

SOCRATES PROGRAMME
TRANSNATIONAL CO-OPERATION PROJECTS
GRANT AGREEMENT

ALL CORRESPONDENCE RELATING TO THE PRESENT AGREEMENT SHOULD BE SENT TO
THE FOLLOWING ADDRESS:

Socrates, Leonardo & Youth Technical Assistance Office
Rue Colonel Bourg 139 Kolonel Bourgstraat Tel.: (+32) (2) 233.01.11
B-1140 Brussels Fax: (+32) (2) 233.01.50

Grant Agreement identification Data

- Name of the Socrates action: ERASMUS - Thematic Network projects
- A.1. Reference no. of the Grant Agreement: 225990-CP-1-2005-1-ES-ERASMUS-TN
Reference number for the payment (APPFIN): 20052631
- A.2. Beneficiary's name and address:
UNIVERSIDAD DE ZARAGOZA
Pedro Cerbuna, 12
ES-50009 ZARAGOZA
España
- Beneficiary's legal representative: Sr. Felipe PETRIZ CALVO
(Signatory of the agreement)
- A.3. Maximum grant amount: 401.133 EUR
- A.4. Percentage Financing: 37,19 %
- A.5. Total of Approved budget: 1.078.537 EUR
- A.6. Eligibility period: 01/10/2005 to 30/09/2007
- A.7. Other special conditions:
Nihil

We, the undersigned declare that we have read and accepted the terms and conditions of this Grant Agreement as described hereafter, including Annexes I to VI.

Signatures

For the Commission:

Name: Belèn BERNALDO DE QUIROS
Function: Head of Unit


Done in duplicate in: English

Brussels, 26.10.05

For the Beneficiary:

Name: Felipe PETRIZ CALVO
Function: Rector


Date and place:

Two copies of this Grant Agreement, duly signed by the legal representative of the Beneficiary, should be returned to the address given above, in its entirety (including Annexes I, II and VI).

The European Community ("the Community"), represented by the Commission of the European Communities ("the Commission"), itself represented for the purposes of signature of this agreement by the person indicated in section A,
of the one part,

and

the beneficiary ("the beneficiary"), as identified in point A.2 of section A,
of the other part,

HAVE AGREED

the **Special Conditions, General Conditions and Annexes** below:

Annex I	Description of the project
Annex II	Approved budget of the project
Annex III	Bank account information form
Annex IV	Progress and Final report models
Annex V	Administrative and Financial Handbook
Annex VI	Contractual Timetable

which form an integral part of this agreement ("the agreement").

The terms set out in the Special Conditions shall take precedence over those in the other parts of the agreement.

The terms of the General Conditions shall take precedence over those in the Annexes. Annex V shall prevail over the other Annexes.

I - SPECIAL CONDITIONS

ARTICLE I.1 – PURPOSE OF THE GRANT

- I.1.1 The Commission has decided to award a grant, under the terms and conditions set out in the Special Conditions, the General Conditions and the Annexes to the agreement, which the beneficiary hereby declares it has taken note of and accepts, for the project identified in point A.1 ("the project").
- I.1.2 The beneficiary accepts the grant and undertakes to do everything in its power to carry out the project as described in Annex I, acting on its own responsibility.

ARTICLE I.2 - DURATION

- I.2.1 The agreement shall enter into force on the date when the last of the two parties signs.
- I.2.2 The project shall be implemented during the period indicated in point A.6.

ARTICLE I.3 - FINANCING THE PROJECT

- I.3.1 The total eligible cost of the project is indicated in euro in item A.5. and shown in the approved budget in Annex II. The approved budget shall give a detailed breakdown of the costs that are eligible for Community funding under the terms of Article II.14.
- I.3.2 The Commission shall provide financing up to a maximum amount which is indicated in point A.3. This maximum amount is equivalent to a fixed percentage of the total eligible cost of the project. This percentage is detailed in point A.4. The final amount of the grant shall be determined as specified in Article II.17, without prejudice to Article II.19.
- I.3.3 The Community grant may not finance the entire costs of the project.
- I.3.4 By way of derogation from Article II.13, the beneficiary may, when carrying out the project, adjust the approved budget in the manner and in accordance with the conditions specified in Chapter II of Annex V.

ARTICLE I.4 -PAYMENT ARRANGEMENTS

I.4.1 Pre-financing:

For agreements with a one-year eligibility period, a pre-financing payment representing 80% of the amount specified in item A.3 shall be made to the beneficiary within 45 days of the date when the last of the two parties signs the agreement.

