

 ENI/2019/412-505

SUBGRANT AGREEMENT TEMPLATE

**Funding for BSOs, accelerators and incubators to develop incubation services**

Subgrant Agreement Nr. [####]

**Prepared by:** Euro-Mediterranean Economists Association
**Date:** August 26, 2021

**SUBGRANT AGREEMENT**

Under the EU-funded project:

**CReative Entrepreneurs ACTing FOR the future MEDiterranean (CREACT4MED)
Grant Agreement Nº ENI/2019/412-505**

BETWEEN

**Euro-Mediterranean Economist Association (EMEA)**, an independent regional research organisation organised under the laws of Spain, established in Carrer de Sant Antoni Maria Claret 167, 08025, Barcelona, Spain, with VAT nº G-65901902, represented by Prof. Dr. Rym Ayadi, President and Founder, and acting on behalf of the CREACT4MED consortium, hereinafter referred to as the “**CREACT4MED Coordinator**”

and

**[ORGANISATION\_NAME]**, a [private/public] law company organised under the laws of [COUNTRY], established in [LEGAL ADDRESS], with VAT nº [VAT NUMBER], duly represented by [LEGAL\_REPRESENTATIVE], [LEGAL\_REPRESENTATIVE\_POSITION], hereinafter referred to as the “**Beneficiary**”

Hereinafter collectively referred to as the “**Contracting Parties**”.

The Contracting Parties agree to the following terms and conditions, including those in the Annexes, which form an integral part of this Subgrant Agreement (hereinafter referred to as the “**Contract**”)

**General provisions**

The European Commission (hereinafter referred to as the “EC”) and the CREACT4MED Coordinator have signed the Grant Agreement no. ENI/2019/412-505 for the implementation of the project CReative Entrepreneurs ACTing FOR the future MEDiterranean (“CREACT4MED”) within the framework of DG NEAR’s Programme to Support Youth and Culture in the Southern Neighbourhood (EuropeAid/162682/DH/ACT/Multi-2)

The Beneficiary has received a favourable resolution by the Regional Evaluation Committee and therefore is entitled to receive funding and services according to the terms and conditions set out under this Contract and in accordance with the Guidelines for Applicants made available at http://creativemediterranean.org (Annex III).

This Contract defines the framework of rights and obligations of the Contracting Parties for the development of the Project as defined in Annex I (Application Form).

The Contracting Parties have agreed as follows:

**Special Conditions**

1. **Article 1 – Purpose**
	1. The purpose of this Contract is the award of a subgrant to finance the implementation of the action entitled [TITLE OF THE ACTION] (the “Action”)
	2. The Beneficiary shall implement the Action under its own responsibility and in accordance with the Technical Proposal in Annex I with a view to achieving the objectives laid down therein
	3. The Beneficiary shall be awarded the grant on the terms and conditions set out in this contract, which consists of these special conditions (the ‘Special Conditions”) and the annexes, which the Beneficiary hereby declares it has noted and accepted
	4. The Beneficiary accepts the grant and undertakes to be responsible for carrying out the Action
2. **Article 2 – Implementation period of the Action**
	1. This Contract shall enter into force on the day of its signature by the last Contracting Party.
	2. The Implementation of the Action shall begin on [DATE]. The implementation period of the Action is [NUMBER OF MONTHS].
	3. The Action shall terminate on [DATE]
3. **Article 3 – Financing the Action**

