



EUROPEAN CLIMATE, INFRASTRUCTURE AND ENVIRONMENT EXECUTIVE AGENCY (CINEA)

CINEA.B – Sustainable networks and investments
CINEA.B – Sustainable networks and investments

GRANT AGREEMENT

Project 101172249 — 23-CZ-TC-ETCS Masaryk

PREAMBLE

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

on the one part,

the **European Climate, Infrastructure and Environment Executive Agency (CINEA)** ('EU executive agency' or 'granting authority'), under the powers delegated by the European Commission ('European Commission'),

and

on the other part,

1. 'the coordinator':

SPRAVA ZELEZNIC STATNI ORGANIZACE (SZDC), PIC 996456460, established in DLAZDENA 1003/7 NOVE MESTO, PRAHA 110 00, Czechia,

Unless otherwise specified, references to 'beneficiary' or 'beneficiaries' include the coordinator and affiliated entities (if any).

If only one beneficiary signs the grant agreement ('mono-beneficiary grant'), all provisions referring to the 'coordinator' or the 'beneficiaries' will be considered — mutatis mutandis — as referring to the beneficiary.

The parties referred to above have agreed to enter into the Agreement.

By signing the Agreement and the accession forms, 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 terms and conditions it sets out.

The Agreement is composed of:

Preamble

Terms and Conditions (including Data Sheet)

- Annex 1 Description of the action¹
- Annex 2 Estimated budget for the action
- Annex 2a Additional information on unit costs and contributions (if applicable)
- Annex 3 Accession forms (if applicable)²
- Annex 3a Declaration on joint and several liability of affiliated entities (if applicable)³
- Annex 4 Model for the financial statements
- Annex 5 Specific rules (if applicable)

¹ Template published on [Portal Reference Documents](#).

² Template published on [Portal Reference Documents](#).

³ Template published on [Portal Reference Documents](#).

TERMS AND CONDITIONS

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DATA SHEET

1. General data

Project summary:

Project summary
<p>The aim of project is to modernise the station interlocking in the Praha Masarykovo nádraží railway station and deployment of trackside ETCS L2 in the area Praha- Libeň (excl.) – Praha Masarykovo nádraží – Praha-Bubny – Praha-Holešovice (excl). In total, the project includes 9,547 km of railway lines (double track equivalent) equipped with new interlocking and 13,794 km of railway lines (double track equivalent) prepared for exclusive operation under ETCS L2. This will be a substantial improvement of the signalling and train control infrastructure of Praha railway junction – which is an important urban node on the Orient - East Med Core Network Corridor. The project is part of the global project for the development of ETCS on TEN-T lines in the Czech Republic. It is complementary to project “Modernization of RST Praha Masarykovo nádraží” (CEF No. 101122736 Acronym: 22-CZ-TC-Masaryk) – one of the construction projects of the railway connection to the Vaclav Havel Airport, located on the core TEN-T network. The project’s main objectives are as follows: - to implement ETCS L2 in the defined area for future operation controlled exclusively by ETCS; - to upgrade the interlocking equipment to a standard that would allow for a smooth communication with the Radio Block Centre (RBC) and remote control of operation; - to increase line capacity.</p>

Keywords:

- Masaryk, railway, station, ETCS

Project number: 101172249

Project name: ETCS - Upgrade of the railway station Masarykovo nádraží

Project acronym: 23-CZ-TC-ETCS Masaryk

Call: CEF-T-2023-SIMOBEOEN

Topic: CEF-T-2023-SIMOBEOEN-ERTMS-UNITS

Type of action: CEF ERTMS Unit Grants

Granting authority: European Climate, Infrastructure and Environment Executive Agency

Grant managed through EU Funding & Tenders Portal: Yes (eGrants)

Project starting date: fixed date: 1 January 2024

Project end date: 31 December 2027

Project duration: 48 months

Consortium agreement: Yes

2. Participants

List of participants:

Nº	Role	Short name	Legal name	Ctry	PIC	Total eligible contrib.	Max grant amount
1	COO	SZDC	SPRAVA ZELEZNIC STATNI ORGANIZACE	CZ	996456460	9 558 675.00	9 558 675.00
Total						9 558 675.00	9 558 675.00

Coordinator:

- SPRAVA ZELEZNIC STATNI ORGANIZACE (SZDC)

3. Grant

Maximum grant amount, total estimated eligible costs and contributions and funding rate:

Total eligible contributions (unit, flat-rate and lump sum contributions and financing not linked to costs)	Maximum grant amount (Annex 2)	Maximum grant amount (award decision)
9 558 675.00	9 558 675.00	9 558 675.00

Grant form: Unit

Grant mode: Action grant

Budget categories/activity types:

- A. Contributions for on-board ERTMS
 - A.1 Retrofitting
 - A.2 Upgrade
 - A.3 Fitment
- B. Contributions for track-side ERTMS
 - B.1 Deployment
 - B.2 Upgrade

Cost eligibility options:

- Country restrictions for eligible costs

Budget flexibility: Yes (flexibility with conditions)

4. Reporting, payments and recoveries

4.1 Continuous reporting (art 21)

Deliverables: see Funding & Tenders Portal Continuous Reporting tool

4.2 Periodic reporting and payments

Reporting and payment schedule (art 21, 22):

Reporting					Payments	
Reporting periods			Type	Deadline	Type	Deadline (time to pay)
RP No	Month from	Month to				
					Initial prefinancing	30 days from entry into force/ financial guarantee (if required) – whichever is the latest
1	1	48	Periodic report	60 days after end of reporting period	Final payment	90 days from receiving periodic report

Prefinancing payments and guarantees:

Prefinancing payment		Prefinancing guarantee		
Type	Amount	Guarantee amount	Division per participant	
Prefinancing 1 (initial)	4 779 337.50	n/a	1 - SZDC	n/a

Reporting and payment modalities (art 21, 22):

Mutual Insurance Mechanism (MIM): No

Restrictions on distribution of initial prefinancing: The prefinancing may be distributed only if the minimum number of beneficiaries set out in the call conditions (if any) have acceded to the Agreement and only to beneficiaries that have acceded.

Interim payment ceiling (if any): 90% of the maximum grant amount

No-profit rule: n/a

Late payment interest: ECB + 3.5%

Bank account for payments:

CZ5807100000190022027001 CNBACZPP

Conversion into euros: n/a

Reporting language: Language of the Agreement

4.3 Certificates (art 24): n/a

4.4 Recoveries (art 22)

First-line liability for recoveries:

Beneficiary termination: Beneficiary concerned

Final payment: Coordinator

After final payment: Beneficiary concerned

Joint and several liability for enforced recoveries (in case of non-payment):

Limited joint and several liability of other beneficiaries — up to the maximum grant amount of the beneficiary

Joint and several liability of affiliated entities — n/a

5. Consequences of non-compliance, applicable law & dispute settlement forum**Suspension and termination:**

Additional suspension grounds (art 31)

Additional termination grounds (art 32)

Applicable law (art 43):

Standard applicable law regime: EU law + law of Belgium

Dispute settlement forum (art 43):

Standard dispute settlement forum:

EU beneficiaries: EU General Court + EU Court of Justice (on appeal)

Non-EU beneficiaries: Courts of Brussels, Belgium (unless an international agreement provides for the enforceability of EU court judgements)

6. Other

Specific rules (Annex 5): Yes

Standard time-limits after project end:

Confidentiality (for X years after final payment): 5

Record-keeping (for X years after final payment): 5 (or 3 for grants of not more than EUR 60 000)

Reviews (up to X years after final payment): 5 (or 3 for grants of not more than EUR 60 000)

Audits (up to X years after final payment): 5 (or 3 for grants of not more than EUR 60 000)

Extension of findings from other grants to this grant (no later than X years after final payment): 5 (or 3 for grants of not more than EUR 60 000)

Impact evaluation (up to X years after final payment): 5 (or 3 for grants of not more than EUR 60 000)

CHAPTER 1 GENERAL

ARTICLE 1 — SUBJECT OF THE AGREEMENT

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

ARTICLE 2 — DEFINITIONS

For the purpose of this Agreement, the following definitions apply:

Actions — The project which is being funded in the context of this Agreement.

Grant — The grant awarded in the context of this Agreement.

EU grants — Grants awarded by EU institutions, bodies, offices or agencies (including EU executive agencies, EU regulatory agencies, EDA, joint undertakings, etc.).

Participants — Entities participating in the action as beneficiaries, affiliated entities, associated partners, third parties giving in-kind contributions, subcontractors or recipients of financial support to third parties.

Beneficiaries (BEN) — The signatories of this Agreement (either directly or through an accession form).

Affiliated entities (AE) — Entities affiliated to a beneficiary within the meaning of Article 187 of EU Financial Regulation 2018/1046⁴ which participate in the action with similar rights and obligations as the beneficiaries (obligation to implement action tasks and right to charge costs and claim contributions).