For agreements with an eligibility period in excess of one year, a pre-financing payment representing 40% of the amount specified in item A.3 shall be made to the beneficiary within 45 days of the date when the last of the two parties signs the agreement.

I.4.2 Further pre-financing payments:

For agreements with an eligibility period in excess of one year, a second pre-financing payment representing 40% of the amount specified in item A.3 shall be made to the beneficiary within 45 days of approval of the progress report by the Commission. The progress report must be drawn up in accordance with Article I.5 and accompanied by the documents specified in Article II.15.1. The progress report must not be submitted before the deadline detailed in Annex VI (Contractual Timetable) unless at least 70% of the previous pre-financing has been used up and all the activities detailed in the work plan for the period covered by the progress report have been completed.

Payment of this second instalment may not be made until at least 70% of the previous pre-financing payment has been used up. If this percentage is not reached by the deadline detailed in Annex VI to submit the progress report, the payment of the second instalment can be requested separately, after the submission of the progress report and as soon as the utilisation of pre-financing has reached 70%, by submitting a detailed statement of the eligible costs actually incurred. The second pre-financing payment shall be made to the beneficiary within 45 days of receipt of the payment request, unless the Commission rejects the documents in question or requests additional information.

I.4.3 Payment of the balance

The request for payment of the balance shall be accompanied by the final report and financial statement specified in Articles I.5 and II.15.2. The Commission shall have 45 days to approve or reject the documents in question or to request additional supporting documents or information under the procedure laid down in Article II.15.2. In that case the beneficiary shall have 30 days to submit the additional information or new documents requested.

A payment representing the balance of the grant determined in accordance with Article II.17 shall be made to the beneficiary within 45 days following approval by the Commission of the final report accompanying the request for payment of the balance. The Commission may suspend the period for payment in accordance with the procedure in Article II.16.2.

ARTICLE I.5 - SUBMISSION OF REPORTS AND OTHER DOCUMENTS

The reports required to be submitted under Article I.4 of this agreement and the times of their submission are detailed in Annex VI (Contractual Timetable). These reports must be submitted in 3 copies in one of the official languages of the European Community, to the address given in Article I.7 of the agreement.

The reports shall comprise two parts, drawn up in accordance with the models given in Annex IV, the first describing the progress/result of the project and the second giving details of the eligible expenditure incurred in carrying it out, in accordance with the conditions set down in this agreement and its Annexes.

Without prejudice to Article I.4.2, the progress report must be submitted by the deadline detailed in Annex VI even if the utilisation of pre-financing has not reached the level specified in Article I.4.2.

ARTICLE I.6 - BANK ACCOUNT

Payments shall be made to the beneficiary's bank account or sub-account denominated in euro, as indicated in Annex III.

This account or sub-account must identify the payments made by the Commission. If the funds paid to this account yield interest or equivalent benefits under the law of the State on whose territory the account is opened, such interest or benefits shall, if they are generated by pre-financing payments, be recovered by the Commission as specified in Article II.16.4.

ARTICLE I.7 -GENERAL ADMINISTRATIVE PROVISIONS

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

For the Commission:

Socrates, Leonardo & Youth Technical Assistance Office
Rue Colonel Bourg 139 Kolonel Bourgstraat
B-1140 Brussels
Belgium

Ordinary mail shall be considered to have been received by the Commission on the date on which it is formally registered by the organisation referred to above. Email shall be considered received on the date it is received. However, if the beneficiary receives a reply asking them to redirect the email, it shall not be considered received until the correctly redirected email is received.

For the Beneficiary:

As stated in point A.2

The legal representative shall represent the beneficiary for any communication relating to the legal implementation of the present agreement. The co-ordinator shall represent the beneficiary for any question relating to the practical implementation of the project.

ARTICLE I.8 - LAW APPLICABLE AND COMPETENT COURT

The grant is governed by the terms of the agreement, the Community rules applicable and, on a subsidiary basis, by the law of Belgium relating to grants.

The beneficiary may bring legal proceedings regarding decisions by the Commission concerning the application of the provisions of the agreement and the arrangements for implementing it, before the Court of First Instance of the European Communities and, in the event of appeal, the Court of Justice of the European Communities.