* 1. The total eligible costs are estimated in EUR as set out in Annex II (Budget)
	2. The CREACT4MED Coordinator undertakes to finance a maximum amount of [TOTAL EUR (≤ EUR 15,750)], corresponding to the [PERCENTAGE (≤90%)] of the total budget
	3. The final amount of the subgrant contribution shall be determined in accordance with the acceptance of eligible costs declared in the financial report(s)
	4. In no cases the CREACT4MED Coordinator can increase the amount of the contribution set out in article 3.2.
1. **Article 4 – Eligible costs**
	1. Eligible costs must meet all the following criteria:
2. They are incurred during the implementation of the Action as specified in the Subgrant Agreement. This means that the costs must relate to activities performed during the implementation period;
3. They are indicated in the overall budget for the Action (Annex II);
4. They are necessary for the implementation of the Action;
5. They are identifiable and verifiable, in particular being recorded in the accounting records of the subgrant beneficiary and determined according to the applicable accounting standards of the country of the beneficiary;
6. They comply with the requirements of applicable tax and social legislation;
7. They respect the rules of nationality and origin[[1]](#footnote-1)
	1. Subject to the above, the following direct costs of the Beneficiary shall be eligible:
8. Human resources costs: costs hours of the staff of the beneficiary dedicated to the project
9. External expertise costs (up to 2,500€ per external service provider[[2]](#footnote-2)): costs of the work carried out by an external service provider which has entered an agreement with the subgrant beneficiary for the provision of specific services relevant to the Action
10. Other direct costs: further direct costs can be claimed for travel, venue rental, consumables, etc.
	1. The following costs shall not be considered eligible:
11. Debts and debt service charges (interest);
12. Provisions for losses or potential future liabilities;
13. Costs declared by the applicants and financed by another action or work programme receiving a European Union grant;
14. Purchases of land or buildings;
15. Currency exchange losses;
16. Duties, taxes and charges, including VAT, except when non-recoverable under the relevant national tax legislation unless otherwise provided in appropriate provisions negotiated with partner countries, as per the provisions of the related Financing Agreement;
17. Loans to third parties;
18. Fines, penalties and expenses of litigation;
19. Contributions in kind;
20. **Article 4 – Reporting and payment arrangements**
	1. The sub-grant is defined as the reimbursement of a [PERCENTAGE (≤90%)] of the eligible costs actually incurred by the Beneficiary. A co-financing by the Beneficiary of the remaining [PERCENTAGE (≥10%)] of the budget for the Action is foreseen under this funding scheme.
	2. The Beneficiary shall provide the CREACT4MED Coordinator and the Technical Assistance Team with all required information on the implementation of the Action. To that end, the Beneficiary must draw up [tri-monthly/six-monthly, to be agreed with the Beneficiary] Technical and Financial Reports on the progress of the Action within 1 month after the end of each [trimester/semester] (i.e. [M4, M7, M10, M13/M7, M13]).
	3. The beneficiary shall draft the Technical and Financial Reports in English, using the templates available at <http://creativemediterranean.org> and annexed to this contract (Annex IV and V, respectively). Financial Reports shall be made in EUR, and the conversion from other currencies shall be made using the monthly official accounting exchange rate of the European Commission for the month of signature of this contract.
	4. The CREACT4MED Coordinator shall, within 45 days of receipt, notify the Beneficiary of its decision concerning the documents or reports received by it, giving reasons should it reject the reports or documents, or request amendments. If the CREACT4MED Coordinator does not give any comments on the documents or reports within the time limit, the Beneficiary may request written acceptance of them. The documents or reports shall be deemed to have been approved by the CREACT4MED Coordinator if it does not expressly inform the contractor of any comments within 45 days of the receipt of the report.
	5. Following the eligibility check of the expenses declared by the Beneficiary in the Financial Report, payments will be made within [60 days] after the submission of Technical and Financial Reports.
	6. The CREACT4MED Coordinator reserves the right to withhold the payments in case the Beneficiary does not fulfil with its obligations and tasks as per Annex I (Application form) and Annex II (Guidelines for Applicants)
	7. The CREACT4MED Coordinator reserves the right to terminate this Contract if the Beneficiary fails to supply the Reports agreed upon in this Contract and fails to provide an acceptable and sufficient written explanation of the reasons why it is unable to comply with this obligation
	8. Banking and transaction costs related to the handling of any financial resources made available to the Beneficiary by the project shall be covered by the Beneficiary
	9. The Beneficiary is required to keep accounting of the subgrant showing a reliable and easy to follow audit trail of the expenditure and revenue generated
	10. The Beneficiary is required to keep the original accounting supporting documents at least until 7 years after the termination of this Contract
	11. The following documents must be kept in original and sent digitally to the CREACT4MED Coordinator with the Financial Reports:
21. Proof of commitments such as Contracts and order forms;
22. Proof of delivery of services, such as approved reports, timesheets, transport tickets, proof of attending events, etc;
23. Proof of receipt of goods such as delivery slips from suppliers;
24. Proof of purchase such as invoices and receipts;
25. Proof of payment such as bank statements, debt notices, proof of settlement by the contractor;
26. For fuel and oil expenses, a summary list of the distance covered, the average consumption of the vehicles used, fuel costs and maintenance costs;
27. Staff and payroll records such as contracts, salary statements and timesheets. For staff recruited on fixed-term contracts, details of the remuneration paid, broken down into gross salary, social security charges, insurance and net salary, are required.
28. **Obligations of the Beneficiary**
	1. The obligations and responsibilities of the Beneficiary are defined in detail in this Contract and in Annex III (Guidelines for Applicants).
	2. The Beneficiary shall take every necessary precaution to avoid any risk of conflict of interest relating to economic interests, political or national affinities, personal or any other interests liable to influence the impartial and objective performance of the Action.
	3. In case the Beneficiary is involved in a conflict of interest or in a risk of conflict of interest, the Beneficiary must formally notify this situation to the CREACT4MED Coordinator without delay and immediately take all the necessary steps to rectify this situation.
29. **Article 6 – Breach of Contractual obligations**

