



Előterjesztés

Budapest Főváros VIII. kerület Józsefvárosi Önkormányzat
Polgármestere számára

Előterjesztő: Dr. Erőss Gábor alpolgármester

Tárgy: Javaslát a „REC-RDISC-DISC-AG-2020 azonosító számú felhívásra benyújtott, „Befogadó óvodák a roma minőségi oktatásért” című, 963286 azonosító számú projekt vonatkozásában a támogatási szerződés módosítására

Az SZMSZ szerint **ZÁRTAN** tárgyalandó:

IGEN/NEM

ELŐKÉSZÍTŐ SZERVEZETI EGYSÉG: HUMÁNSZOLGÁLTATÁSI ÜGYOSZTÁLY HUMÁNKAPCSOLATI IRODA

KÉSZÍTETTE: SZABÓ-BODNÁR BRIGITTA

PÉNZÜGYI FEDEZETET IGÉNYEL/NEM IGÉNYEL, IGAZOLÁS:

JOGI KONTROLL:

BETÉRJESZTÉSRE ALKALMAS:

CZUKKERNÉ DR. PINTÉR ERZSÉBET
JEGYZŐ

A döntésre az SZMSZ szerint hatáskörrel rendelkezik:

Költségvetési és Pénzügyi Bizottság

Az SZMSZ szerint véleményezi:

-

Tisztelt Képviselő-testület!

I. Tényállás és a döntés tartalmának részletes ismertetése

Budapest Főváros VIII. kerület Józsefvárosi Önkormányzat Képviselő-testülete a „REC-RDISC-DISC-AG-2020 azonosító számú felhívásra benyújtott, Befogadó óvodák a roma minőségi oktatásért című, 963286 azonosító számú projekt vonatkozásában a támogatási szerződés-tervezet és konzorciumi megállapodás elfogadásáról szóló 338/2020.(IX. 24.) határozatában (továbbiakban: Határozat) döntött, hogy a „Befogadó óvodák a roma minőségi oktatásért” című, 963286 azonosító számú projekt megvalósítása érdekében az Európai Bizottsággal Támogatási Szerződést köt. A Képviselő-testület elfogadta a Támogatási Szerződés tervezetét, továbbá döntést hozott arról, hogy a „Befogadó óvodák a roma minőségi oktatásért” című, 963286 azonosító számú projekt megvalósításába konzorciumi tagként az alábbi szervezeteket bevonja Rosa Parks Alapítványt (RPA) és a Partners Hungary Alapítványt (PH) velük konzorciumi megállapodást köt.

A Képviselő-testület által elfogadott és az Európai Bizottság által aláírt Támogatási szerződés módosítása a 2021 januárjában elindult szakmai munka céljai és irányvonalai miatt indokolt.

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A 7 1. számú mellékletben csatolt Grant Agreement két pontban módosul az alábbiak szerint:

1. A Grant Agreement number: 963286 — Romadesegregation — REC-AG-2020 / REC-RDIS-DISC-AG-2020 PART B 3. Participants and project management 3.2 Subcontracting pontja az alábbi szövegrésszel egészül ki.

Participant name	Description of the subcontracted action task	Estimated costs (EUR)	Justification (why is subcontracting necessary?)	Best-value-for-money (how do you intend to ensure it?)
Résztvevő neve	Az alvállalkozói tevékenység leírása	Tervezett költség (euró)	Alátámasztás (miért van szükség alvállalkozóra?)	Legjobb ár-érték arány (Hogyan tervezi megvalósítani?)
Józsefváros Municipality	Communication expert	13 800	Communication expert has an overall responsibility to connect the activities described in work package 5 and ensure the synergies between them. The consortium members do not possess such expertise therefore these tasks will have to be subcontracted to a professional.	The communication expert is budgeted as a relatively low monthly cost of 627 euro for 22 months, covering the cost of the overall communication activities of the project. The task is planned to be outsourced to an expert highly experienced in community communication, related to Roma inclusion measures.
Józsefvárosi Önkormányzat	Kommunikációs szakértő	13 800	A kommunikációs szakértő feladata az 5. munkacsomagban leírt tevékenységek összekapcsolása és a szinergiák biztosítása közöttük. A konzorciumi tagok nem rendelkeznek ilyen szakértelemmel, ezért szükséges ezt a tevékenységet alvállalkozóval megvalósítani.	A kommunikációs szakember egy relatív alacsony, havi 627 euró költséget jelent 22 hónapon keresztül és a projekt mindennemű kommunikációs tevékenységét lefedi. A tevékenységet olyan szakértővel tervezzük megvalósítani, aki rendkívül tapasztalt közösségi kommunikáció és roma inklúziós intézkedések terén.

2. A Grant Agreement number: 963286 — Romadesegregation — REC-AG-2020 / REC-RDIS-DISC-AG-2020 WP3 Inclusion & desegregation in the kindergartens – methodology and service development List of deliverables táblázat D3.1 : Methodological trainings Dissemination level szint besorolása az alábbiak szerint módosul. A módosítást az adatvédelmi előírások indokolják.

Deliverable Number	Deliverable Title	Lead beneficiary	Type	Dissemination level	Due Date (in months)
Leszállítandó száma	Leszállítandó neve	Kedvezményezett	Típus	Terjesztési szint	Határidő (hónapokban)
D3.1	Methodological trainings	2 - PARTNERS	Report	Public confidential	8
D3.1	Módszertan tréningek	PARTNERS Hungary Alapítvány	Jelentés	Nyilvános zártkörű	8

A szerződésmódosítások vastagon kerültek jelölésre.

II. A betérjesztés indoka

A Grant Agreement number: 963286 — Romadesegregation — REC-AG-2020 / REC-RDIS-DISC-AG-2020 támogatási szerződés módosításához szükséges, hogy a döntéshozó meghozza döntését.

III. A döntés célja, pénzügyi hatása

A döntés célja a Grant Agreement number: 963286 — Romadesegregation — REC-AG-2020 / REC-RDIS-DISC-AG-2020 támogatási szerződés módosítása a „Befogadó óvodák a roma minőségi oktatásért” című, 963286 azonosító számú projekt megvalósulása érdekében.

A döntés pénzügyi fedezetet nem igényel.

A projekt pénzügyi fedezete Budapest Főváros VIII. kerület Józsefvárosi Önkormányzat Képviselő-testületének 2021. évi költségvetéséről szóló 5/2021. (II.25.) önkormányzati rendelet 3.§ (2) bekezdés 4. pontja alapján az 5.2. melléklet 22010 soron biztosított.

IV. Jogszabályi környezet

A Budapest Főváros VIII. kerület Józsefvárosi Önkormányzat Képviselő-testületének a Képviselő-testület és Szervei Szervezeti és Működési Szabályzatáról szóló 36/2014. (XI. 06.) önkormányzati rendelet (a továbbiakban: SZMSZ) 7. melléklet 1.1.1. pontja alapján a Költségvetési és Pénzügyi Bizottság hatáskörébe tartozik bármely önkormányzati szerződés megkötéséről, módosításáról, megszüntetéséről.

A veszélyhelyzet kihirdetéséről és a veszélyhelyzeti intézkedések hatálybalépéséről szóló 27/2021. (I.29.) számú kormányrendelet 1. § értelmében a Kormány az élet- és vagyonbiztonságot veszélyeztető tömeges megbetegedést okozó SARS-CoV-2 koronavírus világiárvány (a továbbiakban: koronavírus világiárvány) következményeinek elhárítása, a magyar állampolgárok egészségének és életének megóvása érdekében Magyarország egész területére veszélyhelyzetet hirdetett ki.

A katasztrófavédelemről és a hozzá kapcsolódó egyes törvények módosításáról szóló 2011. évi CXXVIII. törvény 46. § (4) bekezdésének felhatalmazása alapján veszélyhelyzetben a települési önkormányzat képviselő-testületének feladat- és hatáskörét a polgármester gyakorolja, így a döntés meghozatalára a polgármester jogosult.

Az aláírt Támogatási szerződés módosítására vonatkozó rendelkezéseket a 39. Cikkely, az előterjesztés tárgyára vonatkozó speciális szabályokat pedig a 4.2. Átcsoportosítások, valamint a 10. Alvállalkozók Cikkely tartalmazza:

ARTICLE 39 — AMENDMENTS TO THE AGREEMENT

39. CIKK A SZERZŐDÉS MÓDOSÍTÁSA

39.1 Conditions

The Agreement may be amended, unless the amendment entails changes to the Agreement which would call into question the decision awarding the grant or breach the principle of equal treatment of applicants.

Amendments may be requested by any of the parties.

39.2 Procedure

The party requesting an amendment must submit a request for amendment signed in the electronic exchange system (see Article 36).

The coordinator submits and receives requests for amendment on behalf of the beneficiaries (see Annex 3).

If a change of coordinator is requested without its agreement, the submission must be done by another beneficiary (acting on behalf of the other beneficiaries).

The request for amendment must include:

- the reasons why;
- the appropriate supporting documents, and
- for a change of coordinator without its agreement: the opinion of the coordinator (or proof that this opinion has been requested in writing).

The Commission may request additional information.

If the party receiving the request agrees, it must sign the amendment in the electronic exchange system within 45 days of receiving notification (or any additional information the Commission has requested). If it does not agree, it must formally notify its disagreement within the same deadline. The deadline may be extended, if necessary for the assessment of the request. If no notification is received within the deadline,

39.1. A módosítás feltételei

A Szerződés módosítható, kivéve, ha a módosítás olyan változásokat von maga után, amelyek megkérdőjelezzik a támogatás odaítéléséről szóló döntést, vagy megsértik a pályázókkal szembeni egyenlő bánásmód alapelvét.

A módosítást bármely fél kezdeményezheti.

39.2. A módosításra vonatkozó eljárásrend

A módosítást igénylő fél az aláírt kérelmet az elektronikus kommunikációs rendszeren keresztül nyújthatja be (lsd. 36. Cikk).

A kedvezményezettek nevében a koordinátor gyűjti össze és nyújtja be a módosítási kérelmeket (lsd. 3. sz. melléklet).

Amennyiben a koordinátor személyének változását a hatályos koordinátor beleegyezése nélkül kéri, a kérelem benyújtását másik kedvezményezett is megteheti (a többi kedvezményezett nevében eljárva).

A módosítási kérelemnek tartalmaznia kell a következőket:

- a módosítási igény indoka;
- alátámasztó dokumentumok; és
- a koordinátor beleegyezése nélkül annak cseréjére vonatkozó kérelem esetén: a koordinátor észrevételei (vagy annak igazolása, hogy véleménye írásban megkérésre került).

A Bizottság további információkat kérhet a módosítási kérelemmel kapcsolatban.

A fél, amelyhez a kérelem benyújtásra kerül, egyetértése esetén annak (vagy bármely, a Bizottság által kért további információ) kézhezvételét követő 45 napon belül aláírja a módosítást az elektronikus kommunikációs rendszerben. Amennyiben nem ért egyet a módosítással, ugyanezen időn belül teheti meg észrevételeit. A határidő meghosszabbítható, amennyiben a módosítási kérelem további vizsgálata miatt

the request is considered to have been rejected.

An amendment **enters into force** on the day of the signature of the receiving party.

An amendment **takes effect** on the date agreed by the parties or, in the absence of such an agreement, on the date on which the amendment enters into force.

4.2 Budget transfers

The estimated budget breakdown indicated in Annex 2 may be adjusted — without an amendment (see Article 39) — by transfers of amounts between beneficiaries, budget categories and/or forms of costs set out in Annex 2, if the action is implemented as described in Annex 1.

However:

- the beneficiaries may not add costs relating to subcontracts not provided for in Annex 1, unless such additional subcontracts are approved by an amendment or in accordance with Article 10;

ARTICLE 10 — IMPLEMENTATION OF ACTION TASKS BY SUBCONTRACTORS

10.1 Rules for subcontracting action tasks

10.1.1 If necessary to implement the action, the beneficiaries may award subcontracts covering the implementation of certain action tasks described in Annex 1.

Subcontracting may cover only a limited part of the action.

The beneficiaries must award the subcontracts ensuring the best value for money or, if appropriate, the lowest price. In doing so, they must avoid any conflict of interests (see Article 20).

The tasks to be implemented and the estimated cost for each subcontract must be set out in Annex 1 and the total estimated costs of subcontracting per beneficiary must be set out in Annex 2. The Commission may however approve subcontracts not set out in Annex 1 and 2 without amendment (see

szükséges. Amennyiben határidőre nem érkezik észrevétel sem, a módosítási kérelem elutasítottak tekintendő.

A módosítás a fogadó fél aláírásának napján **lép hatályba**.

A módosítással érintett szabályt a felek által egyeztetett napon, vagy ilyen Szerződés hiányában a módosítás hatálybalépésének napjától **kell alkalmazni**.

4.2. Átcsoportosítások

A 2. sz. mellékletben benyújtott költségterv módosítható – a Megállapodás módosítása nélkül (lsd. 39. Cikk), – a kedvezményezettekre jutó összegek átcsoportosítása, a 2. melléklet szerinti költségvetési kategóriák és/vagy költségformák tekintetében, amennyiben a módosítás nem érinti a projekt 1. melléklet szerinti végrehajtását.

Azonban:

a kedvezményezettek az 1. mellékletben nem szereplő alvállalkozói szerződésekhez kapcsolódó költségeket nem tehetnek hozzá, kivéve ha az ilyen további alvállalkozói szerződések a Megállapodás módosításával vagy a 10. cikkel összhangban jóváhagyásra kerültek;

10. CIKK – A PROJEKT TEVÉKENYSÉGEK ALVÁLLALKOZÓK ÁLTALI MEGVALÓSÍTÁSA

10.1 Alvállalkozók bevonásának szabályai

10.1.1. Ha a projekt megvalósításához szükséges, a kedvezményezettek alvállalkozói szerződéseket köthetnek, amelyek az 1. mellékletben leírt egyes feladatok végrehajtására vonatkoznak.

Az alvállalkozók csak a projekt korlátozott részére terjedhetnek ki.

A kedvezményezetteknek a legjobb ár-érték arányt, vagy adott esetben a legalacsonyabb árat figyelembe véve kell az alvállalkozókat kiválasztaniuk. Ennek során kerülniük kell az összeférhetetlenséget (lásd a 20. cikket).

Az elvégzendő munkarészeket és az egyes alvállalkozók becsült költségeit az 1. mellékletben kell meghatározni, valamint a teljes kiszereződött kedvezményezettenkénti becsült költséget pedig a 2. mellékletben kell meghatározni. A Bizottság azonban módosítás nélkül jóváhagyhatja az 1. és 2.

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Article 39), if:

- they are specifically justified in the technical report and

they do not entail changes to the Agreement which would call into question the decision awarding the grant or breach the principle of equal treatment of applicants.

The beneficiaries must ensure that the subcontracted work is performed in one of the eligible countries set out in the call for proposals ('place of performance obligation') — unless otherwise approved by the Commission.

The beneficiaries must ensure that the Commission, the European Court of Auditors (ECA) and the European Anti-Fraud Office (OLAF) can exercise their rights under Articles 17 and 18 also towards their subcontractors.

10.1.2 The beneficiaries must ensure that their obligations under Articles 20, 21, 22 and 30 also apply to the subcontractors.

Beneficiaries that are 'contracting authorities' within the meaning of Directive 2004/18/EC (or 2014/24/EU) or 'contracting entities' within the meaning of Directive 2004/17/EC (or 2014/25/EU) must comply with the applicable national law on public procurement.

mellékletben nem szereplő alvállalkozói szerződéseket (lásd: 39. cikk), amennyiben:

- kifejezetten indoklásra kerülnek az szakmai beszámolóban és

- nem vonják maguk után a Megállapodás olyan módosítását, amely megkérdőjelezné a támogatás odaítéléséről szóló döntést, vagy megsértené a pályázókkal szembeni egyenlő bánásmód elvét.

A kedvezményezetteknek biztosítaniuk kell, hogy az kiszereződött munkarész az ajánlattételi felhívásban meghatározott támogatható országok valamelyikében kerüljön teljesítésre („teljesítési helyszínre vonatkozó kötelezettség”) – kivéve ha a Bizottság ettől eltérően nem rendelkezik.

A kedvezményezetteknek biztosítaniuk kell, hogy a Bizottság, az Európai Számvevőszék (ECA) és az Európai Csalás Elleni Hivatal (OLAF) gyakorolhassák a 17. és 18. cikk szerinti jogaikat alvállalkozóikkal szemben is.

10.1.2 A kedvezményezetteknek biztosítaniuk kell, hogy a 20., 21., 22. és 30. cikk szerinti kötelezettségeik az alvállalkozókra is vonatkozzanak.

Azoknak a kedvezményezetteknek, akik a 2004/18 / EK irányelv (vagy 2014/24 / EU) értelmében „ajánlatkérők”-nek minősülnek, vagy a 2004/17 / EK irányelv (vagy 2014/25 / EU) értelmében vett „ajánlatkérők”, meg kell felelniük a közbeszerzésre vonatkozó nemzeti jogszabályokban foglaltaknak.

Fenti rendelkezések alapján javaslom az alábbi határozat elfogadását.

Melléklet:

- Grant Agreement number: 963286 — Romadesegregation — REC-AG-2020 / REC-RDIS-DISC-AG-2020

HATÁROZATI JAVASLAT

Budapest Főváros VIII. kerület Józsefvárosi Önkormányzat Képviselő-testületének .../2021. (VI.) számú határozata

a REC-RDISC-DISC-AG-2020 azonosító számú felhívásra benyújtott, „Befogadó óvodák a roma minőségi oktatásért” című, 963286 azonosító számú projekt vonatkozásában a támogatási szerződés módosítás elfogadásáról

A képviselő-testület

1. hozzájárul, hogy a „Befogadó óvodák a roma minőségi oktatásért” című, 963286 azonosító számú projekt megvalósítása érdekében az Európai Bizottsággal Grant Agreement number: 963286 — Romadesegregation — REC-AG-2020 / REC-RDIS-DISC-AG-2020 számú támogatási szerződés az alábbiak szerint módosuljon:

- I. a Támogatási szerződés 1. számú mellékletének (Pályázati Adatlap) „B” rész 3.2. Alvállalkozók pontja kiegészül egy új, 4. sorral:

Résztvevő neve	Az alvállalkozói tevékenység leírása	Tervezett költség (euró)	Alátámasztás (miért van szükség alvállalkozóra?)	Legjobb ár-érték arány (Hogyan tervezi megvalósítani)
Józsefvárosi Önkormányzat	Kommunikációs szakértő	13.800	A kommunikációs szakértő feladata az 5. munkacsomagban leírt tevékenységek összekapcsolása és a szinergiák biztosítása köztük. A konzorciumi tagok nem rendelkeznek ilyen szakértelemmel, ezért szükséges ezt a tevékenységet alvállalkozóval megvalósítani.	A kommunikációs szakember relatív alacsony, havi 627 euró költséget jelent 22 hónapon keresztül, megbízása a projekt mindennemű kommunikációs tevékenységét lefedi. A tevékenységet olyan szakértővel tervezzük megvalósítani, aki rendkívül tapasztalt közösségi kommunikáció és roma inklúziós intézkedések terén.

- II. a Támogatási szerződés 1. számú mellékletének (Pályázati Adatlap) „A” rész 1.3.3. pontjában a 3. számú Munkacsomag: Befogadás és deszegregáció az óvodákban – módszertani és szolgáltatásfejlesztés Mérőldkövek és eredményeket bemutató táblázatának 1. sorában megjelölt „nyilvános” terjesztési szint „zártkörű” terjesztési szintre módosul.

2. felkéri a polgármestert, hogy gondoskodjon a támogatási szerződés módosítási kérelem aláírásáról és benyújtásáról az Európai Bizottság elektronikus rendszerén keresztül.

Felelős: Polgármester

Határidő: 2. pont vonatkozásában: 2021. június 10.

A döntés végrehajtását végző szervezeti egység: Gazdálkodási Ügyosztály Közbeszerzési és Pályázatkezelő Iroda

Budapest, 2021. május 31.

Dr. Erőss Gábor *sk.*
alpolgármester



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EUROPEAN COMMISSION
Directorate General Justice and Consumers
Programme and Financial management



GRANT AGREEMENT

NUMBER — 963286 — Romadesegregation

This **Agreement** ('the Agreement') is **between** the following parties:

on the one part,

the **European Union** ('the EU'), represented by the European Commission ('the Commission'),

represented for the purposes of signature of this Agreement by Daniela BANKIER, Head of Unit,
Directorate-General for Justice and Consumers, Programme and Financial management,

and

on the other part,

1. 'the coordinator':

BUDAPEST FOVAROS VIII. KERULET JOZSEFVAROSI ONKORMANYZAT
(Jozsefvaros), established in BAROSS UTCA 63-67, BUDAPEST 1082, Hungary, VAT number:
HU15735715, represented for the purposes of signing the Agreement by Andras Piko

and the following other beneficiaries, if they sign their 'Accession Form' (see Annex 3 and Article 40):

2. **PARTNERS FOR DEMOCRATIC CHANGE HUNGARY PARTNERS HUNGARY**
ALAPITVANY (PARTNERS), established in RAKOCZI UT 22. 4./24., BUDAPEST 1072,
Hungary, VAT number: HU18068038,

3. **ROSA PARKS ALAPITVANY (ROSA PARKS)**, established in KARACSONY SANDOR
UTCA 31-33, BUDAPEST 1086, Hungary, VAT number: HU18740392,

Unless otherwise specified, references to 'beneficiary' or 'beneficiaries' include the coordinator.

The parties referred to above have agreed to enter into the Agreement under the terms and conditions below.

By signing the Agreement or the Accession Form, the beneficiaries accept the grant and agree to implement the action under their own responsibility and in accordance with the Agreement, with all the obligations and conditions it sets out.

The Agreement is composed of:

Terms and Conditions

- | | |
|---------|---|
| Annex 1 | Description of the action |
| Annex 2 | Estimated budget for the action |
| | Annex 2a Not applicable |
| Annex 3 | Accession Forms |
| Annex 4 | Model for the financial statements |
| Annex 5 | Model for the certificate on the financial statements (CFS) |
| Annex 6 | Not applicable |

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TERMS AND CONDITIONS

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CHAPTER 1 GENERAL

ARTICLE 1 — SUBJECT OF THE AGREEMENT

This Agreement sets out the rights and obligations and the terms and conditions applicable to the grant awarded to the beneficiaries for implementing the action set out in Chapter 2.

CHAPTER 2 ACTION

ARTICLE 2 — ACTION TO BE IMPLEMENTED

The grant is awarded for the action entitled ‘**Inclusive kindergartens for the quality education of Roma — Romadesegregation**’ (‘**action**’), as described in Annex 1.

ARTICLE 3 — DURATION AND STARTING DATE OF THE ACTION

The duration of the action will be **24 months** as of 15/01/2021 (‘**starting date of the action**’).

ARTICLE 4 — ESTIMATED BUDGET AND BUDGET TRANSFERS

4.1 Estimated budget

The ‘**estimated budget**’ for the action is set out in Annex 2.

It contains the estimated eligible costs and the forms of costs, broken down by beneficiary and budget category (see Articles 5, 6).

4.2 Budget transfers

The estimated budget breakdown indicated in Annex 2 may be adjusted — without an amendment (see Article 39) — by transfers of amounts between beneficiaries, budget categories and/or forms of costs set out in Annex 2, if the action is implemented as described in Annex 1.

However :

- the beneficiaries may not add costs relating to subcontracts not provided for in Annex 1, unless such additional subcontracts are approved by an amendment or in accordance with Article 10;
- the transfers between budget categories must stay below 20% of the total costs for the action set out in Annex 2, unless they are approved by an amendment.

CHAPTER 3 GRANT

ARTICLE 5 — GRANT AMOUNT, FORM OF GRANT, REIMBURSEMENT RATE AND FORMS OF COSTS

5.1 Maximum grant amount

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The '**maximum grant amount**' is **EUR 267,017.67** (two hundred and sixty seven thousand seventeen EURO and sixty seven eurocents).

5.2 Form of grant, reimbursement rate and forms of costs

The grant reimburses **80%** of the action's eligible costs (see Article 6) ('**reimbursement of eligible costs grant**') (see Annex 2).

The estimated eligible costs of the action are **EUR 333,772.59** (three hundred and thirty three thousand seven hundred and seventy two EURO and fifty nine eurocents).

Eligible costs (see Article 6) must be declared under the following forms ('**forms of costs**' or '**cost forms**')

- (a) for **direct personnel costs**: as actually incurred costs ('**actual costs**')
- (b) for **direct travel and subsistence costs**: as actually incurred costs (**actual costs**);
- (c) for **direct costs of subcontracting**: as actually incurred costs (**actual costs**);
- (d) for direct costs of **providing financial support to third parties**: not applicable;
- (e) for **other direct costs**: as actually incurred costs ('**actual costs**');
- (f) for **indirect costs**: on the basis of a flat-rate applied as set out in Article 6.2.Point F ('**flat-rate costs**');

5.3 Final grant amount — Calculation

The '**final grant amount**' depends on the actual extent to which the action is implemented in accordance with the Agreement's terms and conditions.

