



INTERNATIONAL  
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COUNCIL

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OLEICOLO  
INTERNAZIONALE

المجلس  
الدولي  
للزيتون

## Annex 4: Template agreement

### DRAFT GRANT AGREEMENT FOR AN ACTION

#### AGREEMENT NUMBER

The International Olive Council ("the IOC"), represented by the Executive Secretariat, itself represented for the purposes of signature of this agreement by [name in full and function,]

of the one part,

and

[full official name]

[official legal form]

[statutory registration number]

[official address in full]

[VAT number],

("the beneficiary"), [represented for the purposes of signature of this agreement by [name in full and function]]

of the other part,

#### HAVE AGREED

the **Special Conditions** and the **General Conditions** below and the following **Annexes**:

**Annex I** Description of the action

**Annex II** Estimated budget for the action

which form an integral part of this agreement ('the agreement').

The terms set out in the Special Conditions shall take precedence over those in the other parts of the agreement.



The terms set out in the General Conditions shall take precedence over those in the Annexes.

## **I – SPECIAL CONDITIONS**

### **ARTICLE I.1 – PURPOSE OF THE GRANT**

I.1.1 The International Olive Council has decided to award a grant, on the terms and conditions set out in the Special Conditions, the General Conditions and the Annexes to the agreement, of which the beneficiary hereby declares to have taken cognisance and to accept, for the action entitled[...] ("the action").

I.1.2 The beneficiary accepts the grant and undertakes to do everything in his power to carry out the action, described in Annex I, acting on his own responsibility.

### **ARTICLE I.2 – DURATION**

I.2.1 The agreement shall enter into force on the date on which the last of the two parties signs.

I.2.2 The action shall run for [...] [*months/days*] from the [*first day [of the month] following the date on which the last of the two parties signs*] [*or insert date*] ("the starting date of the action"). [*The above period shall be determined on the basis of calendar days*].

### **ARTICLE I.3 – FINANCING OF THE ACTION**

I.3.1 The total cost of the action is estimated at EUR[...], as shown in the estimated budget in Annex II. The estimated budget shall give a detailed breakdown of the costs that are eligible for IOC funding under the terms of article II.14, of any other costs that the action may entail, and of all receipts so that receipts and costs balance.

I.3.2 The total eligible costs of the action for which an IOC grant is awarded are estimated at EUR [...] and correspond to the items of expenditure as shown in the estimated budget in Annex II, in compliance with the conditions of cost eligibility set forth in article II.14



- I. 3. 3 The Executive Secretariat shall contribute a maximum of EUR..... (..... euros), as indicated in paragraph 2. The final amount of the grant shall be determined as specified in article II.17, without prejudice to article II.19.

The grant awarded by the IOC shall not cover the entire costs of the action and may in no case exceed 50% of the cost of the co-financed activity. The amounts and sources of co-financing other than from IOC funds shall be set out in the estimated budget referred to in paragraph 1. The International Olive Council consents to such co-financing from non-IOC funds being made up of contributions in kind insofar as the conditions set forth in article II.14.5 are fulfilled.

- I.3.4 By way of derogation from article II.13, the beneficiary may, when carrying out the action, ask to adjust the estimated budget by making transfers between items of eligible costs, provided that this adjustment of expenditure does not affect the implementation of the action and the transfer between items does not exceed 10% of the amount of each item of eligible, estimated costs for which the transfer is intended, and without exceeding the total eligible costs mentioned in paragraph 2. The beneficiary shall request this amendment by registered letter, with advice of delivery or equivalent, addressed to the IOC, which reserves the right to refuse within 20 days of the date of receipt of the request. Upon the expiry of that time limit, the request will be deemed to have been approved.

#### **ARTICLE I.4 – PAYMENT ARRANGEMENTS**

The request for payment must be accompanied by the final technical and financial implementation reports specified in article II.15 together with an external audit certificate or, in the case of public bodies, of a certificate delivered by a qualified, independent public officer concerning the related financial statements and accounts which must state in all cases the amounts paid, the taxable base, and the pertinent taxes. The Executive Secretariat shall have [...] days to approve *or* reject the technical implementation report or to request additional supporting documents or information under the procedure laid down in article II.15 4. In that case, the beneficiary shall have [...] days to submit the additional information requested or a new report.