ARTICLE I.9 – DATA PROTECTION

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

Beneficiaries may, on written request, gain access to their personal data and correct any information that is inaccurate or incomplete. They should address any questions regarding the processing of their personal data to the address mentioned under Article I.7. Beneficiaries may lodge a complaint against the processing of their personal data with the European Data Protection Supervisor at any time.

II - GENERAL CONDITIONS

PART A: LEGAL AND ADMINISTRATIVE PROVISIONS

ARTICLE II.1 - LIABILITY

- II.1.1 The beneficiary shall have sole responsibility for complying with any legal obligations incumbent on it.
- II.1.2 The Commission shall not, in any circumstances or on any grounds, be held liable in the event of a claim under the agreement relating to any damage caused during the project's execution. Consequently, the Commission will not entertain any request for indemnity or reimbursement accompanying any such claim.
- II.1.3 Except in cases of force majeure, the beneficiary shall make good any damage sustained by the Commission as a result of the execution or faulty execution of the project.
- II.1.4 The beneficiary shall bear sole liability vis-à-vis third parties, including for damage of any kind sustained by it while the project is being carried out.

ARTICLE II.2 - CONFLICT OF INTERESTS

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

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

ARTICLE II.3 - OWNERSHIP/USE OF THE RESULTS

- II.3.1 Unless stipulated otherwise in this agreement, ownership of the results of the project, including industrial and intellectual property rights, and of the reports and other documents relating to it shall be vested in the beneficiary and the partners¹.
- II.3.2 Without prejudice to paragraph 1, the beneficiary grants the Commission the right to make free use of the results of the project as it deems fit, provided it does not thereby breach its confidentiality obligations or existing industrial and intellectual property rights.

¹ Subject to the rights of third parties

ARTICLE II.4 - CONFIDENTIALITY

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

ARTICLE II.5 - PUBLICITY

II.5.1 Unless the Commission requests otherwise, any communication or publication by the beneficiary about the project, including at a conference or seminar, shall indicate that the project has received funding from the Community.

Any communication or publication by the beneficiary, in any form and medium, shall indicate that sole responsibility lies with the author and that the Commission is not responsible for any use that may be made of the information contained therein.

II.5.2 The beneficiary authorises the Commission to publish the following information in any form and medium, including via the Internet:

- the beneficiary's name and address,
- the subject and purpose of the grant,
- the amount granted and the proportion of the project's total cost covered by the funding.

Upon a reasoned and duly substantiated request by the beneficiary, the Commission may agree to forgo such publicity if disclosure of the information indicated above would risk compromising the beneficiary's security or prejudicing its commercial interests.

ARTICLE II.6 - EVALUATION

Whenever the Commission carries out an interim or final evaluation of the project's impact measured against the objectives of the Community programme concerned, the beneficiary undertakes to make available to the Commission and/or persons authorised by it all such documents or information as will allow the evaluation to be successfully completed and to give them the rights of access specified in Article II.19.

ARTICLE II.7 - SUSPENSION

II.7.1 The beneficiary may suspend implementation of the project if exceptional circumstances make this impossible or excessively difficult, notably in the event of force majeure. It shall inform the Commission without delay, giving all the necessary reasons and details and the foreseeable date of resumption.

II.7.2 If the Commission does not terminate the agreement under Article II.11.2, The beneficiary shall resume implementation once circumstances allow and shall inform the Commission accordingly. The duration of the project shall be extended by a period equivalent to the length of the suspension. In accordance with Article II.13, a supplementary written agreement shall be concluded to extend the duration of the project and to make any amendments that may be necessary to adapt the project to the new implementing conditions.

ARTICLE II.8 - FORCE MAJEURE

- II.8.1 Force majeure shall mean any unforeseeable exceptional situation or event beyond the parties' control which prevents either of them from fulfilling any of their obligations under this agreement, was not attributable to error or negligence on their part, and proves insurmountable in spite of all due diligence. Defects in equipment or material or delays in making them available (unless due to force majeure), labour disputes, strikes or financial difficulties cannot be invoked as force majeure by the defaulting party.
- II.8.2 A party faced with force majeure shall inform the other party without delay by registered letter with advice of delivery or equivalent, stating the nature, probable duration and foreseeable effects.
- II.8.3 Neither of the parties shall be held in breach of their obligations under the agreement if they are prevented from fulfilling them by force majeure. The parties shall make every effort to minimise any damage due to force majeure.
- II.8.4 The project may be suspended in accordance with Article II.7.