Associated partners (AP) — Entities which participate in the action, but without the right to charge costs or claim contributions.

Purchases — Contracts for goods, works or services needed to carry out the action (e.g. equipment, consumables and supplies) but which are not part of the action tasks (see Annex 1).

Subcontracting — Contracts for goods, works or services that are part of the action tasks (see Annex 1).

In-kind contributions — In-kind contributions within the meaning of Article 2(36) of EU Financial

⁴ For the definition, see Article 187 Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ('EU Financial Regulation') (OJ L 193, 30.7.2018, p. 1): "**affiliated entities** [are]:

- (a) entities that form a sole beneficiary [(i.e. where an entity is formed of several entities that satisfy the criteria for being awarded a grant, including where the entity is specifically established for the purpose of implementing an action to be financed by a grant)];
- (b) entities that satisfy the eligibility criteria and that do not fall within one of the situations referred to in Article 136(1) and 141(1) and that have a link with the beneficiary, in particular a legal or capital link, which is neither limited to the action nor established for the sole purpose of its implementation".

Regulation 2018/1046, i.e. non-financial resources made available free of charge by third parties to a beneficiary.

Fraud — Fraud within the meaning of Article 3 of EU Directive 2017/1371⁵ and Article 1 of the Convention on the protection of the European Communities' financial interests, drawn up by the Council Act of 26 July 1995⁶, as well as any other wrongful or criminal deception intended to result in financial or personal gain.

Irregularities — Any type of breach (regulatory or contractual) which could impact the EU financial interests, including irregularities within the meaning of Article 1(2) of EU Regulation 2988/95⁷.

Grave professional misconduct — Any type of unacceptable or improper behaviour in exercising one's profession, especially by employees, including grave professional misconduct within the meaning of Article 136(1)(c) of EU Financial Regulation 2018/1046.

Applicable EU, international and national law — Any legal acts or other (binding or non-binding) rules and guidance in the area concerned.

Portal — EU Funding & Tenders Portal; electronic portal and exchange system managed by the European Commission and used by itself and other EU institutions, bodies, offices or agencies for the management of their funding programmes (grants, procurements, prizes, etc.).

CHAPTER 2 ACTION

ARTICLE 3 — ACTION

The grant is awarded for the action **101172249 — 23-CZ-TC-ETCS Masaryk** ('action'), as described in Annex 1.

ARTICLE 4 — DURATION AND STARTING DATE

The duration and the starting date of the action are set out in the Data Sheet (see Point 1).

CHAPTER 3 GRANT

ARTICLE 5 — GRANT

5.1 Form of grant

⁵ Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (OJ L 198, 28.7.2017, p. 29).

⁶ OJ C 316, 27.11.1995, p. 48.

⁷ Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.1995, p. 1).

The grant is an action grant⁸ which takes the form of a unit grant.

5.2 Maximum grant amount

The maximum grant amount is set out in the Data Sheet (see Point 3) and in the estimated budget (Annex 2).

5.3 Funding rate

Not applicable

5.4 Estimated budget, budget categories and forms of funding

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

It contains the estimated eligible contributions for the action (unit contributions), broken down by participant and budget category.

Annex 2 also shows the types of contributions (forms of funding)⁹ to be used for each budget category.

The details on the calculation of the unit contributions will be explained in Annex 2a.

5.5 Budget flexibility

The budget breakdown may be adjusted — without an amendment (see Article 39) — by transfers of units between participants, as long as this does not imply any substantive or important change to the description of the action in Annex 1. Transfers between budget categories are not allowed — unless agreed with the granting authority and subject to an amendment (see Article 39).

ARTICLE 6 — ELIGIBLE AND INELIGIBLE CONTRIBUTIONS

6.1 General eligibility conditions

The **general eligibility conditions** for the unit contributions are the following:

(a) the units must:

- be actually used or produced by the beneficiary in the period set out in Article 4 (with the exception of units relating to the submission of the final periodic report, which may be used or produced afterwards; see Article 21)
- be necessary for the implementation of the action and

(b) the number of units must be identifiable and verifiable, in particular supported by records and documentation (see Article 20).

6.2 Specific eligibility conditions for each budget category

⁸ For the definition, see Article 180(2)(a) EU Financial Regulation 2018/1046: ‘**action grant**’ means an EU grant to finance “an action intended to help achieve a Union policy objective”.

⁹ See Article 125 EU Financial Regulation 2018/1046.

For each budget category, the **specific eligibility conditions** are as follows:

A. Contributions for on-board ERTMS

Contributions for on-board ERTMS (A.1 Retrofitting, A.2 Upgrade, A.3 Fitment) are eligible, if they fulfil the general eligibility conditions and are calculated as unit contributions in accordance with the method set out in Annex 2a, and if:

- (a) the number of units declared:
 - (i) corresponds to the number of ERTMS Baseline 3 equipped vehicles (or in exceptional cases, the number of equipments used, see Annex 2a)
- (b) the vehicles comply with the following conditions:
 - (i) are thermal or electric traction units (such as locomotives or shunters, etc.) or self-propelling thermal or electric passenger trains (such as trainsets or EMUs or DMUs)
 - (ii) have been equipped with at least one ERTMS/ETCS on-board equipment in the context of a retrofitting, upgrade or fitment:
 - for retrofitting: installation of Baseline 3-compliant equipment (hardware, software or class A radio communication) on existing vehicles already in operation and not equipped with ERTMS
 - for upgrade: installation of Baseline 3-compliant equipment (hardware, software or class A radio communication) on existing vehicles already equipped with ERTMS
 - for fitment: installation of Baseline 3-compliant equipment (hardware, software or class A radio communication) on new vehicles
 - (iii) for international vehicles: have been authorised in more than one Member State
- (c) the ERTMS equipment used must be TSI compliant and have a market authorisation (at least requested)

B. Contributions for track-side ERTMS

Contributions for track-side ERTMS (B.1 Deployment, B.2 Upgrade) are eligible, if they fulfil the general eligibility conditions and are calculated as unit contributions in accordance with the method set out in Annex 2a, and if:

- (a) the number of units declared:
 - (i) corresponds to the number of double track kilometres equivalent equipped with ERTMS systems
- (b) the kilometres comply with the following conditions:
 - (i) have been equipped with ERTMS systems in the context of a deployment or upgrade, i.e.

- for deployments: a first deployment of ERTMS on railway line sections not equipped with the system before
 - for upgrades: a deployment of Baseline 3-compliant equipment on railway line sections already equipped with ERTMS
- (ii) for deployments in urban nodes: the deployments are situated in railway stations located in urban nodes as defined in Annex II.1 of the TEN-T Guidelines
- (c) the ERTMS system used must be TSI-compliant and have a placing-in-service authorisation (at least requested)

6.3 Ineligible contributions

‘Ineligible contributions’ are:

- (a) units that do not comply with the conditions set out above (see Article 6.1 and 6.2)
- (b) units implemented during grant agreement suspension (see Article 31) and
- (c) units for activities already funded under other EU grants (or grants awarded by an EU Member State, non-EU country or other body implementing the EU budget), except for the following case:
 - (i) Synergy actions: not applicable
- (d) other:
 - (i) costs or contributions for activities that do not take place in one of the eligible countries or target countries set out in the call conditions — unless approved by the granting authority.

6.4 Consequences of non-compliance

If a beneficiary declares unit contributions that are ineligible, they will be rejected (see Article 27).

This may also lead to other measures described in Chapter 5.

CHAPTER 4 GRANT IMPLEMENTATION

SECTION 1 CONSORTIUM: BENEFICIARIES, AFFILIATED ENTITIES AND OTHER PARTICIPANTS

ARTICLE 7 — BENEFICIARIES

The beneficiaries, as signatories of the Agreement, are fully responsible towards the granting authority for implementing it and for complying with all its obligations.

They must implement the Agreement to their best abilities, in good faith and in accordance with all the obligations and terms and conditions it sets out.

They must have the appropriate resources to implement the action and implement the action under their own responsibility and in accordance with Article 11. If they rely on affiliated entities or other participants (see Articles 8 and 9), they retain sole responsibility towards the granting authority and the other beneficiaries.

They are jointly responsible for the *technical* implementation of the action. If one of the beneficiaries fails to implement their part of the action, the other beneficiaries must ensure that this part is implemented by someone else (without being entitled to an increase of the maximum grant amount and subject to an amendment; see Article 39). The *financial* responsibility of each beneficiary in case of recoveries is governed by Article 22.

The beneficiaries (and their action) must remain eligible under the EU programme funding the grant for the entire duration of the action. Unit contributions will be eligible only as long as the beneficiary and the action are eligible.

