



PROGRAMUL DE COOPERARE ELVEȚIANO-ROMÂN
SWISS-ROMANIAN COOPERATION PROGRAMME

General Conditions

applicable to the Activity Agreement concluded under the Partnership Block Grant

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GENERAL AND ADMINISTRATIVE CONDITIONS

Article 1 – General obligations

1.1 The EA shall implement the project on its own responsibility according to Annex I - Description of the Project, aiming to achieve the objectives as set out in this Annex.

1.2 The EA shall ensure the project's implementation with due accuracy, respect and efficiency under this Activity Agreement. To this end, the EA and partner/s shall mobilize all financial, human and material resources necessary for the full implementation of the project as specified in Annex I.

1.3 The EA must act in partnership with one or more Swiss organizations, and if the case, with Romanian organizations identified in the Project Description. Most project activities must be undertaken by the EA and, where appropriate, by its partner/s.

The SIB does not recognize any contractual relationship between itself and the EA's partner/s or sub-contractors. Sub-contracting agreements concluded by the EA entail no obligation on the part of the SIB.

The EA will be held liable individually to the SIB for the performance of the Activity Agreement and implementation of the project. The EA commits itself to ensure that all conditions imposed by Articles 1, 3, 4, 5, 6, 7, 8, 10, 14, 16 and 17 shall apply equally to all partner/s and those imposed by Articles 1, 3, 4, 5, 6, 8 and 16 shall apply to all sub-contractors.

1.4 The **Thematic Fund Partnership and Expert Fund** is managed by the Swiss Intermediate Body (SIB), a consortium formed by KEK-CDC Consultants, Civil Society Development Foundation (CSDF) and Romanian Environmental Partnership Foundation (REPF).

Article 2 - Obligations regarding information and reporting

2.1 The EA must provide the SIB with all information and/or documents requested with regard of the execution of the Agreement and implementation of the project. The reports should refer to the project as a whole, regardless which part of it is funded through the Partnership Block Grant - Thematic Fund Partnership and Expert Fund. The templates for technical and financial reports are attached in Annex VII of the Activity Agreement. The reports will be in English, with a summary in Romanian for the technical reports (the summary represents a distinct section in the technical reports).

2.2 The EA must prepare the following reports:

Type of the report	Date for submission
Half-yearly reports on technical and financial aspects	within 30 days after the first 6 months of each year of project implementation (for example, after the completion of months 6, 18 and 30 of project implementation).
Annual technical & Annual financial reports Annual audit reports for Romanian party (EA and Romanian partner/s – if the case)	within 45 days after every 12 months of project implementation. Note: In case the submission date for the Annual reports overlaps with the submission date for the Final reports, only the Final reports will be sent to the SIB.
Final technical & Final financial reports Final audit report for Romanian party (EA and Romanian partner/s – if the case) Final audit report for the Swiss partner/s*	within 60 days after the completion of the project implementation period.

*All Swiss partners will provide final audit reports that must be prepared and submitted in accordance with Annex IX.

The templates for all reports mentioned above are provided in Annex VII and the conditions for the audit review for the Romanian party are provided in Annex VIII of the Activity Agreement.

2.3 The SIB may, at any time, request additional information and/or documentary evidence, setting a deadline for their delivery.

If the institutions responsible for the Thematic Fund Agreement of the Partnership and Expert Fund, namely the Swiss Federal Council represented by the Swiss Agency for Development and Cooperation (SDC), the Swiss Contribution Office in Romania (SCO) and the Government of Romania, represented by the Ministry of Public Finance of Romania, National Coordination Unit (NCU), request information and/or documents related to the execution of the Activity Agreement, the EA must ensure that these documents are made available.

2.4 If the EA fails to provide the SIB with the reports and other documents within the period specified in Articles 2.2 and 2.3, the latter may terminate the Activity Agreement, in accordance with Article 12.2. a) and may recover the amounts already paid and not substantiated.

