**GENERAL CONDITIONS APPLICABLE TO GRANT CONTRACTS**

**FINANCED BY CAMÕES, I.P.**

**(Delegated Cooperation)**

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# GENERAL PROVISIONS

# ARTICLE 1 - DEFINITIONS

For the purposes of these General Conditions applicable to Grant Contracts financed by Camões, I.P., the following terms as understood to mean:

**‘Action’:** The work programme or project partially or totally funded by Camões, I.P. that is implemented by the beneficiary(ies). Whenever reference is made to the action or part of the action funded this refers to: (i) activities exclusively funded by Camões, I.P.; (ii) activities jointly funded by Camões, I.P.

**‘Amendment’:** Document that changes the conditions of a contract.

**‘Contracting authority’**: Camões, Instituto da Cooperação e da Língua, I.P.

**‘Beneficiary(ies)’:** A natural or legal person with whom a grant agreement has been signed. The term ‘beneficiary’ refers collectively to all beneficiaries of the action, including the coordinator. Where there is a single beneficiary of the action, the terms ‘beneficiaries’ and ‘coordinator’ shall both be understood as references to the sole beneficiary of the action.

**‘Sound financial management’:** The implementation of the action’s budget in accordance with the principles of effectiveness, efficiency and economy.

**‘Force Majeure Event’:** Any events that the parties to this contract cannot prevent or overcome by performing due diligence, the action of natural forces, strikes, lockouts or other labour conflicts, acts of the public enemy, wars declared or not, blockades, insurrections, riots, epidemics, landslides, earthquakes, storms, lightning, floods, landslides, riots and explosions. The decision of the European Union or the Portuguese State to suspend cooperation with the partner country shall be regarded as a case of force majeure if it entails the suspension of funding under the contract.

**‘Special Conditions’:** The special provisions drawn up by Camões, I.P., as an integral part of the call for proposal submissions procedure, which contain amendments to the General Conditions and special provisions of the grant contract.

**‘General Conditions’:** This document, which contains the administrative, financial, legal and technical clauses that govern the execution of all subsidy contracts within the scope of delegated cooperation signed by Camões, I.P.

**‘Contract’:** An agreement between two or more people or entities. It can take the form of a contract for the provision of services, the supply of goods and/or the execution of works through a financial counterpart, or a subsidy contract that establishes the specific terms and conditions for the execution of the action.

**‘Coordinator’:** The beneficiary appointed as a coordinator under the special conditions.

**‘Call for proposal’:** A call for proposal submissions launched by Camões, I.P. intended for clearly defined applicant categories with a view to submitting proposals for actions under a specific programme. Whenever the term **‘call’** is used it must be understood as referring to the call for proposals.

**‘Days’:** Calendar days. Unless otherwise specified in the special conditions.

**‘Reference period’:** A period of twelve months, unless otherwise specified in the special conditions.

**‘Period of implementation’:** The period between the signature date of the grant contract, or another date specified in the special conditions, and the completion of all activities which are part of the project.

**‘Result’:** The product or achievements resulting from an action.

**‘Verification of expenditure’:** The verification of expenditure refers both to the procedure and to the report through which the auditor verifies that the financial report submitted by the beneficiary may be reconciled with the respective accounts and accounting system, as well as with the records and accounts, in accordance with the agreed procedures contained in the relevant Terms of Reference. The auditor shall also verify that the beneficiary respects the relevant provisions of the contract signed with the Commission.

**‘Volunteer’:** A person who works on a voluntary basis for an organisation without being paid.

# ARTICLE 2 - GENERAL PRINCIPLES

## Of the contract

* 1. The beneficiaries (represented by the Coordinator) and Camões, I.P. are the only parties to this contract.
  2. The contract and its related payments cannot be transferred to third parties under any circumstances without the prior written agreement of Camões, I.P.

## Processing of personal data by Camões, I.P.

* 1. Personal data shall be processed by Camões, I.P. in accordance with its Privacy and Personal Data Protection Policy[[1]](#footnote-1), solely for the purposes of the execution, management and monitoring of the grant agreement or for the protection of the financial interests of the European Union, Portugal and other funders, including controls, audits and investigations, in accordance with Article .... Of this contract.

Beneficiaries shall have the right to access, rectify or delete their own data and the right to restrict their processing or, where appropriate, the right to data portability or the right to object to data processing pursuant to Regulation (EU) 2016/679 (GDPR). To that end, they shall send any requests for information on the processing of their personal data to Camões, I.P.’s Data Protection Officer, identified in the special conditions

Beneficiaries have the right to appeal to the National Data Protection Commission[[2]](#footnote-2).

## Processing of personal data by the beneficiaries

* 1. Beneficiaries shall process personal data under the grant agreement in accordance with their national law and the provisions of Regulation (EU) 2016/679 (GDPR), including the provisions on processing authorisations or notification requirements.

Beneficiaries may only grant their staff access to the data strictly necessary for the execution, management and monitoring of the grant contract. The beneficiary shall ensure that staff authorised to process personal data has undertaken to maintain confidentiality or is subject to an appropriate legal obligation of confidentiality.

Beneficiaries must adopt appropriate technical and organisational measures by taking into account the risks inherent to the processing and nature, scope, context and purposes of the processing of personal data in question. In order to ensure, as applicable:

1. The use of pseudonyms and encryption of personal data;
2. The ability to ensure the confidentiality, integrity, availability and resilience of ongoing processing systems and services;
3. The ability to re-establish the availability and access to personal data in a timely manner in the event of a physical or technical incident;
4. A process for regularly testing, evaluating and monitoring the effectiveness of technical and organisational measures to ensure the safety of processing;
5. Measures designed to protect personal data against accidental or unlawful destruction, loss, alteration and unauthorized disclosure or access to personal data transferred, kept or subject to any other type of processing.

# OBLIGATIONS

# Article 3 OBLIGATIONS OF BENEFICIARIES AND COORDINATOR

## Obligations of beneficiaries

* 1. Beneficiaries must:

1. Carry out the action jointly with Camões, I.P., taking all necessary and reasonable measures to ensure that the action is carried out in accordance with the proposal submitted and approved, as well as with the conditions of this contract.
2. Implement the action with the necessary care, efficiency, transparency and zeal, in accordance with the principle of sound financial management and best practices in this area;
3. Be responsible for the fulfilment of any obligation incumbent upon them under this contract, jointly or individually;
4. Transmit the data necessary for the preparation of reports, financial statements and other documents and information required by this contract and its annexes to the coordinator, as well as all necessary information for audits, verifications, monitoring or evaluations;
5. Ensure that the information to be provided and the requests addressed to Camões, I.P. are sent through the coordinator;
6. Agree on appropriate measures at internal level for the coordination and representation of beneficiaries before Camões, I.P. in relation to any matters arising from this contract, in accordance with this contract and in compliance with the applicable legislation;
7. Ensure that no subcontractor (beneficiary of a service, works or subvention) or natural person (including participants in seminars and or training) is included in the European Union’s restrictive lists.

