

**CARIBBEAN EXPORT DEVELOPMENT AGENCY**

**ANNEX II**

**General Conditions applicable to the Direct Assistance Scheme (DAS)**

**General and administrative provisions**

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## GENERAL AND ADMINISTRATIVE PROVISIONS

### ARTICLE 1 - GENERAL OBLIGATIONS

- 1.1. The Beneficiary shall implement the Action under his own responsibility and in accordance with the Description of the Action identified in Annex 1 with a view to achieving the objectives laid down therein.
- 1.2. The Beneficiary shall implement the Action with the requisite care, efficiency, transparency and diligence, in line with best practice in the field concerned and in compliance with this Contract.

For this purpose the Beneficiary shall mobilise all the financial, human and material resources required for full implementation of the Action as specified in the Description of the Action.

- 1.3. The Beneficiary shall act alone or in partnership with one or more bodies identified in the Description of the Action. He may subcontract a limited portion of the Action. The bulk of the Action must, however, be undertaken by the Beneficiary and, where applicable, his partners.

Partners take part in the implementation of the Action, and the costs they incur are eligible in the same way as those incurred by the Beneficiary.

If implementation of the Action involves the conclusion of contracts by the Beneficiary, the contract-award procedures and rules of nationality and origin set out in Annex IV shall apply.

The Contracting Authority does not acknowledge any contractual link between itself and the Beneficiary's partner(s) or subcontractors. The Beneficiary alone shall be accountable to the Contracting Authority for the implementation of the Action. He shall undertake that the conditions applicable to him under the contract shall also apply to his partners, and to all his contractors. He shall include provisions to that effect as appropriate in his contracts with them.

- 1.4. The Beneficiary and the Contracting Authority are the only parties (the "Parties") to this Contract.

### ARTICLE 2 - OBLIGATION TO PROVIDE INFORMATION AND FINANCIAL AND NARRATIVE REPORTS

- 2.1. The Beneficiary must provide the Contracting Authority with all required information on the implementation of the Action. To that end, the Beneficiary must provide a final report. This report shall consist of a narrative section and a financial section and shall conform to the model in Annex VI (A) and VI (B) respectively. They shall cover the Action as a whole, regardless of which part of it, is financed by the Contracting Authority. Each report must provide a full account of all aspects of the Action's implemented for the period covered. Details of each item of expenditure incurred in the period covered by the report should be noted in the Final Financial Report (Annex VI (A)), indicating its title, amount, relevant heading in the Budget of the Action and the reference of the justifying document, annexed to it. The proofs of the transfers of ownership referred to in Art 7.3 are also annexed to the final report.
- 2.2. The Contracting Authority may request additional information at any time and that information must be supplied within 30 days of the request.
- 2.3. The reports must be drafted in English and shall be submitted to the Contracting Authority no later than two months after the implementation period as defined in Article 2 of the Special Conditions;
- 2.4. Any additional reporting requirement will be set out in the Special Conditions.
- 2.5. If the Beneficiary fails to supply the Contracting Authority with the final report by the deadline laid down in Article 2.3 and fails to furnish an acceptable and sufficient written explanation of

the reasons why he is unable to comply with this obligation, the Contracting Authority may terminate the Contract in accordance with Article 12.2a) and recover the amounts already paid and not substantiated.

### **ARTICLE 3 - LIABILITY**

- 3.1. The Contracting Authority cannot under any circumstances or for any reason whatsoever be held liable for damage or injury sustained by the staff or property of the Beneficiary while the Action is being carried out or as a consequence of the Action. The Contracting Authority cannot therefore accept any claim for compensation or increases in payment in connection with such damage or injury.
- 3.2. The Beneficiary shall assume sole liability towards third parties, including liability for damage or injury of any kind sustained by them while the Action is being carried out or as a consequence of the Action. The Beneficiary shall discharge the Contracting Authority of all liability arising from any claim or action brought as a result of an infringement by the Beneficiary or the Beneficiary's employees or individuals for whom those employees are responsible of rules or regulations, or as a result of violation of a third party's rights.

### **ARTICLE 4 - CONFLICT OF INTERESTS**

- 4.1 The Beneficiary undertakes to take all necessary precautions to avoid conflicts of interests and shall inform the Contracting Authority without delay of any situation constituting or likely to lead to any such conflict.