Article 3 – Liability

3.1 The SIB cannot be held liable, for any reason and in any circumstances, for the material or moral damages caused by the personnel or property of the EA during the performance of the Activity Agreement. Therefore, claims for compensation or increases in payment in connection with such material or moral damage cannot be accepted, other than the limits and conditions provided by law.

3.2 The EA shall assume sole liability towards third parties, including for material or moral damages of any kind sustained by them during the execution of the financing agreement. The EA will exclude the liability of the SIB in any situation related to claims or actions arising from a breach of legal regulations by the EA or its personnel or by the persons the members of the EA's staff are responsible for, or following the violation of any third party's rights.

Article 4 – Conflict of interests

4.1 The EA is obliged to take all necessary measures to avoid any conflicts of interest and to inform the SIB without delay, of any situation constituting or likely to lead to any such conflict of interest.

4.2 It represents a conflict of interests any case where the impartial and objective exercise of the functions of any person under this Activity Agreement is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other interest shared with another person.

Article 5 – Confidentiality

In accordance with Article 16, the SIB and the EA are obliged to preserve the confidentiality of any document, any information or other material communicated to them under confidentiality clause, at least ten years after the final payment or if the period provided by the Romanian legislation is larger, this will apply.

Article 6 – Visibility

6.1 Unless otherwise requested by the SIB, the EA must take all measures to publicize the fact that the Swiss Agency for Development and Cooperation (SDC) funded the project through the Swiss-Romanian Cooperation Programme, Partnership Block Grant. These measures must comply with Annex VI – Information and promotion guidelines.

6.2 The EA authorizes SDC, NCU and SIB to publish the name and address, partner/s, purpose and objectives of the project, the maximum grant amount, the financing percentage of eligible costs and a brief description of the project. An exception to this rule may be granted at the express request of the EA if its observance threatens him or may affect his interests.

Article 7 – Ownership/ utilization of the results and equipment

7.1 Ownership, title and industrial and intellectual property rights on the results of the Activity Agreement, project reports and other documents related to the project belongs to the EA and/ or partner/s.

7.2 Notwithstanding the provisions of Article 7.1 and in accordance with Article 5, the EA will provide SDC/ SCO/ NCU/ SIB the right to use freely and as deemed necessary all documents deriving from the financing agreement and the project, whatever their form, if it does not violate the existing industrial and intellectual property rights.

7.3 The rights of utilization and property of equipment, vehicles and other goods purchased during the project belongs to the EA and/ or partner/s.

Article 8 – Evaluation of the project

In case SDC/ SCO/ NCU/ SIB performs evaluations during or after the implementation period, the EA is obliged to provide any document or information likely to help the evaluation and will allow access to them and/or other persons/ institutions authorized by them under Article 16.2.

Article 9 – Amendments to the Activity Agreement

9.1 Changes to the Agreement or its Annexes must be made in writing, in English language, through an Addendum. In this case, the EA will send the proposed Addendum to the SIB at least 10 working days before the desired date of entry into force of the change. The SIB must agree with the changes before they begin to take effect. The Addendum will enter into force on the date of signing by the SIB.

9.2 By derogation to Article 9.1, changes to the Activity Agreement may be operated based only on a written notification letter in the following cases:

- a) that do not affect the purpose and objectives of the project;
- b) that have a financial impact related to reallocations within the same budget heading and budget lines;
- c) that have a financial impact limited to reallocations between budget headings, involving a variation of 20% or less of the amount originally entered under each of the respective budget headings;
- d) change of contact details/ bank account/ nominating persons within the project.

The notification letter should be sent before the changes occurred, but no later than 10 working days from the moment they occurred.

All changes are subject to the written approval of the SIB (including e-mail).

9.3 The SIB may bring changes to the Activity Agreement based on a written notification letter, in situations related to legislative changes, changes of the consortium contract with SDC, change of the contact details, etc.

9.4 When using the procedure provided in Articles 9.1 or 9.2, the EA must take into account the rules for the eligibility of costs referred to in Article 14 and that the SIB shall verify the fulfillment of these rules in all cases.

9.5 The SIB reserves the right to reject any changes of the Agreement (related to Articles 9.1 or 9.2) that:

- a) are not in the benefit of the project;
- b) were not announced within the terms mentioned.