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

(a) Each beneficiary must:

- (i) keep information stored in the Portal Participant Register up to date (see Article 19)
- (ii) inform the granting authority (and the other beneficiaries) immediately of any events or circumstances likely to affect significantly or delay the implementation of the action (see Article 19)
- (iii) submit to the coordinator in good time:
 - the prefinancing guarantees (if required; see Article 23)
 - the financial statements and certificates on the financial statements (CFS) (if required; see Articles 21 and 24.2 and Data Sheet, Point 4.3)
 - the contribution to the deliverables and technical reports (see Article 21)
 - any other documents or information required by the granting authority under the Agreement
- (iv) submit via the Portal data and information related to the participation of their affiliated entities.

(b) The coordinator must:

- (i) monitor that the action is implemented properly (see Article 11)
- (ii) act as the intermediary for all communications between the consortium and the granting authority, unless the Agreement or granting authority specifies otherwise, and in particular:
 - submit the prefinancing guarantees to the granting authority (if any)
 - request and review any documents or information required and verify their quality and completeness before passing them on to the granting authority

- submit the deliverables and reports to the granting authority
 - inform the granting authority about the payments made to the other beneficiaries (report on the distribution of payments; if required, see Articles 22 and 32)
- (iii) distribute the payments received from the granting authority to the other beneficiaries without unjustified delay (see Article 22).

The coordinator may not delegate or subcontract the above-mentioned tasks to any other beneficiary or third party (including affiliated entities).

However, coordinators which are public bodies may delegate the tasks set out in Point (b)(ii) last indent and (iii) above to entities with ‘authorisation to administer’ which they have created or which are controlled by or affiliated to them. In this case, the coordinator retains sole responsibility for the payments and for compliance with the obligations under the Agreement.

Moreover, coordinators which are ‘sole beneficiaries’¹⁰ (or similar, such as European research infrastructure consortia (ERICs)) may delegate the tasks set out in Point (b)(i) to (iii) above to one of their members. The coordinator retains sole responsibility for compliance with the obligations under the Agreement.

The beneficiaries must have **internal arrangements** regarding their operation and co-ordination, to ensure that the action is implemented properly.

If required by the granting authority (see Data Sheet, Point 1), these arrangements must be set out in a written **consortium agreement** between the beneficiaries, covering for instance:

- the internal organisation of the consortium
- the management of access to the Portal
- different distribution keys for the payments and financial responsibilities in case of recoveries (if any)
- additional rules on rights and obligations related to background and results (see Article 16)
- settlement of internal disputes
- liability, indemnification and confidentiality arrangements between the beneficiaries.

The internal arrangements must not contain any provision contrary to this Agreement.

ARTICLE 8 — AFFILIATED ENTITIES

Not applicable

ARTICLE 9 — OTHER PARTICIPANTS INVOLVED IN THE ACTION

¹⁰ For the definition, see Article 187(2) EU Financial Regulation 2018/1046: “Where several entities satisfy the criteria for being awarded a grant and together form one entity, that entity may be treated as the **sole beneficiary**, including where it is specifically established for the purpose of implementing the action financed by the grant.”

9.1 Associated partners

Not applicable

9.2 Third parties giving in-kind contributions to the action

Other third parties may give in-kind contributions to the action (i.e. personnel, equipment, other goods, works and services, etc. which are free-of-charge), if necessary for the implementation.

Third parties giving in-kind contributions do not implement any action tasks. They may not charge contributions to the action (no unit contributions) and the costs for the in-kind contributions are not eligible.

The third parties and their in-kind contributions should be set out in Annex 1.

9.3 Subcontractors

Subcontractors may participate in the action, if necessary for the implementation.

Subcontractors must implement their action tasks in accordance with Article 11. The beneficiaries' costs for subcontracting are considered entirely covered by the unit contributions (irrespective of the actual subcontracting costs incurred, if any).

The beneficiaries must ensure that their contractual obligations under Articles 11 (proper implementation), 12 (conflict of interest), 13 (confidentiality and security), 14 (ethics), 17.2 (visibility), 18 (specific rules for carrying out action), 19 (information) and 20 (record-keeping) also apply to the subcontractors.

The beneficiaries must ensure that the bodies mentioned in Article 25 (e.g. granting authority, OLAF, Court of Auditors (ECA), etc.) can exercise their rights also towards the subcontractors.

9.4 Recipients of financial support to third parties

If the action includes providing financial support to third parties (e.g. grants, prizes or similar forms of support), the beneficiaries must ensure that their contractual obligations under Articles 12 (conflict of interest), 13 (confidentiality and security), 14 (ethics), 17.2 (visibility), 18 (specific rules for carrying out action), 19 (information) and 20 (record-keeping) also apply to the third parties receiving the support (recipients).

The beneficiaries must also ensure that the bodies mentioned in Article 25 (e.g. granting authority, OLAF, Court of Auditors (ECA), etc.) can exercise their rights also towards the recipients.

ARTICLE 10 — PARTICIPANTS WITH SPECIAL STATUS

10.1 Non-EU participants

Participants which are established in a non-EU country (if any) undertake to comply with their obligations under the Agreement and:

- to respect general principles (including fundamental rights, values and ethical principles, environmental and labour standards, rules on classified information, intellectual property rights, visibility of funding and protection of personal data)

- for the submission of certificates under Article 24: to use qualified external auditors which are independent and comply with comparable standards as those set out in EU Directive 2006/43/EC¹¹
- for the controls under Article 25: to allow for checks, reviews, audits and investigations (including on-the-spot checks, visits and inspections) by the bodies mentioned in that Article (e.g. granting authority, OLAF, Court of Auditors (ECA), etc.).

Special rules on dispute settlement apply (see Data Sheet, Point 5).

10.2 Participants which are international organisations

Participants which are international organisations (IOs; if any) undertake to comply with their obligations under the Agreement and:

- to respect general principles (including fundamental rights, values and ethical principles, environmental and labour standards, rules on classified information, intellectual property rights, visibility of funding and protection of personal data)
- for the submission of certificates under Article 24: to use either independent public officers or external auditors which comply with comparable standards as those set out in EU Directive 2006/43/EC
- for the controls under Article 25: to allow for the checks, reviews, audits and investigations by the bodies mentioned in that Article, taking into account the specific agreements concluded by them and the EU (if any).

For such participants, nothing in the Agreement will be interpreted as a waiver of their privileges or immunities, as accorded by their constituent documents or international law.

Special rules on applicable law and dispute settlement apply (see Article 43 and Data Sheet, Point 5).

10.3 Pillar-assessed participants

Pillar-assessed participants (if any) may rely on their own systems, rules and procedures, in so far as they have been positively assessed and do not call into question the decision awarding the grant or breach the principle of equal treatment of applicants or beneficiaries.

‘Pillar-assessment’ means a review by the European Commission on the systems, rules and procedures which participants use for managing EU grants (in particular internal control system, accounting system, external audits, financing of third parties, rules on recovery and exclusion, information on recipients and protection of personal data; see Article 154 EU Financial Regulation 2018/1046).

Participants with a positive pillar assessment may rely on their own systems, rules and procedures, in particular for:

- record-keeping (Article 20): may be done in accordance with internal standards, rules and procedures

¹¹ 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 or similar national regulations (OJ L 157, 9.6.2006, p. 87).

- currency conversion for financial statements (Article 21): may be done in accordance with usual accounting practices
- guarantees (Article 23): for public law bodies, prefinancing guarantees are not needed
- certificates (Article 24):
 - certificates on the financial statements (CFS): may be provided by their regular internal or external auditors and in accordance with their internal financial regulations and procedures
 - certificates on usual accounting practices (CoMUC): are not needed if those practices are covered by an ex-ante assessment

and use the following specific rules, for:

- recoveries (Article 22): in case of financial support to third parties, there will be no recovery if the participant has done everything possible to retrieve the undue amounts from the third party receiving the support (including legal proceedings) and non-recovery is not due to an error or negligence on its part
- checks, reviews, audits and investigations by the EU (Article 25): will be conducted taking into account the rules and procedures specifically agreed between them and the framework agreement (if any)
- impact evaluation (Article 26): will be conducted in accordance with the participant's internal rules and procedures and the framework agreement (if any)
- grant agreement suspension (Article 31): certain costs incurred during grant suspension are eligible (notably, minimum costs necessary for a possible resumption of the action and costs relating to contracts which were entered into before the pre-information letter was received and which could not reasonably be suspended, reallocated or terminated on legal grounds)
- grant agreement termination (Article 32): the final grant amount and final payment will be calculated taking into account also costs relating to contracts due for execution only after termination takes effect, if the contract was entered into before the pre-information letter was received and could not reasonably be terminated on legal grounds
- liability for damages (Article 33.2): the granting authority must be compensated for 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 only if the damage is due to an infringement of the participant's internal rules and procedures or due to a violation of third parties' rights by the participant or one of its employees or individual for whom the employees are responsible.

Participants whose pillar assessment covers procurement and granting procedures may also do purchases, subcontracting and financial support to third parties (Article 6.2) in accordance with their internal rules and procedures for purchases, subcontracting and financial support.