## **ARTICLE I.5 – SUBMISSION OF REPORTS AND OTHER DOCUMENTS**

The technical and financial implementation reports and other documents referred to in article I.4 must be submitted in 2 copies (English) by the following deadlines:

- Final technical and financial implementation reports: within 1 month of the closing date of the action as determined in article I.2.2.

## **ARTICLE I.6 – BANK ACCOUNT**

Payment shall be made to a bank account of the beneficiary, as indicated below:

Name of bank:

Branch code, address, city and country: [...]

International bank branch code (SWIFT)

Precise name of the account holder:

International bank account number (IBAN)

## **ARTICLE I. 7 –GENERAL ADMINISTRATIVE PROVISIONS**

Any communication in connection with this agreement shall be in writing, indicating the number of the agreement, and shall be sent to the following addresses:

For the Executive Secretariat:

IOC Executive Secretariat

C/ Príncipe de Vergara, 154

28002 Madrid (Spain)

Tel: 34 91 590.36.38

Fax: 34 91 563.12.63

e-mail : [iooc@internationaloliveoil.org](mailto:iooc@internationaloliveoil.org)



Ordinary mail shall be considered to have been received by the Executive Secretariat on the date on which it is formally registered by the Executive Secretariat.

For the beneficiary:

Mr/Mrs/Ms [...]

[Post]

[*Official name*]

[official address in full]

#### **ARTICLE I.8 – APPLICABLE LAW AND COMPETENT COURT**

The grant is governed by the terms of the agreement and by the applicable IOC rules.

The beneficiary may lodge an appeal with the Court of Arbitration of the Chamber of Commerce of Madrid against decisions taken by the Executive Secretariat in regard to the application of the terms and conditions of the agreement and the arrangements for its implementation.

#### **ARTICLE I.9 – DATA PROTECTION**

Any personal data included in the agreement shall be processed solely for the purposes of the performance and follow-up of the agreement by the Executive Secretariat, without prejudice to their possible transmission to the bodies responsible for monitoring and audit tasks in conformity with IOC legislation.

Beneficiaries may, upon written request, have access to their personal data and rectify any such data that are incorrect or incomplete. They submit any enquiry regarding the processing of their personal data to the Executive Secretariat.

#### **ARTICLE I.10 - SPECIAL CONDITIONS**

The following special conditions shall be applicable under this agreement:

Beneficiaries shall denominate their payment requests, including the financial implementation reports, in Euros, as specified in article I.4. Any conversion in Euros shall be made by the beneficiary at the monthly rate established for the euro by the European Commission and published on its website for the month in which the cost was paid.



## **II – GENERAL CONDITIONS**

### **PART A: LEGAL AND ADMINISTRATIVE PROVISIONS**

#### **ARTICLE II.1 – LIABILITY**

II.1.1 The beneficiary shall have sole responsibility for complying with any legal obligations incumbent on him.

II.1.2 The International Olive Council may not, in any circumstances or on any grounds, be held liable in the event of a claim under the agreement relating to any damage caused during the action. Consequently, it will not entertain any request for indemnity or reimbursement accompanying any such claim.

II.1.3 Except in cases of force majeure, the beneficiary shall make good any damage sustained by the IOC Executive Secretariat as a result of the implementation or faulty implementation of the action.

II.1.4 The beneficiary shall bear sole liability *vis à vis* third parties, including for damage of any kind sustained by them while the action is being carried out.

#### **ARTICLE II.2 – CONFLICT OF INTERESTS**

The beneficiary undertakes to take all the necessary measures to prevent any risk of conflict of interests which could affect the impartial and objective performance of the agreement. Such conflict of interests could arise in particular as a result of economic interest, political or national affinity, family or emotional reasons, or any other shared interest.

Any situation constituting or likely to lead to a conflict of interests during the implementation of the agreement must be brought to the attention of the Executive Secretariat, in writing, without delay. The beneficiary shall undertake to take whatever steps are necessary to rectify this situation at once. The Executive Secretariat reserves the right to check that the measures taken are appropriate and may demand that the beneficiary take additional measures, if necessary, within the period assigned for this purpose.



## **ARTICLE II.3 - OWNERSHIP/USE OF THE RESULTS**

II.3.1 Unless stipulated otherwise in this agreement, ownership of the results of the action, including industrial and intellectual property rights, and of the reports and other documents relating to it shall be vested in the beneficiary.