9.6 Any change may not have the purpose or effect of producing changes in the Agreement that would call into question the decision to award a grant or would be contrary to the principle of equal treatment of applicants for funding. The maximum grant amount referred to in Article 3.2 of the Activity Agreement may not be increased.

Article 10 – Assignment of the rights regarding the financing agreement

The Activity Agreement and the related payments cannot be transferred or assigned to a third party in any way and under any circumstances without prior written consent of the SIB.

Article 11 – Implementation period, extension, suspension, force majeure and termination date

11.1 The project implementation period is defined by Article 2 of the Activity Agreement. The EA must inform the SIB without delay of any conditions or circumstances likely to affect or delay the project. The EA may require in due time before the end of the project, to extend this period. The request must be accompanied by necessary evidence for taking it into account. The maximum grant amount referred to in Article 3.2 of the Activity Agreement may not be increased.

11.2 The EA may suspend or the SIB may request the EA to suspend the implementation of all or part of the project if circumstances (force majeure) make it too difficult or dangerous to continue. The EA must inform the SIB and provide all necessary details without delay. Either party may terminate the Activity Agreement under Article 12.1. If the Agreement is not terminated, the EA shall endeavor to minimize the duration of the suspension and shall resume the implementation once circumstances allow and shall inform the SIB about this.

11.3 The project implementation period will be extended by a period equivalent to the period of suspension, without prejudice to any changes that should be made to the Activity Agreement to adapt the project to the new implementation terms.

11.4 Force majeure is any unforeseeable exceptional situation or event beyond the control of parties which prevents either of them to fulfil any of its contractual obligations which cannot be attributed to error or negligence on their part (or the contractors, agents or their employees), and which proves insurmountable in spite of the efforts made. Defects in equipment or material or delays in making them available, labour disputes, strikes or financial difficulties cannot be invoked as force majeure. It is not considered that a party has breached its contractual obligations if it is prevented from performing them by force majeure. Without prejudice to Articles 12.2 and 12.3, the party faced with force majeure shall inform the other party without delay, stating the nature, the probable duration and foreseeable effects of the problem and will take all possible measures to reduce the possible damage.

11.5 The final payment will be made maximum 6 months after the end of the implementation period specified in Article 2 of the Activity Agreement, unless the Agreement is terminated pursuant to Article 12 from the present Annex. The SIB shall notify the EA of any postponement of the date of termination of the Agreement.

Article 12 – Termination of the Activity Agreement

12.1 If a party considers that the Activity Agreement can no longer be executed effectively or appropriately, it shall consult with the other party. If an agreement on a solution cannot be reached, either party may terminate the Activity Agreement by notice in writing, 2 months before, without being required to pay compensation.

12.2 The SIB can terminate the Activity Agreement, without prior notification and payment of any compensation, when the EA:

- a) fails, without any justification, to meet any of the obligations assumed and, having been notified in writing to meet these obligations, he continues his failure or does not present satisfactory explanations within 30 days from the receipt of such notification;
- b) is bankrupt, is entered in judicial administration or is under liquidation, has suspended business activities, is the subject of proceedings concerning those matters or is in any analogous situation arising from a similar procedure provided for in national legislation or regulations in force;
- c) is guilty of serious professional misconduct proven by any justified means;
- d) is subject of judgment which has the force of *res judicata* for fraud, corruption, is involved in a criminal organization or any other illegal activity detrimental to the financial interests; these are valid also for partner/s, contractors and agents of the EA;
- e) changes the legal nature, unless the amendment is made on such modification;
- f) does not comply with Articles 4, 10 and 16;
- g) makes false or incomplete statements to obtain the granted amount mentioned in the Activity Agreement or prepares reports that do not reflect reality.

12.3 In case of termination, the EA shall be entitled only the payment of the grant for the part of the project that was implemented, excluding the costs connected with current commitments that will be implemented after termination. To this end, the EA will submit a request for payment and a final report in accordance with Article 2.

