



EUROPEAN COMMISSION

Executive Agency for Small and Medium-sized Enterprises (EASME)

Director

GRANT AGREEMENT

NUMBER — 676737 — OFF TO SPAS

This **Agreement** ('the Agreement') is **between** the following parties:

on the one part,

the **Executive Agency for Small and Medium-sized Enterprises (EASME)** ('the Agency'), under the power delegated by the European Commission ('the Commission'),

represented for the purposes of signature of this Agreement by Mr Patrick LAMBERT, Director, or his duly authorised representative,

and

on the other part,

1. 'the coordinator':

PANNON EGYETEM (UNIPAN), FI80554, established in EGYETEM U 10, VESZPREM 8200, Hungary, HU15308816, represented for the purposes of signing the Agreement by Ferenc FRIEDLER

and the following other beneficiaries, if they sign their 'Accession Form' (see Annex 3 and Article 40):

2. **AGE PLATFORM EUROPE AISBL (AGE)** AISBL, 182392001/475620296, established in Rue Froissart 111, BRUXELLES 1040, Belgium,

3. **HEVIZI TURISZTIKAI NONPROFIT KORLATOLT FELELOSSEGU TARSASAG (HEVIZ)** HU11, 2009071334, established in RAKOCZI UTCA 2, HEVIZ 8380, Hungary, HU23141823,

4. **CONSILIUL JUDETEAN COVASNA (COVASNA)**, 604001, established in PIATA LIBERTATII 4, SFANTU GHEORGHE 520008, Romania, RO4201988,

5. **ASOCIATIA PENTRU DEZVOLTAREA TURISMULUI IN JUDETUL COVASNA (COVTOUR)** RO1, 5021122007, established in STR. KOSSUTH LAJOS 10, SFANTU GHEORGHE 520008, Romania, RO23479850,

6. **TRAVEL SPECIALIST GROUP SWEDEN AB (VEGA)** AB, 5566155551, established in HANTVERKARGATAN 5C, STOCKHOLM 112 21, Sweden, SE556615555101,

7. **ZALA MEGYEI ONKORMANYZATA (ZALA)**, 734301, established in KOSZTOLANYI DEZSO UTCA 10, ZALAEGERSZEG 8900, Hungary, HU15734305,

Unless otherwise specified, references to ‘beneficiary’ or ‘beneficiaries’ include the coordinator.

The parties referred to above have agreed to enter into the Agreement under the terms and conditions below.

By signing the Agreement or the Accession Form, the beneficiaries accept the grant and agree to implement the action under their own responsibility and in accordance with the Agreement, with all the obligations and conditions it sets out.

The Agreement is composed of:

Terms and Conditions

- Annex 1 Description of the action
- Annex 2 Estimated budget for the action
- Annex 3 Accession Forms
- Annex 4 Model for the financial statements
- Annex 5 Model for the certificate on the financial statements
- Annex 6 Model for the certificate on the methodology

TERMS AND CONDITIONS

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CHAPTER 1 GENERAL

ARTICLE 1 — SUBJECT OF THE AGREEMENT

This Agreement sets out the rights and obligations and the terms and conditions applicable to the grant awarded to the beneficiaries for implementing the action set out in Chapter 2.

CHAPTER 2 ACTION

ARTICLE 2 — ACTION TO BE IMPLEMENTED

The grant is awarded for the action entitled '*Healthy off-season leisure programmes for seniors in thermal spas and wellness centres — OFF TO SPAS*' ('action'), as described in Annex 1.

ARTICLE 3 — DURATION AND STARTING DATE OF THE ACTION

The duration of the action will be **15 months** as of *the first day of the month following the date the Agreement enters into force (see Article 42)* ('starting date of the action').

ARTICLE 4 — ESTIMATED BUDGET AND BUDGET TRANSFERS

4.1 Estimated budget

The '**estimated budget**' for the action is set out in Annex 2.

It contains the estimated eligible costs and the forms of costs, broken down by beneficiary and budget category (see Articles 5, 6 and 11a).

4.2 Budget transfers

The estimated budget breakdown indicated in Annex 2 may be adjusted by transfers of amounts between beneficiaries or between budget categories (or both). This does not require an amendment according to Article 39, if the action is implemented as described in Annex 1.

However, the beneficiaries may not add costs relating to subcontracts not provided for in Annex 1, unless such additional subcontracts are approved by an amendment or in accordance with Article 10.

CHAPTER 3 GRANT

ARTICLE 5 — GRANT AMOUNT, FORM OF GRANT, REIMBURSEMENT RATES AND FORMS OF COSTS

5.1 Maximum grant amount

The '**maximum grant amount**' is **EUR 208,564.00** (two hundred and eight thousand five hundred and sixty four EURO).

5.2 Form of grant, reimbursement rates and forms of costs

The grant reimburses **75% of the action's eligible costs** (see Article 6) (**'reimbursement of eligible costs grant'**) (see Annex 2).

The estimated eligible costs of the action are EUR **278,097.66** (two hundred and seventy eight thousand ninety seven EURO and sixty six eurocents).

Eligible costs (see Article 6) must be declared under the following forms (**'forms of costs'** or **'cost forms'**):

- (a) for **direct personnel costs**: as actually incurred costs (**'actual costs'**)
- (b) for **direct costs for subcontracting**: as actually incurred costs (**actual costs**);
- (c) for **other direct costs**: as actually incurred costs (**actual costs**);
- (d) for **direct costs of providing financial support to third parties**: *not applicable*;
- (e) for **indirect costs**: on the basis of a flat-rate applied as set out in Article 6.2, Point E (**'flat-rate costs'**);

5.3 Final grant amount — Calculation

The **'final grant amount'** depends on the actual extent to which the action is implemented in accordance with the Agreement's terms and conditions.

This amount is calculated by the Agency — when the payment of the balance is made — in the following steps:

- Step 1 – Application of the reimbursement rate to the eligible costs
- Step 2 – Limit to the maximum grant amount
- Step 3 – Reduction due to the no-profit rule
- Step 4 – Reduction due to improper implementation or breach of other obligations

5.3.1 Step 1 — Application of the reimbursement rate to the eligible costs

The reimbursement rate (see Article 5.2) is applied to the eligible costs (actual costs, unit costs (if any) and flat-rate costs; see Article 6) declared by the beneficiaries (see Article 15) and approved by the Agency (see Article 16).

5.3.2 Step 2 — Limit to the maximum grant amount

If the amount obtained following Step 1 is higher than the maximum grant amount set out in Article 5.1, it will be limited to the latter.

5.3.3 Step 3 — Reduction due to the no-profit rule

The grant must not produce a profit.

‘**Profit**’ means the surplus of the amount obtained following Steps 1 and 2 plus the action’s total receipts, over the action’s total eligible costs.

The ‘**action’s total eligible costs**’ are the consolidated total eligible costs approved by the Agency.

The ‘**action’s total receipts**’ are the consolidated total receipts generated during its duration (see Article 3).

The following are considered **receipts**:

- (a) income generated by the action;
- (b) financial contributions given by third parties to the beneficiary specifically to be used for costs that are eligible under the action.

The following are however **not** considered receipts:

- (a) financial contributions by third parties, if they may be used to cover costs other than the eligible costs (see Article 6);
- (b) financial contributions by third parties with no obligation to repay any amount unused at the end of the period set out in Article 3.

If there is a profit, it will be deducted in proportion to the final rate of reimbursement of the eligible actual costs approved by the Agency (as compared to the amount calculated following Steps 1 and 2).

5.3.4 Step 4 — Reduction due to improper implementation or breach of other obligations — Reduced grant amount — Calculation

If the grant is reduced (see Article 27), the Agency will calculate the reduced grant amount by deducting the amount of the reduction (calculated in proportion to the improper implementation of the action or to the seriousness of the breach of obligations in accordance with Article 27.2) from the maximum grant amount set out in Article 5.1.

The final grant amount will be the lower of the following two:

- the amount obtained following Steps 1 to 3 or
- the reduced grant amount following Step 4.

5.4 Revised final grant amount — Calculation

If — after the payment of the balance (in particular, after checks, reviews, audits or investigations; see Article 17) — the Agency rejects costs (see Article 26) or reduces the grant (see Article 27), it will calculate the ‘**revised final grant amount**’ for the action.

This amount is calculated by the Agency on the basis of the findings, as follows:

- in case of **rejection of costs**: by applying the reimbursement rate to the *revised* eligible costs approved by the Agency for the action, limiting it to the maximum grant amount and making a reduction if there is a profit (see Article 5.3);

- in case of **reduction of the grant**: by deducting the amount of the reduction (calculated in proportion to the improper implementation of the action or to the seriousness of the breach of obligations in accordance with Article 27.2) from the maximum grant amount set out in Article 5.1.

In case of **rejection of costs and reduction of the grant**, the revised final grant amount for the action will be the lower of the two amounts above.

ARTICLE 6 — ELIGIBLE AND INELIGIBLE COSTS

6.1 General conditions for costs to be eligible

‘**Eligible costs**’ are costs that meet the following criteria:

(a) for **actual costs**:

- (i) they must be actually incurred by the beneficiary;
- (ii) they must be incurred in the period set out in Article 3, with the exception of costs relating to the submission of the periodic report for the last reporting period and the final report (see Article 15);
- (iii) they must be indicated in the estimated budget set out in Annex 2;
- (iv) they must be incurred in connection with the action as described in Annex 1 and necessary for its implementation;
- (v) they must be identifiable and verifiable, in particular recorded in the beneficiary’s accounts in accordance with the accounting standards applicable in the country where the beneficiary is established and with the beneficiary’s usual cost accounting practices;
- (vi) they must comply with the applicable national law on taxes, labour and social security, and
- (vii) they must be reasonable, justified and must comply with the principle of sound financial management, in particular regarding economy and efficiency;

(b) for **unit costs**: *not applicable*;

(c) for **flat-rate costs**:

- (i) they must be calculated by applying the flat-rate set out in Annex 2, and
- (ii) the costs (actual costs) to which the flat-rate is applied must comply with the conditions for eligibility set out in this Article.

6.2 Specific conditions for costs to be eligible

Costs are eligible if they comply with the general conditions (see above) and the specific conditions set out below, for each of the following budget categories:

- A. direct personnel costs;

- B. direct costs of subcontracting;
- C. other direct costs;
- D. *not applicable*;
- E. indirect costs.

‘Direct costs’ are costs that are directly linked to the action implementation and can therefore be attributed to it directly. They must not include any indirect costs (see Point D below).

‘Indirect costs’ are costs that are not directly linked to the action implementation and therefore cannot be attributed directly to it.

A. Direct personnel costs

Types of eligible personnel costs

A.1 Personnel costs are eligible if they are related to personnel working for the beneficiary under an employment contract (or equivalent appointing act) and assigned to the action (**‘costs for employees (or equivalent)’**). They must be limited to salaries (including during parental leave), social security contributions, taxes and other costs included in the **remuneration**, if they arise from national law or the employment contract (or equivalent appointing act).

They may also include **additional remuneration** for personnel assigned to the action (including payments on the basis of supplementary contracts regardless of their nature), if:

- (a) it is part of the beneficiary’s usual remuneration practices and is paid in a consistent manner whenever the same kind of work or expertise is required;
- (b) the criteria used to calculate the supplementary payments are objective and generally applied by the beneficiary, regardless of the source of funding used.

A.2 The **costs for natural persons working under a direct contract** with the beneficiary other than an employment contract or **seconded by a third party against payment** are eligible personnel costs, if:

- (a) the person works under the beneficiary’s instructions and, unless otherwise agreed with the beneficiary, on the beneficiary’s premises;
- (b) the result of the work carried out belongs to the beneficiary, and
- (c) the costs are not significantly different from those for personnel performing similar tasks under an employment contract with the beneficiary.

Calculation

Personnel costs must be calculated by the beneficiaries as follows:

{hourly rate
 multiplied by
 the number of actual hours worked on the action}.

The number of actual hours declared for a person must be identifiable and verifiable (see Article 13).

The total number of hours declared in EU or Euratom grants, for a person for a year, cannot be higher than the annual productive hours used for the calculations of the hourly rate. Therefore, the maximum number of hours that can be declared for the grant are:

{number of annual productive hours for the year (see below)
 minus
 total number of hours declared by the beneficiary, for that person for that year, for other EU or Euratom grants}.

The ‘**hourly rate**’ is the amount calculated as follows:

{actual annual personnel costs for the person
 divided by
 number of annual productive hours}.

The beneficiaries must use the annual personnel costs and the number of annual productive hours for each financial year covered by the reporting period concerned. If a financial year is not closed at the end of the reporting period, the beneficiaries must use the hourly rate of the last closed financial year available.

For the ‘number of annual productive hours’, the beneficiaries may choose one of the following:

- (i) ‘fixed number of hours’: 1 720 hours for persons working full time (or corresponding pro-rata for persons not working full time);
- (ii) ‘individual annual productive hours’: the total number of hours worked by the person in the year for the beneficiary, calculated as follows:

{annual workable hours of the person (according to the employment contract, applicable collective labour agreement or national law)
 plus
 overtime worked
 minus
 absences (such as sick leave and special leave)}.

‘Annual workable hours’ means the period during which the personnel must be working, at the employer’s disposal and carrying out his/her activity or duties under the employment contract, applicable collective labour agreement or national working time legislation.

If the contract (or applicable collective labour agreement or national working time legislation) does not allow to determine the annual workable hours, this option cannot be used;

- (iii) ‘standard annual productive hours’: the standard number of annual hours generally applied by the beneficiary for its personnel in accordance with its usual cost accounting practices. This number must be at least 90% of the ‘standard annual workable hours’.

If there is no applicable reference for the standard annual workable hours, this option cannot be used.

For all options, the actual time spent on **parental leave** by a person assigned to the action may be deducted from the number of annual productive hours.

B. Direct costs of subcontracting (including related duties, taxes and charges, such as non-deductible value added tax (VAT) paid by beneficiaries that are not public bodies acting as public authority) are eligible if the conditions in Article 10 are met.

C. Other direct costs

C.1 Travel costs and related subsistence allowances (including related duties, taxes and charges, such as non-deductible value added tax (VAT) paid by beneficiaries that are not public bodies acting as public authority) are eligible if they are in line with the beneficiary’s usual practices on travel.

C.2 The depreciation costs of equipment, infrastructure or other assets (new or second-hand) as recorded in the beneficiary’s accounts are eligible, if they were purchased in accordance with Article 9 and written off in accordance with international accounting standards and the beneficiary’s usual accounting practices.

The **costs of renting or leasing** equipment, infrastructure or other assets (including related duties, taxes and charges, such as non-deductible value added tax (VAT) paid by beneficiaries that are not public bodies acting as public authority) are also eligible, if they do not exceed the depreciation costs of similar equipment, infrastructure or assets and do not include any financing fees.

The only portion of the costs that will be taken into account is that which corresponds to the duration of the action and rate of actual use for the purposes of the action.

C.3 Costs of other goods and services (including related duties, taxes and charges, such as non-deductible value added tax (VAT) paid by beneficiaries that are not public bodies acting as public authority) are eligible, if they are purchased specifically for the action and in accordance with Article 9.

Such goods and services include, for instance, consumables and supplies, dissemination, protection of results, certificates on the financial statements (if they are required by the Agreement), translations and publications.

D. Direct costs of providing financial support to third parties:

Not applicable

E. Indirect costs

Indirect costs are eligible if they are declared on the basis of the flat-rate of 7% of the eligible direct costs (see Article 5.2 and Points A to D above).

Beneficiaries receiving an operating grant¹ financed by the EU or Euratom budget cannot declare indirect costs for the period covered by the operating grant.

6.3 Conditions for costs of affiliated entities to be eligible

Not applicable

6.4 Ineligible costs

‘**Ineligible costs**’ are:

- (a) costs that do not comply with the conditions set out above (Article 6.1 to 6.3), in particular:
 - (i) costs related to return on capital;
 - (ii) debt and debt service charges;
 - (iii) provisions for future losses or debts;
 - (iv) interest owed;
 - (v) doubtful debts;
 - (vi) currency exchange losses;
 - (vii) bank costs charged by the beneficiary’s bank for transfers from the Agency;
 - (viii) excessive or reckless expenditure;
 - (ix) deductible VAT;
 - (x) costs incurred during suspension of the implementation of the action (see Article 33);
 - (xi) in-kind contributions provided by third parties;
- (b) costs declared under another EU or Euratom grant (including grants awarded by a Member State and financed by the EU or Euratom budget and grants awarded by bodies other than the Agency for the purpose of implementing the EU or Euratom budget); in particular, indirect costs if the beneficiary is already receiving an operating grant financed by the EU or Euratom budget in the same period.

6.5 Consequences of declaration of ineligible costs

Declared costs that are ineligible will be rejected (see Article 26).

¹ For the definition, see Article 121(1)(b) of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 218, 26.10.2012, p.1) (‘**Financial Regulation No 966/2012**’): ‘**operating grant**’ means direct financial contribution, by way of donation, from the budget in order to finance the functioning of a body which pursues an aim of general EU interest or has an objective forming part of and supporting an EU policy.

This may also lead to any of the other measures described in Chapter 6.

CHAPTER 4 RIGHTS AND OBLIGATIONS OF THE PARTIES

SECTION 1 RIGHTS AND OBLIGATIONS RELATED TO IMPLEMENTING THE ACTION

ARTICLE 7 — GENERAL OBLIGATION TO PROPERLY IMPLEMENT THE ACTION

7.1 General obligation to properly implement the action

The beneficiaries must implement the action as described in Annex 1 and in compliance with the provisions of the Agreement and all legal obligations under applicable EU, international and national law.

7.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 27).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 8 — RESOURCES TO IMPLEMENT THE ACTION — THIRD PARTY INVOLVED IN THE ACTION

The beneficiaries must have the appropriate resources to implement the action.

If it is necessary to implement the action, the beneficiaries may:

- purchase goods, works and services (see Article 9);
- call upon subcontractors to implement action tasks described in Annex 1 (see Article 10);
- call upon affiliated entities to implement action tasks described in Annex 1 (see Article 11).

In these cases, the beneficiaries retain sole responsibility towards the Agency and the other beneficiaries for implementing the action.

ARTICLE 9 — PURCHASE OF GOODS, WORKS OR SERVICES

9.1 Rules for purchasing goods, works or services

9.1.1 If necessary to implement the action, the beneficiaries may purchase goods, works or services.

The beneficiaries must make such purchases ensuring the best value for money or, if appropriate, the lowest price. In doing so, they must avoid any conflict of interests (see Article 20).

The beneficiaries must ensure that the Agency, the Commission, the European Court of Auditors (ECA) and the European Anti-Fraud Office (OLAF) can exercise their rights under Articles 17 and 18 also towards their contractors.

9.1.2 Beneficiaries that are ‘contracting authorities’ within the meaning of Directive 2004/18/EC² or ‘contracting entities’ within the meaning of Directive 2004/17/EC³ must comply with the applicable national law on public procurement.

9.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under Article 9.1.1, the costs related to the contract concerned will be ineligible (see Article 6) and will be rejected (see Article 26).

If a beneficiary breaches any of its obligations under Article 9.1.2, the grant may be reduced (see Article 27).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 10 — IMPLEMENTATION OF ACTION TASKS BY SUBCONTRACTORS

10.1 Rules for subcontracting action tasks

10.1.1 If necessary to implement the action, the beneficiaries may award subcontracts covering the implementation of certain action tasks described in Annex 1.

Subcontracting may cover only a limited part of the action.

The beneficiaries must award the subcontracts ensuring the best value for money or, if appropriate, the lowest price. In doing so, they must avoid any conflict of interests (see Article 20).

The tasks to be implemented and the estimated cost for each subcontract must be set out in Annex 1 and the total estimated costs of subcontracting per beneficiary must be set out in Annex 2. The Agency may however approve subcontracts not set out in Annex 1 and 2 without amendment (see Article 39), if:

- they are specifically justified in the periodic technical report and
- they do not entail changes to the Agreement which would call into question the decision awarding the grant or breach the principle of equal treatment of applicants.

The beneficiaries must ensure that the Agency, the Commission, the European Court of Auditors (ECA) and the European Anti-Fraud Office (OLAF) can exercise their rights under Articles 17 and 18 also towards their subcontractors.

10.1.2 The beneficiaries must ensure that their obligations under Articles 20, 21, 22 and 30 also apply to the subcontractors.

Beneficiaries that are ‘contracting authorities’ within the meaning of Directive 2004/18/EC or ‘contracting entities’ within the meaning of Directive 2004/17/EC, must comply with the applicable national law on public procurement.

² Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public work contracts, public supply contracts and public service contracts (OJ L 134, 30.04.2004, p. 114).

³ Directive 2004/17/EC of the European Parliament and of the Council of 31 March 2004 coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors (OJ L 134, 30.04.2004, p. 1).

10.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under Article 10.1.1, the costs related to the subcontract concerned will be ineligible (see Article 6) and will be rejected (see Article 26).

If a beneficiary breaches any of its obligations under Article 10.1.2, the grant may be reduced (see Article 27).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 11 — IMPLEMENTATION OF ACTION TASKS BY AFFILIATED ENTITIES

Not applicable

ARTICLE 11a — FINANCIAL SUPPORT TO THIRD PARTIES

Not applicable

SECTION 2 RIGHTS AND OBLIGATIONS RELATED TO THE GRANT ADMINISTRATION

ARTICLE 12 — GENERAL OBLIGATION TO INFORM

12.1 General obligation to provide information upon request

The beneficiaries must provide — during implementation of the action or afterwards and in accordance with article 25.2 — any information requested in order to verify eligibility of the costs, proper implementation of the action and compliance with the other obligations under the Agreement.

12.2 Obligation to keep information up to date and to inform about events and circumstances likely to affect the Agreement

Each beneficiary must keep information stored in the 'Beneficiary Register' (via the electronic exchange system; see Article 36) up to date, in particular, its name, address, legal representatives, legal form and organisation type.

Each beneficiary must immediately inform the coordinator — which must immediately inform the Agency and the other beneficiaries — of any of the following:

- (a) **events** which are likely to affect significantly or delay the implementation of the action or the EU's financial interests, in particular:
 - (i) changes in its legal, financial, technical, organisational or ownership situation
- (b) **circumstances** affecting:
 - (i) the decision to award the grant or
 - (ii) compliance with requirements under the Agreement.

12.3 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 27).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 13 — KEEPING RECORDS — SUPPORTING DOCUMENTATION

13.1 Obligation to keep records and other supporting documentation

The beneficiaries must — for a period of *five* years after the payment of the balance — keep records and other supporting documentation in order to prove the proper implementation of the action and the costs they declare as eligible.

They must make them available upon request (see Article 12) or in the context of checks, reviews, audits or investigations (see Article 17).

If there are on-going checks, reviews, audits, investigations, litigation or other pursuits of claims under the Agreement (including the extension of findings; see Articles 17), the beneficiaries must keep the records and other supporting documentation until the end of these procedures.

The beneficiaries must keep the original documents. Digital and digitalised documents are considered originals if they are authorised by the applicable national law. The Agency may accept non-original documents if they considers that they offer a comparable level of assurance.

13.1.1 Records and other supporting documentation on the scientific and technical implementation

The beneficiaries must keep records and other supporting documentation on the technical implementation of the action, in line with the accepted standards in the respective field.

13.1.2 Records and other documentation to support the costs declared

The beneficiaries must keep the records and documentation supporting the costs declared, in particular the following:

- (a) for **actual costs**: adequate records and other supporting documentation to prove the costs declared, such as contracts, subcontracts, invoices and accounting records. In addition, the beneficiaries' usual cost accounting practices and internal control procedures must enable direct reconciliation between the amounts declared, the amounts recorded in their accounts and the amounts stated in the supporting documentation;
- (b) for **unit costs**: *not applicable*;
- (c) for **flat-rate costs**: adequate records and other supporting documentation to prove the eligibility of the costs to which the flat-rate is applied. The beneficiaries do not need to identify the costs covered or provide supporting documentation (such as accounting statements) to prove the amount declared at a flat-rate.

In addition, for **personnel costs** (declared as actual costs), the beneficiaries must keep **time records** for the number of hours declared. The time records must be in writing and approved by the persons

working on the action and their supervisors, at least monthly. In the absence of reliable time records of the hours worked on the action, the Agency may accept alternative evidence supporting the number of hours declared, if it considers that it offers an adequate level of assurance.

As an exception, for **persons working exclusively on the action**, there is no need to keep time records, if the beneficiary signs a **declaration** confirming that the persons concerned have worked exclusively on the action.

13.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, costs insufficiently substantiated will be ineligible (see Article 6) and will be rejected (see Article 26), and the grant may be reduced (see Article 27).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 14 — SUBMISSION OF DELIVERABLES

14.1 Obligation to submit deliverables

The coordinator must submit:

- *the following ‘progress report(s)’:*
 - *one progress report due in month 7, covering the period from month 1 to month 6.*
- the **‘deliverables’** identified in Annex 1, in accordance with the timing and conditions set out in it.

14.2 Consequences of non-compliance

If the coordinator breaches any of its obligations under this Article, the Agency may apply any of the measures described in Chapter 6.

ARTICLE 15 — REPORTING — PAYMENT REQUESTS

15.1 Obligation to submit reports

The coordinator must submit to the Agency (see Article 36) the technical and financial reports set out in this Article. These reports include the requests for payment and must be drawn up using the forms and templates provided in the electronic exchange system (see Article 36).

15.2 Reporting periods

The action is divided into the following **‘reporting periods’**:

- RP1: from month 1 to month 15

15.3 Periodic reports — Requests for interim payments

The coordinator must submit a periodic report within 60 days following the end of each reporting period.

The **periodic report** must include the following:

(a) a '**periodic technical report**' containing:

- (i) an **explanation of the work carried out** by the beneficiaries;
- (ii) an **overview of the progress** towards the objectives of the action, including milestones and deliverables identified in Annex 1.

This report must include explanations justifying the differences between work expected to be carried out in accordance with Annex 1 and that actually carried out.

(iii) a **summary** for publication by the Agency;

(b) a '**periodic financial report**' containing:

- (i) an '**individual financial statement**' (see Annex 4) from each beneficiary, for the reporting period concerned.

The individual financial statement must detail the eligible costs (actual costs, unit costs (if any) and flat-rate costs see Article 6) for each budget category (see Annex 2).

The beneficiaries must declare all eligible costs, even if — for actual costs, unit costs (if any) and flat-rate costs — they exceed the amounts indicated in the estimated budget (see Annex 2). Amounts which are not declared in the individual financial statement will not be taken into account by the Agency.

If an individual financial statement is not submitted for a reporting period, it may be included in the periodic financial report for the next reporting period.

The individual financial statements of the last reporting period must also detail the **receipts of the action** (see Article 5.3.3).

Each beneficiary must **certify** that:

- the information provided is full, reliable and true;
- the costs declared are eligible (see Article 6);
- the costs can be substantiated by adequate records and supporting documentation (see Article 13) that will be produced upon request (see Article 12) or in the context of checks, reviews, audits and investigations (see Article 17), and
- for the last reporting period: that all the receipts have been declared (see Article 5.3.3);

- (ii) an **explanation of the use of resources** and the information on subcontracting (see Article 10) from each beneficiary, for the reporting period concerned;

(iii) *not applicable*;

(iv) a ‘**periodic summary financial statement**’ (see Annex 4), created automatically by the electronic exchange system, consolidating the individual financial statements for the reporting period concerned and including — except for the last reporting period — the **request for interim payment**;

(v) a ‘**certificate on the financial statements**’ (drawn up in accordance with Annex 5) for each beneficiary, if:

- the (cumulative) amount of payments it requests as reimbursement of actual costs (and for which no certificate has yet been submitted) is EUR 325 000 or more and
- the maximum EU contribution indicated, for that beneficiary, in the estimated budget as reimbursement of actual costs is EUR 750 000 or more.

15.4 Final report — Request for payment of the balance

In addition to the periodic report for the last reporting period, the coordinator must submit the final report within 60 days following the end of the last reporting period.

The **final report** must include the following:

(a) a ‘**final technical report**’ with a **summary** for publication containing:

- (i) an overview of the results and their dissemination;
- (ii) the conclusions on the action;

(b) a ‘**final financial report**’ containing:

(i) a ‘**final summary financial statement**’ (see Annex 4), created automatically by the electronic exchange system, consolidating the individual financial statements for all reporting periods and including the **request for payment of the balance** and

(ii) a ‘**certificate on the financial statements**’ (drawn up in accordance with Annex 5) for each beneficiary, if:

- the cumulative amount of payments it requests as reimbursement of actual costs (and for which no certificate has yet been submitted) is EUR 325 000 or more and
- the maximum EU contribution indicated, for that beneficiary, in the estimated budget as reimbursement of actual costs is EUR 750 000 or more.

15.5 Information on cumulative expenditure incurred

Not applicable

15.6 Currency for financial statements and conversion into euro

Financial statements must be drafted in euro.

The beneficiaries with accounting established in a currency other than the euro must convert the costs recorded in their accounts into euro, at the average of the daily exchange rates published in the C series of the *Official Journal of the European Union*, calculated over the corresponding reporting period.

If no daily euro exchange rate is published in the *Official Journal of the European Union* for the currency in question, they must be converted at the average of the monthly accounting rates published on the Commission's website, calculated over the corresponding reporting period.

Beneficiaries with accounting established in euro must convert costs incurred in another currency into euro according to their usual accounting practices.

15.7 Language of reports

All reports (technical and financial reports, including financial statements) must be submitted in the language of the Agreement.

15.8 Consequences of non-compliance — Suspension of the payment deadline — Termination

If the reports submitted do not comply with this Article, the Agency may suspend the payment deadline (see Article 31) and apply any of the other measures described in Chapter 6.

If the coordinator breaches its obligation to submit the reports and if it fails to comply with this obligation within 30 days following a written reminder sent by the Agency, the Agreement may be terminated (see Article 34).

ARTICLE 16 — PAYMENTS AND PAYMENT ARRANGEMENTS

16.1 Payments to be made

The following payments will be made to the coordinator:

- one **pre-financing payment**;
- one or more **interim payments**, on the basis of the request(s) for interim payment (see Article 15), and
- one **payment of the balance**, on the basis of the request for payment of the balance (see Article 15).

16.2 Pre-financing payment — Amount

The aim of the pre-financing is to provide the beneficiaries with a float.

It remains the property of the EU until the payment of the balance.

The amount of the pre-financing payment will be EUR **145,994.80** (*one hundred and forty five thousand nine hundred and ninety four EURO and eighty eurocents*).

The Agency will — except if Article 32 applies — make the pre-financing payment to the coordinator within 30 days, either from entry into force of the Agreement (see Article 42) or from 10 days before the starting date of the action (see Article 3), whichever is the latest.

16.3 Interim payments — Amount — Calculation

Interim payments reimburse the eligible costs incurred for the implementation of the action during the corresponding reporting periods.

The Agency will pay to the coordinator the amount due as interim payment within 60 days from receiving the periodic report (see Article 15.3), except if Articles 31 or 32 apply.

Payment is subject to the approval of the periodic report. Its approval does not imply recognition of the compliance, authenticity, completeness or correctness of its content.

The **amount due as interim payment** is calculated by the Agency in the following steps:

Step 1 – Application of the reimbursement rate

Step 2 – Limit to 90% of the maximum grant amount

16.3.1 Step 1 — Application of the reimbursement rate

The reimbursement rate (see Article 5.2) is applied to the eligible costs (actual costs, unit costs (if any) and flat-rate costs; see Article 6) declared by the beneficiaries (see Article 15) and approved by the Agency (see above) for the concerned reporting period.

16.3.2 Step 2 — Limit to 90% of the maximum grant amount

The total amount of pre-financing and interim payments must not exceed 90% of the maximum grant amount set out in Article 5.1. The maximum amount for the interim payment will be calculated as follows:

{90% of the maximum grant amount (see Article 5.1)

minus

{pre-financing and previous interim payments}}.

16.4 Payment of the balance — Amount — Calculation

The payment of the balance reimburses the remaining part of the eligible costs incurred by the beneficiaries for the implementation of the action.

If the total amount of earlier payments is greater than the final grant amount (see Article 5.3), the payment of the balance takes the form of a recovery (see Article 28).

If the total amount of earlier payments is lower than the final grant amount, the Agency will pay the balance within 60 days from receiving the final report (see Article 15.4), except if Articles 31 or 32 apply.

Payment is subject to the approval of the final report. Its approval does not imply recognition of the compliance, authenticity, completeness or correctness of its content.

The **amount due as the balance** is calculated by the Agency by deducting the total amount of pre-financing and interim payments (if any) already made, from the final grant amount determined in accordance with Article 5.3:

{final grant amount (see Article 5.3)}

minus

{pre-financing and interim payments (if any) made}.

If the balance is positive, it will be paid to the coordinator.

The amount to be paid may however be offset — without the beneficiary's consent — against any other amount owed by the beneficiary to the Agency, the Commission or another executive agency (under the EU or Euratom budget), up to the maximum EU contribution indicated, for that beneficiary, in the estimated budget (see Annex 2).

If the balance is negative, it will be recovered.

16.5 Notification of amounts due

When making payments, the Agency will formally notify to the coordinator the amount due, specifying whether it concerns an interim payment or the payment of the balance.

