



Cohesion Policy 2007 – 2013 Operational Programme I

Investing in Competitiveness for a Better Quality of Life

**European Regional Development Fund
Grant Agreement**

[Project No]

Project Title: [Insert Title of Project]



The Planning and Priorities Coordination Department within the Office of the Prime Minister

Called hereafter “**the Managing Authority**” or “the MA”, represented for the purposes of signature of this agreement by Ms Marlene Bonnici (Director General)

on the one part,

and

<Name of Beneficiary>

called hereafter “**the Beneficiary**”, represented for the purposes of signature of this agreement by [name of project leader as project leader], [name of Head of Organisation as the legal representative] and the Permanent Secretary (were applicable) (designation)

of the other part,

HAVE AGREED AS FOLLOWS:

The Beneficiary shall implement the project on the terms and conditions set out in this Grant Agreement.

ARTICLE 1 – PURPOSE OF THE GRANT

1.1 Following the Project Selection Committee's positive recommendation, the Managing Authority hereby confirms what has been stated in the letter of approval issued on _____ to provide the grant to the Beneficiary for undertaking ERDF Project entitled <insert name of project>, project no. <ERDF no of project> called hereafter “**the project**” under Operational Programme I (Cohesion Policy 2007-2013), under the terms and conditions set out in the present agreement.

1.2 The Beneficiary organisation accepts the grant and all the conditions attached to this agreement and undertakes to implement this project in line with the details provided in Annex I – The Project Description, to this Grant Agreement including all other Annexes.

Hence, the following shall be deemed to be an integral part of this Agreement and shall be equally binding

- Annex I – Project Description
- Annex II – State Aid Declaration Form
- Annex III – Partner's letter of Intent
- Annex IV – Data on participants in ESF Operations

ARTICLE 2 - DEFINITIONS

For the purpose of this agreement, unless the context otherwise requires:

- a) The National Strategic Reference Framework describes the overall strategy for Cohesion Policy 2007 – 2013 as it links Community priorities with the National Reform Programme as can be found on <http://www.meu.gov.mt/files/Final%20NRP%20Malta.pdf>;
- b) Operational Programme I (Cohesion Policy 2007-2013) is the document submitted by Malta and adopted by the European Commission setting out a development strategy with a coherent set of priorities to be carried out with the aid of the European Regional Development Fund (ERDF) as can be found <http://www.ppcd.gov.mt/op1>;

- c) Managing Authority is the body entrusted with the management and overall co-ordination of the Operational Programme I (Cohesion Policy 2007-2013). The Managing Authority is the Planning and Priorities Co-ordination Department within the Office of the Prime Minister;
- d) Certifying Authority is the body which certifies the declarations of expenditure and applications for payment in relation to the priorities of the Operational Programme before they are sent to the European Commission. The Certifying Authority is the EU Paying Authority within the Ministry of Finance, the Economy and Investment;
- e) Audit Authority is the body entrusted with verifying the effective functioning of the management and control system of the Operational Programme and ensuring that audits are carried out on operations. The Audit Authority is the Internal Audit and Investigations Department (IAID) within the Office of the Prime Minister;
- f) State Aid Monitoring Board (SAMB) is the body responsible for the monitoring and reviewing of existing and new State aid granted in Malta;
- g) Beneficiary means an operator, body or firm, whether public or private, responsible for initiating or initiating and implementing operations. For the purpose of this agreement the Beneficiary is *<insert name of Beneficiary>*;
- h) Operation refers to the project that is approved by the Managing Authority according to the criteria laid down by the Monitoring Committee and implemented by the Beneficiary allowing achievement of the goals of the priority axis to which it relates. For the purpose of this Grant Agreement, the operation is the project as described in Annex I.
- i) Project Leader is the person responsible on behalf of the Beneficiary for the implementation of the project and has the authority to take decisions during the course of implementation;
- j) The Manual of Procedures (MOP) is designed to guide the Beneficiary involved in the management and implementation of projects co-financed under the Cohesion Policy 2007 – 2013. The MOP can be downloaded from http://www.ppcd.gov.mt/links_and_downloads ;
- k) Eligibility Rules are national rules that provide which expenditure is eligible for financing within the parameters laid down in the relevant EC Regulations;
- l) The Total Cost of the project includes both the eligible and ineligible expenditure;
- m) Total Public Eligible Expenditure is that expenditure which can be part-financed by means of the Structural Funds;
- n) Ineligible Expenditure is that expenditure which cannot be part-financed through the Structural Funds;
- o) The Implementation period is that period of time in which the project's activities have to be carried out in line with Annex I;
- p) For the purpose of this Agreement closure marks the end of the project during which a closure report needs to be submitted.