This amount is calculated by the Commission — when the payment of the balance is made — in the following steps:

- Step 1 – Application of the reimbursement rate to the eligible costs
- Step 2 – Limit to the maximum grant amount
- Step 3 – Reduction due to the no-profit rule
- Step 4 – Reduction due to substantial errors, irregularities or fraud or serious breach of obligations

5.3.1 Step 1 — Application of the reimbursement rate to the eligible costs

The reimbursement rate (see Article 5.2) is applied to the eligible costs (actual costs and flat-rate costs; see Article 6) declared by the beneficiaries (see Article 15) and approved by the Commission (see Article 16).

5.3.2 Step 2 — Limit to the maximum grant amount

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If the amount obtained following Step 1 is higher than the maximum grant amount set out in Article 5.1, it will be limited to the latter.

5.3.3 Step 3 — Reduction due to the no-profit rule

The grant must not produce a profit.

‘Profit’ means the surplus of the amount obtained following Steps 1 and 2 plus the action’s total receipts, over the action’s total eligible costs.

The **‘action’s total eligible costs’** are the consolidated total eligible costs approved by the Commission.

The **‘action’s total receipts’** are the consolidated total receipts generated during its duration (see Article 3).

The following are considered **receipts**:

- (a) income generated by the action;
- (b) financial contributions given by third parties to the beneficiary, specifically to be used for costs that are eligible under the action.

The following are however **not** considered receipts:

- (a) financial contributions by third parties, if they may be used to cover costs other than the eligible costs (see Article 6);
- (b) financial contributions by third parties with no obligation to repay any amount unused at the end of the period set out in Article 3.

If there is a profit, it will be deducted in proportion to the final rate of reimbursement of the eligible actual costs approved by the Commission (as compared to the amount calculated following Steps 1 and 2).

5.3.4 Step 4 — Reduction due to substantial errors, irregularities or fraud or serious breach of obligations

If the grant is reduced (see Article 27), the Commission will calculate the reduced grant amount by deducting the amount of the reduction (calculated in proportion to the seriousness of the errors, irregularities or fraud or breach of obligations, in accordance with Article 27.2) from the maximum grant amount set out in Article 5.1.

The final grant amount will be the lower of the following two:

- the amount obtained following Steps 1 to 3 or
- the reduced grant amount following Step 4.

5.4 Revised final grant amount — Calculation

If — after the payment of the balance (in particular, after checks, reviews, audits or investigations;

see Article 17) — the Commission rejects costs (see Article 26) or reduces the grant (see Article 27), it will calculate the '**revised final grant amount**' for the action or for the beneficiary concerned.

This amount is calculated by the Commission on the basis of the findings, as follows:

- in case of **rejection of costs**: by applying the reimbursement rate to the *revised* eligible costs approved by the Commission for the beneficiary concerned;
- in case of **reduction of the grant**: by deducting the amount of the reduction (calculated in proportion to the seriousness of the substantial errors, irregularities or fraud or breach of obligations, in accordance with Article 27.2) from the maximum grant amount set out in Article 5.1 or from the maximum EU contribution indicated for the beneficiary in the estimated budget (see Annex 2).

In case of **rejection of costs and reduction of the grant**, the revised final grant amount will be the lower of the two amounts above.

ARTICLE 6 — ELIGIBLE AND INELIGIBLE COSTS

6.1 General conditions for costs to be eligible

'**Eligible costs**' are costs that meet the following criteria:

(a) for **actual costs**:

- (i) they must be actually incurred by the beneficiary;
- (ii) they must be incurred in the period set out in Article 3, with the exception of costs relating to the submission of the final report (see Article 15);
- (iii) they must be indicated in the estimated budget set out in Annex 2;
- (iv) they must be incurred in connection with the action as described in Annex 1 and necessary for its implementation;
- (v) they must be identifiable and verifiable, in particular recorded in the beneficiary's accounts in accordance with the accounting standards applicable in the country where the beneficiary is established and with the beneficiary's usual cost accounting practices;
- (vi) they must comply with the applicable national law on taxes, labour and social security, and
- (vii) they must be reasonable, justified and must comply with the principle of sound financial management, in particular regarding economy and efficiency;

(b) for **unit costs**: not applicable;

(c) for **flat-rate costs**:

- (i) they must be calculated by applying the flat-rate set out in Annex 2, and

(ii) the costs (actual costs) to which the flat-rate is applied must comply with the conditions for eligibility set out in this Article;

(d) for lump sum costs: not applicable.

6.2 Specific conditions for costs to be eligible

Costs are eligible if they comply with the general conditions (see above) and the specific conditions set out below, for each of the following budget categories:

- A. direct personnel costs;
- B. direct travel and subsistence costs;
- C. direct costs of subcontracting;
- D. not applicable;
- E. other direct costs.
- F. indirect costs.

'Direct costs' are costs that are directly linked to the action implementation and can therefore be attributed to it directly. They must not include any indirect costs (see Point F below).

'Indirect costs' are costs that are not directly linked to the action implementation and therefore cannot be attributed directly to it.

A. Direct personnel costs

Types of eligible personnel costs

A.1 Personnel costs are eligible if they are related to personnel working for the beneficiary under an employment contract (or equivalent appointing act) and assigned to the action ('**costs for employees (or equivalent)**'). They must be limited to salaries, social security contributions, taxes and other costs included in the **remuneration**, if they arise from national law or the employment contract (or equivalent appointing act).

They may also include **additional remuneration** for personnel assigned to the action (including payments on the basis of supplementary contracts regardless of their nature), if:

- (a) it is part of the beneficiary's usual remuneration practices and is paid in a consistent manner whenever the same kind of work or expertise is required;
- (b) the criteria used to calculate the supplementary payments are objective and generally applied by the beneficiary, regardless of the source of funding used.

A.2 The **costs for natural persons working under a direct contract** with the beneficiary other than an employment contract or **seconded by a third party against payment** are eligible personnel costs, if:

- (a) the person works under the beneficiary's instructions and, unless otherwise agreed with the beneficiary, on the beneficiary's premises;
- (b) the result of the work carried out belongs to the beneficiary, and

- (c) the costs are not significantly different from those for personnel performing similar tasks under an employment contract with the beneficiary.

Calculation

Personnel costs must be calculated by the beneficiaries as follows:

{hourly rate
multiplied by
number of actual hours worked on the action}.

The number of actual hours declared for a person must be identifiable and verifiable (see Article 13).

The total number of hours declared in EU or Euratom grants, for a person for a year, cannot be higher than the annual productive hours used for the calculations of the hourly rate. Therefore, the maximum number of hours that can be declared for the grant are:

{number of annual productive hours for the year (see below)
minus
total number of hours declared by the beneficiary, for that person for that year, for other EU or Euratom grants}.

The 'hourly rate' is calculated as follows:

{actual annual personnel costs for the person
divided by
number of individual annual productive hours}.

using the personnel costs and the number of annual productive hours for each full financial year covered by the reporting period concerned. If a financial year is not closed at the end of the reporting period, the beneficiaries must use the hourly rate of the last closed financial year available.

The 'number of individual annual productive hours' is the total actual hours worked by the person in the year. It may not include holidays and other absences (such as sick leave, maternity leave, special leave, etc). However, it may include overtime and hours spent in meetings, trainings and other similar activities.

B. Direct travel and subsistence costs

Travel and subsistence costs (including related duties, taxes and charges, such as non-deductible value added tax (VAT) paid by beneficiaries that are not public bodies acting as public authority) are eligible if they are in line with the beneficiary's usual practices on travel.

C. Direct costs of subcontracting (including related duties, taxes and charges, such as non-deductible value added tax (VAT) paid by beneficiaries that are not public bodies acting as public authority) are eligible if the conditions in Article 10.1.1 are met.

D. Direct costs of providing financial support to third parties

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Not applicable

E. Other direct costs

E.1 The depreciation costs of equipment, infrastructure or other assets (new or second-hand) as recorded in the beneficiary's accounts are eligible, if they were purchased in accordance with Article 9.1.1 and written off in accordance with international accounting standards and the beneficiary's usual accounting practices.

The **costs of renting or leasing** equipment, infrastructure or other assets (including related duties, taxes and charges, such as non-deductible value added tax (VAT) paid by beneficiaries that are not public bodies acting as public authority) are also eligible, if they do not exceed the depreciation costs of similar equipment, infrastructure or assets and do not include any financing fees.

The only portion of the costs that will be taken into account is that which corresponds to the duration of the action and rate of actual use for the purposes of the action.

E.2 Costs of other goods and services (including related duties, taxes and charges, such as non-deductible value added tax (VAT) paid by beneficiaries that are not public bodies acting as public authority) are eligible, if they are purchased specifically for the action and in accordance with Article 9.1.1.

Such goods and services include, for instance, consumables and supplies, dissemination, protection of results, certificates on the financial statements (if they are required by the Agreement), translations and publications.

F. Indirect costs

Indirect costs are eligible if they are declared on the basis of the flat-rate of 7% of the eligible direct costs (see Article 5.2 and Points A to E above).

Beneficiaries receiving an operating grant¹ financed by the EU or Euratom budget cannot declare indirect costs for the period covered by the operating grant.

6.3 Conditions for costs of affiliated entities to be eligible

Not applicable

6.4 Ineligible costs

'Ineligible costs' are:

(a) costs that do not comply with the conditions set out above (Article 6.1 to 6.3), in particular:

¹ For the definition, see Article 121(1)(b) of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 218, 26.10.2012, p.1) ('**Financial Regulation No 966/2012**'): '**operating grant**' means direct financial contribution, by way of donation, from the budget in order to finance the functioning of a body which pursues an aim of general EU interest or has an objective forming part of and supporting an EU policy.

- (i) costs related to return on capital;
 - (ii) debt and debt service charges;
 - (iii) provisions for future losses or debts;
 - (iv) interest owed;
 - (v) doubtful debts;
 - (vi) currency exchange losses;
 - (vii) bank costs charged by the beneficiary's bank for transfers from the Commission;
 - (viii) excessive or reckless expenditure;
 - (ix) deductible VAT;
 - (x) costs incurred during suspension of the implementation of the action (see Article 33);
 - (xi) in-kind contributions provided by third parties;
- (b) costs declared under another EU or Euratom grant (including grants awarded by a Member State and financed by the EU or Euratom budget and grants awarded by bodies other than the Commission for the purpose of implementing the EU or Euratom budget); in particular, indirect costs if the beneficiary is already receiving an operating grant financed by the EU or Euratom budget in the same period;
- (c) costs for staff of a national (or local) administration, for activities that are part of the administration's normal activities (i.e. not undertaken only because of the grant);
- (d) costs (especially travel and subsistence costs) for staff or representatives of EU institutions, bodies or agencies;
- (e) costs for activities that do not take place in one of the eligible countries set out in the call for proposals — unless approved by the Commission.

6.5 Consequences of declaration of ineligible costs

Declared costs that are ineligible will be rejected (see Article 26).

This may also lead to any of the other measures described in Chapter 6.

CHAPTER 4 RIGHTS AND OBLIGATIONS OF THE PARTIES

SECTION 1 RIGHTS AND OBLIGATIONS RELATED TO IMPLEMENTING THE ACTION

ARTICLE 7 — GENERAL OBLIGATION TO PROPERLY IMPLEMENT THE ACTION

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7.1 General obligation to properly implement the action

The beneficiaries must implement the action as described in Annex 1 and in compliance with the provisions of the Agreement and all legal obligations under applicable EU, international and national law.

7.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 27).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 8 — RESOURCES TO IMPLEMENT THE ACTION — THIRD PARTY INVOLVED IN THE ACTION

The beneficiaries must have the appropriate resources to implement the action.

If it is necessary to implement the action, the beneficiaries may:

- purchase goods, works and services (see Article 9);
- call upon subcontractors to implement action tasks described in Annex 1 (see Article 10).

In these cases, the beneficiaries retain sole responsibility towards the Commission and the other beneficiaries for implementing the action.

ARTICLE 8a — IMPLEMENTATION OF ACTION TASKS BY BENEFICIARIES NOT RECEIVING EU FUNDING

Not applicable

ARTICLE 9 — PURCHASE OF GOODS, WORKS OR SERVICES

9.1 Rules for purchasing goods, works or services

9.1.1 If necessary to implement the action, the beneficiaries may purchase goods, works or services.

The beneficiaries must make such purchases ensuring the best value for money or, if appropriate, the lowest price. In doing so, they must avoid any conflict of interests (see Article 20).

The beneficiaries must ensure that the Commission, the European Court of Auditors (ECA) and the European Anti-Fraud Office (OLAF) can exercise their rights under Articles 17 and 18 also towards their contractors.

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9.1.2 Beneficiaries that are ‘contracting authorities’ within the meaning of Directive 2004/18/EC² (or 2014/24/EU³) or ‘contracting entities’ within the meaning of Directive 2004/17/EC⁴ (or 2014/25/EU⁵) must comply with the applicable national law on public procurement.

9.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under Article 9.1.1, the costs related to the contract concerned will be ineligible (see Article 6) and will be rejected (see Article 26).

If a beneficiary breaches any of its obligations under Article 9.1.2, the grant may be reduced (see Article 27).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 10 — IMPLEMENTATION OF ACTION TASKS BY SUBCONTRACTORS

10.1 Rules for subcontracting action tasks

10.1.1 If necessary to implement the action, the beneficiaries may award subcontracts covering the implementation of certain action tasks described in Annex 1.

Subcontracting may cover only a limited part of the action.

The beneficiaries must award the subcontracts ensuring the best value for money or, if appropriate, the lowest price. In doing so, they must avoid any conflict of interests (see Article 20).

The tasks to be implemented and the estimated cost for each subcontract must be set out in Annex 1 and the total estimated costs of subcontracting per beneficiary must be set out in Annex 2. The Commission may however approve subcontracts not set out in Annex 1 and 2 without amendment (see Article 39), if:

- they are specifically justified in the technical report and
- they do not entail changes to the Agreement which would call into question the decision awarding the grant or breach the principle of equal treatment of applicants.

The beneficiaries must ensure that the subcontracted work is performed in one of the eligible countries set out in the call for proposals (‘place of performance obligation’) — unless otherwise approved by the Commission.

² Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public work contracts, public supply contracts and public service contracts (OJ L 134, 30.04.2004, p. 114).

³ Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94, 28.3.2014, p. 65).

⁴ Directive 2004/17/EC of the European Parliament and of the Council of 31 March 2004 coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors (OJ L 134, 30.04.2004, p. 1).

⁵ Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC (OJ L 94, 28.3.2014, p. 243).

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The beneficiaries must ensure that the Commission, the European Court of Auditors (ECA) and the European Anti-Fraud Office (OLAF) can exercise their rights under Articles 17 and 18 also towards their subcontractors.

10.1.2 The beneficiaries must ensure that their obligations under Articles 20, 21, 22 and 30 also apply to the subcontractors.

Beneficiaries that are ‘contracting authorities’ within the meaning of Directive 2004/18/EC (or 2014/24/EU) or ‘contracting entities’ within the meaning of Directive 2004/17/EC (or 2014/25/EU) must comply with the applicable national law on public procurement.

10.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under Article 10.1.1, the costs related to the subcontract concerned will be ineligible (see Article 6) and will be rejected (see Article 26).

If a beneficiary breaches any of its obligations under Article 10.1.2, the grant may be reduced (see Article 27).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 11 — IMPLEMENTATION OF ACTION TASKS BY AFFILIATED ENTITIES

Not applicable

ARTICLE 11a — FINANCIAL SUPPORT TO THIRD PARTIES

11a.1 Rules for providing financial support to third parties

Not applicable

11a.2 Financial support in the form of prizes

Not applicable

11a.3 Consequences of non-compliance

Not applicable

SECTION 2 RIGHTS AND OBLIGATIONS RELATED TO THE GRANT ADMINISTRATION

ARTICLE 12 — GENERAL OBLIGATION TO INFORM

12.1 General obligation to provide information upon request

The beneficiaries must provide — during implementation of the action or afterwards and in accordance with article 25.2 — any information requested in order to verify eligibility of the costs, proper implementation of the action and compliance with the other obligations under the Agreement.

12.2 Obligation to keep information up to date and to inform about events and circumstances likely to affect the Agreement

Each beneficiary must keep information stored in the Participant Portal Beneficiary Register (via the electronic exchange system; see Article 36) up to date, in particular, its name, address, legal representatives, legal form and organisation type.

Each beneficiary must immediately inform the coordinator — which must immediately inform the Commission and the other beneficiaries — of any of the following:

- (a) **events** which are likely to affect significantly or delay the implementation of the action or the EU's financial interests, in particular:
 - (i) changes in its legal, financial, technical, organisational or ownership situation
- (b) **circumstances** affecting:
 - (i) the decision to award the grant or
 - (ii) compliance with requirements under the Agreement.

12.3 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 27).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 13 — KEEPING RECORDS — SUPPORTING DOCUMENTATION

13.1 Obligation to keep records and other supporting documentation

The beneficiaries must — for a period of **five years after the payment of the balance** — keep records and other supporting documentation in order to prove the proper implementation of the action and the costs they declare as eligible.

They must make them available upon request (see Article 12) or in the context of checks, reviews, audits or investigations (see Article 17).

If there are on-going checks, reviews, audits, investigations, litigation or other pursuits of claims under the Agreement (including the extension of findings; see Articles 17), the beneficiaries must keep the records and other supporting documentation until the end of these procedures.

The beneficiaries must keep the original documents. Digital and digitalised documents are considered originals if they are authorised by the applicable national law. The Commission may accept non-original documents if they considers that they offer a comparable level of assurance.

13.1.1 Records and other supporting documentation on the technical implementation

The beneficiaries must keep records and other supporting documentation on the technical implementation of the action, in line with the accepted standards in the respective field.

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13.1.2 Records and other documentation to support the costs declared

The beneficiaries must keep the records and documentation supporting the costs declared, in particular the following:

- (a) for **actual costs**: adequate records and other supporting documentation to prove the costs declared, such as contracts, subcontracts, invoices and accounting records. In addition, the beneficiaries' usual cost accounting practices and internal control procedures must enable direct reconciliation between the amounts declared, the amounts recorded in their accounts and the amounts stated in the supporting documentation;
- (b) for **unit costs**: not applicable;
- (c) for **flat-rate costs**: adequate records and other supporting documentation to prove the eligibility of the costs to which the flat-rate is applied. The beneficiaries do not need to identify the costs covered or provide supporting documentation (such as accounting statements) to prove the amount declared at a flat-rate.
- (d) for **lump sum costs**: not applicable.

In addition, for **personnel costs** (declared as actual costs), the beneficiaries must keep **time records** for the number of hours declared. The time records must be in writing and approved by the persons working on the action and their supervisors, at least monthly. In the absence of reliable time records of the hours worked on the action, the Commission may accept alternative evidence supporting the number of hours declared, if it considers that it offers an adequate level of assurance.

As an exception, for **persons working exclusively on the action**, there is no need to keep time records, if the beneficiary signs a **declaration** confirming that the persons concerned have worked exclusively on the action.

13.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, costs insufficiently substantiated will be ineligible (see Article 6) and will be rejected (see Article 26), and the grant may be reduced (see Article 27).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 14 — SUBMISSION OF DELIVERABLES

14.1 Obligation to submit deliverables

The coordinator must submit:

- a **mid-term progress report** on the implementation of the action, within 30 days after half of the reporting period set out in Article 15.2 has passed;
- the '**deliverables**' identified in Annex 1, in accordance with the timing and conditions set out in it.

14.2 Consequences of non-compliance

If the coordinator breaches any of its obligations under this Article, the Commission may apply any of the measures described in Chapter 6.

ARTICLE 15 — REPORTING — PAYMENT REQUESTS

15.1 Obligation to submit reports

The coordinator must submit to the Commission (see Article 36) the technical and financial report(s) set out in this Article. This report includes the request(s) for payment and must be drawn up using the forms and templates provided in the electronic exchange system (see Article 36).

15.2 Reporting periods

The action has one 'reporting period':

- RP1: from month 1 to month 24

15.2a Request(s) for further pre-financing payment(s)

Not applicable

15.3 Periodic reports — Requests for interim payments

Not applicable

15.4 Final report — Request for payment of the balance

The coordinator must submit — within 60 days following the end of the reporting period — a final report, which includes the request for payment of the balance.

The **final report** must include the following:

- (a) a '**final technical report**' containing:

- (i) an **explanation of the work carried out** by the beneficiaries;
- (ii) an **overview of the implementation** of the action, including milestones and deliverables identified in Annex 1.

This report must include explanations justifying the differences between work expected to be carried out in accordance with Annex 1 and that actually carried out;

- (iii) a summary for publication by the Commission;
- (iv) the answers to the 'questionnaire': not applicable;

- (b) a '**final financial report**' containing:

- (i) an **'individual financial statement'** (see Annex 4) from each beneficiary, for the reporting period.

The individual financial statement must detail the eligible costs (actual costs and flat-rate costs; see Article 6) for each budget category (see Annex 2).

The beneficiaries must declare all eligible costs, even if — for actual costs and flat-rate costs — they exceed the amounts indicated in the estimated budget (see Annex 2). Amounts which are not declared in the individual financial statement will not be taken into account by the Commission.

The individual financial statements must also detail the **receipts of the action** (see Article 5.3.3).

Each beneficiary must **certify** that:

- the information provided is full, reliable and true;
 - the costs declared are eligible (see Article 6);
 - the costs can be substantiated by adequate records and supporting documentation (see Article 13) that will be produced upon request (see Article 12) or in the context of checks, reviews, audits and investigations (see Article 17), and
 - that all the receipts have been declared (see Article 5.3.3);
- (ii) an **explanation of the use of resources** and the information on subcontracting (see Article 10) from each beneficiary, for the reporting period concerned;
- (iii) not applicable;
- (iv) a **'final summary financial statement'**, created automatically by the electronic exchange system, consolidating the individual financial statement(s) for the reporting period and including the **request for payment of the balance**;
- (v) a **'certificate on the financial statements'** (drawn up in accordance with Annex 5) for each beneficiary, if:
- it requests an EU contribution of EUR 325 000 or more as reimbursement of actual costs and
 - the maximum EU contribution indicated, for that beneficiary, in the estimated budget (see Annex 2) as reimbursement of actual costs is EUR 750 000 or more.

15.5 Information on cumulative expenditure incurred

Not applicable

15.6 Currency for financial statements and conversion into euro

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Financial statements must be drafted in euro.

Beneficiaries with accounting established in a currency other than the euro must convert the costs recorded in their accounts into euro, at the average of the daily exchange rates published in the C series of the *Official Journal of the European Union*, calculated over the corresponding reporting period.

If no daily euro exchange rate is published in the *Official Journal of the European Union* for the currency in question, they must be converted at the average of the monthly accounting rates published on the Commission's website, calculated over the corresponding reporting period.

Beneficiaries with accounting established in euro must convert costs incurred in another currency into euro according to their usual accounting practices.

15.7 Language of reports

All report(s) (including financial statements) must be submitted in the language of the Agreement.

15.8 Consequences of non-compliance

If the report(s) submitted do not comply with this Article, the Commission may suspend the payment deadline (see Article 31) and apply any of the other measures described in Chapter 6.

If the coordinator breaches its obligation to submit the report(s) and if it fails to comply with this obligation within 30 days following a written reminder, the Commission may terminate the Agreement (see Article 34) or apply any of the other measures described in Chapter 6.

ARTICLE 16 — PAYMENTS AND PAYMENT ARRANGEMENTS

16.1 Payments to be made

The following payments will be made to the coordinator:

- a pre-financing payment;
- one payment of the balance, on the basis of the request for payment of the balance (see Article 15).

16.2 Pre-financing payment(s) — Amount

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

It remains the property of the EU until the payment of the balance.

The amount of the pre-financing payment will be EUR 213,614.14 (two hundred and thirteen thousand six hundred and fourteen EURO and fourteen eurocents).

The Commission will — except if Article 32 applies — make the pre-financing payment to the coordinator within 30 days from the accession of all beneficiaries to the Agreement (see Article 40).

16.3 Interim payments — Amount — Calculation

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Not applicable

16.4 Payment of the balance — Amount — Calculation

The payment of the balance reimburses the remaining part of the eligible costs incurred by the beneficiaries for the implementation of the action.

If the total amount of earlier payments is greater than the final grant amount (see Article 5.3), the payment of the balance takes the form of a recovery (see Article 28).

If the total amount of earlier payments is lower than the final grant amount, the Commission will pay the balance within 90 days from receiving the final report (see Article 15.4), except if Articles 31 or 32 apply.

Payment is subject to the approval of the final report. Its approval does not imply recognition of compliance, authenticity, completeness or correctness of its content.