For the payment of the balance, the notification will also specify the final grant amount.

In the case of reduction of the grant or recovery of undue amounts, the notification will be preceded by the contradictory procedure set out in Articles 27 and 28.

16.6 Currency for payments

The Agency will make all payments in euro.

16.7 Payments to the coordinator — Distribution to the beneficiaries

Payments will be made to the coordinator.

Payments to the coordinator will discharge the Agency from its payment obligation.

The coordinator must distribute the payments between the beneficiaries without unjustified delay.

Pre-financing may however be distributed only:

- (a) if 90% of the beneficiaries have acceded to the Agreement (see Article 40) and
- (b) to beneficiaries that have acceded to the Agreement (see Article 56).

16.8 Bank account for payments

All payments will be made to the following bank account:

Name of bank: HUNGARIAN STATE TREASURY
Address of branch: 9-11, CSALOGANY U BUDAPEST, Hungary
Full name of the account holder: PANNON EGYETEM
Full account number (including bank codes):
IBAN code: HU55100480050142669600000000

16.9 Costs of payment transfers

The cost of the payment transfers is borne as follows:

- the Agency bears the cost of transfers charged by its bank;
- the beneficiary bears the cost of transfers charged by its bank;
- the party causing a repetition of a transfer bears all costs of the repeated transfer.

16.10 Date of payment

Payments by the Agency are considered to have been carried out on the date when they are debited to its account.

16.11 Consequences of non-compliance

16.11.1 If the Agency does not pay within the payment deadlines (see above), the beneficiaries are entitled to **late-payment interest** at the rate applied by the European Central Bank (ECB) for its main refinancing operations in euros ('reference rate'), plus three and a half points. The reference rate is the rate in force on the first day of the month in which the payment deadline expires, as published in the C series of the *Official Journal of the European Union*.

If the late-payment interest is lower than or equal to EUR 200, it will be paid to the coordinator only upon request submitted within two months of receiving the late payment.

Late-payment interest is not due if all beneficiaries are EU Member States (including regional and local government authorities or other public bodies acting on behalf of a Member State for the purpose of this Agreement).

Suspension of the payment deadline or payments (see Articles 31 and 32) will not be considered as late payment.

Late-payment interest covers the period running from the day following the due date for payment (see above), up to and including the date of payment.

Late-payment interest is not considered for the purposes of calculating the final grant amount.

16.11.2 If the coordinator breaches any of its obligations under this Article, the grant may be reduced (see Article 27) and the Agreement or the participation of the coordinator may be terminated (see Article 34).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 17 — CHECKS, REVIEWS, AUDITS AND INVESTIGATIONS — EXTENSION OF FINDINGS

17.1 Checks, reviews and audits by the Agency and the Commission

17.1.1 Right to carry out checks

The Agency or the Commission will — during the implementation of the action or afterwards — check the proper implementation of the action and compliance with the obligations under the Agreement, including assessing deliverables and reports.

For this purpose, the Agency or the Commission may be assisted by external persons or bodies.

The Agency or the Commission may also request additional information in accordance with Article 12. The Agency or the Commission may request the beneficiaries to provide such information to it directly.

Information provided must be accurate, precise and complete and in the format requested, including electronic format.

17.1.2 Right to carry out reviews

The Agency or the Commission may — during the implementation of the action or afterwards — carry out reviews on the proper implementation of the action (including assessment of deliverables and reports) and compliance with the obligations under the Agreement.

Reviews may be started **up to five years after the payment of the balance**. They will be formally notified to the coordinator or beneficiary concerned and will be considered to have started on the date of the formal notification.

If the review is carried out on a third party (see Articles 9, 10, 11), the beneficiary concerned must inform the third party.

The Agency or the Commission may carry out reviews directly (using its own staff) or indirectly (using external persons or bodies appointed to do so). It will inform the coordinator or beneficiary concerned of the identity of the external persons or bodies. They have the right to object to the appointment on grounds of commercial confidentiality.

The coordinator or beneficiary concerned must provide — within the deadline requested — any information and data in addition to deliverables and reports already submitted (including information on the use of resources). The Agency or the Commission may request beneficiaries to provide such information to it directly.

The coordinator or beneficiary concerned may be requested to participate in meetings, including with external experts.

For **on-the-spot** reviews, the beneficiaries must allow access to their sites and premises, including to external persons or bodies, and must ensure that information requested is readily available.

Information provided must be accurate, precise and complete and in the format requested, including electronic format.

On the basis of the review findings, a **‘review report’** will be drawn up.

The Agency or the Commission will formally notify the review report to the coordinator or beneficiary concerned, which has 30 days to formally notify observations (**‘contradictory review procedure’**).

Reviews (including review reports) are in the language of the Agreement.

17.1.3 Right to carry out audits

The Agency or the Commission may — during the implementation of the action or afterwards — carry out audits on the proper implementation of the action and compliance with the obligations under the Agreement.

Audits may be started **up to five years after the payment of the balance**. They will be formally notified to the coordinator or beneficiary concerned and will be considered to have started on the date of the formal notification.

If the audit is carried out on a third party (see Articles 9, 10, 11), the beneficiary concerned must inform the third party.

The Agency or the Commission may carry out audits directly (using its own staff) or indirectly (using external persons or bodies appointed to do so). It will inform the coordinator or beneficiary concerned of the identity of the external persons or bodies. They have the right to object to the appointment on grounds of commercial confidentiality.

The coordinator or beneficiary concerned must provide — within the deadline requested — any information (including complete accounts, individual salary statements or other personal data) to verify compliance with the Agreement. The Agency or the Commission may request beneficiaries to provide such information to it directly.

For **on-the-spot** audits, the beneficiaries must allow access to their sites and premises, including to external persons or bodies, and must ensure that information requested is readily available.

Information provided must be accurate, precise and complete and in the format requested, including electronic format.

On the basis of the audit findings, a **‘draft audit report’** will be drawn up.

The Agency or the Commission will formally notify the draft audit report to the coordinator or beneficiary concerned, which has 30 days to formally notify observations (**‘contradictory audit procedure’**). This period may be extended by the Agency or the Commission in justified cases.

The **‘final audit report’** will take into account observations by the coordinator or beneficiary concerned. The report will be formally notified to it.

Audits (including audit reports) are in the language of the Agreement.

The Agency or the Commission may also access the beneficiaries’ statutory records for the periodical assessment of unit costs or flat-rate amounts.

17.2 Investigations by the European Anti-Fraud Office (OLAF)

Under Regulations No 883/2013⁵ and No 2185/96⁶ (and in accordance with their provisions and procedures), the European Anti-Fraud Office (OLAF) may — at any moment during implementation of the action or afterwards — carry out investigations, including on-the-spot checks and inspections, to establish whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the EU.

17.3 Checks and audits by the European Court of Auditors (ECA)

Under Article 287 of the Treaty on the Functioning of the European Union (TFEU) and Article 161 of the Financial Regulation No 966/2012⁷, the European Court of Auditors (ECA) may — at any moment during implementation of the action or afterwards — carry out audits.

The ECA has the right of access for the purpose of checks and audits.

17.4 Checks, reviews, audits and investigations for international organisations

Not applicable

17.5 Consequences of findings in checks, reviews, audits and investigations — Extension of findings

17.5.1 Findings in this grant

Findings in checks, reviews, audits or investigations carried out in the context of this grant may lead to the rejection of ineligible costs (see Article 26), reduction of the grant (see Article 27), recovery of undue amounts (see Article 28) or to any of the other measures described in Chapter 6.

Rejection of costs or reduction of the grant after the payment of the balance will lead to a revised final grant amount (see Article 5.4).

Findings in checks, reviews, audits or investigations may lead to a request for amendment for the modification of Annex 1 (see Article 39).

Checks, reviews, audits or investigations that find systemic or recurrent errors, irregularities, fraud or breach of obligations may also lead to consequences in other EU or Euratom grants awarded under similar conditions (**‘extension of findings from this grant to other grants’**).

Moreover, findings arising from an OLAF investigation may lead to criminal prosecution under national law.

⁵ Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.09.2013, p. 1).

⁶ Council Regulation (Euratom, EC) No 2185/1996 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.1996, p. 2).

⁷ Regulation (EU, EURATOM) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, EURATOM) No 1605/2002 (OJ L 298, 26.10.2012, p. 1).

17.5.2 Findings in other grants

The Agency or the Commission may extend findings from other grants to this grant ('**extension of findings from other grants to this grant**'), if:

- (a) the beneficiary concerned is found, in other EU or Euratom grants awarded under similar conditions, to have committed systemic or recurrent errors, irregularities, fraud or breach of obligations that have a material impact on this grant and
- (b) those findings are formally notified to the beneficiary concerned — together with the list of grants affected by the findings — **no later than five years after the payment of the balance** of this grant.

The extension of findings may lead to the rejection of costs (see Article 26), reduction of the grant (see Article 27), recovery of undue amounts (see Article 28), suspension of payments (see Article 32), suspension of the action implementation (see Article 33) or termination (see Article 34).

17.5.3 Procedure

The Agency or the Commission will formally notify the beneficiary concerned the systemic or recurrent errors and its intention to extend these audit findings, together with the list of grants affected.

17.5.3.1 If the findings concern **eligibility of costs**: the formal notification will include:

- (a) an invitation to submit observations on the list of grants affected by the findings;
- (b) the request to submit **revised financial statements** for all grants affected;
- (c) the **correction rate for extrapolation** established by the Agency or the Commission on the basis of the systemic or recurrent errors, to calculate the amounts to be rejected, if the beneficiary concerned:
 - (i) considers that the submission of revised financial statements is not possible or practicable or
 - (ii) does not submit revised financial statements.

The beneficiary concerned has 90 days from receiving notification to submit observations, revised financial statements or to propose a duly substantiated **alternative correction method**. This period may be extended by the Agency or the Commission in justified cases.

The Agency or the Commission may then start a rejection procedure in accordance with the procedure set out in Article 26, either on the basis of the revised financial statements or the rate announced.

17.5.3.2 If the findings concern **improper implementation** or a **breach of another obligation**: the formal notification will include:

- (a) an invitation to submit observations on the list of grants affected by the findings and
- (b) the flat-rate the Agency or the Commission intends to apply according to the principle of proportionality.

The beneficiary concerned has 90 days from receiving notification to submit observations or to propose a duly substantiated alternative flat-rate.

The Agency or the Commission may then start a reduction procedure in accordance with the procedure set out in Article 27, either on the basis of the alternative flat-rate or the flat-rate announced.

17.6 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, any insufficiently substantiated costs will be ineligible (see Article 6) and will be rejected (see Article 26).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 18 — EVALUATION OF THE IMPACT OF THE ACTION

18.1 Right to evaluate the impact of the action

The Agency or the Commission may carry out interim and final evaluations of the impact of the action measured against the objective of the EU programme.

Evaluations may be started during implementation of the action and **up to five years after the payment of the balance**. The evaluation is considered to start on the date of the formal notification to the coordinator or beneficiaries.

The Agency or the Commission may make these evaluations directly (using its own staff) or indirectly (using external bodies or persons it has authorised to do so).

The coordinator or beneficiaries must provide any information relevant to evaluate the impact of the action, including information in electronic format.

18.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the Agency may apply the measures described in Chapter 6.

SECTION 3 OTHER RIGHTS AND OBLIGATIONS

ARTICLE 19 — PRE-EXISTING RIGHTS AND OWNERSHIP OF THE RESULTS (INCLUDING INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS)

19.1 Pre-existing rights and access rights to pre-existing rights

Where industrial and intellectual property rights (including rights of third parties) exist prior to the Agreement, the beneficiaries must establish a list of these pre-existing industrial and intellectual property rights, specifying the owner and any persons that have a right of use.

The coordinator must — before starting the action — submit this list to the Agency.

The beneficiaries must give each other (and their affiliated entities) access to any pre-existing industrial and intellectual property rights needed for the implementation of the action and compliance with the obligations under the Agreement.

19.2 Ownership of results and rights of use

The results of the action (including the reports and other documents relating to it) are owned by the beneficiaries.

The beneficiaries must give the Agency and the Commission the right to use the results for their communication activities under Article 22.

19.3 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 27).

Such a breach may also lead to any of the other measures described in Chapter 6.

ARTICLE 20 — CONFLICT OF INTERESTS

20.1 Obligation to avoid a conflict of interests

The beneficiaries must take all measures to prevent any situation where the impartial and objective implementation of the action is compromised for reasons involving economic interest, political or national affinity, family or emotional ties or any other shared interest (**‘conflict of interests’**).

They must formally notify to the Agency without delay any situation constituting or likely to lead to a conflict of interests and immediately take all the necessary steps to rectify this situation.

The Agency may verify that the measures taken are appropriate and may require additional measures to be taken by a specified deadline.

20.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 27) and the Agreement may be terminated (see Article 34).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 21 — CONFIDENTIALITY

21.1 General obligation to maintain confidentiality

During implementation of the action and **for five years after the payment of the balance**, the parties must keep confidential any data, documents or other material (in any form) that is identified as confidential at the time it is disclosed (**‘confidential information’**).

They may use confidential information to implement the Agreement.

The confidentiality obligations no longer apply if:

- (a) the disclosing party agrees to release the other party;
- (b) the information becomes generally and publicly available, without breaching any confidentiality obligation;

(c) the disclosure of the confidential information is required by EU or national law.

21.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 27).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 22 — PROMOTING THE ACTION — VISIBILITY OF EU FUNDING

22.1 Communication activities by the beneficiaries

22.1.1 General obligation to promote the action and its results

The beneficiaries must promote the action and its results.

22.1.2 Information on EU funding — Obligation and right to use of the EU emblem

Unless the Agency requests or agrees otherwise, any communication activity related to the action (including at conferences, seminars, in information material, such as brochures, leaflets, posters, presentations, etc., in electronic form, via social media, etc.) and any infrastructure, equipment of major result funded by the grant must:

- display the EU emblem and
- include the following text:

“This [insert appropriate description, e.g. report, publication, conference, infrastructure, equipment, insert type of result, etc.] is part of the project [insert project title] which has received funding from the European Union’s COSME Programme (2014-2020).”

When displayed in association with another logo, the EU emblem must have appropriate prominence.

For the purposes of their obligations under this Article, the beneficiaries may use the EU emblem without first obtaining approval from the Agency.

This does not, however, give them the right to exclusive use.

Moreover, they may not appropriate the EU emblem or any similar trademark or logo, either by registration or by any other means.

22.1.3 Disclaimer excluding Agency/Commission responsibility

Any communication activity related to the action must indicate the following disclaimer:

“The content of this [insert appropriate description, e.g. report, publication, conference, etc.] represents the views of the author only and is his/her sole responsibility; it cannot be considered to reflect the views of the European Commission and/or the Executive Agency for Small and Medium-sized Enterprises or any other body of the European Union. The European Commission and the Agency do not accept any responsibility for use that may be made of the information it contains.”

22.2 Communication activities by the Agency

22.2.1 Right to use beneficiaries' materials, documents or information

The Agency may use information relating to the action, documents notably summaries for publication and public deliverables as well as any other material, such as pictures or audio-visual material that it receives from any beneficiary (including in electronic form).

This does not change the confidentiality obligations in Article 21, which still apply.

The right to use a beneficiary's materials, documents and information includes:

- (a) **use for its own purposes** (in particular, making them available to persons working for the Agency or any other EU institution, body, office or agency or body or institutions in EU Member States; and copying or reproducing them in whole or in part, in unlimited numbers);
- (b) **distribution to the public** (in particular, publication as hard copies and in electronic or digital format, publication on the internet, as a downloadable or non-downloadable file, broadcasting by any channel, public display or presentation, communicating through press information services, or inclusion in widely accessible databases or indexes);
- (c) **editing or redrafting** for communication and publicising activities (including shortening, summarising, inserting other elements (such as meta-data, legends, other graphic, visual, audio or text elements), extracting parts (e.g. audio or video files), dividing into parts, use in a compilation);
- (d) **translation**;
- (e) giving **access in response to individual requests** under Regulation No 1049/2001⁸, without the right to reproduce or exploit;
- (f) **storage** in paper, electronic or other form;
- (g) **archiving**, in line with applicable document-management rules, and
- (h) the right to authorise **third parties** to act on its behalf or sub-license the modes of use set out in Points (b), (c), (d) and (f) to third parties if needed for the communication and publicising activities of the Agency.

If the right of use is subject to rights of a third party (including personnel of the beneficiary), the beneficiary must ensure that it complies with its obligations under this Agreement (in particular, by obtaining the necessary approval from the third parties concerned).

Where applicable (and if provided by the beneficiaries), the Agency will insert the following information:

“© – [year] – [name of the copyright owner]. All rights reserved. Licensed to the Executive Agency for Small and Medium-sized Enterprises (EASME) under conditions.”

⁸ Regulation (EC) No 1049/2001 of the European Parliament and of the Council of 30 May 2001 regarding public access to European Parliament, Council and Commission documents, OJ L 145, 31.5.2001, p. 43.

22.3 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 27).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 23 — PROCESSING OF PERSONAL DATA

23.1 Processing of personal data by the Agency and the Commission

Any personal data under the Agreement will be processed by the Agency or the Commission under Regulation No 45/2001⁹ and according to the ‘notifications of the processing operations’ to the Data Protection Officer (DPO) of the Agency or the Commission (publicly accessible in the DPO register).

Such data will be processed by the ‘**data controller**’ of the Agency or the Commission for the purposes of implementing, managing and monitoring the Agreement or protecting the financial interests of the EU (including checks, reviews, audits and investigations; see Article 17).

The persons whose personal data are processed have the right to access and correct their own personal data. For this purpose, they must send any queries about the processing of their personal data to the data controller, via the contact point indicated in the ‘privacy statement’ on the Agency and Commission websites.

They also have the right to have recourse at any time to the European Data Protection Supervisor (EDPS).

23.2 Processing of personal data by the beneficiaries

The beneficiaries must process personal data under the Agreement in compliance with applicable EU and national law on data protection (including authorisations or notification requirements).

The beneficiaries may grant their personnel access only to data that is strictly necessary for implementing, managing and monitoring the Agreement.

The beneficiaries must inform the personnel whose personal data are collected and processed by the Agency or the Commission. For this purpose, they must provide them with the privacy statement (see above), before transmitting their data to the Agency or the Commission.

23.3 Consequences of non-compliance

If a beneficiary breaches any of its obligations under Article 23.2, the Agency may apply any of the measures described in Chapter 6.

⁹ Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data (OJ L 8, 12.01.2001, p. 1).

ARTICLE 24 — ASSIGNMENTS OF CLAIMS FOR PAYMENT AGAINST THE AGENCY

The beneficiaries may not assign any of their claims for payment against the Agency to any third party, except if approved by the Agency on the basis of a reasoned, written request by the coordinator (on behalf of the beneficiary concerned).

If the Agency has not accepted the assignment or the terms of it are not observed, the assignment will have no effect on it.

In no circumstances will an assignment release the beneficiaries from their obligations towards the Agency.

CHAPTER 5 DIVISION OF BENEFICIARIES' ROLES AND RESPONSIBILITIES

ARTICLE 25 — DIVISION OF BENEFICIARIES' ROLES AND RESPONSIBILITIES

25.1 Roles and responsibilities towards the Agency

The beneficiaries have full responsibility for implementing the action and complying with the Agreement.

The beneficiaries are jointly and severally liable for the **technical implementation** of the action as described in Annex 1. If a beneficiary fails to implement its part of the action, the other beneficiaries become responsible for implementing this part (without being entitled to any additional EU funding for doing so), unless the Agency expressly relieves them of this obligation.

The **financial responsibility** of each beneficiary is governed by Articles 28, 29 and 30.

25.2 Internal division of roles and responsibilities

The internal roles and responsibilities of the beneficiaries are divided as follows:

(a) Each **beneficiary** must:

- (i) keep information stored in the 'Beneficiary Register' (via the electronic exchange system) up to date (see Article 12);
- (ii) inform the coordinator immediately of any events or circumstances likely to affect significantly or delay the implementation of the action (see Article 12);
- (iii) submit to the coordinator in good time:
 - individual financial statements for itself and, if required, certificates on the financial statements (see Article 15);
 - the data needed to draw up the technical reports (see Article 1520);
 - any other documents or information required by the Agency or the Commission under the Agreement, unless the Agreement requires the beneficiary to submit this information directly to the Agency or the Commission.

(b) The **coordinator** must:

- (i) monitor that the action is implemented properly (see Article 7);
- (ii) act as the intermediary for all communications between the beneficiaries and the Agency (in particular, providing the Agency with the information described in Article 12), unless the Agreement specifies otherwise;
- (iii) provide a pre-financing guarantee if requested by the Agency (see Article 16.2);
- (iv) request and review any documents or information required by the Agency and verify their completeness and correctness before passing them on to the Agency;
- (v) submit the deliverables and reports to the Agency (see Articles 14 and 15);
- (vi) ensure that all payments are made to the other beneficiaries without unjustified delay (see Article 16);

The coordinator may not delegate the above-mentioned tasks to any other beneficiary or subcontract them to any third party.

25.3 Internal arrangements between beneficiaries — Consortium agreement

The beneficiaries must have internal arrangements regarding their operation and co-ordination to ensure that the action is implemented properly. These internal arrangements must be set out in a written ‘**consortium agreement**’ between the beneficiaries, which may cover:

- internal organisation of the consortium;
- management of access to the electronic exchange system;
- distribution of EU funding;
- additional rules on rights and obligations related to background and results (including whether access rights remain or not, if a beneficiary is in breach of its obligations) (see Section 3 of Chapter 4);
- settlement of internal disputes;
- liability, indemnification and confidentiality arrangements between the beneficiaries.

The consortium agreement must not contain any provision contrary to the Agreement.

CHAPTER 6 REJECTION OF COSTS — REDUCTION OF THE GRANT — RECOVERY — PENALTIES — DAMAGES — SUSPENSION — TERMINATION — FORCE MAJEURE

SECTION 1 REJECTION OF COSTS — REDUCTION OF THE GRANT — RECOVERY — PENALTIES

ARTICLE 26 — REJECTION OF INELIGIBLE COSTS

26.1 Conditions

26.1.1 The Agency will — at the time of an **interim payment, at the payment of the balance or afterwards** — reject any costs which are ineligible (see Article 6), in particular following checks, reviews, audits or investigations (see Article 17).

26.1.2 The rejection may also be based on the **extension of findings from other grants to this grant**, under the conditions set out in Article 17.5.2.

26.2 Ineligible costs to be rejected — Calculation — Procedure

Ineligible costs will be rejected in full.

If the Agency rejects costs **without reduction of the grant** (see Article 27) or **recovery of undue amounts** (see Article 28), it will formally notify the coordinator or beneficiary concerned the rejection of costs, the amounts and the reasons why (if applicable, together with the notification of amounts due; see Article 16.5). The coordinator or beneficiary concerned may — within 30 days of receiving notification — formally notify the Agency of its disagreement and the reasons why.

If the Agency rejects costs **with reduction of the grant** or **recovery of undue amounts**, it will formally notify the rejection in the ‘**pre-information letter**’ on reduction or recovery set out in Articles 27 and 28.

26.3 Effects

If the Agency rejects costs at the time of an **interim payment or the payment of the balance**, it will deduct them from the total eligible costs declared, for the action, in the periodic or final summary financial statement (see Articles 15.3 and 15.4). It will then calculate the interim payment or payment of the balance as set out in Articles 16.3 or 16.4.

If the Agency — **after an interim payment but before the payment of the balance** — rejects costs declared in a periodic summary financial statement, it will deduct them from the total eligible costs declared, for the action, in the next periodic summary financial statement or in the final summary financial statement. It will then calculate the interim payment or payment of the balance as set out in Articles 16.3 or 16.4.

If the Agency rejects costs **after the payment of the balance**, it will deduct the amount rejected from the total eligible costs declared, by the beneficiary, in the final summary financial statement. It will then calculate the revised final grant amount as set out in Article 5.4.

ARTICLE 27 — REDUCTION OF THE GRANT

27.1 Conditions

27.1.1 The Agency may — **at the payment of the balance or afterwards** — reduce the maximum grant amount (see Article 5.1), if the action has not been implemented properly as described in Annex 1 or another obligation under the Agreement has been breached.

27.1.2 The Agency may also reduce the maximum grant amount on the basis of the **extension of findings from other grants to this grant**, under the conditions set out in Article 17.5.2.

27.2 Amount to be reduced — Calculation — Procedure

The amount of the reduction will be proportionate to the improper implementation of the action or to the seriousness of the breach.

Before reduction of the grant, the Agency will formally notify a ‘**pre-information letter**’ to the coordinator or beneficiary concerned:

- informing it of its intention to reduce the grant, the amount it intends to reduce and the reasons why and
- inviting it to submit observations within 30 days of receiving notification

If the Agency does not receive any observations or decides to pursue reduction despite the observations it has received, it will formally notify **confirmation** of the reduction (if applicable, together with the notification of amounts due; see Article 16).

27.3 Effects

If the Agency reduces the grant at the time of **the payment of the balance**, it will calculate the reduced grant amount for the action and then determine the amount due as payment of the balance (see Articles 5.3.4 and 16.4).

If the Agency reduces the grant **after the payment of the balance**, it will calculate the revised final grant amount (see Article 5.4). If the revised final grant amount is lower than the final grant amount, the Agency will recover the difference (see Article 28).

ARTICLE 28 — RECOVERY OF UNDUE AMOUNTS

28.1 Amount to be recovered — Calculation — Procedure

The Agency will — **at the payment of the balance** or **afterwards** — claim back amount that was paid but is not due under the Agreement.

The coordinator is fully liable for repaying debts of the consortium (under the Agreement), even if it has not been the final recipient of those amounts.

The other beneficiaries’ financial responsibility in case of recovery is limited, for each beneficiary, to its own debt.

28.1.1 Recovery at payment of the balance

If the payment of the balance takes the form of a recovery (see Article 16.4), the Agency will formally notify a ‘**pre-information letter**’ to the coordinator:

- informing it of its intention to recover, the amount due as the balance and the reasons why and
- inviting the coordinator to submit observations within 30 days of receiving notification.

If no observations are submitted or the Agency decides to pursue recovery despite the observations it has received, it will **confirm** the amount to be recovered and formally notify to the coordinator a

debit note with the terms and the date for payment (together with the notification of amounts due; see Article 16.5).

If payment is not made by the date specified in the debit note, the Agency or the Commission will **recover** the amount:

- (a) by '**offsetting**' it — without the coordinator's consent — against any amounts owed to the coordinator by the Agency, Commission or another executive agency (from the EU or Euratom budget).

In exceptional circumstances, to safeguard the EU's financial interests, the Agency may offset before the payment date specified in the debit note;

(b) *not applicable*;

(c) *not applicable*;

- (d) by **taking legal action** (see Article 41) or by **adopting an enforceable decision** under Article 299 of the Treaty on the Functioning of the EU (TFEU) and Article 79(2) of the Financial Regulation No 966/2012.

If payment is not made by the date in the debit note, the amount to be recovered (see above) will be increased by **late-payment interest** at the rate set out in Article 16.11, from the day following the payment date in the debit note, up to and including the date the Agency or the Commission receives full payment of the amount.

Partial payments will be first credited against expenses, charges and late-payment interest and then against the principal.

Bank charges incurred in the recovery process will be borne by the beneficiary, unless Directive 2007/64/EC applies.

28.1.2 Recovery of amounts after payment of the balance

If — after the payment of the balance — the Agency revised the final grant amount for the action (see Article 5.4), due to a rejection of costs or reduction of the grant, and the revised final grant amount is lower than the final grant amount (see Article 5.3), the Agency will:

- if the rejection or reduction does not concern a specific beneficiary (or its affiliated entities): claim back the difference from the beneficiary.

or

- otherwise: claim back the difference from the beneficiary concerned.

The Agency will formally notify a **pre-information letter** to the coordinator or beneficiary concerned:

- informing it of its intention to recover, the amount to be repaid and the reasons why and
- inviting it to submit observations within 30 days of receiving notification.

If no observations are submitted or the Agency decides to pursue recovery despite the observations it has received, it will **confirm** the amount to be recovered and formally notify to the coordinator or beneficiary concerned a **debit note**. This note will also specify the terms and the date for payment.

If payment is not made by the date specified in the debit note, the Agency or the Commission will **recover** the amount:

- (a) by '**offsetting**' it — without the coordinator's or beneficiary's consent — against any amounts owed to the coordinator or beneficiary concerned by the Agency, the Commission or another executive agency (from the EU or Euratom budget).

In exceptional circumstances, to safeguard the EU's financial interests, the Agency may offset before the payment date specified in the debit note;

- (b) *not applicable*;

- (c) by **taking legal action** (see Article 41) or by **adopting an enforceable decision** under Article 299 of the Treaty on the Functioning of the EU (TFEU) and Article 79(2) of the Financial Regulation No 966/2012.

If payment is not made by the date in the debit note, the amount to be recovered (see above) will be increased by **late-payment interest** at the rate set out in Article 16.11, from the day following the date for payment in the debit note, up to and including the date the Agency or the Commission receives full payment of the amount.

Partial payments will be first credited against expenses, charges and late-payment interest and then against the principal.

Bank charges incurred in the recovery process will be borne by the beneficiary, unless Directive 2007/64/EC applies.

ARTICLE 29 — ADMINISTRATIVE AND FINANCIAL PENALTIES

29.1 Conditions

Under Articles 109 and 131(4) of the Financial Regulation No 966/2012 Agency may impose **administrative** and **financial penalties** if a beneficiary:

- (a) has committed substantial errors, irregularities or fraud or is in serious breach of its obligations under the Agreement or
- (b) has made false declarations about information required under the Agreement or for the submission of the proposal (or has not supplied such information).

Each beneficiary is responsible for paying the financial penalties imposed on it.

Under Article 109(3) of the Financial Regulation No 966/2012, the Agency or the Commission may — under certain conditions and limits — publish decisions imposing administrative or financial penalties.

29.2 Duration — Amount of penalty — Calculation

Administrative penalties exclude the beneficiary from all contracts and grants financed from the EU or Euratom budget for a maximum of five years from the date the infringement is established by the Agency.

If the beneficiary commits another infringement within five years of the date the first infringement is established, the Agency may extend the exclusion period up to 10 years.

Financial penalties will be between 2% and 10% of the maximum EU contribution indicated, for the beneficiary concerned, in the estimated budget (see Annex 2).

If the beneficiary commits another infringement within five years of the date the first infringement is established, the Agency may increase the rate of financial penalties to between 4% and 20%.

29.3 Procedure

Before applying a penalty, the Agency will formally notify the beneficiary concerned:

- informing it of its intention to impose a penalty, its duration or amount and the reasons why and
- inviting it to submit observations within 30 days.

If the Agency does not receive any observations or decides to impose the penalty despite of observations it has received, it will formally notify **confirmation** of the penalty to the beneficiary concerned and — in case of financial penalties — deduct the penalty from the payment of the balance or formally notify a **debit note**, specifying the amount to be recovered, the terms and the date for payment.

If payment is not made by the date specified in the debit note, the Agency or the Commission may **recover** the amount:

- (a) by ‘**offsetting**’ it — without the beneficiary’s consent — against any amounts owed to the beneficiary concerned by the Agency, the Commission or another executive agency (from the EU or Euratom budget).

In exceptional circumstances, to safeguard the EU’s financial interests, the Agency may offset before the payment date specified in the debit note;

- (b) by **taking legal action** (see Article 41) or by **adopting an enforceable decision** under Article 299 of the Treaty on the Functioning of the EU (TFEU) and Article 79(2) of the Financial Regulation No 966/2012.

If payment is not made by the date in the debit note, the amount to be recovered (see above) will be increased by **late-payment interest** at the rate set out in Article 16.11, from the day following the payment date in the debit note, up to and including the date the Agency or the Commission receives full payment of the amount.

Partial payments will be first credited against expenses, charges and late-payment interest and then against the principal.

Bank charges incurred in the recovery process will be borne by the beneficiary, unless Directive 2007/64/EC applies.

SECTION 2 LIABILITY FOR DAMAGES

ARTICLE 30 — LIABILITY FOR DAMAGES

30.1 Liability of the Agency

The Agency cannot be held liable for any damage caused to the beneficiaries or to third parties as a consequence of implementing the Agreement, including for gross negligence.

The Agency cannot be held liable for any damage caused by any of the beneficiaries or third parties involved in the action, as a consequence on implementing the Agreement.

30.2 Liability of the beneficiaries

30.2.1 Conditions

Except in case of force majeure (see Article 35), the beneficiaries must compensate the Agency for any damage it sustains as a result of the implementation of the action or because the action was not implemented in full compliance with the Agreement.

Each beneficiary is responsible for paying the damages claimed from it.

30.2.2 Amount of damages - Calculation

The amount the Agency can claim from a beneficiary will correspond to the damage caused by that beneficiary.

30.2.3 Procedure

Before claiming damages, the Agency will formally notify the beneficiary concerned:

- informing it of its intention to claim damages, the amount and the reasons why and
- inviting it to submit observations within 30 days.

If the Agency does not receive any observations or decides to claim damages despite the observations it has received, it will formally notify **confirmation** of the claim for damages and a **debit note**, specifying the amount to be recovered, the terms and the date for payment.