ARTICLE II.9 – PROCUREMENT

- II.9.1 If procurement has to be undertaken by the beneficiary and the partners in order to be able to carry out the project, and such procurement constitutes costs of the project under an item of eligible direct costs in the estimated budget, the beneficiary is obliged to ensure that competition takes place among the potential suppliers and to award the contract to the economically most advantageous offer, that is to say, that which provides the best value for money². In doing so, the beneficiary shall ensure that the project observes the principles of transparency and equal treatment of potential contractors and shall take care to avoid any conflict of interests.
- II.9.2 Recourse to procurement as referred to in II.9.1 is possible only in the following cases:
- (a) only the execution of a limited part of the project may be concerned;³
 - (b) recourse to the procurement must be justified having regard to the nature of the project and what is necessary for its implementation;
 - (c) the tasks concerned must be set out in Annex I and the corresponding estimated costs must be set out in detail in the budget in Annex II;⁴
 - (d) any recourse to procurement while the project is under way, if not provided for in the initial grant application, shall be subject to prior written authorisation by the Commission;⁵
 - (e) the beneficiary shall retain sole responsibility for carrying out the project and for compliance with the provisions of the agreement. The beneficiary must undertake to make the necessary arrangements to ensure that the contractor waives all rights in respect of the Commission under the agreement;

² Only for contracts exceeding Euro 10,000 (VAT or equivalent sales tax excluded). For detailed provisions see Chapter III.iv).4 of Annex V.

³ For detailed provisions see Chapter III.iv).4 of Annex V.

⁴ For detailed provisions see Chapter III.iv).4 of Annex V.

⁵ For detailed provisions see Chapter III.iv).4 of Annex V.

- (f) the beneficiary must undertake to ensure that the conditions applicable to it under Article II.1, II.2, II.3, II.4, II.5, II.6, II.10 and II.19 of the agreement are also applicable to the contractor.

ARTICLE II.10 - ASSIGNMENT

Claims against the Commission may not be transferred

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

ARTICLE II.11 – TERMINATION OF THE AGREEMENT

II.11.1 Termination by the beneficiary

In duly justified cases, the beneficiary may withdraw its request for a grant and terminate the agreement at any time by giving 60 days' written notice stating the reasons, without being required to furnish any indemnity on this account. If no reasons are given or if the Commission does not accept the reasons, the beneficiary shall be deemed to have terminated this agreement improperly, with the consequences set out in the fourth subparagraph of paragraph 4.

II.11.2 Termination by the Commission

The Commission may decide to terminate the agreement without any indemnity on its part, in the following circumstances:

- (a) in the event of a legal, financial, technical, organisational or auditing change in the beneficiary's situation that is liable to affect the agreement substantially or to call into question the decision to award the grant;
- (b) if the beneficiary fails to fulfil a substantial obligation incumbent on it under the terms of the agreement, including its annexes;
- (c) in the event of force majeure, notified in accordance with Article II.8, or if the project has been suspended as a result of exceptional circumstances, notified in accordance with Article II.7;
- (d) if the beneficiary is declared bankrupt, is being wound up or is the subject of any other similar proceedings;
- (e) if the beneficiary is found guilty of an offence involving its professional conduct by a judgment having the force of res judicata or if it is guilty of grave professional misconduct proven by any justified means;
- (f) if the beneficiary is guilty of misrepresentation or submits reports inconsistent with reality to obtain the grant provided for in the agreement;

- (g) if the beneficiary has intentionally or by negligence committed a substantial irregularity in performing the agreement or in the event of fraud, corruption or any other illegal activity on the part of the beneficiary to the detriment of the European Communities' financial interests. A substantial irregularity consists of any infringement of a provision of an agreement or regulation resulting from an act or an omission on the part of the beneficiary that causes or might cause a loss to the Community budget.

II.11.3 Termination procedure

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

In the cases referred to in points (a), (b) and (d) of paragraph 2, the beneficiary shall have 30 days to submit its observations and take any measures necessary to ensure continued fulfilment of its obligations under the agreement. If the Commission fails to confirm acceptance of these observations by giving written approval within 30 days of receiving them, the procedure shall continue to run.

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

If notice is not given in the cases referred to in points (c), (e), (f) and (g) of paragraph 2, termination shall take effect from the day following the date on which notification of the Commission's decision to terminate the agreement is received.

II.11.4 Effects of termination

In the event of termination of the agreement, payments by the Commission shall be limited to the eligible costs actually incurred by the project up to the date when termination takes effect, in accordance with Article II.17. Costs relating to current commitments that are not due to be executed until after termination shall not be taken into account.