The **amount due as the balance** is calculated by the Commission by deducting the total amount of pre-financing and interim payments (if any) already made, from the final grant amount determined in accordance with Article 5.3:

$$\begin{aligned} & \{ \text{final grant amount (see Article 5.3)} \\ & \text{minus} \\ & \{ \text{pre-financing and interim payments (if any) made} \} \}. \end{aligned}$$

If the balance is positive, it will be paid to the coordinator.

The amount to be paid may however be offset — without the beneficiaries' consent — against any other amount owed by a beneficiary to the Commission or an executive agency (under the EU or Euratom budget), up to the maximum EU contribution indicated, for that beneficiary, in the estimated budget (see Annex 2).

If the balance is negative, it will be recovered from the coordinator (see Article 28).

16.5 Notification of amounts due

When making payments, the Commission will formally notify to the coordinator the amount due, specifying that it concerns the payment of the balance.

For the payment of the balance, the notification will also specify the final grant amount.

In the case of reduction of the grant or recovery of undue amounts, the notification will be preceded by the contradictory procedure set out in Articles 27 and 28.

16.6 Currency for payments

The Commission will make all payments in euro.

16.7 Payments to the coordinator — Distribution to the beneficiaries

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Payments will be made to the coordinator.

Payments to the coordinator will discharge the Commission from its payment obligation.

The coordinator must distribute the payments between the beneficiaries without unjustified delay.

16.8 Bank account for payments

All payments will be made to the following bank account:

Name of bank: OTP KER.BANKI CENTRUM ONKORM. DEVIZAI
Full name of the account holder: BUDAPEST FOVAROS VIII. KERULET JOZSEFVAROSI
ONKORMANYZAT
Full account number (including bank codes):
IBAN code: HU91117518410078688700000000

16.9 Costs of payment transfers

The cost of the payment transfers is borne as follows:

- the Commission bears the cost of transfers charged by its bank;
- the beneficiary bears the cost of transfers charged by its bank;
- the party causing a repetition of a transfer bears all costs of the repeated transfer.

16.10 Date of payment

Payments by the Commission are considered to have been carried out on the date when they are debited to its account.

16.11 Consequences of non-compliance

16.11.1 If the Commission does not pay within the payment deadlines (see above), the beneficiaries are entitled to **late-payment interest** at the rate applied by the European Central Bank (ECB) for its main refinancing operations in euros ('reference rate'), plus three and a half points. The reference rate is the rate in force on the first day of the month in which the payment deadline expires, as published in the C series of the *Official Journal of the European Union*.

If the late-payment interest is lower than or equal to EUR 200, it will be paid to the coordinator only upon request submitted within two months of receiving the late payment.

Late-payment interest is not due if all beneficiaries are EU Member States (including regional and local government authorities or other public bodies acting on behalf of a Member State for the purpose of this Agreement).

Suspension of the payment deadline or payments (see Articles 31 and 32) will not be considered as late payment.

Late-payment interest covers the period running from the day following the due date for payment (see above), up to and including the date of payment.

Late-payment interest is not considered for the purposes of calculating the final grant amount.

16.11.2 If the coordinator breaches any of its obligations under this Article, the grant may be reduced (see Article 27) and the Agreement or the participation of the coordinator may be terminated (see Article 34).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 17 — CHECKS, REVIEWS, AUDITS AND INVESTIGATIONS — EXTENSION OF FINDINGS

17.1 Checks, reviews and audits by the Commission

17.1.1 Right to carry out checks

The Commission will — during the implementation of the action or afterwards — check the proper implementation of the action and compliance with the obligations under the Agreement, including assessing deliverables and reports.

For this purpose, the Commission may be assisted by external persons or bodies.

The Commission may also request additional information in accordance with Article 12. The Commission may request the beneficiaries to provide such information to it directly.

Information provided must be accurate, precise and complete and in the format requested, including electronic format.

17.1.2 Right to carry out reviews

The Commission may — during the implementation of the action or afterwards — carry out reviews on the proper implementation of the action (including assessment of deliverables and reports) and compliance with the obligations under the Agreement.

Reviews may be started **up to five years after the payment of the balance**. They will be formally notified to the coordinator or beneficiary concerned and will be considered to have started on the date of the formal notification.

If the review is carried out on a third party (see Articles 9 to 11a), the beneficiary concerned must inform the third party.

The Commission may carry out reviews directly (using its own staff) or indirectly (using external persons or bodies appointed to do so). It will inform the coordinator or beneficiary concerned of the identity of the external persons or bodies. They have the right to object to the appointment on grounds of commercial confidentiality.

The coordinator or beneficiary concerned must provide — within the deadline requested — any information and data in addition to deliverables and reports already submitted (including information on the use of resources). The Commission may request beneficiaries to provide such information to it directly.

The coordinator or beneficiary concerned may be requested to participate in meetings, including with external experts.

For **on-the-spot** reviews, the beneficiaries must allow access to their sites and premises, including to external persons or bodies, and must ensure that information requested is readily available.

Information provided must be accurate, precise and complete and in the format requested, including electronic format.

On the basis of the review findings, a '**review report**' will be drawn up.

The Commission will formally notify the review report to the coordinator or beneficiary concerned, which has 30 days to formally notify observations ('**contradictory review procedure**').

Reviews (including review reports) are in the language of the Agreement.

17.1.3 Right to carry out audits

The Commission may — during the implementation of the action or afterwards — carry out audits on the proper implementation of the action and compliance with the obligations under the Agreement.

Audits may be started **up to five years after the payment of the balance**. They will be formally notified to the coordinator or beneficiary concerned and will be considered to have started on the date of the formal notification.

If the audit is carried out on a third party (see Articles 9 to 11a), the beneficiary concerned must inform the third party.

The Commission may carry out audits directly (using its own staff) or indirectly (using external persons or bodies appointed to do so). It will inform the coordinator or beneficiary concerned of the identity of the external persons or bodies. They have the right to object to the appointment on grounds of commercial confidentiality.

The coordinator or beneficiary concerned must provide — within the deadline requested — any information (including complete accounts, individual salary statements or other personal data) to verify compliance with the Agreement. The Commission may request beneficiaries to provide such information to it directly.

For **on-the-spot** audits, the beneficiaries must allow access to their sites and premises, including to external persons or bodies, and must ensure that information requested is readily available.

Information provided must be accurate, precise and complete and in the format requested, including electronic format.

On the basis of the audit findings, a '**draft audit report**' will be drawn up.

The Commission will formally notify the draft audit report to the coordinator or beneficiary concerned, which has 30 days to formally notify observations ('**contradictory audit procedure**'). This period may be extended by the Commission in justified cases.

The **'final audit report'** will take into account observations by the coordinator or beneficiary concerned. The report will be formally notified to it.

Audits (including audit reports) are in the language of the Agreement.

The Commission may also access the beneficiaries' statutory records for the periodical assessment of flat-rate amounts.

17.2 Investigations by the European Anti-Fraud Office (OLAF)

Under Regulations No 883/2013⁷ and No 2185/96⁸ (and in accordance with their provisions and procedures), the European Anti-Fraud Office (OLAF) may — at any moment during implementation of the action or afterwards — carry out investigations, including on-the-spot checks and inspections, to establish whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the EU.

17.3 Checks and audits by the European Court of Auditors (ECA)

Under Article 287 of the Treaty on the Functioning of the European Union (TFEU) and Article 161 of the Financial Regulation No 966/2012⁹, the European Court of Auditors (ECA) may — at any moment during implementation of the action or afterwards — carry out audits.

The ECA has the right of access for the purpose of checks and audits.

17.4 Checks, reviews, audits and investigations for international organisations

Not applicable

17.5 Consequences of findings in checks, reviews, audits and investigations — Extension of findings

17.5.1 Findings in this grant

Findings in checks, reviews, audits or investigations carried out in the context of this grant may lead to the rejection of ineligible costs (see Article 26), reduction of the grant (see Article 27), recovery of undue amounts (see Article 28) or to any of the other measures described in Chapter 6.

Rejection of costs or reduction of the grant after the payment of the balance will lead to a revised final grant amount (see Article 5.4).

⁷ Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.09.2013, p. 1).

⁸ Council Regulation (Euratom, EC) No 2185/1996 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.1996, p. 2).

⁹ Regulation (EU, EURATOM) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, EURATOM) No 1605/2002 (OJ L 298, 26.10.2012, p. 1).

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Findings in checks, reviews, audits or investigations may lead to a request for amendment for the modification of Annex 1 (see Article 39).

Checks, reviews, audits or investigations that find systemic or recurrent errors, irregularities, fraud or breach of obligations may also lead to consequences in other EU or Euratom grants awarded under similar conditions (**'extension of findings from this grant to other grants'**).

Moreover, findings arising from an OLAF investigation may lead to criminal prosecution under national law.

17.5.2 Findings in other grants

The Commission may extend findings from other grants to this grant (**'extension of findings from other grants to this grant'**), if:

- (a) the beneficiary concerned is found, in other EU or Euratom grants awarded under similar conditions, to have committed systemic or recurrent errors, irregularities, fraud or breach of obligations that have a material impact on this grant and
- (b) those findings are formally notified to the beneficiary concerned — together with the list of grants affected by the findings — **no later than five years after the payment of the balance** of this grant.

The extension of findings may lead to the rejection of costs (see Article 26), reduction of the grant (see Article 27), recovery of undue amounts (see Article 28), suspension of payments (see Article 32), suspension of the action implementation (see Article 33) or termination (see Article 34).

17.5.3 Procedure

The Commission will formally notify the beneficiary concerned the systemic or recurrent errors and its intention to extend these audit findings, together with the list of grants affected.

17.5.3.1 If the findings concern **eligibility of costs**: the formal notification will include:

- (a) an invitation to submit observations on the list of grants affected by the findings;
- (b) the request to submit **revised financial statements** for all grants affected;
- (c) the **correction rate for extrapolation** established by the Commission on the basis of the systemic or recurrent errors, to calculate the amounts to be rejected, if the beneficiary concerned:
 - (i) considers that the submission of revised financial statements is not possible or practicable or
 - (ii) does not submit revised financial statements.

The beneficiary concerned has 90 days from receiving notification to submit observations, revised financial statements or to propose a duly substantiated **alternative correction method**. This period may be extended by the Commission in justified cases.

The Commission may then start a rejection procedure in accordance with Article 26, either on the basis of the revised financial statements, the alternative method or the correction rate announced.

17.5.3.2 If the findings concern **substantial errors, irregularities or fraud or serious breach of obligations**: the formal notification will include:

- (a) an invitation to submit observations on the list of grants affected by the findings and
- (b) the flat-rate the Commission intends to apply according to the principle of proportionality.

The beneficiary concerned has 90 days from receiving notification to submit observations or to propose a duly substantiated alternative flat-rate.

The Commission may then start a reduction procedure in accordance with Article 27, either on the basis of the alternative flat-rate or the flat-rate announced.

17.6 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, any insufficiently substantiated costs will be ineligible (see Article 6) and will be rejected (see Article 26).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 18 — EVALUATION OF THE IMPACT OF THE ACTION

18.1 Right to evaluate the impact of the action

The Commission may carry out interim and final evaluations of the impact of the action measured against the objective of the EU programme.

Evaluations may be started during implementation of the action and **up to five years after the payment of the balance**. The evaluation is considered to start on the date of the formal notification to the coordinator or beneficiaries.

The Commission may make these evaluations directly (using its own staff) or indirectly (using external bodies or persons it has authorised to do so).

The coordinator or beneficiaries must provide any information relevant to evaluate the impact of the action, including information in electronic format.

18.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the Commission may apply the measures described in Chapter 6.

SECTION 3 OTHER RIGHTS AND OBLIGATIONS

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ARTICLE 19 — PRE-EXISTING RIGHTS AND OWNERSHIP OF THE RESULTS (INCLUDING INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS)

19.1 Pre-existing rights and access rights to pre-existing rights

Where industrial and intellectual property rights (including rights of third parties) exist prior to the Agreement, the beneficiaries must establish a list of these pre-existing industrial and intellectual property rights, specifying the owner and any persons that have a right of use.

The coordinator must — before starting the action — submit this list to the Commission.

Each beneficiary must give the other beneficiaries access to any pre-existing industrial and intellectual property rights needed for the implementation of the action and compliance with the obligations under the Agreement.

19.2 Ownership of results and rights of use

The results of the action (including the reports and other documents relating to it) are owned by the beneficiaries.

The beneficiaries must give the Commission the right to use the results for their communication activities under Article 22.

19.3 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 27).

Such a breach may also lead to any of the other measures described in Chapter 6.

ARTICLE 20 — CONFLICT OF INTERESTS

20.1 Obligation to avoid a conflict of interests

The beneficiaries must take all measures to prevent any situation where the impartial and objective implementation of the action is compromised for reasons involving economic interest, political or national affinity, family or emotional ties or any other shared interest ('**conflict of interests**').

They must formally notify to the Commission without delay any situation constituting or likely to lead to a conflict of interests and immediately take all the necessary steps to rectify this situation.

The Commission may verify that the measures taken are appropriate and may require additional measures to be taken by a specified deadline.

20.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 27) and the Agreement may be terminated (see Article 34).

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Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 21 — CONFIDENTIALITY

21.1 General obligation to maintain confidentiality

During implementation of the action and **for five years after the payment of the balance**, the parties must keep confidential any data, documents or other material (in any form) that is identified as confidential at the time it is disclosed (**'confidential information'**).

They may use confidential information to implement the Agreement.

The confidentiality obligations no longer apply if:

- (a) the disclosing party agrees to release the other party;
- (b) the information becomes generally and publicly available, without breaching any confidentiality obligation;
- (c) the disclosure of the confidential information is required by EU or national law.

21.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 27).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 22 — PROMOTING THE ACTION — VISIBILITY OF EU FUNDING

22.1 Communication activities by the beneficiaries

22.1.1 General obligation to promote the action and its results

The beneficiaries must promote the action and its results.

22.1.2 Information on EU funding — Obligation and right to use the EU emblem

Unless the Commission requests or agrees otherwise, any communication activity related to the action (including at conferences, seminars, in information material, such as brochures, leaflets, posters, presentations, etc., in electronic form, via social media, etc.) and any infrastructure, equipment or major result funded by the grant must:

- display the EU emblem and
- include the following text:
"This [insert appropriate description, e.g. report, publication, conference, infrastructure, equipment, insert type of result, etc.] was funded by the European Union's Rights, Equality and Citizenship Programme (2014-2020)."

When displayed in association with another logo, the EU emblem must have appropriate prominence.

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For the purposes of their obligations under this Article, the beneficiaries may use the EU emblem without first obtaining approval from the Commission.

This does not, however, give them the right to exclusive use.

Moreover, they may not appropriate the EU emblem or any similar trademark or logo, either by registration or by any other means.

22.1.3 Disclaimer excluding Commission responsibility

Any communication activity related to the action must indicate the following disclaimer:

“The content of this [insert appropriate description, e.g. report, publication, conference, etc.] represents the views of the author only and is his/her sole responsibility. The European Commission does not accept any responsibility for use that may be made of the information it contains.”

22.2 Communication activities by the Commission

22.2.1 Right to use beneficiaries' materials, documents or information

The Commission may use information relating to the action, documents notably summaries for publication and public deliverables as well as any other material, such as pictures or audio-visual material received from any beneficiary (including in electronic form).

This does not change the confidentiality obligations in Article 21, which still apply.

The right to use a beneficiary's materials, documents and information includes:

- (a) **use for its own purposes** (in particular, making them available to persons working for the Commission or any other EU institution, body, office or agency or body or institutions in EU Member States; and copying or reproducing them in whole or in part, in unlimited numbers);
- (b) **distribution to the public** (in particular, publication as hard copies and in electronic or digital format, publication on the internet, as a downloadable or non-downloadable file, broadcasting by any channel, public display or presentation, communicating through press information services, or inclusion in widely accessible databases or indexes);
- (c) **editing or redrafting** for communication and publicising activities (including shortening, summarising, inserting other elements (such as meta-data, legends, other graphic, visual, audio or text elements), extracting parts (e.g. audio or video files), dividing into parts, use in a compilation);
- (d) **translation**;
- (e) **giving access in response to individual requests** under Regulation No 1049/2001¹⁰, without the right to reproduce or exploit;
- (f) **storage** in paper, electronic or other form;

¹⁰ Regulation (EC) No 1049/2001 of the European Parliament and of the Council of 30 May 2001 regarding public access to European Parliament, Council and Commission documents, OJ L 145, 31.5.2001, p. 43.

(g) **archiving**, in line with applicable document-management rules, and

(h) the right to authorise **third parties** to act on its behalf or sub-license the modes of use set out in Points (b), (c), (d) and (f) to third parties if needed for the communication and publicising activities of the Commission.

If the right of use is subject to rights of a third party (including personnel of the beneficiary), the beneficiary must ensure that it complies with its obligations under this Agreement (in particular, by obtaining the necessary approval from the third parties concerned).

Where applicable (and if provided by the beneficiaries), the Commission will insert the following information:

“© – [year] – [name of the copyright owner]. All rights reserved. Licensed to the European Union (EU) under conditions.”

22.3 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 27).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 23 — PROCESSING OF PERSONAL DATA

23.1 Processing of personal data by the Commission

Any personal data under the Agreement will be processed by the Commission under Regulation No 45/2001¹¹ and according to the ‘notifications of the processing operations’ to the Data Protection Officer (DPO) of the Commission (publicly accessible in the DPO register).

Such data will be processed by the ‘**data controller**’ of the Commission for the purposes of implementing, managing and monitoring the Agreement or protecting the financial interests of the EU or Euratom (including checks, reviews, audits and investigations; see Article 17).

The persons whose personal data are processed have the right to access and correct their own personal data. For this purpose, they must send any queries about the processing of their personal data to the data controller, via the contact point indicated in the privacy statement(s) on the Commission websites.

They also have the right to have recourse at any time to the European Data Protection Supervisor (EDPS).

23.2 Processing of personal data by the beneficiaries

The beneficiaries must process personal data under the Agreement in compliance with applicable EU and national law on data protection (including authorisations or notification requirements).

¹¹ Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data (OJ L 8, 12.01.2001, p. 1).

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The beneficiaries may grant their personnel access only to data that is strictly necessary for implementing, managing and monitoring the Agreement.

The beneficiaries must inform the personnel whose personal data are collected and processed by the Commission. For this purpose, they must provide them with the privacy statement(s) (see above), before transmitting their data to the Commission.

23.3 Consequences of non-compliance

If a beneficiary breaches any of its obligations under Article 23.2, the Commission may apply any of the measures described in Chapter 6.

ARTICLE 24 — ASSIGNMENTS OF CLAIMS FOR PAYMENT AGAINST THE COMMISSION

The beneficiaries may not assign any of their claims for payment against the Commission to any third party, except if approved by the Commission on the basis of a reasoned, written request by the coordinator (on behalf of the beneficiary concerned).

If the Commission has not accepted the assignment or the terms of it are not observed, the assignment will have no effect on it.

In no circumstances will an assignment release the beneficiaries from their obligations towards the Commission.

CHAPTER 5 DIVISION OF BENEFICIARIES' ROLES AND RESPONSIBILITIES

ARTICLE 25 — DIVISION OF BENEFICIARIES' ROLES AND RESPONSIBILITIES

25.1 Roles and responsibilities towards the Commission

The beneficiaries have full responsibility for implementing the action and complying with the Agreement.

The beneficiaries are jointly and severally liable for the **technical implementation** of the action as described in Annex 1. If a beneficiary fails to implement its part of the action, the other beneficiaries become responsible for implementing this part (without being entitled to any additional EU funding for doing so), unless the Commission expressly relieves them of this obligation.

The **financial responsibility** of each beneficiary is governed by Articles 28, 29 and 30.

25.2 Internal division of roles and responsibilities

The internal roles and responsibilities of the beneficiaries are divided as follows:

(a) Each **beneficiary** must:

- (i) keep information stored in the Participant Portal Beneficiary Register (via the electronic exchange system) up to date (see Article 12);

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(ii) inform the coordinator immediately of any events or circumstances likely to affect significantly or delay the implementation of the action (see Article 12);

(iii) submit to the coordinator in good time:

- individual financial statement(s) for itself and, if required, certificates on the financial statement(s) (see Article 15);
- the data needed to draw up the technical report(s) (see Article 15);
- any other documents or information required by the Commission under the Agreement, unless the Agreement requires the beneficiary to submit this information directly.

(b) The **coordinator** must:

- (i) monitor that the action is implemented properly (see Article 7);
- (ii) act as the intermediary for all communications between the beneficiaries and the Commission (in particular, providing the Commission with the information described in Article 12), unless the Agreement specifies otherwise;
- (iii) provide a pre-financing guarantee if requested by the Commission (see Article 16.2);
- (iv) request and review any documents or information required by the Commission and verify their completeness and correctness before passing them on to the Commission;
- (v) submit the deliverables and report(s) to the Commission (see Articles 14 and 15);
- (vi) ensure that all payments are made to the other beneficiaries without unjustified delay (see Article 16);

The coordinator may not subcontract the above-mentioned tasks.

25.3 Internal arrangements between beneficiaries — Consortium agreement

The beneficiaries must have internal arrangements regarding their operation and co-ordination to ensure that the action is implemented properly. These internal arrangements must be set out in a written '**consortium agreement**' between the beneficiaries, which may cover:

- internal organisation of the consortium;
- management of access to the electronic exchange system;
- distribution of EU funding;
- additional rules on rights and obligations related to pre-existing rights and results (see Article 19);
- settlement of internal disputes;

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- liability, indemnification and confidentiality arrangements between the beneficiaries.

The consortium agreement must not contain any provision contrary to the Agreement.

CHAPTER 6 REJECTION OF COSTS — REDUCTION OF THE GRANT — RECOVERY **— PENALTIES — DAMAGES — SUSPENSION — TERMINATION —** **FORCE MAJEURE**

SECTION 1 REJECTION OF COSTS — REDUCTION OF THE GRANT — RECOVERY **— PENALTIES**

ARTICLE 26 — REJECTION OF INELIGIBLE COSTS

26.1 Conditions

The Commission will — **at the payment of the balance or afterwards** — reject any costs which are ineligible (see Article 6), in particular following checks, reviews, audits or investigations (see Article 17).

The rejection may also be based on the **extension of findings from other grants to this grant** (see Article 17.5.2).

26.2 Ineligible costs to be rejected — Calculation — Procedure

Ineligible costs will be rejected in full.

If the rejection of costs does not lead to a recovery (see Article 28), the Commission will formally notify the coordinator or beneficiary concerned of the rejection of costs, the amounts and the reasons why (if applicable, together with the notification of amounts due; see Article 16.5). The coordinator or beneficiary concerned may — within 30 days of receiving notification — formally notify the Commission of its disagreement and the reasons why.

If the rejection of costs leads to a recovery, the Commission will follow the contradictory procedure with pre-information letter set out in Article 28.

26.3 Effects

If the Commission rejects costs **at the payment of the balance**, it will deduct them from the total eligible costs declared, for the action, in the final summary financial statement (see Article 15.3 and 15.4). It will then calculate payment of the balance as set out in Article 16.3 or 16.4.

If the Commission rejects costs **after the payment of the balance**, it will deduct the amount rejected from the total eligible costs declared, by the beneficiary, in the final summary financial statement. It will then calculate the revised final grant amount as set out in Article 5.4. If the revised final grant amount is lower than the final grant amount, the Commission will recover the difference (see Article 28).

ARTICLE 27 — REDUCTION OF THE GRANT

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The Commission will — **at the payment of the balance or afterwards** — claim back amount that was paid but is not due under the Agreement.

The coordinator is fully liable for repaying debts of the consortium (under the Agreement), even if it has not been the final recipient of those amounts.

In addition, the beneficiaries (including the coordinator) are jointly and severally liable for repaying any debts under the Agreement (including late-payment interest) — up to the maximum EU contribution indicated, for each beneficiary, in the estimated budget (as last amended; see Annex 2).

28.1.1 Recovery at payment of the balance

If the payment of the balance takes the form of a recovery (see Article 16.4), the Commission will formally notify a '**pre-information letter**' to the coordinator:

- informing it of its intention to recover, the amount due as the balance and the reasons why and
- inviting the coordinator to submit observations within 30 days of receiving notification.

If no observations are submitted or the Commission decides to pursue recovery despite the observations it has received, it will **confirm** the amount to be recovered and formally notify to the coordinator a **debit note** with the terms and the date for payment (together with the notification of amounts due; see Article 16.5).

If payment is not made by the date specified in the debit note, the Commission will **recover** the amount:

- (a) by '**offsetting**' it — without the coordinator's consent — against any amounts owed to the coordinator by the Commission or an executive agency (from the EU or Euratom budget).

