month									
1.3 Per diems for missions/travel										
1.3.1 Abroad (staff assigned to the Action)	Per diem									
1.3.2 Local (staff assigned to the Action)	Per diem									
1.3.3 Seminar/conference participants	Per diem									
Subtotal Human Resources										
2. Travel										
2.1. International travel	Per flight									
2.2 Local transportation	Per month									
Subtotal Travel										
3. Equipment and supplies										
3.1 Purchase or rent of vehicles	Per vehicle									
3.2 Furniture, computer equipment										
3.3 Machines, tools, etc.										
3.4 Spare parts/equipment for machines, tools										
3.5 Other (please specify)										
Subtotal Equipment and supplies										
4. Local office										
4.1 Vehicle costs	Per month									
4.2 Office rent	Per month									
4.3 Consumables - office supplies	Per month									
4.4 Other services (tel/fax, electricity/heating, maintenance)	Per month									
Subtotal Local office										
5. Other costs, services										
5.1 Publications										
5.2 Studies, research										
5.3 Expenditure verification/Audit										
5.4 Evaluation costs										
5.5 Translation, interpreters										
5.6 Financial services (bank guarantee costs etc.)										
5.7 Costs of conferences/seminars										
5.8 Visibility actions										
Subtotal Other costs, services										
6. Other										
Subtotal Other										
7. Subtotal direct eligible costs of the Action (1-6)										
8. Indirect costs (maximum 7% of 7, subtotal of direct eligible costs of the Action)										
9. Total eligible costs of the Action (7+ 8)										
10. Provision for contingency reserve (maximum 5% of 7, subtotal of direct eligible costs of the Action)										
11. Total eligible costs (9+10)										
12. - Taxes										
- Contributions in kind										
13. Total accepted costs of the action (11+12)										

Contract No
Implementation period of the contract (dd/mm/yyyy-dd/mm/yyyy)

Final financial report:
period (dd/mm/yyyy-dd/mm/yyyy)

Expenditures

Final financial report: period (dd/mm/yyyy-dd/mm/yyyy)														
Expenditures	Budget as per contract/addendum				Reallocation allowed (Article 9.4 of the General Conditions)	Expenditure incurred				Variations in comparison with initial budget/addendum				
	Unit	# Units (a)	Unit value (in EUR) (b)	Total Cost (in EUR) (c)=a*b		# Units (a)	Unit value (in EUR) (b)	Total Cost (in EUR) (c)=a*b	Cumulated costs (before current report) (in EUR) (d)	Cumulated costs (from start of implementation to present report included) (in EUR) (f)=c+d	In absolute value in EUR	In %	Explanation for all variations	
1. Human Resources														
1.1 Salaries (gross amounts, local staff)														
1.1.1 Technical	Per month													
1.1.2 Administrative/ support staff	Per month													
1.2 Salaries (gross amounts, expat/int. staff)	Per month													
1.3 Per diems for missions/travel														
1.3.1 Abroad (staff assigned to the Action)	Per diem													
1.3.2 Local (staff assigned to the Action)	Per diem													
1.3.3 Seminar/conference participants	Per diem													
Subtotal Human Resources														
2. Travel														
2.1. International travel	Per flight													
2.2 Local transportation	Per month													
Subtotal Travel														
3. Equipment and supplies														
3.1 Purchase or rent of vehicles	Per vehicle													
3.2 Furniture, computer equipment														
3.3 Machines, tools, etc.														
3.4 Spare parts/equipment for machines, tools														
3.5 Other (please specify)														
Subtotal Equipment and supplies														
4. Local office														
4.1 Vehicle costs	Per month													
4.2 Office rent	Per month													
4.3 Consumables - office supplies	Per month													
4.4 Other services (tel/fax, electricity/heating, maintenance)	Per month													
Subtotal Local office														
5. Other costs, services														
5.1 Publications														
5.2 Studies, research														
5.3 Expenditure verification/Audit														
5.4 Evaluation costs														
5.5 Translation, interpreters														
5.6 Financial services (bank guarantee costs etc.)														
5.7 Costs of conferences/seminars														
5.8 Visibility actions														
Subtotal Other costs, services														
6. Other														
Subtotal Other														
7. Subtotal direct eligible costs of the Action (1-6)														
8. Indirect costs (maximum 7% of 7, subtotal of direct eligible costs of the Action)														
9. Total eligible costs of the Action (7+8)														
10. Not applicable														
11. Total eligible costs (9+10)														
12. - Taxes														
- Contributions in kind														
13. Total accepted costs of the action (11+12)														

Final sources of funding

		Amount EUR
Applicant contribution		
Other contributions (other Donors etc)		
Revenue from the Action		
To be inserted if applicable and allowed by the guidelines: In-kind contribution		

List of Pending payments (above 500 EUR)

Please list the following details: Name of the provider, Object of the contract (Final Audit, Works execution guarantee...), Amount in €, Due date, Reference document
(Date and number of Invoice/ contract), Explanation and comments (why still not paid?)

Name of the provider	Object of the contract	Amount in EUR	Due date	Reference document	Explanation and comments

We herewith commit to refund to the European Union, according to art. 18 of the General Conditions, any amount for which proof of payment cannot be provided upon request after the due date, unless reasonable justification is provided.

Signed

**ANNEX VII: TERMS OF REFERENCE FOR AN EXPENDITURE
VERIFICATION OF A GRANT CONTRACT
- EXTERNAL ACTION OF THE EUROPEAN UNION -**

HOW TO USE THIS TERMS OF REFERENCE MODEL? All text highlighted in yellow in this ToR model and in Annexes 1 and 2 is for instruction only and beneficiaries of grant contracts should remove it after use. The parts of the ToR presented in <.....> (e.g. <name of the Coordinator>) must be completed by the Coordinator.

The following are the terms of reference ('ToR') under which <name of the Coordinator¹> (The term "Coordinator" refers to the Beneficiary identified as the Coordinator in the Special Conditions) agrees to engage <name of the audit firm> ('the Auditor') to perform an expenditure verification and to report in connection with a European Union financed grant contract for an external action concerning <title of the action and number of the grant contract> (the 'Grant Contract'). Where in these ToR the 'Contracting Authority' is mentioned, this refers to <the European Commission or name of another contracting authority>, which has signed the Grant Contract with the Beneficiary and is providing the grant funding. The Contracting Authority is not a party to this agreement.