ARTICLE 3 – DURATION

3.1 The Agreement is considered effective as of the _____ *[insert the date when the project was approved]*. Costs incurred after the 1st of January 2007 shall be considered to be eligible in so far as they are endorsed and authorised by the Managing Authority and are incurred in respect of activities of the project as approved under Annex I and any subsequent addenda.

3.2 The Agreement is considered to be valid till [insert end date of project]¹. The Agreement can be extended through correspondence between both parties. Extensions may be subject to additional conditions.

3.3 The Beneficiary should note that failure to adhere to the contracting and disbursement profiles of the project as outlined in Annex I (Project Description) may result in funds being decommitted from the project even during the valid duration of this Agreement.

ARTICLE 4 – FINANCIAL DETAILS

4.1 Full financial details of the project are set out under Section 7 of Annex I and are summarised below:

Eligible Cost (net of VAT)	VAT²	Other Costs³	Other Financing	Total

4.2 The public eligible cost of the project is the maximum payable on the project. Any changes are subject to a formal approval in writing by the Managing Authority following a justified request by the Beneficiary.

4.3 The Beneficiary binds itself to inform the MA of any such variations as soon as the former becomes aware of them. Furthermore, any savings made following contracting procedures and/or changes/ withdrawal of activities or part thereof will revert back to the Programme.

4.4 The project has been approved on the basis of the details set out in Annex I (Project Description) attached to this Grant Agreement. Funding is being granted towards the eligible expenditure of the project as approved in the Financial Details of the Annexed Project Description and on condition that the project delivers its aims and produces the agreed quantified targets. Failure to deliver the agreed targets in full may result in recovery of funds. Any changes must be notified and approved by the MA.

4.5 The Beneficiary can only claim ERDF funds for eligible (and approved) expenditure which is actually incurred for the approved project, within the approved period.

ARTICLE 5 - REVENUE GENERATION

5.1 The Funding Gap (where applicable) is determined in Section 7.2 of the Annex I (Project Description) to this Grant Agreement.

5.2 The Beneficiary is hereby binding itself to monitor and declare any revenue generated from the project or through the project equipment or activities, up to the year 2020.

5.3 In the case of operations where it is possible to objectively estimate revenue in advance, the Beneficiary must declare and monitor revenue over the reference period for the investment. The Beneficiary must periodically, as agreed between the Beneficiary and the MA, provide details of the actual revenue to the MA up to 2020. In this regard, the Beneficiary is obliged to inform MA and update the feasibility study/CBA (as applicable) as soon as new information is available. The updated financial feasibility/CBA should be sent to MA within three months of new information on the issue of revenue.

¹ All obligations with regard to monitoring, checks, and audits will continue to be valid till 2020.

² The issue of the eligibility of VAT is subject to Rule 22 of the National Eligibility Rules.

³ The issue of the eligibility of employers' social security contribution is subject to Rule 4 of the National Eligibility Rules. The eligibility of any 'Other Cost' will be established on a case-by-case basis in line with Rule 22 of the National Eligibility Rules.

5.4. In case of any revenue generated and previously not included in the calculation of the grant amount the Beneficiary is hereby binding itself to inform MA accordingly and the revenue generated would need to be taken into consideration and deducted from the total eligible expenditure. Any revenue not deducted from the original grant amount would need to be recovered in full.

5.5 A change in a project from the original project description that has the potential of affecting the revenue stream of a project may be subject to a financial analysis/ full cost benefit analysis or a revision of these documents, if already submitted at application stage.

5.6 If net revenue, over a specific reference period (appropriate to the category of investment concerned and the category of the project) covers part or all the investment cost, the MA will recover and/or cancel all or parts of the assistance granted, as the case maybe.

5.7 Any net revenue generated and previously not included in the calculation of the funding gap would need to be taken into consideration, deducted from the total expenditure and the funding gap will be recalculated. Any net revenue not deducted from the original grant amount would need to be recovered partially or in full, even if these fall due after the end of the Programme.

ARTICLE 6 – IMPLEMENTATION AND GENERAL ADMINISTRATIVE PROVISIONS

6.1 The Beneficiary shall undertake to implement the project in accordance with the principles of sound financial management, good governance and transparency.