In exceptional circumstances, to safeguard the EU's financial interests, the Commission may offset before the payment date specified in the debit note;

- (b) not applicable;

- (c) by **holding** the other beneficiaries jointly and severally **liable** — up to the maximum EU contribution indicated, for each beneficiary, in the estimated budget (as last amended; see Annex 2)

- (d) by **taking legal action** (see Article 41) or by **adopting an enforceable decision** under Article 299 of the Treaty on the Functioning of the EU (TFEU) and Article 79(2) of the Financial Regulation No 966/2012.

If payment is not made by the date in the debit note, the amount to be recovered (see above) will be increased by **late-payment interest** at the rate set out in Article 16.11, from the day following the payment date in the debit note, up to and including the date the Commission receives full payment of the amount.

Partial payments will be first credited against expenses, charges and late-payment interest and then against the principal.

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Bank charges incurred in the recovery process will be borne by the beneficiary, unless Directive 2007/64/EC applies.

28.1.2 Recovery of amounts after payment of the balance

If — after the payment of the balance — the Commission revised the final grant amount for the action or for the beneficiary concerned (see Article 5.4), due to a rejection of costs or reduction of the grant, and the revised final grant amount is lower than the final grant amount (see Article 5.3), the Commission will:

- if the rejection or reduction does *not* concern a specific beneficiary: claim back the difference from the coordinator (even if it has not been the final recipient of the amount in question)

or

- otherwise: claim back the difference from the beneficiary concerned.

The Commission will formally notify a **pre-information letter** to the coordinator or beneficiary concerned:

- informing it of its intention to recover, the amount to be repaid and the reasons why and
- inviting it to submit observations within 30 days of receiving notification.

If no observations are submitted or the Commission decides to pursue recovery despite the observations it has received, it will **confirm** the amount to be recovered and formally notify to the coordinator or beneficiary concerned a **debit note**. This note will also specify the terms and the date for payment.

If payment is not made by the date specified in the debit note, the Commission will **recover** the amount:

- (a) by '**offsetting**' it — without the coordinator's or beneficiary's consent — against any amounts owed to the coordinator or beneficiary concerned by the Commission or an executive agency (from the EU or Euratom budget).

In exceptional circumstances, to safeguard the EU's financial interests, the Commission may offset before the payment date specified in the debit note;

- (b) by **holding** the other beneficiaries jointly and severally **liable**, up to the maximum EU contribution indicated, for each beneficiary, in the estimated budget (as last amended; see Annex 2);
- (c) by **taking legal action** (see Article 41) or by **adopting an enforceable decision** under Article 299 of the Treaty on the Functioning of the EU (TFEU) and Article 79(2) of the Financial Regulation No 966/2012.

If payment is not made by the date in the debit note, the amount to be recovered (see above) will be increased by **late-payment interest** at the rate set out in Article 16.11, from the day following the date for payment in the debit note, up to and including the date the Commission receives full payment of the amount.

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Partial payments will be first credited against expenses, charges and late-payment interest and then against the principal.

Bank charges incurred in the recovery process will be borne by the beneficiary, unless Directive 2007/64/EC applies.

ARTICLE 29 — ADMINISTRATIVE SANCTIONS

In addition to contractual measures, the Commission may also adopt administrative sanctions under Articles 106 and 131(4) of the Financial Regulation No 966/2012 (i.e. exclusion from future procurement contracts, grants and expert contracts and/or financial penalties).

SECTION 2 LIABILITY FOR DAMAGES

ARTICLE 30 — LIABILITY FOR DAMAGES

30.1 Liability of the Commission

The Commission cannot be held liable for any damage caused to the beneficiaries or to third parties as a consequence of implementing the Agreement, including for gross negligence.

The Commission cannot be held liable for any damage caused by any of the beneficiaries or third parties involved in the action, as a consequence on implementing the Agreement.

30.2 Liability of the beneficiaries

Except in case of force majeure (see Article 35), the beneficiaries must compensate the Commission for any damage it sustains as a result of the implementation of the action or because the action was not implemented in full compliance with the Agreement.

SECTION 3 SUSPENSION AND TERMINATION

ARTICLE 31 — SUSPENSION OF PAYMENT DEADLINE

31.1 Conditions

The Commission may — at any moment — suspend the payment deadline (see Article 16.2 to 16.4) if a request for payment (see Article 15) cannot be approved because:

- (a) it does not comply with the provisions of the Agreement (see Article 15);
- (b) the technical or financial report(s) have not been submitted or are not complete or additional information is needed, or
- (c) there is doubt about the eligibility of the costs declared in the financial statements and additional checks, reviews, audits or investigations are necessary.

31.2 Procedure

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The Commission will formally notify the coordinator of the suspension and the reasons why.

The suspension will **take effect** the day notification is sent by the Commission (see Article 36).

If the conditions for suspending the payment deadline are no longer met, the suspension will be **lifted** — and the remaining period will resume.

If the suspension exceeds two months, the coordinator may request the Commission if the suspension will continue.

If the payment deadline has been suspended due to the non-compliance of the technical or financial report(s) (see Article 15) and the revised report or statement is not submitted or was submitted but is also rejected, the Commission may also terminate the Agreement or the participation of the beneficiary (see Article 34.3.1(i)).

ARTICLE 32 — SUSPENSION OF PAYMENTS

32.1 Conditions

The Commission may — at any moment — suspend payments, in whole or in part for one or more beneficiaries, if:

- (a) a beneficiary (or a natural person who has the power to represent or take decision on its behalf) has committed or is suspected of having committed:
 - (i) substantial errors, irregularities or fraud or
 - (ii) serious breach of obligations under this Agreement or during the award procedure (including improper implementation of the action, submission of false information, failure to provide required information, breach of ethical principles), or
- (b) a beneficiary (or a natural person who has the power to represent or take decision on its behalf) has committed — in other EU or Euratom grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on this grant (**extension of findings from other grants to this grant**; see Article 17.5.2).

If payments are suspended for one or more beneficiaries, the Commission will make partial payment(s) for the part(s) not suspended. If suspension concerns the payment of the balance, the payment (or recovery) of the amount(s) concerned after suspension is lifted will be considered to be the payment that closes the action.

32.2 Procedure

Before suspending payments, the Commission will formally notify the coordinator or beneficiary concerned:

- informing it of its intention to suspend payments and the reasons why and
- inviting it to submit observations within 30 days of receiving notification.

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If the Commission does not receive observations or decides to pursue the procedure despite the observations it has received, it will formally notify **confirmation** of the suspension. Otherwise, it will formally notify that the suspension procedure is not continued.

The suspension will **take effect** the day the confirmation notification is sent by the Commission.

If the conditions for resuming payments are met, the suspension will be **lifted**. The Commission will formally notify the coordinator or beneficiary concerned.

The beneficiaries may suspend implementation of the action (see Article 33.1) or terminate the Agreement or the participation of the beneficiary concerned (see Article 34.1 and 34.2).

ARTICLE 33 — SUSPENSION OF THE ACTION IMPLEMENTATION

33.1 Suspension of the action implementation, by the beneficiaries

33.1.1 Conditions

The beneficiaries may suspend implementation of the action or any part of it, if exceptional circumstances — in particular *force majeure* (see Article 35) — make implementation impossible or excessively difficult.

33.1.2 Procedure

The coordinator must immediately formally notify to the Commission the suspension (see Article 36), stating:

- the reasons why and
- the expected date of resumption.

The suspension will **take effect** the day this notification is received by the Commission.

Once circumstances allow for implementation to resume, the coordinator must immediately formally notify the Commission and request an **amendment** of the Agreement to set the date on which the action will be resumed, extend the duration of the action and make other changes necessary to adapt the action to the new situation (see Article 39) — unless the Agreement or the participation of a beneficiary has been terminated (see Article 34).

The suspension will be **lifted** with effect from the resumption date set out in the amendment. This date may be before the date on which the amendment enters into force.

Costs incurred during suspension of the action implementation are not eligible (see Article 6).

33.2 Suspension of the action implementation, by the Commission

33.2.1 Conditions

The Commission may suspend implementation of the action or any part of it, if:

- (a) a beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has committed or is suspected of having committed:
- (i) substantial errors, irregularities or fraud or
 - (ii) serious breach of obligations under this Agreement or during the award procedure (including improper implementation of the action, submission of false declaration, failure to provide required information, breach of ethical principles) or
- (b) a beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has committed — in other EU or Euratom grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on this grant (**extension of findings from other grants to this grant**; see Article 17.5.2).

33.2.2 Procedure

Before suspending implementation of the action, the Commission will formally notify the coordinator or beneficiary concerned:

- informing it of its intention to suspend the implementation and the reasons why and
- inviting it to submit observations within 30 days of receiving notification.

If the Commission does not receive observations or decides to pursue the procedure despite the observations it has received, it will formally notify **confirmation** of the suspension. Otherwise, it will formally notify that the procedure is not continued.

The suspension will **take effect** five days after confirmation notification is received (or on a later date specified in the notification).

It will be **lifted** if the conditions for resuming implementation of the action are met.

The coordinator or beneficiary concerned will be formally notified of the lifting and the Agreement will be **amended** to set the date on which the action will be resumed, extend the duration of the action and make other changes necessary to adapt the action to the new situation (see Article 39) — unless the Agreement has already been terminated (see Article 34).

The suspension will be lifted with effect from the resumption date set out in the amendment. This date may be before the date on which the amendment enters into force.

Costs incurred during suspension are not eligible (see Article 6).

The beneficiaries may not claim damages due to suspension by the Commission (see Article 30).

Suspension of the action implementation does not affect the Commission's right to terminate the Agreement or participation of a beneficiary (see Article 34), reduce the grant or recover amounts unduly paid (see Articles 27 and 28).

ARTICLE 34 — TERMINATION OF THE AGREEMENT OR OF THE PARTICIPATION OF ONE OR MORE BENEFICIARIES

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34.1 Termination of the Agreement by the beneficiaries

34.1.1 Conditions and procedure

The beneficiaries may terminate the Agreement.

The coordinator must formally notify termination to the Commission (see Article 36), stating:

- the reasons why and
- the date the termination will take effect. This date must be after the notification.

If no reasons are given or if the Commission considers the reasons do not justify termination, the Agreement will be considered to have been **'terminated improperly'**.

The termination will **take effect** on the day specified in the notification.

34.1.2 Effects

The coordinator must — within 60 days from when termination takes effect — submit the final report (see Article 15.4).

If the Commission does not receive the report(s) within the deadline (see above), no costs will be taken into account.

The Commission will **calculate** the final grant amount (see Article 5.3) and the balance (see Article 16.4) on the basis of the report(s) submitted. Only costs incurred until termination are eligible (see Article 6). Costs relating to contracts due for execution only after termination are not eligible.

Improper termination may lead to a reduction of the grant (see Article 27).

After termination, the beneficiaries' obligations (in particular, Articles 15, 17, 18, 19, 21, 22, 24, 26, 27 and 28) continue to apply.

34.2 Termination of the participation of one or more beneficiaries, by the beneficiaries

34.2.1 Conditions and procedure

The participation of one or more beneficiaries may be terminated by the coordinator, on request of the beneficiary concerned or on behalf of the other beneficiaries.

The coordinator must formally notify termination to the Commission (see Article 36) and inform the beneficiary concerned.

If the coordinator's participation is terminated without its agreement, the formal notification must be done by another beneficiary (acting on behalf of the other beneficiaries).

The notification must include:

- the reasons why;

- the opinion of the beneficiary concerned (or proof that this opinion has been requested in writing);
- the date the termination takes effect. This date must be after the notification, and
- a request for amendment (see Article 39), with a proposal for reallocation of the tasks and the estimated budget of the beneficiary concerned (see Annexes 1 and 2) and, if necessary, the addition of one or more new beneficiaries (see Article 40). If termination takes effect after the period set out in Article 3, no request for amendment must be included, unless the beneficiary concerned is the coordinator. In this case, the request for amendment must propose a new coordinator.

If this information is not given or if the Commission considers that the reasons do not justify termination, the participation will be considered to have been **terminated improperly**.

The termination will **take effect** on the day specified in the notification.

34.2.2 Effects

The beneficiary concerned must submit to the coordinator:

- (i) a technical report and
- (ii) a financial statement covering the period to the date when termination takes effect.

This information must be included by the coordinator in the final report (see Article 15.4).

If the request for amendment is rejected by the Commission (because it calls into question the decision awarding the grant or breaches the principle of equal treatment of applicants), the Agreement may be terminated according to Article 34.3.1(c).

If the request for amendment is accepted by the Commission, the Agreement is **amended** to introduce the necessary changes (see Article 39).

Improper termination may lead to a reduction of the grant (see Article 27) or termination of the Agreement (see Article 34).

After termination, the concerned beneficiary's obligations (in particular Articles 15, 17, 18, 19, 21, 22, 24, 26, 27 and 28) continue to apply.

34.3 Termination of the Agreement or of the participation of one or more beneficiaries, by the Commission

34.3.1 Conditions

The Commission may terminate the Agreement or the participation of one or more beneficiaries, if:

- (a) one or more beneficiaries do not accede to the Agreement (see Article 40);
- (b) a change to their legal, financial, technical, organisational or ownership situation is likely to

substantially affect or delay the implementation of the action or calls into question the decision to award the grant;

- (c) following termination of participation for one or more beneficiaries (see above), the necessary changes to the Agreement would call into question the decision awarding the grant or breach the principle of equal treatment of applicants (see Article 39);
- (d) implementation of the action is prevented by force majeure (see Article 35) or suspended by the coordinator (see Article 33.1) and either:
 - (i) resumption is impossible, or
 - (ii) the necessary changes to the Agreement would call into question the decision awarding the grant or breach the principle of equal treatment of applicants;
- (e) a beneficiary is declared bankrupt, being wound up, having its affairs administered by the courts, has entered into an arrangement with creditors, has suspended business activities, or is subject to any other similar proceedings or procedures under national law;
- (f) a beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has been found guilty of professional misconduct, proven by any means;
- (g) a beneficiary does not comply with the applicable national law on taxes and social security;
- (h) a beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has committed fraud, corruption, or is involved in a criminal organisation, money laundering or any other illegal activity;
- (i) a beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has committed:
 - (i) substantial errors, irregularities or fraud or
 - (ii) serious breach of obligations under the Agreement or during the award procedure (including improper implementation of the action, submission of false information, failure to provide required information, breach of ethical principles);
- (j) a beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has committed — in other EU or Euratom grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on this grant (**extension of findings from other grants to this grant**; see Article 17.5.2);
- (k) not applicable.

34.3.2 Procedure

Before terminating the Agreement or participation of one or more beneficiaries, the Commission will formally notify the coordinator or beneficiary concerned:

- informing it of its intention to terminate and the reasons why and

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in Article 3, no request for amendment must be submitted unless the beneficiary concerned is the coordinator. In this case the request for amendment must propose a new coordinator.

The beneficiary concerned must submit to the coordinator:

- (i) a technical report and
- (ii) a financial statement covering the period to the date when termination takes effect.

This information must be included by the coordinator in the final report (see Article 15.4).

If the request for amendment is rejected by the Commission (because it calls into question the decision awarding the grant or breaches the principle of equal treatment of applicants), the Agreement may be terminated according to Article 34.3.1(c).

If the request for amendment is accepted by the Commission, the Agreement is **amended** to introduce the necessary changes (see Article 39).

After termination, the concerned beneficiary's obligations (in particular Articles 15, 17, 18, 19, 21, 22, 24, 26, 27 and 28) continue to apply.

SECTION 4 FORCE MAJEURE

ARTICLE 35 — FORCE MAJEURE

'Force majeure' means any situation or event that:

- prevents either party from fulfilling their obligations under the Agreement,
- was unforeseeable, exceptional situation and beyond the parties' control,
- was not due to error or negligence on their part (or on the part of third parties involved in the action), and
- proves to be inevitable in spite of exercising all due diligence.

The following cannot be invoked as force majeure:

- any default of a service, defect in equipment or material or delays in making them available, unless they stem directly from a relevant case of force majeure,
- labour disputes or strikes, or
- financial difficulties.

Any situation constituting force majeure must be formally notified to the other party without delay, stating the nature, likely duration and foreseeable effects.

The parties must immediately take all the necessary steps to limit any damage due to force majeure and do their best to resume implementation of the action as soon as possible.

The party prevented by force majeure from fulfilling its obligations under the Agreement cannot be considered in breach of them.

CHAPTER 7 FINAL PROVISIONS

ARTICLE 36 — COMMUNICATION BETWEEN THE PARTIES

36.1 Form and means of communication

Communication under the Agreement (information, requests, submissions, ‘formal notifications’, etc.) must:

- be made in writing and
- bear the number of the Agreement.

Until the payment of the balance: all communication must be made through the electronic exchange system and using the forms and templates provided there.

After the payment of the balance: formal notifications must be made by registered post with proof of delivery (‘formal notification on paper’).

Communications in the electronic exchange system must be made by persons authorised according to the Participant Portal terms & conditions. For naming the authorised persons, each beneficiary must have designated — before the signature of this Agreement — a ‘legal entity appointed representative (LEAR)’. The role and tasks of the LEAR are stipulated in his/her appointment letter (see Participant Portal terms & conditions).

If the electronic exchange system is temporarily unavailable, instructions will be given on the Commission websites.

36.2 Date of communication

Communications are considered to have been made when they are sent by the sending party (i.e. on the date and time they are sent through the electronic exchange system).

Formal notifications through the **electronic** exchange system are considered to have been made when they are received by the receiving party (i.e. on the date and time of acceptance by the receiving party, as indicated by the time stamp). A formal notification that has not been accepted within 10 days after sending is considered to have been accepted.

Formal notifications **on paper** sent by **registered post** with proof of delivery (only after the payment of the balance) are considered to have been made on either:

- the delivery date registered by the postal service or
- the deadline for collection at the post office.

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If the electronic exchange system is temporarily unavailable, the sending party cannot be considered in breach of its obligation to send a communication within a specified deadline.

36.3 Addresses for communication

The **electronic** exchange system must be accessed via the following URL:

<https://ec.europa.eu/research/participants/portal/desktop/en/projects/>

The Commission will formally notify the coordinator and beneficiaries in advance any changes to this URL.

Formal notifications on paper (only after the payment of the balance) addressed **to the Commission** must be sent to the following address:

European Commission
Directorate General Justice and Consumers
Programme and Financial management (MO59 4/021)
B-1049 Brussels
BELGIUM

Formal notifications on paper (only after the payment of the balance) addressed **to the beneficiaries** must be sent to their legal address as specified in the Participant Portal Beneficiary Register.

ARTICLE 37 — INTERPRETATION OF THE AGREEMENT

37.1 Precedence of the Terms and Conditions over the Annexes

The provisions in the Terms and Conditions of the Agreement take precedence over its Annexes.

Annex 2 takes precedence over Annex 1.

37.2 Privileges and immunities

Not applicable

ARTICLE 38 — CALCULATION OF PERIODS, DATES AND DEADLINES

In accordance with Regulation No 1182/71¹², periods expressed in days, months or years are calculated from the moment the triggering event occurs.

The day during which that event occurs is not considered as falling within the period.

ARTICLE 39 — AMENDMENTS TO THE AGREEMENT

39.1 Conditions

¹² Regulation (EEC, Euratom) No 1182/71 of the Council of 3 June 1971 determining the rules applicable to periods, dates and time-limits (OJ L 124, 8/6/1971, p. 1).

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The Agreement may be amended, unless the amendment entails changes to the Agreement which would call into question the decision awarding the grant or breach the principle of equal treatment of applicants.

Amendments may be requested by any of the parties.

39.2 Procedure

The party requesting an amendment must submit a request for amendment signed in the electronic exchange system (see Article 36).

The coordinator submits and receives requests for amendment on behalf of the beneficiaries (see Annex 3).

If a change of coordinator is requested without its agreement, the submission must be done by another beneficiary (acting on behalf of the other beneficiaries).

The request for amendment must include:

- the reasons why;
- the appropriate supporting documents, and
- for a change of coordinator without its agreement: the opinion of the coordinator (or proof that this opinion has been requested in writing).

The Commission may request additional information.

If the party receiving the request agrees, it must sign the amendment in the electronic exchange system within 45 days of receiving notification (or any additional information the Commission has requested). If it does not agree, it must formally notify its disagreement within the same deadline. The deadline may be extended, if necessary for the assessment of the request. If no notification is received within the deadline, the request is considered to have been rejected.

An amendment **enters into force** on the day of the signature of the receiving party.

An amendment **takes effect** on the date agreed by the parties or, in the absence of such an agreement, on the date on which the amendment enters into force.

ARTICLE 40 — ACCESSION TO THE AGREEMENT

40.1 Accession of the beneficiaries mentioned in the Preamble

The other beneficiaries must accede to the Agreement by signing the Accession Form (see Annex 3) in the electronic exchange system (see Article 36) within 30 days after its entry into force (see Article 42).

They will assume the rights and obligations under the Agreement with effect from the date of its entry into force (see Article 42).

If a beneficiary does not accede to the Agreement within the above deadline, the coordinator must — within 30 days — request an amendment to make any changes necessary to ensure proper

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implementation of the action. This does not affect the Commission's right to terminate the Agreement (see Article 34).

40.2 Addition of new beneficiaries

In justified cases, the beneficiaries may request the addition of a new beneficiary.

For this purpose, the coordinator must submit a request for amendment in accordance with Article 39. It must include an Accession Form (see Annex 3) signed by the new beneficiary in the electronic exchange system (see Article 36).

New beneficiaries must assume the rights and obligations under the Agreement with effect from the date of their accession specified in the Accession Form (see Annex 3).

ARTICLE 41 — APPLICABLE LAW AND SETTLEMENT OF DISPUTES

41.1 Applicable law

The Agreement is governed by the applicable EU law, supplemented if necessary by the law of Belgium.

41.2 Dispute settlement

If a dispute concerning the interpretation, application or validity of the Agreement cannot be settled amicably, the General Court — or, on appeal, the Court of Justice of the European Union — has sole jurisdiction. Such actions must be brought under Article 272 of the Treaty on the Functioning of the EU (TFEU).

If a dispute concerns administrative sanctions, offsetting or an enforceable decision under Article 299 TFEU (see Articles 28, 29 and 30), the beneficiaries must bring action before the General Court — or, on appeal, the Court of Justice of the European Union — under Article 263 TFEU.