II.3.2 Without prejudice to paragraph 1, the beneficiary grants the Executive Secretariat the right to make free use of the results of the action as it deems fit, provided it does not thereby breach its confidentiality obligations or existing industrial and intellectual property rights.

## **ARTICLE II.4 – CONFIDENTIALITY**

The Executive Secretariat and the beneficiary undertake to preserve the confidentiality of any document, information or other material directly related to the subject of the agreement that is duly classed as confidential, if disclosure could cause prejudice to the other party. The parties shall remain bound by this obligation beyond the closing date of the action.

## **ARTICLE II.5 – PUBLICITY**

II.5.1 Unless the Executive Secretariat requests otherwise, any communication or publication by the beneficiary about the action, including at a conference or seminar, shall indicate that it has received funding from the Executive Secretariat.

Any communication or publication by the beneficiary, in any form and medium, shall indicate that sole responsibility lies with the author and that the Executive Secretariat is not responsible for any use that may be made of the information contained therein.

II.5.2 The beneficiary authorises the Executive Secretariat to publish the following information in any form and medium, including via the Internet:

- The name and address of the beneficiary;
- The purpose of the grant;
- The amount granted and the financing rate with regard to the total cost of the action.



Upon a reasoned and duly substantiated request by the beneficiary, and subject to the express approval of the Executive Secretariat, the latter may agree to forgo such publicity if disclosure of the information indicated above would risk compromising the beneficiary's security or prejudicing his commercial interests.

## **ARTICLE II.6 – EVALUATION OF THE ACTION**

Whenever the Executive Secretariat carries out an interim or final evaluation of the action's impact measured against the objectives of the programme concerned, the beneficiary undertakes to make available to the Executive Secretariat and/or persons authorised by it all such documents or information as will allow the evaluation to be successfully completed and to give them the rights of access specified in Article II.19.

## **ARTICLE II.7 – SUSPENSION OF THE ACTION**

II.7.1 The beneficiary may suspend implementation of the action if exceptional circumstances make this impossible or excessively difficult, notably in the event of force majeure. He shall inform the Executive Secretariat without delay, giving all the necessary reasons and details and the foreseeable date of resumption.

II.7.2 If the Executive Secretariat does not terminate the agreement under Article II.11.2, the beneficiary shall resume implementation once circumstances allow and shall inform the Executive Secretariat accordingly. The duration of the action shall be extended by a period equivalent to the length of the suspension. In accordance with Article II.13, a supplementary written agreement shall be concluded to extend the duration of the action and to make any amendments that may be necessary to adapt the action to the new implementing conditions.

## **ARTICLE II.8 – FORCE MAJEURE**

II.8.1 Force majeure shall mean any unforeseeable exceptional situation or event beyond the parties' control that prevents either of them from fulfilling any of their obligations under the agreement, which was not attributable to error or negligence on their part, and which proves insurmountable in spite of all due diligence.





Defects in equipment or material or delays in making them available (unless due to force majeure), labour disputes, strikes or financial difficulties cannot be invoked as force majeure by the defaulting party.

II.8.2 A party faced with force majeure shall inform the other party without delay by registered letter with advice of delivery or equivalent, stating the nature, probable duration and foreseeable effects.

II.8.3 Neither of the parties shall be held in breach of their obligations under the agreement if they are prevented from fulfilling them by force majeure. The parties shall make every effort to minimise any damage due to force majeure.

II.8.4 The action may be suspended in accordance with Article II.7.

## **ARTICLE II.9 – AWARD OF CONTRACTS**

II.9.1 If the beneficiary has to conclude contracts in order to carry out the action and they constitute costs of the action under an item of eligible direct costs in the estimated budget, he shall seek competitive tenders from potential contractors and award the contract to the bid offering best value for money; in doing so he shall observe the principles of transparency and equal treatment of potential contractors and shall take care to avoid any conflict of interests.

II.9.2 Contracts as referred to in paragraph 1 may be awarded only in the following cases:

- (a) they may only cover the execution of a limited part of the action;
- (b) recourse to the award of contracts must be justified having regard to the nature of the tasks covered by the action and what is necessary for its implementation;
- (c) the tasks concerned must likewise be set out in Annex I and the corresponding estimated costs must be set out in detail in the budget in Annex I;
- (d) any recourse to the award of contracts while the action is underway, if not provided for in the initial grant application, shall be subject to prior written authorisation by the Executive Secretariat;



- (e) the beneficiary shall retain sole responsibility for carrying out the action and for compliance with the provisions of the agreement. The beneficiary must undertake to make the necessary arrangements to ensure that the contractor waives all rights in respect of the Executive Secretariat;
- (f) the beneficiary must undertake to ensure that the conditions applicable to him under Articles II.1, II.2, II.3, II.4, II.5, II.6, II.10 and II.19 of the agreement are also applicable to the contractor.