## Obligations of the coordinator

* 1. The coordinator must:

1. Verify that the action is carried out in accordance with this contract and ensure coordination between all beneficiaries in the implementation of the action;
2. To be the intermediary for any communication between the beneficiaries and Camões, I.P.;
3. Be responsible for all documents and information that may be required under this contract transmitting to Camões, I.P., in particular with respect to narrative reports and payment requests. If it is necessary to obtain information from the beneficiaries, the coordinator shall be responsible for obtaining, verifying and consolidating it before sending it to Camões, I.P.;

Any information provided, or request submitted, by the coordinator to Camões, I.P. shall be considered as having received the agreement of all beneficiaries;

1. Inform Camões, IP of any occurrence likely to affect or delay the execution of the action;
2. Inform Camões, I.P. of any changes in the legal, financial, technical, organic or property-related circumstances, as well as any change in the name, address or legal representative of any of the beneficiaries;
3. Respond within the scope of audits, checks, monitoring or evaluations, providing all necessary documents, including the beneficiaries' accounts, copies of the most relevant supporting documents and signed copies of any contracts concluded;
4. Have full financial capacity to ensure that the action is carried out in accordance with the contract;
5. Conclude the appropriate agreements for the provision of financial guarantees, whenever required in accordance with the provisions of the special conditions;
6. Prepare payment requests in accordance with the contract;
7. To be the sole recipient of payments from Camões, I.P., on behalf of all beneficiaries. The coordinator must ensure that amounts due are subsequently paid to beneficiaries without undue delay;
8. Refrain from delegating all or part of these tasks to beneficiaries or other entities.

# ARTICLE 4 - OBLIGATION TO PRESENT FINANCIAL AND NARRATIVE REPORTS

* 1. The coordinator must convey all required information about the implementation of the action to Camões, I.P.. The interim report(s) shall focus on the implementation of the action and shall include at least the following components:

1. Cover the entire action, regardless of the part that is financed by Camões, I.P.;
2. Consist of a narrative part and a financial part, prepared in accordance with the templates/forms included in annex to the call for proposal and/or the grant contract;
3. Account for all aspects of the implementation of the action during the period covered, including, in the case of simplified cost options, the qualitative and quantitative information necessary to demonstrate compliance with the repayment conditions set out in the contract;
4. Indicate the current results in an updated table based on a logical framework matrix, in particular the results obtained by the action (impact, results or outputs) in accordance with the corresponding indicators, baselines and agreed objectives and relevant data sources;
5. Determine whether the intervention logic remains valid and propose any modifications, including to the logical framework matrix;
6. Include all information on the implementation of the communication plan and, where appropriate, any updates to this plan which ensure greater visibility of the entities financing the action;
7. Include all reports, publications, press releases and relevant updates to the action;
8. Be written in English and indicate the values in the contract currency, usually the euro.
   1. In addition, interim reports must:
9. Include a breakdown of the total costs per item (according to the structure of the estimated budget) incurred since the start of the action, as well as the legal commitments made by the beneficiaries during the reporting period;
10. Copies of the available cost verification reports, or, if applicable, the Coordinator's statement regarding the costs incurred;
11. A work plan and an estimated budget for the next reporting period; and
12. If applicable, a request for pre-financing payment.
    1. The final report shall cover the entire implementation period and include:
13. All information requested in Article 3.1(a) to (h);
14. A cost/expense verification report (where required) prepared in accordance with Article 15;
15. Include evidence of ownership transfers as stipulated in Article 7;
16. Where appropriate, a request for payment of the balance.
    1. Special conditions may establish additional reporting obligations.
    2. Camões, I.P. may request additional information at any time. The coordinator must provide this information within 30 days from the request, in the same language as the contract, normally English.
    3. Interim reports shall be submitted no later than 30 days after the reporting period to which they relate and the final report no later than 60 days after the end of the action, although different deadlines may be specified in the special conditions.
    4. Reports shall be submitted with payment requests in accordance with Article 16.
    5. Failure to submit reports or provide information requested constitute grounds for the suspension of payments as a precautionary measure without notice and may give rise to termination of the contract pursuant to Article 13.

# ARTICLE 5 - LIABILITY

* 1. Camões, I.P. it cannot, under any circumstances or for any reason, be held liable for damages caused to the beneficiary's personnel or property in the course of or as a result of the implementation of the action. Camões, I.P. cannot therefore accept any claim for compensation or additional payment for such reasons.
  2. The beneficiaries are solely liable to third parties, in particular for damages of any nature caused to them during the implementation or as a result of the action. Beneficiaries shall exonerate Camões, I.P. from any liability arising from any claims or actions for infringement of the rules committed by the beneficiary, its employees or dependants, or from infringement on the rights of third parties. For the purposes of applying this article, the employees of the beneficiary(ies) are considered third parties.

# ARTICLE 6 - CONFLICTS OF INTEREST AND CODE OF CONDUCT

* 1. Beneficiaries must take all necessary measures to prevent or put an end to any situation likely to compromise the objective and impartial performance of this contract. Conflicts of interest may arise from economic, political affinities or national affinities, family or emotional relationships or any other relevant connections or shared interests.
  2. If a conflict of interest arises during the performance of this contract, Camões, I.P. must be notified immediately in writing of this fact. In that case, the coordinator must immediately take all necessary steps to resolve the conflict.
  3. Camões, I.P. reserves the right to check that such measures are adequate and may, if necessary, require additional measures to be taken.
  4. Beneficiaries must ensure that their staff, including senior management, are not placed in a situation that could give rise to conflicts of interest. Without prejudice to their contractual obligations, the beneficiaries shall immediately replace any member of its staff who is in such a situation, with no right to any compensation from Camões, I.P..
  5. Beneficiaries must always act impartially and with the appropriate level of discretion. They must refrain from making public statements about the action or services, without the prior approval of Camões, I.P. They must not, in any way, bind Camões, I.P. without the prior consent of the latter, and they must clarify this obligation to third parties.
  6. Ill-treatment or corporal punishment, or threats of ill-treatment, sexual abuse or exploitation, harassment and verbal violence, as well as other forms of intimidation must be prohibited. Beneficiaries must also inform Camões, I.P. of any failure to comply with deontological standards or the code of conduct, as set out in this article. If the beneficiaries are aware of any violations of the aforementioned rules, they must communicate this fact in writing to Camões, I.P., within 30 days.
  7. Beneficiaries and their staff shall respect human rights and environmental legislation applicable in the country(ies) where the action is to be carried out as well as international core labour law, including ILO core labour standards, conventions on freedom of association and collective bargaining, elimination of forced labour, elimination of discrimination regarding employment and occupation, and abolition of child labour.
  8. Beneficiaries or any person related to them shall not abuse the powers entrusted to them for their own benefit. Neither the beneficiaries nor any of their subcontractors, agents or personnel may receive or agree to receive from any person, or offer or agree to offer any person, or obtain for any person, gifts, gratuities, commissions or benefits of any kind as an incentive or reward for performing or refraining from performing any act related to the performance of the contract, or for showing preference or ill shall towards any person related to the contract. Beneficiaries must comply with all applicable legislation and codes and regulations on combating bribery and corruption.
  9. Payments to beneficiaries under the contract shall constitute the only income or benefits obtained as part of the contract, with the exception of revenue-generating activities. Beneficiaries and their staff shall refrain from engaging in any activity or receiving any advantage incompatible with their contractual obligations.
  10. The performance of the contract shall not result in the payment of extraordinary commercial expenses. ‘Extraordinary commercial expenses’ are understood to be commissions not mentioned in the main contract or not resulting from a contract duly entered into and related to the main contract, commissions paid without the provision of an effective and legitimate service in return, commissions paid in a tax haven, commissions paid to a beneficiary not clearly identified or commissions paid to a company that has all the characteristics of a shell company. Camões, I.P. may carry out all documentary or on-the-spot checks it considers necessary to obtain evidence in case of suspicion of extraordinary commercial expenses.
  11. Compliance with the code of conduct indicated in this Article constitutes a contractual obligation. Failure to comply with the code of conduct shall always be considered as a breach of contract under Article 13. Furthermore, failure to comply with the provision established in this article may be considered a serious professional misconduct that may lead to the suspension or termination of the contract, without prejudice to the application of administrative penalties, including exclusion from participation in future contract award procedures and grant awards.