1.1. Responsibilities of the Parties to the Engagement

The term "**Beneficiary(ies)**" refers collectively to all Beneficiaries, including the Coordinator, of the Action. When there is only one Beneficiary of the Action, the terms Beneficiary(ies) and Coordinator should both be understood as referring to the only Beneficiary of the Action (see footnote 1). Where applicable the term 'Beneficiary(ies)' includes its affiliated entity(ies).

- The Coordinator is responsible for providing a Financial Report for the action financed by the Grant Contract which complies with the terms and conditions of the Grant Contract and for ensuring that this Financial Report reconciles to the Beneficiary's accounting and bookkeeping system and to the underlying accounts and records. The Beneficiary is responsible for providing sufficient and adequate information, both financial and non-financial, in support of the Financial Report.
- The Coordinator accepts that the ability of the Auditor to perform the procedures required by this engagement effectively depends upon the Beneficiary(ies), and as the case may be its affiliated entity(ies), providing full and free access to its (their) staff and its (their) accounting and bookkeeping system and underlying accounts and records.
- 'The **Auditor**' is responsible for performing the agreed-upon procedures as specified in these ToR. 'Auditor' refers to the audit firm contracted for performing this engagement and for submitting a report of factual findings to the Beneficiary. 'Auditor' can refer to the person or persons conducting the verification, usually the engagement partner or other members of the engagement team. The engagement partner is the partner or other person in the audit firm who is responsible for the engagement and for the report that is issued on behalf of the firm, and who has the appropriate authority from a professional, legal or regulatory body.

By agreeing these ToR the Auditor confirms that he/she meets at least one of the following conditions:

- The Auditor and/or the firm is a member of a national accounting or auditing body or institution which in turn is member of the International Federation of Accountants (IFAC).

¹ See cover page of Annex II of the Grant Contract: General Conditions applicable to EU-financed grant contracts for external actions.

- The Auditor and/or the firm is a member of a national accounting or auditing body or institution. Although this organisation is not member of the IFAC, the Auditor commits him/herself to undertake this engagement in accordance with the IFAC standards and ethics set out in these ToR.
- The Auditor and/or the firm is registered as a statutory auditor in the public register of a public oversight body in an EU member state in accordance with the principles of public oversight set out in Directive 2006/43/EC of the European Parliament and of the Council (this applies to auditors and audit firms based in an EU Member State²).
- The Auditor and/or the firm is registered as a statutory auditor in the public register of a public oversight body in a third country and this register is subject to principles of public oversight as set out in the legislation of the country concerned (this applies to auditors and audit firms based in a third country).

1.2. Subject of the Engagement

The subject of this engagement is the <interim or final; remove what is not applicable> Financial Report in connection with the Grant Contract for the period covering <dd Month yyyy to dd Month yyyy> and the action entitled <title of the action>, the 'Action'. Annex 1 to these ToR contains information about the Grant Contract.

1.3. Reason for the Engagement

The Coordinator is required to submit to the Contracting Authority an expenditure verification report produced by an external auditor in support of the payment requested by the Coordinator under Article 15 of the General Conditions of the Grant Contract. The Authorising Officer of the Commission requires this report because the payment of expenditure requested by the Coordinator is conditional on the factual findings of this report.

1.4. Engagement Type and Objective

This expenditure verification is an engagement to perform certain agreed-upon procedures with regard to the Financial Report for the Grant Contract. The objective of this expenditure verification is for the Auditor to carry out the specific procedures listed in Annex 2A to these ToR and to submit to the Coordinator a report of factual findings with regard to the specific verification procedures performed. Verification means that the Auditor examines the factual information in the Financial Report of the Coordinator and compares it with the terms and conditions of the Grant Contract. As this engagement is not an assurance engagement the Auditor does not provide an audit opinion and expresses no assurance. The Contracting Authority assesses for itself the factual findings reported by the Auditor and draws its own conclusions from these factual findings.

1.5. Standards and Ethics

The Auditor shall undertake this engagement in accordance with:

- the International Standard on Related Services ('ISRS') 4400 Engagements to perform Agreed-upon Procedures regarding Financial Information as promulgated by the IFAC;
- the IFAC Code of Ethics for Professional Accountants, developed and issued by IFAC's International Ethics Standards Board for Accountants (IESBA), which establishes fundamental

² Directive 2006/43 of the European Parliament and of the Council of 14 July 2006 on statutory audits of annual accounts and consolidated, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253 EEC.

ethical principles for Auditors with regard to integrity, objectivity, independence, professional competence and due care, confidentiality, professional behaviour and technical standards. Although ISRS 4400 provides that independence is not a requirement for agreed-upon procedures engagements, the Contracting Authority requires that the Auditor is independent from the Beneficiary(ies) and complies with the independence requirements of the IFAC Code of Ethics for Professional Accountants.

1.6. Procedures, Evidence and Documentation

The Auditor plans the work so that an effective expenditure verification can be performed. The Auditor performs the procedures listed in Annex 2A of these ToR ('Listing of specific procedures to be performed') and applies the guidelines in Annex 2B (Guidelines for specific procedures to be performed). The evidence to be used for performing the procedures in Annex 2A is all financial and non-financial information which makes it possible to examine the expenditure claimed by the Coordinator in the Financial Report. The Auditor uses the evidence obtained from these procedures as the basis for the report of factual findings. The Auditor documents matters which are important in providing evidence to support the report of factual findings, and evidence that the work was carried out in accordance with ISRS 4400 and these ToR.

1.7. Reporting

The report on this expenditure verification should describe the purpose, the agreed-upon procedures and the factual findings of the engagement in sufficient detail to enable the Coordinator and the Contracting Authority to understand the nature and extent of the procedures performed by the Auditor and the factual findings reported by the Auditor.

The use of the Model Report for an Expenditure Verification of an EU Grant Contract in Annex 3 of these ToR is compulsory. This report should be provided by the Auditor to <name of the Coordinator> within <xx; number of working days to be indicated by the Coordinator> working days after the day of signature of these ToR.

