

**PROVISIONS OF THE GENERAL CONDITIONS OF THE GRANT CONTRACT n° ENI/2019/411-865  
APPLICABLE TO SUBCONTRACTORS**

**HIGHLIGHTED IN YELLOW IMPORTANT INFO FOR SUBCONTRACTORS**

**Article 10**

10.1 If the implementation of the action requires the beneficiary(ies) to procure goods, works or services, it shall respect the contract-award rules and rules of nationality and origin set out in Annex IV of this contract.

10.2 To the extent relevant, the beneficiary(ies) shall ensure that the conditions applicable to them under Articles 3, 4, 6 and 16 of these general conditions are also applicable to contractors awarded an implementation contract.

10.3. The coordinator shall provide in its report to the contracting authority a comprehensive and detailed report on the award and implementation of the contracts awarded under Article 10.1, in accordance with the reporting requirements in section 2 of Annex VI.

10.4. Beneficiary(ies) may subcontract tasks forming part of the action. If it does so, it must ensure that, in addition to the conditions specified in Article 10.1, 10.2 and 10.3, the following conditions are also complied with:

subcontracting does not cover core tasks of the action;(..)

Articles 3, 4, 6 and 16 of the general conditions

**ARTICLE 3 – LIABILITY**

3.1. The contracting authority (*The EU*) 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(ies) while the action is being carried out or as a consequence of the action. The contracting authority cannot, therefore, accept any claim for compensation or increases in payment in connection with such damage or injury.

3.2. The beneficiary(ies) (*The service provider*) 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(ies) shall discharge the contracting authority of all liability arising from any claim or action brought as a result of an infringement of rules or regulations by the beneficiary(ies) or the beneficiary(ies)'s employees or individuals for whom those employees are responsible, or as a result of violation of a party's rights. For the purpose of this Article 3 employees of the beneficiary(ies) shall be considered third parties

**ARTICLE 4 - CONFLICT OF INTERESTS AND CODE OF CONDUCT**

**Conflict of interest**

4.1. The beneficiary(ies) shall take all necessary measures to prevent or end any situation that could compromise the impartial and objective performance of this contract. Such conflict of interests may arise in particular as a result of economic interest, political or national affinity, family or emotional ties, or any other relevant connection or shared interest.

4.2. Any conflict of interests which may arise during performance of this contract must be notified in writing to the contracting authority without delay. In the event of such conflict, the coordinator shall immediately take all necessary steps to resolve it.

4.3. The contracting authority reserves the right to verify that the measures taken are appropriate and may require additional measures to be taken if necessary.

4.4. The beneficiary(ies) shall ensure that its staff, including its management, is not placed in a situation which could give rise to conflict of interests. Without prejudice to its obligation under this contract, the beneficiary(ies) shall replace, immediately and without compensation from the contracting authority, any member of its staff in such a situation.

4.5. The beneficiary (ies) shall at all-time act impartially and as a faithful adviser in accordance with the code of conduct of its profession as well as with appropriate discretion. It shall refrain from making any public statements concerning the action or the services without the prior approval of the contracting authority. It shall not commit the contracting authority in any way whatsoever without its prior consent, and shall make this obligation clear to third parties.

#### **Code of conduct**

4.6. Physical abuse or punishment, or threats of physical abuse, sexual abuse or exploitation, harassment and verbal abuse, as well as other forms of intimidation shall be prohibited. The beneficiary (ies) shall also inform the contracting authority of any breach of ethical standards or code of conduct as set in the present Article. In case the beneficiary (ies) is aware of any violations of the abovementioned standards it shall report in writing within 30 days to the contracting authority

4.7. The beneficiary(ies) and its/their staff shall respect human rights and environmental legislation applicable in the country(ies) where the action is taking place and internationally agreed core labour standards, e.g. the ILO core labour standards, conventions on freedom of association and collective bargaining, elimination of forced and compulsory labour, elimination of discrimination in respect of employment and occupation, and the abolition of child labour