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GA



EUROPEAN COMMISSION
Directorate-General for Justice and Consumers

– Programme and Financial management

ANNEX 1 (part A)

REC Action Grant

NUMBER — 963286 — Romadesegregation

Vh

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1.1. The project summary

Associated with document Ref. Ares(2020)6384072 - 05/11/2020

Project Number ¹	963286	Project Acronym ²	Romadesegregation
One form per project			
General information			
Project title ³	Inclusive kindergartens for the quality education of Roma		
Starting date ⁴	15/01/2021		
Duration in months ⁵	24		
Call (part) identifier ⁶	REC-RDIS-DISC-AG-2020		
Topic	REC-RDIS-DISC-AG-2020 Call for proposals to promote the effective implementation of the principle of non-discrimination		
Fixed EC Keywords			
Free keywords	Roma, inclusion, desegregation, kindergarten, education		
Abstract ⁷			
<p>The overall objective is to develop a model for an inclusive kindergarten system which supports the development of all children and compensates for disadvantages based on social background. This involves combating the discrimination of Roma children who are subject to institutional forms of discrimination in a state that has not lived up to its obligations to combat ethnic discrimination and whose high-level representatives have at times sent mixed signals about their commitment to the principle of anti-discrimination. The project has been initiated by representatives of a municipality which is firmly committed to this principle and seeks to develop a workable model for implementing it in this ambivalent context.</p> <p>The immediate goal of the project is the complex development of kindergartens in Budapest's 8th district through the implementation of desegregation and inclusion measures, and combined with the renewal of kindergarten pedagogical methodology.</p> <p>The activities include a preparatory research prior to the implementation of the project to gain objective data for the desegregation measures. During implementation a detailed desegregation and inclusion strategy will be compiled by an expert group, pedagogical, structural and institutional changes will be initiated at kindergartens, pedagogues will be trained and the community of children, parents and teachers will be developed, to support methodological development and the inclusion of non-mainstream children/families. The pilot model will be evaluated by qualitative and quantitative research.</p> <p>The project will be implemented through the close cooperation of the municipality and local NGOs. Various communication activities will gain local support of the community, to enhance dialogue between the families, institutions and implementing organisations as well as to disseminate the methods and results among policy and professional stakeholders.</p>			

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1.2. List of Beneficiaries

Associated with document Ref. Ares(2020)6384072 - 05/11/2020

Project Number ¹	963286	Project Acronym ²	Romadesegregation
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List of Beneficiaries

No	Name	Short name	Country	Project entry month ³	Project exit month
1	BUDAPEST FOVAROS VIII. KERULET JOZSEFVAROSI ONKORMANYZAT	Jozsefvaros	Hungary	1	24
2	PARTNERS FOR DEMOCRATIC CHANGE HUNGARY PARTNERS HUNGARY ALAPITVANY	PARTNERS	Hungary	1	24
3	ROSA PARKS ALAPITVANY	ROSA PARKS	Hungary	1	24

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1.3. Workplan Tables - Detailed Implementation

Associated with document Ref. Ares(2020)6384072 - 05/11/2020

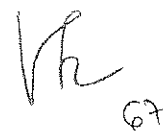
1.3.1. WT1 List of work packages

WP Number ⁹	WP Title	Lead beneficiary ¹⁰	Person-months ¹¹	Start month ¹²	End month ¹³
WP1	Project management & coordination	1 - Jozsefvaros	20.00	1	24
WP2	Desegregation & Inclusion strategy development and pilot implementation	1 - Jozsefvaros	3.60	1	24
WP3	Inclusion & desegregation in the kindergartens – methodology and service development	1 - Jozsefvaros	123.00	5	24
WP4	Impact Assessment	1 - Jozsefvaros	10.00	5	24
WP5	Communication & Dissemination	1 - Jozsefvaros	1.50	1	24
Total			158.10		

Vh

1.3.2. WT2 list of deliverables

Deliverable Number¹⁴	Deliverable Title	WP number¹	Lead beneficiary	Type¹⁵	Dissemination level¹⁶	Due Date (in months)¹⁷
D1.1	Progress report	WP1	1 - Jozsefvaros	Report	Confidential, only for members of the consortium (including the Commission Services)	13
D1.2	Kick off meeting	WP1	1 - Jozsefvaros	Report	Confidential, only for members of the consortium (including the Commission Services)	1
D2.1	Desegregation strategy	WP2	1 - Jozsefvaros	Report	Public	4
D2.2	Meetings of the expert working group	WP2	1 - Jozsefvaros	Report	Confidential, only for members of the consortium (including the Commission Services)	24
D2.3	Meetings of the consultative forum	WP2	1 - Jozsefvaros	Report	Confidential, only for members of the consortium (including the Commission Services)	13
D3.1	Methodological trainings	WP3	2 - PARTNERS	Report	Public	8
D3.2	Detailed inclusion methodology for the kindergartens	WP3	2 - PARTNERS	Report	Public	8
D4.1	Research reports	WP4	1 - Jozsefvaros	Report	Public	24
D5.1	Information forums, kick-off and mid-term	WP5	1 - Jozsefvaros	Report	Confidential, only for members of the consortium (including the Commission Services)	14
D5.2	Video materials	WP5	1 - Jozsefvaros	Websites, patents filling, etc.	Public	24
D5.3	Press articles	WP5	1 - Jozsefvaros	Websites, patents filling, etc.	Public	24
D5.4	Publications	WP5	1 - Jozsefvaros	Websites, patents filling, etc.	Public	24



Deliverable Number¹⁴	Deliverable Title	WP number⁹	Lead beneficiary	Type¹⁵	Dissemination level¹⁶	Due Date (in months)¹⁷
D5.5	Roundtables and workshops	WP5	1 - Jozsefvaros	Report	Confidential, only for members of the consortium (including the Commission Services)	24
D5.6	Closing event	WP5	1 - Jozsefvaros	Websites, patents filling, etc.	Confidential, only for members of the consortium (including the Commission Services)	24

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1.3.3. WT3 Work package descriptions

Work package number	WP1	Lead beneficiary ¹⁰	1 - Jozsefvaros
Work package title	Project management & coordination		
Start month	1	End month	24

Objectives

To ensure the overall efficient implementation of the project
 To facilitate effective decision making and efficient communication within the consortium
 To guarantee the compliance with administrative, financial and visibility provisions
 To ensure efficient communication between the consortium and the Donor as well as high quality reporting

Description of work and role of partners

WP1 - Project management & coordination [Months: 1-24]

Jozsefvaros, PARTNERS, ROSA PARKS

1.1 kick-off meeting

At the launch of the project a kick-off meeting will be organised where professional, administrative, financial and communication obligations will be discussed in detail and followed throughout implementation. The detailed work-plan described in the application will be reviewed and updated if necessary

1.2 project management

Signature of partnership agreements with partners and grant agreement with donor.

Compilation of document templates and setup of shared doc database.

Internal reporting – 3-monthly technical reporting of partners to coordinator

Continuous coordination of the consortia, of the overall implementation of the project and ensuring compliance with regulations.

1.3 monitoring and process evaluation

Monthly consortium meetings – offline and virtual – for regular monitoring of progress, milestones, budget spending. Short-term action plans regularly reviewed and updated.

Ongoing email and phone communication for day-to-day management.

Regular internal reporting within the consortium for monitoring compliance and quality assurance.

1.4 financial management

Overall financial management on transnational level, overall financial reporting to the donor and financial management at each partner.

Ensuring compliance with national financial regulations and provisions of the Donor at all participating organisations.

Guaranteeing proper documentation of project spending and costs.

Management of procurement and contracting.

1.5 reporting to the donor

Technical and financial reporting, collecting relevant data from all partners, compilation of reports. Ensuring efficient communication between consortium and Donor in reporting process

Participation per Partner

Partner number and short name	WP1 effort
1 - Jozsefvaros	12.00
2 - PARTNERS	6.00
3 - ROSA PARKS	2.00
Total	20.00

List of deliverables

Deliverable Number ¹⁴	Deliverable Title	Lead beneficiary	Type ¹⁵	Dissemination level ¹⁶	Due Date (in months) ¹⁷
D1.1	Progress report	1 - Jozsefvaros	Report	Confidential, only for members of the consortium (including the Commission Services)	13
D1.2	Kick off meeting	1 - Jozsefvaros	Report	Confidential, only for members of the consortium (including the Commission Services)	1

Description of deliverables

D1.1 : Progress report [13]
Progress report due at mid term
D1.2 : Kick off meeting [1]
invitation, agenda, signed presence list, coordinator and all partners, estimated 14 participants, duration 1 day, minutes

Schedule of relevant Milestones

Milestone number ¹⁸	Milestone title	Lead beneficiary	Due Date (in months)	Means of verification
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Vh

Work package number ⁹	WP2	Lead beneficiary ¹⁰	1 - Jozsefvaros
Work package title	Desegregation & Inclusion strategy development and pilot implementation		
Start month	1	End month	24

Objectives

To decrease the segregation of Roma and disadvantaged children in municipal kindergartens, and thereby take a significant step toward creating a socio-culturally mixed institutional framework in which the co-education of children from diverse social and cultural backgrounds is the norm, not the exception.

To improve the quality of education offered in the kindergartens of the segregated areas and make these kindergartens attractive to non-Roma and non-disadvantaged families, thereby taking significant steps toward transforming 'segregated kindergartens' into more attractive, better functioning and more inclusive institutions capable of counterbalancing social disadvantages and equipping children with the skills and competences necessary for integrating into non-segregating (local) schools.

Description of work and role of partners

WP2 - Desegregation & Inclusion strategy development and pilot implementation [Months: 1-24]

Jozsefvaros, PARTNERS, ROSA PARKS

2.1 Setting up and coordination of an expert working group on strategy

A working group focusing on strategy will be set up. It will be led by the vice-major for educational affairs, members will include head of kindergartens, Partners Hungary and Rosa Parks Foundation, external experts on education and Roma inclusion. The group will work based on cooperative planning methodology and will be facilitated by Partners Hungary staff. In the first 4 month it will formulate a desegregation strategy. The group will monitor and support the adopted strategy's implementation during Months 5-24

2.2 Setting up and coordination of a consultation group

The strategy developed by the expert working group will be consulted by a broader forum, including the Roma Self-government, representatives of the parents, local NGOs and the Municipality of COO District Roma Self-government, representatives of the parents, local NGOs and the wider community.

2.3 Development of a Desegregation & Inclusion strategy for the kindergartens

A practice-oriented strategy will be drawn up by Month 4 of project implementation. Piloting will be during Month 5-24. In Hungary the municipality, the 2 NGO partners and external experts contribute with professional input, while Partners Hungary will also facilitate the process of the working group.

2.4 Redrawing of kindergarten catchment areas

The District 8 municipality will redraw the kindergarten catchment areas in two phases with the aim of achieving a balanced ratio of Roma/disadvantaged children among its kindergartens.

The first changes are due before the start of the 2021/22 enrolment, based on the data of the preliminary research. The second is due before 2022/23 enrolment, taking into account the experiences and data of the project implementation

Participation per Partner

Partner number and short name	WP2 effort
1 - Jozsefvaros	0.50
2 - PARTNERS	3.00
3 - ROSA PARKS	0.10
Total	3.60

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List of deliverables

Deliverable Number ¹⁴	Deliverable Title	Lead beneficiary	Type ¹⁵	Dissemination level ¹⁶	Due Date (in months) ¹⁷
D2.1	Desegregation strategy	1 - Jozsefvaros	Report	Public	4
D2.2	Meetings of the expert working group	1 - Jozsefvaros	Report	Confidential, only for members of the consortium (including the Commission Services)	24
D2.3	Meetings of the consultative forum	1 - Jozsefvaros	Report	Confidential, only for members of the consortium (including the Commission Services)	13

Description of deliverables

D2.1 : Desegregation strategy [4]

Printed document, Hungarian language, estimated 20 pages

D2.2 : Meetings of the expert working group [24]

Invitation, agenda, signed presence list, estimated 8 participants, duration of meetings 2-4 hours, 14 meetings, minutes of the meeting, strategy

D2.3 : Meetings of the consultative forum [13]

Invitation, agenda, signed presence list, estimated 15-20 participants, duration of meetings 3-4 hours, 2 meetings, minutes of the meeting, strategy

Schedule of relevant Milestones

Milestone number ¹⁸	Milestone title	Lead beneficiary	Due Date (in months)	Means of verification
MS1	Desegregation strategy	1 - Jozsefvaros	4	Desegregation & Inclusion strategy developed by the expert group, consulted by the broader forum and adopted by the Assembly
MS2	Redrawing of kindergarten catchment areas	1 - Jozsefvaros	15	Redrawing of catchment areas based on the preliminary research in the first year and on lessons drawn from project implementation and recommendations of the expert group in year 2.

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Work package number ⁹	WP3	Lead beneficiary ¹⁰	1 - Jozsefvaros
Work package title	Inclusion & desegregation in the kindergartens – methodology and service development		
Start month	5	End month	24

Objectives

To support municipal kindergartens and teachers in better integrating inclusive methodologies into their pedagogical programs , and thereby preparing them to handle the challenges of desegregation

To decrease the segregation of Roma and disadvantaged children in municipal kindergartens, and thereby take a significant step toward creating a socio-culturally mixed institutional framework in which the co-education of children from diverse social and cultural backgrounds is the norm, not the exception.

To improve the quality of education offered in the kindergartens of the segregated areas and make these kindergartens attractive to non-Roma and non-disadvantaged families, thereby taking significant steps toward transforming 'segregated kindergartens' into more attractive, better functioning and more inclusive institutions capable of counterbalancing social disadvantages and equipping children with the skills and competences necessary for integrating into non-segregating (local) schools.

Description of work and role of partners

WP3 - Inclusion & desegregation in the kindergartens – methodology and service development [Months: 5-24]

Jozsefvaros, PARTNERS, ROSA PARKS

3.1 Setting up and coordination of a methodological-professional working group of the selected kindergartens

A working group is set up, with participation of the heads of selected kindergartens , educational experts, with a task of developing a detailed inclusion methodology for selected kindergartens, as well as monitoring and supporting its implementation

3.2 Methodological trainings for kindergarten teachers

The teachers of the kindergarten taking part in this project will receive a 30-hour accredited training in the Step-by-Step method that aims at creating democratic, inclusive environment in educational institutions, as well as supporting teachers for co-educating children from diverse social background.

A 30-hour Persona Doll training will also be offered for kindergarten teachers, a method that facilitates the management of various difficult situations of children, such as aggression, prejudices, the integration of marginalised children, etc.

3.3 Mentoring of change in the selected kindergartens

Individual and group mentoring for the selected kindergartens/teachers, to support the methodological and institutional changes required by inclusive education.

3.4 Additional skill development of children in the selected kindergartens

Skill development of the children will follow two paths: general skill development based on game pedagogy will be provided by Rosa Parks Foundation and volunteers to compensate for arrears in basic skills due to social background.

A long-term aim is also to strengthen the involvement of volunteers in the functioning of the kindergartens.

Additional foreign language and digital skill development will also be available, to ensure children, when finishing kindergartens, meet the expectations of the high-quality, nonsegregated district elementary schools and therefore open the path for improved school career

3.5 Community development in the selected kindergartens

Regular leisure-time activities for the children, parents and teachers of the participating kindergartens.

Regular discussion groups with the parents in the afternoons in the kindergarten. Building trust between disadvantaged/ Roma families and staff of Rosa Parks, organising discussions on topics interesting for parents and offering accessible, non-institutional social work.

3.6 Conflict resolution, mediation in the selected kindergartens

Mediator expertise will be available to professionally resolve potential conflicts arising along the desegregation measures

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Participation per Partner

Partner number and short name	WP3 effort
1 - Jozsefvaros	65.00
2 - PARTNERS	23.00
3 - ROSA PARKS	35.00
Total	123.00

List of deliverables

Deliverable Number ¹⁴	Deliverable Title	Lead beneficiary	Type ¹⁵	Dissemination level ¹⁶	Due Date (in months) ¹⁷
D3.1	Methodological trainings	2 - PARTNERS	Report	Public	8
D3.2	Detailed inclusion methodology for the kindergartens	2 - PARTNERS	Report	Public	8

Description of deliverables

D3.1 : Methodological trainings [8]

invitation, signed presence list, 25 estimated participants of kindergarten teachers, duration: 2*30 hours, 2 training material packages, feedback questionnaire

D3.2 : Detailed inclusion methodology for the kindergartens [8]

Printed document, language Hungarian, estimated length 20 pages

Schedule of relevant Milestones

Milestone number ¹⁸	Milestone title	Lead beneficiary	Due Date (in months)	Means of verification
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Vh

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Work package number ⁹	WP4	Lead beneficiary ¹⁰	1 - Jozsefvaros
Work package title	Impact Assessment		
Start month	5	End month	24

Objectives

To support municipal kindergartens and teachers in better integrating inclusive methodologies into their pedagogical programs , and thereby preparing them to handle the challenges of desegregation
 To decrease the segregation of Roma and disadvantaged children in municipal kindergartens, and thereby take a significant step toward creating a socio-culturally mixed institutional framework in which the co-education of children from diverse social and cultural backgrounds is the norm, not the exception.
 To improve the quality of education offered in the kindergartens of the segregated areas and make these kindergartens attractive to non-Roma and non-disadvantaged families, thereby taking significant steps toward transforming 'segregated kindergartens' into more attractive, better functioning and more inclusive institutions capable of counterbalancing social disadvantages and equipping children with the skills and competences necessary for integrating into non-segregating (local) schools.

Description of work and role of partners

WP4 - Impact Assessment [Months: 5-24]

Jozsefvaros

4.1 Impact assessment

The purpose of the evaluation to assess the impact of the measures implemented on kindergartens, families and district public opinion. On the one hand, it would observe how kindergarten teachers, parents and local society react to the measures outlined above at the level of attitudes and discourses and collects data on enrolment statistics, parental satisfaction statistics, institutional capacity indicators.

Its purpose is to assess:

1. the impact of the project on the evolution of key segregation indicators,
2. the impact of the pilot project on the internal operation and attractiveness of the selected kindergartens,
3. the (changes of) attitudes of parents and the local community.

The mid-term results of the research are channelled into the work of the expert working group and into the half-time information forum (see task 5.1).

Planned research methodology: participatory observation, interviews, analysis of public discourses related to the project; quantitative data collection focusing on segregation indicators

Participation per Partner

Partner number and short name	WP4 effort
1 - Jozsefvaros	10.00
Total	10.00

List of deliverables

Deliverable Number ¹⁴	Deliverable Title	Lead beneficiary	Type ¹⁵	Dissemination level ¹⁶	Due Date (in months) ¹⁷
D4.1	Research reports	1 - Jozsefvaros	Report	Public	24

Description of deliverables

D4.1 : Research reports [24]

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Printed documents, language Hungarian, estimated length 2*20-30 pages. Final report also in English, estimated length 20-30 pages

Schedule of relevant Milestones

Milestone number	Milestone title	Lead beneficiary	Due Date (in months)	Means of verification
MS3	Impact assessment completed	1 - Jozsefvaros	24	Two research reports

Vh

Work package number ⁹	WP5	Lead beneficiary ¹⁰	1 - Jozsefvaros
Work package title	Communication & Dissemination		
Start month	1	End month	24

Objectives

To decrease the segregation of Roma and disadvantaged children in municipal kindergartens, and thereby take a significant step toward creating a socio-culturally mixed institutional framework in which the co-education of children from diverse social and cultural backgrounds is the norm, not the exception.

To improve the quality of education offered in the kindergartens of the segregated areas and make these kindergartens attractive to non-Roma and non-disadvantaged families, thereby taking significant steps toward transforming 'segregated kindergartens' into more attractive, better functioning and more inclusive institutions capable of counterbalancing social disadvantages and equipping children with the skills and competences necessary for integrating into non-segregating (local) schools

Description of work and role of partners

WP5 - Communication & Dissemination [Months: 1-24]

Jozsefvaros, PARTNERS, ROSA PARKS

5.1 Information forums

Kick-off project information forum: a public forum will be organised for the parents attending the selected kindergartens, where the vice-major responsible for educational issues, the project manager, the consortium partners and the head teachers of the selected kindergartens will present the project and answer questions. The longer version of project video summary will be presented.

Half-term information forum: a similar to the above forum will be organised, where the half-term visual diary will be presented as well as the summary of the finding of the research, followed by moderated discussion

5.2 Press articles Local printed press: 3 articles (introduction at the beginning, first year report, closing event report)

Mainstream press: 3 articles in Hungary, introducing the pilot for the mainstream audience

5.3 Video communication materials

-Visual diary: regular video documentation of activities at the selected kindergartens, as well as video interviews with the kindergarten teachers and parents. Short communication materials will be edited from these, as well as longer summaries of the project at half-term and at completion.

- Project summary videos – a short, expert narrated video will be produced at the beginning of the implementation, to introduce the aims activities and main stakeholders of the project.

A shorter – 1 minute and a longer – 3-5 minutes – version will be edited. A long version –

10-15 minutes - will be shot at the completion of the project, presenting the results and learnings, subtitled in English.

5.4 Publications

The final research report will be published in Hungarian and English.

A methodological summary and policy recommendation targeting stakeholders interested in piloting similar initiatives will be published in Hungarian and English

5.5 Roundtables for neighbouring districts

Regular roundtables for mayors and municipal experts of District 7 and 9 of Budapest to encourage them to make efforts towards a more equitable education within their

competencies, through desegregation and development of inclusive pedagogy in their institutions.

5.6 Preparatory European workshop

Following a survey among Eurocities members, 5 municipalities from 3 countries – Slovakia, Romania and the Czech Republic - will be selected for participating in a workshop to be organized in Budapest in May 2021, aiming at analysing and discussing good practices with key policy measures.

5.7 European dissemination workshop

A workshop to disseminate project results and lessons learnt for those cities which are

themselves undertaking desegregation initiatives in education or considering to do so in the near future

5.8 Dissemination in professional networks

The project results will be shared at the annual conference of the ISSA, a peer-learning workshop will be organised in Budapest for interested ISSA members and a webinar for REYN members

5.9 Closing event

Sharing the methods, results, learning of the pilot with a professional and policy-centred audience. Equinet representatives will be invited in order to strengthen EU-level dissemination and focusing on highlighting Roma inclusion measures among national Equality Bodies

Participation per Partner

Partner number and short name	WP5 effort
1 - Jozsefvaros	0.50
2 - PARTNERS	0.50
3 - ROSA PARKS	0.50
Total	1.50

List of deliverables

Deliverable Number ¹⁴	Deliverable Title	Lead beneficiary	Type ¹⁵	Dissemination level ¹⁶	Due Date (in months) ¹⁷
D5.1	Information forums, kick-off and mid-term	1 - Jozsefvaros	Report	Confidential, only for members of the consortium (including the Commission Services)	14
D5.2	Video materials	1 - Jozsefvaros	Websites, patents filling, etc.	Public	24
D5.3	Press articles	1 - Jozsefvaros	Websites, patents filling, etc.	Public	24
D5.4	Publications	1 - Jozsefvaros	Websites, patents filling, etc.	Public	24
D5.5	Roundtables and workshops	1 - Jozsefvaros	Report	Confidential, only for members of the consortium (including the Commission Services)	24
D5.6	Closing event	1 - Jozsefvaros	Websites, patents filling, etc.	Confidential, only for members of the consortium (including the Commission Services)	24

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Description of deliverables

D5.1 : Information forums, kick-off and mid-term [14]

invitation, agenda, signed presence list, target group is representatives of the local community, number of estimated participants: 30-50, duration of the event 2*2 hours, minutes

D5.2 : Video materials [24]

Visual diary, video interviews, short visual materials, Project summary videos – 1 minute, 3-5 minutes and 10-15 minutes versions. Long version subtitled in English

D5.3 : Press articles [24]

6 local and mainstream press articles (print and online)

D5.4 : Publications [24]

1 final report of the action research in Hungarian and English (20-30 page each) 1 methodological summary in Hungarian and English (10-20 page each)

D5.5 : Roundtables and workshops [24]

invitation, agenda, signed presence list, target group is representatives of various municipalities, number of estimated participants: 10-15/event, duration of the event 1 day/event

D5.6 : Closing event [24]

invitation, agenda, signed presence list, target group is professional and policy-centred audience. number of estimated participants: 30-50, duration of the event 1 day

Schedule of relevant Milestones

Milestone number¹⁸	Milestone title	Lead beneficiary	Due Date (in months)	Means of verification
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1.3.4. WT4 List of milestones

Milestone number ¹⁶	Milestone title	WP number ¹	Lead beneficiary	Due Date (in months) ¹⁷	Means of verification
MS1	Desegregation strategy	WP2	1 - Jozsefvaros	4	Desegregation & Inclusion strategy developed by the expert group, consulted by the broader forum and adopted by the Assembly
MS2	Redrawing of kindergarten catchment areas	WP2	1 - Jozsefvaros	15	Redrawing of catchment areas based on the preliminary research in the first year and on lessons drawn from project implementation and recommendations of the expert group in year 2.
MS3	Impact assessment completed	WP4	1 - Jozsefvaros	24	Two research reports

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1.3.5. WT5 Critical Implementation risks and mitigation actions

Risk number	Description of risk	WP Number	Proposed risk-mitigation measures
1	Despite the commitment of the vice-major and his team, the Assembly of the municipality does not support the desegregation initiative. Probability – low, impact - high	WP2	A detailed description of the present project had been submitted for the assembly prior to the submission of the call, to ensure common understanding and commitment of the assembly
2	The initiative is not supported by some of the kindergarten staff. Probability – medium, impact – medium to high	WP3	The head of kindergartens had been consulted during the proposal writing. The heads and selected kindergarten teachers are involved in the expert group on the strategy and in the methodological working group of the kindergartens, therefore their opinions will directly be channelled into the strategies, methods and implementation. The trainings and mentoring also aims at highlighting the benefits of inclusive methods and provide ongoing support in the problems met during implementation
3	Local community support is weak. Probability – medium, impact - medium	WP2, WP3	Providing honest credible information regularly and organising forums for dialogue with stakeholders and the wider community. Attempts to raise awareness on the mutual benefits of Roma inclusion. Ongoing, intensive participatory research, providing continuous feedback on the attitudes, discourses, therefore allowing for some adaptation of implementation.

1.3.6. WT6 Summary of project effort in person-months

	WP1	WP2	WP3	WP4	WP5	Total Person/Months per Participant
1 - Jozsefvaros	12	0.50	65	10	0.50	88
2 - PARTNERS	6	3	23	0	0.50	32.50
3 - ROSA PARKS	2	0.10	35	0	0.50	37.60
Total Person/Months	20	3.60	123	10	1.50	158.10

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1.3.7. WT7 Tentative schedule of project reviews

Review number ¹⁹	Tentative timing	Planned venue of review	Comments, if any
RV1	24		In the framework of the assessment of the final narrative and financial reports, a review may be organised.

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1. Project number

The project number has been assigned by the Commission as the unique identifier for your project. It cannot be changed. The project number **should appear on each page of the grant agreement preparation documents (part A and part B)** to prevent errors during its handling.

2. Project acronym

Use the project acronym as given in the submitted proposal. It can generally not be changed. The same acronym **should appear on each page of the grant agreement preparation documents (part A and part B)** to prevent errors during its handling.

3. Project title

Use the title (preferably no longer than 200 characters) as indicated in the submitted proposal. Minor corrections are possible if agreed during the preparation of the grant agreement.