1.8. Other Terms

The fee for this engagement shall be <fee amount and currency>

[The Coordinator may want to agree a fixed fee for the engagement or otherwise. The Coordinator and the Auditor may want to agree specific terms if the Auditor needs to extend the verification coverage from 65 % to 85 %. The Coordinator should specify any reimbursable expenses and allowances (e.g. travelling, other) agreed with the Auditor and whether VAT and/or other relevant taxes are included in the fees/expenses.]

[The Coordinator and the Auditor can use this section to agree any other specific terms]

- Annex 1** Information about the Grant Contract
- Annex 2A** Listing of specific procedures to be performed
- Annex 2B** Guidelines for specific procedures to be performed
- Annex 3** Model report for an expenditure verification of an EU grant contract

For the Coordinator:

Signature

<name and function>

<date>

For the Auditor:

Signature

<name and function>

<date>

Annex 1 Information about the Grant Contract

[Annex to be completed by the Coordinator]

Information about the Grant Contract	
Reference number and date of the Grant Contract	< Contracting Authority's reference for the Grant Contract>
Grant contract title	
Country	
Coordinator	< full name and address of the Coordinator as per the Grant Contract>
Beneficiary(ies) and affiliated entity(ies)	< full name and address of the Beneficiary(ies) and related affiliated entity(ies) as per the Grant Contract>
Start date of the implementation period of the Action	
End date of the implementation period of the Action	
Total [accepted/eligible] cost of the Action	<amount(s) in Art. 3.1 of the Special Conditions of the Grant Contract>
Grant maximum amount	<amount in Art. 3.2 of the Special Conditions of the Grant Contract>
Total amount received to date by the Coordinator from Contracting Authority	< Total amount received as per dd.mm.yyyy>
Total amount of the payment request	< provide the total amount requested for payment as per Annex V to the Special Conditions for Grant Contracts (Payment Request for a grant contract for European Union external actions) >
Contracting Authority	<Provide the name, position/title, phone and E-mail of the contact person at the Contracting Authority>. [To be completed only if the Contracting Authority is not the Commission.]
European Commission	< provide the name, position/title, phone and E-mail of the contact person in the Delegation of the European Union in the country concerned, or if applicable at Headquarters>
Auditor	< Name and address of the audit firm and names/positions of the auditors>

Annex 2A Listing of Specific Procedures to be performed

[This Annex is a standard listing of specific procedures to be performed and it shall not be modified]

2. GENERAL PROCEDURES

2.1. Terms and Conditions of the Grant Contract

The Auditor:

- obtains an understanding of the terms and conditions of the Grant Contract by reviewing the Grant Contract and its annexes and other relevant information, and by inquiry of the Coordinator;
- obtains a copy of the original Grant Contract (signed by the Beneficiary(ies) and the Contracting Authority) with its annexes;
- obtains and reviews the Report (which includes a narrative and a financial section) as per Article 2.1 of the General Conditions;
- verifies whether the Grant Contract is mono or multi-beneficiary (see Grant Contract introduction part; in case of a multi-beneficiary grant the term 'Coordinator' is used);
- verifies whether there is (are) an affiliated entity(ies) to any of the Beneficiary(ies) (see Article 7.1 of the Special Conditions).

Note: the purpose of the latter two procedures is for the Auditor to understand the Beneficiary(ies) responsibilities for reporting and access to staff and documents.

The Practical Guide ('PRAG') provides important information for grant contracts (e.g. basic rules and award procedures). Where necessary or useful reference will be made to the PRAG and / or its annexes.

The PRAG can be found at: <http://ec.europa.eu/europeaid/prag/document.do>

(use the CTRL key to use link).

The latest key documents that are specifically related to grant contracts can be downloaded by clicking on PRAG, then on Annexes, then on Grants. The version indicated in the Call for Proposal and signed is the one to be used as reference.

2.2. Financial Report for the Grant Contract

The Auditor verifies that the Financial Report complies with the following conditions of Article 2 of the General Conditions the Grant Contract:

- The Financial Report must conform to the model in Annex VI of the Grant Contract;
- The Financial Report should cover the eligible costs of the Action as a whole, regardless of which part of it is financed by the Contracting Authority;
- The Financial Report should be drawn up in the language of the Grant Contract;
- The proof of the transfers of ownership of equipment, vehicles and supplies for which the purchase cost was more than €5000 per item (Article 7.5 of the General Conditions of the

Grant Contract) as well as the respective certificates of origin (Annex IV of the Grant Contract) should be annexed to the final Financial Report.

2.3. Rules for Accounting and Record keeping

- The Auditor examines — when performing the procedures listed in this Annex — whether the Beneficiary(ies) have complied with the following rules for accounting and record keeping of Article 16 of the General Conditions the Grant Contract:
- The accounts kept by the Beneficiary(ies) for the implementation of the Action must be accurate and up-to-date;
- The Beneficiary(ies) must have a double-entry book-keeping system;
- The accounts and expenditure relating to the Action must be easily identifiable and verifiable.

2.4. Reconciling the Financial Report to the Beneficiary(ies)'s Accounting System and Records

The Auditor reconciles the information in the Financial Report to the Beneficiary(ies)'s accounting system and records (e.g. trial balance, general ledger accounts, sub ledgers etc.).

2.5. Exchange Rates

The Auditor verifies that amounts of expenditure incurred in a currency other than the Euro have been converted at the exchange rate applicable according to Article 15.9 of the General Conditions. The relevant parts of this article are as follows:

Reports shall be submitted in the currency set out in the Special Conditions, and may be drawn from financial statements denominated in other currencies, on the basis of the Beneficiary(ies)'s applicable legislation and applicable accounting standards. In such case and for the purpose of reporting, conversion into the currency set in the Special Conditions shall be made using the rate of exchange at which the Contracting Authority 's contribution was recorded in the Beneficiary(ies)'s accounts, unless otherwise provided for in the Special Conditions.

Costs incurred in other currencies than the one used in the Beneficiary(ies)'s accounts shall be converted using the monthly Inforeuro on the date of payment or according to its usual accounting practices if so provided for in the Special Conditions.