6.2 The specific implementing procedures are explained in the Manual of Procedures and ad hoc and/or general instructions which the MA may issue from time to time during the life-time of the project.

6.3 Any communication in connection with this agreement shall be done in writing.

6.4 The Beneficiary shall commit itself to ensuring sufficient administrative capacity to implement the project as stated in Annex I.

6.5 The Beneficiary shall ensure that the Project Leader or Contact Person is available during working hours to discuss the project with the Managing Authority and other stakeholders.

6.6 The Beneficiary organisation, through the Project Leader, shall undertake all effort to ensure that the Project is implemented within the stipulated timeframe, and in line with the relevant EU and National Regulations and administrative procedures. Any changes must be agreed to by the Managing Authority.

6.7 The Permanent Secretary (in case of public sector projects) and the head of the organisation (in case of other organisations) shall undertake the necessary measures to ensure that the project has the required administrative capacity to implementing the project.

6.8 The Beneficiary Organisation shall ensure that when a change in Project Leader occurs and/or Contact Person, handing over has to be given to the new Project Leader.

6.9 A new Project Leader or Contact Person must be notified to the MA. The MA has the right to refuse a Project Leader/ Contact Person in which case the Beneficiary is obliged to present a new nomination which must satisfy any concerns of the Managing Authority.

ARTICLE 7 – LAWS APPLICABLE AND NATIONAL ELIGIBILITY RULES

7.1 The grant is governed by the terms of this agreement, the applicable Community rules and, on the basis of subsidiarity by the Laws of Malta, together with any amendments which may come into force during the period of implementation.

7.2 The main Community rules applicable are mainly⁴:

- a) Council Regulation (EC) 1083/2006 (the General Regulation) lays down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999⁵ and any subsequent amendments made to it, following the signing of this Grant agreement;
- b) Commission Regulation 1828/2006 (the Implementation Regulation) sets out rules for the implementation of Council Regulation (EC) No 1083/2006⁶ and any subsequent amendments made to it, following the signing of this Grant agreement;;
- c) Council Regulation (EC) 1081/2006 laying down special provisions with respect to the European Social Fund while repealing Regulation (EC) No 1784/1999⁷ and any subsequent amendments made to it, following the signing of this Grant agreement;;
- d) Council Regulation (EC) No 1080/2006 laying down specific rules on the European Regional Development Fund while repealing Regulation (EC) No 1783/1999⁸ and any subsequent amendments made to it, following the signing of this Grant agreement;;⁹

7.3 The main relevant Body of National Legislation is¹⁰:

- a) State Aid Monitoring Regulations: LN 210 of 2004 and any subsequent amendments made to it, following the signing of this Grant agreement;
- b) Environment Protection Act: Chapter 435 of the Laws of Malta (where applicable) *as amended by Act II of 2006 and Legal Notice 426 of 2007* and any subsequent amendments made to it, following the signing of this Grant agreement;
- c) Development Planning Act: Chapter 356 of the Laws of Malta (where applicable) *as amended by Acts XXI of 1992, XVI and XXIII of 1997, XXIII of 2000, VI and XXI of 2001; Legal Notices 22 and 47 of 2002; Acts VI of 2002, and VIII and XXXII of 2007; Legal Notice 425 of 2007; and Act XV of 2009* and any subsequent amendments made to it, following the signing of this Grant agreement;
- d) Environment Impact Assessment: LN 204 of 2001 (where applicable) *as amended by LN 114 of 2007* and any subsequent amendments made to it, following the signing of this Grant agreement;
- e) Equality for Men and Women Act: Chapter 456 of the Laws of Malta *as amended by Legal Notice 427 of 2007 and Act IV of 2009* and any subsequent amendments made to it, following the signing of this Grant agreement;
- f) Equal Opportunities (Persons with Disability) Act – Chapter 413 of the Laws of Malta *as amended by Legal Notice 426 of 2007* and any subsequent amendments made to it, following the signing of this Grant agreement;

⁴ The list of Regulations herein provided is not exhaustive.

⁵ And as amended by Council Regulation (EC) No 1989/2006, Council Regulation (EC) No 1341/2008, Council Regulation (EC) No 284/2009, Regulation No 437/2010 and Regulation 539/2010 of the European Parliament & of the Council

⁶ And as amended by Commission Regulation (EC) No 846/2009

⁷ And as amended by Regulation No 396/2009 of the European Parliament & of the Council

⁸ And as amended by Regulation No 397/2009 of the European Parliament & of the Council

⁹ Point (a) to (d) are the main Regulations that cover the Cohesion Policy 2007 – 2013 however the project must comply with all Regulations.