There is a conflict of interests where the impartial and objective exercise of the functions of any person under this Contract is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with another person.

### **ARTICLE 5 - CONFIDENTIALITY**

- 5.1 Subject to Article 16 the Contracting Authority and the Beneficiary undertake to preserve the confidentiality of any document, information or other material communicated to them in confidence until at least seven years after the final payment.

### **ARTICLE 6 - VISIBILITY**

- 6.1. Unless the Contracting Authority agrees or requests otherwise, the Beneficiary must take all necessary steps to publicise the fact that the European Union in conjunction with Caribbean Export has financed or co-financed the Action. Such measures must comply with the relevant rules on the visibility of external actions laid down and published by the European Commission.
- 6.2. In particular, the Beneficiary shall mention the Action and the European Union's financial contribution in information given, in its internal and annual reports, and in any dealings with the media. It shall display the EU logo wherever appropriate.
- 6.3. Any notice or publication by the Beneficiary concerning the Action, including those given at a conference or seminar, must specify that the Action has received EU funding. Any publication by the Beneficiary, in whatever form and by whatever medium, including the internet, must include the following statement: *"This document has been produced with the financial assistance of the European Union facilitated by Caribbean Export. The contents of this document are the sole responsibility of < Beneficiary's name > and can under no circumstances be regarded as reflecting the position of the European Union."*
- 6.4. The Beneficiary authorises the Contracting Authority and the European Commission (where it is not the Contracting Authority) to publish his name and address, the purpose of the grant, the

maximum amount of the grant and rate of funding of the Action's eligible costs, as laid down in the Article 3.2 of the Special Conditions. A derogation from publication of this information may be granted if it could endanger the Beneficiary or harm his commercial interests.

#### **ARTICLE 7 - OWNERSHIP/USE OF RESULTS AND EQUIPMENT**

- 7.1. Ownership of, and title and intellectual and industrial property rights to, the Action's results, reports and other documents relating to it shall be vested in the Beneficiary.
- 7.2. Notwithstanding the provisions of Article 7.1 and subject to Article 5, the Beneficiary grants the Contracting Authority (and the European Commission where it is not the Contracting Authority) the right to use freely and as it sees fit all documents deriving from the Action, whatever their form, provided it does not thereby breach existing industrial and intellectual property rights.
- 7.3. Where the Beneficiary does not have its headquarters in the country where the Action is implemented and unless otherwise specified in the Special Conditions, the equipment, vehicles and supplies paid for by the Budget for the Action must be transferred to any local partners of the Beneficiary and/or the final recipients of the Action, at the latest by the end of the implementation of the Action. Copies of the proofs of transfers of equipments and vehicles, the purchase cost of which was more than 5 000 euros per item, must be attached to the final report. Such proofs must be kept for control in all other cases.

#### **ARTICLE 8 – EVALUATION/MONITORING OF THE ACTION**

- 8.1. If the Contracting Authority (or the European commission where it is not the contracting Authority) carries out an interim or ex post evaluation or a monitoring mission, the Beneficiary shall undertake to provide it and/or the persons authorised by it with any document or information which will assist with the evaluation or monitoring mission, and grant them the access rights described in Article 16.2.
- 8.2. If either Party (or the European Commission) carries out or commissions an evaluation in the course of the Action, it must provide the other Party and the European Commission (or the Parties) with a copy of the evaluation report.

#### **ARTICLE 9 - AMENDMENT OF THE CONTRACT**

- 9.1. Any amendment to the Contract, including the annexes thereto, must be set out in writing in an addendum.

If an amendment is requested by the Beneficiary, he must submit that request to the Contracting Authority one month before the date on which the amendment should enter into force, unless there are special circumstances duly substantiated by the Beneficiary and accepted by the Contracting Authority.

- 9.2. However, where the amendment to the Budget or Description of the Action does not affect the basic purpose of the Action and the financial impact is limited to a transfer between items within the same main budget heading, or a transfer between main budget headings involving a variation of 20% or less of the amount originally entered (or as modified by addendum) under each relevant main heading for eligible costs, the Beneficiary may apply the amendment and inform the Contracting Authority accordingly in writing. This method may not be used to amend the headings for administrative costs or the contingency reserve.

Changes of address, changes of bank account and changes of auditor may simply be notified, although this does not stop the Contracting Authority from opposing the Beneficiary's choice of bank account or auditor.