2.6. Simplified Cost Options

- The Auditor verifies with **Annex III of the Grant Contract** i.e. **Budget for the Action** whether the Beneficiary(ies) have applied for the application of simplified costs i.e. for the application of any or a combination of unit costs, lump sums and flat-rate financing. Eligible costs for the Action may be based on any or a combination of actual costs incurred, unit costs, lump sums and flat-rate financing. Simplified cost options can apply to one or more of the direct cost headings of the Budget for the Action and Financial Report (i.e. cost headings 1 to 6), or to sub-cost headings or to specific cost items within these cost headings.
- The Auditor obtains an understanding of the conditions set out in:
 - **Article 2.1.c) of the General Conditions.** This Article stipulates that in case of simplified cost options the Report for the Action (narrative and financial) shall provide the qualitative

and quantitative information needed to demonstrate the fulfilment of the conditions for reimbursement established in the Special Conditions;

- **Articles 14.3 to 14.5** of the General Conditions; provisions for simplified cost options.

If simplified cost options apply, the Auditor performs the specific procedures set out at 4.1.(2) below.

3. PROCEDURES TO VERIFY CONFORMITY OF EXPENDITURE WITH THE BUDGET AND ANALYTICAL REVIEW

3.1. Budget of the Grant Contract

The Auditor carries out an analytical review of the expenditure headings in the Financial Report.

The Auditor verifies that the budget in the Financial Report corresponds with the budget of the Grant Contract (authenticity and authorisation of the initial budget) and that the expenditure incurred was indicated in the budget of the Grant Contract.

3.2. Amendments to the Budget of the Grant Contract

The Auditor verifies whether there have been amendments to the budget of the Grant Contract. Where this is the case the Auditor verifies that the Coordinator has:

- requested an amendment to the budget and obtained an addendum to the Grant Contract if such an addendum was required (Article 9 of the General Conditions).
- informed the Contracting Authority about the amendment if the amendment was within the scope of Article 9.4 of the General Conditions, and an addendum to the Grant Contract was not required.

4. PROCEDURES TO VERIFY SELECTED EXPENDITURE

4.1. Eligibility of Costs

The Auditor verifies, for each expenditure item selected, the eligibility criteria set out below.

(1) Actual costs incurred (Article 14.1)

The Auditor verifies that the actual expenditure for a selected item was incurred by and pertains to the Beneficiary(ies) or its (their) affiliated entity(ies). The Auditor should take into account the detailed conditions for actual costs incurred as set out in Article 14.1.(i) to (iii). For this purpose the Auditor examines supporting documents (e.g. invoices, contracts) and proof of payment. The Auditor also examines proof of work done, goods received or services rendered and he/she verifies the existence of assets if applicable.

At final reporting stage the costs incurred during the implementation period but not yet paid can be accepted as actual costs incurred, provided that (1) a liability exists (order, invoice or equivalent) for services rendered or goods supplied during the implementation period of the action, (2) the final costs are known and (3) these costs are listed in the final Financial Report (Annex VI) together with the estimated date of payment (see Article 14.1.a).(ii) of the General Conditions). The Auditor verifies whether these cost items have effectively been paid at the

moment of the auditor's verification.

(2) *Simplified cost options*³ (Article 14.3 – 14.5)

Where simplified cost options apply (see general procedure 1.6) the Auditor verifies:

- which options (i.e. unit costs, lump sums or flat-rate financing) apply and to which (sub)cost-headings and/or cost items (Annex III (Budget for the Action) of the Grant Contract);
- which amount(s) or percentage rate(s) have been contractually agreed (Annex III (Budget of the Action) of the Grant Contract);
- which quantitative and/or qualitative information was used to determine and justify the declared costs (e.g. number of staff, number of items purchased; type of costs and activities financed by a lump sum)⁴;
- whether the maximum amounts of simplified cost options for each beneficiary (this includes if applicable simplified cost options of its affiliated entity(ies)) are not exceeded, in accordance with the conditions established in the Contract;
- the plausibility (i.e. necessity, reasonableness, reality) of the quantitative and qualitative information related to the declared costs;
- that the costs covered by lump sums, unit costs or flat-rate financing are not included (no double funding) in other direct costs (cost headings 1 – 6), either actual or under simplified cost options;
- that the total costs stated in the Financial Report have been correctly determined;

Note: the Auditor is not required to verify the actual costs on which lump sums, unit costs or flat-rate financing are based.

(3) *Cut-off — Implementation period* (Article 14.1a)

The Auditor verifies that the expenditure for a selected item was incurred during the implementation period of the Action. An exception is made for costs relating to final reports including expenditure verification, audit and final evaluation reports of the Action and which may be incurred after the implementation period of the Action.

(4) *Budget* (Article 14.1b)

The Auditor verifies that the expenditure for a selected item was indicated in the Action budget.

(5) *Necessary* (Article 14.1c)

³ Refer to Annex "E3a2 Checklist for simplified cost options" to the PRAG for additional information.

⁴ In Annex III (Budget for the Action), the second column of worksheet no.2 ("Justification of the estimated costs") for each of the corresponding budget item or heading should:

- describe the information and methods used to establish the amounts or percentages of simplified cost options, to which costs they refer, etc.;
- explain the formulas for calculation of the final eligible amount;
- identify the beneficiary who use the simplified cost option (in case of affiliated entity, specify first the beneficiary), in order to verify the maximum amount for each beneficiary (which includes if applicable simplified cost options of its affiliated entity(ies)).

The Auditor verifies whether it is plausible that the expenditure for a selected item was necessary for the implementation of the Action and that it had to be incurred for the contracted activities of the Action by examining the nature of the expenditure with supporting documents.

(6) *Records (Article 14.1d)*

The Auditor verifies that expenditure for a selected item is recorded in the Beneficiary(ies)'s accounting system and was recorded in accordance with the applicable accounting standards of the country where the Beneficiary is established and the Beneficiary's usual cost accounting practices.

(7) *Applicable legislation (Article 14.1e)*

The Auditor verifies that expenditure complies with the requirements of tax and social security legislation where this is applicable (for example: employer's part of taxes, pension premiums and social security charges).

(8) *Justified (Article 14.1f)*

The Auditor verifies that expenditure for a selected item is substantiated by evidence (see section 1 of Annex 2B, Guidelines for Specific Procedures to be performed) and supporting documents as specified in Article 16.8 and 16.9 of the General Conditions of the Grant Contract.

(9) *Valuation*

The Auditor verifies that the monetary value of a selected expenditure item agrees with underlying documents (e.g. invoices, salary statements) and that correct exchange rates are used where applicable.

(10) *Classification*

The Auditor examines the nature of the expenditure for a selected item and verifies that the expenditure item has been classified under the correct (sub)heading of the Financial Report.