II.9.3 Beneficiaries may not sub-grant to third parties.

### **ARTICLE II.10 – ASSIGNMENT**

Claims against the Executive Secretariat may not be transferred.

In exceptional circumstances, where the situation so warrants, the Executive Secretariat may authorise the agreement and the payments arising thereof to be assigned to a third party following a written substantiated request to that effect from the beneficiary. If the Executive Secretariat agrees, it must make its agreement known in writing before the proposed assignment takes place. In the absence of the above authorisation, or in the event of failure to observe the terms thereof, the assignment shall not be enforceable against and shall have no effect on the Executive Secretariat.

In no circumstances shall such an assignment release the beneficiary from his obligations to the Executive Secretariat.

### **ARTICLE II.11 – TERMINATION OF THE AGREEMENT**

#### **II.11.1 Termination by the beneficiary**

In duly justified cases, the beneficiary may withdraw his request for a grant and terminate the agreement at any time by giving 30 days' written notice stating the reasons, without being required to furnish any indemnity on this account. If no reasons are given or if the Executive Secretariat does not accept the reasons, the beneficiary shall be deemed to have terminated this agreement improperly, with the consequences set out in the third subparagraph of paragraph 4 of this article.

#### **II.11.2 Termination by the Executive Secretariat**



The Executive Secretariat may decide to terminate the agreement, without any indemnity on its part, in the following circumstances:

- (a) in the event of a legal, financial, technical or organisational change in the beneficiary's situation that is liable to affect the agreement substantially or to call into question the decision to award the grant;
- (b) if the beneficiary fails to fulfil a substantial obligation incumbent on him under the terms of the agreement, including its annexes;
- (c) in the event of force majeure, notified in accordance with Article II.8, or if the action has been suspended as a result of exceptional circumstances, notified in accordance with Article II.7;
- (d) if the beneficiary is declared bankrupt, is being wound up or is the subject of any other similar proceedings;
- (e) if the beneficiary is found guilty of an offence involving his professional conduct by a judgment having the force of *res judicata* or if he is guilty of grave professional misconduct proven by any justified means;
- (f) if the beneficiary is guilty of misrepresentation or submits reports inconsistent with reality to obtain the grant provided for in the agreement;



- (g) if the beneficiary has intentionally or by negligence committed a substantial irregularity in performing the agreement or in the event of fraud, corruption or any other illegal activity on the part of the beneficiary to the detriment of the financial interests of the IOC. A substantial irregularity consists of any infringement of a provision of an agreement or regulation resulting from an act or an omission on the part of the beneficiary which causes or might cause a loss to the budget.

### **II.11.3 Termination procedure**

The procedure is initiated by registered letter with advice of delivery or equivalent.

In the cases referred to in points (a), (b) and (d) of paragraph 2 of this article, the beneficiary shall have 30 days to submit his observations and take any measures necessary to ensure continued fulfilment of his obligations under the agreement. If the Executive Secretariat fails to confirm acceptance of these observations by giving written approval within 30 days of receiving them, the procedure shall continue to run.

Where notice is given, termination shall take effect at the end of the period of notice, which shall start to run from the date when notification of the decision of the Executive Secretariat to terminate the agreement is received.

If notice is not given in the cases referred to in points (c), (e), (f) and (g) of paragraph 2 of this article, termination shall take effect from the day following the date on which notification of the decision of the Executive Secretariat to terminate the agreement is received.

### **II.11.4 Effects of termination**

In the event of termination, payments by the Executive Secretariat shall be limited to the eligible costs actually incurred by the beneficiary up to the date when termination takes effect in accordance with the provisions of Article II.17. Costs relating to current commitments that are not due to be executed until after termination shall not be taken into account. The beneficiary shall have 60 days from the date when termination takes effect, as notified by the Executive Secretariat, to produce a request for final payment in accordance with Article II.15.4. If no request for final payment



is received within this time limit, the Executive Secretariat shall not reimburse the expenditure incurred by the beneficiary up to the date of termination and it shall recover any amount if its use is not substantiated by the technical and financial implementation reports approved by the Executive Secretariat.