The Contracting Authority reserves the right to require that the auditor be replaced if considerations which were unknown when the Contract was signed cast doubt on the auditor's independence or professional standards.

- 9.3. An addendum may not have the purpose or the effect of making changes to the Contract that would call into question the grant award decision or be contrary to the equal treatment of applicants. The maximum direct assistance referred to in Article 3.2 of the Special Conditions may not be increased.

#### **ARTICLE 10 - ASSIGNMENT**

- 10.1 The Contract and the payments attached to it may not be assigned to a third party in any manner whatsoever without the prior written consent of the Contracting Authority.

#### **ARTICLE 11 - IMPLEMENTATION PERIOD OF THE ACTION, EXTENSION, SUSPENSION, FORCE MAJEURE AND END DATE**

- 11.1. The implementation period of the Action is laid down in Article 2 of the Special Conditions. The Beneficiary must inform the Contracting Authority without delay of any circumstances likely to hamper or delay the implementation of the Action as outlined in the Contract. The Beneficiary may request an extension of the Action's implementation period no later than one month before it ends. The request must be accompanied by all the supporting evidence needed for its appraisal.
- 11.2. The Beneficiary may suspend implementation of all or part of the Action if circumstances (chiefly force majeure) make it too difficult or dangerous to continue. The Beneficiary must inform the Contracting Authority without delay and provide all the necessary details. Each Party may terminate the Contract in accordance with Article 12.1. If the Contract is not terminated, the Beneficiary shall endeavour to minimise the time of its suspension and shall resume implementation once circumstances allow, and shall inform the Contracting Authority accordingly.
- 11.3. The Contracting Authority may request the Beneficiary to suspend implementation of all or part of the Action if circumstances (chiefly force majeure) make it too difficult or dangerous to continue. Each Party may terminate the Contract in accordance with Article 12.1. If the Contract is not terminated, the Beneficiary shall endeavour to minimise the time of its suspension and shall resume implementation once circumstances allow, after obtaining the prior written approval of the Contracting Authority.
- 11.4. The implementation period of the Action shall be extended by a period equivalent to the length of suspension, without prejudice to any amendment to the Contract that may be necessary to adapt the Action to the new implementing conditions.
- 11.5. Force majeure shall mean any unforeseeable exceptional situation or event beyond the parties' control which prevents either of them from fulfilling any of their contractual obligations, is not attributable to error or negligence on their part (or the part of their contractors, agents or employees), and proves insurmountable in spite of all due diligence. Defects in equipment or material or delays in making them available, labour disputes, strikes or financial difficulties cannot be invoked as force majeure. A Party shall not be held in breach of its contractual obligations if it is prevented from fulfilling them by force majeure. Without prejudice to Articles 12.2 and 12.3, the Party faced with force majeure shall inform the other Party without delay, stating the nature, probable duration and foreseeable effects of the problem, and take any measure to minimise possible damage.
- 11.6. The payment obligations under this Contract shall end 18 months after the implementation period laid down in Article 2 of the Special Conditions provided that the contract is not terminated under Article 12.

The Contracting Authority shall notify the Beneficiary of any postponement of the end date.

## **ARTICLE 12 - TERMINATION OF THE CONTRACT**

- 12.1. If a Party believes that the Contract can no longer be executed effectively or appropriately, it shall consult the other Party. Failing agreement on a solution, either Party may terminate the Contract by serving two months' written notice, without being required to pay compensation.
- 12.2. The Contracting Authority may terminate the Contract, without giving notice and without paying compensation of any kind, where the Beneficiary:
- a) fails, without justification, to fulfil any of the obligations incumbent on him and, after being given notice by letter to comply with those obligations, still fails to do so or to furnish a satisfactory explanation within 30 days of sending of the letter;
  - b) is bankrupt or being wound up, is having its affairs administered by the courts, has entered into an arrangement with creditors, has suspended business activities, is the subject of proceedings concerning those matters or is in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
  - c) has been convicted of an offence concerning professional conduct by a judgement which has the force of res judicata or is guilty of grave professional misconduct proven by any justified means;
  - d) engages in any act of fraud or corruption or is involved in a criminal organisation or any other illegal activity detrimental to the Communities' financial interests: this also applies to the partners, contractors and agents of the Beneficiary;
  - e) changes legal personality, unless an addendum recording that fact is drawn up;
  - f) does not comply with Articles 4, 10 and 16;
  - g) makes false or incomplete statements to obtain the direct assistance provided for in the Contract or provides reports that do not reflect reality.
- 12.3. In the event of termination the Beneficiary shall be entitled to payment of the grant only for the part of the Action carried out, excluding costs connected with current commitments that would be implemented after termination. For this purpose the Beneficiary shall introduce a payment request and a final report in accordance with Article 2.
- 12.4. However, in the event of wrongful termination of the Contract by the Beneficiary under Article 12.1 and in the cases specified in points d), e) and g) of Article 12.2 the Contracting Authority may request full or partial repayment of sums already paid from the grant, in proportion to the gravity of the failings in question and after allowing the Beneficiary to submit his observations.
- 12.5. Prior to, or instead of, terminating the Contract as provided for in this Article, the Contracting Authority may suspend payments as a precautionary measure without prior notice.
- 12.6. This Contract shall be terminated automatically if it has not given rise to any payment by the Contracting Authority within two years of its signature.