If payment is not made by the date specified in the debit note, the Agency or the Commission may **recover** the amount:

- (a) by '**offsetting**' it — without the beneficiary's consent — against any amounts owed to the beneficiary concerned by the Agency, the Commission or another executive agency (from the EU or Euratom budget).

In exceptional circumstances, to safeguard the EU's financial interests, the Agency may offset before the payment date specified in the debit note;

(b) by **taking legal action** (see Article 41) or by **adopting an enforceable decision** under Article 299 of the Treaty on the Functioning of the EU (TFEU) and Article 79(2) of the Financial Regulation No 966/2012.

If payment is not made by the date in the debit note, the amount to be recovered (see above) will be increased by **late-payment interest** at the rate set out in Article 16.11, from the day following the payment date in the debit note, up to and including the date the Agency or the Commission receives full payment of the amount.

Partial payments will be first credited against expenses, charges and late-payment interest and then against the principal.

Bank charges incurred in the recovery process will be borne by the beneficiary, unless Directive 2007/64/EC applies.

SECTION 3 SUSPENSION AND TERMINATION

ARTICLE 31 — SUSPENSION OF PAYMENT DEADLINE

31.1 Conditions

The Agency may — at any moment — suspend the payment deadline (see Article 16.2 to 16.4) if a request for payment (see Article 15) cannot be approved because:

- (a) it does not comply with the provisions of the Agreement (see Article 15);
- (b) the technical reports or financial reports have not been submitted or are not complete or additional information is needed, or
- (c) there is doubt about the eligibility of the costs declared in the financial statements and additional checks, reviews, audits or investigations are necessary.

31.2 Procedure

The Agency will formally notify the coordinator of the suspension and the reasons why.

The suspension will **take effect** the day notification is sent by the Agency (see Article 36).

If the conditions for suspending the payment deadline are no longer met, the suspension will be **lifted** — and the remaining period will resume.

If the suspension exceeds two months, the coordinator may request the Agency if the suspension will continue.

If the payment deadline has been suspended due to the non-compliance of the technical or financial reports (see Article 15) and the revised report or statement is not submitted or was submitted but is also rejected, the Agency may also terminate the Agreement or the participation of the beneficiary (see Article 34.3.1).

ARTICLE 32 — SUSPENSION OF PAYMENTS

32.1 Conditions

The Agency may — at any moment — suspend, in whole or in part, the pre-financing payment and interim payments for one or more beneficiaries or the payment of the balance for all beneficiaries, if a beneficiary:

- (a) has committed or is suspected of having committed substantial errors, irregularities, fraud or serious breach of obligations in the award procedure or under this Agreement or
- (b) has committed — in other EU or Euratom grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on this grant (**extension of findings from other grants to this grant**; see Article 17.5.2).

32.2 Procedure

Before suspending payments, the Agency will formally notify the coordinator:

- informing it of its intention to suspend payments and the reasons why and
- inviting it to submit observations within 30 days of receiving notification.

If the Agency does not receive observations or decides to pursue the procedure despite the observations it has received, it will formally notify **confirmation** of the suspension. Otherwise, it will formally notify that the suspension procedure is not continued.

The suspension will **take effect** the day the confirmation notification is sent by the Agency.

If the conditions for resuming payments are met, the suspension will be **lifted**. The Agency will formally notify the coordinator.

During the suspension, the periodic report(s) (see Article 15.3) must not contain any individual financial statements from the beneficiary concerned. When the Agency resumes payments, the coordinator may include them in the next periodic report.

The beneficiaries may suspend implementation of the action (see Article 33.1) or terminate the Agreement or the participation of the beneficiary concerned (see Article 34.1 and 34.2).

ARTICLE 33 — SUSPENSION OF THE ACTION IMPLEMENTATION

33.1 Suspension of the action implementation, by the beneficiaries

33.1.1 Conditions

The beneficiaries may suspend implementation of the action or any part of it, if exceptional circumstances — in particular *force majeure* (see Article 35) — make implementation impossible or excessively difficult.

33.1.2 Procedure

The coordinator must immediately formally notify to the Agency the suspension (see Article 36), stating:

- the reasons why and
- the expected date of resumption.

The suspension will **take effect** the day this notification is received by the Agency.

Once circumstances allow for implementation to resume, the coordinator must immediately formally notify the Agency and request an **amendment** of the Agreement to set the date on which the action will be resumed, extend the duration of the action and make other changes necessary to adapt the action to the new situation (see Article 39) — unless the Agreement or the participation of a beneficiary has been terminated (see Article 34).

The suspension will be **lifted** with effect from the resumption date set out in the amendment. This date may be before the date on which the amendment enters into force.

Costs incurred during suspension of the action implementation are not eligible (see Article 6).

33.2 Suspension of the action implementation, by the Agency

33.2.1 Conditions

The Agency may suspend implementation of the action or any part of it:

- (a) if a beneficiary has committed or is suspected of having committed substantial errors, irregularities, fraud or serious breach of obligations in the award procedure or under this Agreement or
- (b) if a beneficiary has committed — in other EU or Euratom grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on this grant (**extension of findings from other grants to this grant**; see Article 17.5.2).

33.2.2 Procedure

Before suspending implementation of the action, the Agency will formally notify the coordinator:

- informing it of its intention to suspend the implementation and the reasons why and
- inviting it to submit observations within 30 days of receiving notification.

If the Agency does not receive observations or decides to pursue the procedure despite the observations it has received, it will formally notify **confirmation** of the suspension. Otherwise, it will formally notify that the procedure is not continued.

The suspension will **take effect** five days after confirmation notification is received by the coordinator (or on a later date specified in the notification).

It will be **lifted** if the conditions for resuming implementation of the action are met.

The coordinator will be formally notified of the lifting and the Agreement will be **amended** to set the date on which the action will be resumed, extend the duration of the action and make other changes necessary to adapt the action to the new situation (see Article 39) — unless the Agreement has already been terminated (see Article 34).

The suspension will be lifted with effect from the resumption date set out in the amendment. This date may be before the date on which the amendment enters into force.

Costs incurred during suspension are not eligible (see Article 6).

The beneficiaries may not claim damages due to suspension by the Agency (see Article 30).

Suspension of the action implementation does not affect the Agency's right to terminate the Agreement or participation of a beneficiary (see Article 34), reduce the grant or recover amounts unduly paid (see Articles 27 and 28).

ARTICLE 34 — TERMINATION OF THE AGREEMENT OR OF THE PARTICIPATION OF ONE OR MORE BENEFICIARIES

34.1 Termination of the Agreement by the beneficiaries

34.1.1 Conditions and procedure

The beneficiaries may terminate the Agreement.

The coordinator must formally notify termination to the Agency (see Article 36), stating:

- the reasons why and
- the date the termination will take effect. This date must be after the notification.

If no reasons are given or if the Agency considers the reasons do not justify termination, the Agreement will be considered to have been '**terminated improperly**'.

The termination will **take effect** on the day specified in the notification.

34.1.2 Effects

The coordinator must — within 60 days from when termination takes effect — submit:

- (i) a periodic report (for the open reporting period until termination; see Article 15.3) and
- (ii) the final report (see Article 15.4).

If the Agency does not receive the reports within the deadline (see above), only costs which are included in an approved periodic report will be taken into account.

The Agency will **calculate** the final grant amount (see Article 5.3) and the balance (see Article 16.4) on the basis of the reports submitted. Only costs incurred until termination are eligible (see Article 6). Costs relating to contracts due for execution only after termination are not eligible.

Improper termination may lead to a reduction of the grant (see Article 27).

After termination, the beneficiaries' obligations (in particular Articles 15, 17, 18, Section 3 of Chapter 4, 21, 22 and 24) continue to apply.

34.2 Termination of the participation of one or more beneficiaries, by the beneficiaries

34.2.1 Conditions and procedure

The participation of one or more beneficiaries may be terminated by the coordinator, on request of the beneficiary concerned or on behalf of the other beneficiaries.

The coordinator must formally notify termination to the Agency (see Article 36) and inform the beneficiary concerned.

If the coordinator's participation is terminated without its agreement, the formal notification must be done by another beneficiary (acting on behalf of the other beneficiaries).

The notification must include:

- the reasons why;
- the opinion of the beneficiary concerned (or proof that this opinion has been requested in writing);
- the date the termination takes effect. This date must be after the notification, and
- a request for amendment (see Article 39), with a proposal for reallocation of the tasks and the estimated budget of the beneficiary concerned (see Annexes 1 and 2) and, if necessary, the addition of one or more new beneficiaries (see Article 40). If termination takes effect after the period set out in Article 3, no request for amendment must be included, unless the beneficiary concerned is the coordinator. In this case, the request for amendment must propose a new coordinator.

If this information is not given or if the Agency considers that the reasons do not justify termination, the participation will be considered to have been **terminated improperly**.

The termination will **take effect** on the day specified in the notification.

34.2.2 Effects

The beneficiary concerned must submit to the coordinator:

- (i) a technical report and
- (ii) a financial statement covering the period from the end of the last reporting period to the date when termination takes effect.

This information must be included by the coordinator in the periodic report for the next reporting period (see Article 15.3).

If the request for amendment is rejected by the Agency (because it calls into question the decision awarding the grant or breaches the principle of equal treatment of applicants), the Agreement may be terminated according to Article 34.3.1(c).

If the request for amendment is accepted by the Agency, the Agreement is **amended** to introduce the necessary changes (see Article 39).

Improper termination may lead to a reduction of the grant (see Article 27) or termination of the Agreement (see Article 34).

After termination, the concerned beneficiary's obligations (in particular Articles 15, 17, 18, Section 3 of Chapter 4, 21, 22 and 24) continue to apply.

34.3 Termination of the Agreement or of the participation of one or more beneficiaries, by the Agency

34.3.1 Conditions

The Agency may terminate the Agreement or the participation of one or more beneficiaries, if:

- (a) one or more beneficiaries do not accede to the Agreement (see Article 40);
- (b) a change to their legal, financial, technical, organisational or ownership situation is likely to substantially affect or delay the implementation of the action or calls into question the decision to award the grant;
- (c) following termination of participation for one or more beneficiaries (see above), the necessary changes to the Agreement would call into question the decision awarding the grant or breach the principle of equal treatment of applicants (see Article 39);
- (d) implementation of the action is prevented by force majeure (see Article 35) or suspended by the coordinator (see Article 33.1) and either:
 - (i) resumption is impossible, or
 - (ii) the necessary changes to the Agreement would call into question the decision awarding the grant or breach the principle of equal treatment of applicants;
- (e) a beneficiary is declared bankrupt, being wound up, having its affairs administered by the courts, has entered into an arrangement with creditors, has suspended business activities, or is subject to any other similar proceedings or procedures under national law;
- (f) a beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has been found guilty of professional misconduct, proven by any means;
- (g) a beneficiary does not comply with the applicable national law on taxes and social security;
- (h) a beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has committed fraud, corruption, or is involved in a criminal organisation, money laundering or any other illegal activity affecting the EU's financial interests;

- (i) a beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has — in the award procedure or under the Agreement — committed:
 - (i) substantial errors, irregularities, fraud or
 - (ii) serious breach of obligations, including improper implementation of the action, submission of false information, failure to provide required information, breach of ethical principles;
- (j) a beneficiary has committed — in other EU or Euratom grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on this grant (**‘extension of findings from other grants to this grant’**).

34.3.2 Procedure

Before terminating the Agreement or participation of one or more beneficiaries, the Agency will formally notify the coordinator:

- informing it of its intention to terminate and the reasons why and
- inviting it, within 30 days of receiving notification, to submit observations and — in case of Point (i.ii) above — to inform the Agency of the measures to ensure compliance with the obligations under the Agreement.

If the Agency does not receive observations or decides to pursue the procedure despite the observations it has received, it will formally notify to the coordinator **confirmation** of the termination and the date it will take effect. Otherwise, it will formally notify that the procedure is not continued.

The termination will **take effect**:

- for terminations under Points (b), (c), (e), (g) and (i.ii) above: on the day specified in the notification of confirmation (see above);
- for terminations under Points (a), (d), (f), (h), (i.i) and (j) above: on the day after the notification of the confirmation is received by the coordinator.

34.3.3 Effects

- (a) for **termination of the Agreement**:

The coordinator must — within 60 days from when termination takes effect — submit:

- (i) a periodic report (for the last open reporting period until termination; see Article 15.3) and
- (ii) a final report (see Article 15.4).

If the Agreement is terminated for breach of the obligation to submit the reports (see Articles 15.8 and 34.3.1(l)), the coordinator may not submit any reports after termination.

If the Agency does not receive the reports within the deadline (see above), only costs which are included in an approved periodic report will be taken into account.

The Agency will **calculate** the final grant amount (see Article 5.3) and the balance (see Article 16.4) on the basis of the reports submitted. Only costs incurred until termination takes effect are eligible (see Article 6). Costs relating to contracts due for execution only after termination are not eligible.

This does not affect the Agency's right to reduce the grant (see Article 27) or to impose administrative and financial penalties (Article 29).

The beneficiaries may not claim damages due to termination by the Agency (see Article 30).

After termination, the beneficiaries' obligations (in particular Articles 15, 17, 18, Section 3 of Chapter 4, 21, 22 and 24) continue to apply.

(b) for termination of the participation of one or more beneficiaries:

The coordinator must — within 60 days from when termination takes effect — submit:

- (i) a request for amendment (see Article 39), with a proposal for reallocation of the tasks and estimated budget of the beneficiary concerned (see Annexes 1 and 2) and, if necessary, the addition of one or more new beneficiaries (see Article 40). If termination is notified after the period set out in Article 3, no request for amendment must be submitted unless the beneficiary concerned is the coordinator. In this case the request for amendment must propose a new coordinator.

The beneficiary concerned must submit to the coordinator:

- (i) a technical report and
- (ii) a financial statement covering the period from the end of the last reporting period to the date when termination takes effect.

This information must be included by the coordinator in the periodic report for the next reporting period (see Article 15.3).

If the request for amendment is rejected by the Agency (because it calls into question the decision awarding the grant or breaches the principle of equal treatment of applicants), the Agreement may be terminated according to Article 34.3.1(c).

If the request for amendment is accepted by the Agency, the Agreement is **amended** to introduce the necessary changes (see Article 39).

After termination, the concerned beneficiary's obligations (in particular Articles 15, 17, 18, Section 3 of Chapter 4, 21, 22 and 24) continue to apply.

SECTION 4 FORCE MAJEURE

ARTICLE 35 — FORCE MAJEURE

‘Force majeure’ means any situation or event that:

- prevents either party from fulfilling their obligations under the Agreement,
- was unforeseeable, exceptional situation and beyond the parties’ control,
- was not due to error or negligence on their part (or on the part of third parties involved in the action), and
- proves to be inevitable in spite of exercising all due diligence.

The following cannot be invoked as force majeure:

- any default of a service, defect in equipment or material or delays in making them available, unless they stem directly from a relevant case of force majeure,
- labour disputes or strikes, or
- financial difficulties.

Any situation constituting force majeure must be formally notified to the other party without delay, stating the nature, likely duration and foreseeable effects.

The parties must immediately take all the necessary steps to limit any damage due to force majeure and do their best to resume implementation of the action as soon as possible.

The party prevented by force majeure from fulfilling its obligations under the Agreement cannot be considered in breach of them.

CHAPTER 7 FINAL PROVISIONS

ARTICLE 36 — COMMUNICATION BETWEEN THE PARTIES

36.1 Form and means of communication

Communication under the Agreement (information, requests, submissions, ‘formal notifications’, etc.) must:

- be made in writing and
- bear the number of the Agreement.

Until the payment of the balance: all communication must be made through the electronic exchange system and using the forms and templates provided there.

After the payment of the balance: formal notifications must be made by registered post with proof of delivery (‘formal notification on paper’).

Communications in the electronic exchange system must be made by persons authorised according to the ‘Terms and Conditions of Use of the electronic exchange system’. For naming the authorised

persons, each beneficiary must have designated — before the signature of this Agreement — a ‘Legal Entity Appointed Representative (LEAR)’. The role and tasks of the LEAR are stipulated in his/her appointment letter (see Terms and Conditions of Use of the electronic exchange system).

If the electronic exchange system is temporarily unavailable, instructions will be given on the Agency and Commission websites.

36.2 Date of communication

Communications are considered to have been made when they are sent by the sending party (i.e. on the date and time they are sent through the electronic exchange system).

Formal notifications through the **electronic** exchange system are considered to have been made when they are received by the receiving party (i.e. on the date and time of acceptance by the receiving party, as indicated by the time stamp). A formal notification that has not been accepted within 10 days after sending is considered to have been accepted.

Formal notifications **on paper** sent by **registered post** with proof of delivery (only after the payment of the balance) are considered to have been made on either:

- the delivery date registered by the postal service or
- the deadline for collection at the post office.

If the electronic exchange system is temporarily unavailable, the sending party cannot be considered in breach of its obligation to send a communication within a specified deadline.

36.3 Addresses for communication

The **electronic** exchange system must be accessed via the following URL:

<https://ec.europa.eu/research/participants/portal/desktop/en/projects/>

The Agency will formally notify the coordinator and beneficiaries in advance any changes to this URL.

Formal notifications on paper (only after the payment of the balance) addressed **to the Agency** must be sent to the following address:

*Executive Agency for Small and Medium-sized Enterprises (EASME)
COSME
Place Rogier 16
B-1049 Brussels Belgium*

Formal notifications on paper (only after the payment of the balance) addressed **to the beneficiaries** must be sent to their legal address as specified in the 'Beneficiary Register'.

ARTICLE 37 — INTERPRETATION OF THE AGREEMENT

37.1 Precedence of the Terms and Conditions over the Annexes

The provisions in the Terms and Conditions of the Agreement take precedence over its Annexes.

Annex 2 takes precedence over Annex 1.

37.2 Privileges and immunities

Not applicable

ARTICLE 38 — CALCULATION OF PERIODS, DATES AND DEADLINES

In accordance with Regulation No 1182/71¹⁰, periods expressed in days, months or years are calculated from the moment the triggering event occurs.

The day during which that event occurs is not considered as falling within the period.

ARTICLE 39 — AMENDMENTS TO THE AGREEMENT

39.1 Conditions

The Agreement may be amended, unless the amendment entails changes to the Agreement which would call into question the decision awarding the grant or breach the principle of equal treatment of applicants.

Amendments may be requested by any of the parties.

39.2 Procedure

The party requesting an amendment must submit a request for amendment signed in the electronic exchange system (see Article 36).

The coordinator submits and receives requests for amendment on behalf of the beneficiaries (see Annex 3).

If a change of coordinator is requested without its agreement, the submission must be done by another beneficiary (acting on behalf of the other beneficiaries).

The request for amendment must include:

- the reasons why;
- the appropriate supporting documents, and
- for a change of coordinator without its agreement: the opinion of the coordinator (or proof that this opinion has been requested in writing).

The Agency may request additional information.

If the party receiving the request agrees, it must sign the amendment in the electronic exchange system within 45 days of receiving notification (or any additional information the Agency has requested). If it does not agree, it must formally notify its disagreement within the same deadline. The deadline may

¹⁰ Regulation (EEC, Euratom) No 1182/71 of the Council of 3 June 1971 determining the rules applicable to periods, dates and time-limits (OJ L 124, 8/6/1971, p. 1).

be extended, if necessary for the assessment of the request. If no notification is received within the deadline, the request is considered to have been rejected.

An amendment **enters into force** on the day of the signature of the receiving party.

An amendment **takes effect** on the date agreed by the parties or, in the absence of such an agreement, on the date on which the amendment enters into force.

ARTICLE 40 — ACCESSION TO THE AGREEMENT

40.1 Accession of the beneficiaries mentioned in the Preamble

The other beneficiaries must accede to the Agreement by signing the Accession Form (see Annex 3) in the electronic exchange system (see Article 36) within 30 days after its entry into force (see Article 42)

They will assume the rights and obligations under the Agreement with effect from the date of its entry into force (see Article 42).

If a beneficiary does not accede to the Agreement within the above deadline, the coordinator must — within 30 days — request an amendment to make any changes necessary to ensure proper implementation of the action. This does not affect the Agency's right to terminate the Agreement (see Article 34).

40.2 Addition of new beneficiaries

In justified cases, the beneficiaries may request the addition of a new beneficiary.

For this purpose, the coordinator must submit a request for amendment in accordance with Article 39. It must include an Accession Form (see Annex 3) signed by the new beneficiary in the electronic exchange system (see Article 36).

New beneficiaries must assume the rights and obligations under the Agreement with effect from the date of their accession specified in the Accession Form (see Annex 3).

ARTICLE 41 — APPLICABLE LAW AND SETTLEMENT OF DISPUTES

41.1 Applicable law

The Agreement is governed by the applicable EU law, supplemented if necessary by the law of Belgium.

41.2 Dispute settlement

If a dispute concerning the interpretation, application or validity of the Agreement cannot be settled amicably, the General Court — or, on appeal, the Court of Justice of the European Union — has sole jurisdiction. Such actions must be brought under Article 272 of the Treaty on the Functioning of the EU (TFEU).

If a dispute concerns administrative or financial penalties, offsetting or an enforceable decision under Article 299 TFEU (see Articles 28, 29 and 30), the beneficiaries must bring action before the General

Court — or, on appeal, the Court of Justice of the European Union — under Article 263 TFEU. Actions against enforceable decisions must be brought against the Commission (not against the Agency).

ARTICLE 42 — ENTRY INTO FORCE OF THE AGREEMENT

The Agreement will enter into force on the day of signature by the Agency or the coordinator, depending on which is later.

SIGNATURES

For the coordinator

For the Agency



EUROPEAN COMMISSION

Executive Agency for Small and Medium-sized Enterprises (EASME)

COSME

ANNEX 1 (part A)

Grant agreement

NUMBER — 676737 — OFF TO SPAS

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1.1. The project summary

Project Number ¹	676737	Project Acronym ²	OFF TO SPAS
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One form per project

General information

Project title ³	Healthy off-season leisure programmes for seniors in thermal spas and wellness centres
Starting date ⁴	The first day of the month after the signature by the Commission
Duration in months ⁵	15
Call (part) identifier ⁶	COS-TFLOWS-2014-3-15
Topic	COSME-2014-3.5 Increasing tourism flows in low/medium seasons
Fixed EC Keywords	
Free keywords	senior, senior travellers, spa, balneotherapy, off-season, low-season, medical tourism, health tourism, leisure programmes, health tourism development

Abstract ⁷

The main idea of the project is to create new, thermal water related international health tourism products (international balneology product) in spa towns of Central Europe, that could serve as a main attraction in order to bring seniors to these regions in the low tourism seasons. As one of our main objective is to involve and mobilise the largest number of various players of the health tourism value chain, the project will be open for the direct involvement of keys stakeholders (e.g. spa towns, health related associations to join in for product development and other phases as well. Our project intends to set a good practice in bringing together various economic players from different geographical locations in order to reach a common goal, which is of the interest of all participants. We would like to demonstrate that by good planning, harmonising goals and with a fairly low financial investment, new transnational tourism networks and products could be developed, that could provide not only tempting leisure programmes but could also serve as improving or maintaining good health conditions of senior tourists. The main objectives of the projects: Encourage a better cooperation and increased agreements among different actors of the health tourism value chain; Increasing the number of tourism flows during the low and medium seasons; Communication and promotion of tourism as a strategy for active and healthy ageing; Foster the construction of innovative health insurance policies in order to make the product sustainable. Actions proposed: Creating a new, international balneology tourism product network with the above mentioned aims; Senior market analysis, surveys, comparative analysis and other related studies; Local resource based and market-oriented re-positioning of the complementary spa destinations; Holding discuss platforms, workshops and other events. Fostering and facilitating the negotiations amongst the health insurance companies and health services.

1.2. List of Beneficiaries

Project Number ¹	676737	Project Acronym ²	OFF TO SPAS
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List of Beneficiaries

No	Name	Short name	Country	Project entry month ⁸	Project exit month
1	PANNON EGYETEM	UNIPAN	Hungary	1	15
2	AGE PLATFORM EUROPE AISBL	AGE	Belgium	1	15
3	HEVIZI TURISZTIKAI NONPROFIT KORLATOLT FELELOSSEGU TARSASAG	HEVIZ	Hungary	1	15
4	CONSILIUL JUDETEAN COVASNA	COVASNA	Romania	1	15
5	ASOCIATIA PENTRU DEZVOLTAREA TURISMULUI IN JUDETUL COVASNA	COVTOUR	Romania	1	15
6	TRAVEL SPECIALIST GROUP SWEDEN AB	VEGA	Sweden	1	15
7	ZALA MEGYEI ONKORMANYZATA	ZALA	Hungary	1	15

1.3. Workplan Tables - Detailed implementation

1.3.1. WT1 List of work packages

WP Number ⁹	WP Title	Lead beneficiary ¹⁰	Start month ₁₂	End month ₁₃
WP1	PROJECT MANAGEMENT	1 - UNIPAN	1	15
WP2	COMMUNICATION AND DISSEMINATION, COMMUNICATION STRATEGY	3 - HEVIZ	1	15
WP3	PRODUCT DEVELOPMENT, DESIGN OF THE TOURISM CONCEPT	2 - AGE	1	15
WP4	PILOT TESTING, PILOT TEST RUNNING	5 - COVTOUR	4	11
WP5	EVALUATION AND FINE TUNING, EVALUATION OF RESULTS AND LESSONS GATHERING	1 - UNIPAN	8	14

1.3.2. WT2 list of deliverables

Deliverable Number ¹⁴	Deliverable Title	WP number ⁹	Lead beneficiary	Type ¹⁵	Dissemination level ¹⁶	Due Date (in months) ¹⁷
D1.1	Project kick-off meeting documentation	WP1	1 - UNIPAN	Report	Confidential, only for members of the consortium (including the Commission Services)	1
D1.2	Partnership kick-off meeting documentation (1st project meeting)	WP1	1 - UNIPAN	Report	Confidential, only for members of the consortium (including the Commission Services)	1
D1.3	Project meeting documentation (2nd project meeting)	WP1	1 - UNIPAN	Report	Confidential, only for members of the consortium (including the Commission Services)	6
D1.4	Project meeting documentation (3rd project meeting)	WP1	1 - UNIPAN	Report	Confidential, only for members of the consortium (including the Commission Services)	11
D1.5	Project meeting documentation (4th project meeting)	WP1	1 - UNIPAN	Report	Confidential, only for members of the consortium (including the Commission Services)	15
D1.6	Administrative documents	WP1	1 - UNIPAN	Report	Confidential, only for members of the consortium (including the Commission Services)	15
D1.7	1st Quarterly report	WP1	1 - UNIPAN	Report	Confidential, only for members of the consortium (including the Commission Services)	4
D1.8	2nd Quarterly Report	WP1	1 - UNIPAN	Report	Confidential, only for members of the consortium (including the Commission Services)	11

Deliverable Number ¹⁴	Deliverable Title	WP number ⁹	Lead beneficiary	Type ¹⁵	Dissemination level ¹⁶	Due Date (in months) ¹⁷
D2.1	Communication strategy	WP2	1 - UNIPAN	Report	Public	2
D2.2	Conference/workshop participation documents	WP2	3 - HEVIZ	Report	Confidential, only for members of the consortium (including the Commission Services)	15
D2.3	International conference documentation	WP2	3 - HEVIZ	Report	Confidential, only for members of the consortium (including the Commission Services)	15
D2.4	Dissemination materials	WP2	3 - HEVIZ	Websites, patents filling, etc.	Public	15
D3.1	Research plan	WP3	1 - UNIPAN	Other	Confidential, only for members of the consortium (including the Commission Services)	2
D3.2	Background study	WP3	2 - AGE	Other	Confidential, only for members of the consortium (including the Commission Services)	3
D3.3	Research report	WP3	1 - UNIPAN	Report	Confidential, only for members of the consortium (including the Commission Services)	4
D3.4	Service portfolio	WP3	3 - HEVIZ	Demonstration	Public	5
D3.5	Workshop documentation	WP3	5 - COVTOUR	Report	Confidential, only for members of the consortium (including the Commission Services)	3
D3.6	Study tour documentation	WP3	2 - AGE	Report	Confidential, only for members of the consortium (including the Commission Services)	6

Deliverable Number ¹⁴	Deliverable Title	WP number ⁹	Lead beneficiary	Type ¹⁵	Dissemination level ¹⁶	Due Date (in months) ¹⁷
D4.1	Series of evaluation templates	WP4	1 - UNIPAN	Report	Confidential, only for members of the consortium (including the Commission Services)	7
D5.1	Evaluation report	WP5	1 - UNIPAN	Report	Confidential, only for members of the consortium (including the Commission Services)	11
D5.2	Evaluation workshop documentation	WP5	5 - COVTOUR	Report	Confidential, only for members of the consortium (including the Commission Services)	11

1.3.3. WT3 Work package descriptions

Work package number ⁹	WP1	Lead beneficiary ¹⁰	1 - UNIPAN
Work package title	PROJECT MANAGEMENT		
Start month	1	End month	15

Objectives

The objective of the WP is to ensure the successful and timely performance of the project as well as a coherent structure that covers all stages of the project.

In order to reach the identified needs and to reach the desired outcomes we have selected a comprehensive set of measures, and a well-prepared project management staff will ensure the sound management and proper administration of the project using relevant project management tools according to the international project management standards, with focus on value for money and cost-effectiveness. It will use Internet-based collaborative tools together with traditional administrative tools and techniques to ensure that the project outcome is properly documented.

Description of work and role of partners

WP1 - PROJECT MANAGEMENT [Months: 1-15]

UNIPAN

In the course of the project management activities project meetings and frequent administration and regular reporting will be implemented to provide the opportunity of immediate interventions if necessary. The following sub-activities will be carried out:

1.1 Project kick off meeting in Brussels

Two competent persons from the CC UNIPAN will travel to Brussels in the first month of the project to meet the EASME Programme Managers and discuss the issues of the project start and implementation, challenges and possible answers.

1.2 Consortium kick off meeting in Hévíz

At the beginning of the project a strong teambuilding including all task allocations and roles will be clarified in the course of the kick-off meeting. Well defined tasks will be assigned and discussed with the respective Consortium Partner as per set in the project proposal. A strong communication line will be built between all Consortium Partners (including the Consortium Coordinator). Every project team member will know what needs to be done, because every work package will be explained and planned in a proper manner. Project management tools (softwares, cloud services, knowledge sharing) will be applied in order to make the project implementation as transparent as possible. The kick-off meeting (as the 1st project meeting) for the partnership will be a two-day event organised by CP3 HÉVÍZ. The meeting will be held in Hévíz (HU) and attended by all Consortium Partners represented by 1-2 professionals.

1.3 Project meetings

Beyond the kick-off meeting (please refer to WP1.2) there are three project meetings planned to be implemented in the course of the project. The proposed dates of the meetings follow the reporting schedule (interim and final reports) and the most important milestones of the project (i.e. pilot evaluation WP5.3). Professional workshops for the partnership (i.e. assessment workshop <WP3.6> on the findings of the needs and supply assessment <WP3.3>) will also provide ground for discussing project management issues (i.e. reporting, administration issues). All project meetings are planned to be 2-3 day events attended by partners. CP6 VEGA will join the 2nd and 3rd meeting online.

The 2nd project meeting will be organised by CC UNIPAN in Veszprém (HU) in the 6th month of the project. The 3rd project meeting is planned to be held in Covasna (RO) organised by CP5 COVTOUR in the 11th month of implementation. The final project meeting will be implemented in Hévíz (HU) jointly with the final dissemination conference in the 15th month of the project implementation.

1.4 Administration

Partners will maintain up-to-date books of account, in accordance with the accounting conventions imposed on them by law and existing regulations in accordance with the relevant Programme rules. Partners will retain all appropriate supporting documentation for all expenditure for the project as reported, as per set in the relevant Programme rules (tender documents, invoices, purchase orders, proof of payments, salary slips, time sheets, etc.).

1.5 Reporting

As per the Programme rules an interim and a final report has to be submitted by the Consortium. The interim report is scheduled to be submitted in the 7th month of the implementation while the final report is planned for the end of the implementation. Besides the compulsory reports the Consortium Partners will be requested to provide quarterly reports to the Consortium Coordinator in the 4th and the 11th months of the project. The quarterly reports will help in identifying eventual need for interventions if needed.

Participation per Partner

Partner number and short name ¹⁰
1 - UNIPAN
2 - AGE
3 - HEVIZ
4 - COVASNA
5 - COVTOUR
6 - VEGA
7 - ZALA

List of deliverables

Deliverable Number ¹⁴	Deliverable Title	Lead beneficiary	Type ¹⁵	Dissemination level ¹⁶	Due Date (in months) ¹⁷
D1.1	Project kick-off meeting documentation	1 - UNIPAN	Report	Confidential, only for members of the consortium (including the Commission Services)	1
D1.2	Partnership kick-off meeting documentation (1st project meeting)	1 - UNIPAN	Report	Confidential, only for members of the consortium (including the Commission Services)	1
D1.3	Project meeting documentation (2nd project meeting)	1 - UNIPAN	Report	Confidential, only for members of the consortium (including the Commission Services)	6
D1.4	Project meeting documentation (3rd project meeting)	1 - UNIPAN	Report	Confidential, only for members of the consortium (including the Commission Services)	11
D1.5	Project meeting documentation (4th project meeting)	1 - UNIPAN	Report	Confidential, only for members of the consortium	15

List of deliverables

Deliverable Number ¹⁴	Deliverable Title	Lead beneficiary	Type ¹⁵	Dissemination level ¹⁶	Due Date (in months) ¹⁷
				(including the Commission Services)	
D1.6	Administrative documents	1 - UNIPAN	Report	Confidential, only for members of the consortium (including the Commission Services)	15
D1.7	1st Quarterly report	1 - UNIPAN	Report	Confidential, only for members of the consortium (including the Commission Services)	4
D1.8	2nd Quarterly Report	1 - UNIPAN	Report	Confidential, only for members of the consortium (including the Commission Services)	11

Description of deliverables

The implementation of the work package will result in deliverables related to project management: (i) partners' meetings documentation - highlighting the major agreements of the partnership regarding the project implementation, and (ii) reports - monitoring the progress of the project.