The beneficiary shall have 60 days from the date when termination takes effect, as notified by the Commission, to produce a request for final payment in accordance with Article II.15.2. If no request for final payment is received within this time limit, the Commission shall not reimburse the expenditure incurred by the project up to the date of termination and it shall recover any amount if its use is not substantiated by the technical reports and financial statements approved by the Commission.

By way of exception, at the end of the period of notice referred to in paragraph 3, where the Commission is terminating the agreement on the grounds that the beneficiary has failed to produce the final report and financial statement within the deadline stipulated in Article I.5 and the beneficiary has still not complied with this obligation within two months following the written reminder sent by the Commission by registered letter with advice of delivery or equivalent, the Commission shall not reimburse the expenditure incurred by the project up to the date on which the project ended and it shall recover any amount if its use is not substantiated by the technical reports and financial statements approved by the Commission.

By way of exception, in the event of improper termination by the beneficiary or termination by the Commission on the grounds set out in points (e), (f) or (g) of paragraph 2, the Commission may require the partial or total repayment of sums already paid under the agreement on the basis of technical reports and financial statements approved by the Commission, in proportion to the gravity of the failings in question and after allowing the beneficiary to submit its observations.

ARTICLE II.12 - FINANCIAL PENALTIES

By virtue of the Financial Regulation applicable to the general budget of the European Communities, any beneficiary declared to be in grave breach of its obligations, shall be liable to financial penalties of between 2% and 10% of the value of the grant in question, with due regard for the principle of proportionality. This rate may be increased to between 4% and 20% in the event of a repeated breach in the five years following the first. The beneficiary shall be notified in writing of any decision by the Commission to apply such financial penalties.

ARTICLE II.13 - SUPPLEMENTARY AGREEMENTS

- II.13.1 Any amendment to the grant conditions must be the subject of a written supplementary agreement. No oral agreement may bind the parties to this effect.
- II.13.2 The supplementary agreement may not have the purpose or the effect of making changes to the agreement which might call into question the decision awarding the grant or result in unequal treatment of applicants.
- II.13.3 If the request for amendment is made by the beneficiary it must send it to the Commission in good time before it is due to take effect and at all events 60 days before the end of the eligibility period of the project, except in cases duly substantiated by the beneficiary and accepted by the Commission.

PART B - FINANCIAL PROVISIONS

ARTICLE II.14 - ELIGIBLE COSTS

II.14.1 For eligible and ineligible costs of the project, the provisions in Chapter III of Annex V apply.

II.14.2 Unlike Direct and Staff costs, General costs relate to categories of expenditure that are not identifiable as specific costs directly linked to and necessary for carrying out the project and cannot therefore be booked to it direct. General costs are eligible for flat-rate funding of 7% of the total eligible costs of the project.

II.14.3 Contributions in kind shall not count as actual expenditure by the beneficiary and the partners and shall not constitute eligible costs. However, if they are provided for and set out in Annex I and/or in the approved budget in order to contribute to the proper implementation of the project, the beneficiary undertakes to obtain them as provided for in the agreement.

II.14.4 By way of exception to paragraph 2, General costs shall not be eligible under a project grant awarded to a beneficiary who already receives an operating grant from the Commission during the period in question.

The beneficiary's internal accounting and auditing procedures must permit direct reconciliation of the costs and revenue declared in respect of the project with the corresponding accounting statements and supporting documents.

ARTICLE II.15 - REQUESTS FOR PAYMENT

Payments shall be made in accordance with Article I.4 of the Special Conditions.

II.15.1 Further pre-financing payments

Where pre-financing is divided into several instalments, the beneficiary may request a further pre-financing payment once it has used up the percentage of the previous payment specified in the provisions of Article I.4 on further pre-financing. In such a case, the request for payment may be made before the deadline detailed in Annex VI (Contractual Timetable) for the submission of any progress report, provided that all the activities detailed in the work plan for the period covered by the relevant progress report have been achieved. The request shall be accompanied by the following documents:

- a detailed statement of the eligible costs actually incurred;
- any other documents in support of the request for further pre-financing payments that may be required by the special conditions.

The documents accompanying the request for payment shall be drawn up in accordance with the relevant provisions in Article I.5 and the annexes.

II.15.2 Payment of the balance

Payment of the balance, which may not be repeated, is made after the end of the project on the basis of the costs actually incurred by the beneficiary and the partners in carrying out the project. It may take the form of a recovery order where the total amount of earlier payments is greater than the amount of the final grant determined in accordance with Article II.17.