## **ARTICLE 13 - APPLICABLE LAW AND DISPUTE SETTLEMENT**

- 13.1. This Contract shall be governed by the laws of the country of the Contracting Authority.
- 13.2. The Parties shall do everything possible to settle amicably any dispute arising between them during implementation of this Contract. To that end, they shall communicate their positions and any solution that they consider possible in writing, and meet each other at either's request. A Party must reply to a request for an amicable settlement within 30 days. Once this period has expired, or if the attempt to reach amicable settlement has not produced agreement within 120

days of the first request, each Party may notify the other that it considers the procedure to have failed.

- 13.3. In the event of failure to reach an amicable agreement, the dispute may by common agreement of the Parties be submitted for arbitration to the European Commission if it is not the Contracting Authority. If no settlement is reached within 120 days of the opening of the arbitration procedure, each Party may notify the other that it considers the procedure to have failed.
- 13.4. In the event of failure of the above procedures, each Party may submit the dispute to the courts of the country of the Contracting Authority.

## **FINANCIAL PROVISIONS**

### **ARTICLE 14 - ELIGIBLE COSTS**

- 14.1 To be considered eligible as direct costs of the Action, costs must:
- be necessary for carrying out the Action, be provided for in the Contract and comply with the principles of sound financial management, in particular value for money and cost-effectiveness;
  - have actually been incurred by the Beneficiary or his partners during the implementation period of the Action as defined in Article 2 of the Special Conditions; this does not affect the eligibility of costs of preparing the final report, and the final expenditure verification and final evaluation if required;
  - have been incurred during the implementation period of the Action the costs of goods/services/works used/provided/delivered during the implementation period of the Action. The relevant contracts may have been awarded by the Beneficiary or his partners before the implementation period of the Action started, provided the provisions of Annex IV were respected. Such costs must be paid for before the final report is finalised.
  - be recorded in the accounts or tax documents of the Beneficiary or his partners and be identifiable, verifiable and backed by originals of supporting evidence.
- 14.2 Subject to the above and where relevant to the provisions of Annex IV being respected, the following direct costs of the Beneficiary and his partners shall be eligible:
- the cost of staff assigned to the Action, corresponding to actual salaries plus social security charges and other remuneration-related costs; salaries and costs must not exceed those normally borne by the Beneficiary or his partners, as the case may be, unless it is justified by showing that it is essential to carry out the action;
  - travel and subsistence costs for staff and other persons taking part in the Action, provided they do not exceed those normally borne by the Beneficiary or his partners, as the case may be. Any flat-rate reimbursement of the subsistence costs must not exceed the rates as established by the Contracting Authority and set out in Annex III, which correspond to the scales published by the European Commission at the time of the signing of the contract;
  - economy class ticket by the most direct route;
  - purchase or rental costs for equipment and supplies (new or used) specifically for the purposes of the Action, and costs of services, provided they correspond to market rates;

- costs of consumables;
  - subcontracting expenditure;
  - costs deriving directly from the requirements of the Contract (dissemination of information, evaluation specific to the Action, audits, translation, reproduction, insurance, etc.) including financial service costs (in particular the cost of transfers and financial guarantees);
- 14.3 A lump sum not exceeding 7% of the total amount of eligible costs of the Action may be claimed as indirect costs to cover the administrative overheads incurred by the Beneficiary for the Action.
- 14.4 Any contributions in kind made by the Beneficiary, his partners or any other source, which must be listed separately at Annex III, do not represent actual expenditure and are not eligible costs. They may not be treated as cofinancing by the Beneficiary. The cost of staff assigned to the Action is not a contribution in kind and may be considered as cofinancing in the Budget of the Action when paid by the Beneficiary or his partners.