(11) *Compliance with Procurement, Nationality and Origin Rules*

Where applicable the Auditor examines which procurement, nationality and origin rules apply for a certain expenditure (sub)heading, a class of expenditure items or an expenditure item. The Auditor verifies whether the expenditure was incurred in accordance with such rules by examining the underlying documents of the procurement and purchase process. Where the Auditor finds issues of non-compliance with procurement rules, he/she reports the nature of such issues as well as their financial impact in terms of ineligible expenditure. When examining procurement documentation the Auditor takes into account the risk indicators listed in Annex 2B and he/she reports, if applicable, which of these indicators were found.

4.2. Eligible Direct Costs (Article 14.2)

- (1) The Auditor verifies that expenditure for selected items which are recorded under one of the direct costs headings (1 to 6) of the Financial Report, are covered by the direct costs as defined in Article 14.2 by examining the nature of these expenditure items.
- (2) The Auditor verifies that duties, taxes and charges, including VAT which are recorded under direct costs are **not recoverable** by the beneficiary(ies) and/ or its(their) affiliated

entities (see Article 14.2.g) of the General Conditions). The Auditor obtains evidence that the Beneficiary(ies) and or its affiliated entities cannot reclaim the duties, taxes or charges, including VAT through an exemption system and/or a refund *a posteriori*. For this purpose the Auditor should refer to Annex E3a1 (Information on the tax regime) which provides information on the tax regime applicable to grant contracts (*Note*: the standard template / text is annexed to the PRAG and it can be found at the PRAG website mentioned at procedure 1.1 above).

In case Article 7 of the Special Conditions provides that duties, taxes and charges, including VAT are not eligible, but the "accepted costs system" is introduced: they remain ineligible costs, but they can be accepted as co-financing. Therefore the Auditor additionally verifies that the tax amount concerned is reported under heading 12 of the financial report, is properly computed, in line with supporting documents (e.g. invoices) and relate to eligible costs and cost items included under headings 1 to 10 of the Financial Report.

4.3. Contingency Reserve (Article 14.6)

The Auditor verifies that the provision for contingency reserve (heading 8 in Financial Report) does not exceed 5 % of the direct eligible costs of the Action and that the Coordinator has obtained prior written authorisation from the Contracting Authority for the use of this contingency reserve.

4.4. Indirect costs (Article 14.7)

The Auditor verifies that the indirect costs to cover overhead costs (heading 10 in Financial Report) do not exceed the maximum percentage of 7 % of the total final amount of eligible direct costs of the Action or the percentage established in article 3 of the Special Conditions of the Grant Contract if applicable.

4.5. In kind contributions (Article 14.8)

- (1) The Auditor verifies that the costs in the Financial Report do not include contributions in kind. Any contributions in kind (these should be listed separately in Annex III, Budget for the Action), do **not** represent actual expenditure and are not eligible costs.
- (2) Contributions in kind can be accepted as co-financing and in this case this should be explicitly stipulated in Article 7.1 of the Grant Contract. The Auditor verifies whether such co-financing is applicable and whether it is properly stated under heading 12 of the Financial Report.

4.6. Non-eligible costs (Article 14.9)

The Auditor verifies that the expenditure for a selected item does not concern an ineligible cost as described in Article 14.9 of the General Conditions. These costs include *inter alia* currency exchange losses.

4.7. Revenues of the Action

The Auditor examines whether the revenues which should be attributed to the Action (including grants and funding received from other donors and other revenue generated by the Beneficiary as part of the Action have been allocated to the Action and disclosed in the Financial Report. For this purpose the Auditor inquires with the Beneficiary and examines documentation obtained

from the Beneficiary(ies). The Auditor is not expected to examine the completeness of the revenues reported.

Annex 2B Guidelines for Specific Procedures to be performed

[This Annex provides standard guidelines for the specific procedures to be performed and these guidelines must not be modified]

1. VERIFICATION EVIDENCE

When performing the specific procedures listed in Annex 2A, the Auditor may apply techniques such as inquiry and analysis, (re)computation, comparison, other clerical accuracy checks, observation, inspection of records and documents, inspection of assets and obtaining confirmations.

The Auditor obtains verification evidence from these procedures to draw up the report of factual findings. Verification evidence is all information used by the Auditor in arriving at the factual findings and it includes the information contained in the accounting records underlying the Financial Report and other information (financial and non-financial).

The contractual requirements that relate to verification evidence are:

- Expenditure should be identifiable, verifiable and recorded in the accounting records of the Beneficiary(ies) (Article 14.1.d of the General Conditions of the Grant Contract);
- The Beneficiary(ies) will allow any external auditor to carry out verifications on the basis of supporting documents for the accounts, accounting documents and any other document relevant to the financing of the Action. The Beneficiary(ies) give access to all documents and databases concerning the technical and financial management of the Action (Article 16.3 of the General Conditions);
- Article 16.9 of the General Conditions of the Grant Contract provides a list of the types and nature of evidence that the Auditor will often find in expenditure verifications.

Moreover, for the purpose of the procedures listed in Annex 2A, records, accounting and supporting documents:

- shall be easily accessible and filed so as to facilitate their examination (Article 16.7 of the General Conditions);
- shall be available in the original form, including in electronic form (Article 16.8).

Guidance: records and accounting and supporting documents should be available in documentary form, whether paper, electronic or other medium (e.g. a written record of a meeting is more reliable than an oral presentation of the matters discussed). Electronic documents can be accepted only where:

- the documentation was first received or created (e.g. an order form or confirmation) by the Beneficiary(ies) in electronic form; or
- the Auditor is satisfied that the Beneficiary uses an electronic archiving system which meets established standards (e.g. a certified system which complies with national law).
- should preferably be obtained from independent sources outside the entity (an original supplier's invoice or contract is more reliable than an internally approved receipt note);
- which is generated internally is more reliable if it has been subject to control and approval;

- obtained directly by the Auditor (e.g. inspection of assets) is more reliable than evidence obtained indirectly (e.g. inquiry about the asset).

If the Auditor finds that the above criteria for evidence are not sufficiently met, he/she should detail this in the factual findings.