By the appropriate deadline indicated in Article I.5, the beneficiary shall submit a request for payment of the balance accompanied by the following documents:

- a final report on the implementation of the project;
- a final financial statement of the eligible costs actually incurred, following the structure of the approved budget;
- a full summary statement of the receipts and expenditure of the project;

The documents accompanying the request for payment shall be drawn up in accordance with the provisions of Article I.5 and the annexes. The beneficiary itself shall certify that the financial documents submitted to the Commission comply with the financial provisions of the agreement, that the costs declared are the actual costs, and that all receipts have been declared.

On receipt of these documents, the Commission shall have the period specified in Article I.4 in order to:

- approve the final report on implementation of the project;
- ask the beneficiary for supporting documents or any additional information it deems necessary to allow the approval of the report;
- reject the report and ask for the submission of a new report.

Failing a written reply from the Commission within the time limit for scrutiny indicated above, the report shall be deemed to have been approved. Approval of the report accompanying the request for payment shall not imply recognition of their regularity or of the authenticity, completeness and correctness of the declarations and information they contain.

Requests for additional information or a new report shall be notified to the beneficiary in writing. The beneficiary shall have the period laid down in Article I.4 to submit the information or new documents requested.

If additional information is requested, the time limit for scrutiny shall be extended by the time it takes to obtain this information.

Where a report is rejected and a new report requested, the approval procedure described in this article shall apply.

In the event of renewed rejection, the Commission reserves the right to terminate the agreement by invoking Article II.11.2(b).

ARTICLE II.16 -GENERAL PROVISIONS ON PAYMENTS

II.16.1 Payments shall be made by the Commission in euro. Any conversion of actual costs into euro shall be made at the daily rate published in the Official Journal of the European Union or, failing that, at the monthly accounting rate established by the Commission and published on its website applicable on the day when the payment order is issued by the Commission, unless the Special Conditions of the agreement lay down specific provisions.

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

II.16.2 The Commission may suspend the period for payment laid down in Article I.4 at any time by notifying the beneficiary that its request for payment cannot be met, either because it does not comply with the provisions of the agreement, or because the appropriate supporting documents have not been produced or because there is a suspicion that some of the expenses in the financial statement are not eligible and additional checks are being conducted.

The Commission may also suspend its payments at any time if the beneficiary is found or presumed to have infringed the provisions of the agreement, in particular in the wake of the audits and checks provided for in Article II.19.

The Commission shall inform the beneficiary of any such suspension by registered letter with advice of delivery or equivalent.

Suspension shall take effect on the date when notice is sent by the Commission. The remaining payment period shall start to run again from the date when a properly constituted request for payment is registered, when the supporting documents requested are received, or at the end of the suspension period as notified by the Commission.

II.16.3 On expiry of the period for payment specified in Article I.4, and without prejudice to paragraph 2 of this Article, the beneficiary may, within two months following the date of receipt of a late payment, request payment of interest on the late payment at the rate applied by the European Central Bank for its main refinancing operations in euros, plus three and a half points; the reference rate to which the increase applies shall be the rate in force on the first day of the month of the final date for payment, as published in the C series of the Official Journal of the European Union. This provision shall not apply to recipients of a grant which are public authorities of the Member States of the European Union.

Interest on late payment shall cover the period from the final date for payment, exclusive, up to the date of payment as defined in paragraph 1, inclusive. The interest shall not be treated as a receipt for the project for the purposes of determining the final grant within the meaning of Article II.17.4. The suspension of payment by the Commission may not be considered as late payment.

II.16.4 The beneficiary shall inform the Commission of the amount of any interest or equivalent benefits yielded by the pre-financing it has received from the Commission. Notification must be made annually if the interest in question represents a significant amount, and in any event when the request is made for interim payment or for payment of the balance that clears the pre-financing. The interest shall not be treated as a receipt for the project within the meaning of Article II.17.4. The Commission shall issue a recovery order in respect of it in accordance with Article II.18.