However, the Beneficiary undertakes to make such contributions as stipulated in the Description of the Action.

- 14.5 The following costs shall not be considered eligible:
- debts and provisions for losses or debts;
  - interest owed;
  - items already financed in another framework;
  - purchases of land or buildings, except where necessary for the direct implementation of the Action, in which case ownership must be transferred to the final beneficiaries and/or local partners, at the latest at the end of the action;
  - currency exchange losses;
  - taxes, including VAT, unless the Beneficiary (or, where applicable, his partners) cannot reclaim and the applicable regulations authorise coverage of taxes;
  - credits to third parties.

#### **ARTICLE 15 - PAYMENT**

- 15.1 The direct assistance funds shall be paid to the Beneficiary by the Contracting Authority in one payment within 60 days of the Contracting Authority approving the final financial report in accordance with Article 15.2, accompanied by:
- a request for payment of the balance conforming to the model in Annex V (A),
  - financial identification form in Annex V (B)
  - an expenditure verification report if required under Article 15.3
- 15.2 Any report shall be considered approved if there is no written reply from the Contracting Authority within 60 days of its receipt accompanied by the required documents.

The Contracting Authority may suspend the time-limit for approval of a report by notifying the Beneficiary that the report cannot be approved and that it finds it necessary to carry out additional checks. In such cases, the Contracting Authority may request clarification, alteration or additional information, which must be produced within 30 days of the request. The time-limit starts running again on the date the required information is received.

Reports shall be presented in accordance with Article 2.

All references to days in this article 15 are to calendar days.

- 15.3 The Contracting Authority reserves the right to request expenditure verification by an approved auditor who is a member of an internationally recognised body for statutory auditing.

The auditor examines whether the costs declared by the Beneficiary are real, exact and eligible in accordance with the Contract and issues a Final Financial Report conforming to the model in Annex VII.

The Beneficiary grants the auditor all access rights mentioned in Article 16.2.

The expenditure verification report accompanying a request for payment of the balance covers all expenditures not covered by any previous expenditure verification report.

Based on the expenditure verification report the Contracting Authority determines the total amount of eligible expenditure.

Where the Beneficiary is a government department or a public body of a Member State of the European Community, the Contracting Authority may exempt it from the expenditure verification requirement.

- 15.4 The cost incurred to facilitate the expenditure verification will be deducted from the final payment to the beneficiary.

- 15.5 The Contracting Authority shall make payments in the currency of the country to which it belongs, in Euro or in United States Dollars. Any conversion into euro of the real costs borne in other currencies shall be done at the rate made up by the average of the rates published in InforEuro for the months covered by the relevant report, unless otherwise provided by the Contracting Authority. <http://ec.europa.eu/budget/inforeuro/index.cfm?Language=en>

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

#### **ARTICLE 16 - ACCOUNTS AND TECHNICAL AND FINANCIAL CHECKS**

- 16.1 The Beneficiary shall keep accurate and regular accounts of the implementation of the action using an appropriate accounting and double-entry book-keeping system. These systems may either be an integrated part of the Beneficiary's regular system or an adjunct to that system. This system shall be run in accordance with the accounting and bookkeeping policies and rules that apply in the country concerned. Accounts and expenditure relating to the Action must be easily identifiable and verifiable. This can be done by using separate accounts for the Action concerned or by ensuring that expenditure for the action concerned can be easily identified and traced to and within the Beneficiary's accounting and bookkeeping systems.

The Beneficiary shall ensure that the Financial Report as required under Article 2 can be properly and easily reconciled to the Beneficiary's accounting and bookkeeping system and to the underlying accounting and other relevant records. For this purpose the Beneficiary shall prepare and keep appropriate reconciliations, supporting schedules, analyses and breakdowns for inspection and verification.