2. OBTAINING AN UNDERSTANDING OF THE TERMS AND CONDITIONS OF THE GRANT CONTRACT (ANNEX 2A — PROCEDURE 1.1)

The Auditor obtains an understanding of the terms and conditions of the Grant Contract. He/she should pay particular attention to Annex I of the Grant Contract (the Description of the Action), Annex II (General Conditions) and Annex IV (Contract-award procedures) which provides rules for procurement (including nationality and origin rules) by grant beneficiaries in EU external actions. Failure to comply with these rules makes expenditure ineligible for EU financing. These procurement rules apply to all grant contracts but depending on the legal basis for the Grant Contract, nationality and origin rules may vary. The Auditor ensures with the Beneficiary that the applicable nationality and origin rules are clearly identified and understood.

Applicable rules on nationality and origin are set out in Annex A2 to the PRAG. See:

<http://ec.europa.eu/europeaid/prag/annexes.do?group=A>

The rules are set out in Section 2.3.1 of the PRAG (by clicking on 2. Basic rules, then on 2.3 Eligibility criteria and other essentials).

If the Auditor finds that the terms and conditions to be verified are not sufficiently clear he/she should request clarification from the Beneficiary.

3. SELECTING EXPENDITURE FOR VERIFICATION (ANNEX 2A — PROCEDURES 3.1 – 3.7)

The expenditure claimed by the Coordinator in the Financial Report is generally presented under the following expenditure headings: 1. Human Resources, 2. Travel, 3. Equipment and Supplies, 4. Local office, 5. Other costs, services, 6. Other, 8. Provision for contingency reserve and 10. Indirect costs. Expenditure headings 1. to 6. represent **direct** costs of the Action. Expenditure headings can be broken down into expenditure subheadings such as for example 1.1 Salaries.

Expenditure subheadings can be broken down into individual expenditure items or classes of expenditure items with the same or similar characteristics. The form and nature of the supporting evidence (e.g. a payment, a contract, an invoice etc.) and the way expenditure is recorded (e.g. journal entries) vary with the type and nature of the expenditure and the underlying actions or transactions. However, in all cases expenditure items should reflect the accounting (or financial) value of the underlying actions or transactions, whatever the type and nature of the action or transaction concerned.

Value should be the principal factor used by the Auditor to select expenditure items or classes of expenditure items for verification. The Auditor selects high-value expenditure items to ensure an appropriate coverage of expenditure.

4. VERIFICATION COVERAGE OF EXPENDITURE (ANNEX 2A — PROCEDURES 3.1 – 3.7)

The Auditor applies the principles and criteria set out below when planning and performing the

specific verification procedures for selected expenditure in Annex 2A (procedures 3.1–3.7).

Verification by the Auditor and verification coverage of expenditure items does not necessarily mean a complete and exhaustive verification of all the expenditure items that are included in a specific expenditure heading or subheading. The Auditor should ensure a systematic and representative verification. Depending on certain conditions (see further below) the Auditor may obtain sufficient verification results for an expenditure heading or subheading by looking at a limited number of selected expenditure items.

The Auditor may apply statistical sampling techniques for the verification of one or more expenditure headings or subheadings of the Financial Report. The Auditor examines whether ‘populations’ (i.e. expenditure subheadings or classes of expenditure items within expenditure subheadings) are suitable and sufficiently large (i.e. are made up of large numbers of items) for effective statistical sampling.

If applicable the Auditor should explain in the report of factual findings for which headings or subheadings of the Financial Report sampling has been applied, the method used, the results obtained and whether the sample is representative.

The Expenditure Coverage Ratio (‘ECR’) is the total amount of expenditure verified by the Auditor, expressed as a percentage of the total amount of expenditure reported by the Coordinator in the Financial Report. This amount is reported in Annex V of the Grant Contract.

The Auditor ensures that the overall ECR is at least **65 %**. If he/she finds an exception rate of less than 10 % of the total amount of expenditure verified (i.e. 6.5 %) the Auditor finalises the verification procedures and continues with reporting.

If the exception rate found is higher than 10 % the Auditor extends verification procedures until the ECR is at least **85 %**. The Auditor then finalises verification procedures and continues with reporting regardless of the total exception rate found. The Auditor ensures that the **ECR for each expenditure heading and subheading** in the Financial Report is at least **10 %**.

5. PROCEDURES TO VERIFY SELECTED EXPENDITURE (ANNEX 2A — PROCEDURES 3.1 – 3.7)

The Auditor verifies the selected expenditure items by carrying out procedures 3.1–3.7 listed in Annex 2A and reports all the factual findings and exceptions resulting from these procedures. Verification exceptions are all verification deviations found when performing the procedures set out in Annex 2A.

The Auditor quantifies the amount of verification exceptions found and the potential impact on the EU contribution, should the Commission declare the expenditure item(s) concerned ineligible (taking into account the percentage of funding by the Commission and the impact on indirect expenditure (e.g. administrative costs, overheads)). The Auditor reports all exceptions found, including those for which he/she cannot quantify the amount of the verification exception found and the potential impact on the EU contribution.

Example: if the Auditor finds an exception of €1 000 with regard to procurement rules for a grant contract where the EU finances 60 % of the expenditure and where indirect costs represent 7 % of total direct eligible expenses, the Auditor reports an exception of €1 000 and a financial impact of 642€ ($€1\,000 \times 60\% \times 1.07$).

Specific guidance for procedure 3.1.9 Compliance with Procurement, Nationality and Origin Rules

The Auditor verifies whether the expenditure for a selected item was incurred in accordance with

the applicable procurement, nationality and origin rules by examining the underlying documents on the procurement and purchase processes (as per Annex IV). These documents relate to the opening of tenders, the assessment of the eligibility of tenderers and conformity of tenders, the evaluation of the tenders and the decisions with regard to the awarding of the contract. When examining these procurement documents the Auditor takes into account the risk indicators listed at the end of this Annex and he/she reports, if applicable, which of these indicators were identified.