By way of exception, at the end of the period of notice referred to in paragraph 3, when the Executive Secretariat is terminating the agreement on the grounds that the beneficiary has failed to produce the final technical and financial implementation reports within the deadline stipulated in Article I.5 and the beneficiary has still not complied with this obligation within two months following the written reminder sent by the Executive Secretariat by registered letter with advice of delivery or equivalent, the Executive Secretariat shall not reimburse the expenditure incurred by the beneficiary up to the end of the period of the action and it shall recover any amount if its use is not substantiated by the technical and financial implementation reports approved by the Executive Secretariat.

By way of exception, in the event of improper termination by the beneficiary or termination by the Executive Secretariat on the grounds set out in points (e), (f) or (g) of paragraph 2 of this article, the Executive Secretariat may require the partial or total repayment of sums already paid under the agreement on the basis of technical and financial implementation reports approved by the Executive Secretariat, in proportion to the gravity of the failings in question and after allowing the beneficiary to submit his observations.

## **ARTICLE II.12 – FINANCIAL PENALTIES**

By virtue of the Financial Regulation applicable to the IOC budget, any beneficiary declared to be in grave breach of his obligations shall be liable to financial penalties of between 2% and 10% of the value of the grant in question, with due regard for the principle of proportionality. This rate may be increased to between 4% and 20% in the event of a repeated breach in the five years following the first. The beneficiary shall be notified in writing of any decision by the Executive Secretariat to apply such financial penalties.



## **ARTICLE II.13 - SUPPLEMENTARY AGREEMENTS**

II.13.1 Any amendment to the grant conditions must be the subject of a written supplementary agreement. No oral agreement may bind the parties to this effect.

II.13.2 The supplementary agreement may not have the purpose or the effect of making changes to the agreement which might call into question the decision awarding the grant or result in unequal treatment of applicants.

II.13.3 If the amendment is requested by the beneficiary, he must send it to the Executive Secretariat in good time before it is due to take effect and at all events one month before the starting date of the action to be modified, except in cases duly substantiated by the beneficiary and accepted by the Executive Secretariat.

## **PART B - FINANCIAL PROVISIONS**

### **ARTICLE II.14 – ELIGIBLE COSTS**

II.14.1 To be considered eligible costs of the action, costs must satisfy the following general criteria:

- they must be connected with the subject of the agreement and they must be provided for in the estimated budget annexed to it;
- they must be necessary for the implementation of the action covered by the agreement;
- they must be reasonable and justified and they must satisfy the principles of sound financial management, in particular in terms of value for money and cost-effectiveness;
- they must be generated during the lifetime of the action as specified in Article I.2.2 of the agreement;
- they must be actually incurred by the beneficiary, be recorded in his accounts in accordance with the applicable accounting principles, and be declared in accordance with the requirements of the applicable tax and social legislation;
- they must be identifiable and verifiable.



The internal accounting and auditing procedures of the beneficiary must permit a direct reconciliation of the costs and revenue declared in respect of the action with the corresponding accounting statements and supporting documents.

II.14.2 The eligible direct costs for the action are those costs which, with due regard for the conditions of eligibility set out in Article II.14.1, are identifiable as specific costs directly linked to performance of the action and which can therefore be booked to it directly. In particular, the following direct costs are eligible provided that they satisfy the criteria set out in the previous paragraph:

- the cost of staff assigned to the action, comprising actual salaries plus social security charges and other statutory costs included in the remuneration, provided that this does not exceed the average rates corresponding to the beneficiary's usual policy on remuneration;
- travel and subsistence allowances for staff taking part in the action, provided that they are in line with the beneficiary's usual practices on travel costs or do not exceed the scales approved annually by the Executive Secretariat;
- the purchase cost of equipment (new or second hand), provided that it is written off in accordance with the tax and accounting rules applicable to the beneficiary and generally accepted for items of the same kind. Only the portion of the equipment's depreciation corresponding to the duration of the action and the rate of actual use for the purposes of the action may be taken into account by the Executive Secretariat, except where the nature and/or the context of its use justifies different treatment by the Executive Secretariat;
- costs of consumables and supplies, provided that they are identifiable and assigned to the action;
- costs entailed by other contracts awarded by the beneficiary for the purposes of carrying out the action, provided that the conditions laid down in Article II.9 are met;
- costs arising directly from requirements imposed by the agreement (dissemination of information, specific evaluation of the action, audits,



translations, reproduction, etc.), including the costs of any financial services (especially the cost of financial guarantees).