In the event the CREACT4MED Technical Assistance Team identifies that the beneficiary

1. Breached its obligations under the Contract, including the lack of impartiality of objectiveness due to conflicts of interest;
2. Stopped to carry out its business object of this Contract and therefore is not able or willing to continue the Action;
3. Is engaged in a bankruptcy or receivership process

The CREACT4MED Coordinator will give written notice requiring such breach to be remedied within 30 days. In case the Beneficiary has not brought remedies from the notice, the Contractor may decide to terminate the contract unilaterally.

Moreover, in the event the breach of the contractual obligations has been manifestly intentioned or with gross negligence, the CREACT4MED Coordinator may request the Beneficiary the refund of the payments made to date.

1. **Article 7 – Language**
	1. This Contract is drawn in English, language which shall govern all documents, meetings, notices and processes relative thereto.
2. **Article 7 - Visibility**
	1. The Beneficiary must take all necessary steps to publicise the fact that the European Union has financed the Action, complying with the objectives and priorities and guaranteeing the visibility of the EU financing (see the [Communication and Visibility Requirements for EU External Actions](https://ec.europa.eu/international-partnerships/system/files/communication-visibility-requirements-2018_en.pdf)).
	2. In particular, the Beneficiary shall mention the Action and the European Union’s financial contribution in information given to the final recipients of the Action, and in any dealings with the media. It shall display the EU logo (available at <http://europa.eu/about-eu/basic-information/symbols/flag/index_en.htm>) wherever appropriate (e.g. banner, leaflets, publications, website).
	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. 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*”.
	4. The Beneficiary authorises the Contracting Authority and the European Commission to publish its name and address, nationality, the project purpose, duration and location, as well as the amount of the subgrant.
3. **Article 8 – Liability**
	1. CREACT4MED and its partners 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 CREACT4MED Coordinator cannot therefore accept any claim for compensation or increases in payment in connection with such damage or injury.
	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 CREACT4MED Consortium 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.
4. **Article 9 – Confidentiality**
	1. Information specifically designated as “Confidential” and disclosed under the scope of the program shall remain confidential and neither the Beneficiary nor any of the CREACT4MED partners of experts shall use it for their own benefit, disclose or communicate it.
	2. The Beneficiary undertakes not to use any such information for any purpose other than in accordance with the terms of this Contract for a period of five years and to take the appropriate measures to guarantee the confidentiality of the information provided
	3. In the case of breach of the confidential rules hereinabove set, the Contracting Party breaching the confidentiality will remain solely liable towards possible claims
	4. Notwithstanding the aforesaid, incubators hereby acknowledge that CREACT4MED partners reserve the right to disclose non-confidential information regarding the funded projects while promoting the project (e.g. in conferences, reports and press releases).
5. **Article 10 – Data protection obligations**
	1. The Contracting Parties have the obligation to abide by the Regulation (EU) 2016/679 (General Data Protection Regulation – GDPR) of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data.
	2. The processing of personal data shall be carried out lawfully, fairly and in a transparent manner, collected for specified purposes and adequate, relevant and limited to what is necessary in relation to the purposes for which it is processed.
6. **Article 11 – Financial audits and controls**
	1. The Technical Assistance Team will monitor the compliance with the conditions for financial support set out this Contract and in Annex III (Guidelines for Applicants) and will take any action foreseen by the Subgrant Agreement in case of non-compliance vis à vis the Beneficiary.
	2. The subgrant beneficiary shall make available to the CREACT4MED Coordinator all the information and data that may be requested with a view to verifying that the subgrant is properly managed and performed in accordance with its provisions and that costs have been charged in compliance with it. This information and data must be precise, complete and effective.