¹⁰ The list provided is not exhaustive.

- g) Value Added Tax Act: Laws of Malta – Chapter 406 of the Laws of Malta *as amended by Legal Notices 17, 21, 22, 28, 29, 30, 60, 89, 116, 142, 198, 199, 200, 201, 217, 223 of 1999, 11, 271, 272, 273 and 274 of 2000, and 23, 24, 25, 93 and 94 of 2001; Act VI of 2001; Legal Notices 149, 171, 233, 234 and 235 of 2001, 180, 205, 387, 388 and 389 of 2002, and 39, 375 and 384 of 2003, and 149 of 2004; Acts X of 2003, and II and III of 2004; Legal Notices 250, 376, 436, 489 and 520 of 2004; Act XIII of 2005; Legal Notices 171, 181, 186 and 334 of 2006; Acts IV, XIX and XXXII of 2007; Legal Notices 121, 122, 123, 124, 426, 443, 444, 445, 446, 447 and 448 of 2007, 105 and 335 of 2008, and 34, 86, 132, 133, 137, 234 and 235 of 2009; Act II of 2009; Legal Notices 71, 72, 73, 286 and 425 of 2010; and Act I of 2010, and any subsequent amendments made to it, following the signing of this Grant agreement;*
- h) Financial Administration and Audit Act: Chapter 174 of the Laws of Malta *as amended by Act VI of 1962; Legal Notice 47 of 1962; Act XII of 1965; Legal Notices: 17 and 46 of 1965; Acts: XXIV of 1967, XXXI of 1968, XXXII of 1969; Legal Notices: 48 of 1970, 24 and 93 of 1971, 48 of 1973, 50 of 1974; Act LVIII of 1974; Legal Notices: 56 of 1975, 63 of 1976; Acts: XXII and XXXIX of 1976; Legal Notices: 48 of 1977, 4 and 42 of 1978, 33 of 1979; Acts: III and XXIX of 1979; Legal Notices: 26 of 1980, 4 of 1981, 3 of 1982; Acts: XIII of 1983, XVI of 1997, I of 2004 and XIII of 2005; and Legal Notice 410 of 2007 and any subsequent amendments made to it, following the signing of this Grant agreement;*
- i) Public Contracts Regulations: LN 177 and LN 178 of 2005 as amended by LN 296 of 2010 and Contracts Circular 13/2010 and any subsequent amendments made to it, following the signing of this Grant agreement;
- j) Data Protection Act – Chapter 440 of the Laws of Malta as amended by Acts XXXI of 2002 and IX of 2003, LN's 181 and 186 of 2006, 426 of 2007 and Act XVI of 2008 and any subsequent amendments made to it, following the signing of this Grant agreement.

7.4 It is up to the Beneficiary to ensure that the most recent updates of legislation is consulted and followed.

7.5 The Beneficiary shall also be guided by the Manual of Procedures, the eligibility rules as established by the Managing Authority, as well as any instructions (ad hoc and/or general) which the MA may issue from time to time.

ARTICLE 8 – LIABILITY

8.1 The Beneficiary shall have sole responsibility for complying with any legal obligations incumbent on the organisation.

8.2 The MA or the Commission shall not, in any circumstances or on any grounds, be held liable in the event of a claim under the agreement relating to any damage caused during the execution/management of the project. Consequently, the MA or the Commission, shall not entertain any request for indemnity or reimbursement accompanying any such claim.

8.3 Except in cases of *force majeure*, the Beneficiary shall make good for any damage resulting from vandalism or the execution, faulty execution of the project.

8.4 The Beneficiary shall bear sole liability vis-à-vis third parties, including for damage of any kind sustained by them while the project is being carried out.

ARTICLE 9 – OWNERSHIP

9.1 Unless stipulated otherwise in the Agreement, ownership of the results of the project, including industrial and intellectual property rights, and of the reports and other documents relating to it shall, in the case of public sector projects, be vested in the Government of Malta and not with the Beneficiary. The MA has the right to ask for such documents to pass on to other Entities if this is deemed in the interest of the public.