RISK INDICATORS PROCUREMENT

- Inconsistencies in the dates of the documents or illogical sequence of dates. Examples:
 - Tender dated after the award of contract or before the sending of the invitations to tender
 - Tender by the winning tenderer dated before the publication date of the tender or dated significantly later than tenders from other tenderers
 - Tenders by different candidates all having the same date
 - Dates on documents not plausible/consistent with dates on accompanying documentation (e.g. date on the tender not plausible/consistent with the postal date on the envelope; date of a fax not plausible/consistent with the printed date of the fax machine)
- Unusual similarities in tenders by candidates participating in the same tender. Examples:
 - Same wording, sentences and terminology in tenders from different tenderers
 - Same layout and format (e.g. font type, font size, margin sizes, indents, paragraph wrapping, etc.) in tenders from different tenderers
 - Similar letterhead paper or logos
 - Same prices used in tenders from different tenderers for a number of subcomponents or line items
 - Identical grammar, spelling or typing errors in tenders from different tenderers
 - Use of similar stamps and similarities in signatures
- Financial statement or other information indicating that two tenderers participating in the same tender are related or part of the same group (e.g. where financial statements are provided, the notes to the financial statements may disclose ultimate ownership of the group. Ownership information may also be found in public registers for accounts.)
- Inconsistencies in the selection and award decision process. Examples:
 - Award decisions not plausible / consistent with selection and award criteria
 - Errors in the application of the selection and award criteria
 - A regular supplier of the beneficiary participates as a member of a tender evaluation committee
- Other elements and examples indicating a risk of a privileged relationship with tenderers:
 - The same tenderer (or small group of tenderers) is invited with unusual frequency to tender for different contracts
 - The same tenderer (or small group of tenderers) wins an unusually high proportion of the bids
 - A tenderer is frequently awarded contracts for different types of goods or services
 - The winning tenderer invoices additional goods not provided for in the tender (e.g. additional spare parts invoiced without clear justification, installation costs invoiced although not provided for in the tender).
- Other documentation, issues and examples indicating a risk of irregularities:
 - Use of photocopies instead of original documents
 - Use of pro-forma invoices as supporting documents instead of official invoices
 - Manual changes on original documents (e.g. figures manually changed, figures 'tippexed', etc.)
 - Use of non-official documents (e.g. letterhead paper not showing certain official and/or compulsory information such as commercial registry number, company tax number, etc.)

Annex 3 Model Report for Expenditure Verification of an EU Grant Contract

HOW TO USE THIS MODEL REPORT: All text highlighted in yellow in this model report is for instruction only and auditors should remove it after use. Information requested in pointed brackets <.....> (e.g. <name of the Coordinator>) must be filled in by the auditor.

<To be printed on AUDITOR'S letterhead>

Report for an Expenditure Verification of a Grant Contract

External Actions of the European Union

<Title of and number of the grant contract >

TABLE OF CONTENTS

Report of Factual Findings

1 Information about the Grant Contract

2 Procedures performed and Factual Findings

Annex 1 Financial report for the Grant Contract

Annex 2 Terms of Referenec Expenditure Verification

Report of Factual Findings

<Name of contact person(s)>, < Position>

< name of the Coordinator>

<Address>

<dd Month yyyy>

Dear *<Name of contact person(s)>*

In accordance with the terms of reference dated *<dd Month yyyy>* that you agreed with us, we provide our Report of Factual Findings ('the Report'), with respect to the accompanying Financial Report for the period covering *<dd Month yyyy — dd Month yyyy>* (Annex 1 of this Report). You requested certain procedures to be carried out in connection with your Financial Report and the European Union financed Grant Contract concerning *<title and number of the contract>*, the 'Grant Contract'.

Objective

Our engagement was an expenditure verification, which is an engagement to perform certain
2014

agreed-upon procedures with regard to the Financial Report for the Grant Contract between you and <the European Commission or the name of another contracting authority> the 'Contracting Authority'. The objective of this expenditure verification is for us to carry out certain procedures to which we have agreed and to submit to you a report of factual findings with regard to the procedures performed.

Standards and Ethics

Our engagement was undertaken in accordance with:

International Standard on Related Services ('ISRS') 4400 *Engagements to perform Agreed-upon Procedures regarding Financial Information* as promulgated by the International Federation of Accountants ('IFAC');

the *Code of Ethics for Professional Accountants* issued by the IFAC. Although ISRS 4400 provides that independence is not a requirement for agreed-upon procedures engagements, the Contracting Authority requires that the auditor also complies with the independence requirements of the *Code of Ethics for Professional Accountants*;

Procedures performed

As requested, we have only performed the procedures listed in Annex 2A of the terms of reference for this engagement (see Annex 2 of this Report).

These procedures have been determined solely by the Contracting Authority and the procedures were performed solely to assist the Contracting Authority in evaluating whether the expenditure claimed by you in the accompanying Financial Report is eligible in accordance with the terms and conditions of the Grant Contract.

Because the procedures performed by us did not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the accompanying Financial Report.

Had we performed additional procedures or had we performed an audit or review of the financial statements of the Beneficiary in accordance with International Standards on Auditing, other matters might have come to our attention that would have been reported to you.

Sources of Information

The Report sets out information provided to us by you in response to specific questions or as obtained and extracted from your accounts and records

Factual Findings

The total expenditure which is the subject of this expenditure verification amounts to €<xxxxxx>.

The Expenditure Coverage Ratio is <xx%>. This ratio represents the total amount of expenditure verified by us, expressed as a percentage of the total expenditure which is the subject of this expenditure verification. The latter amount is equal to the total amount of expenditure reported by you in the Financial Report and claimed by you for deduction from the total sum of pre-financing under the Grant Contract as per your Payment Request of <dd Month yyyy>.

We report the details of our factual findings which result from the procedures that we performed in Chapter 2 of this Report.

Use of this Report

This Report is solely for the purpose set forth above under objective.

This report is prepared solely for your own confidential use and solely for the purpose of submission by you to the Contracting Authority in connection with the requirements as set out in Article 15 of the General Conditions of the Grant Contract. This report may not be relied upon by you for any other purpose, nor may it be distributed to any other parties.

The Contracting Authority is not a party to the agreement (the terms of reference) between you and us and therefore we do not owe or assume a duty of care to the Contracting Authority, who may rely upon this expenditure verification report at its own risk and discretion. The Contracting Authority can assess for itself the procedures and findings reported by us and draw its own conclusions from the factual findings reported by us.

The Contracting Authority may only disclose this Report to others who have regulatory rights of access to it, in particular the European Commission *[Delete if the Commission is the Contracting Authority]*, the European Anti-Fraud Office and the European Court of Auditors.

This Report relates only to the Financial Report specified above and does not extend to any of your financial statements.