# ARTICLE 7 - CONFIDENTIALITY

* 1. Without prejudice to the provisions of Article 17, Camões, I.P and the beneficiaries undertake to preserve the confidentiality of any information, regardless of its format, whether disclosed in writing or verbally within the scope of the performance of this contract and classified in writing as confidential, for at least 5 years from the date of payment of the balance.
  2. Beneficiaries must not use confidential information for purposes other than fulfilling their contractual obligations, unless otherwise agreed by Camões, I.P..
  3. The European Commission has the right of access to all documents submitted to Camões, I.P., and must guarantee the same confidentiality.

# ARTICLE 8 - VISIBILITY

* 1. Without prejudice to the provisions of the call for proposals submissions and unless otherwise agreed or requested by Camões, I.P., the beneficiaries shall take all necessary measures to advertise the financing of the action by the European Union, through Camões, I.P.
  2. The coordinator must submit a communication and visibility plan to Camões, I.P for approval, and keep them informed of its implementation.
  3. Beneficiaries shall specifically mention the action, the European Union’s financial contribution and Camões, I.P.’s management role in the information about the action sent to the final beneficiaries, in their internal and annual reports, and during any contact with the media. They should use the European Union and Camões, I.P.’s logos whenever appropriate.
  4. Any communication or publication from the beneficiaries on the action, in particular in the context of a conference or seminar, shall mention that the action has received financial support from the European Union. Any publication released by the beneficiaries, whatever its format and means of communication used, in particular the Internet, shall contain the following statement: ‘This document was drawn up with financial contribution from the European Union. Its contents are the sole responsibility of <name of beneficiary(ies)>, and can under no circumstances be taken to reflect the position of the European Union.’.
  5. Beneficiaries authorise Camões, I.P. and the European Commission to publish their name and address, nationality, purpose of the grant, duration and location, as well as the maximum grant amount and the funding rate of the action’s eligible costs, as stipulated in the special conditions. The publication of this information may be waived if it endangers the safety of the beneficiaries or if it harms their commercial interests.

# ARTICLE 9 – OWNERSHIP/USE OF RESULTS AND ASSETS

* 1. Unless otherwise stipulated in the special conditions, the ownership, shares and intellectual and industrial property rights of the results of the action, as well as the reports and other documents relating to the latter, belong to the beneficiaries.
  2. Notwithstanding the provisions of article 8.1, the beneficiaries grant Camões, I.P. and the European Commission the right to use freely and in the way they deem most appropriate, namely to store, modify, translate, display, reproduce, publish or communicate, by any means, all documents resulting from the action, regardless of their format, provided that such use does not infringe on existing industrial and intellectual property rights.
  3. For works protected by intellectual property rights, beneficiaries shall ensure that they own all the rights of use necessary for the performance of this contract.
  4. Where recognizable persons are represented in a photograph or film, the coordinator shall submit a statement, whereby those persons grant their authorisation for the described use of their images to the contracting authority, as part of the final report. The provisions of the preceding paragraph do not refer to photographs taken or films made in public places where casually present persons may hypothetically be identified, nor to public persons carrying out their duties.
  5. Unless otherwise expressly stated in the special conditions, equipment, vehicles and supplies paid for from the action’s budget shall be transferred to the action’s final beneficiaries no later than when the final report is submitted.
  6. If there are no final beneficiaries of the action to whom equipment, vehicles and supplies can be transferred, beneficiaries may transfer them to:

1. local authorities;
2. local beneficiaries;
3. local affiliated entities;
4. other action financed by the European Union or Camões, I.P.
5. or, exceptionally, those items shall remain in their possession.

In those cases, the coordinator must submit a written and substantiated application for authorisation to Camões, I.P., with an inventory listing the elements in question and a proposal for their use, in due time and no later than when submitting the final report.

Under no circumstances may the final use jeopardise the action’s sustainability or result in profit for the beneficiaries.

* 1. Copies of the documents proving the transfer of equipment and vehicles whose acquisition value exceeds EUR 5 000 per article shall be attached to the final report. Documents proving the transfer of equipment and vehicles whose purchase price was less than EUR 5 000 per item must be kept by the beneficiaries for control purposes.

# MONITORING AND IMPLEMENTATION OF THE ACTION AND EXECUTION OF THE CONTRACT

# ARTICLE 10 - MONITORING AND EVALUATION OF THE ACTION

* 1. The approved proposal must describe in detail the monitoring and evaluation methods that the beneficiaries shall use.
  2. Whenever Camões, I.P. or the European Union carry out a mid-term or ex post evaluation or monitoring exercise, the coordinator shall make available to them and/or to any authorised persons all the documents or information necessary for such an evaluation or monitoring exercises.

Camões, I.P. shall be invited to participate in the main monitoring activities and in the evaluation exercises for the results of the action carried out by the beneficiaries. Camões, I.P. shall be invited to comment on the terms of reference of the evaluation(s) of the action(s) carried out by the beneficiaries before the beginning of the exercise, as well as the preliminary report(s) prior to completion. The European Commission may be invited to participate in the monitoring activities and evaluation exercises by Camões, I.P..

* 1. If the beneficiaries or Camões, I.P. carry out or commission an evaluation and monitoring exercise in the course of the action, they shall provide a copy of the evaluation report to the other party. All evaluation and monitoring reports, including the final values for each of the indicators in the logical framework, shall be submitted to Camões, I.P. together with the final narrative report (Annex IV).

# ARTICLE 11 - AMENDMENT OF THE CONTRACT

* 1. Any amendment to this contract, including its annexes, shall be made in writing. This contract may only be amended during its period of implementation.
  2. An amendment may not have the purpose or effect of making changes to the contract which may call into question the grant award decision or breach the principle of equal treatment of applicants. The maximum grant amount specified in the special conditions may not be increased.
  3. If the amendment is requested by the beneficiaries, the coordinator must submit a duly substantiated request to Camões, I.P. thirty days before the date on which the amendment comes into force, except in special circumstances duly substantiated and accepted by Camões, I.P.
  4. If a change in the budget does not affect the action’s expected results (i.e. impact, product, output) and if the financial impact is limited to a transfer between items under the same main budget category, in particular the deletion or introduction of an item, or a transfer between main budget items involving a variation of equal to or lower than 25 % of the initial amount (or modified by addendum) of each of the main eligible cost items, the coordinator may amend the budget and they must inform Camões, I.P. in writing, no later than when submitting the following report. This method cannot be used for the amendment of the indirect cost items, contingency reserve defined in the contract.

Changes in the description of the action and in the logical framework which affect the expected results (impact, product, output) are agreed with Camões, I.P. before the alteration takes place. The approved changes should be explained in the following report.

* 1. Changes of address, bank account or auditor can simply be notified by the coordinator. However, under duly proven circumstances, Camões, I.P. may oppose the coordinator's choice.
  2. Camões, I.P. reserves the right to request the replacement of the auditor mentioned in the special conditions if any circumstances unknown at the date of signature of this contract call into question their independence or professionalism.

# ARTICLE 12 - IMPLEMENTATION

## Contracts for the acquisition of goods, works or services

* 1. Where beneficiaries are required to conclude contracts for the purchase of goods, works or services with third parties for the implementation of the action, they shall comply with the procurement rules set out in Annex II and the applicable nationality and origin rules.
  2. To the extent necessary, beneficiaries shall ensure that the conditions applicable to them pursuant to Articles 4, 5, 7 and 17 of these general conditions shall also apply to tenderers to whom an implementation contract has been awarded.
  3. The coordinator must present a comprehensive and detailed report on the award and implementation of contracts awarded pursuant to article 12.1., in the report sent to Camões, I.P..

## Subcontracting

* 1. Where subcontracting is possible, beneficiaries shall ensure, in addition to the conditions specified in Article 12.1, 12.2, and 12.3, that the following conditions are guaranteed:

1. Subcontracting does not include core tasks of the action;
2. the use of subcontracting is justified by the nature of the action and the components necessary for its implementation;
3. the estimated costs of subcontracting are clearly identifiable in the budget forecast in Annex III;

Any recourse to subcontracting, which is not provided for in the approved proposal, is communicated by the coordinator and approved by Camões, I.P..