9.2 Notwithstanding article 9.1 above, access should, however, be granted at all times to the Managing Authority or its representatives, the Certifying Authority, the Audit Authority, the National Audit office, the European Commission and its representatives and the European Court of Auditors as per article 16.5 and 16.6, and evaluators acting on behalf of the Managing Authority and/or the European Commission.

9.3 The Beneficiary binds itself to record all assets in an inventory. In the case of all public organisations a copy should also be sent to the Directorate Corporate Services of the Line ministry. Further information is provided in the MoP.

ARTICLE 10 – PAYMENTS

10.1 The Beneficiary shall liaise with the Line Ministry and the Treasury with respect to all payment issues and reply promptly and within the set deadlines to any queries submitted by them.

10.2 The Beneficiary shall make every effort to ensure that any funds due to the Accountant General (Treasury Division) are processed efficiently within the deadlines set by the MA in its communications.

10.3 The Project Leader shall process all payments (or request reimbursement of expenditure paid directly by the Beneficiary) through the Structural Funds Database 2007-13 which is specifically set up for this purpose.

The following will be only applicable to NGOs – Local Councils – Departments not subject to ministerial control¹¹

10.4 The Beneficiary shall ensure that it maintains a separate bank account and a separate accounting system or an adequate accounting code for all transactions related to the operation.

10.5 The Beneficiary binds itself to present the auditor's certificate for each financial year, for the full duration of the project and for the year following the last reimbursement received by the Beneficiary. Adherence to the International Financial Reporting Standards shall be implied from this auditor's certificate.

10.6 Only in case of NGOs, with each payment processed, the Beneficiary shall forward the co-financing element together with any other ineligible costs.

ARTICLE 11 – STRUCTURAL FUNDS DATABASE 2007-13

11.1 In view of article 10.3 above and 16.1 below, the Beneficiary agrees to input correct data in time and in full. The Beneficiary also agrees to abide by relevant regulations regarding username and password and confidentiality.

11.2 The Beneficiary binds itself through its Project Leader/ Head to ensure that data is inserted in the SFD 07-13 as per instructions given by MA.

11.3 Access to the SFD 07-13 is at the MA's discretion based on the **justification provided by** the Beneficiary.

11.4 The Beneficiary shall inform the MA of any changes in the access to the SFD 07-13 in order to reflect any changes in the persons in charge of the project.

¹¹ Ad defined under Schedule 3 of the Public Administration Act (Chapter 497 of the Laws of Malta).

ARTICLE 12 – DATA PROTECTION

12.1 The Beneficiary binds itself to take all necessary steps to inform Data Subjects at collection stage that their data might also *be shared with and processed* by the Planning and Priorities Coordination Department and other stakeholders in the system involved in implementation, monitoring and control of the Funds as stipulated in the Manual of Procedures for Structural Funds, having regard to the purpose for which data is collected. This is applicable to personal data kept within any manual and / or electronic filing system, including but not limited to the SFD 07-13.

12.2 Should there be any instances where the Data Subjects have not yet been informed that the data is being shared with and processed by other stakeholders, the Beneficiary shall notify these individuals immediately. The responsibility of such omissions and any action taken by participants or persons making complaints shall lie solely with the Beneficiary where relevant

12.3 In addition to the above, the Beneficiary binds itself to follow the provisions outlined in MA Circular 03/2010 on Data Protection Compliance (and any subsequent amendments thereof).

ARTICLE 13 - PUBLICITY

13.1 The Beneficiary shall acknowledge the grant support received under the ERDF Operational Programme I (Cohesion Policy 2007-2013) throughout the project as laid down in the Commission Regulation 1828/2006 for publicity measures. Specific information regarding purpose, text and logos in relation to Structural Funds publicity measure can be found in the Manual of Procedures for Structural Funds 2007-2013 and supporting documents.

13.2 The Beneficiary authorises the MA and the Commission to publish regularly and update the following information in any form and medium, including via internet:

- a) the Beneficiary's name and address;
- b) name of the operation and its purpose;
- c) amount of public funding allocated to operation;
- d) amount of public funding disbursed upon completion of the operation;

13.3 In line with the provisions of Article 7 of Commission Regulation 1828/2006, participants in an ESF operation shall not be named.

ARTICLE 14 – MONITORING AND EVALUATION

14.1 The Beneficiary accepts to participate in and contribute to monitoring and evaluation activities organised by the MA and the European Commission as well as by persons and organisations mandated by them.