12.4 However, if funding is terminated at the initiative of the EA or his guilt in accordance with Article 12.1 and in the cases specified in Article 12.2 d), e), f) and g), the SIB may require restitution of the

partial or full grant amounts already paid in proportion to the seriousness of the facts in question and after allowing the EA to submit his observations.

12.5 Prior to or instead of terminating the Activity Agreement under this Article, the SIB may suspend payments as a precautionary measure without prior notice.

Article 13 – Legal provisions applicable and settlement of disputes

13.1 This Activity Agreement is subject to the Romanian legislation.

13.2 The parties shall endeavor to settle amicably any dispute arising between them during implementation of the Activity Agreement. To this end, they shall notify in writing their positions and any solution which they consider possible and will meet at the request of either party. Parties must respond to the request made for an amicable settlement within 30 days. After expiry of this period or if the attempt to reach an amicable solution did not lead to an agreement within 90 days after the first request, either party may notify the other that it believes that the procedure failed and can initiate judicial proceedings.

13.3 The language of the Activity Agreement is English and the correspondence between the SIB and EA during the implementation of the project may be done in Romanian or English.

FINANCIAL PROVISIONS

Article 14 – Eligible costs

14.1 To be considered eligible, the direct costs for the project must fulfil the following conditions:

- be necessary for carrying out the project, be provided for in the budget of the project and comply with the principles of sound financial management, in particular value for money and cost-effectiveness;
- have actually been incurred by the Executing Agency or their partners during the implementing period of the project as defined in the Activity Agreement and have been paid within the period from the date of signing the Activity Agreement and the date of submitting the final report; The only exceptions accepted are for audit and utilities invoices which could be incurred after the end of the project and paid within the submission of the final reports.
- be recorded in the Executing Agency's and/or its partner/s' accounts or tax documents, be identifiable and verifiable, and be backed up by originals of supporting documents;
- reflect real costs and to be calculated according to the activities of the project;
- are made according to the laws enforced in the country of origin (Romania and/or Switzerland).
- costs related to the extension, rehabilitation and modernization extension, renovation and modernization of infrastructure that do not exceed 75% of the total eligible costs of the project¹.

14.2 Eligible direct costs for a project are considered the costs that can be directly assigned to the project and in accordance with the accounting principles and internal rules used by the EA and/or its partners. The following types of costs are considered as direct costs:

- a. Budget heading 1. **Project team and experts:** costs related to persons involved in the project (salaries, including taxes and social contributions for employees; costs related to honoraria for persons working under contracts legally concluded in case of independent activities).

These costs shall be those normally borne by the EA and its partner/s.

The project manager can work within a project under either a labour contract or a volunteering contract.

A person involved in the project working under a labor contract cannot be employed in the same time and by the same employer under a volunteering contract OR under a contract legally concluded for independent activities.

- b. Budget heading 2. **Travel:** costs generated by domestic and international travel for persons involved in the project, costs for transport of participants, goods, materials within the locality.

It is recommended not to exceed the travel costs and daily allowance levels normally borne by the EA and its partner/s (if the case). The daily allowance cost and the accommodation will take into consideration national legislation and must not exceed the thresholds provided by the SDC rules at

http://www.sdc.admin.ch/en/Home/About_SDC/Invitations_to_tender/Information_for_SDC_Contractors

- c. Budget heading 3. **Equipment and goods:** costs related to the procurement of vehicles, furniture, computers and peripherals, new or second-hand, costs related to the procurement of PC software, costs related to other equipment and goods, fiscal depreciation of the fixed assets used exclusively for this project, according to the accounting principles enforced.

¹ these costs are eligible only in case the applicant proves the right of ownership or the right of use of the building for the entire project duration and at least 3 years after; in exceptional and duly justified cases, these costs may target buildings owned by the partner/s

The equipment required for the extension, rehabilitation and modernization of infrastructure are not included in this budget heading.