D1.1 : Project kick-off meeting documentation [1]

Minutes prepared on the major issues discussed with the EASME officers in Brussels.

D1.2 : Partnership kick-off meeting documentation (1st project meeting) [1]

The deliverable will include the minutes of the project kick-off meeting in Hévíz (HU), the agenda, photos and the attendance sheet.

D1.3 : Project meeting documentation (2nd project meeting) [6]

Minutes of the meetings, Agendas, Photos, Attendance sheets

D1.4 : Project meeting documentation (3rd project meeting) [11]

Minutes of the meetings, Agendas, Photos, Attendance sheets

D1.5 : Project meeting documentation (4th project meeting) [15]

Minutes of the meetings, Agendas, Photos, Attendance sheets

D1.6 : Administrative documents [15]

Time sheets, invoices, proof of performance, payment documents

D1.7 : 1st Quarterly report [4]

Quarterly report for inside use

D1.8 : 2nd Quarterly Report [11]

Quarterly report (for inside use)

Schedule of relevant Milestones

Milestone number¹⁸	Milestone title	Lead beneficiary	Due Date (in months)	Means of verification
MS1	Kick-off meeting held	1 - UNIPAN	1	In the first month of the implementation two competent persons from the CC UNIPAN will travel to Brussels to meet the EASME Programme Managers. Close to that event a Consortium kick-off meeting will be held in Hévíz, attended by all the Consortium Partners represented by 1-2 professionals. Well defined tasks will be assigned and discussed. Every work package will be explained and planned in a proper manner. Partners discuss the project management tools, the administrative obligations and reporting methods. Partners will also plan the schedule of the following meetings.
MS2	1 interim report submitted	1 - UNIPAN	7	In the 7th month of the implementation an interim report is scheduled to be submitted by the Consortium.
MS3	1 final report submitted	1 - UNIPAN	15	The final report is planned to be compiled in the last month of the project implementation and will be submitted right after closing the project works.

Work package number ⁹	WP2	Lead beneficiary ¹⁰	3 - HEVIZ
Work package title	COMMUNICATION AND DISSEMINATION, COMMUNICATION STRATEGY		
Start month	1	End month	15

Objectives

In order to ensure a high reach on our target groups thus transferring the results in an efficient way requires a comprehensive communication and dissemination strategy to be elaborated considering both the project implementation related and the transnational product related issues. Activities do not last only for the period of the project implementation but will be sustained in order to ensure a longlasting effect and to have an impact beyond the project's lifetime.

In order to gain the attention of our target groups we will introduce a dialogue using several communication channels including:

- online marketing tools (project website and social media <facebook>, professional networks);
- classic "offline" marketing tools including press, magazines, radio, television, providing information to a wider audience;
- event marketing through participating in conferences and/or professional workshops, as well as organising and implementing the transnational product dissemination international conference;
- one-on-one meetings with decision-makers and key personnel of stakeholders.

The elaboration of the transnational product's (post-project) communication strategy will contribute to successfully sustaining the project results, outcomes.

Description of work and role of partners

WP2 - COMMUNICATION AND DISSEMINATION, COMMUNICATION STRATEGY [Months: 1-15]
HEVIZ

Reaching the objectives of the Communication work package the following activities will be implemented:

2.1 Elaboration of the communication strategies for the project implementation and the transnational product
 As a first step, CC UNIPAN will prepare a detailed communication strategy, including also the necessary templates, visual identity tools and activities as well as graphic design. Consortium Partners will provide lists and databases on stakeholders and press and they will assist in identifying national and regional communication channels too. CC UNIPAN will provide the draft strategy for the Consortium kick-off meeting. The Consortium will discuss the draft communication strategies in person during the Consortium kick-off meeting. After finalising and fine tuning the communication strategy but before its implementation Consortium Partners will agree during an online discussion after the Consortium kick-off meeting.

2.2 Online communication
 In order to strengthen the propagation and use of the results of the project to all targeted groups, the website will start to be set up right from the beginning of the communication and dissemination phase. It will serve as the basic communication and dissemination tool and will complement all other activities, such as project management, media work, conferences, etc. The website will introduce the objectives and actions of the project, provide information on the Consortium Partners, make available dissemination materials as well. Beautifully captured pictures will make this internet tool vivid. CC UNIPAN creates the website for the transnational product which is to be developed in the course of the project and for providing information on the project itself. Website maintenance, regular updating is also their task. The content development will be done with the lead of CC UNIPAN, all partners will provide inputs (information, photos, descriptions, charts, etc.) to the website creation and updates. The website will have a "confidential part" to which only Consortium Partners will have access. This section will serve for sharing internal documents, working materials, drafts, project reports, etc. within the Consortium.
 The project website will be available in English. German and Swedish translation will be provided for core content. An account on the facebook social media portal will also be created. Besides connecting to key stakeholders and professionals, this channel will allow us to share our ideas to reach wider, general public too. The LinkedIn professional network of stakeholders will also be created providing also a forum for communication with and among the target groups. Both the LinkedIn and the facebook accounts will be frequently updated with relevant information.

2.3 Offline Communication

In the course of the Consortium offline communication measures participation in conferences and/or workshops, 1-on-1 meetings, media interviews, PR articles, press conferences, press interviews are planned.

When completing project meetings and conferences, press conferences will be organised too. With the invitation of local and national media the Consortium will deliver its messages (to be developed in the course of WP2.1) to a wider audience. Also, press releases will be sent to various magazines, newspapers and special press. Each partner will be responsible to prepare at least 1-1 article that will be circulated in local, regional and national press. Media relations will result in TV or radio appearances of the project. Consortium Partners will keep records of the published press releases, articles and other media appearances and will upload them to the project website/facebook/LinkedIn accounts.

All Consortium Partners will participate in conferences and workshops with topics related to the particular product development. Partners are to attend different events communicating and disseminating the project, the (expected) product. They will endeavour to hold presentations or exhibit the project during the conferences/workshops. Since such an event will be participated by only one Consortium Partner, altogether 7 different conferences/workshops will be attended by the Consortium. Please note that as a preparatory action to participating in such a conference, the experts of CC UNIPAN are sending their abstract to the Annual Conference of the ATLAS Group organised by the Royal Geographical Society (with IBG) with the title “Travel after retirement” (the conference is scheduled for September 2015). In order to ensure the division of participation,

Consortium Partners are to agree on the event calendar during the Consortium kick-off meeting. Fine tuning of the event calendar will be carried out in the course of the interim project meeting.

There will be one-on-one meetings implemented with key stakeholders. Each Consortium Partner is expected to carry out and report on at least three such meetings. One-on-one meetings will serve as a major communication forum with the key stakeholders, among them especially decision makers, health insurance experts, etc.

The final dissemination conference of the project will be held together with the final project meeting at the end of the project implementation period (September 2016) in Hévíz (HU), organised by CP3 HÉVÍZ. Approximately 50 participants (key stakeholders, decision-makers, press, tourism companies, etc.) are expected to attend. (Invitations will be sent to some hundred persons/organisations.) All partners will participate and contribute to the final conference by (i) inviting stakeholders, (ii) providing inputs, (iii) making presentations.

2.4 Dissemination materials

Besides online available information tangible dissemination materials have inevitable role in successful project implementation. Brochures, flyers, small gadgets distributed to the target audience will provide an added value to the project.

Those Consortium Partners that represent Spa towns (i.e. Hévíz spa represented by CP3 HÉVÍZ, Covasna spa by CP5 COVTOUR) will create their brochures, flyers, online (digital) materials on the new sub-product (500-500 copies of brochures). The dissemination materials will be available in English and translated to German as well.

A tri-lingual (English-German-Swedish) brochure on the transnational product will be compiled by CC UNIPAN and published in 1200 copies by CP6 VEGA (only in Swedish) and 500-500 by CP3 HÉVÍZ and CP5 COVTOUR. The transnational product brochure will be distributed by CP6 VEGA among their registered addresses, and by Consortium Partners during offline communication events (conferences, one-on-one meetings, etc. – please refer to WP2.3 – implemented by all Consortium Partners), in the course of study tour participants’ recruiting (by CP2 AGE and CP6 VEGA, please refer to WP3.9) and pilot travellers’ selection (by CP6 VEGA, please refer to WP4.2).

Roll-ups (altogether 2 pcs) will be created to support the project, the transnational product during conferences/workshops.

A short movie on the final transnational product will be elaborated (co-financed by Consortium Partners representing Spa towns, CP3 HÉVÍZ, CP4 COVASNA) and translated to languages of the target areas (Sweden, Austria, Germany). There will be trailers shot by the same service provider (contracted by CP3 HÉVÍZ) to ensure the same quality of the 2-3 minute long short films. They are to be considered separate creations usable separately also, but a movie including all relevant spa destinations will be edited also. The movie will be available online on the project/product website and on Consortium Partners’ websites as well.

Study tour packages distributed to the participants of study tours (please refer to WP 3.9) will be compiled and co-financed by Consortium Partners representing Spa towns (CP3 HÉVÍZ, CP4 COVASNA). Such packages will include project/product folder, brochures, maps, note pad, pen, pendrive, towel and bathrobe. The contents will be discussed during the assessment workshop of Consortium Partners scheduled for the 3rd month of project implementation (September 2015).

For the final dissemination conference (please refer to WP2.3) conference packages will be assembled (and financed) by CP3 HÉVÍZ and distributed to the conference attendants. Such packages will contain project/product folder, brochures, maps, note pad, pen, etc. – the exact contents will be discussed during the 3rd project meeting (organised by CP3 Covasna Tourism Association) in the 11th implementation month (May 2016).

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Participation per Partner

Partner number and short name ¹⁰
1 - UNIPAN
2 - AGE
3 - HEVIZ
4 - COVASNA
5 - COVTOUR
6 - VEGA
7 - ZALA

List of deliverables

Deliverable Number ¹⁴	Deliverable Title	Lead beneficiary	Type ¹⁵	Dissemination level ¹⁶	Due Date (in months) ¹⁷
D2.1	Communication strategy	1 - UNIPAN	Report	Public	2
D2.2	Conference/workshop participation documents	3 - HEVIZ	Report	Confidential, only for members of the consortium (including the Commission Services)	15
D2.3	International conference documentation	3 - HEVIZ	Report	Confidential, only for members of the consortium (including the Commission Services)	15
D2.4	Dissemination materials	3 - HEVIZ	Websites, patents filling, etc.	Public	15

Description of deliverables

Communication and dissemination related deliverables include the documents that shall be produced as per described in the communication strategy. The strategy itself will be developed in the course of the project, therefore the precise list of deliverables cannot be compiled at this stage. However, partners will provide several dissemination materials, i.e. brochures, transnational product brochure, movie, study tour packages, conference packages, etc. Project management-communication related deliverables will also be available (website, roll-ups, etc.). Among communication related deliverables the documentation of the conferences partners attended will also be provided.

D2.1 : Communication strategy [2]

A strategic document with information on (i) the types of dissemination activity that will be used,(ii) the methods and mechanisms, (iii) timetable for the different activities, (iv) strategy for extending the activities beyond the project's lifetime. As an annex to the strategy the necessary templates of communicating the transnational product will be developed. Templates will be created for presentations,press releases, transnational product brochure, etc. Besides the mandatory visual elements of the Programme, our key messages and communication activities will be identified

by a unique project logo, slogan and visuals. The communication strategy and its annexed graphic design will be distributed among partners.

D2.2 : Conference/workshop participation documents [15]

Invitation/Registration documents, Agendas, Photos, Presentations(if any)

D2.3 : International conference documentation [15]

Invitation and Registration documents, Agenda, Photos, Presentations, Attendance sheets

D2.4 : Dissemination materials [15]

Copy of brochures, transnational product brochure, movie (on DVD/pendrive), set of study tour and conference packages

Schedule of relevant Milestones

Milestone number ¹⁸	Milestone title	Lead beneficiary	Due Date (in months)	Means of verification
MS1	Kick-off meeting held	1 - UNIPAN	1	In the first month of the implementation two competent persons from the CC UNIPAN will travel to Brussels to meet the EASME Programme Managers. Close to that event a Consortium kick-off meeting will be held in Héviz, attended by all the Consortium Partners represented by 1-2 professionals. Well defined tasks will be assigned and discussed. Every work package will be explained and planned in a proper manner. Partners discuss the project management tools, the administrative obligations and reporting methods. Partners will also plan the schedule of the following meetings.
MS2	1 interim report submitted	1 - UNIPAN	7	In the 7th month of the implementation an interim report is scheduled to be submitted by the Consortium.
MS3	1 final report submitted	1 - UNIPAN	15	The final report is planned to be compiled in the last month of the project implementation and will be submitted right after closing the project works.

Schedule of relevant Milestones

Milestone number ¹⁸	Milestone title	Lead beneficiary	Due Date (in months)	Means of verification
MS4	Draft communication strategy elaborated	3 - HEVIZ	2	In the 2nd months of the project implementation a detailed communication strategy, will be elaborated including also the necessary templates, visual identity tools and activities as well as graphic design.
MS6	Invitations to the European Balneology Products Conference sent	3 - HEVIZ	11	The European Balneology Products Conference will be organised and implemented in Héviz in September 2016, in the 11th month of the project implementation. Participants will represent primarily European countries. Besides the professional presentations, the new transnational products and the results of "Off to spas" project will be promoted.
MS10	Evaluation workshop held	1 - UNIPAN	11	In the 11th month of the project implementation the data and information collected during the pilot testing will be evaluated for proceeding to the fine tuning of the product. In the course of the 3rd project meeting an evaluation workshop will be held with the contribution and participation of of the partners. In the course of the workshop partners will agree on the fine tuning recommendations of relevant evaluation of the product.
MS11	Transnational balneotherapy product and service portfolio elaborated	3 - HEVIZ	14	In the 14th month of project implementation an international conference will be held in Héviz where as a new product, the result of the project will be introduced. All

Schedule of relevant Milestones

Milestone number ¹⁸	Milestone title	Lead beneficiary	Due Date (in months)	Means of verification
				<p>partners will participate to the conference and this will be a significant event where wide range of stakeholders will also be invited. The conference papers and materials (brochures) will show up the project process and intruduce the steps. The conference papers will be available on the project's website.</p>

Work package number ⁹	WP3	Lead beneficiary ¹⁰	2 - AGE
Work package title	PRODUCT DEVELOPMENT, DESIGN OF THE TOURISM CONCEPT		
Start month	1	End month	15

Objectives

The main objective of this Work Package is to create the tourism development concept (service portfolio) the product development is going to go along by. All the project Partners representing stakeholders and the demand side as well will be involved into the development of service portfolio and sales channels setting up process.

The design of the tourism concept will aim the followings:

- To process a well-planned, comprehensive secondary and primary research on seniors, offseason issues, which can be the appropriate and trustful base for the product development and marketing channels setup.
- Repositioning the spa destinations to create an innovative balneotherapy product custom tailored to the senior market.
- To collect good practices in medical travels financed by health insurance.
- To have reliable and up-to-date data for creating the product development and the sales concept.
- To provide a discussion platform for the supply and market side in order to let them vindicate their interests in the product development.
- To enforce the cooperation amongst the stakeholders of the spas (within and amongst the spa destinations as well).
- To organise study-tours for the existing and new marketing and sales channels in order to introduce the product into the reliable distribution organisations.
- To attract additional businesses and services to support the leisure added spa tourism development.
- To gather good practices, case studies to be able to run the development process very well and to make it adaptable for other tourism development projects as well.

Description of work and role of partners

WP3 - PRODUCT DEVELOPMENT, DESIGN OF THE TOURISM CONCEPT [Months: 1-15]
AGE

The essential part of the project are these concept making and tourism product developing actions, because by these many of the project’s objectives can be realised and address the proposed target groups. These are the detailed actions we planned within this work package:

3.1 Creating a research plan
 The research plan will be created by CC UNIPAN by experts well experienced in researches. The research plan will serve as a framework or a guide for the activities of WP3.2, 3.3, 3.4, 3.5, 3.6, with defining the goals (research questions), the recommended methods, the timing, results and responsible parties of the research phases. Since the research issues clearly will be set up in this document, the plan can play role in the research quality assessment.

3.2 Comprehensive study on the background, motivation and trends in senior tourism
 This study will be compiled by CC UNIPAN and CP2 AGE. Both partners are deeply involved in researches and/or senior issues. The study will be based on secondary data research on:

1. state and private insurance practices in financing seniors' medical treatment in Europe;
2. outlook / short summary in the US market regarding health insurance and medical travels;
3. acceptance and popularity of existing balneological cures in the main sending countries (Austria, Germany) and potential new markets (e.g.: Sweden);
4. senior tourism motivations in the potential sending countries (eg. Sweden).

In addition to the known research problems and data gaps related to senior travel issues there will be new questions and research problems emerged from this study, therefore the study will give a good background to compile the primary research tools and questions.

3.3 Needs and supply assessment
 The objective of the activity is to analyse the demand and supply side of the balneotherapy tourism product combined with leisure activities.
 There will be other spa destinations (Zalakaros, Daruvarske Toplice, Bad Tatzmannsdorf) and health related organisations (eg. ESPA European Spa Association, European Union Of Swimmingpool and Spa Associations,

European Medical Travel Alliance, Medical Spa Society, European Association for Communication in Healthcare etc.) involved into the assessment process and the supply features and needs are sampled through their network.

CC UNIPAN will develop the templates for the assessment (report formats, guidelines) and provide assistance in the course of assessment. Partners performing the assessment (each in the field of their operation) will compile their short reports on it. Then, in the final phase of this activity, CC UNIPAN will compile a report on needs and supply, creating hypothesis-like recommendations to the primary research (WP3.5).

The assessment will be a desk and experience based research. The supply side will be studied regarding the attractions, programmes, accommodation and catering services, local economic strategies, policy environment, treatment protocols, social issues and other resources that influence the product development. The demand side is well known by the tour operators and the senior associations, so their experiences and the literature will offer the appropriate information.

3.4 Benchmarking, case studies, good practices

Good practice examples should help us uncover underlying mechanisms and thus formulate a theory of why they work. Benchmarking is a method which provides continuous improvement and innovative approach. Therefore, beside the desk and primary research, these methods are also convenient to use in creating a tourism development concept and sales portfolio.

In the course of this activity CC UNIPAN will check the information provided and benchmarks the available data and information, compiles case studies and 5 good practices, based on different aspects (e.g. enhancing seniors to travel, low-season programmes, promoting medical packages etc.). As a result, the main principles of the development of the new transnational product will be set up based on the proposal of CC UNIPAN which will be followed by a discussion at an online workshop. All previous issues that emerged in the course of the desk research will be discussed.

Applying the results of WP3.2 and WP3.3 together with the experiences of the workshop CC UNIPAN will develop a (summary) study. In order to well-base the primary research to be carried out in the course of the project, CC UNIPAN will create the questionnaires, interview templates and other research materials to conduct the primary research by the partners (in WP3.5), applying the wellknown model of push and pull motivation factors too.

3.5 Primary research, interviews, questionnaires

The project partners (and further, in the previous work package involved actors) perform the primary research. Project partners will get samples from those groups which they represent (health institutions, public authority, senior association, tourism development organisation etc.) and the supply as well as the demand side will be surveyed. Understanding the motivation of senior travellers is a concrete step in the efforts to improve the quality of life for seniors through leisure activities.

There will be qualitative and quantitative surveys as well, focus group research, questionnaires, indepth interviews. The research report will be assembled by CC UNIPAN, where the survey data will be analysed according to the research questions and the research plan's goals.

We will aim to collect representative data about the demand, or reach the conventionally accepted abundance with random sampling.

3.6 Assessment workshop

In the course of a workshop – organised by CP5 COVTOUR in Covasna (RO) – with the participation of partners the following tasks will be implemented:

- Evaluation of secondary and primary researches (based on WP3.2, 3.3 and 3.5)
- Discussions and agreement on the new product development details, setting up deadlines.

With the findings of the researches conducted within WP3 the frame of the next activity is to be set at this workshop. Project partners will lay down the principles of creating the service portfolio and agree upon the development lines. The workshop also deals with the leisure tourism development issues, so other tourism products and programmes are also will be taken into the agreement.

3.7 Creation of service portfolio

CP3 HÉVÍZ and CP5 COVTOUR create their complementary service portfolios (extra offer from the surrounding areas of spa towns and wellness centres, cultural programmes, sport activities, naturebased outdoor activities, gastronomy etc.) based on the agreements in 3.6 (including cultural and other aspects). CC UNIPAN, CP2 AGE and CP6 VEGA Resor assist by giving inputs (information) if required, checking partial outputs and results, providing advice (if required). Pricing is also part of this activity.

3.8 Setting up marketing and sales channels

CP3 HÉVÍZ and CP5 COVTOUR set up and activate their existing or new marketing and sales channels (including online distribution channels, Senior clubs and associations, Senior fairs, tour operators etc., defined within this action). CP2 AGE, CP6 VEGA are to assist this process, if required. Please note that the dissemination materials that are used in

this activity will be delivered in WP2.4. Sharing experience and gained knowledge will be a session during the Interim Project Meeting to be held in Veszprém (HU) and Final Project Meeting and Conference in Hévíz (Hungary).

3.9 B2B study tours

In order to gain first-hand experience and motivate promotion of the transnational product study tours will be organised to the two spa towns involved in the project (Hévíz and Covasna). CP2 AGE from German speaking areas and CP6 VEGA from the Scandinavian countries will organise and implement 1-1 group to participate in the B2B study tour. The tours are scheduled in November 2015 (appr. 30 persons will participate altogether). Costs of the travel of invited stakeholders are borne by the spa partners (CP3 HÉVÍZ and CP4 COVASNA). The importance of convincing these stakeholders (health related associations, tour operators, senior associations) was mentioned above in the relevant part of Work package 3.

The study tours will be organised in an innovative way, it will contain medical treatments and introduction of the destinations' programmes and attractions, including the gastronomy and events as well. The participants will get medical travel related "Study Tour Packages" with the project logo.

Participation per Partner

Partner number and short name ¹⁰
1 - UNIPAN
2 - AGE
3 - HEVIZ
4 - COVASNA
5 - COVTOUR
6 - VEGA
7 - ZALA

List of deliverables

Deliverable Number ¹⁴	Deliverable Title	Lead beneficiary	Type ¹⁵	Dissemination level ¹⁶	Due Date (in months) ¹⁷
D3.1	Research plan	1 - UNIPAN	Other	Confidential, only for members of the consortium (including the Commission Services)	2
D3.2	Background study	2 - AGE	Other	Confidential, only for members of the consortium (including the Commission Services)	3
D3.3	Research report	1 - UNIPAN	Report	Confidential, only for members of the consortium (including the Commission Services)	4
D3.4	Service portfolio	3 - HEVIZ	Demonstrator	Public	5

List of deliverables

Deliverable Number ¹⁴	Deliverable Title	Lead beneficiary	Type ¹⁵	Dissemination level ¹⁶	Due Date (in months) ¹⁷
D3.5	Workshop documentation	5 - COVTOUR	Report	Confidential, only for members of the consortium (including the Commission Services)	3
D3.6	Study tour documentation	2 - AGE	Report	Confidential, only for members of the consortium (including the Commission Services)	6

Description of deliverables

Deliverables of the product development include the documents of planning, delivering and reporting the results of basing the tourism product, as well as the tourism products elaborated in the course of the project. Other deliverables include the administrative documents for the study tours and workshops of the work package.

D3.1 : Research plan [2]

Document with clear instructions on the methods to be applied during the research, tasks and deadlines.

D3.2 : Background study [3]

A Study with parts on i) senior medical treatment financing models in Europe and US (based on secondary research), ii) acceptance and popularity of balneological cures in the main sending countries and potential new markets (based on primary and secondary research)

D3.3 : Research report [4]

A compiled report on needs and supply assessment, including the description of 5 good practices, and the results of the research performed.

D3.4 : Service portfolio [5]

2 optional service packages by SPA destinations and surrounding areas

D3.5 : Workshop documentation [3]

Minutes, attendance sheets, photos of the event

D3.6 : Study tour documentation [6]

Attendance sheet, photos, feedback report

Schedule of relevant Milestones

Milestone number ¹⁸	Milestone title	Lead beneficiary	Due Date (in months)	Means of verification
MS1	Kick-off meeting held	1 - UNIPAN	1	In the first month of the implementation two competent persons from the CC UNIPAN will travel to Brussels to meet the EASME Programme Managers. Close to that event a Consortium kick-off meeting will be

Schedule of relevant Milestones

Milestone number¹⁸	Milestone title	Lead beneficiary	Due Date (in months)	Means of verification
				held in Hévíz, attended by all the Consortium Partners represented by 1-2 professionals. Well defined tasks will be assigned and discussed. Every work package will be explained and planned in a proper manner. Partners discuss the project management tools, the administrative obligations and reporting methods. Partners will also plan the schedule of the following meetings.
MS2	1 interim report submitted	1 - UNIPAN	7	In the 7th month of the implementation an interim report is scheduled to be submitted by the Consortium.
MS3	1 final report submitted	1 - UNIPAN	15	The final report is planned to be compiled in the last month of the project implementation and will be submitted right after closing the project works.
MS4	Draft communication strategy elaborated	3 - HEVIZ	2	In the 2nd months of the project implementation a detailed communication strategy, will be elaborated including also the necessary templates, visual identity tools and activities as well as graphic design.
MS7	Product and service portfolio defined	2 - AGE	4	In the 4th month of the project implementation a tourism development concept (service portfolio) will be elaborated. All the project partners, representing stakeholders and the demand side also will be involved into the development of service portfolio and sales channels setting up process.

Schedule of relevant Milestones

Milestone number ¹⁸	Milestone title	Lead beneficiary	Due Date (in months)	Means of verification
MS8	Balneotherapy product and service portfolio elaborated	2 - AGE	5	In the 5th month of the implementation of the project on the base of service portfolio an advanced balneotherapy product and service portfolio will be elaborated. The complementary service portfolio will contain extra offer from the surrounding areas of spa towns and wellness centres, cultural programmes, sport and nature based outdoor programs, etc.

Work package number ⁹	WP4	Lead beneficiary ¹⁰	5 - COVTOUR
Work package title	PILOT TESTING, PILOT TEST RUNNING		
Start month	4	End month	11

Objectives

In order to gain first-hand information and experience from the senior tourists the Consortium implements a testing period. As per the data available from the past few years the low season in the involved spa towns starts in November and reaches its negative peak in terms of the number of visitors in the January-March period. Considering this information the Consortium decided to implement a testing period to investigate the success of the transnational product. The first step of testing is the B2B study tour (please refer to WP3.9) the feedbacks of which will be included in the development of the product offered for the seniors.

The main objective of this work package is to study the tourism flow and monitor the tourist activities in qualitative as well as quantitative ways. The communication and marketing activities as well as the tourists' will be surveyed to be able to determine the satisfaction rate and all the success factors the project facilitates. The objectives of this work package are:

- Communicating the elaborated products and packages in order to introduce the product into the Scandinavian and German speaking areas;
- Testing best practice programmes and products;
- Performing complex and flexibly to the target groups variable balneology tourism products;
- Increasing the number of visitors in low-season;
- Collecting data about the visitors' satisfaction for the evaluation work package.

Description of work and role of partners

WP4 - PILOT TESTING, PILOT TEST RUNNING [Months: 4-11]
COVTOUR

The pilot testing of the transnational product will be implemented in the 8th or 9th month of the project (February or March 2016). The process will contain the following activities:

4.1 Organisation of the pilot testing activities
 CC UNIPAN prepares the questionnaires and feedback report forms for the pilot testing survey and evaluation. Such materials will be distributed online and on-site to (and collected from) the seniors participating in the pilot testing in the course of the product. CP3 HÉVÍZ and CP5 COVTOUR will organise the "supply" part of the testing in the pilot areas. They will extend the project network within the stakeholders. CP6 VEGA (and potentially other travel agencies) will recruit seniors (actual sales) to take part in the pilot testing (at least 10-10 seniors from German-speaking countries and Scandinavian countries are to be participating) offering innovative transportation (i.e. "from house to house" transportation services). The communication activities (especially WP2.4) play important role in this action as well as the effectiveness of the sales channels (WP3.8).

4.2 On-site testing of the new product (Pilot travel)
 This activity is the implementation of the pilot travel. CP3 HEVIZ, CP5 COVTOUR and CP6 VEGA will distribute (and later collect) the feedback questionnaires during the implementation of each product part (i.e. travel services, location, catering, accommodation, services, cure, optional programmes, etc.). The research will be made also by field work with observing the tourists, and also with statistical data collection, interviews.

4.3 Testing the sales and marketing channels
 CP3 HEVIZ and CP5 COVTOUR will assess the traditional and innovative sales and market channels developed and applied in the course of the project pilot testing phase (including the contents and quality of the dissemination materials). Short reports will be provided by them for the evaluation work package (WP5).

Participation per Partner

Partner number and short name ¹⁰
1 - UNIPAN
3 - HEVIZ
5 - COVTOUR
6 - VEGA

List of deliverables

Deliverable Number ¹⁴	Deliverable Title	Lead beneficiary	Type ¹⁵	Dissemination level ¹⁶	Due Date (in months) ¹⁷
D4.1	Series of evaluation templates	1 - UNIPAN	Report	Confidential, only for members of the consortium (including the Commission Services)	7

Description of deliverables

The only deliverable of pilot testing and pilot test running is a package which contains the series of evaluation templates, questionnaires (translated to the language of visitors) and feedback reports forms prepared to gain information on the experience of pilot travellers and implementing partners.

D4.1 : Series of evaluation templates [7]

Questionnaires (translated to the languages of visitors) and feedback reports forms prepared to gain information on the experience of pilottravellers and implementing partners

Schedule of relevant Milestones

Milestone number ¹⁸	Milestone title	Lead beneficiary	Due Date (in months)	Means of verification
MS1	Kick-off meeting held	1 - UNIPAN	1	In the first month of the implementation two competent persons from the CC UNIPAN will travel to Brussels to meet the EASME Programme Managers. Close to that event a Consortium kick-off meeting will be held in Hévíz, attended by all the Consortium Partners represented by 1-2 professionals. Well defined tasks will be assigned and discussed. Every work package will be explained and planned in a proper manner. Partners discuss the project management tools, the administrative

Schedule of relevant Milestones

Milestone number ¹⁸	Milestone title	Lead beneficiary	Due Date (in months)	Means of verification
				obligations and reporting methods. Partners will also plan the schedule of the following meetings.
MS2	1 interim report submitted	1 - UNIPAN	7	In the 7th month of the implementation an interim report is scheduled to be submitted by the Consortium.
MS3	1 final report submitted	1 - UNIPAN	15	The final report is planned to be compiled in the last month of the project implementation and will be submitted right after closing the project works.
MS4	Draft communication strategy elaborated	3 - HEVIZ	2	In the 2nd months of the project implementation a detailed communication strategy, will be elaborated including also the necessary templates, visual identity tools and activities as well as graphic design.
MS5	1 project and product website	1 - UNIPAN	3	UNIPAN will create a website to provide information about the result of the project to all targeted groups and will serve as the basic communication and dissemination tool and will complement all other activities, project management, media work, conferences etc. The content of the website will be provided by the partners. The project website will be available in English.
MS7	Product and service portfolio defined	2 - AGE	4	In the 4th month of the project implementation a tourism development concept (service portfolio) will be elaborated. All the project partners, representing stakeholders and the demand side also will

Schedule of relevant Milestones

Milestone number ¹⁸	Milestone title	Lead beneficiary	Due Date (in months)	Means of verification
				be involved into the development of service portfolio and sales channels setting up process.
MS8	Balneotherapy product and service portfolio elaborated	2 - AGE	5	In the 5th month of the implementation of the project on the base of service portfolio an advanced balneotherapy product and service portfolio will be elaborated. The complementary service portfolio will contain extra offer from the surrounding areas of spa towns and wellness centres, cultural programmes, sport and nature based outdoor programs, etc.
MS9	Filled in questionnaires collected from pilot travellers	5 - COVTOUR	9	In the 9th month of the project implementation UNIPAN prepares the questionnaires and feedback report forms for the pilot testing survey and evaluation. Such materials will be distributed online and on-site to (and collected from) the seniors participating in the pilot testing in the course of the product.