## Financial support to third parties

* 1. In order to support the achievement of the action’s objectives and, in particular, where the implementation of the action implies financial support to third parties, beneficiaries may provide financial support, provided that the special conditions provide for it.
  2. The maximum financial support amount is EUR 50 000 per third party. The general conditions may establish a different maximum amount.
  3. In accordance with the provisions of the call for proposals, the proposal must define the types of entities eligible for financial support and include a fixed list of the types of activities eligible for financial support. The criteria for selecting third-party beneficiaries of this financial support, including the criteria for determining its exact amount, must be specified.
  4. The report submitted by the coordinator to Camões, I.P. should describe the granting and implementation of all financial support granted, in a comprehensive and detailed manner. The reports must contain, among others, information on the granting procedures, the identity of the beneficiaries of the financial support, amounts granted, results achieved, problems faced and solutions found and activities carried out, as well as a provisional calendar of activities to be carried out.
  5. To the extent necessary, beneficiaries shall ensure that the conditions applicable to them pursuant to Articles 5, 6, 8(1) and (4), and 18 of these general conditions shall also apply to third parties to whom financial support has been granted.

# ARTICLE 13 - EXTENSION AND SUSPENSION

## Extension

* 1. The coordinator must inform Camões, I.P. of any circumstances likely to hinder or delay the implementation of the action. The coordinator may request an extension of the deadline for implementing the action, under the special conditions and in accordance with Article 10. The request must be accompanied by all the supporting evidence necessary for its assessment.

## Suspension by coordinator

* 1. The coordinator may suspend the implementation of the action, in whole or in part, if exceptional circumstances, particularly force majeure, make implementation too difficult or dangerous. The coordinator must inform Camões, I.P. without delay, stating the nature, probable duration and foreseeable effects of the suspension.
  2. The coordinator or Camões, I.P. may in that case terminate this contract, pursuant to Article 13(1). If the contract is not terminated, the beneficiaries must endeavour to minimize the suspension period, as well as any damages, and resume the implementation of the action as soon as circumstances allow, informing Camões, I.P.

## Suspension by Camões, I.P.

* 1. Camões, I.P. may ask beneficiaries to suspend implementation of the action, or part of it, if exceptional circumstances, particularly force majeure, render implementation too difficult or dangerous. To this end, Camões, I.P. shall inform the coordinator of the nature and likely duration of the suspension.
  2. The coordinator or Camões, I.P. may in that case terminate this contract, pursuant to Article 13(1). If the contract is not resolved, the beneficiaries shall endeavour to minimize the suspension period, as well as any damages, and resume the implementation of the action as soon as circumstances permit and after obtaining the approval of Camões, I.P..
  3. Camões, I.P. may also suspend this contract or the participation of the beneficiaries in it if it has evidence that, or if for objective and well substantiated reasons it considers it necessary to verify that:

1. The grant award procedure or the implementation of the action suffer from serious errors, irregularities or fraud;
2. Beneficiaries have breached any material obligation arising from this contract.
   1. The coordinator must provide the information, clarifications or documents requested within 30 days of receiving the request sent by Camões, I.P.. If, despite the information, clarifications or documents provided by the coordinator, the award procedure or the implementation of the grant reveal any breach of obligations, irregularities, fraud or breach of obligations, Camões, I.P. may terminate this contract under Article 14.2(h).

## Force majeure

* 1. Beneficiaries shall not be considered to have failed to comply with their contractual obligations in cases where they have been prevented from doing so by a case of force majeure.

**Extension of the implementation period following a suspension**

* 1. In the event of suspension under Article 13.2, 13.4 and 13.6, the deadline for implementing the action shall be extended by a period equivalent to that of the suspension, without prejudice to any amendments to the contract which may be necessary to adapt the action to the new conditions of implementation.

# ARTICLE 14 - TERMINATION OF CONTRACT

## Termination in the case of force majeure

* 1. In the cases provided for in Article 13.2 and 13.4, if the coordinator or Camões, I.P. consider that this contract is no longer effective or adequately feasible, they shall consult each other with a view to reaching a solution by agreement. If they do not reach a resolution, the coordinator or Camões, I.P. may terminate the contract by giving 60 days prior written notice, with no obligation to indemnify.

## Termination by Camões, I.P.

* 1. Without prejudice to the provisions of article 14.1, Camões, I.P. may terminate this contract or cancel the participation of any beneficiary after consulting the coordinator, with no obligation to indemnify, under the following circumstances:

1. If a beneficiary does not, without justification, comply with an obligation incumbent upon him, individually or collectively, under the contract and if after being notified in writing to do so, continues to fail to comply with said obligation or does not provide a satisfactory explanation within 30 days from receipt of notification;
2. If a beneficiary or any person who assumes unlimited liability for the beneficiary's debts is bankrupt, subject to insolvency or liquidation proceedings, if its assets are under the administration of a liquidator or under judicial administration, it is subject to creditor arrangements, has suspended its activities or finds itself in any other similar situation resulting from similar proceedings under national legislation or regulation relevant to the beneficiary;
3. If a beneficiary or any entity or person related to it, is found guilty of serious misconduct in professional matters, proven by any means that Camões, I.P. can present and prove;
4. If it has been confirmed, by a final court judgement or final administrative decision or by evidence in the possession of Camões, I.P., that the beneficiary has been convicted of fraud, corruption, participation in a criminal organisation, money laundering or terrorist financing, terrorism-related offences, child labour or other forms of human trafficking by circumventing tax, social or any other applicable legal obligations, including through the creation of an entity for this purpose;
5. If a change to the beneficiary’s legal, financial, technical, organisational or ownership circumstances or the termination of the beneficiary's participation substantially affects the fulfilment of this contract or calls into question the grant award decision;
6. If a beneficiary, or any entity or person related to it, is accused of providing false statements when providing the information necessary for the grant award process or for the implementation of the action; and, if it does not provide, or does not do so within the deadlines established by this contract, any information related to the action, requested by Camões, I.P.;
7. If a beneficiary has not fulfilled its obligations regarding the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country where it is established;
8. If Camões, IP has evidence that a beneficiary, or any entity or person related to it, is non-compliant with obligations, or if there are irregularities or fraud in the grant award process or in the implementation of the action;
9. If Camões, I.P. has evidence that a beneficiary is involved in a conflict of interest;
10. Where Camões, I.P. or the European Commission has evidence that a beneficiary has systematically or repeatedly committed errors or irregularities, fraud, serious breach of obligations relating to other grants financed by the European Union and awarded to the same beneficiary under the same conditions, provided that those errors, irregularities, fraud or serious breach of obligations have a material impact on this grant.

Cases of contract termination pursuant to paragraphs (b), (c), (h), (j) and (k) may also concern persons who are members of the beneficiary’s administrative, management or supervisory body and/or persons who have powers of representation, decision or control on behalf of the beneficiary.

* 1. In the cases referred to in points (c), (f), (h) and (k) the expression ‘any related person’ means any natural person with powers of representation, decision-making or control in relation to the beneficiaries. The expression ‘any related entity’ means, *inter alia*, any entity that meets the criteria established in Article 1 of the Seventh Council Directive 83/349/EEC of 13 June 1983.

## Cancellation beneficiary participation by the coordinator

* 1. In duly justified cases, the coordinator may cancel the participation of beneficiaries in a contract. To this end, the coordinator shall communicate to Camões, I.P. the reasons for the cancellation of the participation and the date from which it takes effect, as well as a proposal for the redistribution of the tasks entrusted to the beneficiaries whose participation was cancelled or of their possible replacement. The proposal must be sent in due time, before the cancellation takes effect. If Camões, I.P. agrees, the contract shall be amended accordingly in accordance with Article 11.