4. Starting date

Unless a specific (fixed) starting date is duly justified and agreed upon during the preparation of the Grant Agreement, the project will start on the first day of the month following the entry into force of the Grant Agreement (NB : entry into force = signature by the Commission). Please note that if a fixed starting date is used, you will be required to provide a written justification.

5. Duration

Insert the duration of the project in full months.

6. Call (part) identifier

The Call (part) identifier is the reference number given in the call or part of the call you were addressing, as indicated in the publication of the call in the Official Journal of the European Union. You have to use the identifier given by the Commission in the letter inviting to prepare the grant agreement.

7. Abstract

8. Project Entry Month

The month at which the participant joined the consortium, month 1 marking the start date of the project, and all other start dates being relative to this start date.

9. Work Package number

Work package number: WP1, WP2, WP3, ..., WPn

10. Lead beneficiary

This must be one of the beneficiaries in the grant (not a third party) - Number of the beneficiary leading the work in this work package

11. Person-months per work package

The total number of person-months allocated to each work package.

12. Start month

Relative start date for the work in the specific work packages, month 1 marking the start date of the project, and all other start dates being relative to this start date.

13. End month

Relative end date, month 1 marking the start date of the project, and all end dates being relative to this start date.

14. Deliverable number

Deliverable numbers: D1 - Dn

15. Type

Please indicate the type of the deliverable using one of the following codes:

R	Document, report
DEM	Demonstrator, pilot, prototype
DEC	Websites, patent filings, videos, etc.
OTHER	
ETHICS	Ethics requirement
ORDP	Open Research Data Pilot
DATA	data sets, microdata, etc.

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16. Dissemination level

Please indicate the dissemination level using one of the following codes:

- PU Public
- CO Confidential, only for members of the consortium (including the Commission Services)
- EU-RES Classified Information: RESTREINT UE (Commission Decision 2005/444/EC)
- EU-CON Classified Information: CONFIDENTIEL UE (Commission Decision 2005/444/EC)
- EU-SEC Classified Information: SECRET UE (Commission Decision 2005/444/EC)

17. Delivery date for Deliverable

Month in which the deliverables will be available, month 1 marking the start date of the project, and all delivery dates being relative to this start date.

18. Milestone number

Milestone number: MS1, MS2, ..., MSn

19. Review number

Review number: RV1, RV2, ..., RVn

20. Installation Number

Number progressively the installations of a same infrastructure. An installation is a part of an infrastructure that could be used independently from the rest.

21. Installation country

Code of the country where the installation is located or IO if the access provider (the beneficiary or linked third party) is an international organization, an ERIC or a similar legal entity.

22. Type of access

- TA-uc if trans-national access with access costs declared on the basis of unit cost,
- TA-ac if trans-national access with access costs declared as actual costs, and
- TA-cb if trans-national access with access costs declared as a combination of actual costs and costs on the basis of unit cost,
- VA-uc if virtual access with access costs declared on the basis of unit cost,
- VA-ac if virtual access with access costs declared as actual costs, and
- VA-cb if virtual access with access costs declared as a combination of actual costs and costs on the basis of unit cost.

23. Access costs

Cost of the access provided under the project. For virtual access fill only the second column. For trans-national access fill one of the two columns or both according to the way access costs are declared. Trans-national access costs on the basis of unit cost will result from the unit cost by the quantity of access to be provided.

Part B

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1. Project background, needs assessment & relevance

Background

Describe background and context behind the project, including your understanding of the relevant EU policies.

Needs Assessment

Provide a needs assessment. A need is a gap between what is and what should/ would be helpful or useful.

The needs assessment should be your starting point. Specify which needs will be addressed and how they have been identified. It should be specific and focus on the actual needs of the target group. It should include relevant, reliable data and, a robust analysis clearly demonstrating the need for the action (therefore avoid references to generic statements and information about the problems and needs of the target group).

You can refer to existing research, studies and previous projects that already demonstrate the need for action.

E.g. There is a lack of reporting for victims of gender-based violence. Therefore, there is a need to train professionals in understanding the reasons behind this so they can empower victims.

Relevance

Explain how your project relates and contributes to the priorities of the call to which you are applying.

Describe the target groups of this project referring to the needs assessment. Which target group(s) need to be supported/ assisted by/in the project. Why have you chosen to focus on their needs? What EU countries are directly targeted by the project and why have you chosen them?

Clarify to what extent the project builds on synergies with other EU projects. If applicable, explain to what extent your project builds on previous project results in this field (state of play, relation to existing/recent developments, approaches, achievements, other EU programmes).

The project is designed to combat discrimination of Roma children in kindergartens. The actions of this project aim to decrease segregation of Roma children among the kindergartens, raise the quality of education and promote inclusive education. The project is innovative as it builds on a cooperation between a municipality and NGOs in a social and political context that is hostile towards Roma and inclusive education in particular. Segregation of Romani children in education is one of the most pressing social issues in Hungary - among other Central-East European countries with similar context -, with no signs of abating. Approximately 45% of Roma children attend schools or classes in Hungary where all or the majority of their classmates are also Roma. In 2014, 381 primary and secondary schools have been officially reported to have 50% or more Roma among their students.

Despite various development efforts and legal enforcement, very few specific measures had been adopted to decrease segregation of Romani children in these countries. Combating racial segregation is neither a priority nor a long-term goal for the governments. In 2016 an infringement procedures had been launched against Hungary over breaching EU non-discrimination legislation by the segregation of Roma children in schools.

District 8- Geographical scope of the project

District 8 of Budapest is one of the 23 independent municipalities of the capital. The centrally located district is the most diverse in Budapest, with a high Roma population and significant Chinese, Vietnamese, Afghan and Arab diasporas. Since official statistics are unreliable and the collection of ethnic data is prohibited by law, we have to rely on expert estimates and proxy data to characterize the Roma population and establish its sociological profile. According to experts, District 8 has the highest proportion of Roma (15-30%) in the capital. While the district also has a large middle-class population, it also has two residentially segregated areas (the Orczy and Magdolna quarters) where the proportion of the Roma population is estimated to be close to 50%. An authoritative study relying on the estimates of teachers reported that the proportion of Roma children attending local municipal schools was 43% in 2015. As for proxy data, these show that the proportion of disadvantaged and multiply disadvantaged pupils is the highest in District 8 (45% and 19%, respectively) in the capital. Quantitative data also reveal that District 8 has the highest unemployment rate in the capital and the lowest per capita net domestic income. Reports produced by municipal institutions which offer services to the local population clearly show that these economic and social problems are concentrated in the ranks of the Roma population and, more particularly, in the residentially segregated areas of the district.

According to a recent court judgement two primary schools of District 8 are ethnically segregated and therefore operate unlawfully. Despite the court order the State has not desegregated these schools.

Since 2013 primary and secondary public education has been nationalized. As of today municipalities have literally no competence over schools. Nurseries and kindergartens, however, remain under the control of municipalities. As a consequence, municipalities can only tackle segregation through interventions at the kindergarten level.

Despite having little reliable research and credible official data on the proportion of Roma children in kindergartens, a recent study commissioned by the new municipality in the district on education strategies revealed that three of the thirteen municipal kindergartens are partially segregated. It is also common knowledge that children from these kindergartens are more likely to be categorized as disabled and to be enrolled in the two segregated schools in the district. One avenue for indirectly decreasing segregation in schooling is therefore to develop the basic competences of children enrolled in municipal kindergartens. Improving the quality of services offered in partially segregated kindergartens is therefore an important intermediate goal. Achieving this goal could also diminish 'white flight' from municipal institutions and the district. The current proposal builds on these important insights.

The current District Assembly and mayor has been elected in October 2019. One of the deputy mayors, Gábor Erőss is a sociologist whose main area of research has been education and the situation of Roma children in particular. The new approach of the municipality on inclusion and desegregation is strongly built on his professional background as well as on the commitment of the mayor and the new municipal majority.

Target group:

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The primary target group of this project are children aged 3-6 with Roma and other minority background residing in District 8 as beneficiaries of desegregation measures and inclusive education.

The secondary target group are non-Roma (majority) children in kindergartens as beneficiaries of inclusive education. The third target group are the staff of kindergartens, as the main stakeholders of inclusive pedagogical approaches and methodology.

Parents of kindergarten aged children as well as the wider community of the district will benefit from inclusive and higher quality education.

Needs assessment

The policy paper designed by the Budapest Institute has already set forth directions for the steps for the municipality could take to ensure a more inclusive and equitable educational system in the district:

- Implement desegregation measures in kindergartens
- Assess the lack of HR capacities in kindergartens and recruit new personnel for unfilled positions
- Develop and raise the professional quality of education in municipal kindergartens
- Improve and strengthen family support and child protection work
- Build and maintain trust and regular communication between families and with municipal institutions (kindergartens, nurseries)
- Support non-governmental organizations promoting education, school choice, dealing directly or indirectly with disadvantages, or helping parents

Synergies

Parallel to the municipality's efforts to develop a strategy that tackles inequalities in public education, the two partnering NGOs launched a program called "Civil support for inclusive education" to foster inclusion and monitor desegregation in schools affected by the court judgement on school segregation in 2019.

Partners Hungary is also involved in the INSCHOOL Program launched by the Council of Europe and the European Commission that supports inclusive schools for Roma children.

The experiences of the two above mentioned programs will be available for this project through the partners' expertise. Cooperation among the three projects can lead to a strong coalition of different professionals and stakeholders for inclusive education.

Relevance

The project aims to put in practice recommendations of the Council of Europe to combat school segregation as set forth in the Position paper of 2017 called "Fighting School Segregation in Europe through Inclusive Education". While specific actions will be designed during the project, the following interventions will be adopted in line with the Council of Europe's recommendations:

- Design of a desegregation and inclusion strategy
- Communication campaign to raise awareness why inclusive education is beneficial for all
- Ensure quality education in kindergartens through filling missing kindergarten teacher's posts and provide services developing children's skills and trainings on inclusive pedagogical tools
- Balance the distribution of Roma children among kindergartens through changing the catchment areas of kindergartens.
- Promote parental participation in the kindergarten and ensure social cohesion within parents of different social background

2. Objectives, methodology & impact

2.1 Objectives, impact & methodology

Project approach

Describe the project approach. You will need to be specific and must use the headings below to structure your response.

Objectives

Define what the specific project objectives are and explain how they respond to the needs/issues/challenges/gaps of the respective cohort (actions to be taken) highlighted in the needs assessment.

The objectives should be specific, measurable, realistic and achievable within the duration of the project. For example, a sample of 1000 professionals was surveyed as part of the needs assessment and we will target 200 of these professionals as recipients of this project. They have a potential to reach out to 5000 persons in the final target group. We aim to train at least 50% of them in understanding the reasons behind underreporting of violence. This shall result in decreasing the underreporting rate and thus empowerment of victims.

For each objective, define appropriate indicators as you have listed in **Annex 3**, for measuring progress (including baseline value and target value).

Impact

Define the expected results (short, medium and long-term) of the project. What tangible and intangible impact will the project have on the target groups? In what way the gap identified will be reduced? How the activities will contribute to improve the situation (difference between starting point/state of play and the situation after the completion of the project)?

Results are immediate changes that materialise for the target groups after the completion of the project (e.g. improved knowledge, increased awareness). Results are different to deliverables. Deliverables are activities undertaken and outputs produced with the resources allocated to the project, e.g. training courses, conferences, manuals, video etc.

Does the project bring innovative solutions?

Methodology

Describe your methodology to achieve the proposed project objectives. Why it is the most suitable approach for implementing the project throughout its lifecycle.

Methodology is **not** a list of activities but are instruments, approaches that will be used, applied and created. For example, we will host a series of workshops for the 200 professionals to help them to understand the reasons behind underreporting of gender-based violence.

The overall approach of the project is to achieve non-discrimination of Roma/disadvantaged children in the district education system, through administrative measures of the municipality, capacity/methodological development of kindergartens as well as improved support for the kindergarten children and their families in order to access quality educational services at kindergarten and elementary school level.

Objective 1:

To decrease the segregation of Roma and disadvantaged children in municipal kindergartens, and thereby take a significant step toward creating a socio-culturally mixed institutional framework in which the co-education of children from diverse social and cultural backgrounds is the norm, not the exception.

This objective will be achieved through the following key measures:

- Design and pilot implementation of the municipality's desegregation and inclusion program.
 - The selection of one or two 'elite' kindergarten(s) as pilot(s) institution for integrating children from the district's residentially segregated areas/kindergartens. To this end pre-school aged Roma/disadvantaged children will be placed in the kindergarten's relevant age-specific pre-school group(s) in 2021. The measure will be replicated with a new cohort of Roma/disadvantaged children the following year. The municipality will seek to extend this practice to the 2 other elite kindergartens in 2023.
- Based on the findings of a preliminary study commissioned for 2020, the municipality will partially redefine its kindergartens' catchment areas until 2021. Based on the experience of the pilot desegregation initiative, and supported by other activities undertaken within the scope of the project, the municipality will implement a comprehensive reform of its kindergartens' catchment areas in 2022. This measure should allow for a significant and sustainable improvement in the distribution of children of Romani and/or disadvantaged background among the 13 municipal kindergartens.

Objective 2:

To improve the quality of education offered in the kindergartens of the segregated areas and make these kindergartens attractive to non-Roma and non-disadvantaged families, thereby taking significant steps toward transforming 'segregated kindergartens' into more attractive, better functioning and more inclusive institutions capable of counterbalancing social disadvantages and equipping children with the skills and competences necessary for integrating into non-segregating (local) schools.

This objective will be achieved through the following key measures:

- Design and pilot implementation of the municipality's desegregation and inclusion program.
- The selection of one or two segregated kindergarten(s) for integrating non-disadvantaged children from their respective catchment areas.
- Developing the basic competences of children enrolled in partially segregated kindergartens through the provision of extra capacity, English teaching and digital education.

Objective 1 and 2 will be also supported by

- By the various services provided by the NGO partners in the selected kindergartens, such as training of teachers, additional skill development of children, social work, community development and mediation, and the inclusion of volunteers (see Work Package 3).
- Capacity building of the relevant kindergartens by ensuring extended developmental pedagogical staff.
- The provision of additional remuneration for the kindergarten teachers who work in the pilot.

Objective 3:

To support municipal kindergartens and teachers in better integrating inclusive methodologies into their pedagogical programs, and thereby preparing them to handle the challenges of desegregation.

This objective will be achieved through the following measures:

- Set-up of a methodological working group on inclusion, with members of the heads of kindergartens, kindergarten teachers and educational experts. It will develop an overall strategy for methodological and institutional development of the municipal kindergarten system of the district, will monitor and support its implementation and will also follow-up the implementation of the municipal desegregation strategy.
- The training of kindergarten teachers in the 3 selected kindergartens in the Step-by-Step method and continuous mentoring during program introduction in the institutions.
- The training of kindergarten teachers in the Persona Doll method.
- Design of a tested and hence reliable methodology to be used in the course of the further reform of municipal kindergartens after the end of the project period.

Results for Objective 1:

a. Successful integration of Roma/disadvantaged children in the district's 'elite' kindergartens. By successful we mean that i. kindergarten teachers are equipped with methodological skill required for effective inclusion, ii. the whole staff supports the initiative; iii. the integration procedure is deemed successful by Romani/disadvantaged parents; iv. non-Romani/disadvantaged parents also support the initiative and do not engage in material ('white flight') or discursive-political backlash; v. other kindergarten teachers and the wider community recognise the value of the initiative and support the municipality's strategy.

Indicators: action research confirms or refutes these tendencies.

b. Significant and sustainable improvement in the distribution of children of Romani and/or disadvantaged background among the 13 municipal kindergartens.

Indicator: net decrease in the variance of the ratio of Romani/disadvantaged children in the 13 municipal kindergartens.

Results for Objective 2:

a. i. Greater awareness of Romani/disadvantaged parents of the importance of choosing non-segregated schools for their children. ii. More Romani/disadvantaged children enter non-segregated elementary schools from the selected kindergarten(s) on the long term.

Indicators: i. action research confirms or refutes this tendency; ii. Improvement in the ratio of children who manage to enter non-segregated elementary schools from the selected 'segregated' kindergarten(s).

b. i. Improved image of the selected kindergarten(s) among non-Romani/ disadvantaged residing in the catchment area; ii. More non-Romani/ disadvantaged children enter the selected kindergarten(s).

Indicators: i. action research confirms or refutes this tendency; ii. improvement in the ratio of non-Romani/disadvantaged entering selected kindergarten(s).

Results for Objective 3:

a. Municipal kindergartens incorporate inclusive methodologies into their pedagogical programs.

Indicator: Greater role/representation of inclusive methodologies in the pedagogical programs of municipal kindergartens as compared to the pre-project period

b. Teachers support the greater incorporation of inclusive methodologies into kindergartens' pedagogical programs.

Indicator: action research confirms or refutes this tendency.

Methodology

- A preliminary research will be conducted prior to the implementation of the project in 2020, in District 8, financed by the Municipality. The research will collect reliable data and will define the potential main measures of desegregation and inclusion. It will also provide recent demographic data for the selection of the kindergartens where the developments of the present project will be implemented.

- The inclusion/desegregation strategy development of the municipality will be developed firstly by an expert working group involving experts on education and Roma inclusion, the kindergarten head, and representatives of the municipality and of the NGO partners. The draft policy/strategy recommendations will be consulted by a wider group of stakeholders including pedagogues, representatives of the families, Roma minority self-government, the mainstream community and local NGOs. The final strategy will be adopted by the Municipal assembly.

- Methodological developments in the kindergartens will be based on the training and continuous mentoring of kindergarten teachers in the step-by-step method (which supports inclusive, democratic, child-centred educational environment, as well as co-education of children with diverse background) and the Persona Doll method (which facilitates handling of difficult situations in a kindergarten context, prejudices, aggression, etc).

Capacity development of kindergartens will be partially ensured through the provision of extra staff (developmental pedagogues). The planned involvement of volunteers in the kindergarten activities could also bring in innovative and sustainable capacities.

- Additional skill development of the children will follow two paths: general skill development based on game pedagogy will be provided by Rosa Parks Foundation and volunteers to compensate for skill disadvantages due to social background. Additional foreign language and digital skill development will be provided by the municipality to ensure children meet the expectations of the high-quality, non-segregated district elementary schools and therefore open the path for improved school career.

- Community development of children-parents-kindergarten teachers will pave the way for smooth inclusion measures, while bringing in social work in the kindergartens will build additional trust and better access to social services. However, in case of potential conflicts, mediators will be available for professional management of these situations.

- Local support for the strategy and the inclusion measures will also be built through honest, credible communication activities as well as various interactive forums that can channel in diverse interests and opinions during implementation.

- As the present pilot could have very significant findings for other stakeholders with similar inclusion goals, the evaluation of the impacts will be achieved through an impact research including qualitative and quantitative elements

2.2. Cost effectiveness

Demonstrate that your project represents good value for money and that you aimed for cost efficiency in the estimated budget. You may include any comments of the horizontal nature in relation to the items presented in the estimated budget.

The estimated budget is based on modest and realistic items.

The lead applicant, the municipality of District 8, will finance from its own resources the preliminary research and carry it out before the outcome of the call to which the present proposal has been submitted is made public.

All the consortium members, the planned external experts as well as subcontractors are highly committed towards the values of non-discrimination and Roma inclusion and represent very high quality service providers. Therefore the implementation of the project is expected of very high quality based on a modest budget.

2.3. European added value

European dimension

Illustrate the European dimension of the planned activities: trans-national dimension of the project; impact/interest for a number of countries; possibility to use the results in other countries, potential to develop mutual trust/cross-border cooperation among EU countries, contribution to the consistent and coherent implementation of EU law, and to public awareness about the rights deriving from it etc.

Which countries will benefit from the project (directly and indirectly)? Where will the activities take place?

Segregation of Roma/disadvantaged children at various levels of public education is a widespread phenomenon in most Central-East European countries. The European Union has been implementing various measures to motivate and enforce equal treatment and non-discrimination of Roma. The EU put significant pressure on States to harmonise anti-discrimination regulations and brought into effect various legal actions against countries not abiding these rules. The EU has also provided ample financial tools to motivate national and local authorities to invest in inclusion measures.

National governments – depending on the actual political context – supported or rather resisted these efforts. National courts also brought a series of resolutions against segregating institutions.

However, despite all the above efforts, discrimination of Roma in education (and in other fields) remains a serious, chronic problem in the region. One of the main reasons behind the resistance of national and local bodies against introducing effective Roma inclusion measures is the supposed political risk associated with implementing desegregation actions.

The present project is piloting an initiative in which a local municipality voluntarily attempts to initiate structural changes in its educational system, in a partially hostile national political context.

The project will build on existing good practices in desegregation of kindergartens and schools in Europe and also disseminate the results, focusing on the Central-Eastern European region, for municipal and NGO actors.

Before finalizing the desegregation and inclusion strategy, the consortium will map the best and worst practices among municipalities in the region, collecting practices with key policy measures and analysing their long or mid-term impact. In this work the consortium will rely partly on a survey that will be conducted among municipalities of the EUROCITIES network.

In order to reach the maximum impact in the region, the consortium will identify through the survey those municipalities that are open for desegregation but do not have yet a strategy to go forward with it. The project aims to share the strategy of District 8 and facilitate the elaboration of new desegregation strategies in the Region and share experience and methodology with other European cities. Project results and lessons learnt will be disseminated through a workshop for those cities throughout Europe, which are themselves undertaking desegregation initiatives in education or considering to do so in the near future.

On the domestic level, it is crucial that at least the neighbouring districts of Budapest are encouraged through this project to desegregate their kindergartens too or at least raise the level of inclusiveness in municipal kindergartens. It will be achieved through knowledge sharing with mayors and municipal staff through roundtables.

The results of the project will also be disseminated on a European level through the professional relationships of the Consortium members. Partners Hungary is the member of the International Step by Step Association (ISSA) that supports high-quality early childhood services. The results of the project will be shared at the annual ISSA conference and a Peer Learning Activity will be offered for ISSA members by Partners Hungary and Rosa Parks. Another ISSA initiative is the Romany Early Years Network (REYN) that operates in 10 European countries. The publications of the project will be disseminated in the REYN networks and the results of the project shared through a webinar with minimum 30 participants from 5 countries of REYN.

For further details of knowledge sharing and dissemination please see Part 5.3 Dissemination, communication & visibility

The results of this pilot will be extremely relevant for other, similarly situated municipalities as well as for other institutions. The pilot could prove, whether

- the planned activities lead to measurable changes in the functioning of kindergartens and improvement in segregation indicators
- the planned methods – including communication – gain the support of the local community
- the planned methods gain the support of the Roma families and raise their awareness of the importance of quality, non-segregated education.

These findings will be of universal value for most municipalities with a significant Roma population throughout Europe.

2.4 Timetable

Fill in cells in beige to show the duration of activities. Repeat lines/columns as necessary.

Note: Use the project month numbers instead of calendar months. Month 1 marks always the start of the project. In the timeline you should indicate the timing of each activity per WP.

ACTIVITY	MONTHS																							
	M 1	M 2	M 3	M 4	M 5	M 6	M 7	M 8	M 9	M 10	M 11	M 12	M 13	M 14	M 15	M 16	M 17	M 18	M 19	M 20	M 21	M 22	M 23	M 24
Activity 1.1 - kick-off meeting																								
Activity 1.2 - project management																								
Activity 1.3- monitoring and process evaluation																								
Activity 1.4 - financial management																								
Activity 1.5 - reporting to the donor																								
Activity 2.1 - Setting up and coordination of a strategy planning working group																								
Activity 2.2 - Setting up and coordination of a consultation group																								
Activity 2.3 - Development of a Desegregation & Inclusion strategy for the kindergartens																								
Activity 2.4 - Redrawing of kindergarten catchment areas																								
Activity 3.1 - Setting up and coordination of a methodological-professional working group of the kindergartens																								
Activity 3.2 - Methodological trainings for kindergarten teachers																								
Activity 3.3 - Mentoring of change in the kindergartens																								
Activity 3.4 - additional skill development of kindergarten children																								
Activity 3.5 - Community development																								

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3. Participants and project management

The list of beneficiaries is included in annex 1 Part A section 1.2.

3.1 Consortium cooperation & division of roles for multi-beneficiary grants

1) Not applicable for mono-beneficiary grants (single applicants).

Describe the consortium (beneficiaries) and explain how they will work together to implement the project. How will they bring together the necessary expertise? How do the members complement each other?

In what way does each of the participants contribute to the project? Show that each has a valid role and adequate resources to fulfil that role.

Mention how other third parties (subcontractors, partner organisations, third parties giving in-kind contributions, key stakeholders, etc) will be involved.

Note: When building your consortium you should think of organisations that can help you reaching an objective/solving a problem also in relation to the EU countries they are located in.