4.8. The beneficiary(ies) or any related person shall not abuse of its entrusted power for private gain. The beneficiary(ies) or any of its subcontractors, agents or staff shall not receive or agree to receive from any person or offer or agree to give to any person or procure for any person, gift, gratuity, commission or consideration of any kind as an inducement or reward for performing or refraining from performing any act relating to the performance of the contract or for showing favor or disfavor to any person in relation to the contract. The beneficiary(ies) shall comply with all applicable laws and regulations and codes relating to anti-bribery and anti-corruption.

4.9. The payments to the beneficiary(ies) under the contract shall constitute the only income or benefit it may derive in connection with the contract, with the exception of revenue generating activities. The beneficiary(ies) and its/their staff must not exercise any activity or receive any advantage inconsistent with their obligations under the contract

4.10. The execution of the contract shall not give rise to unusual commercial expenses. Unusual commercial expenses are commissions not mentioned in the contract or not stemming from a properly concluded contract referring to the contract, commissions not paid in return for any actual and legitimate service, commissions remitted to a tax haven, commissions paid to a recipient who is

not clearly identified or commission paid to a company which has every appearance of being a front company. The contracting authority and the European Commission may carry out documentary or on-the-spot checks they deem necessary to find evidence in case of suspected unusual commercial expenses

4.11. The respect of the code of conduct set out in the present Article constitutes a contractual obligation. Failure to comply with the code of conduct is always deemed to be a breach of the contract under Article 12 of the General Conditions. In addition, failure to comply with the provision set out in the present Article can be qualified as grave professional misconduct that may lead either to suspension or termination of the contract, without prejudice to the application of administrative sanctions, including exclusion from participation in future contract award procedures

## **ARTICLE 6 - VISIBILITY**

6.1. Unless the European Commission agrees or requests otherwise, the beneficiary(ies) shall take all necessary steps to publicise the fact that the European Union has financed or cofinanced the action. Such measures shall comply with the Communication and Visibility Requirements for European Union External Actions laid down and published by the European Commission, that can be found at: [https://ec.europa.eu/europeaid/funding/communication-and-visibility-manual-eu-externalactions\\_en](https://ec.europa.eu/europeaid/funding/communication-and-visibility-manual-eu-externalactions_en) or with any other guidelines agreed between the European Commission and the beneficiary(ies).

6.2. The coordinator shall submit a communication plan for the approval of the European Commission and report on its implementation in accordance with Article 2.

6.3. In particular, the beneficiary(ies) shall mention the action and the European Union's financial contribution in information given to the final recipients of the action, in its internal and annual reports, and in any dealings with the media. It shall display the European Union logo wherever appropriate

6.4. Any notice or publication by the beneficiary(ies) concerning the action, including those given at conferences or seminars, shall specify that the action has received European Union funding. Any publication by the beneficiary(ies), in whatever form and by whatever medium, including the internet, shall 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(ies)'s name> and can under no circumstances be regarded as reflecting the position of the European Union.'

6.5. The beneficiary(ies) authorises the contracting authority and the European Commission (where it is not the contracting authority) to publish its name and address, nationality, the purpose of the grant, duration and location as well as the maximum amount of the grant and the rate of funding of the action's costs, as laid down in Article 3 of the special conditions. Derogation from publication of this information may be granted if it could endanger the beneficiary(ies) or harm their interests.

## **ARTICLE 16 — ACCOUNTS AND TECHNICAL AND FINANCIAL CHECKS Accounts**

16.1. The beneficiary(ies) shall keep accurate and regular accounts of the implementation of the action using an appropriate accounting and double-entry book-keeping system. The accounts: a) may be an integrated part of or an adjunct to the beneficiary(ies)'s regular system; b) shall comply with the accounting and bookkeeping policies and rules that apply in the country concerned; c) shall enable income and expenditure relating to the action to be easily traced, identified and verified.