Work package number ⁹	WP5	Lead beneficiary ¹⁰	1 - UNIPAN
Work package title	EVALUATION AND FINE TUNING, EVALUATION OF RESULTS AND LESSONS GATHERING		
Start month	8	End month	14

Objectives

In order to increase the success of the transnational product developed in the course of the project, evaluating the results of the pilot testing and fine tuning based on the lessons learnt are inevitable to be carried out right after the pilot testing. Since the involved partners distributed and collected the questionnaires and they themselves also prepared their feedback reports, in the course of the implementation of the 5th work package the emphasis is on the perfection of the product and its introduction to a wider audience.

The objectives of this work package are to:

- determine the success factors and the features that need to be amended or improved (regarding the product and communication);
- perform an accurate fine-tuning between tourists’ demand requirements and service production capabilities;
- finalise the transnational product;
- communicate the product by an event (conference) attracting the most important key stakeholders in Europe.

Description of work and role of partners

WP5 - EVALUATION AND FINE TUNING, EVALUATION OF RESULTS AND LESSONS GATHERING
 [Months: 8-14]
UNIPAN

The data and information collected during the pilot testing will be evaluated for proceeding to the fine tuning of the product. This work package is about creating best practice leisure added balneology packages with capitalizing all the achieved results and experiences the project offered in the entire project implementation period. The following activities are planned in this work package:

5.1 Evaluation of the questionnaires and feedback reports of the seniors
 CC UNIPAN and CP2 AGE will perform the evaluation of the feedbacks and interviews which the senior tourists were surveyed with. After analysing the filled-in questionnaires and feedback reports, a list of recommendations and optional upgrading suggestions will be developed by them in an evaluation report (please also refer to WP5.2). The evaluation report will review the previously performed needs assessment (desk research) and the primary research on seniors’ motivations and will give an insight about the target market’s behaviour.

5.2 Evaluation of the feedback reports from the partners on the product testing
 Since one of the objectives of the project is to make benefit for the local stakeholders – especially local SMEs, they also had to be surveyed. This evaluation is the appropriate material to decide whether the expectations of the stakeholders were met, which are the success factors and the weaknesses of the product itself and its communication channels. The communication tools’ effectiveness is also the subject of the evaluation. CP3 HÉVÍZ and CP5 COVTOUR will be responsible to collect the feedbacks of the service providers, and also to provide their own experiences, comments and feedbacks on the pilot testing, the transnational product and the communication and dissemination activities within the project implementation period. Suggestions shall also be provided.

5.3 Evaluation workshop
 In the course of the 3rd project meeting (please refer to WP1.3) organised and implemented by CP5 COVTOUR an evaluation workshop with the contribution/participation of the partners will be held in Covasna (RO). In the course of the workshop the partners will agree on the fine tuning recommendations (WP5.1-5.2) and the steps to be taken and relevant deadlines to fine tune the product.

5.4 Fine tuning the product
 Based on the recommendations agreed during the evaluation workshop, CP3 HÉVÍZ and CP5 COVTOUR will amend and improve their product part. Such actions may require the change of certain service providers (SMEs) due to their not proper collaboration or services but might involve the extension of the stay also. It is very important to consider all the improvement proposals when finalising the product parts. CC UNIPAN will implement the changes in the transnational

product. The aim of the activity is to prepare the ideal product by the time of the final dissemination conference (please refer to WP2.3).

5.5 Official product introduction

This activity is in close relation with WP2.3: the fine-tuned new product will be introduced to the public in the course of an international conference to be held in Hévíz (HU) - as per 2.3.2. All partners will participate and this will be significant event where a very wide range of stakeholders (EU member states) will be invited. The conference will host well-known keynote speakers, it will show up the project process with introducing all the steps and the conference will give a platform to make cooperation network amongst the participants. The conference papers and materials (slides etc.) will be available on the project’s website. Since the conference location is one of the developed spa destinations, the participants will have the opportunity to have direct insight into the balneotherapy product itself. (Please also refer to WP2.3)

Participation per Partner

Partner number and short name ¹⁰
1 - UNIPAN
2 - AGE
3 - HEVIZ
4 - COVASNA
5 - COVTOUR
6 - VEGA
7 - ZALA

List of deliverables

Deliverable Number ¹⁴	Deliverable Title	Lead beneficiary	Type ¹⁵	Dissemination level ¹⁶	Due Date (in months) ¹⁷
D5.1	Evaluation report	1 - UNIPAN	Report	Confidential, only for members of the consortium (including the Commission Services)	11
D5.2	Evaluation workshop documentation	5 - COVTOUR	Report	Confidential, only for members of the consortium (including the Commission Services)	11

Description of deliverables

Deliverables of evaluation is an Evaluation report including the feedbacks recieved from the stakeholders of pilot testing and the documentation of evaluation workshops including minutes, agenda, photos and attendance sheet.

D5.1 : Evaluation report [11]

A document including the feedbacks received from the stakeholders of the pilot testing

D5.2 : Evaluation workshop documentation [11]

Minutes, Agenda, Photos, Attendance sheet

Schedule of relevant Milestones

Milestone number ¹⁸	Milestone title	Lead beneficiary	Due Date (in months)	Means of verification
MS1	Kick-off meeting held	1 - UNIPAN	1	In the first month of the implementation two competent persons from the CC UNIPAN will travel to Brussels to meet the EASME Programme Managers. Close to that event a Consortium kick-off meeting will be held in Hévíz, attended by all the Consortium Partners represented by 1-2 professionals. Well defined tasks will be assigned and discussed. Every work package will be explained and planned in a proper manner. Partners discuss the project management tools, the administrative obligations and reporting methods. Partners will also plan the schedule of the following meetings.
MS2	1 interim report submitted	1 - UNIPAN	7	In the 7th month of the implementation an interim report is scheduled to be submitted by the Consortium.
MS3	1 final report submitted	1 - UNIPAN	15	The final report is planned to be compiled in the last month of the project implementation and will be submitted right after closing the project works.
MS6	Invitations to the European Balneology Products Conference sent	3 - HEVIZ	11	The European Balneology Products Conference will be organised and implemented in Hévíz in September 2016, in the 11th month of the project implementation. Participants will represent primarily European countries. Besides the professional presentations, the new

Schedule of relevant Milestones

Milestone number ¹⁸	Milestone title	Lead beneficiary	Due Date (in months)	Means of verification
				transnational products and the results of "Off to spas" project will be promoted.
MS9	Filled in questionnaires collected from pilot travellers	5 - COVTOUR	9	In the 9th month of the project implementation UNIPAN prepares the questionnaires and feedback report forms for the pilot testing survey and evaluation. Such materials will be distributed online and on-site to (and collected from) the seniors participating in the pilot testing in the course of the product.
MS10	Evaluation workshop held	1 - UNIPAN	11	In the 11th month of the project implementation the data and information collected during the pilot testing will be evaluated for proceeding to the fine tuning of the product. In the course of the 3rd project meeting an evaluation workshop will be held with the contribution and participation of of the partners. In the course of the workshop partners will agree on the fine tuning recommendations of relevant evaluation of the product.
MS11	Transnational balneotherapy product and service portfolio elaborated	3 - HEVIZ	14	In the 14th month of project implementation an international conference will be held in Héviz where as a new product, the result of the project will be introduced. All partners will participate to the conference and this will be a significant event where wide range of stakeholders will also be invited. The conference papers and materials (brochures) will show up

Schedule of relevant Milestones

Milestone number ¹⁸	Milestone title	Lead beneficiary	Due Date (in months)	Means of verification
				the project process and intruduce the steps. The conference papers will be available on the project's website.

1.3.4. WT4 List of milestones

Milestone number ¹⁸	Milestone title	WP number ⁹	Lead beneficiary	Due Date (in months) ¹⁷	Means of verification
MS1	Kick-off meeting held	WP1, WP2, WP3, WP4, WP5	1 - UNIPAN	1	In the first month of the implementation two competent persons from the CC UNIPAN will travel to Brussels to meet the EASME Programme Managers. Close to that event a Consortium kick-off meeting will be held in Héviz, attended by all the Consortium Partners represented by 1-2 professionals. Well defined tasks will be assigned and discussed. Every work package will be explained and planned in a proper manner. Partners discuss the project management tools, the administrative obligations and reporting methods. Partners will also plan the schedule of the following meetings.
MS2	1 interim report submitted	WP1, WP2, WP3, WP4, WP5	1 - UNIPAN	7	In the 7th month of the implementation an interim report is scheduled to be submitted by the Consortium.
MS3	1 final report submitted	WP1, WP2, WP3, WP4, WP5	1 - UNIPAN	15	The final report is planned to be compiled in the last month of the project implementation and will be submitted right after closing the project works.
MS4	Draft communication strategy elaborated	WP2, WP3, WP4	3 - HEVIZ	2	In the 2nd months of the project implementation a detailed communication strategy, will be elaborated including also the necessary templates, visual identity tools and activities as well as graphic design.
MS5	1 project and product website	WP4	1 - UNIPAN	3	UNIPAN will create a website to provide information about the result of the project to all targeted groups and will serve as the basic communication and dissemination tool and will complement all

Milestone number ¹⁸	Milestone title	WP number ⁹	Lead beneficiary	Due Date (in months) ¹⁷	Means of verification
					other activities, project management, media work, conferences etc. The content of the website will be provided by the partners. The project website will be available in English.
MS6	Invitations to the European Balneology Products Conference sent	WP2, WP5	3 - HEVIZ	11	The European Balneology Products Conference will be organised and implemented in Hévíz in September 2016, in the 11th month of the project implementation. Participants will represent primarily European countries. Besides the professional presentations, the new transnational products and the results of "Off to spas" project will be promoted.
MS7	Product and service portfolio defined	WP3, WP4	2 - AGE	4	In the 4th month of the project implementation a tourism development concept (service portfolio) will be elaborated. All the project partners, representing stakeholders and the demand side also will be involved into the development of service portfolio and sales channels setting up process.
MS8	Balneotherapy product and service portfolio elaborated	WP3, WP4	2 - AGE	5	In the 5th month of the implementation of the project on the base of service portfolio an advanced balneotherapy product and service portfolio will be elaborated. The complementary service portfolio will contain extra offer from the surrounding areas of spa towns and wellness centres, cultural programmes, sport and nature based outdoor programs, etc.
MS9	Filled in questionnaires collected from pilot travellers	WP4, WP5	5 - COVTOUR	9	In the 9th month of the project implementation UNIPAN prepares the questionnaires and feedback report forms for

Milestone number ¹⁸	Milestone title	WP number ⁹	Lead beneficiary	Due Date (in months) ¹⁷	Means of verification
					the pilot testing survey and evaluation. Such materials will be distributed online and on-site to (and collected from) the seniors participating in the pilot testing in the course of the product.
MS10	Evaluation workshop held	WP2, WP5	1 - UNIPAN	11	In the 11th month of the project implementation the data and information collected during the pilot testing will be evaluated for proceeding to the fine tuning of the product. In the course of the 3rd project meeting an evaluation workshop will be held with the contribution and participation of the partners. In the course of the workshop partners will agree on the fine tuning recommendations of relevant evaluation of the product.
MS11	Transnational balneotherapy product and service portfolio elaborated	WP2, WP5	3 - HEVIZ	14	In the 14th month of project implementation an international conference will be held in Héviz where as a new product, the result of the project will be introduced. All partners will participate to the conference and this will be a significant event where wide range of stakeholders will also be invited. The conference papers and materials (brochures) will show up the project process and introduce the steps. The conference papers will be available on the project's website.

1.3.5. WT5 Critical Implementation risks and mitigation actions

Risk number	Description of risk	WP Number	Proposed risk-mitigation measures
R1	Deterioration of the financial capacity of Consortium Partners Although the Consortium consists of financially stable organisations there might be some unfortunate circumstances that would result in a partner’s withdrawing from the project.	WP1	In order to have an appropriate answer to such an undesirable challenge we have compiled the “reserve list” of organisations that were interested in joining the consortium or found the project idea fitting their plans. There are several types of organisations with various scopes of activities which allow us to consider this kind of risk manageable.
R2	Key person leaving the Partner organisation Consortium Partners are organisations employing generally known high quality and experienced experts. Team members therefore might be attracted to leave their employers to find and meet other challenges outside the Consortium Partners.	WP1, WP2, WP3, WP4, WP5	In such an unfortunate situation the operational capacity of the Partners ensure the quickest and “least-hurting” substitution of the respective expert.
R3	Low interest of the stakeholders Despite the best communication messages and their involvement from the start in the project stakeholders might lose their interests in the project. This risk in high touristic seasons might reach higher weights due to the seasonal workload of several stakeholders.	WP3, WP4	To manage the risk the Consortium scheduled the “public events” (i.e. conference, study tour, etc.) in lower seasons.
R4	Being afraid of travelling As a result of the recent violent terrorist attacks the attractiveness of travelling (especially by plane) might result in low interest in the short term.	WP3, WP4	Such risks cannot be managed within the Consortium.
R5	Losing attractiveness of the involved spa towns The current lower fuel prices and the reduced exchange rates characterising the local currencies of the region	WP3, WP4	In order to be prepared for such a situation the Consortium will pay particular attention to the proper positioning of the

Risk number	Description of risk	WP Number	Proposed risk-mitigation measures
	<p>make the involved spa towns more affordable and thus more attractive among price-sensitive seniors too. However, in case of increase in these factors is registered the transnational product might also become more expensive, resulting in losing from the attractiveness of the region.</p>		<p>transnational product in the market.</p>

1.3.6. WT6 Summary of project effort contribution

	WP1	WP2	WP3	WP4	WP5
1 - UNIPAN	✓	✓	✓	✓	✓
2 - AGE	✓	✓	✓	✓	✓
3 - HEVIZ	✓	✓	✓	✓	✓
4 - COVASNA	✓	✓	✓	✓	✓
5 - COVTOUR	✓	✓	✓	✓	✓
6 - VEGA	✓	✓	✓	✓	✓
7 - ZALA	✓	✓	✓	✓	✓

1.3.7. WT7 Tentative schedule of project reviews

No project reviews indicated

1.4. Ethics Requirements

No ethics requirements indicated

1. Project number

The project number has been assigned by the Commission as the unique identifier for your project. It cannot be changed. The project number **should appear on each page of the grant agreement preparation documents (part A and part B)** to prevent errors during its handling.

2. Project acronym

Use the project acronym as given in the submitted proposal. It can generally not be changed. The same acronym **should appear on each page of the grant agreement preparation documents (part A and part B)** to prevent errors during its handling.

3. Project title

Use the title (preferably no longer than 200 characters) as indicated in the submitted proposal. Minor corrections are possible if agreed during the preparation of the grant agreement.

4. Starting date

Unless a specific (fixed) starting date is duly justified and agreed upon during the preparation of the Grant Agreement, the project will start on the first day of the month following the entry into force of the Grant Agreement (NB : entry into force = signature by the Commission). Please note that if a fixed starting date is used, you will be required to provide a written justification.

5. Duration

Insert the duration of the project in full months.

6. Call (part) identifier

The Call (part) identifier is the reference number given in the call or part of the call you were addressing, as indicated in the publication of the call in the Official Journal of the European Union. You have to use the identifier given by the Commission in the letter inviting to prepare the grant agreement.

7. Abstract

8. Project Entry Month

The month at which the participant joined the consortium, month 1 marking the start date of the project, and all other start dates being relative to this start date.

9. Work Package number

Work package number: WP1, WP2, WP3, ..., WPn

10. Lead beneficiary

This must be one of the beneficiaries in the grant (not a third party) - Number of the beneficiary leading the work in this work package

11. Person-months per work package

The total number of person-months allocated to each work package.

12. Start month

Relative start date for the work in the specific work packages, month 1 marking the start date of the project, and all other start dates being relative to this start date.

13. End month

Relative end date, month 1 marking the start date of the project, and all end dates being relative to this start date.

14. Deliverable number

Deliverable numbers: D1 - Dn

15. Type

Please indicate the type of the deliverable using one of the following codes:

- R Document, report
- DEM Demonstrator, pilot, prototype
- DEC Websites, patent filings, videos, etc.
- OTHER

16. Dissemination level

Please indicate the dissemination level using one of the following codes:

- PU Public

CO Confidential, only for members of the consortium (including the Commission Services)
EU-RES Classified Information: RESTREINT UE (Commission Decision 2005/444/EC)
EU-CON Classified Information: CONFIDENTIEL UE (Commission Decision 2005/444/EC)
EU-SEC Classified Information: SECRET UE (Commission Decision 2005/444/EC)

17. Delivery date for Deliverable

Month in which the deliverables will be available, month 1 marking the start date of the project, and all delivery dates being relative to this start date.

18. Milestone number

Milestone number: MS1, MS2, ..., MSn

19. Review number

Review number: RV1, RV2, ..., RVn

20. Installation Number

Number progressively the installations of a same infrastructure. An installation is a part of an infrastructure that could be used independently from the rest.

21. Installation country

Code of the country where the installation is located or IO if the access provider (the beneficiary or linked third party) is an international organization, an ERIC or a similar legal entity.

22. Type of access

VA if virtual access,
TA-uc if trans-national access with access costs declared on the basis of unit cost,
TA-ac if trans-national access with access costs declared as actual costs, and
TA-cb if trans-national access with access costs declared as a combination of actual costs and costs on the basis of unit cost.

23. Access costs

Cost of the access provided under the project. For virtual access fill only the second column. For trans-national access fill one of the two columns or both according to the way access costs are declared. Trans-national access costs on the basis of unit cost will result from the unit cost by the quantity of access to be provided.

Part B

History of changes

Proposal		Original value	Grant Agreement	Modified value
Technical Annex 1 Section 2 2.3 Organisational structure	Text after the table	"Despite the proper planning in the market	n.a. Annex 1 - Description Of Action (part A)	Deleted
	Text after the table	List of risks (1-5)		1.3.5. WT5 Critical Implementation risks and mitigation actions

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2.1. Objectives of the Action

2.1.1. Specific Objectives of the Action (proposal section 1.1)

The main idea of the project is to create new, thermal water related international health tourism products (international balneology product) in spa towns of Central Europe that could serve as a main attraction in order to bring seniors to these regions in the low tourism seasons.

The main objectives of the projects:

- Encourage a better cooperation and increased agreements among different actors of the health tourism value chain and seniors associations/organisations with elaborating a new, international balneology tourism product network focused on off-season, and custom tailored to seniors specific needs;
- To make more benefit for tourism SMEs by increasing the number of tourism flows during the low and medium seasons and professionalization of tourism service providers;
- Communication and promotion of tourism as a strategy for active and healthy ageing;
- Facilitate accessibility in tourism offers, along with intermodal transfer and transnational connectivity;
- Foster the construction of innovative health insurance policies in order to make the product sustainable and self-developing in the future.

In order to generate new tourism flows, new jobs, new opportunities for regional growth the following actions are proposed:

- Creating a new, international balneology tourism product network which offers site and market specific curing, health promotion and leisure programmes for seniors;
- Implementing a medium to long term strategy for self-sustainable tourism products for seniors, that takes into account the dynamic approach of the product offer (i.e. the rapid changing shape of economic and social realities affecting seniors, currently and in the medium-long term);
- Senior market analysis, surveys, comparative analysis, evidence-gathering, analysis of the senior market and balneology issue studies;
- Local resource based and market-oriented re-positioning of the complementary spa destinations in order to find new aspects in the field of co-operations;
- Holding discussion platforms, workshops and other events for networking and partnering activities and for exchanging good practices;
- Capacity-building for senior tourism professionals, service suppliers;
- Creating awareness raising events and communication programmes of the project and the international balneology product.
- Fostering and facilitating the negotiations amongst the state-owned and private health insurance companies and health-related tourism services, building promotional and communication campaigns on it.

As one of our main objective is to involve and mobilise the largest number of various players of the health tourism value chain, the project will be open for the direct involvement of keys stakeholders (e.g. spa towns, health related associations as in section 1.2) to join in for product development and other phases as well.

Our project intends to set a good practice in bringing together various economic players from different geographical locations in order to reach a common goal, which is of the interest of all participants. We would like to demonstrate that by good planning, harmonising goals and with a fairly low financial investment, new transnational tourism networks and products could be developed, that could provide not only tempting leisure programmes but could also serve as improving or maintaining good health conditions of senior tourists.

Striving for over accomplishing our objectives: additional benefits, European added values.

With the further extension of our product development and enlarging our market the present initiation could serve as a good base for creating a European Spa Tourism product of a unique identity that could attract large masses of tourists from other continents too.

The know-how gained during the implementation of the project could be utilised at developing other tourism products aiming at the senior market.

The nature of the programme is likely to enhance European cooperation as partners involved will exchange and discuss common tourism development issues that will increase the co-operative and therefore more effective working of insurances and health tourism related enterprises, transfer of good practices, and it will help with solving the off-season problems with innovative tourism development tools.

The process of the project and its visibility inside the partner institutions and its communication to outside will inform about the EU priorities in economic development, cooperation and particularly in the field of sustainable tourism development.

The results of the project will contribute to achieve the aims of the EU on the Communication from the Commission – a new political framework for tourism in Europe (COM(2010) 352) and Lisbon Treaty Article 176B.

Creating synergies with similar initiations:

The project tends to have synergy with the “Tradition and Innovation – The cultural heritage of the imperial spa towns in Central Europe as a competitive advantage in the healthcare market of the future” Interreg B project (under development), where other spa destinations are expected to utilise each other’s results.

Our project well complements the following EU level actions too:

- HAIVISIO is an ambitious Coordination and Support Action project aimed at enhancing visibility and awareness of the results generated by eHealth, Active Ageing and Independent Living projects
- WeDO2 – For the wellbeing and dignity of older people
- SmartCare aims to define a common set of standard functional specifications for an open ICT platform enabling the delivery of integrated care to older European citizens.
- IROHLA – Intervention research on health literacy among the ageing population
- ICARE4EU – Innovating care for people with multiple chronic conditions in Europe
- ESCAPE – European Senior Citizens’ Actions to Promote Exchange in Tourism
- SenGor – Seniors go Rural
- Senior Train – fostering Senior travel throughout Europe by train
- SENTOUR CONNECT – Facilitating Low Season Tourism Exchanges in Europe Encouraging Senior Citizens to Travel

2.1.2. Target group / audience (proposal section 1.2)

The Consortium of the OFF TO SPAS project was set up in order to provide a fair representation and reach to key stakeholders, target groups, audiences.

Having tourism development in focus, the target groups of the project can be approached from the supply-demand system. The key issue of the development is that both sides should be involved and taken into account. Moreover, there are other actors, according to the products and the destinations' facilities, who are also important role players in tourism industry, and they also have to have targeted in the development processes.

Before listing the detailed target group related tasks and tools it is to be mentioned that the Communication Work Package (WP 2) will mention and address all the target groups with different and specialised contents and the appropriate and relevant dissemination ways.

Target groups of the supply side, tools and methodologies

- **Tourism SMEs** – travel agencies of the targeted sending area or inbound tour operators of the spa destinations, which make effort to gain the new market over to travel to spas or thermal baths of Central Europe, because of the price-quality ratio and the balneological experience. The project involves a travel agency working in this special field (Scandinavian market to the Central European spas), with the help of its experience and contact network the following activities will be done focusing on this target group:
 - Assessment and analysis of the demand and supply side of the market (WP 3.3, WP 3.6)
 - Primary research with interviews and questionnaires (WP 3.5) – involving the travel agencies into the research, testing their role of participation in the early phase of the product development process. The research will be coordinated by the UNIPAN.
 - Creation of service portfolio (WP 3.7) based on the assessment workshop (WP 3.6) –SMEs offering tourism services will be interviewed in order to assist by giving inputs (information), checking partial outputs and results, providing advice. Thus, the service portfolio will be tailored explicitly by the interests of the SMEs as well. Moreover, the project provides a capacity building opportunity for SMEs too, in the frame of the workshop.
 - Setting up and activate existing or new marketing and sales channels with the assistance of the SME partner of the project (VEGA RESOR) and involving numerous other service providers from various EU countries, creation of dissemination materials in the course of WP2 Communication and dissemination (WP 3.8). Thus the interest of the tourism service providers in this field is also guaranteed in the program.
 - Organising study tours (WP 3.9) where together and with the help of the international senior association partner (AGE PLATFORM) and the partnering tourism SME (VEGA RESOR) a visit will be organised targeting sending organisations, tourist agencies. Introducing them the local offer, tour operators and other local service provider SMEs (accommodation, catering, etc.) will have the chance for introduction. With implementing the WP 2 Communication and dissemination work package, not only the project partner SME, but the destinations' service provider SMEs will have the possibility to join to the project and get the benefit from the communication campaign of the developed balneology tourism product and the project itself. This gives a direct and evident positive impact on the targeted SMEs.
 - During the pilot test phase of the project (WP 4) the SMEs also get important role. The project partner SME and involving other tourism service providers will recruit seniors to

take part in the pilot testing, offering innovative transportation and other, previously defined (resulted from the research) services (i.e. “from house to house” transportation, experience based other activity). This process provides new ways of involving the services into the off-season health tourism development for seniors. The involved SMEs will get the opportunity to get to know the senior and off-season travellers motivation better, which makes them operating in a more efficient way in the future.

The product evaluation phase of the project also involves the SMEs. They will be invited to join (e.g.: through skype) to participate at the evaluation workshop and partner meeting, where they can share and add their experiences to the final product and recommendations (WP 5.1 – 5.3). Summarising the SME target group’s role in this project: since one of the project objectives is their increasing benefit from tourism, they are involved in every phase of the project and their specific needs and possibilities will be seriously taken into account.

- **Regional and local public authorities** – the county councils involved to the project have several natural resource based healing destination, spas, thermal baths and mofettes as well. There are numerous similar regions throughout the EU, where thermal water-based health tourism could be utilised as a driving force of the local economy. The public authorities can help the tourism development with consultation and with policy making issues and by allocating financial instruments for the development of infrastructure (e.g: small airports, main roads, connected points of interests). Therefore they are in fact the part of the political-legal environment of the tourism, so they play twofold role in this case. Then again, the public authorities are responsible for the direct and indirect positive economic impacts of tourism, they has to make efforts to increase the numbers of visitors. They can also make strategic development to decrease seasonality which is an essential part of the sustainable tourism. The actions targeting the public authorities:
 - Public authorities will be involved into the product development process (WP 3) where they take part into the research phase (WP 3.3 WP 3.5). Stakeholders outside the partnership will be addressed too. Then, in WP 3.7, they will create their complementary service portfolios (extra offer from the surrounding areas of spa towns and wellness centres, eg.: cultural programmes, sport activities) based on the agreements in WP 3.6 (including cultural and other aspects). Both participating county have more spa destinations with different resources and supply structure.
 - Public authorities as key stakeholders of the supply side will be not only participants but the subject of the communication materials (WP 2.2, WP 2.3, WP 2.4) as destinations. This Work Package will have good case studies for the municipalities of how to appear in a communication campaign.
- **Spa towns, non-profit tourism organisations of the spa destinations.** The tourist administrations of the local governments try to further bottom-up initiatives and help the local and regional participants of tourism to organise formal associations (DMOs) for improving destination management performance. The tourism organisations are mainly owned by the municipalities, or the municipality is one of the members of it. The tourism development organisations involved in our project – together with the consortium leader – give the experts of professional tourism development for making the balneology tourism product conception, and also act as a bridge amongst the supply and market side. In a successful destination, service providers recognize the importance of partnerships, therefore they are not just existing but actively co-operating in order to provide a more unique and unforgettable experience and to better satisfy the tourists’ needs. Actions and tools addressing them:

- The outcomes and deliverables of the Product development (WP 3), which will be communicated to the tourism organisations of the spa destinations within WP 2 will provide comprehensive tools for developing senior and off season related development. The service portfolio created within WP 3.4 contains service packages which can be adopted by other destinations, but also the research-based studies will give them information about the current market mechanisms and their handling operation opportunities.
- The final product development material will explicitly emphasise the role of the spa municipality tourism organisations in tourism development, specialised for senior and off-season issues (WP 5.4).
- The fine-tuned new product will be introduced to this target group in the course of an international conference to be held in Hévíz (WP 5.5), where a very wide range of spa destination tourism organisations can participate and confer.
- This project has two non-profit tourism organisations of spa destinations, with their networking background of spa associations we can reach several spa DMOs (WP 2.2, WP 2.3, WP 2.4) for the future cooperation to continue the project's initiatives.

Target groups of the demand (market) side, methodology and tools

Though the Central European spas are well introduced into the Austrian and German market, the Nordic countries' travellers are rare visitors in these destinations. According to the Nordic travel agencies – who are involved in travels to spas and thermal baths – experiences, the health-related travels are not accepted and known by the market. But once the first journey realised, the visitors became frequent travellers and open to try new spa destinations. So the main task is to convince the market to buy such packages, with the help of getting into the state- and private owned health insurance systems.

- **Seniors** – according to the Call and the market trends, the off-season developments can be based on the 50+ aged visitors. This market can be reached by the senior associations (see. project partner AGE Platform Europe) and specialised travel agencies as well as tourism development organisations. The following actions and tools will target the senior market directly:
 - Needs and supply assessment, primary research with interviews and questionnaires (WP 3.3 and WP 3.5) will reach the senior travellers of the Scandinavian and Western European market and assess their needs and motivation regarding travelling to spas and the season-related issues.
 - Setting up marketing sales and channels (WP 3.8) will give the research based possibilities to address the seniors, and also, this report will contain the differences and the similarities amongst the studied market segments.
 - The pilot test's subjects are also the senior market (WP 4.1, WP 4.2). In these work packages the travel agencies will recruit seniors from German-speaking countries and Scandinavian countries to take part in the pilot testing offering innovative transportation (i.e. "from house to house" transportation services).
 - In the work package WP 4.3, where the marketing and sales channels will be tested are also the senior market is the main target group. In this task the UNIPAN prepares the questionnaires filled by the senior travellers and feedback report forms. The materials will be distributed to (and collected from) the seniors participating in the pilot testing in the course of the parts of the product.
 - The communication materials of the WP 2.2, WP 2.3 and WP 2.4 will be available and disseminated to the senior market directly.

- **Senior associations** – the project partner AGE PLATFORM is an EU level international network of more than 150 organisations of and for people aged 50+ representing directly over 40 million older people in Europe. With their experience in the field of seniors and with their network connections we can reach a very wide range of the market.
 - The B2B study tours (WP 3.9) organised to the project partners' destinations will be dedicated for health insurance companies too (and all those others who are in direct or indirect contact with the senior market), in order to introduce the product and convince them to get it into their portfolio and future concept.
 - The researches made within the WP 3.2 – 3.6 (case studies, literature reviews, questionnaires and interviews, focus group) will be made with the assistance of this target group. They will be the channels to reach the individual seniors and of course they will give their expertise to create the research materials.
 - The communication activities (WP 2) will take into account that the senior associations are one of the most important channels to reach the senior market. The materials made in this action will be custom tailored to their needs.
 - The fine tuning and the developed product (WP 5) will contain the strategic involvement of the senior associations into the project. After analysing the received filled-in questionnaires and feedback reports a list of recommendations and optional upgrading suggestions will be developed in WP 5.1 – 5.2, where AGE-Platform EU, the senior association partner of the project ensures the senior target groups interests.

Target groups of the political-legal and social environment – “3.” side -, methodology and tools

This group influences the scope of tourism and tourists. It includes government regulations and legal issues under which businesses should operate and it means also the social background and tools the society use and which affects the market behaviour as well.

- **Regional and local public authority** – as it was mentioned above, the public authorities with strategy and policy making tasks constitute the political-legal environment of tourism. Tourism should be initiated with the help of broad-based community-inputs and the community should maintain control of tourism development. Moreover, the municipalities are responsible to represent the local inhabitants' interest in order to keep the tourism development within sustainable frames considering the social and environmental meaning of it. Thus, the tourism development of these project will be supervised in a positive context by the local public authorities, within the following actions:
 - The product development phase of the project is dedicated to the public authorities as legal entities of the tourism actors, since they are responsible for controlling and leading the legal processes of the economic development. In this aspect they have key role in Creating service portfolio (WP 3.7), because the market – supply sides controversial interests can be arbitrated and then harmonized with them. The benchmarking, case studies and good practices will show up legislation and policy making issues of the health tourism development regarding the public authorities role (WP 3.4).
 - The fine tuning of the balneology tourism product development (WP 5.3, WP 5.4) will have a workshop and elaborating the fine tuning recommendations. In these actions the public authorities will have the opportunity to vindicate their interests in creating the final output, the developed tourism product.
 - The public authorities interests and ways of involvement to the tourism development will be emphasise in the communication materials made within the WP 2. Not only the project partner authorities but others will have the opportunity to join and get information about

the project issues at the project website (WP 2.2) and take part in the communication events (WP 2.3): one-on-one meetings, conferences and workshops.