Participants whose pillar assessment covers data protection rules may rely on their internal standards, rules and procedures for data protection (Article 15).

The participants may however not rely on provisions which would breach the principle of equal treatment of applicants or beneficiaries or call into question the decision awarding the grant, such as in particular:

- eligibility (Article 6)
- consortium roles and set-up (Articles 7-9)
- security and ethics (Articles 13, 14)
- IPR (including background and results, access rights and rights of use), communication, dissemination and visibility (Articles 16 and 17)
- information obligation (Article 19)
- payment, reporting and amendments (Articles 21, 22 and 39)
- rejections, reductions, suspensions and terminations (Articles 27, 28, 29-32)

If the pillar assessment was subject to remedial measures, reliance on the internal systems, rules and procedures is subject to compliance with those remedial measures.

Participants whose assessment has not yet been updated to cover (the new rules on) data protection may rely on their internal systems, rules and procedures, provided that they ensure that personal data is:

- processed lawfully, fairly and in a transparent manner in relation to the data subject
- collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes
- adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed
- accurate and, where necessary, kept up to date
- kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the data is processed and
- processed in a manner that ensures appropriate security of the personal data.

Participants must inform the coordinator without delay of any changes to the systems, rules and procedures that were part of the pillar assessment. The coordinator must immediately inform the granting authority.

Pillar-assessed participants that have also concluded a framework agreement with the EU, may moreover — under the same conditions as those above (i.e. not call into question the decision awarding the grant or breach the principle of equal treatment of applicants or beneficiaries) — rely on the provisions set out in that framework agreement.

SECTION 2 RULES FOR CARRYING OUT THE ACTION

ARTICLE 11 — PROPER IMPLEMENTATION OF THE ACTION

11.1 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, the call conditions and all legal obligations under applicable EU, international and national law.

11.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28).

Such breaches may also lead to other measures described in Chapter 5.

ARTICLE 12 — CONFLICT OF INTERESTS

12.1 Conflict of interests

The beneficiaries must take all measures to prevent any situation where the impartial and objective implementation of the Agreement could be compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other direct or indirect interest ('conflict of interests').

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

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

12.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28) and the grant or the beneficiary may be terminated (see Article 32).

Such breaches may also lead to other measures described in Chapter 5.

ARTICLE 13 — CONFIDENTIALITY AND SECURITY

13.1 Sensitive information

The parties must keep confidential any data, documents or other material (in any form) that is identified as sensitive in writing ('sensitive information') — during the implementation of the action and for at least until the time-limit set out in the Data Sheet (see Point 6).

If a beneficiary requests, the granting authority may agree to keep such information confidential for a longer period.

Unless otherwise agreed between the parties, they may use sensitive information only to implement the Agreement.

The beneficiaries may disclose sensitive information to their personnel or other participants involved in the action only if they:

- (a) need to know it in order to implement the Agreement and
- (b) are bound by an obligation of confidentiality.

The granting authority may disclose sensitive information to its staff and to other EU institutions and bodies.

It may moreover disclose sensitive information to third parties, if:

- (a) this is necessary to implement the Agreement or safeguard the EU financial interests and
- (b) the recipients of the information are bound by an obligation of confidentiality.

The confidentiality obligations no longer apply if:

- (a) the disclosing party agrees to release the other party
- (b) the information becomes publicly available, without breaching any confidentiality obligation
- (c) the disclosure of the sensitive information is required by EU, international or national law.

Specific confidentiality rules (if any) are set out in Annex 5.

13.2 Classified information

The parties must handle classified information in accordance with the applicable EU, international or national law on classified information (in particular, Decision 2015/444¹² and its implementing rules).

Deliverables which contain classified information must be submitted according to special procedures agreed with the granting authority.

Action tasks involving classified information may be subcontracted only after explicit approval (in writing) from the granting authority.

Classified information may not be disclosed to any third party (including participants involved in the action implementation) without prior explicit written approval from the granting authority.

Specific security rules (if any) are set out in Annex 5.

13.3 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28).

Such breaches may also lead to other measures described in Chapter 5.

ARTICLE 14 — ETHICS AND VALUES

14.1 Ethics

¹² Commission Decision 2015/444/EC, Euratom of 13 March 2015 on the security rules for protecting EU classified information (OJ L 72, 17.3.2015, p. 53).

The action must be carried out in line with the highest ethical standards and the applicable EU, international and national law on ethical principles.

Specific ethics rules (if any) are set out in Annex 5.

14.2 Values

The beneficiaries must commit to and ensure the respect of basic EU values (such as respect for human dignity, freedom, democracy, equality, the rule of law and human rights, including the rights of minorities).

Specific rules on values (if any) are set out in Annex 5.

14.3 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28).

Such breaches may also lead to other measures described in Chapter 5.

ARTICLE 15 — DATA PROTECTION

15.1 Data processing by the granting authority

Any personal data under the Agreement will be processed under the responsibility of the data controller of the granting authority in accordance with and for the purposes set out in the Portal Privacy Statement.

For grants where the granting authority is the European Commission, an EU regulatory or executive agency, joint undertaking or other EU body, the processing will be subject to Regulation 2018/1725¹³.

15.2 Data processing by the beneficiaries

The beneficiaries must process personal data under the Agreement in compliance with the applicable EU, international and national law on data protection (in particular, Regulation 2016/679¹⁴).

They must ensure that personal data is:

- processed lawfully, fairly and in a transparent manner in relation to the data subjects
- collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes

¹³ Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).

¹⁴ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC ('GDPR') (OJ L 119, 4.5.2016, p. 1).

- adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed
- accurate and, where necessary, kept up to date
- kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the data is processed and
- processed in a manner that ensures appropriate security of the data.

The beneficiaries may grant their personnel access to personal data only if it is strictly necessary for implementing, managing and monitoring the Agreement. The beneficiaries must ensure that the personnel is under a confidentiality obligation.

The beneficiaries must inform the persons whose data are transferred to the granting authority and provide them with the Portal Privacy Statement.

15.3 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28).

Such breaches may also lead to other measures described in Chapter 5.

ARTICLE 16 — INTELLECTUAL PROPERTY RIGHTS (IPR) — BACKGROUND AND RESULTS — ACCESS RIGHTS AND RIGHTS OF USE

16.1 Background and access rights to background

The beneficiaries must give each other and the other participants access to the background identified as needed for implementing the action, subject to any specific rules in Annex 5.

‘Background’ means any data, know-how or information — whatever its form or nature (tangible or intangible), including any rights such as intellectual property rights — that is:

- (a) held by the beneficiaries before they acceded to the Agreement and
- (b) needed to implement the action or exploit the results.

If background is subject to rights of a third party, the beneficiary concerned must ensure that it is able to comply with its obligations under the Agreement.

16.2 Ownership of results

The granting authority does not obtain ownership of the results produced under the action.

‘Results’ means any tangible or intangible effect of the action, such as data, know-how or information, whatever its form or nature, whether or not it can be protected, as well as any rights attached to it, including intellectual property rights.

16.3 Rights of use of the granting authority on materials, documents and information received for policy, information, communication, dissemination and publicity purposes

The granting authority has the right to use non-sensitive information relating to the action and materials and documents received from the beneficiaries (notably summaries for publication, deliverables, as well as any other material, such as pictures or audio-visual material, in paper or electronic form) for policy, information, communication, dissemination and publicity purposes — during the action or afterwards.

The right to use the beneficiaries' materials, documents and information is granted in the form of a royalty-free, non-exclusive and irrevocable licence, which includes the following rights:

- (a) **use for its own purposes** (in particular, making them available to persons working for the granting authority or any other EU service (including institutions, bodies, offices, agencies, etc.) or EU Member State institution or body; copying or reproducing them in whole or in part, in unlimited numbers; and communication through press information services)
- (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** (including shortening, summarising, inserting other elements (e.g. 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) **storage** in paper, electronic or other form
- (f) **archiving**, in line with applicable document-management rules
- (g) the right to authorise **third parties** to act on its behalf or sub-license to third parties the modes of use set out in Points (b), (c), (d) and (f), if needed for the information, communication and publicity activity of the granting authority
- (h) **processing**, analysing, aggregating the materials, documents and information received and **producing derivative works**.

The rights of use are granted for the whole duration of the industrial or intellectual property rights concerned.

If materials or documents are subject to moral rights or third party rights (including intellectual property rights or rights of natural persons on their image and voice), the beneficiaries must ensure that they comply with their obligations under this Agreement (in particular, by obtaining the necessary licences and authorisations from the rights holders concerned).

Where applicable, the granting authority will insert the following information:

“© – [year] – [name of the copyright owner]. All rights reserved. Licensed to the [name of granting authority] under conditions.”

16.4 Specific rules on IPR, results and background

Specific rules regarding intellectual property rights, results and background (if any) are set out in Annex 5.

16.5 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28).

Such a breach may also lead to other measures described in Chapter 5.