In no circumstances shall costs corresponding to taxes be eligible if the grant awardee is entitled to reimbursement of such taxes. It shall be taken as a rule that beneficiaries are entitled to reimbursement of all taxes. For taxes to be considered eligible costs, the beneficiary must prove that he is not entitled to reimbursement by submitting a certificate issued by the appropriate tax collection agency or a declaration on honour (see Annex IV).

II.14.3 The eligible indirect costs for the action are those costs which, with due regard for the conditions of eligibility described in Article II.14.1, are not identifiable as specific costs directly linked to performance of the action which can be booked to it directly, but which can be identified and justified by the beneficiary on the basis of his accounting system as having been incurred in connection with the eligible direct costs for the action. They may not include any eligible direct costs.

By way of derogation from Article II.14.1, the indirect costs incurred in carrying out the action may be eligible for flat rate funding fixed at not more than 7% of the total eligible direct costs. If provision is made in Article I.3.2 for flat rate funding in respect of indirect costs, they need not be supported by accounting documents.

II.14.4 The following costs shall not be considered eligible:

- return on capital;
- debt and debt service charges;
- provisions for losses or potential future liabilities;
- interest owed;
- doubtful debts;
- exchange losses;
- VAT, unless the beneficiary can show that he is unable to recover it;
- costs declared by the beneficiary and covered by another action or work programme receiving a grant;
- excessive or reckless expenditure.





II.14.5 Contributions in kind shall not constitute eligible costs. However, the Executive Secretariat can accept, in duly substantiated exceptional cases, that the co-financing of the action referred to in article I.3.3 should be made up entirely or in part of contributions in kind. In this case, the value calculated for such contributions must not exceed:

- the costs actually borne and duly supported by accounting documents of the third parties who made these contributions to the beneficiary free of charge but bear the corresponding costs;
- the costs generally accepted on the market in question for the type of contribution concerned when no costs are borne.

Contributions involving buildings shall not be covered by this possibility.

In the case of co-financing in kind, a financial value shall be placed on the contributions and the same amount will be included in the costs of the action as ineligible costs and in receipts from the action as co-financing in kind. The beneficiary shall undertake to obtain these contributions as provided for in the agreement.

II.14.6 By way of derogation from paragraph 3, indirect costs shall not be eligible under a grant awarded to a beneficiary who already receives an operating grant from the Executive Secretariat during the period in question.

## **ARTICLE II.15 – REQUESTS FOR PAYMENT**

Payments shall be made in accordance with Article I.4 of the Special Conditions.

### **Payment of the amounts due**

Payment is made after the end of the action on the basis of the costs actually incurred by the beneficiary in carrying out the action.

By the appropriate deadline indicated in Article I.5, the beneficiary shall submit a request for payment accompanied by the following documents:

- a final report on the implementation of the action;
- a final financial statement of the eligible costs actually incurred which, keeping to the structure of the estimated budget, states the taxable base of each pertinent item of expenditure and clearly indicates any transfers made between headings in conformity with Article I.3 4.;



- a full summary statement of the receipts and expenditure of the action, which must keep to the structure of the estimated budget.
- an external audit certificate or, in the case of public bodies, of a certificate delivered by a qualified, independent public officer concerning the related financial statements and accounts which must state in all cases the amounts paid, the taxable base, and the pertinent taxes

The documents accompanying the request for payment shall be drawn up in accordance with the provisions of Article I.5 and the annexes.

On receipt of these documents, the Executive Secretariat shall have the period specified in Article I.4 in order to:

- approve the final report on the implementation of the action;
- ask the beneficiary for supporting documents or any additional information it deems necessary for approval of the report;
- reject the report and ask for the submission of a new report.

Failing a written reply from the Executive Secretariat within the time limit for scrutiny indicated above, the report shall be deemed to have been approved.

Approval of the report accompanying the request for payment shall not imply recognition of the regularity, authenticity, completeness or correctness of the declarations and information they contain.