- **Health Insurance Companies, Organisations.** This target group is important for the further development of the product and to keep it sustainable for the future. One of the project's objectives is to find a way to invent a new finance-structure for these companies and their customers, which is economically and socially sustainable and makes benefit in the field of health promotion, healthy aging and travel finances. Actions which affects this objective and targets these organisations:
 - Comprehensive study on the background, motivation and trends in senior tourism (WP 3.2). This action will contain secondary data research on state and private insurance practices in financing seniors' "medical" treatment in Europe. This includes descriptive methodologies such as literature reviews and case studies which are commonly used to describe individual examples of how a particular health insurance policy was implemented in a specific tourism context. Analytic methodologies used in policy implementation studies. Quasi-experimental and experimental studies will be used to show the impact of national and decentralized policies on health and tourism systems and improved health outcomes. This research will need to get in touch with this target group directly and indirectly as well.
 - The "benchmarking, good practices and case studies" action (WP 3.4) will have a section on best practice case study of health insurance and balneology tourism issue, as a result of the previous Work package (WP 3.2).
 - The main result and action of the Product Development (WP 3), the "Creation of service portfolio" (WP 3.7) will also have a recommendation on health insurance structure that can foster the visitors' willingness to travel to spas in Central Europe. As a deduction of the good practices was evaluated in previous actions a common finance model will be integrated into this portfolio.
 - The B2B study tours (WP 3.9) organised to the project partners' destinations will be dedicated for these health insurance companies too (and all those others who are in direct or indirect contact with the senior market), in order to introduce the product and convince them to get it into their portfolio and future concept.
 - The communication work package (WP 2) will explicitly address the Health Insurance Companies. The health insurance related results and topics of the project will be delivered to them via online and off-line channels. The information regarding this target group will be provided by the online interface – the project website (WP 2.2).
 - The health insurance companies will be invited to take part in the off-line communication work package (WP 2.3). They will participate in conferences and workshops with topics related to the product development. They will be interviewed within this WP (one-on-one meeting) as stakeholders, and health insurance companies will be invited to take part at the final conference.
- **Health related Organisations (Rheumatic Organisations, Organisations responsible for promoting healthy life to seniors)** Since health is one of the most important factors of quality of life of seniors, many health related organisations were establish to help them with prevention and curing. On the other hand, studies and paper showed that travel experience plays an important role affecting leisure life satisfaction and overall quality of life. This implies that travel experience improves elderly people's physical and mental health and lead to greater life satisfaction. This fact should be introduced strongly for these organisations in order to promote the spa travels with leisure activities. The seniors are wiser, more rational and less influenced by fashion and trends, thus the medical organisations (e.g. Rheumatic Organisations) play an important role in marketing the health-related travels to spas, because the senior market relies on them.

- The B2B study tours (WP 3.9) organised to the project partners' destinations will be dedicated for these health related organisations too (and all those others who are in direct or indirect contact with the senior market), in order to introduce the product and convince them to get it into their portfolio and future concept.
- The communication work package (WP 2) will explicitly address the Health related organisations. The health related results and topics of the project will be delivered to them via online and off-line channels. The information regarding this target group will be provided by the online interface – the project website (WP 2.2).
- **Regional tourism development bodies** – The synergy between tourism suppliers can be developed through the use of destination management organisations. Studies say that DMOs can affect the social structure of the cooperation better, by facilitating intensive communication between the network actors. This project aims cooperation among the actors in the long run in order to develop the competitive advantages of the destinations on a more solid basis.
 - The communication work package (WP 2) will address the regional tourism development bodies, the research based tourism development concept, the service portfolio and the case studies will be available for further adoption. The information regarding this target group will be provided by the online interface – the project website (WP 2.2) and the communication materials of the WP 2.5.
 - In the product development phase the regional tourism development bodies will be interviewed and they will be studied in the relevant literature (WP 3).
 - The fine-tuned product development will provide off-season problem solutions and senior marketing tools (WP 5.4). The final conference where the fine-tuned product will be introduced to the relevant tourism development bodies were invited (WP 5.5).
 - Articles about the project progress and the product development will be available in press media in tourism and regional development (WP 2.3)
- **National tourism development bodies** – Tourism development practice should be established for tourism at all levels – national, regional, and local. Strategic priorities and action programmes should be determined locally, but the local tourism development has to follow the national framework strategy. State agencies and representative bodies at national level are for implementing positive and practical strategies that will benefit national tourism development.
 - The project's progress and the dissemination materials will be available for this target group via online and offline communication tools (WP 2.2, WP 2.3) and the national tourism development organisations will be invited to the final conference too. Attending at different conferences and workshops the product will be introduced to various national tourism bodies' representatives (WP 2.3)
- **European and international health, senior, balneotherapy, spa etc. associations.** This target group serves to reach the health and senior related organisations of wider geographical and operational range.
 - The B2B study tours (WP 3.9) organised to the project partners' destinations will be dedicated for these associations, which have direct or indirect contact with the senior market), in order to introduce the product and convince them to get it into their portfolio and future concept.
 - The communication work package (WP 2) will explicitly address the health and senior related associations. The health and senior management related results and topics of the project will be delivered to them via online and off-line channels. The information regarding this target group will be provided by the online interface – the project website (WP 2.2).

Target groups by geographical means

The project targets the Central European spa destinations and the Nordic – Western European senior tourism market directly. The future development and implementation of the project's results targets the whole European destinations from the supply, and with some extended research the US and/or Asian market side as well. Though the project tangentially deals with the US market (secondary data research on state and private insurance practices in financing seniors' "medical" treatment and senior travellers' motivation in US (WP 3.2), to reach that market is not the point of the recent project. The study of this issue (deliverable of WP 3.2) will give outlines for continuing the market extension to that direction.

2.1.3. Description of work methodology and tools (proposal section 1.3)

I. Status quo and SWOT analysis

According to the current Call's introduction and background, we propose a tourism product development which fulfils all the scopes the EASME and CALYPSO aimed at:

- Growth and to strengthen the competitiveness and sustainability of **SMEs**
- Decreasing the **seasonal** fluctuation of tourism (as one of the principles of sustainable tourism development as well)
- Enforcing **seniors** intra-EU mobility and facilitate senior market potential in order to make benefit for Central European Spa destination and to raise the senior's quality of life.

Utilising the existing facilities and resources of the project partner destinations a balneotherapy tourism product is to be developed.

The **SMEs** competitiveness is affected by a limited exploitation of international opportunities and innovation prospects. One of the main problem the tourism related SMEs have to face is that they do not have the international experience, the financial and human resource to carry out researches and get introduced into a new market (eg. new medical travellers, see below). They can see the potential but they have lack of cooperation experience to execute such a development. Both growth and survival of SMEs depend to an increasing extent on the ability of SMEs to constantly innovate. Prerequisites for any innovation are either creating a new knowledge, or combining existing components of knowledge into a new "entrepreneurial" approach. Innovations depend on a number of internal company factors, on the external environment, as well as on the knowledge and skills of the entrepreneur. Summarising the current situation, the SMEs need fund, cooperation possibilities, strategic approach and operational support to get along with the new challenges. Once they have the opportunity to raise up, it can start a new development process and have positive impact for other enterprises and stakeholders as well. The SMEs have to face with the seasonality problems as well, they can employ further employees only in peak season.

Balneotherapy, defined as the medical use of hydrothermal resources as part of a care or prevention strategy, has long been embedded in the health systems of central European countries. It's a cultural, medical and economic reality, accounting for over one million direct and indirect jobs throughout EU and attracting 5 million patients yearly [CNETH, 2014]. Although there are some common features to spa cares in countries engaged in balneotherapy (rehabilitation and treatment of chronic diseases as the main purpose, required medical prescription, follow-up by a physician over the stay), there is no standardized treatment. Moreover, the funding of balneotherapy varies from zero financing to more generous schemes where state-controlled funds are allocated to patients. One common trend is for sure: due to spiralling health costs and hefty budget deficits, **the efficacy of balneotherapy has come under scrutiny**. [Bouvier, 2014]

Medical tourism and its related businesses have been regarded as one of the most lucrative hospitality sectors for many destination countries (Hungary, Romania, Austria, Italy etc.). The **market is rapidly expanding** and competition in the international medical tourism marketplace is becoming intense [Connell, 2013]. In such an increasingly competitive environment, **the main concern for practitioners is attracting new medical travellers** through marketing and motivating them to make repeat purchases through service efforts/strategies. According to recent reports, *keeping existing customers is about five times more profitable than attracting new customers as increased customer retention is likely to improve any business's profitability*. Thus, in the medical tourism market, recognizing vital factors in medical travellers' repurchase decision-making processes and understanding their specific role are becoming more and more important for any destination country and its attendant medical clinics. [Han, Hyun, 2015]

Situation of senior market: Forecasts estimate that the number of people over 65 will more than double, consisting 26% of the world's population by 2050 [Haub, 2011]. This means that the percentage of **elderly tourists**, who already make up a significant segment of the hospitality and tourism market (with their substantial population portion as well as their purchasing power), will increase. There is a so called **activity theory of seniors** which explains that the increased discretionary or free time available to retired individuals provides the opportunity for maintaining high activity levels or roles that are **essential for life satisfaction and enrichment** (Lefrancois, Leclerc, & Polin, 1997). That is, engagement in meaningful activity is linked to life satisfaction. Based on this theory, **travelling experience itself can contribute to elderly people's overall quality of life**. And if it is a health related travel with other leisure experience, it has multiplier effect on seniors' health situation. Research showed that health prevention can cost lower than curing illnesses, but society invests in health care not to save money, but to improve health. The expenditures deliver good value even they do not achieve savings, this is the point why the health insurance companies should be involved in health related tourism development.

SWOT analysis

a) Strengths:

- the existence and of the natural mineral springs, for various illnesses' treatment, but also for health tourism development;
- the possibility to create and develop tourism products composed of services like "therapeutical balneo-climatic cures or preventive cares in parallel with medical wellness products;
- scenic natural environment, authentic culture, true and warm hospitality of locals (Hévíz, Covasna County);
- the quality of the superior medical education physicians' skills of the project's destinations;
- maintaining the traditional profile in balneotherapy resorts;
- the existence of very wide range of accommodations and their high standard medical and wellness services;
- existing tourism enterprises ready for cooperation in order to extend the season;
- experienced destination management organisations in the field of tourism development and marketing;
- thermal waters and mofette with curative power for various health problems, proven by evidence-based researches;
- the possibility to combine a variety of leisure tourism with balneotherapy tourism in the developed resorts (cultural tourism, religious tourism, rural tourism, ecotourism etc.);
- unique natural resource (mofette, warm natural thermal lake with curative clay) in the destinations (Hévíz, Covasna County);
- very few travelling risks to the spa destinations;
- very good price/value ratio according to the recent market's feedback

b) Weaknesses:

- the lack of relevant information regarding some qualitative and quantitative data regarding the targeted tourism market;
- underdeveloped places, relatively high degree of degradation of some potentially developable places due to periphery problems in Romania;
- dependance on state's subventions (through the placing of treatment tickets, and only for some illnesses);
- lack of cooperation amongst stakeholders and lack of marketing skills in Romania;
- sticked in tourism development processes due insufficient funds;
- the lack of quality products, with treatment services and differentiated accomodation on comfort categories in Romania;
- reduced or inexistent implication of the local communities in developing balneotherapy resorts;
- medical and health related tourism products do not have international recognition;
- seasonality dependent employment in tourism sector at the SMEs;
- underdeveloped infrastructure, long and uncomfortable travel conditions at certain destinations.

d) Threats:

- strong competition amongst spa and health related destinations in central Europe (though the competitive facilities could be turned into basis of cooperation);
- the growing number of physicians who choose to practice their profession abroad;
- the emergence of many competitors, presenting a wide range of holistic balneotherapy products for all market segments;
- geographic location;
- the very long process of legislation and policy making procedures;
- lack of knowledge about Central and Eastern Europe, traditionally slightly negative appreciation of these countries by the former era eg. in the Scandinavian society.

c) Opportunities:

- the change of northern and western country consumers' attitude and mentality towards health related travels in general, and towards balneotherapy tourism, in particular;
- the possibility of accessing different funds in order to contract investments with direct impact onto the tourism flow towards balneotherapy resorts;
- price/value ratio driven campaign introducing the balneology tourism product into the Scandinavian market;
- balneotherapy and health related tourism can boost other forms of tourism in the region which also helps keep the job or extend the SMEs work;
- with the quality of medical tourism services comes the good image of the country or region as well.

Under these conditions the key to achieving benefits is applying strategies to differentiate a product as well as achieving more efficient cost structure.

II. Analysis of alternative solutions to address the identified needs and their cost-effectiveness

The identified needs are the following:

- decreasing the **seasonality** of the spa destinations targeted by the project;
- increasing **benefit for SMEs** of with the extension of the season and generating more visitors to the destinations;
- **enhancing seniors'** outbound travel into spa destination in order to improve their **quality of life** and social involvement;

- **extending** the spa destinations' **market into the very potential Scandinavian countries**, where travelling to spas are not very popular;
- elaborate an **efficient financial model for state and private owned insurance companies** which involves the balneotherapy aimed leisure travels of the senior market.

Off-season development solutions:

Health (medical) tourism (thermal baths, spas etc.) or MICE tourism are the most common and high interest season-independent tourism product. MICE travel involves a number of components and because of the organisation and planning time involved (typically, years in advance) travel sellers specialising in MICE are usually affiliated with large corporate agencies. Since MICE tourism is attached to a certain occasion, the events of this tourism do not mean continuous development. With relative low cost marketing and communication tools the health tourism (balneotherapy treatments with different prophylaxis) can be more profitable with the same investments.

The less known destinations are cheaper than the very popular ones, our partner destinations belong to this "less known" category (Hévíz is a bit more known than Covasna County's baths and mofette). The relevant marketing development literature says that sales promotion of low priced holiday packages were used in order to increase off-season tourists' arrivals.

A communication campaign is running recently launched by the Google in cooperation with the Greek Tourism Ministry, the Greek National Tourism Organization and the Association of Greek Tourism Enterprises. The concept of the campaign is to improve online presence, search results and maps and also help promote off-season offers. Our project uses the same online communication tool, and interactive website with custom tailored tourism offers (WP 2).

Benefit for SMEs

Capacity building actions are low-cost and sustainable solutions and provide the self development possibility for SMEs. But the capacity building itself does not help to those enterprises who do not have the contact network to those institutions by which a sensitive target group eg. seniors can be invoked. Enhancing cooperation is also a programme which does not cost a lot but brings the stakeholders together and their aggregated works multiply the effectiveness of the development and marketing operations. Therefore the project provides a platform for balneotherapy tourism actors who can make benefit from the programme, including the SMEs.

Tour operators and agencies have lack of fund to organise study tours for those decisionmakers and institutions the seniors rely on, so the project will help to introduce the balneotherapy product to those marketing channels who will help with the wider distribution of travelling to spa destinations.

It also encourages longer-lasting employment in the tourism industry by making it possible to extend jobs beyond the peak season. It gives the less-known, small or emerging destinations the opportunity to promote themselves to a broader range of European tourists which refers to one the features of CALYPSO exchange model.

Enhancing seniors to travel into spa destination

Over-65s and pensioners who cannot afford travel or are daunted by the challenges of organising a journey (CALYPSO). Therefore we proposed to give a model or a conception to involve spa-travels into the health financing system, including the state and private owned insurance companies. For this task there has to be carried out researches, surveys and evaluations. Some research findings from structural analysis of the senior travellers' intention showed that quality, satisfaction, and trust in the staff and clinic have significant associations affecting intentions to revisit spa destination places. Moreover, satisfaction and trust acted as significant mediators.

III. Description of and reasons for the chosen solution

Considering all the facilities, resources and marketing posing, the main idea of the project is to develop a balneology-balneotherapy related tourism product combined with leisure programmes and custom tailored to the seniors' needs and enhancing the off-season visitors of the spa destinations. The medical-related services focus on prevention and complex curing with visiting different spa destinations offering special treatments for all kind of health-related problems. The main concept is that every thermal water and other curing natural resource based health tourism destination have its own speciality which can meet a certain target group with certain needs.

To perform such a tourism development which fulfils the criteria we propose the following actions:

- Secondary research on the relevant issues like seniors, elderly care, health insurance, marketing channels, best practices and case studies – because it is essential for the product development concept. The consortium leader is an academic institution involved in researches. Performed in WP 3.2, WP 3.4.
- Primary research on the senior target group and stakeholders of the supply side in order to get to know their preferences and/or operational environment. The related literature also complains about the lack of primary data on the relevant issues. All project partners can take part in this process, experts on creating the research plan, questionnaires and interview questions etc., the other partners can take part in accessing the studied target group. We propose low cost but effective and reliable methods for surveys and evaluation which will be led by research professionals. Performed within needs and supply assessment WP 3.3, primary research WP 3.5
- Best practice: The aim of best practice is to be constantly seeking for the most efficient and effective ways to make profit for the business. For this reason there has to be lots of case studies analysed to find the best solutions. A best practice approach is to find win/win ways to change and improve tourism development from various aspects such as seasonality, involving health insurance into the medical travels etc. Best practice respects the various stakeholders and shows empathy for their situation.
- Benchmarking: to adopt other good practices it is advisable to study case studies which face almost the same problems or solutions. Benchmarking tries for continuous improvement, it needs to maintain a competitive edge and seeks for adaptable based on customer needs after examination of the best.
- Creating pilot concept and pilot product based on the surveys and workshops: This will be one of the most important tasks where using the secondary and primary information the principles will be put in practice. The research and evaluation report of the surveys will be discussed in a workshop where all the partners can represent their interests. This means a good platform to iterate the demand and supply side needs. Concept will be created within WP 3.6, WP 3.7.
- B2B study tours. The study tours cost is relatively high but this is the main tool to introduce the product to those decision-makers (health related institutions, organisations, tour operators, representatives of senior associations and clubs) who are going to be the primary channels and reliable source of information for the senior market. The whole destination will be introduced containing the medical treatments, infrastructure, accommodations and leisure programmes. In the meanwhile, the marketing and sales channel will be also established.
- Pilot testing. The developed strategy and procedures is to be used on a larger scale if the pilot test demonstrates that the methods and procedures can work. Investigation must be designed to test the feasibility of methods and procedures for later use on a large scale or to search for possible impacts and outcomes need to be corrected. In the project's case the pilot test is the use of the communication and sales concept developed in WP 3, and the pilot test itself will attract visitors to the spa destinations. It is a advertising campaign where we will test the communication tools' effectiveness. So the implementation of this tool will make direct benefit for the SMEs and other stakeholder of the tourism packages. (WP 4.)

- The fine tuning of the tourism product will be conducted from the pilot test's experiences. The pilot test participating tourists were questionnaire and/or interviewed, so as the supply side as well. The research-expert partner will make the evaluation of this survey which will be given to every project partners. This will be the document the fine tuning workshop deals with.
- Communication. We tried to propose the most cost effective communication tools concerning the balneology product and the senior target group. The findings reveal that mid-or low level prices, a high-level of therapist qualifications, a high level of privacy, a full range of spa facilities, and branded spa products are preferred by senior spa customers and trust is a key factor at their choices of travel destinations, we also proposed to address this trustful channels and tools.

The participant spa towns' and county's tourism services have relatively low price, comparing with the Italian, French or Spanish destinations, but the medical care and the quality of services are good, this price/value ratio will be attractive for the senior market. Covasna County belong to the even more undiscovered destinations, therefore their prices are more favourable. Covasna county's unrivalled cultural and historical heritage, the unspoilt rural environment makes the destination attractive if it is trustfully communicated to the target groups.

IV. Estimation of costs and revenues for the chosen solution in the medium term

The project partnership will be established under the umbrella of the balneology tourism product, this partnership and the actions initiated by them will take on the product development raising the stakeholders benefit. Among others the result of the project will be:

- A complex website, which will act as an interactive marketing page. The website will contain information about the medical treatments and their physiological background, tourism related services and leisure programmes. The website will be interactive for the customers, who will be asked about their motivation and needs and the website will give them custom tailored offers. These programmes and services recommended by the homepage will be available to buy via other online booking sites putting the appropriate links to the recommendations. The website will focus on off-season programmes and senior travellers from Scandinavia and Western Europe. This interactive website will need only updating and maintenance, which costs are not high, but it can generate a great number of visitors and it can extend flexibly with new destinations, new services, new programmes and if possible, new target group as well. With greater number of visitors the SMEs income will also increase, and with starting up the low-season leisure product they will be able to employ full-year employees. The primary market of this project is Sweden, from where ca. 400 visitors and 1800 overnight stays were registered in the high season in the last years in Hévíz. If this number would doubled or tripled, this might mean lots of additional income for the local economy.
- Furthermore the promotional video (trailer) made within the WP 2.4 is going to be ready to use all the related websites and events which will advertise the developed product.

The pricing of the product will be made during the project.

V. The extent to which the outputs are likely to lead to clear and tangible result

According to the recent data, the percentage of the Scandinavian visitors to the project's spa destination is very low (eg.: to Hévíz from Norway, Sweden and Finland: 4594 nights by 901 individuals in 2014) We expect from the communication campaign and the specialized off-season balneotherapy-related leisure travels, that the number of Scandinavian seniors will be multiplied within a few years. Tour-operators experienced that once the seniors have taken part at spa-travel they will be regular spa-visitors. As a side-effect, visitors will be attracted to other spa destinations too.

VI. Estimated impact of the proposed actions on target beneficiaries and on the local economies of targeted areas (indicators, data sources, tools and methodologies to measure short and medium-long term benefits/impact of proposed actions)

Increasing **benefit for SMEs** (extended season, increasing income, more yearly employee, more employee) in short and medium-long term.

- Indicator: Number of SMEs joint to the project and the product development – measured by the SMEs (attraction and service owners or operators) appear on the product’s website.

Increasing **cooperation and set up network** amongst the balneotherapy offering spa destinations.

- Indicator: number of partners (public, private, NGO) appear on the website and in the printed communication material

Increasing **number of** Scandinavian and German, then BENELUX **visitors** in the project affected area (this will raise the SMEs’ benefit directly and indirectly).

- Indicator: number of visitors and their overnight stays in spa destinations joined to the project. Measured by the national tourism statistical system and by the accomodations’ statistics.

Increasing **quality of life of senior** travellers.

- Indicator: value of factors of quality of life
- Measured with questionnaires amongst senior travellers of spa destinations

Increasing **tourism tax and other additional income** to the municipalities due to increasing number of visitors.

- Indicator: tax and other, well defined tourism incomes measured by the public authorities’ financial institutions.

Increasing financial accessibility for seniors due to the innovation in health insurance systems

- Indicator: health-insurance financed travels to spa destinations from the Scandinavian and Western European area. Contracts made amongst health insurance companies and balneotherapy service providers. Measured by the project’s established follow-up system.

VII. Any evidence of transformative or spill-over effects, including the extent to which additional value is or could be created by its adoption more widely across Europe.

The project obtains European added value not only because it brings together players of European countries but also because it looks beyond the confines of the project to find the broader European relevance of the issues. The implementation of the research based tourism development conception will be able to feed into European debate and inform policy makers, tourism role players on the issues gained. The analysis and experimentation made in the field of seniors, off-season travelling and building up tourism network and cooperation will lead to recommendation for common models, protocols, conceptions, mechanisms, policies and processes that can be adapted for use in all Member States.

The partnership engages people in various European geographical areas who will disclose their personal involvement but at the same time with the proposed methodology they will be capable to distinguish the “European” dimensions from the regional ones in their national contexts. Thus, the implementation of the project provides some increased form of awareness concerning the way Europeans live at the older stages of their lives within different cultural and geographical contexts.

By involving EU partnership the following added value will be achieved:

- sharing know-how between EU countries - the project enables establishing professional contacts among intra- and intersectoral institutions dealing with low-season problems;
- elaborated materials will include partners’ country and culture specific aspects;

- International dimension of the challenges faced by tourism developers and tourism enterprises, due to access to examples of good practices at the partner countries.

2.1.4. Performance Indicators (proposal section 1.4)

Title	Brief Description	Target (quantity)
Project kick-off meeting	Experts from the CC participating at the meeting with the EASME officers in the 1st month of project implementation in Brussels	1
Partnership project meetings	Altogether 4 project meetings implemented in the course of the project with the participation of minimum 1 person/expert per partner.	4
Reports	1 interim and 1 final report and 2 quarterly reports (for inside use) prepared by the partnership	4
Communication strategy	A strategic document compiled for guiding the Consortium in achieving their communication goals. The strategy will be developed at the beginning of the project implementation and the recommendations will be followed throughout the project duration. The communication strategy for the transnational product will be also used after the project end.	1
Website and social media	An eye-catching, attractive and professional website will be developed to disseminate the project and the transnational product. Besides the website, the transnational product will be disseminated via LinkedIn and Facebook.	3*1
Internet articles	Consortium Partners will compile articles to internet portals on the transnational product informing the general public on the features and exciting facts on the product thus attracting the attention of the public.	10
Attended conferences and/or workshops	Consortium Partners are to create the calendar of relevant conferences/workshops in which they will agree on participate (i.e. RGS/IBG Conference 2015 - Travel after retirement)	7
One-on-one meetings	Consortium Partners will initiate personal meetings with key stakeholders (decision-makers, health insurance specialists, etc.) in order to gain information on the acceptability of the product concept, etc.	21
Articles to press	Consortium Partners will compile articles for the media. The topics of the articles and the proper media channels will be discussed among the partners in order to avoid double-submission.	10

Title	Brief Description	Target (quantity)
Press conference	There will be press conferences organised after each project meeting by the hosting partner. Journalists, bloggers, TV and radio reporters will be invited and informed about the project and the transnational product. Press releases will be compiled and submitted to several media actors, not only local/national but international press.	4
International conference	The European Balneology Products Conference will be organised and implemented in Hévíz (HU) in September 2016. At least 50 attendants are expected to participate, representing primarily European Countries. Besides professional presentations the new transnational product will also be promoted.	1
Brochures	The two spa towns (Hévíz and Covasna) will produce their high quality brochure to promote the new product parts.	1.000
Roll ups	Roll ups will be created in order to be used in conferences, workshops.	2
Movie	A short (2-3 minute long) movie will be shot on the transnational product and edited also to be appropriate to be presented individually. The aim is to attract more visitors in the spa towns. The transnational product movie will be available from the project/product website and from the partners' websites as well.	1
Study tour packages	A package for the study tour participants will be compiled in order to provide more detailed and information on the spa town, its surroundings, balneology related information, prices, etc. The package is planned to include the project/product folder, brochures, maps, note pad, pen, pendrive, towel, bathrobe, etc. (contents will be discussed in the course of the project).	20
Conference packages	Conference packages for the attendants of the European Balneology Products Conference will be compiled and distributed. The package is planned to include the project/product folder, brochures, maps, note pad, pen, pendrive, towel, bathrobe, etc. (contents will be discussed in the course of the project).	60
Needs and supply reports	Short reports with the same headings will be compiled on the research of the existing supply of the involved spa towns and needs.	3

Title	Brief Description	Target (quantity)
Good practice descriptions	In order to best serve the partners and future users, good practices will be collected and described. The descriptions will highlight the success factors of the particular solution and provide clear practical comments.	5
Assessment workshop	A joint meeting to base the transnational product development.	1
Transnational product description	The clear definition of the transnational product which is developed, discussed and agreed during the assessment workshop.	1
Study tour participants	The introduction of the transnational product to key stakeholders (primarily from German-speaking and Scandinavian countries) with the aim of motivating to promote the project.	30
Series of evaluation templates	Questionnaires (translated to the languages of visitors) and feedback reports forms prepared to gain information on the experience of pilot travellers and implementing partners	1
Participation in pilot travel	Number of senior travellers to spa destinations in the pilot low season	20
Evaluation report	A document including the feedbacks received from the stakeholders of the pilot testing	1
List of recommendations	A list of actions to be implemented in the fine tuning / finalising of the transnational product	1

2.2. Management structure and procedures

2.2.1. Organisational structure (proposal section 2.3)

The aim of our project proposal is to develop a sustainable balneology related transnational tourism product in Central Europe for senior travellers to spa towns. The Consortium organised for the implementation of the proposed action is ideal:

1. The Consortium is led by the University of Pannonia, an organisation with notable routine in both project management and tourism product development. Their tasks – besides coordinating the implementation of the project by leading the project management and the evaluation work packages – include the theoretical establishment and practical support of the product development and testing work packages.
2. There are several representatives of two Central European spa towns: one-one tourism development organisations and one-one regional/county level public authorities. The former organisations have deep knowledge of the particular spa town's features, opportunities and challenges, while the regional/county level public governments have decision rights and authority functions. The concerned spa towns besides having common challenges, regarding infrastructural, economic, accessibility or publicity aspects are in different situations which allow the Consortium to develop a transnational product that can be easily adopted.

3. The seniors are represented by Europe's largest senior association ensuring that a wide range of seniors' needs and demand will be considered in the course of the product development phase of the project.
4. The tourism agency SME involved in our Consortium will contribute both to the development of the proper transnational tourism product but also to the communication and pilot testing by recruiting B2B study tour participants and seniors for the pilot travel.
5. Considering geographic aspects, the Consortium covers two neighbouring countries as excellent destinations for seniors seeking spa treatment, including the drinking of waters and the use of hot baths and natural vapour baths, as well as of the various kinds of mud and sand used for hot applications (balneotherapy) – from countries that have not yet discovered the miracles of Central Europe.
6. The project, the product and the Consortium has the support of the Deputy State Secretary for Tourism (Ministry for National Economy, Ministry of State for Economic Regulation) as per the attached letter.

Although it would have been fortunate, associations representing tourism SMEs (i.e. tour operators) are not involved as Partners in our Consortium. Based on several discussions the Consortium will involve such organisations in the testing/piloting phase: the "saleability" of the transnational product in (primarily) German-speaking areas will be tested by (i) inviting them to the pilot test organised for business organisations in the form of study tours, and (ii) offering the product for such tourism SME associations for sale in order to test.

The Association for Tourism and Leisure Education (ATLAS) was also identified as a potential partner to the Consortium. As the project proposal concept emerged we came to the conclusion that this organisation is represented in the Partnership by our experts' being members of the association. In fact two colleagues (being also members of the project team of CC UNIPAN) are sending their abstract to the next annual meeting with the title "Travel after retirement" scheduled for September 2015 (please refer to WP2.3 of our project). Therefore the Consortium will count them among the key stakeholders with the option of their providing ideas from outside the partnership thus ensuring the independent, "outsider" views and aspects in product development (WP3.9) and testing (WP4.2).

Similar relationship has been identified in the case of spa associations also. Such associations, i.e. the European Spas Association have our involved spa towns representatives among their members, therefore – as in case of ATLAS – ESPA will also listed among the key stakeholders of our project. Their contribution will be requested by their participation in the study tour (WP3.9) and the final dissemination conference (WP2.3).

We believe that with this approach all key stakeholders will be addressed in the course of the project implementation.

In order to develop the best balneology related tourism product in Central Europe for senior travellers, the Consortium will organise its operation along best practice project management principles, as follows:

1. The overall project implementation of the Consortium is led and coordinated by an organisation with significant project management experience.
2. The proposed schedule for the project meetings and/or internal workshops ensure that the most significant decisions are made within the Consortium considering all Partners' aspects and point of views.
3. Consortium Partners have their "internal" project managers who are responsible for the sound implementation within their organisations both in project management including administration and professional/technical terms.
4. Partners – besides the reports required by the respective Call – will provide regular reports in order to allow the Consortium Coordinator to intervene if necessary – either due to financial challenges or non-or underperforming.

5. All work packages have their leaders with full professional decision making rights and responsibilities arising from such rights within the Consortium regarding the respective WP. WP leaders were selected by considering their experience in the particular topic and/or the level of their involvement in professional/technical and/or financial terms.
6. Partnership agreement(s) will be signed between the Consortium Partners and the Consortium Coordinator including sections on the rules of collaboration: (i) in case of professional debates among partners, the WP leader will have the right to make the final decision; (ii) in cases of issues going beyond WP issues or (iii) touching interpersonal relations, the final decision will be made by the Consortium Coordinator. However, such "sole decisions" shall be preceded by conciliations.

Our Consortium consists of several experts with spectacular background and experience from seven different organisations representing four countries, with different culture and attitude to work. In order to get a deeper knowledge of each other some games will be played during the partnership kick-off meeting all with the aim of getting nearer to understand the usual approaches applied by other Partners. The proposed organisational structure and decision making procedure were several times applied by the Consortium Coordinator and proved to be appropriate and successful in numerous projects of any topics and fields, involving various types of organisations (budgetary, non-governmental or private).

2.3. Work Plan

2.3.1. Work Package 1 (from proposal section 3)

WP1 Project Management

2.3.1.1. Subcontracting (proposal section "subcontracting")

No subcontracting is planned and foreseen during the implementation of the WP1 tasks and activities.

2.3.1.2. Performance Indicators (proposal section "performance indicators")

Title	Brief Description	Target (quantity)
Project kick-off meeting	Experts from the CC participating at the meeting with the EASME officers in the 1st month of project implementation in Brussels	1
Partnership project meetings	Altogether 4 project meetings implemented in the course of the project with the participation of minimum 1 person/expert per partner.	4
Reports	1 interim and 1 final report and 2 quarterly reports (for inside use) prepared by the partnership	4

2.3.2. Work Package 2 (from proposal section 3)

WP2 Communication and dissemination, communication Strategy

2.3.2.1. Subcontracting (proposal section "subcontracting")

There will be two activities subcontracted by the Consortium:

1. Creation of the project and product website

The subcontracting will include the domain name registration, the design and programming of the website as well as the technical maintenance. The programming of the website will be subcontracted to an experienced programmer, who can deal with not only the programming but the design too. The website is going to be hosted by an outside service provider.