II.16.5 The beneficiary shall have two months from the date of notification by the Commission of the final amount of the grant determining the amount of the payment of the balance or the recovery order pursuant to Article II.17, or failing that of the date on which the payment of the balance was received, to request information in writing on the determination of the final grant, giving reasons for any disagreement. After this time such requests will no longer be considered⁶. The Commission undertakes to reply in writing within two months following the date on which the request for information is received, giving reasons for its reply. This procedure is without prejudice to the beneficiary's right to appeal against the Commission's decision pursuant to Article I.8. Under the terms of Community legislation in this matter, such appeals must be lodged within two months following the notification of the decision to the applicant or, failing that, following the date on which the applicant learned of the decision.

⁶ For further information please refer to the Administrative and Financial Handbook, Chapter V, section iv).5.

ARTICLE II.17 - DETERMINING THE FINAL GRANT

- II.17.1 Without prejudice to information obtained subsequently pursuant to Article II.19, the Commission shall adopt the amount of the final payment to be granted to the beneficiary on the basis of the documents referred to in Article II.15.2 which it has approved.
- II.17.2 The total amount paid to the beneficiary by the Commission may not in any circumstances exceed the maximum amount of the grant laid down in point A.3, even if the total actual costs eligible exceed the estimated total eligible costs specified in A.5 and in Annex II.
- II.17.3 If the actual eligible costs when the project ends are lower than the estimated total eligible costs, the Commission's contribution shall be limited to the amount obtained by applying the Community grant percentage specified in A.4 to the actual eligible costs approved by the Commission.
- II.17.4 The beneficiary hereby agrees that the grant shall be limited to the amount necessary to balance the project's receipts and expenditure and that it may not in any circumstances produce a profit for them.

Profit shall mean any surplus of total actual receipts attributable to the project over the total actual costs of the project. The actual receipts to be taken into account shall be those which have been established, generated or confirmed on the date on which the request for payment of the balance is drawn up by the beneficiary for financing other than the Community grant, to which shall be added the amount of the grant determined by applying the principles laid down in paragraphs 2 and 3 of this article. For the purposes of this article, only actual costs falling within the categories set out in the approved budget contained in Annex II shall be taken into account; non-eligible costs shall always be covered by non-Community resources.

Any surplus determined in this way shall result in a corresponding reduction in the amount of the grant.

- II.17.5 Without prejudice to the right to terminate the agreement under Article II.11, and without prejudice to the right of the Commission to apply the penalties referred to in Article II.12, if the project is not implemented or is implemented poorly, partially or late, the Commission may reduce the grant initially provided for in line with the actual implementation of the project on the terms laid down in this agreement.
- II.17.6 On the basis of the amount of the final payment determined in this way and of the aggregate amount of the payments already made under the terms of the agreement, the Commission shall set the amount of the payment of the balance as being the amount still owing to the beneficiary. Where the aggregate amount of the payments already made exceeds the amount of the final grant, the Commission shall issue a recovery order for the surplus.

ARTICLE II.18 - RECOVERY

- II.18.1 If any amount is unduly paid to the beneficiary or if recovery is justified under the terms of the agreement, the beneficiary undertakes to repay the Commission the sum in question on whatever terms and by whatever date it may specify, even in cases where it has not been the final recipient of the amount due.
- II.18.2 If the beneficiary fails to pay by the date set by the Commission, the sum due shall bear interest at the rate indicated in Article II.16.3. Interest on late payment shall cover the period between the

date set for payment, exclusive, and the date when the Commission receives full payment of the amount owed, inclusive. This provision shall not apply to recipients of a grant which are public authorities of the Member States of the European Union.

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

II.18.3 If payment has not been made by the due date, sums owed to the Commission may be recovered directly from the final recipient of the amount due by offsetting them against any sums owed to the beneficiary, after informing it accordingly by registered letter with advice of delivery or equivalent. The beneficiary's prior consent shall not be required.

II.18.4 Bank charges occasioned by the recovery of the sums owed to the Commission shall be borne solely by the beneficiary.

II.18.5 The beneficiary understands that under Article 256 of the Treaty establishing the European Community, the Commission may adopt an enforceable decision formally establishing an amount as receivable from persons other than States. An action may be brought against such decision before the Court of First Instance of the European Communities.

ARTICLE II.19 - CHECKS AND AUDITS

II.19.1 The beneficiary undertakes to provide any detailed information requested by the Commission or by any other outside body authorised by the Commission to check that the project and the provisions of the agreement are being properly implemented.

II.19.2 The beneficiary shall keep at the Commission's disposal all original documents, especially accounting and tax records, or, in exceptional and duly justified cases, certified copies of original documents relating to the agreement for a period of five years from the date of payment of the balance specified in Article I.4.