Requests for additional information or a new report shall be notified to the beneficiary in writing. The beneficiary shall have the period laid down in Article I.4 to submit the information or new documents requested.

If additional information is requested, the time limit for scrutiny shall be extended by the time it takes to obtain this information.

Where a report is rejected and a new report requested, the approval procedure described in this article shall apply.

In the event of renewed rejection, the Executive Secretariat reserves the right to terminate the agreement by invoking Article II.11.2 (b).



## ARTICLE II.16 – GENERAL PROVISIONS ON PAYMENTS

II.16.1 Payments of the eligible costs actually incurred shall be made by the Executive Secretariat in Euros. Any conversion of actual costs into Euros shall be made at the monthly rate established for the euro by the European Commission and published on its website for the month in which the cost was paid.

Payments of the eligible costs actually incurred may in no case exceed the total eligible costs of the action for which the IOC grant was awarded, established in Articles I.3.2 and I.3.3.

Payments of the eligible costs actually incurred per item of expenditure may in no case exceed the eligible costs of the action established per item of expenditure in Article I.3.2 (estimated budget in Annex II) except when transfers between headings in conformity with Article I.3.4 have been made and have been clearly indicated.

Payments of the eligible costs actually incurred may in no case exceed 50% of the final costs actually incurred in the co-financed activity.

If the three figures for these costs do not coincide, the Executive Secretariat will pay the lowest of the three.

Payments by the Executive Secretariat shall be deemed to be effected on the date when they are debited from the account of the Executive Secretariat.

II.16.2 The Executive Secretariat may suspend the period for payment laid down in Article I.4 at any time by notifying the beneficiary that his request for payment is not admissible, either because it does not comply with the provisions of the agreement, or because the appropriate supporting documents have not been produced, or because there is a suspicion that some of the expenses in the request for payment are not eligible and additional checks are being conducted.

The Executive Secretariat may also suspend its payments at any time if the beneficiary is found or presumed to have infringed the provisions of the agreement, in particular in the wake of the audits and checks provided for in Article II.19.



The Executive Secretariat shall inform the beneficiary of any such suspension by registered letter with advice of delivery or equivalent. Suspension shall take effect on the date when the notification is sent by the Executive Secretariat. The remaining payment period shall start to run again from the date when a properly constituted request for payment is registered, when the supporting documents requested are received, or at the end of the suspension period as notified by the Executive Secretariat.

II.16.3 On expiry of the period for payment specified in Article I.4, and without prejudice to paragraph 2 of this Article, the beneficiary may, within two months following the date of receipt of a late payment, request payment of interest on the late payment at the rate applied by the European Central Bank for its main refinancing operations in euros, plus three and a half points; the reference rate to which the increase applies shall be the rate in force on the first day of the month of the final date for payment, as published in the C series of the Official Journal of the European Union. This provision shall not apply to recipients of a grant which are public national authorities of the Member States of the IOC.

Interest on late payment shall cover the period from the final date for payment, exclusive, up to the date of payment as defined in paragraph 1, inclusive. The interest shall not be treated as a receipt for the purposes of determining the final grant within the meaning of Article II.17.4. The suspension of payment by the Executive Secretariat may not be considered as late payment.

II.16.4 The beneficiary shall have two months from the date of notification by the Executive Secretariat of the final amount of the grant to request information in writing on the determination of the amount concerned, giving reasons for any disagreement. After this time such requests will no longer be considered. The Executive Secretariat undertakes to reply in writing within two months following the date on which the request for information is received, giving reasons for its reply. This procedure is without prejudice to the beneficiary's right to appeal against the decision of the Executive Secretariat pursuant to Article I.8. Such appeals must be lodged within two months following the notification of the decision to the applicant or, failing that, following the date on which the applicant learned of the decision.



## ARTICLE II.17 - DETERMINATION OF THE FINAL GRANT

II.17.1 Without prejudice to information obtained subsequently pursuant to Article II.19, the Executive Secretariat shall adopt the amount of the final payment to be granted to the beneficiary on the basis of the documents referred to in Article II.15, which it has approved.

II.17.2 The total amount paid to the beneficiary by the Executive Secretariat may not in any circumstances exceed the maximum amount of the grant laid down in Article I.3.3, even if the total actual costs eligible exceed the estimated total eligible costs specified in Article I.3.2.