14.2 The Beneficiary shall be informed beforehand by the Managing Authority when evaluation exercises will take place. In such instances the Beneficiary binds itself to provide information to evaluators, commissioned either by the Managing Authority or the European Commission and to record the information provided.

14.3 The Beneficiary binds itself to inform the MA of the information concerning Cohesion Policy evaluation exercises and keep confidential both the information provided during the evaluation process as well as reports arising from it, unless otherwise authorized.

14.4 The Beneficiary must ensure that project participants accept to participate in exercises related to monitoring and evaluation.

14.5 The Beneficiary (represented by the Project Leader as well as by the Head of Organisation) commits itself to attend meetings, at the appropriate level, aimed at discussing project progress.

14.6 The Beneficiary shall collate data on participants benefiting from this project, in accordance with the model set out in Annex XXIII of the Commission Regulation No. 1828/2006 as provided in Annex II to this grant agreement. **The latter will be annexed to only for projects with ESF components.**

14.7 The Beneficiary should ensure that any collection of data is made in conformity with the Data Protection Act and the participants and users benefiting from the project are made aware of this, as provided in article 12 above.

14.8 The Beneficiary is obliged to keep an inventory of the equipment and keep it in file. The inventory must be signed (and updated when necessary by the Project Leader) and endorsed by the responsible officer within the organization and in accordance with article 9.3 above.

In case of projects with ESF, this article needs to be inserted:

14.9 The Beneficiary binds itself to keep at hand details of participants (full name, address, telephone number/mobile number, name & place of works and e-mail address) and also those of their employees.

14.10 The indicators and targets set out in Annex I are binding on the Beneficiary. The Beneficiary shall be responsible to collect the relevant baseline as well as data to be able to measure progress on the indicator and shall update the progress achieved towards these targets regularly in the SFD 07-13 as well as when required by the Managing Authority.

14.11 If project management or supervision (in case of works contracts) is contracted out, the Beneficiary shall directly monitor and control the work carried out by the contractor/employee (and record such monitoring in writing) as stated in Annex I.

ARTICLE 15 – REPORTING

15.1 The Beneficiary shall provide a report regularly on the progress of the project to the Managing Authority by filling the Project Progress Report.

15.2 The Beneficiary shall comply with any other reporting deadlines that are set by the Managing Authority at the Authority's discretion concerning the progress of the project.

15.3 The Beneficiary binds itself to insert/ upload relevant data/ reports on the SFD 07 - 13 as instructed by the MA.

ARTICLE 16 – AUDIT AND CONTROL

16.1 The Beneficiary accepts that the project will be subject to checks and controls (documentary and on site including physical checks) undertaken by the Managing Authority and/or its representatives, in accordance with national/ European Community procedures and/or laws.

16.2 The Beneficiary also accepts that checks and controls may be undertaken by the Certifying Authority and other relevant stakeholders in line with national and EU laws and procedures.

16.3 The Beneficiary also accepts that the project may also be subject to Audits carried out by the Audit Authority (Internal Audit and Investigation Department), the European Commission or the European Court of Auditors or their representatives.

16.4 Given that Cohesion Policy Funds are public funds the Beneficiary regardless of its status, whether public, private, voluntary or other also accepts to be subject to audits by the National Audit Office.

16.5 The Beneficiary grants the Managing Authority, the Certifying Authority, the Audit Authority, the National Audit Office, the European Commission and the European Court of Auditors as well as all the persons mandated by them and all other authorities or entities mentioned in the Manual of Procedures, the full right of access to ALL documents¹² concerning the implementation of the project, its results and the use of the grant in accordance with the terms and conditions of the present agreement and those laid down in Council Regulation (EC) No. 1083/2006 and Commission Regulation (EC) No. 1828/2006 and any subsequent amendments thereof). It is the responsibility of the Beneficiary to inform any third parties that all data and information relating to the project will be shared with other relevant stakeholders.'

16.6 The Beneficiary undertakes to allow the MA and all other organisations mentioned under article 16.5 above and their representatives, the appropriate right of access to sites and premises where the action is carried out and to all the information, including information in electronic format, needed in order to conduct such checks/audits as outlined in this Article. The Beneficiary shall also inform in advance the Managing Authority of the training schedules (in case of ESF).

16.7 During the carrying out of checks/controls and audits, the Beneficiary shall ensure that the Project Leader and the project team are present.