- d. Budget heading 4. **Infrastructure works**: costs related to the extension, rehabilitation and modernization of infrastructure, including equipment, installations and the personnel involved in these activities.
- e. Budget heading 5. **Sub-contracting**: costs related to sub-contracting² services assigned by the EA and/or its partner/s for the project implementation (publications, studies/ researches, audit, costs for conferences/ workshops, visibility actions, other sub-contracted services).
Partnership relations within the project are not considered sub-contracting.
- f. Budget heading 6. **Other direct costs**: other costs direct related to the project, as: costs for communication (phone, fax, internet, mail etc.), costs related to consumables (stationery), rent and utilities, which do not require a calculation for distributing per costs centers (projects); other direct costs as bank charges etc..

The provisions of this article are complemented by the information included in Annex II – Budget of the project.

In order to classify costs as direct costs, please note the following: a cost is considered directly attributed to the project if the cease of the project leads to the cease of the cost.

14.3 A lump sum not exceeding 10% of the eligible direct costs of the project (*budget heading 7. Indirect costs* from the budget format) may be claimed by the EA and partner/s as indirect costs.

Indirect costs are those costs that cannot be directly assigned to the project. The indirect costs are those costs for activities, goods or services several projects benefit of, and that can be partially included under this chapter and that are related to the project's activities.

When calculating the allocation ratio servants of the indirect costs, the following formulas may be applied:

- number of persons involved in the project/ total number of persons within the organization or department;
- the space used by staff involved in the project/ total space occupied by the organization or department;
- number of working hours on the project/ number of total working hours within the organization or department.

In case there are indirect costs that cannot be allocated using one of the above formulas, the applicant will apply an adequate allocation formula/ method.

The organization has to provide supporting documents (invoices, fiscal receipts, bills, etc.) for these expenditures at the moment of reporting.

The provisions of this article are complemented by the information included in Annex II – Budget of the project.

14.4 The own contribution of the EA and/or partner/s must be of at least 10% or 15% of the total eligible costs, according to the type of EA, whether from their own resources (and/or partner/s') or from other funding, from other sources than Swiss funds, EU funds, EEA and Norway Grants. Own contribution

² Subcontracting means entrusting performance of productive tasks, objectives, nonessential activities to providers that have expertise and offer the best cost-efficiency ratio.

could be totally financial (meaning cash payments, bank transfers, card payments and other financial instruments) or partially in-kind.

14.5 In kind contribution of the EA and/ or its partner/s may be of **maximum 5.00%** of total eligible costs.

In kind contribution means providing assets or voluntary work to the project, which do not involve cash expenditures. In kind contribution may take the following forms:

- a) work done on a voluntary basis,
- b) amortization of tangible assets (office equipment, technical installations, furniture and vehicles)

In order to determine the work done on a voluntary basis shall be taken into account the time spent in project implementation (in hours/days) and the income that could be earned by a person employed on a similar position.

14.6 The following costs are **not considered eligible**:

- expenditures incurred by an EA before the signing of the Activity Agreement;
- VAT if it could be recovered by the EA and/or partners under national regulation;
- salaries of the public servants, except when they are covered from applicant/partner/s own financial contribution;
- interest of debt and provisions for losses or debts;
- fines and penalties;
- credits and loans to third parties;
- re-granting to third parties;
- currency exchange losses;
- expenditures of activities supported from other sources;
- individual scholarships, individual sponsorships;
- financial rewards (such as prizes in money or equivalent);
- purchases of land and purchases/construction of buildings;
- costs incurred from leasing,
- extravagant costs (alcohol, tobacco etc.).

Any bank interest accumulated on the project bank account in CHF during the implementation period of the project shall be returned to the Swiss Intermediate Body or deducted from the last instalment to be paid by the Swiss Intermediate Body.

Non-eligible costs that are necessary for implementing the project as well as any other supplementary costs incurred during the project implementation shall be borne by the EA and/or partner/s.