II.17.3 If the actual eligible costs when the action ends are lower than the estimated total eligible costs, the contribution of the Executive Secretariat shall be limited to 50% of the actual eligible costs approved by the Executive Secretariat.

II.17.4 The beneficiary hereby agrees that the grant shall be limited to the amount necessary to balance the action receipts and expenditure and that it may not in any circumstances produce a profit for him.

Profit shall mean any surplus of the beneficiary's total actual operating receipts over his total actual costs of the action. The actual receipts to be taken into account shall be those which have been established, generated or confirmed on the date on which the request for payment is drawn up by the beneficiary for financing other than by the IOC grant, to which shall be added the amount of the grant determined by applying the principles laid down in paragraphs 2 and 3 of this article. For the purposes of this article, only actual costs falling within the categories set out in the estimated budget referred to in Article I.3.1 and contained in Annex I shall be taken into account; non eligible costs shall always be covered by non-IOC resources.

Any surplus determined in this way shall result in a corresponding reduction in the amount of the grant.

II.17.5 Without prejudice to the right to terminate the agreement under Article II.11 and without prejudice to the possibility of the Executive Secretariat applying the penalties referred to in Article II.12, the Executive Secretariat may reduce the grant initially provided for:



- a) if the action is not implemented or is implemented poorly, partially or late, in line with the actual implementation of the action on the terms laid down in this agreement;
- b) if, after more than three months have elapsed since the date of implementation of the activity for which the grant is awarded, the attendant supporting proof has not been submitted. In this case, the maximum amount of the penalty shall be 10%.

## ARTICLE II.18 - RECOVERY

II.18.1 If any amount is unduly paid to the beneficiary or if recovery is justified under the terms of the agreement, the beneficiary undertakes to repay the Executive Secretariat the sum in question on whatever terms and by whatever date it may specify.

II.18.2 If the beneficiary fails to pay by the date set by the Executive Secretariat, the sum due shall bear interest at the rate indicated in Article II.16.3. Interest on late payment shall cover the period between the date set for payment, exclusive, and the date when the Executive Secretariat receives full payment of the amount owed, inclusive.

Any partial payment shall first be entered against charges and interest on late payment and then against the principal.

II.18.3 If payment has not been made by the due date, sums owed to the Executive Secretariat may be recovered by offsetting them against any sums owed to the beneficiary, after informing him accordingly by registered letter with advice of delivery or equivalent. In exceptional cases, when it is necessary to protect the financial interests of the IOC, the Executive Secretariat may recover by offsetting before the scheduled date for payment. The prior consent of the beneficiary shall not be required.

II.18.4 Bank charges occasioned by the recovery of the sums owed to the Executive Secretariat shall be borne solely by the beneficiary.

## ARTICLE II.19– CHECKS AND AUDITS

II.19.1 The beneficiary undertakes to provide any detailed information requested by the Executive Secretariat or by any other outside body authorised by



the Executive Secretariat to check that the action and the provisions of the agreement are being properly implemented.

II.19.2 The beneficiary shall, for a period of five years from the date of payment specified in Article I.4, keep all original documents at the disposal of the Executive Secretariat, especially accounting and tax records, or, in exceptional and duly justified cases, certified copies of original documents relating to the agreement.

II.19.3 The beneficiary agrees that the Executive Secretariat may have an audit carried out, either directly by its own staff or by any other outside body authorised to do so on its behalf, on the use made of the grant. Such audits may be carried out throughout the period of implementation of the agreement until payment is made and for a period of five years from the date of payment. Where appropriate, the audit findings may lead to recovery decisions by the Executive Secretariat.

II.19.4 The beneficiary undertakes to allow Executive Secretariat staff and outside personnel authorised by the Executive Secretariat the appropriate right of access to sites and premises where the action is carried out and to all the information, including information in electronic format, needed to conduct such audits.

#### SIGNATURES

For the beneficiary  
Secretariat

For the Executive

[Full name/ *post*]

[Full name]

[signature]

[signature]

Done in [ place ], on [date]

Done in [ place], on [date]

In duplicate, in English.



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الدولي  
للزيتون

## ANNEX I DESCRIPTION OF THE ACTION

Consejo Oleícola Internacional  
Príncipe de Vergara, 154  
28002 Madrid (España)

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## ANNEX II ESTIMATED BUDGET FOR THE ACTION

Consejo Oleícola Internacional  
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