	3. Moreover, the European Commission may at any time during the implementation of the Action and up to 5 years after the end of the project, arrange for financial audits to be carried out by external auditors or by the EC services themselves (including the European Anti-Fraud Office). Such audits may cover financial, systemic and other aspects (such as accounting and management principles) relating to the proper execution of the grant agreement and shall be carried out on a confidential basis.
	4. The beneficiary shall keep all the project deliverables and originals or duly authenticated copies (including electronic copies) of all the documents relating to the funded Action for at least five years from the end of the project. These shall be made available to the CREACT4MED Coordinator where requested during any audit under the Grant Agreement.
	5. On the basis of the findings made during the financial audit, the CREACT4MED Coordinator and/or the EC shall take all appropriate measures which it considers necessary, including the issuing of recovery orders regarding all or part of the payments made.
7. **Article 11 – Force Majeure**
	1. “Force Majeure” shall mean any unforeseeable exceptional situation or event beyond the Contracting Parties’ control, which prevents either of them from fulfilling any of their obligations under the Contract, which is not attributable to error or negligence on their part and which proves to be inevitable in spite of exercising all due diligence.
	2. Any default of a services, defect in equipment or material delays in making them available, unless they stem directly from a relevant case of force majeure, as well as labour disputes, strikes or financial difficulties cannot be invoked as force majeure.
	3. The Contracting Parties shall take the necessary measures to limit any damage due to force majeure. They shall do their best to resume the implementation of the Action as soon as possible.
	4. No Contracting Party shall be considered to be in breach of its obligations and tasks if such breach is caused by force majeure. A Contracting Party will notify the other Party of any force majeure as soon as possible. In case the Beneficiary is not able to overcome the consequences of Force Majeure within thirty (30) calendar days after such notification, the CREACT4MED Coordinator will decide accordingly, including the option of termination of the contract.
8. **Amendment of the contract**
	1. Any modification to the Contract, including the activities, results and the budget of the Action, must be approved in writing by the CREACT4MED Coordinator before any such modification enters into force
	2. Amendments shall be made in writing and signed by the duly authorised representatives of the Contracting Parties
	3. Requests of modification should be submitted via email to creact4med@euromed-economists.org including a clear reference of the contract number on the title of the message
9. **Article 16 - Applicable Law and settlement of disputes**
	1. This Contract shall be construed in accordance with and governed by the laws of Spain.
	2. Any dispute arising out of or in connection with this agreement shall be submitted to the courts of Barcelona (Spain), which shall have exclusive jurisdiction, in case the Contracting Parties are unable to resolve a dispute amicably.
10. **Article 17 – Termination of the contract**
	1. The CREACT4MED Coordinator may terminate the Contract, by giving a seven day notice and without paying compensation of any kind:
11. Where the Beneficiary fails, without justification, to fulfil any of the obligations incumbent on the Contract and, after being given notice to comply with those obligations, still fails to do so or to furnish a satisfactory explanation within 30 days of sending the letter;
12. Where the Beneficiary 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;
13. Where the project Coordinator has evidence on the Beneficiary of grave professional misconduct; this also applies to staff and agents of the Beneficiary;
14. Where the CREACT4MED Coordinator has evidence on the Beneficiary or any related entity or person of fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the European Union’s financial interests; this also applies to staff and agents of the Beneficiary;
15. Where the Beneficiary changes legal personality, without informing the CREACT4MED Coordinator;
16. Where the Beneficiary makes false or incomplete statements to obtain the grant provided for in the Contract or provides reports that do not reflect the reality;
17. Where the Beneficiary has not fulfilled obligations relating to the payment or social security contributions or the payment of taxes in accordance with the legal provisions of the country in which it is established;
18. Where the CREACT4MED Coordinator has evidence on the beneficiary or any related entity or person, of substantial errors, irregularities or fraud in the award procedure or the performance of the grant
19. **Contact addressess**
	1. Any communication relating to this Contract shall be in writing, state the number and title of the Action and be sent to the following addresses:

For the CREACT4MED Coordinator

**Euro-Mediterranean Economists Association (EMEA)**

Recinte Modernista de Sant Pau, Pavelló Sant Jordi - Carrer Sant Antoni Maria Claret 167, 08025, Barcelona, Spain

Contact person: Maria Ruiz de Cossío

E-mail: creact4med@euromed-economists.org; mruizdecossio@euromed-economists.org

For the Beneficiary

[NAME OF THE BENEFICIARY]

[ADDRESS OF THE BENEFICIARY]

[NAME OF THE CONTACT PERSON]

[EMAIL ADDRESS]

1. **Article 19 – Annexes**
	1. The following documents are annexed to these Special Conditions and form an integral part of the Contract:
* Annex I: Approved Application Form
* Annex II: Budget for the Action
* Annex III: Guidelines for Applicants
* Annex IV: Technical Report Template
* Annex V: Financial Report Template
* Annex VI: Declaration on honour on selection criteria and exclusion criteria signed by the Beneficiary
* Annex VII: Beneficiary’s De minimis self-declaration
* Annex VIII: Beneficiary’s Legal Entity Form
* Annex IX: Beneficiary’s Financial Identification Form
1. **Article 20 – Signatures**

Now therefore, in consideration of the premises contained herein, this Subgrant Agreement is executed by the Parties and effective as of the date of its signature.

Date: [DATE]

Signed for and on behalf of the Euro-Mediterranean Economists Association

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Professor RYM AYADI
Founder and President
Chair of the Executive Board

Signed for and on behalf of [BENEFICIARY NAME]

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[NAME OF THE AUTHORISED REPRESENTATIVE]
[TITLE OF THE AUTHORISED REPRESENTATIVE]

1. The nationality of any contractors for services and supplies and the origin of any items purchased through the Action must be in line with the Rules on Participation in Procurement Procedures and Grants set out in Annex A2a of the “[*Procurement and Grants for European Union external actions - A Practical Guide*](https://ec.europa.eu/europeaid/prag/)” [↑](#footnote-ref-1)
2. Costs of external service providers exceeding 2,500€ are not eligible under this call unless they are duly justified as necessary for the implementation of the Action [↑](#footnote-ref-2)