## End date

* 1. Camões, I.P.’s payment obligations under this contract cease 12 months after the implementation period stipulated in the special conditions, unless the contract is terminated under Article 14.

Camões, I.P. shall postpone this end date in order to comply with its payment obligations in cases where the coordinator has submitted an application for payment in accordance with the contractual provisions or, in the event of a dispute, until the closure of the dispute settlement procedure provided for in Article 14. Camões, I.P. must notify the coordinator of any postponement to the end date.

* 1. This contract shall automatically terminate if it has not given rise to any payment by Camões, I.P. within 18 months of its signature.
  2. Whenever the delegation agreement or the contribution agreement under which the grant contract is signed establish an implementation period which expires before the deadline laid down in Article 14.5 and 14.6, that shall be the period to be considered.

## Effects of termination

* 1. Upon termination of this contract, the coordinator must immediately take the necessary steps to terminate the action, in a quick and proper manner, and to keep expenses to a minimum.

Without prejudice to Article 16, the beneficiary shall be entitled only to the payment of the grant corresponding to the part of the action already implemented, excluding the costs associated with the ongoing commitments which must be implemented after termination.

To that end, the coordinator shall submit a payment request to Camões, I.P. within the deadline set out in Article 17.2, from the date of termination.

In the cases of termination provided for in article 14.1, Camões, I.P. may decide to reimburse unavoidable residual expenses incurred during the notice period, provided that the first paragraph of this Article 14.8 has been duly executed.

In the cases of termination provided for in article 14.2(a), (c), (d), (f), (h) and (k), Camões, I.P. may, after consulting the coordinator and depending on the degree of non-compliance, request reimbursement of all or part of the amounts unduly paid for the action.

## Administrative penalties

* 1. Without prejudice to the application of other measures provided for in the contract and the communication to the relevant competent national authorities, Camões, I.P. informs the European Commission whenever the beneficiary, or any entity or person related to it, falls within the scope of the European Union’s restrictive measures, namely if:

1. They are guilty of serious professional misconduct, they have committed irregularities or have presented significant deficiencies in fulfilling the main obligations related to contract implementation, or they have circumvented tax, social or any other legal obligations, including through the creation of an entity for that purpose;
2. They have been convicted of fraud, corruption, participation in a criminal organisation, money laundering, terrorism-related offenses, child labour or other forms of human trafficking.
   1. Administrative penalties may be applied in accordance with Portuguese and European Union law, under the circumstances described in Article 14.9.
   2. The decision to apply administrative penalties may be published on a specific website, explicitly indicating the name(s) of the beneficiary(ies).

# ARTICLE 15 - APPLICABLE LAW AND DISPUTE RESOLUTION

* 1. The contract is governed by Portuguese law and the applicable law of the European Union.
  2. The parties to this contract must make every effort to amicably settle any dispute that may arise between them during the fulfilment of this contract. To this end, they shall communicate to each other in writing their respective positions, as well as any possible solutions, and they shall meet at the request of one of them. The coordinator and Camões, I.P. must respond to a request for an amicable resolution within 30 days. After this period has elapsed, or if the amicable settlement procedure is not successful within 120 days of the date of the first request, the coordinator or Camões, I.P. may notify the other party that they consider the procedure to have failed.
  3. If the amicable settlement procedure fails, the dispute may, by common agreement between the coordinator and Camões, I.P., be submitted for Conciliation by the European Commission. If no solution is found within 120 days of the commencement of the conciliation procedure, each party may notify the other that it considers the procedure to have failed.
  4. If all the procedures mentioned in the previous paragraphs fail, each party to this contract may submit the dispute to the competent court in the district of Lisbon.

# FINANCIAL PROVISIONS

# ARTICLE 16 - ELIGIBLE COSTS

## Cost eligibility criteria

* 1. Eligible costs are those that the beneficiary has actually incurred and that meet the following criteria:

1. They must have been incurred during the implementation period. In particular, these arise from:
2. costs relating to services and works must correspond to activities performed during the implementation period, costs relating to supplies must correspond to the delivery and installation of goods during the implementation period. The signing of a contract, an order or an expense authorization during the implementation period for the provision of services, completion of works or subsequent supply after the end of the implementation period does not meet this requirement. Cash transfers between the coordinator and/or other beneficiaries or affiliated entities cannot be considered as costs incurred;
3. the costs which the beneficiary has incurred must be paid before the final reports are submitted. They may be paid later provided that they are indicated in the final report together with the expected date of payment;
4. this provision excludes costs related to the final reports, including cost verification, audit and final evaluation of the action, which the beneficiary may incur after the action’s implementation period;
5. procurement procedures may have been initiated and contracts may be concluded by the beneficiaries before the start of the action’s implementation period, provided that the provisions of Annex II have been complied with.
6. They are stipulated in the estimated overall budget for the action;
7. They are necessary for the implementation of the action;
8. They are identifiable and verifiable, in particular if they are recorded in the beneficiaries' accounts and determined in accordance with accounting standards and usual cost accounting practices applicable to the beneficiaries;
9. They meet the applicable tax and social legislation requirements;
10. They are reasonable, justified, and comply with the requirements of sound financial management, in particular regarding economy and efficiency.

## Eligible direct costs

* 1. Subject to Article 16(1) and if applicable, subject to Annex II, the following are eligible direct costs:

1. The costs of staff assigned to the action, corresponding to real gross salaries plus social charges and other remuneration costs (excluding bonuses); Salaries and costs must not exceed those normally borne by the beneficiaries unless it can be demonstrated that they are essential for the implementation of the action;
2. Travel and subsistence costs for staff and other participants in the action, provided they do not exceed those normally borne by beneficiaries, in accordance with its rules and regulations;
3. The acquisition costs of equipment (new or used) and goods specifically intended for the action, provided that ownership is transferred at the end of the action, as stipulated in article 9.5;
4. The costs of amortization, rental or leasing of equipment (new or used) and assets specifically intended for action;
5. The costs of consumables specifically intended for the action;
6. The costs arising from service contracts, supplies and the performance of works commissioned by the beneficiaries for the execution of the action referred to in Article 12. This includes the costs of mobilising specialized knowledge to improve the quality of the logical framework (e.g., accuracy of baseline scenarios, monitoring system, etc.) at the beginning and during the implementation of the action.
7. Costs directly arising from contract requirements (e.g., information dissemination, action specific evaluation, audits, translations, reproduction, insurance, etc.) including financial service costs (notably transfers and financial guarantees, if stipulated by the contract);
8. Duties, taxes and charges, including VAT, relating to the action’s objectives, paid and not recoverable by the beneficiary(ies), unless otherwise provided for in the special conditions;
9. Administrative overheads in the case of operating grants.
10. Project office expenses:

The costs actually incurred in relation to a project office used for the action or a part of these costs can be accepted as direct eligible costs, if:

1. the need to install or use a project office is recognised by the awarding entity in the special conditions;
2. the description of the project office, the services or resources it provides, its overall capacity and (if applicable) the allocation key are provided in the action’s description and in the budget;
3. (where appropriate) the allocation key reasonably reflects the portion of the resources or services necessary for the action and actually used for it;
4. The costs in question meet the cost eligibility criteria referred to in Article 16.4(1);
5. They fall under one of the following categories:
   1. costs of personnel directly allocated to project office operations;
   2. depreciation costs, costs of renting or leasing buildings, equipment and assets;
   3. costs of maintenance and repair contracts;
   4. costs of consumables and supplies specifically intended for the action;
   5. costs of IT and telecommunications services;
   6. costs of facility management contracts, including security charges and insurance costs;
   7. duties, taxes and charges, including VAT, relating to the action’s objectives, paid and not recoverable by the beneficiary(ies), unless otherwise provided for in the special conditions.