ARTICLE 17 — COMMUNICATION, DISSEMINATION AND VISIBILITY

17.1 Communication — Dissemination — Promoting the action

Unless otherwise agreed with the granting authority, the beneficiaries must promote the action and its results by providing targeted information to multiple audiences (including the media and the public), in accordance with Annex 1 and in a strategic, coherent and effective manner.

Before engaging in a communication or dissemination activity expected to have a major media impact, the beneficiaries must inform the granting authority.

17.2 Visibility — European flag and funding statement

Unless otherwise agreed with the granting authority, communication activities of the beneficiaries related to the action (including media relations, conferences, seminars, information material, such as brochures, leaflets, posters, presentations, etc., in electronic form, via traditional or social media, etc.), dissemination activities and any infrastructure, equipment, vehicles, supplies or major result funded by the grant must acknowledge EU support and display the European flag (emblem) and funding statement (translated into local languages, where appropriate):



Funded by the
European Union



Co-funded by the
European Union



Funded by the
European Union



Co-funded by the
European Union

The emblem must remain distinct and separate and cannot be modified by adding other visual marks, brands or text.

Apart from the emblem, no other visual identity or logo may be used to highlight the EU support.

When displayed in association with other logos (e.g. of beneficiaries or sponsors), the emblem must be displayed at least as prominently and visibly as the other logos.

For the purposes of their obligations under this Article, the beneficiaries may use the emblem without first obtaining approval from the granting authority. This does not, however, give them the right to exclusive use. Moreover, they may not appropriate the emblem or any similar trademark or logo, either by registration or by any other means.

17.3 Quality of information — Disclaimer

Any communication or dissemination activity related to the action must use factually accurate information.

Moreover, it must indicate the following disclaimer (translated into local languages where appropriate):

“Funded by the European Union. Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or [name of the granting authority]. Neither the European Union nor the granting authority can be held responsible for them.”

17.4 Specific communication, dissemination and visibility rules

Specific communication, dissemination and visibility rules (if any) are set out in Annex 5.

17.5 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28).

Such breaches may also lead to other measures described in Chapter 5.

ARTICLE 18 — SPECIFIC RULES FOR CARRYING OUT THE ACTION

18.1 Specific rules for carrying out the action

Specific rules for implementing the action (if any) are set out in Annex 5.

18.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28).

Such a breach may also lead to other measures described in Chapter 5.

SECTION 3 GRANT ADMINISTRATION

ARTICLE 19 — GENERAL INFORMATION OBLIGATIONS

19.1 Information requests

The beneficiaries must provide — during the action or afterwards and in accordance with Article 7 — any information requested in order to verify eligibility of the unit contributions declared, proper implementation of the action and compliance with the other obligations under the Agreement.

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

19.2 Participant Register data updates

The beneficiaries must keep — at all times, during the action or afterwards — their information stored in the Portal Participant Register up to date, in particular, their name, address, legal representatives, legal form and organisation type.

19.3 Information about events and circumstances which impact the action

The beneficiaries must immediately inform the granting authority (and the other beneficiaries) of any of the following:

- (a) **events** which are likely to affect or delay the implementation of the action or affect the EU's financial interests, in particular:
 - (i) changes in their legal, financial, technical, organisational or ownership situation (including changes linked to one of the exclusion grounds listed in the declaration of honour signed before grant signature)
 - (ii) linked action information: not applicable
- (b) **circumstances** affecting:
 - (i) the decision to award the grant or
 - (ii) compliance with requirements under the Agreement.

19.4 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28).

Such breaches may also lead to other measures described in Chapter 5.

ARTICLE 20 — RECORD-KEEPING

20.1 Keeping records and supporting documents

The beneficiaries must — at least until the time-limit set out in the Data Sheet (see Point 6) — keep records and other supporting documents to prove the proper implementation of the action in line with the accepted standards in the respective field (if any).

In addition, the beneficiaries must — for the same period — keep adequate records and supporting documents to prove the number of units declared; beneficiaries do not need to keep specific records on the actual costs incurred.

The records and supporting documents must be made available upon request (see Article 19) or in the context of checks, reviews, audits or investigations (see Article 25).

If there are on-going checks, reviews, audits, investigations, litigation or other pursuits of claims under the Agreement (including the extension of findings; see Article 25), the beneficiaries must keep these 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 granting authority may accept non-original documents if they offer a comparable level of assurance.

20.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, unit contributions insufficiently substantiated will be ineligible (see Article 6) and will be rejected (see Article 27), and the grant may be reduced (see Article 28).

Such breaches may also lead to other measures described in Chapter 5.

ARTICLE 21 — REPORTING

21.1 Continuous reporting

The beneficiaries must continuously report on the progress of the action (e.g. **deliverables, milestones, outputs/outcomes, critical risks, indicators**, etc; if any), in the Portal Continuous Reporting tool and in accordance with the timing and conditions it sets out (as agreed with the granting authority).

Standardised deliverables (e.g. progress reports not linked to payments, reports on cumulative expenditure, special reports, etc; if any) must be submitted using the templates published on the Portal.

21.2 Periodic reporting: Technical reports and financial statements

In addition, the beneficiaries must provide reports to request payments, in accordance with the schedule and modalities set out in the Data Sheet (see Point 4.2):

- for additional prefinancings (if any): an **additional prefinancing report**
- for interim payments (if any) and the final payment: a **periodic report**.

The prefinancing and periodic reports include a technical and financial part.

The technical part includes an overview of the action implementation. It must be prepared using the template available in the Portal Periodic Reporting tool.

The financial part of the additional prefinancing report includes a statement on the use of the previous prefinancing payment.

The financial part of the periodic report includes:

- the financial statements (individual and consolidated; for all beneficiaries/affiliated entities)

- the explanation on the use of resources (or detailed cost reporting table, if required)
- the certificates on the financial statements (CFS): not applicable.

The **financial statements** must detail the contributions for the units implemented in the reporting period.

Unit contributions which are not declared in a financial statement will not be taken into account by the granting authority.

By signing the financial statements (directly in the Portal Periodic Reporting tool), the beneficiaries confirm that:

- the information provided is complete, reliable and true
- the unit contributions declared are eligible (see Article 6)
- the contributions can be substantiated by adequate records and supporting documents (see Article 20) that will be produced upon request (see Article 19) or in the context of checks, reviews, audits and investigations (see Article 25)

Beneficiaries will have to submit also the financial statements of their affiliated entities (if any). In case of recoveries (see Article 22), beneficiaries will be held responsible also for the financial statements of their affiliated entities.

21.3 Currency for financial statements and conversion into euros

The financial statements must be drafted in euro.

21.4 Reporting language

The reporting must be in the language of the Agreement, unless otherwise agreed with the granting authority (see Data Sheet, Point 4.2).

21.5 Consequences of non-compliance

If a report submitted does not comply with this Article, the granting authority may suspend the payment deadline (see Article 29) and apply other measures described in Chapter 5.

If the coordinator breaches its reporting obligations, the granting authority may terminate the grant or the coordinator's participation (see Article 32) or apply other measures described in Chapter 5.

ARTICLE 22 — PAYMENTS AND RECOVERIES — CALCULATION OF AMOUNTS DUE

22.1 Payments and payment arrangements

Payments will be made in accordance with the schedule and modalities set out in the Data Sheet (see Point 4.2).

They will be made in euro to the bank account indicated by the coordinator (see Data Sheet, Point 4.2)

and must be distributed without unjustified delay (restrictions may apply to distribution of the initial prefinancing payment; see Data Sheet, Point 4.2).

Payments to this bank account will discharge the granting authority from its payment obligation.

The cost of payment transfers will be borne as follows:

- the granting authority 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.

Payments by the granting authority will be considered to have been carried out on the date when they are debited to its account.

22.2 Recoveries

Recoveries will be made, if — at beneficiary termination, final payment or afterwards — it turns out that the granting authority has paid too much and needs to recover the amounts undue.

The general liability regime for recoveries (first-line liability) is as follows: At final payment, the coordinator will be fully liable for recoveries, even if it has not been the final recipient of the undue amounts. At beneficiary termination or after final payment, recoveries will be made directly against the beneficiaries concerned.

Beneficiaries will be fully liable for repaying the debts of their affiliated entities.

In case of enforced recoveries (see Article 22.4):

- the beneficiaries will be jointly and severally liable for repaying debts of another beneficiary under the Agreement (including late-payment interest), if required by the granting authority (see Data Sheet, Point 4.4)
- affiliated entities will be held liable for repaying debts of their beneficiaries under the Agreement (including late-payment interest), if required by the granting authority (see Data Sheet, Point 4.4).

22.3 Amounts due

22.3.1 Prefinancing payments

The aim of the prefinancing is to provide the beneficiaries with a float.

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

For **initial prefinancings** (if any), the amount due, schedule and modalities are set out in the Data Sheet (see Point 4.2).