The 8th district in Budapest has been the site of several EU and state-funded equal opportunity programs, which were implemented by the municipality between 2004 and 2015 with the aim of improving the quality of public services and access to these services on behalf of disadvantaged social groups, including Roma. Two of these programs specifically targeted educational institutions. One of them focused on the in-depth transformation of school curricula and aimed to strengthen underperforming municipal schools' focus on competence-based learning techniques with a view to better preparing children from a disadvantaged background for high-school entrance. The other program – which ran between 2009 and 2015 – specifically targeted municipal kindergartens, offering support for the integration of inclusive methodologies into kindergartens' pedagogical programs. In the course of the program all 13 municipal kindergartens modified their pedagogical programs and teachers received long-term training in inclusive pedagogical methods. These programs brought lasting structural and functional changes at kindergartens. While the Fidesz-run majority, formed in 2009, gradually distanced itself from its predecessor's program of inclusion, kindergarten teachers continue to apply the pedagogical programs which were modified in the course of the EU-funded program, highlighting the sustainability of inclusion efforts. Fidesz's tenure (2009-2019) did yield one inclusive educational program: an effort to better integrate children of the Vietnamese, Chinese and Afghan diaspora into the local educational system through the training of dedicated kindergarten teachers in 4 kindergartens. The new municipality, whose representatives were elected in October 2019, is dedicated to the vision of inclusive education. Under the leadership of the vice-mayor responsible for education (who is an educational sociologist by vocation), the municipality seeks to safeguard its predecessor's focus on the integration of ethnic diasporas, but complement this with a strong focus on integrating Roma children into local educational institutions as a first step towards creating an educational institutional system which is able to compensate social disadvantages. The new municipality is also dedicated to a collaborative vision of governance and strives to include local NGOs as well as NGOs with experience in desegregation into its strategic effort to create a more inclusive educational system.

Partners Hungary Foundations has the vision of a multicultural, accepting and open society that lives in harmony with its environment and with nature. Main areas of its intervention are social inclusion with special regard to Roma social integration, alternative conflict management methods as well as support of inclusive education with the dissemination and implementation of the Step by Step program. Partners Hungary is the leading organization in Hungary that applies Roma mediation and trains mediators to support Roma inclusion locally especially in the field of education and health care. Recent relevant project include the provision of teacher training and mentoring based on the Step by Step program, contributing to the INSCHOOL program of the European Union and Council of Europe supporting inclusive schools for Roma children.

Rosa Parks Foundation is a grassroots organization promoting inclusive and quality education for marginalized children as well as advocacy. RPF based in District 8. It is led by experts in the field of desegregation and inclusive education. RPF aims to ensure that all children have access to inclusive and quality education regardless of their race, disability and economic background. Main activities include an after-school program that supports marginalized children to enrol to inclusive schools, a free legal aid service for families with marginalized children. RPF advocates for an equitable and quality education accessible for everyone without discrimination. For this end RPF provide legal training on educational matters for parents, volunteers and activists to empower them to enforce their children's rights.

The two Hungarian NGOs presently cooperate in a project that aims support desegregation and to promote inclusive education in schools that are subject to a recent court case fostering desegregation and inclusive education. The project combines community work, professional capacity building, communication and advocacy.

The consortium members possess the main required expertise for the implementation of the project, therefore only tasks requiring specialized know-how will be subcontracted (videography) alongside evaluation tasks which must be conducted by independent bodies (impact assessment). External experts will contribute to the functioning of the strategy planning expert working group as well as to the development and introduction of game-based skill development in the kindergartens. A broader set of stakeholders will have the opportunity to contribute to the implementation through the consultative forum.

Project set-up & division of roles for mono-beneficiary grants:

1) Not applicable for multi-beneficiary grants (multi-beneficiary consortium).

Describe how the beneficiary and third parties (subcontractors, third parties giving in-kind contributions, key stakeholders, etc) will be involved in the project. How will they bring together the necessary expertise?

3.2 Subcontracting

Give details on subcontracted action tasks (if any) and explain the reasons why (as opposed to direct implementation by the participants).

Note: Subcontracting concerns the outsourcing of a part of the action to a party outside the consortium. It is not simply about purchasing goods or services. We normally expect that the consortium participants to have sufficient operational capacity to implement the project activities themselves. Sub-contracting should therefore be exceptional.

Include only subcontracts that comply with the rules (i.e. best value for money and no conflict of interest; subcontracting is not possible for key coordinator tasks and may not cover the core of the action; see art 10 of the Model Grant Agreement).

Participant name	Description of the subcontracted action task	Estimated costs (EUR)	Justification (why is subcontracting necessary?)	Best-value-for-money (how do you intend to ensure it?)
Józsefváros Municipality	Qualitative research - Participatory action research, including participatory observations in the kindergartens, unstructured interviews with kindergarten teachers, municipal staff, other relevant stakeholders, discourse analysis	13 080	The assessment has to be implemented by an organisation/experts independent of the implementing organisations and also having expertise in action research	The participative action research is budgeted as a relatively low monthly cost of 554 euro for 20 months, covering the cost of observing staff and quantitative data collection. 2000 euro is planned for data analysis and report writing. The task is planned to be outsourced to experts highly experienced in qualitative research on Roma inclusion measures.
Józsefváros Municipality	Qualitative research - Collecting and analysing key indicators, such as enrolment statistics, parental satisfaction statistics, institutional capacity indicators with particular reference to segregation indicators.	2 615	The assessment has to be implemented by an organisation/experts independent of the implementing organisations and also having expertise in quantitative data collection and analysis	The cost of quantitative data collection for the entire duration of the project is estimated at approx. 1538 euro. Data analysis and report writing is budgeted for 1077 euro. The task is planned to be outsourced to the leading Hungarian organisation on social impact assessment, already having a good working relation with the new District municipality.
Józsefváros Municipality	Visual diary: regular video documentation of activities at the selected kindergartens, as well as video interviews with the kindergarten teachers and parents. Short communication materials will be edited from these, as well as longer summaries of the project at half-term and at completion. Project summary videos – a short, expert narrated video will be produced at the beginning of the implementation, to introduce the aims activities and main stakeholders of the project. A shorter – 1 minute and a longer – 3-5 minutes – version will be edited. A long version – 10-15 minutes	12 282	The consortium members do not possess expertise and equipment for video shooting and editing, therefore these tasks will have to be subcontracted to professional organisations	Videographers will be chosen who have ample experience in documenting social phenomena and also having high quality references in video creation

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	- will be shot at the completion of the project, presenting the results and learnings, subtitled in English.			
<p>Other issues:</p> <p><i>If subcontracting for the entire project goes beyond 30% of the total eligible costs, give specific reasons.</i></p>				

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3.3 Project management

Explain the overall project management concept, in particular how decisions will be taken and how permanent and effective communication will be ensured.

Jozsefvaros Municipality, as lead applicant, is responsible for the overall coordination of the project implementation as well as for the general management tasks. The lead partner will set up a two-member management team, while each partner designated a part-time coordinator to manage the specific tasks and to take part in the consortium-level administrative and financial management.

The lead applicant will ensure the overall professional, administrative and financial responsibility for the project. It will also coordinate the reporting procedure towards the Donor. A detailed consortium agreement will be compiled with details on the consortium-level cooperation, responsibilities of all partners, financial provisions, reporting obligations, etc.

At the launch of the project a kick-off meeting will be organised where professional, administrative, financial and communication obligations will be discussed in detail and followed throughout implementation. The detailed work-plan described in the application will be reviewed and updated if necessary.

Communication within the consortium will be based on emails, telephone, virtual skype meetings as well as regular face to face meetings. Partners will meet face-to-face at least once per month. Cooperation will be supported by a virtual common storage of shared documents, data, information.

The consortium will aim at democratic decision making processes, where each organisation is supported by the consortium. The lead applicant will makes sure all decisions comply with implementation rules and support the high quality execution of the project.

Project implementation will be monitored by monthly virtual and offline team meetings where the day-to-day management, progress, milestones, budget spending, short-term action plans will be reviewed and updated. Monitoring and quality assurance will also be supported by 3-monthly written reports between the partners. Monthly staff meetings also give opportunity for in depth review and evaluation of progress as well for mutual learning among partners. In case of any problems, more frequent calls and meetings will be arranged by the lead partner. The lead partner will ensure the necessary data are collected in timely and accurate manner from the partners and will compile the joint technical and financial reports for the Donor. The lead partner will also act as intermediary between the consortium and the Donor in case of any issues, questions, requests from any side

3.4 Project teams and staff

Describe the project teams and how they will work together to implement the project.

List the staff included in the project budget (budget category A) by function/profile (e.g. project manager, senior expert/advisor/researcher, junior expert/advisor/researcher, trainers/teachers, technical personnel, administrative personnel etc) and describe shortly their tasks.

The consortium has a highly experienced professional team, involving experts on anti-discrimination, Roma inclusion as well as inclusive education. The team will also be supported by leading researchers in the impact assessment tasks. The project will be professionally coordinated at the municipal level by Gábor Eröss, having ample experience in sociological research and education of vulnerable children. The expert group working on the strategy will have members with legal defence background (Adél Kegye), Roma inclusion and education (Eszter Berényi) as well as Éva Deák, expert on educational inclusion, among other stakeholders. The impact research will be supported by Balázs Váradi, a public policy expert and senior researcher.

Development work in the kindergartens will be supported by highly experienced staff of Rosa Parks (Dalma Dóra, Csenge Horvath) and Partnes Hungary (Anikó Krizner, Mária Zágon). Partners Hungary will also provide mediation and conflict resolution resource (János Wagner).

The Coordinator will set up a management team with members having decade-long experience in managing complex projects (Csilla Sárkány and Gyöngyi Tóth), while each partner will also have competent project coordinators for management tasks (Emese Gál, Éva Deák). Consortium members will work together in the joint management tasks.

3.5 Monitoring and evaluation

Describe how you intend to monitor and evaluate the progress of the project. This includes explaining which quantitative and qualitative indicators you propose to use for the evaluation and coverage of the project activities and results.

Explain which quantitative and qualitative indicators you propose to use for the evaluation of the outreach and coverage of the project activities and project results.

Note: We encourage participants to monitor and evaluate changes in attitudes and behaviour of the target group throughout and after the life of the project. This includes examining the behavioural causes of the issue and its underlying determinants, identifying the encouraged behaviour(s) for each target group, specifying which behavioural solutions will be tested, explaining how the expected results will be evaluated and whether the proposed solutions will be pre-tested before full-scale implementation (see more detailed guidance).

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The monitoring process is envisaged to be an on-going activity of the project, insuring that the activities are implemented at the best level of quality and to follow the results achieved. A concrete monitoring plan of the project will be developed and proposed by the project manager at the beginning of the project.

Project implementation will be monitored and the implementation process evaluated by monthly project team meetings where the day-to-day management, progress, milestones and short-term action plans will be reviewed and updated.

Data of the impact assessment will also feed into the implementation. Researchers will take part in the meetings of the desegregation working groups.

Findings will be presented at professional meetings and at least at the mid-term forum for parents and the wider community.

The implementation of the municipality Desegregation & Inclusion strategy – which will provide the framework for all project activities for Month 5-24 –

will be also monitored by the Desegregation expert working group as well as the methodological-professional working group of the kindergartens.

The impact assessment detailed in WP 4 will evaluate changes in attitudes and behaviour, among other aspects. It will assess

- the impact of the project measures on the internal functioning and external image of the selected kindergartens

- how the parents and the local community react to the various desegregation measures

- how it is possible to legitimise such a desegregation project in a partially hostile social-political context.

Impact assessment will also collect and analyse quantifiable data on various aspects of desegregation, such as enrolment statistics, parental satisfaction statistics, institutional capacity indicators.

3.6 Dissemination, communication and visibility of EU funding

Describe the dissemination and communication activities which are planned in the framework of the project in order to promote the project activities/results and maximise the impact (to whom, which format, how many copies, etc.). Clarify how you will reach the target groups, the relevant stakeholders, policymakers and the general public and explain the choice of the dissemination channels.

Describe how the visibility of EU funding will be ensured.

A detailed Communication strategy will be developed at the beginning of the implementation with the aim to enhance project visibility among local and national decision-makers and to effectively transmit the project aims among the inhabitants of the district. The communication strategy will support the dissemination of the achievements and results of the project.

Due to project's specific focus on active inclusion and anti-discrimination of the Roma, the project will produce awareness raising materials, mainly aimed at the relevant communities, with a special focus on the families attending the targeted kindergartens. Communication actions will focus on highlighting the benefits of the developments planned, with an explicit aim of supporting positive attitudes towards Roma inclusion measures.

Communication activities on the other hand will ensure a wider publicity among Roma inclusion experts, likeminded municipalities and NGOs, while also guarantying compliance with EU and Programme publicity and visibility rules.

The main principles of the Communication Strategy

Communication of a project dealing with such a sensitive social issue must be based on credible, honest and up-to-date information. The strategy aims at proactively providing information to the relevant audience, such as the inhabitants of the district, the community of kindergarten teachers as well as the wider audience, in order to gain local support for inclusion and desegregation measures. Local communication will focus on the mutual benefits of inclusion for the whole of the concerned community in order to fight against widespread misconceptions about segregation/inclusion as well as on the commitment of the municipality towards social inclusion. The activities will introduce inclusion measures and benefits step-by-step, gradually shifting attitudes and building trust and local support. The strategy will be strongly built on active dialogue with the interested stakeholders, mainly with the kindergarten teachers and the relevant families in order to channel in their diverse opinions and interest, to support partnership between the municipalities and the community.

Wider dissemination among interested parties that might aim at similar initiatives is of high importance, in order to disseminate the methods and results of the present pilot on professional and policy levels. The exchange will happen on two levels: municipal level and among educational service providers, mostly NGOs.

Main target groups

- staff of the district kindergartens and schools – to introduce the aims of the project and the general inclusion aims of the municipalities, to provide up-to-date, credible information and to generate professional dialogue in their professional community

- parents – proactive communication in order to decrease false beliefs, regular information about implementation, generate dialogue on opinions, questions, experiences

- wider mainstream audience in both countries - proactive communication in order to decrease false beliefs, legitimise and normalise desegregation policies

- wider professional audience on a European level – to share learnings and experiences with municipalities, educational service providers, legal defence organisations, equality bodies, experts and organisations in Roma inclusion and education

Dissemination tools and channels:

I. Local level

- Visual diary: regular video documentation of activities at the selected kindergartens, as well as video interviews with the kindergarten teachers and parents. Short communication materials will be edited from these, as well as longer summaries of the project at half-term and at completion.

- Project summary videos – a short, expert narrated video will be produced at the beginning of the implementation, to introduce the aims activities and main stakeholders of the project. A shorter – 1 minute and a longer – 3-5 minutes – version will be edited. A long version – 10-15 minutes – will be shot at the completion of the project, presenting the results and learnings, subtitled in English.

- Kick-off project information forum: a public forum will be organised for the parents attending the selected kindergartens, where the vice-major responsible for educational issues, the project manager, the consortium partners and the head teachers of the selected kindergartens will present the project and answer questions. The longer version of the above project video will be presented.

- Half-term information forum: a similar to the above forum will be organised, where the half-term visual diary will be presented as well as the summary of the finding of the research, followed by moderated discussion.

- Local printed press: 3 articles (introduction at the beginning, first year report, closing event report)

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- Mainstream press: 3 articles, introducing the pilot for the mainstream audience
- Budapest roundtables: On the domestic level, it is crucial that at least the districts neighbouring Józsefváros (districts 7 and 9) are encouraged through this project to desegregate their kindergartens too or at least raise the level of inclusiveness in municipal kindergartens. For this end we organize roundtables for mayors to encourage them to make efforts towards a more equitable education within their competencies, through desegregation and development of inclusive pedagogy in their institutions.
- The reports of the action research will be presented for the professional audience and main findings shared with the affected families and kindergarten staff.

II. European level

- Preparatory workshop: before finalizing the desegregation and inclusion strategy, the consortium will map the best and worst practices among municipalities in the region and organize a workshop. The aim of this workshop will be that the municipalities which already have relevant experiences in desegregation learn from each other. The workshop will result in a collection of good practices where key policy measures and their long or mid-term impact will be analysed and discussed. Participating municipalities will be selected and invited through EUROCITIES, a network of European municipalities. Through EUROCITIES the consortium will survey municipalities about their previous efforts and interests in investing in desegregation. The outcome of the survey will shape the final agenda of the workshop on good practices. 5 municipalities from 3 countries – Slovakia, Romania and the Czech Republic – will be selected for participating in a workshop to be organized in Budapest in May 2021.
- Dissemination workshop: in order to reach the maximum impact in the Region, the consortium will identify through the survey those municipalities that are open for desegregation but do not have yet a strategy to go forward with it. The project aims to share the strategy of District 8 and facilitate the elaboration of new desegregation strategies in the Region and share experience and methodology with other European cities. After the first academic year affected by this project – after June 2022 – the partners will organize a workshop to disseminate project results and lessons learnt for those cities which are themselves undertaking desegregation initiatives in education or considering to do so in the near future.
- Dissemination in professional networks: The results of the project will also be disseminated through the professional relationships of the Consortium members. Partners Hungary is the member of the International Step by Step Association (ISSA). The association unites and supports professionals and partners to deliver high-quality early years services equitably, and advocate for and support competent Early Childhood Systems for all children, especially the most vulnerable. ISSA organizes a big conference with more than 300 participants each year. A workshop will be organized on the annual conference of ISSA that brings together early childhood professionals from all around Europe and beyond. A Peer Learning Activity will be offered for ISSA members by Partners Hungary together with Rosa Parks on the methodologies that the consortium used to support desegregation and inclusion of Roma children. 10 participants from minimum 3 European countries will attend. ISSA's initiative is the Romany Early Years Network (REYN) that operates in 10 European countries (Belgium, Bosnia-Herzegovina, Bulgaria, Croatia, Hungary, Italy, Kosovo, Serbia, Slovakia, Ukraine). National REYNs bring together professionals (teachers, social workers, visiting nurses, teaching assistants etc.) working for and with Roma children. The network provides opportunities for joint learning and sharing opportunities for its members. Partners Hungary operates the Roma Early Years Network in Hungary that has more than 500 members. The opportunity for joining the network will be offered for the professionals (kindergarten teachers, nurses, principles) working in the project.
- The closing event will have strong dissemination function, sharing the methods, results, learning of the pilot with a professional and policy-centred audience. Equinet representatives will be invited in order to strengthen EU-level dissemination and focusing on highlighting Roma inclusion measures among national Equality Bodies.
- Publications – the final report of the action research will be published in Hungarian and English as well as a methodological summary of the project aiming at stakeholders interested in piloting similar initiatives

Videos will be shared on the social media of the municipalities and the NGO partners as well. The strategy will aspire at regular presentation of short PR videos in social media, featuring kindergarten teachers, children and their families, based on predefined scripts, to highlight the human aspects and benefits of inclusion and desegregation.

All communication and dissemination activities will meet the publicity and visibility requirements of the Commission and the Programme, including the display of the EU emblem, the reference to the funding by Programme and the disclaimer excluding Commission responsibility.

3.7 Ethics

Ethics

Describe any ethical issues that may arise during the implementation of the project and the measures you intend to take to mitigate them, including with regard to the interactions between projects staff, target groups and persons benefitting from the project.

Gender mainstreaming

Describe how you will ensure gender mainstreaming in the project activities. Gender mainstreaming means integrating a gender perspective in the design, implementation, monitoring and evaluation of a project as appropriate. Project activities should be pro-active and contribute to the equal empowerment of both genders, and ensure that they achieve their full potential, enjoy the same rights and opportunities. Gender mainstreaming goes beyond counting the number of women and men in a room. In the delivery of project activities gender mainstreaming shall be ensured by monitoring access, participation, and benefits among women and men, and by incorporating remedial action that redresses any gender inequalities in project implementation.

Rights of the child mainstreaming

If your project has a direct or indirect impact on children and their rights, indicate it clearly here. Make sure that your project is based on a child rights approach, i.e. that all the rights of the EU Charter of Fundamental Rights and the United Nations Convention on the Rights of the Child (UNCRC) and the Optional protocols, are promoted, respected, protected and fulfilled. The project should address children as rights holders and should ensure their participation in the design and implementation of the project. For more detailed explanation, see the text of the call.

If your project directly involves children during any of its phases or activities, you are required to provide your child protection policy as Annex 4 (every organisation member of the project consortium whose work involves children needs to have one). In case your project does not involve children now, but should that change during the implementation of the project, submit the child protection policy at the same time when requesting the approval for the change in the project.

The child protection policy document will be carefully assessed and evaluated against the quality award criteria during the selection phase. If Annex 4 is not submitted, if it is very vague, or if it doesn't constitute a proper child protection policy, the points your proposal will be awarded under the quality criteria will be significantly reduced (by half). For more detailed explanation, examples and guidelines on the child protection policies, see the text of the call.

One key ethical issue concerns ethnicity. The general problem is that the achievement of project's main goal (desegregation) requires an overall assessment of changes in the ethnic composition of kindergarten classes. This is hindered by a legal ban on the collection of ethnic data on the individual level. This problem will be addressed by relying on a range of proxy measures and the expert estimates of key stakeholders (teachers, parents, etc.) to assess changes in ethnic composition. These data will also be relied upon during the compilation of the research reports, which form an integral part of the project.

3.8 Sustainability and continuation

Describe the follow-up of the project after the EU funding ends. How will the sustainability of the project impact be ensured?

Which kind of resources/form of collaboration with other entities will be used to take up the project outputs and results? Are there any possible synergies/complementarities with other activities/projects that could reinforce the long-term sustainability of the project?

The main guarantee of the sustainability of the project, its results and activities is the creation of long-term inclusion and desegregation plan of the municipalities. The present project is the first phase piloting of the strategy that will continue being implemented, hopefully on a broader scale, after the completion of the project.

The other major sustainability aspect is the adaptability of the experiment. A large number of municipalities or other educational service providers face similar segregated situations and many previous attempts to enforce desegregation remained inefficient. The present model will highlight the effectiveness of a desegregation project initiated by municipalities committed for Roma inclusion. The methods will have a transnational, European relevance, since these will be definitely adaptable in a large number of settlements of other (Central-)European countries with a significant Roma population.

Many of the project impacts are long-term by nature. The impact of the developed and implemented services in the kindergartens will have a definitely lasting effect on the participating children, families and kindergarten teachers. The inclusion model introduced at the kindergartens, coupled with the training and mentoring of the teachers will bring hardly reversible structural and functional changes at these institutions.

The project will also strengthen cooperation among municipalities committed for social inclusion and NGOs active in the field of Roma inclusion, which brings new synergies.

The product of the action research and the methodological guide compiled will provide a firm base for policy-level reforms at other stakeholders aiming at similar interventions.

4. History of changes between your proposal and Annex I to the Grant Agreement "Description of the Action"

Please state whether you have made any changes in the data entered in on-line forms in the participant portal (which will become Part A of the Description of the Action) when compared to Part B of the original proposal (*Description of workpackages and activities*).

Changes suggested in the Evaluation Summary Report	YES/NO ¹	Concise description of the change(s)
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Other changes	YES/NO	Concise description of the change(s)
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Please state whether you have made any changes in Part B of the Description of the Action when compared to Part B of the original proposal (*General Description of the project and applicant organisation*).

Changes suggested in the Evaluation Summary Report	YES/NO	No of section/page(s), concise description of the change(s)
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Other changes	YES/NO	No of section/page(s), concise description of the change(s)
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Note: Please note that changes to your original proposal should be limited to modifications suggested in the Evaluation Summary Report (ESR). We strongly advise against any other changes at this point as they may lead to the Commission considering the modified proposal as not compliant with the one recommended for funding and terminating the grant agreement preparation. Should you wish to introduce some modifications nevertheless (e.g. as a result of "force majeure" changes that occurred since the date of your original proposal), these must be indicated in the table. Failure to clearly signal any changes made to your proposal may lead to termination of the grant agreement preparation or – at any point following the signature of a grant agreement – to the termination of the grant agreement by the Commission. In accordance with Art. 34.3.1 (i)(ii).