16.8 The Beneficiary also binds itself to carry out timely checks/verifications on expenditure prior to processing such checks through the SFD 07-13 and to submit the Statements of Expenditure in time as periodically instructed by the Managing Authority. Failure to do so would lead to a withdrawal/ cancellation/ recovery of funds paid and/or funds still to be used.

ARTICLE 17 – DOCUMENTATION

17.1 The Beneficiary undertakes to provide any detailed information requested by the Managing Authority, the Commission or by any other outside body authorised by the Managing Authority or the Commission to check that the action and the provisions of the Agreement are being properly implemented.

17.2 The Beneficiary shall keep documentation in a form agreed with the Managing Authority, as outlined in the Manual of Procedures. The Beneficiary must retain copies of these documents until three years following the closure of Programme (i.e. until the year 2020). The Beneficiary must ensure that copies of documentary evidence to support all the payments effected for which expenditure was claimed, are retained.

ARTICLE 18 – CONFIDENTIAL DATA

18.1 Without prejudice to Article 13, 14, 15, and 16 the Beneficiary shall take the necessary measures to prevent any unauthorised disclosure of, or access to, information relating to accounting records of operations and data on implementation for the operation necessary for financial management, monitoring, verifications, audits and evaluation.

ARTICLE 19 – AWARD OF CONTRACTS

¹² Documents and other relevant data refer to both electronic versions and hard copies (paper formats) of the document.

19.1 All Public Organisations must follow the national Public Contracts Regulations¹³, when implementing operations co-funded by Cohesion Policy.

OR (delete accordingly)

19.2 If the Beneficiary is not listed under the relevant annexes of the Public Procurement Regulations, procurement will be carried out in accordance with the principle of good governance, transparency and competition and in the spirit of the same Regulations mentioned above. The Beneficiary shall seek to contract through competitive tendering from potential contractors. In doing so the Beneficiary shall observe the principles of transparency and equal treatment of potential contractors and shall take care to avoid any conflict of interest.

19.3 The Manual of Procedures provides basic information on procurement. Whenever in doubt or in case of conflicting information, the Beneficiary can seek guidance (in writing) from the Department of Contracts (MFEI).

19.4 Failure to comply with the provisions of Article 19.1 may result in the termination of Structural Fund grant and the Managing Authority may require the Beneficiary to refund any funds already disbursed (with interest).

ARTICLE 20 - CHANGES TO THE GRANT AGREEMENT

20.1 Without prejudice to Article 5 of this Grant Agreement, no amendment or variation to the terms of this Agreement (including Annex I) will be effective unless agreed to in writing by the Managing Authority.

20.2 In principle any change to the project (Annex I) must be requested in advance and in writing to the Managing Authority together with a justification of the said change.

20.3 The Beneficiary shall write to the Managing Authority to seek approval for the planned changes. The Managing Authority shall inform the Beneficiary on whether the proposed changes have been approved or not. In certain cases an addendum to the Grant Agreement may be required.¹⁴

20.4 The Beneficiary shall inform immediately the Managing Authority and other relevant stakeholders if any change is made to the Project Leader's contact details or those of the organisation.

20.5 Changes to the nature of the operation that have the potential of changing the original application vis-à-vis State Aid shall be indicated to the MA and cleared with the State Aid Monitoring Board accordingly. It is the responsibility of the Beneficiary to seek clearance from the State Aid Monitoring Board. The Beneficiary should note that failure to seek and receive clearance from the State Aid Monitoring Board would result in recovery of funds. The MA shall not accept any responsibility in this regard.

20.6 Substantial modifications affecting the nature of the project or its implementation conditions as provided in article 57 of Council Regulation (EC) 1083/2006¹⁵ may lead to a partial or full recovery of the funds. When such modifications occur the MA should be informed by the Beneficiary immediately especially when operations involve the sale, rent or lease or change in

¹³ As specified in Article 7.3.i.

¹⁴ In some cases an email will suffice.

¹⁵ And as amended by Council Regulation (EC) No 1989/2006, Council Regulation (EC) No 1341/2008, Council Regulation (EC) No 284/2009, Regulation No 437/2010 and Regulation 539/2010 of the European Parliament & of the Council

management of assets procured by the funds. This obligation will keep in place until five years after the completion of the project.