Article 15 – Payments and interests afferent to payments

15.1 Within the Activity Agreement, the SIB will make payments to the EAs, as follows:

- An advance payment representing 20% of the grant amount, but not exceeding 75% of the 1st year's budget will be released within 20 days after signing of the Activity Agreement and submitting the payment request according to the format included in Annex V of the Activity Agreement. In all cases, the payment of the first instalment will not take place before the date of commencement of the project.
- A first instalment representing 30% of the grant amount or the percentage representing the difference between 50% of the grant amount and the advance payment will be released based on the following documents:

- payment request from the EA according to the format included in Annex V of the Activity Agreement, and
- financial statement (according to Annex V of the Activity Agreement) submitted by the EA stating that at least 70% of the advance payment received was spent;
- A second instalment representing 30% of the grant amount will be released based on the following documents:
 - payment request from the EA according to the format included in Annex V, and
 - annual reports (technical, financial and audit) for the first 12 months of project implementation.

In case at least 70% of both advance payment and the first instalment was not spent within the first 12 months of project implementation, the annual reports will be submitted without a payment request. The payment request will be subsequently submitted together with the financial statement attesting that at least 70% of the advance payment and first instalment received was spent.

Exceptionally, in case the EA spends at least 70% from the advance payment and first instalment before the first year of implementation is reached and need to receive the next instalment before the annual reports are submitted, the EA may submit a payment request together with interim reports (technical, financial and audit) related to the respective period. These interim reports and the payment request will not substitute the 1st annual reports which will have to be submitted in any case according to section 2.2 above.

- A third instalment representing maximum 15% of the grant amount will be released based on the following documents:
 - payment request from the EA according to the format included in Annex V of the Activity Agreement, and
 - financial statement (according to Annex V of the Activity Agreement) submitted by the EA stating that at least 90% of the advance payment and first and second instalment was spent.

For projects with duration exceeding 24 months, the payment of the third instalment is based on the submission of the second annual report. In case the second year annual reports already submitted certify that expenses made represent at least 90% of the advance payment and the first and second instalments, the financial statement is no longer requested and the payment could be claimed based on the second year reports mentioned above.
- A final payment representing approximately 5% of the grant amount or the balance resulting from the final report.

15.2 All payments will be made by the SIB in Swiss Francs (CHF) towards the special CHF bank account of the EA, dedicated exclusively to the project and specified in the Activity Agreement Art.4.3 and in the Financial Identification Form in Annex V of the Activity Agreement.

15.3 Analysis of any report submitted by the EA will be made by SIB within 30 working days after the date of submission. The SIB may suspend the deadline by notifying the EA that the report cannot be approved in the absence of additional verification or clarification. In such cases, the SIB may request clarifications, alteration or additional information/documents that must be submitted within 10 working days. Running of the deadline for report analysis will be resumed from the date of receipt of the information requested.

15.4 Payments made by the SIB will be done within 15 working days after receiving the financial statement or after the approval of the submitted reports.

15.5 The external audit of the project account will be made for the expenditures of the Romanian party (EA and partner/s – if the case) by a certified auditor who is accredited and an active member of the Chamber of Financial Auditors of Romania, in compliance with auditing standards in force.

The Audit reports must be prepared in accordance with Annex VIII Terms of References Financial Review/ Audit, and using the audit standard ISA 805 and must certify that the data referring to income and expenditures is accurate, actual and supported by proper evidences. It must also identify the eligible expenses incurred under the Activity Agreement in correlation with the Technical reports.

Swiss partner/s must also submit a final financial report externally audited by an independent accredited auditor, observing the audit standards enforced by law, together with the standards in the Terms of Reference External Audit of project accounts for the Swiss partner/s (see Annex IX to the Activity Agreement).

15.6 The exchange rate to be used for financial reporting is the one from the month when the expenditure incurred. The monthly exchange rate will be published at the beginning of each month on www.fdsc.ro, www.repf.ro. The currency fluctuation risk is borne by the EA. The Swiss partner/s will use the rates from the day of making the payment available on the online international currency convertor at the link <http://www.oanda.com/currency/convertor/> (+/- 2% interbank rate).

15.7 Any interest resulting from the total amount paid by the SIB to the EA will be mentioned in the final financial and audit report and will be deducted from the final payment to be received from the SIB.