¹ Delete what is not applicable

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ESTIMATED BUDGET FOR THE ACTION

Associated with document Ref. Ares(2020)6384072 - 05/11/2020

Estimated eligible ² costs (per budget category)										EU contribution ³			Action's estimated receipts		
A. Direct personnel costs	B. Direct travel and subsistence costs				C. Direct costs of subcontracting	(D. Direct costs of fin. support)	E. Other direct costs	F. Indirect costs ⁴	Total costs	Reimbursement rate % ⁵	Maximum EU Contribution ⁶	Maximum grant amount ⁷	Income generated by the action	Financial contributions given by third parties to the beneficiaries	Action's total receipts
A.1 Employees (or equivalent) A.2 Natural persons under direct contract and seconded persons	B.1 Travel	B. Subsistence				(D.1 Financial support) (D.2 Prizes)	E.1 Equipment E.2 Other goods and services								
Cost form ¹	Actual	Actual	Actual	Unit ⁸		Actual	Actual	Actual	Flat-rate ⁹						
	a	b1	(b2)	No	Total (b2)	c	(d)	e	f = flat-rate * (a + b1 + (b2) + c + (d) + e)	g = a + b1 + (b2) + c + (d) + e + f	h	i = g * h	j	k	l = m - k + i
1. Jean-Marie	138 825.00	1 450.00	0.00			27 777.00	0.00	18 863.00	15 238.05	202 351.05	80.00	161 882.44	161 882.05	0.00	0.00
2. PARTNERS	54 483.00	1 650.00	150.00			0.00	0.00	1 500.00	4 044.81	61 827.81	80.00	49 462.25	49 462.24	0.00	0.00
3. ROSA PARCE	40 747.00	150.00	150.00			0.00	0.00	1 992.00	4 552.73	49 591.73	80.00	55 673.38	55 673.38	0.00	0.00
Σ consortium	234 055.00	5 250.00	300.00			27 777.00	0.00	24 355.00	21 815.59	331 772.59	80.00	267 018.07	267 017.67	0.00	0.00

¹ See Article 6 for the eligibility conditions² The consortium remains free to decide on a different internal distribution of the EU funding (i.e. the consortium agreement; see Article 25.3)³ The indirect costs claimed must be free of any amounts covered by an operating grant (received under any EU or Euratom funding programme). A beneficiary that receives an operating grant during the duration of the action cannot claim any indirect costs for the year(s) covered by the operating grant (see Article 6.2 F)⁴ See Article 5.2 for the reimbursement rate⁵ This is the theoretical amount of the EU contribution, if the reimbursement rate is applied to all the budgeted costs. This theoretical amount is capped by the 'maximum grant amount'⁶ The 'maximum grant amount' is the maximum grant amount decided by the Commission. It normally corresponds to the requested grant, but may be lower⁷ See Article 5.2 for the cost forms⁸ See Annex 2a 'Additional information on the estimated budget' for the details (units, cost per unit)⁹ For the flat rate, see Article 6.2 F

ANNEX 3

ACCESSION FORM FOR BENEFICIARIES

PARTNERS FOR DEMOCRATIC CHANGE HUNGARY PARTNERS HUNGARY ALAPITVANY (PARTNERS), established in RAKOCZI UT 22. 4./24., BUDAPEST 1072, Hungary, VAT number: HU18068038, ('the beneficiary'), represented for the purpose of signing this Accession Form by the undersigned,

hereby agrees

to become beneficiary No ('2')

in Grant Agreement No 963286 ('the Grant Agreement')

between BUDAPEST FOVAROS VIII. KERULET JOZSEFVAROSI ONKORMANYZAT and the European Union ('the EU'), represented by the European Commission ('the Commission'),

for the action entitled Inclusive kindergartens for the quality education of Roma (Romadesegregation).

and mandates

the coordinator to submit and sign in its name and on its behalf any amendments to the Agreement, in accordance with Article 39.

By signing this Accession Form, the beneficiary accepts the grant and agrees to implement it in accordance with the Agreement, with all the obligations and conditions it sets out.

SIGNATURE

For the beneficiary/new beneficiary/new coordinator

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ANNEX 3

ACCESSION FORM FOR BENEFICIARIES

ROSA PARKS ALAPITVANY (ROSA PARKS), established in KARACSONY SANDOR UTCA 31-33, BUDAPEST 1086, Hungary, VAT number: HU18740392, ('the beneficiary'), represented for the purpose of signing this Accession Form by the undersigned,

hereby agrees

to become beneficiary No ('3')

in Grant Agreement No 963286 ('the Grant Agreement')

between BUDAPEST FOVAROS VIII. KERULET JOZSEFVAROSI ONKORMANYZAT and the European Union ('the EU'), represented by the European Commission ('the Commission'),

for the action entitled Inclusive kindergartens for the quality education of Roma (Romadesegregation).

and mandates

the coordinator to submit and sign in its name and on its behalf any amendments to the Agreement, in accordance with Article 39.

By signing this Accession Form, the beneficiary accepts the grant and agrees to implement it in accordance with the Agreement, with all the obligations and conditions it sets out.

SIGNATURE

For the beneficiary/new beneficiary/new coordinator

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① print format A4
landscape

MODEL ANNEX 4 JUST MGA — MULTI

FINANCIAL STATEMENT FOR [BENEFICIARY [name] / AFFILIATED ENTITY [name]] FOR REPORTING PERIOD [reporting period]

Eligible ¹ costs (per budget category)										Receipts			EU contribution			
A. Direct personnel costs	B. Direct travel and subsistence costs				C. Direct costs of subcontracting	[D. Direct costs of fin. support]	E. Other direct costs	F. Indirect costs ²	Total costs	Income generated by the action	Financial contributions given by third parties to the beneficiaries	Total receipts	Reimbursement rate % ³	Maximum EU contribution ⁴	Requested EU contribution	
A.1 Employees (or equivalent) A.2 Natural persons under direct contract seconded persons	B.1 Travel	B.2 Subsistence				Financial support Prizes	E.1 Equipment E.2 Other goods and services									
Cost form ⁵	Actual	Actual	Actual	Unit ⁶	Actual	Actual	Actual	Flat-rate ⁷								
	a	b1	[b2]	No	Total [b2]	c	[d]	e	f = flat-rate * (a + b1 + b2 + c + d) + e + f	g = a + b1 + b2 + c + d + e + f	h	i	j = h + i	k	l	m

The beneficiary/affiliated entity hereby confirms that:

The information provided is complete, reliable and true.

The costs declared are eligible (see Article 6).

The costs can be substantiated by adequate records and supporting documentation that will be produced upon request or in the context of checks, reviews, audits and investigations (see Articles 12, 13 and 17).

For the last reporting period: that all the receipts have been declared (see Article 5.3.3).

① Please declare all eligible costs, even if they exceed the amounts indicated in the estimated budget (see Annex 2). Only amounts that were declared in your individual financial statements can be taken into account later on, in order to replace other costs that are found to be ineligible.

¹ See Article 6 for the eligibility conditions.

² The indirect costs claimed must be free of any amounts covered by an operating grant (received under any EU or Euratom funding programme). A beneficiary that receives an operating grant during the duration of the action cannot claim any indirect costs for the year(s) covered by the operating grant (see Article 6.2.F).

³ See Article 5.2 for the reimbursement rate.

⁴ This is the theoretical amount of EU contribution that the system calculates automatically (by multiplying the reimbursement rate by the total costs declared). The amount you request (in the column 'requested EU contribution') may be less.

⁵ See Article 5.2 for the cost forms.

⁶ See Annex 2a 'Additional information on the estimated budget' for the details (units, cost per unit).

⁷ See Article 6.2.F for the flat-rate.

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ANNEX 5

MODEL FOR THE CERTIFICATE ON THE FINANCIAL STATEMENT (CFS)

This document sets out:

- the objectives and scope of the independent report of factual findings on costs declared under a EU grant agreement financed under the Rights equality and citizenship Programme 2014-2020 or the Justice Programme 2014-2020 and
- a model for the certificate on the financial statement (CFS).

1. Background and subject matter

[OPTION 1 for actions with one RP and NO interim payments: Within 60 days of the end of the reporting period, the coordinator must submit to the Commission a **final report**, which should include (among other documents and unless otherwise specified in Article 15 of the Grant Agreement) a **certified financial statement** (CFS; see proposed model below) for each beneficiary and (if applicable) each affiliated entity, if:

- the cumulative amount of payments the beneficiary/affiliated entity requests as reimbursement of actual costs is EUR 325 000 or more and
- the maximum EU contribution indicated for that beneficiary/affiliated entity in the estimated budget (see Annex 2) as reimbursement of actual costs is EUR 750 000 or more.]

[OPTION 2 for actions with several RPs and interim payments: Within 60 days of the end of each reporting period, the coordinator must submit to the Commission a **periodic report**, which should include (among other documents and unless otherwise specified in Article 15 of the Grant Agreement) a **certified financial statement** (CFS; see proposed model below) for each beneficiary and (if applicable) each affiliated entity, if:

- the cumulative amount of payments the beneficiary/affiliated entity requests as reimbursement of actual costs is EUR 325 000 or more and
- the maximum EU contribution indicated for that beneficiary/affiliated entity in the estimated budget (see Annex 2) as reimbursement of actual costs is EUR 750 000 or more.

The CFS must be submitted every time the cumulative amount of payments requested (i.e. including in previous financial statements) reaches the threshold (i.e. a first certificate once the cumulative amount reaches 325 000, a second certificate once it reaches 650 000, a third certificate once it reaches 975 000, etc.).

Once the threshold is reached, the CFS must cover all reporting periods for which no certificate has yet been submitted.]

The beneficiary must provide the CFS for itself and, if applicable, for its affiliated entity(ies).

The **purpose** of the audit on which the CFS is based is to give the Commission 'reasonable assurance'¹ that costs declared as eligible costs under the grant (and, if relevant, receipts generated in the course of the action) are being claimed by the beneficiary in accordance with the relevant legal and financial provisions of the Grant Agreement.

The **scope** of the audit is limited to the verification of eligible costs included in the CFS. The audit must be conducted in line with point 3 below.

Certifying auditors must carry out the audits in compliance with generally accepted **audit standards** and indicate which standards they have applied. They must bear in mind that, to establish a CFS, they must carry out a compliance audit and not a normal statutory audit. The eligibility criteria in the Grant Agreement always override normal accounting practices.

The beneficiary and the auditor are expected to address any **questions on factual data or detailed calculations** before the financial statement and the accompanying certificate are submitted. It is also recommended that the beneficiary take into account the auditor's preliminary comments and suggestions in order to avoid a qualified opinion or reduce the scope of the qualifications.

Since the certificate is the main source of assurance for cost claims and payments, it will be easier to consider amounts as eligible if a **non-qualified certificate** is provided..

The submission of a certificate does not affect the Commission's right to carry out its **own assessment or audits**. Neither does the reimbursement of costs covered by a certificate preclude the Commission, the European Anti-Fraud Office or the European Court of Auditors from carrying out checks, reviews, audits and investigations in accordance with Article 17 of the Grant Agreement.

The Commission expects the certificates to be issued by auditors according to the highest professional standards.

2. Auditors who may deliver a certificate

The beneficiary is free to choose a **qualified external auditor**, including its usual external auditor, provided that:

- the external auditor is **independent** from the beneficiary and
- the provisions of **Directive 2006/43/EC**² are complied with.

¹ This means a high degree of confidence.

² Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts or similar national regulations (OJ L 157, 9.6.2006, p. 87).

Independence is one of the qualities that permit the auditor to apply unbiased judgement and objective consideration to established facts to arrive at an opinion or a decision. It also means that the auditor works without direction or interference of any kind from the beneficiary.

Auditors are considered as providing services to the beneficiary under a **purchase contract** within the meaning of Article 9 of the Grant Agreement. This means that the costs of the CFS may normally be declared as costs incurred for the action, if the cost eligibility rules set out in Articles 6 and 9.1.1 of the Grant Agreement are fulfilled (especially: best value for money and no conflict of interests; see also below eligibility of costs of other goods and services). Where the beneficiary uses its usual external auditor, it is presumed that they already have an agreement that complies with these provisions and there is no obligation to find new bids. Where the beneficiary uses an external auditor who is not their usual external auditor, it must select an auditor following the rules set out in Article 9.1.1.

Public bodies can choose an external auditor or a competent public officer. In the latter case, the auditor's independence is usually defined as independence from the audited beneficiary 'in fact and in appearance'. A preliminary condition is that this officer was not involved in any way in drawing up the financial statements. Relevant national authorities establish the legal capacity of the officer to carry out audits of that specific public body. The certificate should refer to this appointment.

3. Audit methodology and expected results

3.1 Verification of eligibility of the costs declared

The auditor must conduct its verification on the basis of inquiry and analysis, (re)computation, comparison, other accuracy checks, observation, inspection of records and documents and by interviewing the beneficiary (and the persons working for it).

The auditor must examine the following documentation:

- the Grant Agreement and any amendments to it;
- the periodical and/or final report(s);
- *for personnel costs*
 - salary slips;
 - time sheets;
 - contracts of employment;
 - other documents (e.g. personnel accounts, social security legislation, invoices, receipts, etc.);
 - proofs of payment;
- *for travel and subsistence costs*
 - the beneficiary's internal rules on travel;
 - transport invoices and tickets (if applicable);
 - declarations by the beneficiary;
 - other documents (proofs of attendance such as minutes of meetings, reports, etc.);
 - proofs of payment;
- *for equipment costs*
 - invoices;
 - delivery slips / certificates of first use;

- proofs of payment;
- depreciation method of calculation;
- *for subcontracting*
 - the call for tender;
 - tenders (if applicable);
 - justification for the choice of subcontractor;
 - contracts with subcontractors;
 - invoices;
 - declarations by the beneficiary;
 - proofs of payment;
 - other documents: e.g. national rules on public tendering if applicable, EU Directives, etc.;
- *for costs of other goods and services*
 - invoices;
 - proofs of payment; and
 - other relevant accounting documents.

General eligibility rules

The auditor must verify that the costs declared comply with the general eligibility rules set out in Article 6.1 of the Grant Agreement.

In particular, the costs must:

- be actually incurred;
- be linked to the subject of the Grant Agreement and indicated in the beneficiary's estimated budget (i.e. the latest version of Annex 2);
- be necessary to implement the action which is the subject of the grant;
- be reasonable and justified, and comply with the requirements of sound financial management, in particular as regards economy and efficiency;³
- have been incurred during the action, as defined in Article 3 of the Grant Agreement (with the exception of the invoice for the audit certificate and costs relating to the submission of the final report);
- not be covered by another EU or Euratom grant (see below ineligible costs);
- be identifiable, verifiable and, in particular, recorded in the beneficiary's accounting records and determined according to the applicable accounting standards of the country where it is established and its usual cost-accounting practices;
- comply with the requirements of applicable national laws on taxes, labour and social security;
- be in accordance with the provisions of the Grant Agreement (see, in particular, Articles 6 and 9-11a) and
- have been converted to euro at the rate laid down in Article 15.6 of the Grant Agreement:
 - for beneficiaries with accounts established in a currency other than the euro:
Costs incurred in another currency must be converted into euros at the average of the daily exchange rates published in the C series of the EU Official Journal determined over the corresponding reporting period.

³ To be assessed in particular on the basis of the procurement and selection procedures for service providers.

If no daily euro exchange rate is published in the EU Official Journal for the currency in question, the rate used must be the average of the monthly accounting rate established by the Commission and published on its website;

- for beneficiaries with accounts established in euro:

Costs incurred in another currency should be converted into euros applying the beneficiary's usual accounting practice.

The auditor must verify whether expenditure includes VAT and, if so, verify that the beneficiary:

- cannot recover the VAT (this must be supported by a statement from the competent body) and
- is not a public body acting as a public authority.

The auditor should base his/her audit approach on the **confidence level** following a review of the beneficiary's internal control system. When using sampling, the auditor should indicate and justify the sampling size.

Specific eligibility rules

In addition, the auditor must verify that the costs declared comply with the specific cost eligibility rules set out in Article 6.2 and Articles 9.1.1, 10.1.1, 11.1.1, 11a.1.1 and 11a.2.1 of the Grant Agreement.

Personnel costs

The auditor must verify that:

- personnel costs have been charged and paid in respect of the actual time devoted by the beneficiary's personnel to implementing the action (justified on the basis of time sheets or other relevant time-recording system);
- personnel costs were calculated on the basis of annual gross salary, wages or fees (plus obligatory social charges, but excluding any other costs) specified in an employment or other type of contract, not exceeding the average rates corresponding to the beneficiary's usual policy on remuneration;
- the work was carried out during the period of implementation of the action, as defined in Article 3 the Grant Agreement;
- the personnel costs are not covered by another EU or Euratom grant (see below ineligible costs);
- for additional remunerations: the 2 conditions set out in Article 6.2.A.1 of the Grant Agreement are met (i.e. that it is part of the beneficiary's usual remuneration practices and is paid in a consistent manner whenever the same kind of work or expertise is required and that the criteria used to calculate the supplementary payments are objective and generally applied by the beneficiary, regardless of the source of funding used);
- for in-house consultants: the 3 conditions set out in Article 6.2.A.2 of the Grant Agreement are met (i.e. that the in-house consultant works under the beneficiary's instructions, that the result of the work carried out belongs to the beneficiary, and that the costs are not significantly different from those for personnel performing similar tasks under an employment contract).

The auditor should have assurance that the management and accounting system ensures proper allocation of the personnel costs to various activities carried out by the beneficiary and funded by various donors.

Travel and subsistence costs

The auditor must verify that travel and subsistence costs:

- have been charged and paid in accordance with the beneficiary's internal rules or usual practices (or, in the absence of such rules or practices, that they do not exceed the scale normally accepted by the Commission⁴;
- are not covered by another EU or Euratom grant (see below ineligible costs)
- were incurred for travels linked to action tasks set out in Annex 1 of the Grant Agreement;
- were incurred in the eligible countries set out in the call for proposals.

Equipment costs

The auditor must verify that:

- the equipment was acquired during the period of implementation of the action, as defined in Article 3 of the Grant Agreement;
- the equipment is purchased, rented or leased at normal market prices;
- public bodies have complied with the national rules on public procurement;
- the equipment is written off, depreciation has been calculated according to the tax and accounting rules applicable to the beneficiary and only the portion of the depreciation corresponding to the duration of the action has been declared and
- the costs are not covered by another EU or Euratom grant (see below ineligible costs).

Costs of other goods and services

The auditor must verify that:

- the purchase complies with best value for money (or lowest price) and that there was no conflict of interests;
- public bodies have complied with the national rules on public procurement;
- the costs are not covered by another EU or Euratom grant (see below ineligible costs).

Subcontracting costs

The auditor must verify that:

- the subcontracting complies with best value for money (or lowest price) and that there was no conflict of interests;
- the subcontracting was necessary to implement the action for which the grant is requested;
- the subcontracting was provided for in Annex 1 and Annex 2 or agreed to by the Commission at a later stage;

⁴ See the Guide for Applicants — Action Grants.

- the subcontracting is supported by accounting documents in accordance with national accounting law;
- public bodies have complied with the national rules on public procurement.

Ineligible costs

The auditor must verify that the beneficiary has not declared any costs that are ineligible under Article 6.4 of the Grant Agreement:

- costs relating to return on capital;
- debt and debt service charges;
- provisions for future losses or debts;
- interest owed;
- doubtful debts;
- currency exchange losses;
- bank costs charged by the beneficiary's bank for transfers from the Commission;
- excessive or reckless expenditure;
- deductible VAT;
- VAT incurred by a public body acting as a public authority;
- costs incurred during suspension of the implementation of the action;
- in-kind contributions from third parties;
- costs declared under other EU or Euratom grants (including those awarded by a Member State and financed by the EU or Euratom budget or awarded by bodies other than the Commission for the purpose of implementing the EU or Euratom budget); in particular, indirect costs if the beneficiary is already receiving an operating grant financed by the EU or Euratom budget in the same period;
- costs incurred for permanent staff of a national administration for activities that are part of its normal activities (i.e. not undertaken only because of the grant);
- costs incurred for staff or representatives of EU institutions, bodies or agencies;
- costs for activities that do/did not take place in one of the eligible countries specified in the call for proposals (unless approved by the Commission).

For more information on cost eligibility, see the Guide for applicants — Action Grants.

3.2 Verification of receipts

The auditor must verify that the beneficiary has declared receipts within the meaning of Article 5.3.3 of the Grant Agreement, i.e.:

- income generated by the action (e.g. from the sale of products, services and publications, conference fees) and
- financial contributions given by third parties, specifically to be used for costs that are eligible under the action.

3.3 Verification of the beneficiary's accounting system

The auditor must verify that:

- the accounting system (analytical or other suitable internal system) makes it possible to identify **sources of financing** for the action and related expenses incurred during the contractual period and

- expenses/income under the grant have been recorded systematically using a numbering system that **distinguishes** them from expenses/income for other projects.

Certificate on the financial statement (CFS)

To
[Beneficiary/affiliated entity's full name
address]

We, [full name of the audit firm/organisation], established in [full address/city/country],
represented for signature of this audit certificate by [name and function of an authorised
representative],

hereby certify

that:

1. We have **conducted an audit** relating to the costs declared in the financial statement of
[name of beneficiary/affiliated entity] (the ['beneficiary']/['affiliated entity']), to which
this audit certificate is attached and which is to be presented to the European Commission
under Grant Agreement No [insert number] — [insert acronym], covering costs for the
following reporting period(s): [insert reporting period(s)].
2. We confirm that our audit was **carried out in accordance with generally accepted
auditing standards** in compliance with ethical rules and on the basis of the provisions of
the **Grant Agreement** and its Annexes (and in particular the audit methodology
described in Annex 5).
3. The financial statement was examined and all necessary tests of [all]/[X]% of the
supporting documentation and accounting records were carried out in order to obtain
reasonable assurance that, in our opinion and on the basis of our audit
 - total costs of EUR [insert number] ([insert amount in words]) are eligible, i.e.:
 - actual;
 - determined in accordance with the [beneficiary's]/[affiliated entity's]
accounting principles;
 - incurred during the period referred to in Article 3 of the Grant Agreement;
 - recorded in the [beneficiary's]/[affiliated entity's] accounts (at the date of this
audit certificate);
 - comply with the specific eligibility rules in Article 6.2 of the Grant Agreement;
 - do not contain costs that are ineligible under Article 6.4 of the Grant
Agreement, in particular:
 - costs relating to return on capital;
 - debt and debt service charges;
 - provisions for future losses or debts;
 - interest owed;
 - doubtful debts;
 - currency exchange losses;
 - bank costs charged by the [beneficiary's]/[affiliated entity's] bank for
transfers from the Commission
 - excessive or reckless expenditure;

- deductible VAT;
 - VAT incurred by a public body acting as a public authority;
 - costs incurred during suspension of the implementation of the action;
 - in-kind contributions provided by third parties;
 - costs declared under other EU or Euratom grants (including those awarded by a Member State and financed by the EU or Euratom budget or awarded by bodies other than the Commission for the purpose of implementing the EU or Euratom budget); in particular, indirect costs if the /beneficiary//affiliated entity/ is already receiving an operating grant financed by the EU or Euratom budget in the same period;
 - costs incurred for permanent staff of a national administration, for activities that are part of its normal activities (i.e. not undertaken only because of the grant);
 - costs incurred for staff or representatives of EU institutions, bodies or agencies;
 - costs for activities that do not take place in one of the eligible countries specified in the call for proposals (unless approved by the Commission);
 - /are claimed according to the euro conversion rate referred to in Article 15.6 of the Grant Agreement;/
- total **receipts** of EUR **[insert number]** ([insert amount in words]) have been declared under Article 5.3.3 of the Grant Agreement and
 - the /beneficiary's//affiliated entity's/ **accounting procedures** are in compliance with the accounting rules of the state in which it is established and permit direct reconciliation of the costs incurred for the implementation of the action covered by the EU grant with the overall statement of accounts relating to its overall activity.

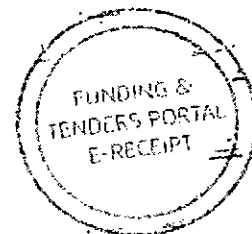
/However, our audit opinion is **qualified** for:

- costs of EUR **[insert number]**
- receipts of EUR **[insert number]**

which in our opinion do not comply with the applicable rules./

4. We are qualified/authorised to deliver this audit certificate /(for additional information, see appendix to this certificate)/.
5. The /beneficiary//affiliated entity/ paid a **price** of EUR **[insert number]**) (including VAT of EUR **[insert number]**) for this audit certificate. /OPTION 1: These costs are eligible (i.e. incurred within 60 days of the end of the action referred to in Article 3 of the Grant Agreement) and included in the financial statement./OPTION 2: These costs were not included in the financial statement./

Date, signature and stamp



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ANNEX 7

[OPTION 1 if further pre-financing payments foreseen in Article 15.2a:

***MODEL FOR THE STATEMENT ON THE USE OF THE PREVIOUS
PRE-FINANCING PAYMENT***

✓ For fields in [grey in square brackets]: enter the appropriate data

STATEMENT ON THE USE OF THE FIRST PRE-FINANCING PAYMENT

(To be filled out by the coordinator)

The undersigned:

- declares that [...] % of the first pre-financing payment of EUR [insert amount] paid for Grant Agreement No [insert number] — [acronym] have been used,
- declares that this is based on substantiated data (bank slip/treasury account) provided by each beneficiary,
- certifies that the information contained in the progress report is full, reliable and true, and is substantiated by adequate supporting documentation that can be produced in the context of checks, reviews, audits and investigations,
- requests a second pre-financing payment of EUR [insert amount].

SIGNATURE

For the coordinator:

[electronic signature]

Done on [electronic time stamp]

/

[OPTION 2: Not applicable]

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