We look forward to discussing our Report with you and would be pleased to provide any further information or assistance which may be required.

Yours sincerely,

Auditor's signature *[person or firm or both, as appropriate and in accordance with company policy]*

Name of Auditor signing *[person or firm or both, as appropriate]*

Auditor's address *[office having responsibility for the engagement]*

Date of signature <dd Month yyyy> *[date when the final report is signed]*

1 Information about the grant contract

[Chapter 1 should include a brief description of the Grant Contract and the Action, the Coordinator/Beneficiary(ies)/Affiliated entity(ies), and key financial/budget information (maximum 1 page).]

2 Procedures performed and factual findings

We have performed the following specific procedures listed in Annex 2A of the terms of reference for the expenditure verification of the Grant Contract ('ToR'):

1. General procedures
2. Procedures to verify conformity of expenditure with the budget and analytical review
3. Procedures to verify selected expenditure

We have applied the rules for selection of expenditure and the principles and criteria for verification coverage as set out in Annex 2B (sections 3 and 4) of the ToR for this expenditure verification.

[Explain here any difficulties or problems encountered]

The total expenditure verified by us amounts to € <xxxx> and is summarised in the table below. The overall Expenditure Coverage Ratio is <xx%>.

[Provide here a summary table of the Financial Report in Annex 1, presenting for each (sub) heading the total expenditure amount reported by the Coordinator, the total expenditure amount verified and the percentage of expenditure covered]

We have verified the selected expenditure as shown in the above summary table and we have carried out, for each expenditure item selected, the verification procedures specified at point 3.1 to 3.7 of Annex 2A of the ToR for this expenditure verification. We report our factual findings resulting from these procedures below.

1. General Procedures

1.1 Terms and Conditions of the Grant Contract

We have obtained an understanding of the terms and conditions of this Grant Contract in accordance with the guidelines in Annex 2B (section 2) of the ToR.

[Describe factual findings and specify errors and exceptions. Procedures 1.1–1.6 in Annex 2A. If there are no factual findings, this should be explicitly stated as follows for each procedure: 'No factual findings have arisen from this procedure'.]

1.2 Financial Report for the Grant Contract

1.3 Rules for Accounting and Record Keeping

1.4 Reconciling the Financial Report to the Beneficiary's Accounting System and Records

1.5 Exchange Rates

1.6 Simplified Cost Options

2. Procedures to verify conformity of Expenditure with the Budget and Analytical

Review

2.1 Budget of the Grant Contract

2.2 Amendments to the Budget of the Grant Contract

[Describe factual findings and specify errors and exceptions. Procedures 2.1–2.2 in Annex 2A. If there are no factual findings this should be explicitly stated as follows for each procedure: ‘No factual findings have arisen from this procedure’.]

3 Procedures to verify selected Expenditure

We have reported further below all the exceptions resulting from the verification procedures specified at point 3.1–3.7 of Annex 2A of the ToR for this expenditure verification insofar as these procedures applied to the selected expenditure item.

We have quantified the amount of the verification exceptions found and the potential impact on the EU contribution, should the Commission declare the expenditure item(s) concerned ineligible (where applicable taking into account the percentage of funding of the Commission and the impact on indirect expenditure (e.g. administrative costs, overheads)). We have reported all the exceptions found, including the ones for which we cannot quantify the amount or the potential impact on the EU contribution.

[Specify the expenditure amounts / items for which exceptions (= deviations between facts and criteria) were found, and the nature of the exception — this means which of the specific condition(s) described in point 3.1– 3.7 of Annex 2A of the ToR were not respected. Quantify the amount of verification exceptions found and the potential impact on the EU contribution, should the Commission declare the expenditure item(s) concerned ineligible.]

3.1 Eligibility of Costs

We have verified, for each expenditure item selected, the eligibility criteria set out at procedure 3.1 in Annex 2A of the ToR for this expenditure verification.

[Describe factual findings and specify errors and exceptions. Procedure 3.1 in Annex 2A: eligibility of costs and the eligibility criteria (1) to (9). Example: we found that an expenditure amount of €6500 included in subheading 3.2 (furniture, computer equipment) of the Financial Report was not eligible. An amount of €2000 related to expenditure incurred outside the implementation period. Supporting evidence was not available for 3 transactions totalling €1.200. The required procurement rules for purchases of office computers for €3.300 were not respected. (Note: relevant details such as accounting record references or documents should be provided).]

3.2 Eligible Direct Costs (Article 14.2)

3.3 Contingency Reserve (Article 14.6)

3.4 Indirect Costs (Article 14.7)

3.5 In kind contributions Article 14.8)

3.6 Non-eligible costs (Article 14.9)

3.7 Revenues of the Action

[Describe factual findings and specify errors and exceptions. Procedures 3.2–3.7 in Annex 2A]

Annex 1 Financial Report for the Grant Contract

*[Annex 1 should include the Beneficiary's financial report for the Grant Contract which is the subject of the verification. The financial report should be **dated** and **indicate the period covered**.]*

Annex 2 Terms of Reference Expenditure Verification

*[Annex 2 should include a **signed** and **dated** copy of the terms of reference for the expenditure verification of this Grant Contract including **Annex 1** (information about the Grant Contract) and **Annex 2A** (Listing of the specific **procedures** to be performed).]*

ANNEX VIII

TRANSFER OF OWNERSHIP OF ASSETS

Grant contract identification number:
Title of the Action:
Name of Beneficiary:
Name of Local Beneficiary/Local Affiliated Entity/Final beneficiary of the Action:

Assets	Description of item (> EUR 5 000)	Date of Purchase	Purchase Cost in EUR	Date of Transfer / Comments
1.				
2.				
3.				
4.				
Etc.				

The above list was drawn up to comply with Articles 2 and 7.5 of the General Conditions applicable to EU-financed Grant Contracts for External Action (Annex II of the Contract). Ownership of each item listed has been transferred. The local Beneficiary(ies) and/or the local Affiliated Entity(ies) and/or final beneficiaries are in agreement with its content.

Done in : On.....

(Beneficiary) _____
 (Local Beneficiary/Local Affiliated Entity/Final beneficiary of the Action No 1)
 (Local Beneficiary/Local Affiliated Entity/Final beneficiary of the Action No 2 etc.)

Name & Position _____ Name & Position _____