For **additional prefinancings** (if any), the amount due, schedule and modalities are also set out in the Data Sheet (see Point 4.2). However, if the statement on the use of the previous prefinancing payment shows that less than 70% was used, the amount set out in the Data Sheet will be reduced by the difference between the 70% threshold and the amount used.

Prefinancing payments (or parts of them) may be offset (without the beneficiaries' consent) against amounts owed by a beneficiary to the granting authority — up to the amount due to that beneficiary.

For grants where the granting authority is the European Commission or an EU executive agency, offsetting may also be done against amounts owed to other Commission services or executive agencies.

Payments will not be made if the payment deadline or payments are suspended (see Articles 29 and 30).

22.3.2 Amount due at beneficiary termination — Recovery

At beneficiary termination there will be no payment, but the grant must be provisionally closed for the beneficiary which leaves the consortium (and the affiliated entities which had to end their participation together with the beneficiary, if any).

Payments (if any) will be made with the next interim or final payment.

The **amount due** will be calculated in the following step:

Step 1 — Calculation of the total accepted EU contribution

Step 1 — Calculation of the total accepted EU contribution

The granting authority will first calculate the 'accepted EU contribution' for the beneficiary for all reporting periods, by calculating the unit contributions for the accepted units.

After that, the granting authority will take into account grant reductions (if any). The resulting amount is the 'total accepted EU contribution' for the beneficiary.

The **balance** is then calculated by deducting the payments received (if any; see report on the distribution of payments in Article 32), from the total accepted EU contribution:

$$\left\{ \begin{array}{l} \text{total accepted EU contribution for the beneficiary} \\ \text{minus} \\ \text{prefinancing and interim payments received (if any)} \end{array} \right\}.$$

If the balance is **positive**, the amount will be included in the next interim or final payment to the consortium.

If the balance is **negative**, it will be **recovered** in accordance with the following procedure:

The granting authority will send a **pre-information letter** to the beneficiary concerned:

- formally notifying the intention to recover, the amount due, the amount to be recovered and the reasons why and
- requesting observations within 30 days of receiving notification.

If no observations are submitted (or the granting authority decides to pursue recovery despite the observations it has received), it will confirm the amount to be recovered and ask this amount to be paid to the coordinator (**confirmation letter**).

The amounts will later on also be taken into account for the next interim or final payment.

22.3.3 Interim payments

Interim payments reimburse the eligible contributions claimed for the units implemented during the reporting periods (if any).

Interim payments (if any) will be made in accordance with the schedule and modalities set out the Data Sheet (see Point 4.2).

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

The **interim payment** will be calculated by the granting authority in the following steps:

Step 1 — Calculation of the total accepted EU contribution

Step 2 — Limit to the interim payment ceiling

Step 1 — Calculation of the total accepted EU contribution

The granting authority will first calculate the ‘accepted EU contribution’ for the action for the reporting period, by calculating the unit contributions for the accepted units.

After that, the granting authority will take into account grant reductions from beneficiary termination (if any). The resulting amount is the ‘total accepted EU contribution’.

Step 2 — Limit to the interim payment ceiling

The resulting amount is then capped to ensure that the total amount of prefinancing and interim payments (if any) does not exceed the interim payment ceiling set out in the Data Sheet (see Point 4.2).

Interim payments (or parts of them) may be offset (without the beneficiaries’ consent) against amounts owed by a beneficiary to the granting authority — up to the amount due to that beneficiary.

For grants where the granting authority is the European Commission or an EU executive agency, offsetting may also be done against amounts owed to other Commission services or executive agencies.

Payments will not be made if the payment deadline or payments are suspended (see Articles 29 and 30).

22.3.4 Final payment — Final grant amount — Revenues and Profit — Recovery

The final payment (payment of the balance) reimburses the eligible contributions claimed for the remaining units implemented (if any).

The final payment will be made in accordance with the schedule and modalities set out in the Data Sheet (see Point 4.2).

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

The **final grant amount for the action** will be calculated in the following steps:

Step 1 — Calculation of the total accepted EU contribution

Step 2 — Limit to the maximum grant amount

Step 3 — Reduction due to the no-profit rule

Step 1 — Calculation of the total accepted EU contribution

The granting authority will first calculate the ‘accepted EU contribution’ for the action for all reporting periods, by calculating the unit contributions for the accepted units.

After that, the granting authority will take into account grant reductions (if any). The resulting amount is the ‘total accepted EU contribution’.

Step 2 — Limit to the maximum grant amount

If the resulting amount is higher than the maximum grant amount set out in Article 5.2, it will be limited to the latter.

Step 3 — Reduction due to the no-profit rule

Not applicable

The **balance** (final payment) is then calculated by deducting the total amount of prefinancing and interim payments already made (if any), from the final grant amount:

$$\begin{aligned} & \{\text{final grant amount} \\ & \text{minus} \\ & \{\text{prefinancing and interim payments made (if any)}\} \}. \end{aligned}$$

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

The final payment (or part of it) may be offset (without the beneficiaries’ consent) against amounts owed by a beneficiary to the granting authority — up to the amount due to that beneficiary.

For grants where the granting authority is the European Commission or an EU executive agency, offsetting may also be done against amounts owed to other Commission services or executive agencies.

Payments will not be made if the payment deadline or payments are suspended (see Articles 29 and 30).

If the balance is **negative**, it will be **recovered** in accordance with the following procedure:

The granting authority will send a **pre-information letter** to the coordinator:

- formally notifying the intention to recover, the final grant amount, the amount to be recovered and the reasons why
- requesting observations within 30 days of receiving notification.

If no observations are submitted (or the granting authority decides to pursue recovery despite the observations it has received), it will confirm the amount to be recovered (**confirmation letter**), together with a **debit note** with the terms and date for payment.

If payment is not made by the date specified in the debit note, the granting authority will **enforce recovery** in accordance with Article 22.4.

22.3.5 Audit implementation after final payment — Revised final grant amount — Recovery

If — after the final payment (in particular, after checks, reviews, audits or investigations; see Article 25) — the granting authority rejects unit contributions (see Article 27) or reduces the grant (see Article 28), it will calculate the **revised final grant amount** for the beneficiary concerned.

The **beneficiary revised final grant amount** will be calculated in the following step:

Step 1 — Calculation of the revised total accepted EU contribution

Step 1 — Calculation of the revised total accepted EU contribution

The granting authority will first calculate the ‘revised accepted EU contribution’ for the beneficiary, by calculating the ‘revised accepted contributions’.

After that, it will take into account grant reductions (if any). The resulting ‘revised total accepted EU contribution’ is the beneficiary revised final grant amount.

If the revised final grant amount is lower than the beneficiary’s final grant amount (i.e. its share in the final grant amount for the action), it will be **recovered** in accordance with the following procedure:

The **beneficiary final grant amount** (i.e. share in the final grant amount for the action) is calculated as follows:

$$\left\{ \begin{array}{l} \text{\{total accepted EU contribution for the beneficiary} \\ \text{divided by} \\ \text{total accepted EU contribution for the action\}} \\ \text{multiplied by} \\ \text{final grant amount for the action\}}. \end{array} \right.$$

The granting authority will send a **pre-information letter** to the beneficiary concerned:

- formally notifying the intention to recover, the amount to be recovered and the reasons why and
- requesting observations within 30 days of receiving notification.

If no observations are submitted (or the granting authority decides to pursue recovery despite the observations it has received), it will confirm the amount to be recovered (**confirmation letter**), together with a **debit note** with the terms and the date for payment.

Recoveries against affiliated entities (if any) will be handled through their beneficiaries.

If payment is not made by the date specified in the debit note, the granting authority will **enforce recovery** in accordance with Article 22.4.

22.4 Enforced recovery

If payment is not made by the date specified in the debit note, the amount due will be recovered:

- (a) by offsetting the amount — without the coordinator or beneficiary's consent — against any amounts owed to the coordinator or beneficiary by the granting authority.

In exceptional circumstances, to safeguard the EU financial interests, the amount may be offset before the payment date specified in the debit note.

For grants where the granting authority is the European Commission or an EU executive agency, debts may also be offset against amounts owed by other Commission services or executive agencies.

- (b) by drawing on the financial guarantee(s) (if any)
- (c) by holding other beneficiaries jointly and severally liable (if any; see Data Sheet, Point 4.4)
- (d) by holding affiliated entities jointly and severally liable (if any, see Data Sheet, Point 4.4)
- (e) by taking legal action (see Article 43) or, provided that the granting authority is the European Commission or an EU executive agency, by adopting an enforceable decision under Article 299 of the Treaty on the Functioning of the EU (TFEU) and Article 100(2) of EU Financial Regulation 2018/1046.

The amount to be recovered will be increased by **late-payment interest** at the rate set out in Article 22.5, from the day following the payment date in the debit note, up to and including the date the full payment is received.

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 2015/2366¹⁵ applies.