ARTICLE 21 - WITHHOLDING AND RECOVERY OF FUNDS

21.1 The Managing Authority may withhold any or all of the payments and/or require all or part of the funds to be refunded if it considers the following have not been complied with:

- a) any of the terms and conditions as set out in this agreement and its annexes, including agreed contracting and disbursement schedules as outlined in the Project Description (Annex I);
- b) deadlines, in particular those relating to the verification process;
- c) any European Community obligation and National legislation including national eligible rules which are binding on the Beneficiary/project;
- d) non-compliance with the Manual of Procedures for Structural Funds 2007-2013;
- e) if the Beneficiary is guilty of misrepresentation or submits reports inconsistent with reality to obtain the grant provided for in the Agreement;
- f) if the Beneficiary has intentionally or by negligence committed a substantial irregularity in performing the agreement or in the event of fraud, corruption or any other illegal activity on the part of the Beneficiary to the detriment of the European Communities' financial interests; a substantial irregularity consists of any infringement of a provision of an agreement or regulation resulting from an act or an omission on the part of a Beneficiary which causes or might cause a loss to the Community budget.
- g) if due to the Beneficiary's lack of capacity, the project is deemed to be at risk.

21.2 Any payments deemed to be irregular shall be refunded by the Beneficiary on demand by the Managing Authority.

ARTICLE 22 – CANCELLATION OF PROJECT

21.1 The MA may cancel the project/ parts thereof in case of unjustified delays, suspected fraud on this or other EU funded projects or lack of communication from the Project Leader, or for any other reason for which such an action shall be deemed to be necessary.

ARTICLE 23– ADDITIONAL OBLIGATIONS

23.1 The Beneficiary shall implement the project under this Grant Agreement with due care, efficiency and diligence. The Beneficiary shall take all the necessary steps to prevent or end any situation that could compromise the impartial and objective implementation of the project.

23.2 On signing this Grant Agreement, the Beneficiary is agreeing to have understood the guidance that accompanied the Project Description and the content of this Agreement and to take the necessary steps to comply with the conditions contained in this Agreement, the Manual of Procedures and any guidance that is subsequently issued by the Managing Authority, its delegated organisations or other relevant stakeholders.

23.3 In the case of public sector organisations, the Beneficiary shall sign **three** originals of this Grant Agreement and Annexes, i.e. one original for the Managing Authority, one original for the Beneficiary and one original for the Line Ministry

23.4 In the case of other organisations (including Local Councils, Social Partners and NGOs) the Beneficiary shall sign **two** originals of this Grant Agreement and Annexes, i.e. one original for the Managing Authority and one original for the Beneficiary.

23.5 The Head of the Managing Authority and the Project Leader are to initial all pages of the originals.

For the Managing Authority

Head:

Stamp & Signature:

Date of Agreement

For the Beneficiary

Project Leader:

Stamp & Signature:

Legal Representative of Organization¹⁶ :

Stamp & Signature:

Permanent Secretary¹⁷:
(Only in case of Public Sector Projects)

Stamp & Signature:

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¹⁶ In the case of NGOs, the Grant Agreement shall be endorsed by the executive Head of the NGO, while in the case of Local Councils, the endorsement of the Mayor and the Executive Secretary of the respective council should be sought.

¹⁷ In case of public sector projects only.

Annex II

Annex XXIII of Commission Regulation 1828 of 2006: Data on participants in ESF operations by priority

NUMBER OF PARTICIPANTS PER YEAR

(people entering, those leaving, carry-over from one year to the next)

BREAKDOWN OF PARTICIPANTS BY GENDER

BREAKDOWN OF PARTICIPANTS ACCORDING TO STATUS IN THE LABOUR MARKET

- employed (total number of employed, including self-employed)
- self-employed
- unemployed (total number of unemployed including long-term unemployed)
- long-term unemployed
- inactive persons (total number of inactive persons, including those in education, training or retirement, those having given up business, the permanently disabled, those fulfilling domestic tasks or other)
- inactive persons in education or training

BREAKDOWN OF PARTICIPANTS BY AGE

- young people (15-24 years)
- older workers (55-64 years)

BREAKDOWN OF PARTICIPANTS BY VULNERABLE GROUPS, IN ACCORDANCE WITH NATIONAL RULES

- minorities
- migrants
- disabled
- other disadvantaged people

BREAKDOWN OF PARTICIPANTS BY EDUCATIONAL ATTAINMENT

- Primary or lower secondary education (ISCED 1 and 2)
- Upper secondary education (ISCED 3)
- Post-secondary non-tertiary education (ISCED 4)
- Tertiary education (ISCED 5 and 6)