The Consortium Coordinator as the responsible partner for the online communication will subcontract the activities. After selecting the proper procedure as per the relevant Hungarian rules, the Consortium Coordinator will invite at least three organisations with notable credentials to submit their offers for the tasks. The winner will be selected after evaluating the offers by the quoted prices (the organisation with the lowest price offer will be selected).

2. Creation of a short film on the transnational product

There will be one company selected to shot the short movie film in the Spa towns. The selection and subcontracting will be done by CP2 HÉVÍZ but the costs of the film making and editing will be shared by the Consortium Partners representing a Spa Town (CP3 HÉVÍZ and CP4 COVASNA) in equal parts. There will be three sections shot, each lasting 2-3 minutes introducing the respective product part.

CP3 HÉVÍZ as the responsible partner for communication will subcontract the activities. After selecting the proper procedure as per the relevant Hungarian rules, CP3 will invite at least three organisations with notable credentials to submit their offers for the tasks. The winner will be selected after evaluating the offers by the quoted prices (the organisation with the lowest price offer will be selected).

2.3.2.2. Performance Indicators (proposal section "performance indicators")

Title	Brief Description	Target (quantity)
Communication strategy	A strategic document compiled for guiding the Consortium in achieving their communication goals. The strategy will be developed at the beginning of the project implementation and the recommendations will be followed throughout the project duration. The communication strategy for the transnational product will be also used after the project end.	1
Website and social media	An eye-catching, attractive and professional website will be developed to disseminate the project and the transnational product. Besides the website, the transnational product will be disseminated via LinkedIn and Facebook.	3*1
Internet articles	Consortium Partners will compile articles to internet portals on the transnational product informing the general public on the features and exciting facts on the product thus attracting the attention of the public.	10

Title	Brief Description	Target (quantity)
Attended conferences and/or workshops	Consortium Partners are to create the calendar of relevant conferences/workshops in which they will agree on participate (i.e. RGS/IBG Conference 2015 - Travel after retirement)	7
One-on-one meetings	Consortium Partners will initiate personal meetings with key stakeholders (decision-makers, health insurance specialists, etc.) in order to gain information on the acceptability of the product concept, etc.	21
Articles to press	Consortium Partners will compile articles for the media. The topics of the articles and the proper media channels will be discussed among the partners in order to avoid double-submission.	10
Press conference	There will be press conferences organised after each project meeting by the hosting partner. Journalists, bloggers, TV and radio reporters will be invited and informed about the project and the transnational product. Press releases will be compiled and submitted to several media actors, not only local/national but international press.	4
International conference	The European Balneology Products Conference will be organised and implemented in Hévíz (HU) in September 2016. At least 50 attendants are expected to participate, representing primarily European Countries. Besides professional presentations the new transnational product will also be promoted.	1
Brochures	The two spa towns (Hévíz and Covasna) will produce their high quality brochure to promote the new product parts.	1.000
Roll ups	Roll ups will be created in order to be used in conferences, workshops.	2
Movie	A short (2-3 minute long) movie will be shot on the transnational product and edited also to be appropriate to be presented individually. The aim is to attract more visitors in the spa towns. The transnational product movie will be available from the project/product website and from the partners' websites as well.	1
Study tour packages	A package for the study tour participants will be compiled in order to provide more detailed and information on the spa town, its surroundings, balneology related information, prices, etc. The package is planned to include the project/product folder, brochures, maps, note	20

Title	Brief Description	Target (quantity)
	pad, pen, pendrive, towel, bathrobe, etc. (contents will be discussed in the course of the project).	
Conference packages	Conference packages for the attendants of the European Balneology Products Conference will be compiled and distributed. The package is planned to include the project/product folder, brochures, maps, note pad, pen, pendrive, towel, bathrobe, etc. (contents will be discussed in the course of the project).	60

2.3.3. Work Package 3 (from proposal section 3)

WP3 Product Development (Design of the tourism concept)

2.3.3.1. Subcontracting (proposal section "subcontracting")

No subcontracting is planned and foreseen during the implementation of the WP3 tasks and activities

2.3.3.2. Performance Indicators (proposal section "performance indicators")

Title	Brief Description	Target (quantity)
Research plan	A document serving as a guide on how to perform the research, what the main points of interest are, deadlines, etc. Partners are to perform the research based on the plan	1
Background study	The study will include the list and characteristics of state and private insurance practices in financing seniors' "medical" treatment in Europe, a short summary on the US practice, and the description of the acceptance and popularity of existing balneological cures. The study will be available in English.	1
Needs and supply reports	Short reports with the same headings will be compiled on the research of the existing supply of the involved spa towns and needs.	3
Good practice descriptions	In order to best serve the partners and future users, good practices will be collected and described. The descriptions will highlight the success factors of the particular solution and provide clear practical comments.	5
Assessment workshop	A joint meeting to base the transnational product development.	1

Title	Brief Description	Target (quantity)
Transnational product description	The clear definition of the transnational product which is developed, discussed and agreed during the assessment workshop.	1
Study tour participants	The introduction of the transnational product to key stakeholders (primarily from German-speaking and Scandinavian countries) with the aim of motivating to promote the project.	30

2.3.4. Work Package 4 (from proposal section 3)

WP4 Pilot testing

2.3.4.1. Subcontracting (proposal section "subcontracting")

No subcontracting is planned and foreseen during the implementation of the WP3 tasks and activities.

2.3.4.2. Performance Indicators (proposal section "performance indicators")

Title	Brief Description	Target (quantity)
Series of evaluation templates	Questionnaires (translated to the languages of visitors) and feedback reports forms prepared to gain information on the experience of pilot travellers and implementing partners	1
Participation in pilot travel	Number of senior travellers to spa destinations in the pilot low season	20

2.3.5. Work Package 5 (from proposal section 3)

WP5 Evaluation and fine tuning (Evaluation of results and lessons gathering)

2.3.5.1. Subcontracting (proposal section "subcontracting")

No subcontracting is planned and foreseen during the implementation of the WP3 tasks and activities.

2.3.5.2. Performance Indicators (proposal section "performance indicators")

Title	Brief Description	Target (quantity)
Evaluation report	A document including the feedbacks received from the stakeholders of the pilot testing	1
List of recommendations	A list of actions to be implemented in the fine tuning / finalising of the transnational product	1

ESTIMATED BUDGET FOR THE ACTION (page 1 of 2)

	Estimated eligible ¹ costs (per budget category)					EU contribution		
	A. Direct personnel costs	B. Direct costs of subcontracting	C. Other direct costs	E. Indirect costs ²	Total costs	Reimbursement rate %	Maximum EU contribution ³	Maximum grant amount ⁴
	A.1 Personnel A.2 Natural persons under direct contract and seconded persons		C.1 Travel C.2 Equipment C.3 Other goods and services					
Cost form ⁵	Actual	Actual	Actual	Flat-rate ⁶ 7%				
	(a)	(b)	(c)	(e) = 0.07×((a)+(b)+(c))	(f) = (a)+(b)+(c)+(e)	(g)	(h) = (g)×(f)	(i)
1. UNIPAN	46416.00	10000.00	8710.00	4558.82	69684.82	75.00	52263.62	49015.00
2. AGE	32447.00	0.00	4320.00	2573.00	39340.00	75.00	29505.00	39340.00
3. HEVIZ	30723.00	5000.00	36450.00	5052.11	77225.11	75.00	57918.83	55000.00
4. COVASNA	1140.00	5000.00	10810.00	1186.50	18136.50	75.00	13602.38	13000.00
5. COVTOUR	11915.00	0.00	5010.00	1184.75	18109.75	75.00	13582.31	13100.00
6. VEGA	38514.00	0.00	8360.00	3281.18	50155.18	75.00	37616.39	35109.00
7. ZALA	1940.00	0.00	3150.00	356.30	5446.30	75.00	4084.73	4000.00
Total consortium	163095.00	20000.00	76810.00	18192.66	278097.66	75.00	208573.26	208564.00

ESTIMATED BUDGET FOR THE ACTION (page 2 of 2)

- (1) See Article 6 for the eligibility conditions
- (2) The indirect costs claimed must be free of any amounts covered by an operating grant (received under any EU or Euratom funding programme). A beneficiary that receives an operating grant during the duration of the action cannot claim any indirect costs for the year(s) covered by the operating grant (see Article 6.2.E).
- (3) This is the theoretical amount of the EU contribution, if the reimbursement rate is applied to all the budgeted costs. This theoretical amount is capped by the 'maximum grant amount'.
- (4) The 'maximum grant amount' is the maximum grant amount decided by the Agency. It normally corresponds to the requested grant, but may be lower.
- (5) See Article 5 for the cost forms.
- (6) Flat rate : 7% of eligible direct costs.
- (7) The maximum reimbursement rate can be 75%, 90% or 95% depending on the provisions of the call for proposals.

ANNEX 3

ACCESSION FORM FOR BENEFICIARIES

AGE PLATFORM EUROPE AISBL (AGE) AISBL, 182392001/475620296, established in Rue Froissart 111, BRUXELLES 1040, Belgium, ('the beneficiary'), represented for the purpose of signing this Accession Form by the undersigned,

hereby agrees

to become beneficiary ('2')

in Grant Agreement No 676737 ('the Agreement')

between PANNON EGYETEM and the Executive Agency for Small and Medium-sized Enterprises (EASME) ('the Agency'), under the power delegated by the European Commission ('the Commission')

for the action entitled 'Healthy off-season leisure programmes for seniors in thermal spas and wellness centres (OFF TO SPAS)'.

and mandates

the coordinator to submit and sign in its name and on its behalf any **amendments** to the Agreement, in accordance with Article 39.

By signing this Accession Form, the beneficiary accepts the grant and agrees to implement the grant in accordance with the Agreement, with all the obligations and conditions it sets out.

SIGNATURE

For the beneficiary

ANNEX 3

ACCESSION FORM FOR BENEFICIARIES

HEVIZI TURISZTIKAI NONPROFIT KORLATOLT FELELOSSEGU TARSASAG (HEVIZ)
HU11, 2009071334, established in RAKOCZI UTCA 2, HEVIZ 8380, Hungary, HU23141823, ('the beneficiary'), represented for the purpose of signing this Accession Form by the undersigned,

hereby agrees

to become beneficiary ('3')

in Grant Agreement No 676737 ('the Agreement')

between PANNON EGYETEM and the Executive Agency for Small and Medium-sized Enterprises (EASME) ('the Agency'), under the power delegated by the European Commission ('the Commission')

for the action entitled 'Healthy off-season leisure programmes for seniors in thermal spas and wellness centres (OFF TO SPAS)'.

and mandates

the coordinator to submit and sign in its name and on its behalf any **amendments** to the Agreement, in accordance with Article 39.

By signing this Accession Form, the beneficiary accepts the grant and agrees to implement the grant in accordance with the Agreement, with all the obligations and conditions it sets out.

SIGNATURE

For the beneficiary

ANNEX 3

ACCESSION FORM FOR BENEFICIARIES

CONSILIUL JUDETEAN COVASNA (COVASNA), 604001, established in PIATA LIBERTATII 4, SFANTU GHEORGHE 520008, Romania, RO4201988, ('the beneficiary'), represented for the purpose of signing this Accession Form by the undersigned,

hereby agrees

to become beneficiary ('4')

in Grant Agreement No 676737 ('the Agreement')

between PANNON EGYETEM and the Executive Agency for Small and Medium-sized Enterprises (EASME) ('the Agency'), under the power delegated by the European Commission ('the Commission')

for the action entitled 'Healthy off-season leisure programmes for seniors in thermal spas and wellness centres (OFF TO SPAS)'.

and mandates

the coordinator to submit and sign in its name and on its behalf any **amendments** to the Agreement, in accordance with Article 39.

By signing this Accession Form, the beneficiary accepts the grant and agrees to implement the grant in accordance with the Agreement, with all the obligations and conditions it sets out.

SIGNATURE

For the beneficiary

ANNEX 3

ACCESSION FORM FOR BENEFICIARIES

ASOCIATIA PENTRU DEZVOLTAREA TURISMULUI IN JUDETUL COVASNA (COVTOUR) RO1, 5021122007, established in STR. KOSSUTH LAJOS 10, SFANTU GHEORGHE 520008, Romania, RO23479850, ('the beneficiary'), represented for the purpose of signing this Accession Form by the undersigned,

hereby agrees

to become beneficiary ('5')

in Grant Agreement No 676737 ('the Agreement')

between PANNON EGYETEM and the Executive Agency for Small and Medium-sized Enterprises (EASME) ('the Agency'), under the power delegated by the European Commission ('the Commission')

for the action entitled 'Healthy off-season leisure programmes for seniors in thermal spas and wellness centres (OFF TO SPAS)'.

and mandates

the coordinator to submit and sign in its name and on its behalf any **amendments** to the Agreement, in accordance with Article 39.

By signing this Accession Form, the beneficiary accepts the grant and agrees to implement the grant in accordance with the Agreement, with all the obligations and conditions it sets out.

SIGNATURE

For the beneficiary

ANNEX 3

ACCESSION FORM FOR BENEFICIARIES

TRAVEL SPECIALIST GROUP SWEDEN AB (VEGA) AB, 5566155551, established in HANTVERKARGATAN 5C, STOCKHOLM 112 21, Sweden, SE556615555101, ('the beneficiary'), represented for the purpose of signing this Accession Form by the undersigned,

hereby agrees

to become beneficiary ('6')

in Grant Agreement No 676737 ('the Agreement')

between PANNON EGYETEM and the Executive Agency for Small and Medium-sized Enterprises (EASME) ('the Agency'), under the power delegated by the European Commission ('the Commission')

for the action entitled 'Healthy off-season leisure programmes for seniors in thermal spas and wellness centres (OFF TO SPAS)'.

and mandates

the coordinator to submit and sign in its name and on its behalf any **amendments** to the Agreement, in accordance with Article 39.

By signing this Accession Form, the beneficiary accepts the grant and agrees to implement the grant in accordance with the Agreement, with all the obligations and conditions it sets out.

SIGNATURE

For the beneficiary

ANNEX 3

ACCESSION FORM FOR BENEFICIARIES

ZALA MEGYEI ONKORMANYZATA (ZALA), 734301, established in KOSZTOLANYI DEZSO UTCA 10, ZALAEGERSZEG 8900, Hungary, HU15734305, ('the beneficiary'), represented for the purpose of signing this Accession Form by the undersigned,

hereby agrees

to become beneficiary ('7')

in Grant Agreement No 676737 ('the Agreement')

between PANNON EGYETEM and the Executive Agency for Small and Medium-sized Enterprises (EASME) ('the Agency'), under the power delegated by the European Commission ('the Commission')

for the action entitled 'Healthy off-season leisure programmes for seniors in thermal spas and wellness centres (OFF TO SPAS)'.

and mandates

the coordinator to submit and sign in its name and on its behalf any **amendments** to the Agreement, in accordance with Article 39.

By signing this Accession Form, the beneficiary accepts the grant and agrees to implement the grant in accordance with the Agreement, with all the obligations and conditions it sets out.

SIGNATURE

For the beneficiary

FINANCIAL STATEMENT FOR [BENEFICIARY [name] / AFFILIATED ENTITY [name]]

Eligible ¹ costs (per budget category)					Receipts	EU contribution			
A. Direct personnel costs	B. Direct costs of subcontracting	C. Other direct costs	E. Indirect costs ²	Total costs	Receipts	Reimbursement rate %	Maximum EU contribution ³	Requested EU contribution	
A.1 Personnel		C.1 Travel			Receipts of the action, to be reported on the last reporting period, according to Article 5.3.3				
A.2 Natural persons under direct contract and Seconded persons		C.2 Equipment C.3 Other goods and services							
Cost form ⁴	Actual	Actual	Actual	Flat-rate ⁵ 7%					
	(a)	(b)	(c)	(e) = 0,07 * ((a) + (b) + (c))	(f) = (a) + (b) + (c) + (e)	(g)	(h)	(i)	(j)
Beneficiary / affiliated entity									

The beneficiary/affiliated entity hereby confirms that:
 The information provided is complete, reliable and true.
 The costs declared are eligible (see Article 6).
 The costs can be substantiated by adequate records and supporting documentation that will be produced upon request or in the context of checks, reviews, audits and investigations (see Articles 12, 13 and 17).
 For the last reporting period: that all the receipts have been declared (see Article 5.3.3).

① Please declare all eligible costs, even if they exceed the amounts indicated in the estimated budget (see Annex 2). Only amounts that were declared in your individual financial statements can be taken into account lateron, in order to replace other costs that are found to be ineligible.

¹ See Article 6 for the eligibility conditions.

² The indirect costs claimed must be free of any amounts covered by an operating grant (received under any EU or Euratom funding programme). A beneficiary that receives an operating grant during the duration of the action cannot claim any indirect costs for the year(s) covered by the operating grant (see Article 6.2.E).

³ This is the theoretical amount of EU contribution that the system calculates automatically (by multiplying the reimbursement rate by the total costs declared). The amount you request may have to be less.

⁴ See Article 5 for the cost forms.

⁵ Flat rate : 7% of eligible direct costs.

EASME Model Grant Agreements: COSME MGA — Multi: 17 November 2014

ANNEX 5

MODEL FOR THE CERTIFICATE ON THE FINANCIAL STATEMENTS

- For options [*in italics in square brackets*]: choose the applicable option. Options not chosen should be deleted.
- For fields in [grey in square brackets]: enter the appropriate data

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TERMS OF REFERENCE FOR AN INDEPENDENT REPORT OF FACTUAL FINDINGS ON COSTS DECLARED UNDER A GRANT AGREEMENT FINANCED UNDER THE COSME PROGRAMME 1

INDEPENDENT REPORT OF FACTUAL FINDINGS ON COSTS DECLARED UNDER A GRANT AGREEMENT FINANCED UNDER THE COSME PROGRAMME 7

EASME Model Grant Agreements: COSME MGA — Multi: 17 November 2014

Terms of Reference for an Independent Report of Factual Findings on costs declared under a action financed under the COSME Programme

This document sets out the '**Terms of Reference (ToR)**' under which

[OPTION 1: [insert name of the beneficiary] ('the Beneficiary')] [OPTION 2: [insert name of the affiliated entity] ('the Affiliated entity'), entity affiliated to the Beneficiary [insert name of the beneficiary] ('the Beneficiary)]]

agrees to engage

[insert legal name of the auditor] ('the Auditor')

to produce an independent report of factual findings ('the Report') concerning the Financial Statement(s)¹ drawn up by the [Beneficiary] [Affiliated entity] for the COSME Grant agreement [insert number of the grant agreement, title of the action, acronym and duration from/to] ('the Agreement'), and

to issue a Certificate on the Financial Statements' ('CFS') referred to in Article 15 of the Agreement based on the compulsory reporting template stipulated by the Agency.

The Agreement has been concluded under the COSME Programme between the Beneficiary and Executive Agency for Small and Medium-sized Enterprises (EASME ('the Agency'), under the powers delegated by the European Commission ('the Commission').

The Agency is mentioned as a signatory of the Agreement with the Beneficiary only. The Agency is not a party to this engagement.

¹ By which costs under the Agreement are declared (see template 'Model Financial Statements' in Annex 4 to the Grant Agreement).

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1.1 Subject of the engagement

The coordinator must submit to the Agency the final report within 60 days following the end of the last reporting period which should include, amongst other documents, a CFS for each beneficiary and for each affiliated entity that requests a total contribution of EUR 325 000 or more, as reimbursement of actual costs (see Article 15 of the Agreement). The CFS must cover all reporting periods of the beneficiary or affiliated entity indicated above.

The Beneficiary must submit to the coordinator the CFS for itself and for its affiliated entity(ies), if the CFS must be included in the final report according to Article 15 of the Agreement..

The CFS is composed of two separate documents:

- The Terms of Reference ('the ToR') to be signed by the *[Beneficiary]* *[Affiliated entity]* and the Auditor;
- The Auditor's Independent Report of Factual Findings ('the Report') to be issued on the Auditor's letterhead, dated, stamped and signed by the Auditor (or the competent public officer) which includes the agreed-upon procedures ('the Procedures') to be performed by the Auditor, and the standard factual findings ('the Findings') to be confirmed by the Auditor.

If the CFS must be included in the final report according to Article 15 of the Agreement, the request for payment of the balance relating to the Agreement cannot be made without the CFS. However, the payment for reimbursement of costs covered by the CFS does not preclude the *Agency*, the European Anti-Fraud Office and the European Court of Auditors from carrying out checks, reviews, audits and investigations in accordance with Article 17 of the Agreement.

1.2 Responsibilities

The *[Beneficiary]* *[Affiliated entity]*:

- must draw up the Financial Statement(s) for the action financed by the Agreement in compliance with the obligations under the Agreement. The Financial Statement(s) must be drawn up according to the *[Beneficiary's]* *[Affiliated entity's]* accounting and book-keeping system and the underlying accounts and records;
- must send the Financial Statement(s) to the Auditor;
- is responsible and liable for the accuracy of the Financial Statement(s);
- is responsible for the completeness and accuracy of the information provided to enable the Auditor to carry out the Procedures. It must provide the Auditor with a written

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representation letter supporting these statements. The written representation letter must state the period covered by the statements and must be dated;

- accepts that the Auditor cannot carry out the Procedures unless it is given full access to the [Beneficiary's] [Affiliated entity's] staff and accounting as well as any other relevant records and documentation.

The Auditor:

- [Option 1 by default: is qualified to carry out statutory audits of accounting documents in accordance with Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC or similar national regulations].
- [Option 2 if the Beneficiary or Affiliated entity has an independent Public Officer: is a competent and independent Public Officer for which the relevant national authorities have established the legal capacity to audit the Beneficiary].
- [Option 3 if the Beneficiary or Affiliated entity is an international organisation: is an [internal] [external] auditor in accordance with the internal financial regulations and procedures of the international organisation].

The Auditor:

- must be independent from the Beneficiary [and the Affiliated entity], in particular, it must not have been involved in preparing the [Beneficiary's] [Affiliated entity's] Financial Statement(s);
- must plan work so that the Procedures may be carried out and the Findings may be assessed;
- must adhere to the Procedures laid down and the compulsory report format;
- must carry out the engagement in accordance with this ToR;
- must document matters which are important to support the Report;
- must base its Report on the evidence gathered;
- must submit the Report to the [Beneficiary] [Affiliated entity].

The Commission sets out the Procedures to be carried out by the Auditor. The Auditor is not responsible for their suitability or pertinence. As this engagement is not an assurance engagement, the Auditor does not provide an audit opinion or a statement of assurance.

1.3 Applicable Standards

The Auditor must comply with these Terms of Reference and with²:

² Supreme Audit Institutions applying INTOSAI-standards may carry out the Procedures according to the corresponding International Standards of Supreme Audit Institutions and code of ethics issued by INTOSAI instead of the International Standard on Related Services ('ISRS') 4400 and the Code of Ethics for Professional Accountants issued by the IFAC.

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- the International Standard on Related Services ('ISRS') 4400 *Engagements to perform Agreed-upon Procedures regarding Financial Information* as issued by the International Federation of Accountants (IFAC);
- the *Code of Ethics for Professional Accountants* issued by the IFAC. Although ISRS 4400 states that independence is not a requirement for engagements to carry out agreed-upon procedures, the Agency requires that the Auditor also complies with the Code's independence requirements.

The Auditor's Report must state that there is no conflict of interests in establishing this Report between the Auditor and the Beneficiary *[and the Affiliated entity]*, and must specify - if the service is invoiced - the total fee paid to the Auditor for providing the Report.

1.4 Reporting

The Report must be written in the language of the Agreement (see Article 15 of the Agreement).

Under Article 17 of the Agreement, the Agency, the European Anti-Fraud Office and the Court of Auditors have the right to audit any work that is carried out under the action and for which costs are declared from the European Union budget. This includes work related to this engagement. The Auditor must provide access to all working papers (e.g. recalculation of hourly rates, verification of the time declared for the action) related to this assignment if the Agency, the European Anti-Fraud Office or the European Court of Auditors requests them.

1.5 Timing

The Report must be provided by [dd Month yyyy].

1.6 Other terms

[The [Beneficiary] [Affiliated entity] and the Auditor can use this section to agree other specific terms, such as the Auditor's fees, liability, applicable law, etc. Those specific terms must not contradict the terms specified above.]

[legal name of the Auditor]

[legal name of the [Beneficiary][Affiliated entity]]

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[name & function of authorised representative][name & function of authorised representative]

[dd Month yyyy]

[dd Month yyyy]

Signature of the Auditor

Signature of the *[Beneficiary]**[Affiliated entity]*

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Independent Report of Factual Findings on costs declared under COSME Programme

(To be printed on the Auditor's letterhead)

To

[name of contact person(s)], [Position]

[*Beneficiary's*] *[Affiliated entity's]* name]

[Address]

[dd Month yyyy]

Dear [Name of contact person(s)],

As agreed under the terms of reference dated [dd Month yyyy]

with [OPTION 1: *[insert name of the beneficiary]* ('the Beneficiary')] [OPTION 2: *[insert name of the affiliated entity]* ('the Affiliated entity'), third party linked to the Beneficiary *[insert name of the beneficiary]* ('the Beneficiary')],

we

[name of the auditor] ('the Auditor'),

established at

[full address/city/state/province/country],

represented by

[name and function of an authorised representative],

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have carried out the procedures agreed with you regarding the costs declared in the Financial Statement(s)³ of the [Beneficiary] [Affiliated entity] concerning the grant agreement

[insert grant agreement reference: number, title of the action and acronym] ('the Agreement'),

with a total cost declared of

[total amount] EUR,

and a total of actual costs and 'direct personnel costs declared as unit costs calculated in accordance with the [Beneficiary's] [Affiliated entity's] usual cost accounting practices' declared of

[sum of total actual costs and total direct personnel costs declared as unit costs calculated in accordance with the [Beneficiary's] [Affiliated entity's] usual cost accounting practices] EUR

and **hereby provide our Independent Report of Factual Findings ('the Report')** using the compulsory report format agreed with you.

The Report

Our engagement was carried out in accordance with the terms of reference ('the ToR') appended to this Report. The Report includes the agreed-upon procedures ('the Procedures') carried out and the standard factual findings ('the Findings') examined.

The Procedures were carried out solely to assist the *Agency* in evaluating whether the [beneficiary's] [Affiliated entity's] costs in the accompanying Financial Statement(s) were declared in accordance with the Agreement. The *Agency* draws its own conclusions from the Report and any additional information it may require.

³ By which the beneficiary declares costs under the Grant Agreement (see template 'Model Financial Statement' in Annex 4 to the Grant Agreement).

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The scope of the Procedures was defined by the Commission. Therefore, the Auditor is not responsible for their suitability or pertinence. Since the Procedures carried out constitute neither an audit nor a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, the Auditor does not give a statement of assurance on the Financial Statements.

Had the Auditor carried out additional procedures or an audit of the [Beneficiary's] [Affiliated entity's] Financial Statements in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to its attention and would have been included in the Report.

Not applicable Findings

We examined the Financial Statement(s) stated above and considered the following Findings not applicable:

Explanation (to be removed from the Report):

If a Finding was not applicable, it must be marked as 'N.A.' ('Not applicable') in the corresponding row on the right-hand column of the table and means that the Finding did not have to be corroborated by the Auditor and the related Procedure(s) did not have to be carried out.

The reasons of the non-application of a certain Finding must be obvious i.e.

- i) if no cost was declared under a certain category then the related Finding(s) and Procedure(s) are not applicable;*
- ii) if the condition set to apply certain Procedure(s) are not met the related Finding(s) and those Procedure(s) are not applicable. For instance, for Beneficiarys with accounts established in a currency other than euro' the Procedure and Finding related to 'beneficiarys with accounts established in euro' are not applicable. Similarly, if no additional remuneration is paid, the related Finding(s) and Procedure(s) for additional remuneration are not applicable.*

List here all Findings considered not applicable for the present engagement and explain the
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reasons of the non-applicability.

....

Exceptions

Apart from the exceptions listed below, the [Beneficiary] [Affiliated entity] provided the Auditor all the documentation and accounting information needed by the Auditor to carry out the requested Procedures and evaluate the Findings.

Explanation (to be removed from the Report):

- *If the Auditor was not able to successfully complete a procedure requested, it must be marked as 'E' ('Exception') in the corresponding row on the right-hand column of the table. The reason such as the inability to reconcile key information or the unavailability of data that prevents the Auditor from carrying out the Procedure must be indicated below.*
- *If the Auditor cannot corroborate a standard finding after having carried out the corresponding procedure, it must also be marked as 'E' ('Exception') and, where possible, the reasons why the Finding was not fulfilled and its possible impact must be explained here below.*

List here any exceptions and add any information on the cause and possible consequences of each exception, if known. If the exception is quantifiable, include the corresponding amount.

....

Example (to be removed from the Report):

1. *The beneficiary was unable to substantiate the Finding number 1 on ... because*
2. *Finding number 30 was not fulfilled because the methodology used by the beneficiary to calculate unit costs was different from the one approved by the Commission. The differences were as follows: ...*

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3. *After carrying out the agreed procedures to confirm the Finding number 31, the Auditor found a difference of _____ EUR. The difference can be explained by ...*

Further Remarks

In addition to reporting on the results of the specific procedures carried out, the Auditor would like to make the following general remarks:

Example (to be removed from the Report):

1. *Regarding Finding number 8 the conditions for additional remuneration were considered as fulfilled because ...*
2. *In order to be able to confirm the Finding number 15 we carried out the following additional procedures:*

Use of this Report

This Report may be used only for the purpose described in the above objective. It was prepared solely for the confidential use of the [Beneficiary] [Affiliated entity] and the Agency, and only to be submitted to the Agency in connection with the requirements set out in Article 15 of the Agreement. The Report may not be used by the [Beneficiary] [Affiliated entity] or by the Agency for any other purpose, nor may it be distributed to any other parties. The Agency may only disclose the Report to authorised parties, in particular to the European Anti-Fraud Office (OLAF) and the European Court of Auditors.

This Report relates only to the Financial Statement(s) submitted to the Agency by the [Beneficiary] [Affiliated entity] for the Agreement. Therefore, it does not extend to any other of the [Beneficiary's] [Affiliated entity's] Financial Statement(s).

There was no conflict of interest⁴ between the Auditor and the Beneficiary [and Affiliated entity] in establishing this Report. The total fee paid to the Auditor for providing the Report was EUR [] (including EUR [] of deductible VAT).

⁴ A conflict of interest arises when the Auditor's objectivity to establish the certificate is compromised in fact or in appearance when the Auditor for instance:

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We look forward to discussing our Report with you and would be pleased to provide any further information or assistance.

[legal name of the Auditor]

[name and function of an authorised representative]

[dd Month yyyy]

Signature of the Auditor

-
- was involved in the preparation of the Financial Statements;
 - stands to benefit directly should the certificate be accepted;
 - has a close relationship with any person representing the beneficiary;
 - is a director, trustee or partner of the beneficiary; or
 - is in any other situation that compromises his or her independence or ability to establish the certificate impartially.

Agreed-upon procedures to be performed and standard factual findings to be confirmed by the Auditor

The European Commission reserves the right to i) provide the auditor with additional guidance regarding the procedures to be followed or the facts to be ascertained and the way in which to present them (this may include sample coverage and findings) or to ii) change the procedures, by notifying the Beneficiary in writing. The procedures carried out by the auditor to confirm the standard factual finding are listed in the table below.

If this certificate relates to an Affiliated entity, any reference here below to ‘the Beneficiary’ is to be considered as a reference to ‘the Affiliated entity’.

The ‘result’ column has three different options: ‘C’, ‘E’ and ‘N.A.’:

- ‘C’ stands for ‘confirmed’ and means that the auditor can confirm the ‘standard factual finding’ and, therefore, there is no exception to be reported.
- ‘E’ stands for ‘exception’ and means that the Auditor carried out the procedures but cannot confirm the ‘standard factual finding’, or that the Auditor was not able to carry out a specific procedure (e.g. because it was impossible to reconcile key information or data were unavailable),
- ‘N.A.’ stands for ‘not applicable’ and means that the Finding did not have to be examined by the Auditor and the related Procedure(s) did not have to be carried out. The reasons of the non-application of a certain Finding must be obvious i.e. i) if no cost was declared under a certain category then the related Finding(s) and Procedure(s) are not applicable; ii) if the condition set to apply certain Procedure(s) are not met then the related Finding(s) and Procedure(s) are not applicable. For instance, for ‘Beneficiarys with accounts established in a currency other than the euro’ the Procedure related to ‘beneficiarys with accounts established in euro’ is not applicable. Similarly, if no additional remuneration is paid, the related Finding(s) and Procedure(s) for additional remuneration are not applicable.