For grants where the granting authority is an EU executive agency, enforced recovery by offsetting or enforceable decision will be done by the services of the European Commission (see also Article 43).

22.5 Consequences of non-compliance

22.5.1 If the granting authority 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 the rate specified in the Data Sheet (Point 4.2). 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 on request submitted within two months of receiving the late payment.

¹⁵ Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC (OJ L 337, 23.12.2015, p. 35).

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).

If payments or the payment deadline are suspended (see Articles 29 and 30), payment will not be considered as late.

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.

22.5.2 If the coordinator breaches any of its obligations under this Article, the grant may be reduced (see Article 28) and the grant or the coordinator may be terminated (see Article 32).

Such breaches may also lead to other measures described in Chapter 5.

ARTICLE 23 — GUARANTEES

23.1 Prefinancing guarantee

If required by the granting authority (see Data Sheet, Point 4.2), the beneficiaries must provide (one or more) prefinancing guarantee(s) in accordance with the timing and the amounts set out in the Data Sheet.

The coordinator must submit them to the granting authority in due time before the prefinancing they are linked to.

The guarantees must be drawn up using the template published on the Portal and fulfil the following conditions:

- (a) be provided by a bank or approved financial institution established in the EU or — if requested by the coordinator and accepted by the granting authority — by a third party or a bank or financial institution established outside the EU offering equivalent security
- (b) the guarantor stands as first-call guarantor and does not require the granting authority to first have recourse against the principal debtor (i.e. the beneficiary concerned) and
- (c) remain explicitly in force until the final payment and, if the final payment takes the form of a recovery, until five months after the debit note is notified to a beneficiary.

They will be released within the following month.

23.2 Consequences of non-compliance

If the beneficiaries breach their obligation to provide the prefinancing guarantee, the prefinancing will not be paid.

Such breaches may also lead to other measures described in Chapter 5.

ARTICLE 24 — CERTIFICATES

Not applicable

ARTICLE 25 — CHECKS, REVIEWS, AUDITS AND INVESTIGATIONS — EXTENSION OF FINDINGS

25.1 Granting authority checks, reviews and audits

25.1.1 Internal checks

The granting authority may — during the action or afterwards — check the proper implementation of the action and compliance with the obligations under the Agreement, including assessing unit contributions, deliverables and reports.

25.1.2 Project reviews

The granting authority may carry out reviews on the proper implementation of the action and compliance with the obligations under the Agreement (general project reviews or specific issues reviews).

Such project reviews may be started during the implementation of the action and until the time-limit set out in the Data Sheet (see Point 6). They will be formally notified to the coordinator or beneficiary concerned and will be considered to start on the date of the notification.

If needed, the granting authority may be assisted by independent, outside experts. If it uses outside experts, the coordinator or beneficiary concerned will be informed and have the right to object on grounds of commercial confidentiality or conflict of interest.

The coordinator or beneficiary concerned must cooperate diligently and 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 granting authority may request beneficiaries to provide such information to it directly. Sensitive information and documents will be treated in accordance with Article 13.

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

For **on-the-spot visits**, the beneficiary concerned must allow access to sites and premises (including to the outside experts) 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 **project review report** will be drawn up.

The granting authority will formally notify the project review report to the coordinator or beneficiary concerned, which has 30 days from receiving notification to make observations.

Project reviews (including project review reports) will be in the language of the Agreement, unless otherwise agreed with the granting authority (see Data Sheet, Point 4.2).

25.1.3 Audits

The granting authority may carry out audits on the proper implementation of the action and compliance with the obligations under the Agreement.

Such audits may be started during the implementation of the action and until the time-limit set out in the Data Sheet (see Point 6). They will be formally notified to the beneficiary concerned and will be considered to start on the date of the notification.

The granting authority may use its own audit service, delegate audits to a centralised service or use external audit firms. If it uses an external firm, the beneficiary concerned will be informed and have the right to object on grounds of commercial confidentiality or conflict of interest.

The beneficiary concerned must cooperate diligently and provide — within the deadline requested — any information (including complete accounts, individual salary statements or other personal data) to verify compliance with the Agreement. Sensitive information and documents will be treated in accordance with Article 13.

For **on-the-spot** visits, the beneficiary concerned must allow access to sites and premises (including for the external audit firm) 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 auditors will formally notify the draft audit report to the beneficiary concerned, which has 30 days from receiving notification to make observations (contradictory audit procedure).

The **final audit report** will take into account observations by the beneficiary concerned and will be formally notified to them.

Audits (including audit reports) will be in the language of the Agreement, unless otherwise agreed with the granting authority (see Data Sheet, Point 4.2).

25.2 European Commission checks, reviews and audits in grants of other granting authorities

Where the granting authority is not the European Commission, the latter has the same rights of checks, reviews and audits as the granting authority.

25.3 Access to records for assessing simplified forms of funding

The beneficiaries must give the European Commission access to their statutory records for the periodic assessment of simplified forms of funding which are used in EU programmes.

25.4 OLAF, EPPO and ECA audits and investigations

The following bodies may also carry out checks, reviews, audits and investigations — during the action or afterwards:

- the European Anti-Fraud Office (OLAF) under Regulations No 883/2013¹⁶ and No 2185/96¹⁷
- the European Public Prosecutor's Office (EPPO) under Regulation 2017/1939
- the European Court of Auditors (ECA) under Article 287 of the Treaty on the Functioning of the EU (TFEU) and Article 257 of EU Financial Regulation 2018/1046.

If requested by these bodies, the beneficiary concerned must provide full, accurate and complete information in the format requested (including complete accounts, individual salary statements or other personal data, including in electronic format) and allow access to sites and premises for on-the-spot visits or inspections — as provided for under these Regulations.

To this end, the beneficiary concerned must keep all relevant information relating to the action, at least until the time-limit set out in the Data Sheet (Point 6) and, in any case, until any ongoing checks, reviews, audits, investigations, litigation or other pursuits of claims have been concluded.

25.5 Consequences of checks, reviews, audits and investigations — Extension of results of reviews, audits or investigations

25.5.1 Consequences of checks, reviews, audits and investigations in this grant

Findings in checks, reviews, audits or investigations carried out in the context of this grant may lead to rejections (see Article 27), grant reduction (see Article 28) or other measures described in Chapter 5.

Rejections or grant reductions after the final payment will lead to a revised final grant amount (see Article 22).

Findings in checks, reviews, audits or investigations during the action implementation may lead to a request for amendment (see Article 39), to change the description of the action set out in Annex 1.

Checks, reviews, audits or investigations that find systemic or recurrent errors, irregularities, fraud or breach of obligations in any EU grant may also lead to consequences in other EU grants awarded under similar conditions ('extension to other grants').

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

25.5.2 Extension from other grants

Results of checks, reviews, audits or investigations in other grants may be extended to this grant, if:

- (a) the beneficiary concerned is found, in other EU 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

¹⁶ 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).

¹⁷ Council Regulation (Euratom, EC) No 2185/96 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).

- (b) those findings are formally notified to the beneficiary concerned — together with the list of grants affected by the findings — within the time-limit for audits set out in the Data Sheet (see Point 6).

The granting authority will formally notify the beneficiary concerned of the intention to extend the findings and the list of grants affected.

If the extension concerns **rejections of unit contributions**: the 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 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.

If the extension concerns **grant reductions**: the notification will include:

- (a) an invitation to submit observations on the list of grants affected by the findings and
- (b) the **correction rate for extrapolation**, established on the basis of the systemic or recurrent errors and the principle of proportionality.

The beneficiary concerned has **60 days** from receiving notification to submit observations, revised financial statements or to propose a duly substantiated **alternative correction method/rate**.

On the basis of this, the granting authority will analyse the impact and decide on the implementation (i.e. start rejection or grant reduction procedures, either on the basis of the revised financial statements or the announced/alternative method/rate or a mix of those; see Articles 27 and 28).

25.6 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, unit contributions insufficiently substantiated will be ineligible (see Article 6) and will be rejected (see Article 27), and the grant may be reduced (see Article 28).

Such breaches may also lead to other measures described in Chapter 5.

ARTICLE 26 — IMPACT EVALUATIONS

26.1 Impact evaluation

The granting authority may carry out impact evaluations of the action, measured against the objectives and indicators of the EU programme funding the grant.

Such evaluations may be started during implementation of the action and until the time-limit set out

in the Data Sheet (see Point 6). They will be formally notified to the coordinator or beneficiaries and will be considered to start on the date of the notification.

If needed, the granting authority may be assisted by independent outside experts.

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

26.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the granting authority may apply the measures described in Chapter 5.

CHAPTER 5 CONSEQUENCES OF NON-COMPLIANCE

SECTION 1 REJECTIONS AND GRANT REDUCTION

ARTICLE 27 — REJECTION OF CONTRIBUTIONS

27.1 Conditions

The granting authority will — at beneficiary termination, interim payment, final payment or afterwards — reject any unit contributions which are ineligible (see Article 6), in particular following checks, reviews, audits or investigations (see Article 25).