II.19.3 The beneficiary agrees that the Commission may have an audit of the use made of the grant carried out either directly by its own staff or by any other outside body authorised to do so on its behalf. Such audits may be carried out throughout the period of implementation of the agreement until the balance is paid and for a period of five years from the date of payment of the balance. Where appropriate, the audit findings may lead to recovery decisions by the Commission.

II.19.4 The beneficiary undertakes to allow Commission staff and outside personnel authorised by the Commission the appropriate right of access to sites and premises where the project is carried out and to all the information, including information in electronic format, needed in order to conduct such audits.

II.19.5 By virtue of Council Regulation (Euratom, EC) No 2185/96 and Regulation (EC) No 1073/1999 of the European Parliament and the Council, the European Anti-Fraud Office (OLAF) may also carry out on-the-spot checks and inspections in accordance with the procedures laid down by Community law for the protection of the financial interests of the European Communities against fraud and other irregularities. Where appropriate, the inspection findings may lead to recovery decisions by the Commission.

II.19.6 The European Court of Auditors shall have the same rights as the Commission, notably right of access, as regards checks and audits.

ANNEX I

DESCRIPTION OF THE PROJECT

225990-CP-1-2005-1-ES-ERASMUS-TN

LEFIS - APTICE: Legal Framework for the Information Society II

The LEFIS - APTICE Thematic network pursues to develop and implement a cross-national teaching and research infrastructure in the legal field which adequately responds to the needs raised by the information and knowledge society. Upon the base of previous EU-supported initiatives, it is expected to improve the current legal education practices by adapting them to the new social, political and regulative environment, whereby legal education is broadly conceived as covering related technological, social, economic, ethical, and policy-making issues. A major focus will be thus on the improvement of the teaching system resulted from the LEFIS experience in 2003/04, and on its integration into the ongoing EU high education policies.

The Network aims, in short, at developing:

1. Coherent training and study programmes, providing for a teaching offer in Information Society Law which effectively matches the social needs and expectations according with the Tuning methodology.
2. A certification and implementation system which assures the consolidation, exploitation and dissemination of those programmes.
3. An educational, research and policy-making infrastructure capable of carrying out studies and regulative proposals on the governance of the information society. The targeted groups are teaching staff and students; public and private third parties; academic and professional associations; and policy-makers at all levels.

ANNEX II

APPROVED BUDGET OF THE PROJECT

Reference number :225990-CP-1-2005-1-ES-ERASMUS-TN

Type of costs	Approved budget (in EUR)	Community grant (in EUR)	Percentage of funding
1. Staff costs	669.760		
2. Direct costs			
2.a. Travel and subsistence	238.407		
2.b. Equipment and materials	46.420		
2.c. Sub-contracting , consultancy and other external services	31.080		
2.d. Other	47.870		
Total for Direct costs	363.777		
3. General Costs	45.000		
TOTAL	1.078.537	401.133	37,19

TRANSNATIONAL COOPERATION PROJECTS
Socrates 2005 Projects – March selection 2005
Contractual timetable

Comenius 2.1, Comenius 3, Lingua 1, Lingua 2, Grundtvig 1, Grundtvig 4, Minerva, Erasmus 1 Curriculum Development (CD) and Thematic Networks (Dissemination)

Length of period of eligibility	Event	Deadline
12 months	Starting date of period of eligibility	1/10/2005
	End date of period of eligibility	30/09/2006
	Submission of the final report	15/01/2007
24 months	Starting date of period of eligibility	1/10/2005
	Submission date for the progress report	1/07/2006*
	End date of period of eligibility	30/09/2007
	Submission of the final report	15/01/2008
36 months	Starting date of period of eligibility	1/10/2005
	Submission date for the progress report	1/01/2007*
	End date of period of eligibility	30/09/2008
	Submission of the final report	15/01/2009

*According to Article I.4.2 of the agreement, a second pre-financing payment shall be made to the Beneficiary within 45 days of approval of the progress report by the Commission. However, payment of the second instalment may not be made until at least 70% of the pre-financing payment has been used up. If this is not the case by the set deadline, the beneficiary shall nevertheless submit its progress report in due form. In this case, the beneficiary may file a subsequent payment request accompanied by a detailed statement of the eligible costs actually incurred, once 70% of the pre-financing payment has been used up. On the other hand, the progress report cannot be submitted before the deadline, even if this percentage has been reached earlier, unless all the activities detailed in the workplan for the period covered by the progress report have been achieved.