16.2. The coordinator shall ensure that any financial report as required under Article 2 can be properly and easily reconciled to the accounting and bookkeeping system and to the underlying accounting and other relevant records. For this purpose the beneficiary(ies) shall prepare and keep appropriate reconciliations, supporting schedules, analyses and breakdowns for inspection and verification. Right of access.

16.3. The beneficiary(ies) shall allow verifications to be carried out by the European Commission, the European Anti-Fraud Office, the European Court of Auditors and any external auditor authorised by the contracting authority. The beneficiary(ies) have to take all steps to facilitate their work.

16.4. The beneficiary(ies) shall allow the above entities to: a) access the sites and locations at which the action is implemented; b) examine its accounting and information systems, documents and databases concerning the technical and financial management of the action; c) take copies of documents; d) carry out on-the-spot-checks; e) conduct a full audit on the basis of all accounting documents and any other document relevant to the financing of the action.

16.5. Additionally the European Anti-Fraud Office shall be allowed to carry out on-the-spot checks and inspections in accordance with the procedures laid down by the European Union legislation for the protection of the financial interests of the European Union against fraud and other irregularities. Where appropriate, the findings may lead to recovery by the European Commission. August 2018 Page 26 of 29 e3h2\_gencond\_en.doc.

16.6. Access given to agents of the European Commission, European Anti-Fraud Office and the European Court of Auditors and to any external auditor authorised by the contracting authority carrying out verifications as provided for by this article as well as by Article 15.7 shall be on the basis of confidentiality with respect to third parties, without prejudice to the obligations of public law to which they are subject.

### **Record keeping**

16.7. The beneficiary(ies) shall keep all records, accounting and supporting documents related to this contract for five years following the payment of the balance and for three years in case of grants not exceeding EUR 60 000, and in any case until any on-going audit, verification, appeal, litigation or pursuit of claim has been disposed of. They shall be easily accessible and filed so as to facilitate their examination and the coordinator shall inform the contracting authority of their precise location.

16.8. All the supporting documents shall be available either in the original form, including in electronic form, or as a copy.

16.9. In addition to the reports mentioned in Article 2, the documents referred to in this article include: a) Accounting records (computerised or manual) from the beneficiary(ies)'s accounting system such as general ledger, sub-ledgers and payroll accounts, fixed assets registers and other relevant accounting information; b) Proof of procurement procedures such as tendering documents, bids from tenderers and evaluation reports; c) Proof of commitments such as contracts and order forms; d) Proof of delivery of services such as approved reports, time sheets, transport tickets, proof of attending seminars, conferences and training courses (including relevant documentation and material obtained, certificates) etc.; e) Proof of receipt of goods such as delivery slips from suppliers; f) Proof of completion of works, such as acceptance certificates; g) Proof of purchase such as invoices and receipts; h) Proof of payment such as bank statements, debit notices, proof of settlement by the contractor; i) Proof that taxes and/or VAT that have been paid cannot actually be reclaimed; j) For fuel

and oil expenses, a summary list of the distance covered, the average consumption of the vehicles used, fuel costs and maintenance costs; k) Staff and payroll records such as contracts, salary statements and time sheets. For local staff recruited on fixed-term contracts, details of remuneration paid, duly substantiated by the person in charge locally, broken down into gross salary, social security charges, insurance and net salary. For expatriate and/or European-based staff (if the action is implemented in Europe) analyses and breakdowns of expenditure per month of actual work, assessed on the basis of unit prices per verifiable block of time worked and broken down into gross salary, social security charges, insurance and net salary.

16.10 Failure to comply with the obligations set forth in Article 16.1 to 16.9 constitutes a case of breach of a substantial obligation under this contract. In this case, the contracting authority may in particular suspend the contract, payments or the time-limit for a payment, terminate the contract and/or reduce the grant.