## Performance-based financing

* 1. The payment of Camões, I.P.’s contribution may be partially, or totally tied to obtaining results measured by reference to the previously defined intermediate objectives, or through performance indicators. Such performance-based financing is not subject to other points of Article 16. The relevant results and the means of measuring their achievement are clearly described in the approved proposal.

The amount to be paid per result obtained, as well as the method used to determine the amount payable per result obtained are clearly established in the approved proposal, and they take into account the principle of sound financial management and avoid double financing of costs.

The beneficiary is not required to report the costs associated with achieving results. However, the coordinator shall submit any supporting documents, including accounting documents, where relevant, in order to prove that the results which triggered payment were achieved.

Articles 17.1 (payment deadline), 17.7 (cost verification) and 19.3 (no profit) shall not apply to the part of the action supported under result-based financing.

## Simplified cost options

* 1. As detailed in the call for grant proposals, eligible costs may consist of any of the following cost options or a combination of them:

1. Unit costs;
2. Lump sums;
3. Financing at a fixed rate.
   1. The methods used by beneficiaries to determine unit costs, lump sums, flat rates shall be clearly described and justified in the estimated budget, and ensure compliance with the co-financing principle and avoid double funding. The information used may be based on actual and/or historical accounting data and on the beneficiaries' cost accounting, external information, if available and appropriate, statistical data or expert opinions (provided by experts available internally or externally) or other objective information.

Where possible and appropriate, lump sums, unit costs or flat rates are determined so as to enable their payment after obtaining concrete achievements and/or results. If a result entails several outputs or sub-results, it shall be broken down into budget sub-items and each output or sub-result shall be allocated part of the amount declared for the result, in order to allow for partial payments if the result is not obtained.

The costs declared in the simplified cost options must meet the eligibility criteria set out in Article 16.1 and 16.2. They do not have to be corroborated by accounting or supporting documents other than those necessary to demonstrate compliance with the reimbursement conditions established in the description of the action (including the project's logical framework and the summary note), in the estimated budget and in the call for proposals submissions.

These costs may not include ineligible expenditure, such as those referred to in Article 16.11, nor costs already included in other declared costs or in other budget items in this contract.

The amounts or rates for unit costs, lump sums or flat rates set out in the estimated budget may not be changed unilaterally or contested on the basis of ex-post checks.

## Reserve for contingencies

* 1. A provision for contingencies and/or possible fluctuations in exchange rates, not exceeding 5 % of the direct eligible costs may be included in the action’s budget in order to enable any necessary adjustments resulting from unforeseen circumstances. The use of this amount is subject to prior written authorization from Camões, I.P., at the coordinator’s justified request.

## Indirect costs

* 1. The action’s indirect costs are eligible costs that cannot be designated as specific expenses directly related to the implementation of the action, nor directly attributable to it in accounting terms, in accordance with the eligibility conditions set out in Article 15.1. However, such expenditure incurred by the beneficiaries is related to the action’s eligible direct costs. These costs may not include ineligible expenditure, such as those referred to in Article 16.11, nor costs already included or declared in another budget item.

Insofar as they do not generate profits under the action, a fixed percentage of the action’s total eligible direct costs, not exceeding the percentage established in the special conditions of the contract, may be requested in order to cover the action’s indirect costs.

Indirect costs are not eligible for grants awarded to a beneficiary for an action if the beneficiary is already receiving an operating grant financed by the European Union’s budget during the period covered by the action.

This Article 16.7 does not apply to operating grants.

## Contributions in kind

* 1. Where contributions in kind are allowed, they shall be shown separately in the estimated budget, and they do not correspond to actual expenditure and are not considered to be eligible expenditure. Unless otherwise specified in the special conditions, these contributions cannot be treated as part of co-financing by the beneficiaries.

When contributions in kind are accepted as co-financing, beneficiaries are required to comply with all national tax and social security provisions.

Without prejudice to the provisions, whenever the proposal provides for contributions in kind, these must be provided.

## Voluntary work

* 1. The admissibility of voluntary work must be provided for in the call for proposals submissions. In these cases, work carried out by volunteers is considered as co-financing, and beneficiaries must declare personnel costs for work carried out by volunteers under an action or work programme as eligible costs, based on the unit costs authorized in accordance with the rules applicable to simplified cost options provided for in Articles 16.4 and 16.5. The amount of such unit costs shall be determined by Camões, I.P. by taking into account best practices.

This type of cost must be presented separately from the other estimated budget’s eligible costs. The amount for volunteer work must always be excluded from indirect costs.

The amount for volunteer work may represent up to 50 % of the co-financing amount, the latter corresponding to the part not funded by Camões, I.P..

Where the estimated eligible costs include voluntary work, the amount of the grant awarded by Camões, I.P. may not exceed the estimated eligible costs minus voluntary work costs.

* 1. The following expenditures are not considered eligible costs:

1. Debt and debt service (interest)
2. Provisions for losses, debts or potential future liabilities;
3. Expenditure declared by the beneficiaries and financed through another action or work programme which received a grant from Camões, I.P. or the European Union (particularly through other Union budget funds);
4. Land or building acquisitions, except if necessary for the direct implementation of the action. In this case, the acquisition conditions must be included in the special conditions of the grant contract and ownership must be planned for, by the end of the action at the very latest;
5. Exchange rate losses;
6. Credits to third parties, balance provided contrary to the special conditions of the grant contract;
7. Contributions in kind, (except voluntary work);
8. National administration staff salaries, unless otherwise specified in the special conditions of the grant contract and only to the extent that they are related to the cost of activities that would not be carried out by the competent public authority if the project or action in question had not been carried out. Costs related to granting credit to third parties, unless the scope of the action expressly provides for its creation within the scope of granting microcredit to small family-based structures in the context of subsistence activities.
9. Bonuses included in personnel costs.

## Affiliated entities

* 1. Whenever the special conditions contain a provision on entities affiliated to a beneficiary, the costs incurred by these entities may be eligible provided that they meet the same conditions set out in Articles 16 and 18, and that the beneficiary ensures that the provisions of Articles 5, 6, 7, 8, 12 and 18 also apply to that entity.

# ARTICLE 17 - PAYMENT AND ARREARS INTEREST

## Payment process

* 1. Camões, I.P. must pay the grant to the coordinator through one of the following processes:

**Option 1:** Actions whose implementation period is 12 months or less and grants of EUR 100 000 or less:

1. A first pre-financing instalment of 80 % of the maximum amount referred to in the special conditions (excluding unforeseen events);
2. The balance of the final grant amount.

**Option 2:** Actions with an implementation period of more than 12 months and grants of more than EUR 100 000:

1. A first pre-financing instalment corresponding to 100 % of the part of the estimated budget financed by Camões, I.P. for the first reference period (excluding unforeseen events). The part of the budget financed by Camões, I.P. is calculated by applying the percentage indicated in the special conditions;
2. A first pre-financing instalment corresponding to 100 % of the part of the estimated budget financed by Camões, I.P. for the reference period (excluding unforeseen events):
   * If the period remaining until the end of the action is longer than 18 months, the period covered by the report shall fully cover it;
   * Within 60 days of the end of the period covered by the report, the coordinator shall submit an interim report or, if they are unable to do so, they must inform Camões, I.P. of the reasons why they are unable to do so and submit a summary of the progress of the action;
   * If, at the end of the period covered by the report, the part of the expenditure actually incurred by the beneficiaries and financed by Camões, I.P., is less than 70 % of the previous payment (and 100 % of any of the previous payments), the payment of the remaining pre-financing shall be reduced by the amount corresponding to the difference between 70 % of the previous pre-financing payment and the part of the expenditure actually incurred by beneficiaries and financed by Camões, I.P.;
   * The coordinator may submit a request for another pre-financing payment before the end of the reporting period if the part of the expenditure actually incurred by the beneficiaries and financed by Camões, I.P. is higher than 70 % of the previous payment (and 100 % of any previous payments). In this case, the following period covered by the report resumes from the end date of the period covered by this payment request;
   * The total pre-financing amount may not exceed 90 % of the amount indicated in the special conditions, excluding unauthorised contingencies;
3. The balance of the final grant amount.