- 16.2 The Beneficiary will allow the Contracting Authority, the European Commission, and any external auditor carrying out verifications as required per Article 15.3 to verify, by examining the documents or by means of on-the-spot checks, the implementation of the Action and conduct a full audit, if necessary, on the basis of supporting documents for the accounts, accounting documents and any other document relevant to the financing of the Action. These inspections may take place up to 7 years after the payment of the balance.

To this end, the Beneficiary undertakes to give appropriate access to staff or agents of the contracting Authority, the European Commission of the European Anti-Fraud Office and of the European Court of Auditors as well as to any external auditor carrying out verifications as required per Article 15.3 to the sites and locations at which the Action is implemented, including its information systems, as well as all documents and databases concerning the technical and financial management of the Action and to take all steps to facilitate their work. Access given to agents of the Contracting Authority or the European Commission and to any external auditor carrying out verifications as required per Article 15.3 shall be on the basis of confidentiality with respect to third parties, without prejudice to the obligations of public law to which they are subject. Documents must be easily accessible and filed so as to facilitate their examination and the Beneficiary must inform the Contracting Authority of their precise location.

16.3 In addition to the reports mentioned in article 2, the documents referred to in Article 16.2 include:

- Accounting records (computerised or manual) from the Beneficiary's accounting system such as general ledger, sub ledgers and payroll accounts, fixed assets registers and other relevant accounting information;
- Proof of procurement procedures such as tendering documents, bids from tenderers and evaluation reports;
- Proof of commitments such as contracts and order forms;
- Proof of delivery of services such as approved reports, time sheets, transport tickets (including boarding passes), proof of attending seminars, conferences and training courses (including relevant documentation and material obtained, certificates), etc;
- Proof of receipt of goods such as delivery slips from suppliers;
- Proof of completion of works, such as acceptance certificates;
- Proof of purchase such as invoices and receipts. If supplies come from the Beneficiary's stocks, invoices shall reflect the price paid at the time of purchase;
- Proof of payment such as bank statements, debit notices, proof of settlement by the contractor;
- For fuel and oil expenses, a summary list of the distance covered, the location and purpose of the visit, the average consumption of the vehicles used, fuel costs and maintenance costs;
- Staff and payroll records such as contracts, salary statements, time sheets. For local staff recruited on fixed-term contracts, details of remuneration paid, duly substantiated by the person in charge locally, broken down into gross salary, social security charges, insurance and net salary.

#### **ARTICLE 17 - FINAL AMOUNT OF FINANCING BY THE CONTRACTING AUTHORITY**

17.1 The total amount to be paid by the Contracting Authority to the Beneficiary may not exceed the maximum direct assistance laid down in Article 3.2 of the Special Conditions, even if the total of actual eligible expenditure exceeds the estimated total budget set out in Annex III.

**17.2 If the eligible costs at the end of the Action are less than the estimated total cost referred to in Article 3.1 of the Special Conditions, the Contracting Authority's contribution shall be limited to the amount obtained by applying the percentage laid down in Article 3.2 of the Special Conditions to the actual eligible costs approved by the Contracting Authority.**

- 17.3 The Beneficiary accepts that payment under the Direct Assistance Grant Scheme can under no circumstances result in a profit for himself and that it must be limited to the amount required to balance income and expenditure for the Action. Profit shall be defined as:
- a surplus of receipts over the costs of the Action in question when the request is made for payment. However, in the case of Actions designed specifically to strengthen the financial capacity of the Beneficiary, it is distribution to the members making up the beneficiary body of the surplus revenue resulting from its activity leading to their personal enrichment.

These provisions shall not apply to study, research or training scholarships paid to natural persons, nor in the case of prizes awarded following contests.

- 17.4 In addition and without prejudice to the right to terminate the Contract in accordance with Article 12.3, the Contracting Authority may, by a duly reasoned decision, if the Action is not implemented or is implemented poorly, partially or late, reduce the Direct Assistance initially provided for in line with the actual implementation of the Action on the terms laid down in the Contract.

#### **ARTICLE 18 - RECOVERY**

- 18.1 The Beneficiary undertakes to repay any amounts paid in excess of the final amount due to the Contracting Authority within 45 days of receiving a request to do so.
- 18.2 Amounts to be repaid to the Contracting Authority may be offset against amounts of any kind due to the Beneficiary. This shall not affect the Parties' right to agree on payment in instalments.
- 18.3 Bank charges incurred by the repayment of amounts due to the Contracting Authority shall be borne entirely by the Beneficiary.