Article 16 – Accounting records and technical and financial verifications

16.1 The EA shall maintain accurate accounting records on the performance of the Activity Agreement using a system of double entry bookkeeping as part of its own accounting or adjacent to it. This dedicated system will be implemented in accordance with the procedures required by the professional practice. For each Activity Agreement separate accounting records must be made, showing all income and expenses. Accounting records must provide precise details of interest coming from funds paid by the SIB.

After the end of the project implementation period, the EA will maintain and make available to the SDC/ NCU/ SIB and any other entity authorized by law, all documents related to the Activity Agreement, including the inventory of assets acquired, for at least ten years from the date of final payment.

16.2 The EA will allow the SDC/ NCU/ SIB and any other entity authorized by law, to check, by delivery of documents or on-site inspections, the execution of the Agreement and the implementation of the project, and to make, if necessary, a full audit on the basis of supporting documents, accounting registration documents and any other accounting documents relevant to the Agreement. These inspections may take place over the next ten years after final payment. To this end, the EA is obliged to allow representatives of the institutions mentioned above, access to places and spaces where the project is being implemented or has been implemented, including access to computer systems and all documents and databases concerning the technical and financial management of the Agreement. It shall also agree that will take all steps to facilitate their work. Access shall be subject to confidentiality to third parties, without prejudice to public law obligations to which they are subjected. Documents must be easily accessible and filed so as to permit easy inspection, and the EA is obliged to inform the SIB on the exact address where they are kept.

16.3 The EA shall ensure the right of SDC/ NCU/ SIB or any other entity empowered to conduct audits and/ or verification for such grants, to conduct audits, inspections and checks, and will be equally applicable, under the same conditions and under the same rules as those set in this Annex Article 16, for the partner/s and sub-contractor/s of the EA.

Article 17 – Final payment amount

17.1 The total amount to be paid by the SIB to the EA may not exceed the maximum grant amount laid down in Article 3.2 of the Activity Agreement, even if the actual total expenditures made exceed the estimated total budget set out in Annex II – the Budget of the project.

17.2 If, at the end of the project implementation period, the total eligible costs are less than the estimated total cost referred to in Article 3.1 of the Activity Agreement, the Swiss grant amount will be limited to the amount obtained by applying the percentage set out in Article 3.2 of the Activity Agreement, to the actual eligible costs approved by the SIB.

17.3 The EA agrees to declare and report any income directly made or in connection with the Activity Agreement and during the execution of the Agreement as a result of it from its starting date, outside of the amount of the grant.

In case of projects with income generating activities (e.g. projects which support or develop a social enterprise), the income generated within the project can be retained by the applicant and/or partner/s if it is used for non-profit activities. In the Final technical report a statement that the generated income will be used for the sustainability of the organization has to be included.

17.4 In addition, and without prejudice to the right to terminate the Activity Agreement in accordance with Article 12.2, if the Agreement is not executed or executed poorly, partially or late, the SIB may, by a duly justified decision, reduce the grant initially provided for alignment with the actual implementation of the project under the terms specified in the Activity Agreement.

Article 18 – Returning the non-reimbursable funding

18.1 The EA agrees to repay the SIB any amounts paid in excess of the final amount due within 30 days of receipt of a request to this effect.

18.2 If the EA fails to repay such amounts until the deadline set by the SIB, the latter may increase the amounts due by adding delay penalties of 0.2% per day. The delay penalties are applied between the date of the deadline set by the SIB (only) and the date of actual payment (inclusive). Any partial payments shall first cover the increases thus established.

18.3 Bank charges arising from the repayment of amounts due to the SIB will be exclusively the EA's responsibility.

Article 19 – Financial documentation requirements for the Swiss partner/s

19.1 The expenditure form of the Swiss partner/s to be submitted to the EA shall be based on the template for financial reporting (Annex VII of the Activity Agreement), and must be complemented with the Financial statement on documentation of expenditures by the Swiss partner (see also Annex VII of the Activity Agreement) signed by the responsible person within the Swiss entity.

These documents will be submitted by the Swiss partner/s at the same terms for reporting as foreseen for the EA.

19.2 No documents and bank statements about the transfer of costs need to be provided.