## Final report submission

* 1. The coordinator must submit the final report to Camões, I.P. no later than three months (90 days) after the end of the implementation period defined in the special conditions. The deadline for submitting the final report shall be extended to four months if the coordinator is not based in the country where the action is being implemented.

## Request for payment

* 1. The payment request must be written according to the corresponding template and accompanied by:

1. A narrative and financial report, as stipulated in Article 4;
2. An estimated budget for the following period covered by the report in the case of a request for additional pre-financing;
3. A cost verification report or a detailed cost description, if required by Article 17.8.

For the purposes of the initial pre-financing payment, the signed contract is valid as a payment request. Payment does not imply recognition of the regularity, authenticity, completeness or correctness of the statements and information provided.

## Payment deadlines

* 1. Camões, I.P. must make the initial pre-financing payment within 30 days of signing the grant contract.
  2. Camões, I.P. must make the remaining pre-financing payments and pay the balance within 60 days of receiving the payment request. This period shall be extended to 90 days if any beneficiary has affiliated entities; or if there is more than one beneficiary as parties to this contract.
  3. The payment request shall be considered accepted in the absence of a written response from Camões, I.P. within the deadlines set above.

## Suspension of the payment deadlines

* 1. Without prejudice to the provisions of Article 13, Camões, I.P. may suspend payment deadlines, upon notification to the coordinator, under any of the following circumstances:

1. The amount indicated in the payment request is not due; or
2. The appropriate supporting documents have not been submitted; or
3. Clarifications, amendments or additional information are needed in relation to narrative or financial reports; or
4. There are doubts regarding the eligibility of the expenditure, so further checks, including on-the-spot checks, or an audit are needed to ensure that the expenditure is eligible; or
5. It is necessary to verify, namely through an investigation by the competent Portuguese bodies or by the European Anti-Fraud Office (OLAF), whether any breaches of obligations, irregularities or fraud occurred during the grant award process or in the implementation of the action; or
6. It is necessary to verify that the beneficiaries have breached any major obligation stemming from this contract; or
7. The obligations related to visibility referred to in Article 8 are not fulfilled.

The suspension of payment deadlines begins on the date the notification referred to in the previous paragraph is sent to the coordinator. The coordinator must provide the information, clarifications or documents requested within 30 days of the request. The time limit shall restart from the date a correctly formulated payment request is recorded.

If the request for payment remains inadmissible in spite of the information, clarifications or documents provided by the coordinator, or if the grant procedure or the implementation of the grant proves to be defective due to irregularities, fraud or breach of obligations, Camões, I.P. may suspend payments and, in the cases provided for in Article 14, terminate this contract.

As a precautionary measure, in advance, or as an alternative to the termination provided for in article 13, Camões, I.P. can suspend payments without notice.

## Cost verification report

* 1. The coordinator shall submit a cost verification report through:

1. In the case of a grant of more than EUR 100 000, the coordinator shall submit a report verifying expenditure with the final report.
2. Whenever there are payments of EUR 100 000 or more, the coordinator must submit an expenditure verification report with the interim reports.

The cost verification report must comply with the template in the annex to the invitation and prepared by a statutory auditor approved by Camões, I.P.. The statutory auditor must meet the requirements set out in the terms of reference for the Verification of Costs, set out in the respective annex.

The auditor must verify that the costs and revenues of the action declared by the beneficiaries are real, that they have been duly accounted for and that they are eligible under the terms of this contract. The expenditure verification report shall cover all costs not covered by any previous cost verification report.

The detailed breakdown of costs must contain, for each expenditure item in the financial report and for all underlying transactions and records, the following information: record or transaction amount, accounting reference (such as debtor, journal or other relevant reference), description of the record or transaction (specifying the nature of the expenditure) and corresponding document references (such as invoice number, salary slip or other relevant reference), in accordance with the provisions of Article 18(1). The description must be presented in electronic format and in spreadsheet format (Excel or similar) where possible.

The detailed description of the costs must be accompanied by a solemn statement by the coordinator that the information contained in the payment request is complete, reliable and true, and that the declared costs have been borne and may be considered eligible under this contract.

In any case, the final report must include a detailed description of the costs for the whole action.

If the grant takes the form of reimbursement of eligible costs actually incurred and is expressed only in terms of an overall amount (and not in the form of a percentage of the contribution of Camões, I.P. to the total eligible costs), the verification may be limited to the amount paid by Camões, I.P. for the action (does not need to cover the entire action).

In cases where the coordinator is a government department or a public body, Camões, I.P. can accept a detailed breakdown of costs instead of cost verification.

A cost verification report shall not be prepared when verification is carried out directly by Camões, I.P. or by a body authorized to do so on its behalf.

## Rules for currency conversion

* 1. Camões, I.P. makes payments to the coordinator by bank transfer to the bank account specified in the financial identification form (or to the bank account identified in the special conditions).

Camões, I.P. must make payments in the currency stipulated in the special conditions.

The reports must express the amounts in the currency indicated in the special conditions and may be prepared using financial statements in which the amounts are expressed in other currencies, based on the legislation and applicable accounting standards which the beneficiaries must follow. In this case, and for reporting purposes, the conversion of the currency specified in the special conditions shall be carried out using the exchange rate recorded for each transfer from Camões, I.P. in the beneficiary’s accounts, unless otherwise provided for in the special conditions. If at the end of the action, part of the expenditure is pre-financed by the beneficiary(ies) (or other donors), the conversion rate to be applied to that balance shall be the rate specified in the special conditions in accordance with the beneficiary’s usual accounting practices. If the special conditions do not provide for a specific provision, the exchange rate of the last instalment received from Camões, I.P. shall be applied.

* 1. Unless otherwise provided for in the special conditions, the costs incurred expressed in currencies other than those used in the beneficiary’s accounts for the action must be converted in accordance with their usual accounting practices, provided that they comply with the following basic requirements:

1. they are presented as an accounting rule, that is, they are common practice of the beneficiary,
2. they are applied consistently,
3. all types of transactions and sources of funding receive the same treatment,
4. the system can be demonstrated and exchange rates are easily verifiable.

If there is an exceptional change in the exchange rate, the parties must organize a consultation in order to change the action, in order to minimize the effects of that exchange rate variation. If necessary, Camões, I.P. may take additional measures, including terminating the contract.

# ARTICLE 18 - ACCOUNTING AND TECHNICAL AND FINANCIAL CONTROL

## Accounting

* 1. The beneficiary shall maintain accurate and regular accounting for the implementation of the action, using an appropriate double-entry accounting system. The accounting:

1. May be part of the beneficiary's normal system or a complement to that system;
2. It must comply with the accounting guidelines and standards applicable in the country in question;
3. It should allow for easy tracking, identification and verification of revenues and costs related to the action.
   1. The coordinator shall ensure the proper reconciliation of the financial report referred to in Article 4 with the accounting system and with the underlying accounting documents and other relevant records. To this end, beneficiaries must prepare and maintain appropriate reconciliations, supporting timetables, analyses and breakdowns for inspection and verification purposes.