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
A	ACTUAL PERSONNEL COSTS AND UNIT COSTS CALCULATED BY THE BENEFICIARY IN ACCORDANCE WITH ITS USUAL COST ACCOUNTING PRACTICE		

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Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<p>The Auditor draws a sample of persons whose costs were declared in the Financial Statement(s) to carry out the procedures indicated in the consecutive points of this section A.</p> <p><i>(The sample should be selected randomly so that it is representative. Full coverage is required if there are fewer than 10 people (including employees, natural persons working under a direct contract and personnel seconded by a third party), otherwise the sample should have a minimum of 10 people, or 10% of the total, whichever number is the highest)</i></p> <p>The Auditor sampled [] people out of the total of [] people.</p>		
<p>A.1</p>	<p>PERSONNEL COSTS</p> <p><u>For the persons included in the sample and working under an employment contract or equivalent act (general procedures for individual actual personnel costs and personnel costs declared as unit costs)</u></p> <p>To confirm standard factual findings 1-5 listed in the next column, the Auditor reviewed following information/documents provided by the Beneficiary:</p> <ul style="list-style-type: none"> ○ a list of the persons included in the sample indicating the period(s) during which they worked for the action, their position (classification or category) and type of contract; ○ the payslips of the employees included in the sample; ○ reconciliation of the personnel costs declared in the Financial Statement(s) with the accounting system (project accounting and general ledger) and payroll system; ○ information concerning the employment status and employment conditions of personnel included in the sample, in particular their employment contracts or equivalent; ○ the Beneficiary's usual policy regarding payroll matters (e.g. salary policy, overtime policy, variable pay); 	<p>1) The employees were i) directly hired by the Beneficiary in accordance with its national legislation, ii) under the Beneficiary's sole technical supervision and responsibility and iii) remunerated in accordance with the Beneficiary's usual practices.</p> <p>2) Personnel costs were recorded in the Beneficiary's accounts/payroll system.</p> <p>3) Costs were adequately supported and reconciled with the accounts and payroll records.</p>	

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Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<ul style="list-style-type: none"> ○ applicable national law on taxes, labour and social security and ○ any other document that supports the personnel costs declared. <p>The Auditor also verified the eligibility of all components of the retribution (see Article 5 SGA) and recalculated the personnel costs for employees included in the sample.</p>	4) Personnel costs did not contain any ineligible elements.	
		5) There were no discrepancies between the personnel costs charged to the action and the costs recalculated by the Auditor.	
	<p><i>Further procedures if 'additional remuneration' is paid</i></p> <p>To confirm standard factual findings 6-9 listed in the next column, the Auditor:</p> <ul style="list-style-type: none"> ○ reviewed relevant documents provided by the Beneficiary (legal form, legal/statutory obligations, the Beneficiary's usual policy on additional remuneration, criteria used for its calculation...); ○ recalculated the amount of additional remuneration eligible for the action based on the supporting documents received (full-time or part-time work, exclusive or non-exclusive dedication to the action, etc.) to arrive at the applicable FTE/year and pro-rata rate (see data collected in the course of carrying out the procedures under A.2 'Productive hours' and A.4 'Time recording system'). <p><i>IF ANY PART OF THE REMUNERATION PAID TO THE EMPLOYEE IS NOT MANDATORY ACCORDING TO THE NATIONAL LAW OR THE EMPLOYMENT CONTRACT ("ADDITIONAL REMUNERATION") AND IS ELIGIBLE UNDER THE PROVISIONS OF ARTICLE 5.2.A.1, THIS CAN BE CHARGED AS ELIGIBLE COST TO THE ACTION UP TO THE FOLLOWING AMOUNT:</i></p> <p><i>(A) IF THE PERSON WORKS FULL TIME AND EXCLUSIVELY ON THE ACTION DURING THE FULL YEAR: UP TO EUR</i></p>	6) The Beneficiary paying "additional remuneration" was a non-profit legal entity.	
		7) The amount of additional remuneration paid corresponded to the Beneficiary's usual remuneration practices and was consistently paid whenever the same kind of work or expertise was required.	
		8) The criteria used to calculate the additional remuneration were objective and generally applied by the Beneficiary regardless of the source of funding used.	

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Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<p>8 000/YEAR;</p> <p>(B) IF THE PERSON WORKS EXCLUSIVELY ON THE ACTION BUT NOT FULL-TIME OR NOT FOR THE FULL YEAR: UP TO THE CORRESPONDING PRO-RATA AMOUNT OF EUR 8 000, OR</p> <p>(C) IF THE PERSON DOES NOT WORK EXCLUSIVELY ON THE ACTION: UP TO A PRO-RATA AMOUNT CALCULATED IN ACCORDANCE TO ARTICLE 5.2.A.1.</p>	<p>9) The amount of additional remuneration included in the personnel costs charged to the action was capped at EUR 8,000 per FTE/year (up to the equivalent pro-rata amount if the person did not work on the action full-time during the year or did not work exclusively on the action).</p>	
	<p><i>Additional procedures in case “unit costs calculated by the Beneficiary in accordance with its usual cost accounting practices” is applied:</i></p> <p>Apart from carrying out the procedures indicated above to confirm standard factual findings 1-5 and, if applicable, also 6-9, the Auditor carried out following procedures to confirm standard factual findings 10-13 listed in the next column:</p> <ul style="list-style-type: none"> ○ obtained a description of the Beneficiary's usual cost accounting practice to calculate unit costs;. ○ reviewed whether the Beneficiary's usual cost accounting practice was applied for the Financial Statements subject of the present CFS; ○ verified the employees included in the sample were charged under the correct category (in accordance with the criteria used by the Beneficiary to establish personnel categories) by reviewing the contract/HR-record or analytical accounting records; 	<p>10) The personnel costs included in the Financial Statement were calculated in accordance with the Beneficiary's usual cost accounting practice. This methodology was consistently used in all COSME actions.</p>	
		<p>11) The employees were charged under the correct category.</p>	
		<p>12) Total personnel costs used in calculating the unit costs were consistent with the expenses recorded in the statutory accounts.</p>	

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Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<ul style="list-style-type: none"> ○ verified that there is no difference between the total amount of personnel costs used in calculating the cost per unit and the total amount of personnel costs recorded in the statutory accounts; ○ verified whether actual personnel costs were adjusted on the basis of budgeted or estimated elements and, if so, verified whether those elements used are actually relevant for the calculation, objective and supported by documents. 	13) Any estimated or budgeted element used by the Beneficiary in its unit-cost calculation were relevant for calculating personnel costs and corresponded to objective and verifiable information.	
	<p><u>For natural persons included in the sample and working with the Beneficiary under a direct contract other than an employment contract, such as consultants (no subcontractors).</u></p> <p>To confirm standard factual findings 14-18 listed in the next column the Auditor reviewed following information/documents provided by the Beneficiary:</p> <ul style="list-style-type: none"> ○ the contracts, especially the cost, contract duration, work description, place of work, ownership of the results and reporting obligations to the Beneficiary; ○ the employment conditions of staff in the same category to compare costs and; ○ any other document that supports the costs declared and its registration (e.g. invoices, accounting records, etc.). 	14) The natural persons reported to the Beneficiary (worked under the Beneficiary's instructions).	
		15) They worked on the Beneficiary's premises (unless otherwise agreed with the Beneficiary).	
		16) The results of work carried out belong to the Beneficiary.	
		17) Their costs were not significantly different from those for staff who performed similar tasks under an employment contract with the Beneficiary.	
		18) The costs were supported by audit evidence and registered in the accounts.	

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Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<p><u>For personnel seconded by a third party and included in the sample (not subcontractors)</u></p> <p>To confirm standard factual findings 19-22 listed in the next column, the Auditor reviewed following information/documents provided by the Beneficiary:</p> <ul style="list-style-type: none"> ○ their secondment contract(s) notably regarding costs, duration, work description, place of work and ownership of the results; ○ if there is reimbursement by the Beneficiary to the third party for the resource made available (in-kind contribution against payment): any documentation that supports the costs declared (e.g. contract, invoice, bank payment, and proof of registration in its accounting/payroll, etc.) and reconciliation of the Financial Statement(s) with the accounting system (project accounting and general ledger) as well as any proof that the amount invoiced by the third party did not include any profit. ○ if there is no reimbursement by the Beneficiary to the third party for the resource made available (in-kind contribution free of charge): a proof of the actual cost borne by the Third Party for the resource made available free of charge to the Beneficiary such as a statement of costs incurred by the and proof of the registration in the Third Party's accounting/payroll,; ○ any other document that supports the costs declared (e.g. invoices, etc.). 	<p>19) Seconded personnel reported to the Beneficiary and worked on the Beneficiary's premises (unless otherwise agreed with the Beneficiary).</p>	
		<p>20) The results of work carried out belong to the Beneficiary.</p>	
		<p><i>If personnel is seconded against payment:</i></p> <p>21) The costs declared were supported with documentation and recorded in the Beneficiary's accounts. The third party did not include any profit.</p>	
A.2	PRODUCTIVE HOURS	<p>22) <i>If personnel is seconded free of charge:</i></p> <p>22) The costs declared did not exceed the third party's cost as recorded in the accounts of the third party and were supported with documentation.</p>	
		<p>23) The Beneficiary applied method [choose one option and</p>	

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Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<p>To confirm standard factual findings 23-28 listed in the next column, the Auditor reviewed relevant documents, especially national legislation, labour agreements and contracts and time records of the persons included in the sample, to verify that:</p> <ul style="list-style-type: none"> ○ the annual productive hours applied were calculated in accordance with one of the methods described below, ○ the full-time equivalent (FTEs) ratios for employees not working full-time were correctly calculated. <p>If the Beneficiary applied method B, the auditor verified that the correctness in which the total number of hours worked was calculated and that the contracts specified the annual workable hours.</p> <p>If the Beneficiary applied method C, the auditor verified that the ‘annual productive hours’ applied when calculating the hourly rate were equivalent to at least 90 % of the ‘standard annual workable hours’. The Auditor can only do this if the calculation of the standard annual workable hours can be supported by records, such as national legislation, labour agreements, and contracts.</p> <p><i>BENEFICIARY’S PRODUCTIVE HOURS¹ FOR PERSONS WORKING FULL TIME SHALL BE ONE OF THE FOLLOWING METHODS:</i></p> <p><i>A. 1720 ANNUAL PRODUCTIVE HOURS (PRO-RATA FOR PERSONS NOT WORKING FULL-TIME)</i></p> <p><i>B. THE TOTAL NUMBER OF HOURS WORKED BY THE PERSON FOR THE BENEFICIARY IN THE YEAR (THIS METHOD IS ALSO REFERRED TO AS ‘TOTAL NUMBER OF HOURS WORKED’ IN THE NEXT COLUMN). THE CALCULATION OF THE TOTAL NUMBER OF HOURS WORKED WAS DONE AS FOLLOWS: ANNUAL WORKABLE HOURS OF THE</i></p>	<p><i>delete the others]</i></p> <p>[A: 1720 hours]</p> <p>[B: the ‘total number of hours worked’]</p> <p>[C: ‘annual productive hours’ used correspond to usual accounting practices]</p> <p>24) Productive hours were calculated annually.</p> <p>25) For employees not working full-time the full-time equivalent (FTE) ratio was correctly applied.</p> <p><i>If the Beneficiary applied method B.</i></p> <p>26) The calculation of the number of ‘annual workable hours’, overtime and absences was verifiable based on the documents provided by the Beneficiary.</p> <p><i>If the Beneficiary applied method C.</i></p> <p>27) The calculation of the number of ‘standard annual workable</p>	

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Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<p><i>PERSON ACCORDING TO THE EMPLOYMENT CONTRACT, APPLICABLE LABOUR AGREEMENT OR NATIONAL LAW PLUS OVERTIME WORKED MINUS ABSENCES (SUCH AS SICK LEAVE OR SPECIAL LEAVE).</i></p> <p><i>C. THE STANDARD NUMBER OF ANNUAL HOURS GENERALLY APPLIED BY THE BENEFICIARY FOR ITS PERSONNEL IN ACCORDANCE WITH ITS USUAL COST ACCOUNTING PRACTICES (THIS METHOD IS ALSO REFERRED TO AS 'TOTAL ANNUAL PRODUCTIVE HOURS' IN THE NEXT COLUMN). THIS NUMBER MUST BE AT LEAST 90% OF THE STANDARD ANNUAL WORKABLE HOURS.</i></p> <p><i>'ANNUAL WORKABLE HOURS' MEANS THE PERIOD DURING WHICH THE PERSONNEL MUST BE WORKING, AT THE EMPLOYER'S DISPOSAL AND CARRYING OUT HIS/HER ACTIVITY OR DUTIES UNDER THE EMPLOYMENT CONTRACT, APPLICABLE COLLECTIVE LABOUR AGREEMENT OR NATIONAL WORKING TIME LEGISLATION.</i></p>	<p>hours' was verifiable based on the documents provided by the Beneficiary.</p> <p>28) The 'annual productive hours' used for calculating the hourly rate were consistent with the usual cost accounting practices of the Beneficiary and were equivalent to at least 90 % of the 'annual workable hours'.</p>	
A.3	<p>HOURLY PERSONNEL RATES</p> <p><u>l) For unit costs calculated in accordance to the Beneficiary's usual cost accounting practice (unit costs):</u></p> <p>If the Beneficiary has a "Certificate on Methodology to calculate unit costs " (CoMUC) approved by the Commission, the Beneficiary provides the Auditor with a description of the approved methodology and the Commission's letter of acceptance. The Auditor verified that the Beneficiary has indeed used the methodology approved. If so, no further verification is necessary.</p> <p>If the Beneficiary does not have a "Certificate on Methodology" (CoMUC) approved by the</p>	<p>29) The Beneficiary applied [choose one option and delete the other]:</p> <p>[Option I: "Unit costs (hourly rates) were calculated in accordance with the Beneficiary's usual cost accounting practices"]</p> <p>[Option II: Individual hourly rates were applied]</p>	

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	<p>Commission, or if the methodology approved was not applied, then the Auditor:</p> <ul style="list-style-type: none"> ○ reviewed the documentation provided by the Beneficiary, including manuals and internal guidelines that explain how to calculate hourly rates; ○ recalculated the unit costs (hourly rates) of staff included in the sample following the results of the procedures carried out in A.1 and A.2. <p><u>II) For individual hourly rates:</u></p> <p>The Auditor:</p> <ul style="list-style-type: none"> ○ reviewed the documentation provided by the Beneficiary, including manuals and internal guidelines that explain how to calculate hourly rates; ○ recalculated the hourly rates of staff included in the sample following the results of the procedures carried out in A.1 and A.2. <p><u>“UNIT COSTS CALCULATED BY THE BENEFICIARY IN ACCORDANCE WITH ITS USUAL COST ACCOUNTING PRACTICES”:</u></p> <p><i>IT IS CALCULATED BY DIVIDING THE TOTAL AMOUNT OF PERSONNEL COSTS OF THE CATEGORY TO WHICH THE EMPLOYEE BELONGS VERIFIED IN LINE WITH PROCEDURE A.1 BY THE NUMBER OF FTE AND THE ANNUAL TOTAL PRODUCTIVE HOURS OF THE SAME CATEGORY CALCULATED BY THE BENEFICIARY IN ACCORDANCE WITH PROCEDURE A.2.</i></p> <p><u>HOURLY RATE FOR INDIVIDUAL ACTUAL PERSONAL COSTS:</u></p> <p><i>IT IS CALCULATED BY DIVIDING THE TOTAL AMOUNT OF PERSONNEL COSTS OF AN EMPLOYEE VERIFIED IN LINE WITH PROCEDURE A.1 BY THE NUMBER OF ANNUAL PRODUCTIVE HOURS VERIFIED IN LINE WITH PROCEDURE A.2.</i></p>	<p><i>For option I concerning unit costs and if the Beneficiary applies the methodology approved by the Commission (CoMUC):</i></p> <p>30) The Beneficiary used the Commission-approved methodology to calculate hourly rates. It corresponded to the organisation's usual cost accounting practices and was applied consistently for all activities irrespective of the source of funding.</p> <p><i>For option I concerning unit costs and if the Beneficiary applies a methodology not approved by the Commission:</i></p> <p>31) The unit costs re-calculated by the Auditor were the same as the rates applied by the Beneficiary.</p> <p><i>For option II concerning individual hourly rates:</i></p> <p>32) The individual rates re-calculated by the Auditor were</p>	

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		the same as the rates applied by the Beneficiary.	
A.4	<p>TIME RECORDING SYSTEM</p> <p>To verify that the time recording system ensures the fulfilment of all minimum requirements and that the hours declared for the action were correct, accurate and properly authorised and supported by documentation, the Auditor made the following checks for the persons included in the sample that declare time as worked for the action on the basis of time records:</p> <ul style="list-style-type: none"> ○ description of the time recording system provided by the Beneficiary (registration, authorisation, processing in the HR-system); ○ its actual implementation; ○ time records were signed at least monthly by the employees (on paper or electronically) and authorised by the project manager or another manager; ○ the hours declared were worked within the project period; ○ there were no hours declared as worked for the action if HR-records showed absence due to holidays or sickness (further cross-checks with travels are carried out in B.1 below) ; ○ the hours charged to the action matched those in the time recording system. <p><i>ONLY THE HOURS WORKED ON THE ACTION CAN BE CHARGED. ALL WORKING TIME TO BE CHARGED SHOULD BE RECORDED THROUGHOUT THE DURATION OF THE PROJECT, ADEQUATELY SUPPORTED BY EVIDENCE OF THEIR REALITY AND RELIABILITY (SEE SPECIFIC PROVISIONS BELOW FOR PERSONS WORKING EXCLUSIVELY FOR THE ACTION WITHOUT TIME RECORDS).</i></p>	<p>33) All persons recorded their time dedicated to the action on a daily/ weekly/ monthly basis using a paper/computer-based system. <i>(delete the answers that are not applicable)</i></p> <p>34) Their time-records were authorised at least monthly by the project manager or other superior.</p> <p>35) Hours declared were worked within the project period and were consistent with the presences/absences recorded in HR-records.</p> <p>36) There were no discrepancies between the number of hours charged to the action and the number of hours recorded.</p>	

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	<p><u>If the persons are working exclusively for the action and without time records</u></p> <p>For the persons selected that worked exclusively for the action without time records, the Auditor verified evidence available demonstrating that they were in reality exclusively dedicated to the action and that the Beneficiary signed a declaration confirming that they have worked exclusively for the action.</p>	37) The exclusive dedication is supported by a declaration signed by the Beneficiary's and by any other evidence gathered.	
B	COSTS OF SUBCONTRACTING		
B.1	<p>The Auditor obtained the detail/breakdown of subcontracting costs and sampled [redacted] cost items selected randomly (<i>full coverage is required if there are fewer than 10 items, otherwise the sample should have a minimum of 10 item, or 10% of the total, whichever number is highest</i>).</p> <p>To confirm standard factual findings 38-42 listed in the next column, the Auditor reviewed the following for the items included in the sample:</p> <ul style="list-style-type: none"> ○ the use of subcontractors was foreseen in Annex 1; ○ subcontracting costs were declared in the subcontracting category of the Financial Statement; ○ supporting documents on the selection and award procedure were followed; ○ the Beneficiary ensured best value for money (key elements to appreciate the respect of this principle are the award of the subcontract to the bid offering best price-quality ratio, under conditions of transparency and equal treatment. In case an existing framework contract was used the Beneficiary ensured it was established on the basis of the principle of best value for money under conditions of transparency and equal treatment). 	<p>38) The use of claimed subcontracting costs was foreseen in Annex 1 and costs were declared in the Financial Statements under the subcontracting category.</p> <p>39) There were documents of requests to different providers, different offers and assessment of the offers before selection of the provider in line with internal procedures and procurement rules. Subcontracts were awarded in accordance with the principle of best value for money.</p> <p><i>(When different offers were not collected the Auditor</i></p>	

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	<p>In particular,</p> <ul style="list-style-type: none"> i. if the Beneficiary acted as a contracting authority within the meaning of Directive 2004/18/EC or of Directive 2004/17/EC, the Auditor verified that the applicable national law on public procurement was followed and that the subcontracting complied with the Terms and Conditions of the Agreement. ii. if the Beneficiary did not fall under the above-mentioned category the Auditor verified that the Beneficiary followed their usual procurement rules and respected the Terms and Conditions of the Agreement.. <p>For the items included in the sample the Auditor also verified that:</p> <ul style="list-style-type: none"> ○ the subcontracts were not awarded to other Beneficiarys in the consortium; ○ there were signed agreements between the Beneficiary and the subcontractor; ○ there was evidence that the services were provided by subcontractor; 	<p><i>explains the reasons provided by the Beneficiary under the caption “Exceptions” of the Report. The Commission will analyse this information to evaluate whether these costs might be accepted as eligible)</i></p> <p>40) The subcontracts were not awarded to other Beneficiarys of the consortium.</p> <p>41) All subcontracts were supported by signed agreements between the Beneficiary and the subcontractor.</p> <p>42) There was evidence that the services were provided by the subcontractors.</p>	
C	COSTS OF PROVIDING FINANCIAL SUPPORT TO THIRD PARTIES		
C.1	<p>The Auditor obtained the detail/breakdown of the costs of providing financial support to third parties and sampled [] cost items selected randomly (full coverage is required if there are fewer than 10 items, otherwise the sample should have a minimum of 10 item, or 10% of the</p>	43) All minimum conditions were met	

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	<p><i>total, whichever number is highest).</i></p> <p>The Auditor verified that the following minimum conditions were met:</p> <ul style="list-style-type: none"> a) the maximum amount of financial support for each third party did not exceed EUR 60 000, unless explicitly mentioned in Annex 1; b) the financial support to third parties was agreed in Annex 1 of the Agreement and the other provisions on financial support to third parties included in Annex 1 were respected. 		
D	OTHER ACTUAL DIRECT COSTS		
D.1	COSTS OF TRAVEL AND RELATED SUBSISTENCE ALLOWANCES		
	<p>The Auditor sampled [redacted] cost items selected randomly (<i>full coverage is required if there are fewer than 10 items, otherwise the sample should have a minimum of 10 item, or 10% of the total, whichever number is the highest).</i></p> <p>The Auditor inspected the sample and verified that:</p> <ul style="list-style-type: none"> ○ travel and subsistence costs were consistent with the Beneficiary 's usual policy for travel. In this context, the Beneficiary provided evidence of its normal policy for travel costs (e.g. use of first class tickets, reimbursement by the Beneficiary on the basis of actual costs, a lump sum or per diem) to enable the Auditor to compare the travel costs charged with this policy; ○ travel costs are correctly identified and allocated to the action (e.g. trips are directly linked to the action) by reviewing relevant supporting documents such as minutes of 	44) Costs were incurred, approved and reimbursed in line with the Beneficiary 's usual policy for travels.	
		45) There was a link between the trip and the action.	
		46) The supporting documents were consistent with each other regarding subject of the trip, dates, duration and reconciled with time records and accounting.	

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	<p>meetings, workshops or conferences, their registration in the correct project account, their consistency with time records or with the dates/duration of the workshop/conference;</p> <ul style="list-style-type: none"> ○ no ineligible costs or excessive or reckless expenditure was declared. 	47) No ineligible costs or excessive or reckless expenditure was declared.	
D.2	<p>DEPRECIATION COSTS FOR EQUIPMENT, INFRASTRUCTURE OR OTHER ASSETS</p> <p>The Auditor sampled [redacted] cost items selected randomly (<i>full coverage is required if there are fewer than 10 items, otherwise the sample should have a minimum of 10 item, or 10% of the total, whichever number is the highest</i>).</p> <p>For “equipment, infrastructure or other assets” [from now on called “asset(s)"] selected in the sample the Auditor verified that:</p> <ul style="list-style-type: none"> ○ the assets were acquired in conformity with the Beneficiary's internal guidelines and procedures; ○ they were correctly allocated to the action (with supporting documents such as delivery note invoice or any other proof demonstrating the link to the action) ○ they were entered in the accounting system; ○ the extent to which the assets were used for the action (as a percentage) was supported by reliable documentation (e.g. usage overview table); <p>The Auditor recalculated the depreciation costs and verified that they were in line with the applicable rules in the Beneficiary’s country and with the Beneficiary’s usual accounting policy (e.g. depreciation calculated on the acquisition value).</p> <p>The Auditor verified that no ineligible costs such as deductible VAT, exchange rate losses,</p>	<p>48) Procurement rules, principles and guides were followed.</p> <p>49) There was a link between the grant agreement and the asset charged to the action.</p> <p>50) The asset charged to the action was traceable to the accounting records and the underlying documents.</p> <p>51) The depreciation method used to charge the asset to the action was in line with the applicable rules of the Beneficiary's country and the Beneficiary's usual accounting policy.</p> <p>52) The amount charged corresponded to the actual usage for the action.</p> <p>53) No ineligible costs or excessive or reckless expenditure were</p>	

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	excessive or reckless expenditure were declared (see Article 5 SGA).	declared.	
D.3	<p>COSTS OF OTHER GOODS AND SERVICES</p> <p>The Auditor sampled [redacted] cost items selected randomly (<i>full coverage is required if there are fewer than 10 items, otherwise the sample should have a minimum of 10 item, or 10% of the total, whichever number is highest</i>).</p> <p>For the purchase of goods, works or services included in the sample the Auditor verified that:</p> <ul style="list-style-type: none"> ○ the contracts did not cover tasks described in Annex 1; ○ they were correctly identified, allocated to the proper action, entered in the accounting system (traceable to underlying documents such as purchase orders, invoices and accounting); ○ the goods were not placed in the inventory of durable equipment; ○ the costs charged to the action were accounted in line with the Beneficiary's usual accounting practices; ○ no ineligible costs or excessive or reckless expenditure were declared (see Article 5 SGA). <p>In addition, the Auditor verified that these goods and services were acquired in conformity with the Beneficiary 's internal guidelines and procedures, in particular:</p> <ul style="list-style-type: none"> ○ if Beneficiary acted as a contracting authority within the meaning of Directive 2004/18/EC or of Directive 2004/17/EC, the Auditor verified that the applicable national law on public procurement was followed and that the procurement contract complied with the Terms and Conditions of the Agreement. ○ if the Beneficiary did not fall into the category above, the Auditor verified that the 	<p>54) Contracts for works or services did not cover tasks described in Annex 1.</p> <p>55) Costs were allocated to the correct action and the goods were not placed in the inventory of durable equipment.</p> <p>56) The costs were charged in line with the Beneficiary's accounting policy and were adequately supported.</p> <p>57) No ineligible costs or excessive or reckless expenditure were declared. For internal invoices/charges only the cost element was charged, without any mark-ups.</p> <p>58) Procurement rules, principles and guides were followed. There were documents of requests to different providers, different offers and assessment of the offers</p>	

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	<p>Beneficiary followed their usual procurement rules and respected the Terms and Conditions of the Agreement.</p> <p>For the items included in the sample the Auditor also verified that:</p> <ul style="list-style-type: none"> ○ the Beneficiary ensured best value for money (key elements to appreciate the respect of this principle are the award of the contract to the bid offering best price-quality ratio, under conditions of transparency and equal treatment. In case an existing framework contract was used the Auditor also verified that the Beneficiary ensured it was established on the basis of the principle of best value for money under conditions of transparency and equal treatment); <p><i>SUCH GOODS AND SERVICES INCLUDE, FOR INSTANCE, CONSUMABLES AND SUPPLIES, DISSEMINATION (INCLUDING OPEN ACCESS), PROTECTION OF RESULTS, SPECIFIC EVALUATION OF THE ACTION IF IT IS REQUIRED BY THE AGREEMENT, CERTIFICATES ON THE FINANCIAL STATEMENTS IF THEY ARE REQUIRED BY THE AGREEMENT AND CERTIFICATES ON THE METHODOLOGY, TRANSLATIONS, REPRODUCTION.</i></p>	<p>before selection of the provider in line with internal procedures and procurement rules. The purchases were made in accordance with the principle of best value for money.</p> <p><i>(When different offers were not collected the Auditor explains the reasons provided by the Beneficiary under the caption “Exceptions” of the Report. The Commission will analyse this information to evaluate whether these costs might be accepted as eligible)</i></p>	
D.4	<p>AGGREGATED CAPITALISED AND OPERATING COSTS OF RESEARCH INFRASTRUCTURE</p> <p>The Auditor ensured the existence of a positive ex-ante assessment (issued by the EC Services) of the cost accounting methodology of the Beneficiary allowing it to apply the guidelines on direct costing for large research infrastructures in COSME.</p> <p><i>In the cases that a positive ex-ante assessment has been issued (see the standard factual</i></p>	<p>59) The costs declared as direct costs for Large Research Infrastructures (in the appropriate line of the Financial Statement) comply with the methodology described in the positive ex-ante assessment report.</p>	

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	<p><i>findings 59-60 on the next column),</i></p> <p>The Auditor ensured that the Beneficiary has applied consistently the methodology that is explained and approved in the positive ex ante assessment;</p> <p><i>In the cases that a positive ex-ante assessment has NOT been issued (see the standard factual findings 61 on the next column),</i></p> <p>The Auditor verified that no costs of Large Research Infrastructure have been charged as direct costs in any costs category;</p> <p><i>In the cases that a draft ex-ante assessment report has been issued with recommendation for further changes (see the standard factual findings 61 on the next column),</i></p> <ul style="list-style-type: none"> The Auditor followed the same procedure as above (when a positive ex-ante assessment has NOT yet been issued) and paid particular attention (testing reinforced) to the cost items for which the draft ex-ante assessment either rejected the inclusion as direct costs for Large Research Infrastructures or issued recommendations. 	<p>60) Any difference between the methodology applied and the one positively assessed was extensively described and adjusted accordingly.</p> <p>61) The direct costs declared were free from any indirect costs items related to the Large Research Infrastructure.</p>	
E	USE OF EXCHANGE RATES		
E.1	<p><u>a) For Beneficiaries with accounts established in a currency other than euros</u></p> <p>The Auditor sampled [redacted] cost items selected randomly and verified that the exchange rates used for converting other currencies into euros were in accordance with the following rules established in the Agreement (full coverage is required if there are fewer than 10 items,</p>	62) The exchange rates used to convert other currencies into Euros were in accordance with the rules established of the Grant Agreement and there	

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	<p><i>otherwise the sample should have a minimum of 10 item, or 10% of the total, whichever number is highest):</i></p> <p><i>COSTS INCURRED IN ANOTHER CURRENCY SHALL BE CONVERTED INTO EURO AT THE AVERAGE OF THE DAILY EXCHANGE RATES PUBLISHED IN THE C SERIES OF OFFICIAL JOURNAL OF THE EUROPEAN UNION (https://www.ecb.int/stats/exchange/eurofxref/html/index.en.html), DETERMINED OVER THE CORRESPONDING REPORTING PERIOD.</i></p> <p><i>IF NO DAILY EURO EXCHANGE RATE IS PUBLISHED IN THE OFFICIAL JOURNAL OF THE EUROPEAN UNION FOR THE CURRENCY IN QUESTION, CONVERSION SHALL BE MADE AT THE AVERAGE OF THE MONTHLY ACCOUNTING RATES ESTABLISHED BY THE COMMISSION AND PUBLISHED ON ITS WEBSITE (http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm), DETERMINED OVER THE CORRESPONDING REPORTING PERIOD.</i></p>	was no difference in the final figures.	
	<p><u>b) For Beneficiaries with accounts established in euros</u></p> <p>The Auditor sampled [redacted] cost items selected randomly and verified that the exchange rates used for converting other currencies into euros were in accordance with the following rules established in the Agreement (full coverage is required if there are fewer than 10 items, otherwise the sample should have a minimum of 10 item, or 10% of the total, whichever number is highest):</p> <p><i>COSTS INCURRED IN ANOTHER CURRENCY SHALL BE CONVERTED INTO EURO BY APPLYING THE BENEFICIARY'S USUAL ACCOUNTING PRACTICES.</i></p>	63) The Beneficiary applied its usual accounting practices.	

Grant Agreement number: [insert number] [insert acronym] [insert call/sub-call identifier]

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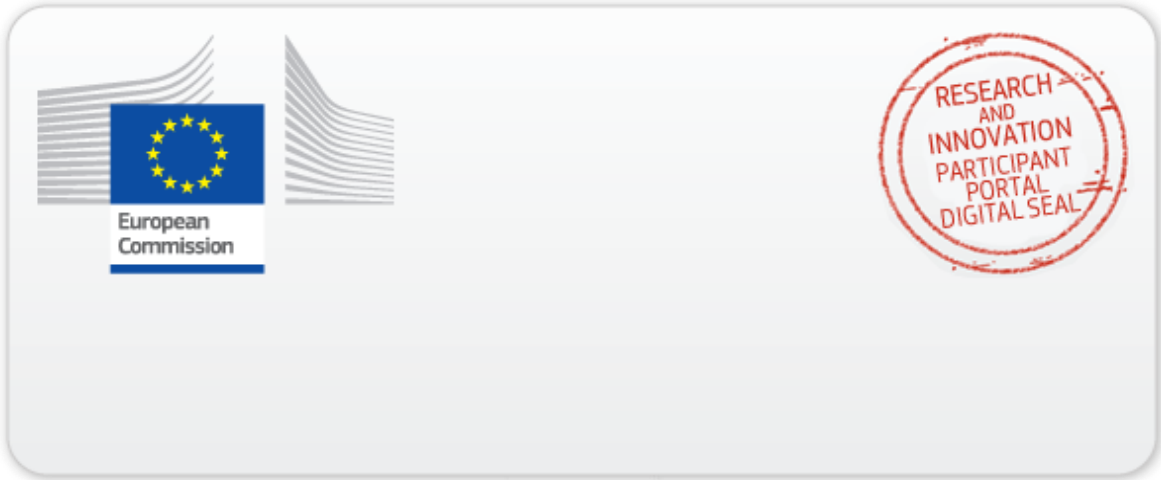
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[legal name of the audit firm]

[name and function of an authorised representative]

<dd Month yyyy>

<Signature of the Auditor>



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