## Right of access

* 1. Beneficiaries are subject to the possibility of verifications being carried out by the European Commission, the European Anti-Fraud Office, the European Court of Auditors, the Portuguese Court of Auditors or other relevant competent public bodies, as well as, if necessary, by an external auditor appointed by Camões, I.P.. Beneficiaries must take all steps to facilitate the work of these entities.
  2. Within the scope of the verifications referred to in the previous paragraph, the beneficiaries are obliged to cooperate with these entities, namely by allowing and facilitating:

1. Access to facilities and other places of implementation of the action;
2. Examination of its computer and accounting systems, documents and databases relating to the action’s technical and financial management;
3. Making copies of documents;
4. Carrying out on-the-spot checks;
5. Carrying out a full audit based on all accounting documents and any other documents relevant to the financing of the action.

If justified, the checks could lead to the recovery of funds by Camões, I.P..

* 1. Access by persons appointed by the European Commission, the European Anti-Fraud Office and the Court of Auditors, as well as external auditors appointed by Camões, I.P. in order to carry out verifications under the terms of this article, is governed by confidentiality with regard to third parties, without prejudice to the obligations of public law to which such persons are subject.

## Record keeping

* 1. Beneficiaries must keep all accounting records and documents and proofs relating to this contract for 10 years after payment of the balance; in any event, until an ongoing audit or verification, an appeal, litigation or pending claim has been resolved.

The documents must be easily accessible and classified in order to allow for easy examination, and the coordinator must inform Camões, I.P. of their exact location.

* 1. All supporting documents must be available in their original format, including electronically, or as a copy.
  2. In addition to the reports referred to in Article 4, the documents referred to in this article include the following:

1. Accounting records (paper or electronic) of the beneficiaries' accounting system, such as general ledger, auxiliary ledgers, salary accounts, register of fixed assets and other relevant accounting information;
2. Evidence of contract award procedures, such as tender documents, tenderers' bids and evaluation reports;
3. Proof of commitments assumed, such as contracts and purchase orders;
4. Proof of provision of services, such as approved reports, working hours sheets, travel tickets, proof of participation in seminars, conferences or training courses (including the respective documentation and the material obtained, certificates) etc.;
5. Proof of receipt of goods, such as delivery notes from suppliers;
6. Proof of completion of works, such as reception certificates;
7. Proof of purchases such as invoices and receipts;
8. Proof of payment, such as bank statements, debit notes, proof of settlement by the subcontractor;
9. Evidence that taxes and/or VAT paid cannot actually be recovered;
10. A summary list of mileage travelled, average consumption of vehicles used, fuel price and maintenance costs, in terms of fuel and lubricant expenses;
11. Staff register and salary statements, such as contracts, salary slips and record of working hours. In relation to local staff with a fixed-term contract, the amount of remuneration paid, duly certified by the local responsible person, broken down by gross salary, social security contributions, insurance and net salary. The analyses and breakdown of costs per month of actual work shall be assessed based on unit prices per verifiable working period and a breakdown by gross salary, social security contributions, insurance and net salary, for expatriate staff.
    1. Failure to comply with the obligations set out in Article 18(1) to (9) constitutes a breach of a major obligation under this contract, which confers Camões, I.P. the power to suspend the contract, payments or the deadline for payment and, in the most serious cases, to terminate the contract and/or reduce the grant amount.

# ARTICLE 19 – FINAL GRANT AMOUNT

## Final amount

* 1. The grant shall not exceed the maximum amount defined in the special conditions, either in terms of absolute value or in terms of percentage.

At the end of the action, whenever it is found that the total costs are lower than the estimated total amount for eligible costs provided for in the special conditions, the Camões, I.P. grant shall be limited to the amount obtained by applying the percentage established in the special conditions to the action’s eligible costs approved by Camões, I.P..

* 1. In cases where it is found that the action has been implemented in an inadequate, partial or late manner and therefore in disagreement with the proposal, Camões, I.P. may (without prejudice to its right to terminate the contract under Article 14) reduce the initial grant amount in proportion to the effective implementation of the action and in accordance with this contract, through a duly reasoned decision and after allowing the beneficiary to submit its comments.

In any event, particularly with regard to the visibility obligations referred to in Article 8 and in the event of non-compliance with obligations, fraud or irregularities, Camões, I.P. may reduce the grant amount in proportion to the seriousness of the non-compliance or irregularities.

## No profit

* 1. The grant may not generate profit for the beneficiaries unless otherwise provided under the special conditions. ‘Profit’ means a revenue surplus in relation to the eligible costs approved by Camões, I.P. at the time of submitting the request for payment of the balance.
  2. The revenue to be taken into account is the revenue consolidated on the date the coordinator submitted the payment request, which falls into the following categories:

1. Subsidy received from Camões, I.P.;
2. Revenue generated by the action, unless otherwise specified in the special conditions.
   1. In the case of a financing grant, the amounts dedicated to the constitution of reserves should not be considered as profits.
   2. If the final grant amount determined under the terms of the contract results in a profit, it shall be reduced by the percentage of profit corresponding to the final contribution awarded by Camões, I.P. for eligible costs actually incurred and approved by Camões, I.P..
   3. The provisions of Articles 18.3 to 18.6 shall not apply to:
3. Actions where the objective is to consolidate the beneficiary’s financial capacity;
4. Actions that generate income to ensure their continuity beyond the funding period established in the grant agreement. When applicable, this must be included in the grant contract;
5. Actions performed by non-profit organizations;
6. Grants in the form of financing not related to costs of the relevant operations, based on the achievement of results measured by reference to previously defined intermediate objectives, or through performance indicators;
7. Low value grants, that is, grants equal to or less than EUR 50 000.00.

# ARTICLE 19 - RECOVERY

## Recovery

* 1. In case of undue payment of any amount to the coordinator, or if recovery is justified under the terms of this contract, the coordinator undertakes to reimburse that amount to Camões, I.P.
  2. Payments made do not preclude the possibility for Camões, I.P. to issue a collection order following an expense verification report, an audit or other verifications carried out on the payment request.
  3. If the verification reveals that the methods used by the beneficiaries to determine unit costs, lump sums or flat rates do not comply with the conditions stipulated in this contract, Camões, I.P. has the right to reduce the grant final amount proportionally up to the amount of the unit costs, lump sums or flat-rate financing.
  4. The coordinator undertakes to reimburse Camões, I.P. any difference between the amounts paid and the final amount due within 45 days from the date of issue of the debit note, the latter being equivalent to the letter in which Camões, I.P. requests the amount due by the coordinator.

## Arrears penalty interest

* 1. If the coordinator does not repay within the period set by Camões, I.P., the latter may add interest arrears to the amounts owed, at the same rate applied by the European Central Bank to its main refinancing operations in Euro, published in the Official Journal of the European Union, Series C, on the first day of the month on which the period has ended, plus 2 to 3.5 percentage points. Interest is applied to the period between the end of the payment term set by Camões, I.P. and the date the payment is made. Any partial payment shall be allocated first to the arrears interest calculated as described above.

## Offsetting

* 1. The amounts to be reimbursed to Camões, I.P. may be offset by amounts of any kind owed to the coordinator, after receiving a notification to that effect. This provision does not affect both parties’ right to agree to payment in instalments.

## Other Dispositions

* 1. Reimbursement pursuant to Article 19(4) or compensation pursuant to Article 19(6) corresponds to payment of the balance.
  2. Bank charges resulting from the reimbursement of the amounts due to Camões, I.P. are exclusively borne by the coordinator.
  3. Without prejudice to Camões, I.P.’s prerogatives, the European Commission may, in its capacity of donor, proceed with collection by any means.

1. <https://www.instituto-camoes.pt/sobre/sobre-nos/transparencia/politica-de-privacidade> [↑](#footnote-ref-1)
2. <https://www.cnpd.pt/home/cnpd/atendimento.htm> [↑](#footnote-ref-2)