The rejection may also be based on the extension of findings from other grants to this grant (see Article 25).

Ineligible unit contributions will be rejected.

27.2 Procedure

If the rejection does not lead to a recovery, the granting authority will formally notify the coordinator or beneficiary concerned of the rejection, the amounts and the reasons why. The coordinator or beneficiary concerned may — within 30 days of receiving notification — submit observations if it disagrees with the rejection (payment review procedure).

If the rejection leads to a recovery, the granting authority will follow the contradictory procedure with pre-information letter set out in Article 22.

27.3 Effects

If the granting authority rejects unit contributions, it will deduct them from the contributions declared and then calculate the amount due (and, if needed, make a recovery; see Article 22).

ARTICLE 28 — GRANT REDUCTION

28.1 Conditions

The granting authority may — at beneficiary termination, final payment or afterwards — reduce the grant for a beneficiary, if:

- (a) the beneficiary (or a person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has committed:
 - (i) substantial errors, irregularities or fraud or
 - (ii) serious breach of obligations under this Agreement or during its award (including improper implementation of the action, non-compliance with the call conditions, submission of false information, failure to provide required information, breach of ethics or security rules (if applicable), etc.), or
- (b) the beneficiary (or a person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has committed — in other EU 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 (see Article 25).

The amount of the reduction will be calculated for each beneficiary concerned and proportionate to the seriousness and the duration of the errors, irregularities or fraud or breach of obligations, by applying an individual reduction rate to their accepted EU contribution.

28.2 Procedure

If the grant reduction does not lead to a recovery, the granting authority will formally notify the coordinator or beneficiary concerned of the reduction, the amount to be reduced and the reasons why. The coordinator or beneficiary concerned may — within 30 days of receiving notification — submit observations if it disagrees with the reduction (payment review procedure).

If the grant reduction leads to a recovery, the granting authority will follow the contradictory procedure with pre-information letter set out in Article 22.

28.3 Effects

If the granting authority reduces the grant, it will deduct the reduction and then calculate the amount due (and, if needed, make a recovery; see Article 22).

SECTION 2 SUSPENSION AND TERMINATION

ARTICLE 29 — PAYMENT DEADLINE SUSPENSION

29.1 Conditions

The granting authority may — at any moment — suspend the payment deadline if a payment cannot be processed because:

- (a) the required report (see Article 21) has not been submitted or is not complete or additional information is needed
- (b) there are doubts about the amount to be paid (e.g. ongoing audit extension procedure, queries

about eligibility, need for a grant reduction, etc.) and additional checks, reviews, audits or investigations are necessary, or

- (c) there are other issues affecting the EU financial interests.

29.2 Procedure

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

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

If the conditions for suspending the payment deadline are no longer met, the suspension will be **lifted** — and the remaining time to pay (see Data Sheet, Point 4.2) will resume.

If the suspension exceeds two months, the coordinator may request the granting authority to confirm if the suspension will continue.

If the payment deadline has been suspended due to the non-compliance of the report and the revised report is not submitted (or was submitted but is also rejected), the granting authority may also terminate the grant or the participation of the coordinator (see Article 32).

ARTICLE 30 — PAYMENT SUSPENSION

30.1 Conditions

The granting authority may — at any moment — suspend payments, in whole or in part for one or more beneficiaries, if:

- (a) a beneficiary (or a person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has committed or is suspected of having committed:
 - (i) substantial errors, irregularities or fraud or
 - (ii) serious breach of obligations under this Agreement or during its award (including improper implementation of the action, non-compliance with the call conditions, submission of false information, failure to provide required information, breach of ethics or security rules (if applicable), etc.), or
- (b) a beneficiary (or a person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has committed — in other EU 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.

If payments are suspended for one or more beneficiaries, the granting authority will make partial payment(s) for the part(s) not suspended. If suspension concerns the final payment, the payment (or recovery) of the remaining amount after suspension is lifted will be considered to be the payment that closes the action.

30.2 Procedure

Before suspending payments, the granting authority will send a **pre-information letter** to the beneficiary concerned:

- formally notifying the intention to suspend payments and the reasons why and
- requesting observations within 30 days of receiving notification.

If the granting authority does not receive observations or decides to pursue the procedure despite the observations it has received, it will confirm the suspension (**confirmation letter**). Otherwise, it will formally notify that the procedure is discontinued.

At the end of the suspension procedure, the granting authority will also inform the coordinator.

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

If the conditions for resuming payments are met, the suspension will be **lifted**. The granting authority will formally notify the beneficiary concerned (and the coordinator) and set the suspension end date.

During the suspension, no prefinancing will be paid to the beneficiaries concerned. For interim payments, the periodic reports for all reporting periods except the last one (see Article 21) must not contain any financial statements from the beneficiary concerned (or its affiliated entities). The coordinator must include them in the next periodic report after the suspension is lifted or — if suspension is not lifted before the end of the action — in the last periodic report.

ARTICLE 31 — GRANT AGREEMENT SUSPENSION

31.1 Consortium-requested GA suspension

31.1.1 Conditions and procedure

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

The coordinator must submit a request for **amendment** (see Article 39), with:

- the reasons why
- the date the suspension takes effect; this date may be before the date of the submission of the amendment request and
- the expected date of resumption.

The suspension will **take effect** on the day specified in the amendment.

Once circumstances allow for implementation to resume, the coordinator must immediately request another **amendment** of the Agreement to set the suspension end date, the resumption date (one day after suspension end date), extend the duration and make other changes necessary to adapt the action to the new situation (see Article 39) — unless the grant has been terminated (see Article 32). The suspension will be **lifted** with effect from the suspension end date set out in the amendment. This date may be before the date of the submission of the amendment request.

During the suspension, no prefinancing will be paid. Moreover, no units may be implemented. Ongoing units must be interrupted and no new units may be started. Unit contributions for activities implemented during grant suspension are not eligible (see Article 6.3).

31.2 EU-initiated GA suspension

31.2.1 Conditions

The granting authority may suspend the grant or any part of it, if:

- (a) a beneficiary (or a person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has committed or is suspected of having committed:
 - (i) substantial errors, irregularities or fraud or
 - (ii) serious breach of obligations under this Agreement or during its award (including improper implementation of the action, non-compliance with the call conditions, submission of false information, failure to provide required information, breach of ethics or security rules (if applicable), etc.), or
- (b) a beneficiary (or a person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has committed — in other EU 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
- (c) other:
 - (i) linked action issues: not applicable
 - (ii) due to major delays, the objectives of the action risk to no longer be achieved

31.2.2 Procedure

Before suspending the grant, the granting authority will send a **pre-information letter** to the coordinator:

- formally notifying the intention to suspend the grant and the reasons why and
- requesting observations within 30 days of receiving notification.

If the granting authority does not receive observations or decides to pursue the procedure despite the observations it has received, it will confirm the suspension (**confirmation letter**). Otherwise, it will formally notify that the procedure is discontinued.

The suspension will **take effect** the day after the confirmation notification is sent (or on a later date specified in the notification).

Once the conditions for resuming implementation of the action are met, the granting authority will formally notify the coordinator a **lifting of suspension letter**, in which it will set the suspension end date and invite the coordinator to request an amendment of the Agreement to set the resumption date (one day after suspension end date), extend the duration and make other changes necessary to adapt the action to the new situation (see Article 39) — unless the grant has been terminated (see

Article 32). The suspension will be **lifted** with effect from the suspension end date set out in the lifting of suspension letter. This date may be before the date on which the letter is sent.

During the suspension, no prefinancing will be paid. Moreover, no units may be implemented. Ongoing units must be interrupted and no new units may be started. Unit contributions for activities implemented during suspension are not eligible (see Article 6.3).

The beneficiaries may not claim damages due to suspension by the granting authority (see Article 33).

Grant suspension does not affect the granting authority's right to terminate the grant or a beneficiary (see Article 32) or reduce the grant (see Article 28).

ARTICLE 32 — GRANT AGREEMENT OR BENEFICIARY TERMINATION

32.1 Consortium-requested GA termination

32.1.1 Conditions and procedure

The beneficiaries may request the termination of the grant.

The coordinator must submit a request for **amendment** (see Article 39), with:

- the reasons why
- the date the consortium ends work on the action ('end of work date') and
- the date the termination takes effect ('termination date'); this date must be after the date of the submission of the amendment request.

The termination will **take effect** on the termination date specified in the amendment.

If no reasons are given or if the granting authority considers the reasons do not justify termination, it may consider the grant terminated improperly.

32.1.2 Effects

The coordinator must — within 60 days from when termination takes effect — submit a **periodic report** (for the open reporting period until termination).

The granting authority will calculate the final grant amount and final payment on the basis of the report submitted and taking into account the unit contributions for activities implemented before the end of work date (see Article 22).

If the granting authority does not receive the report within the deadline, only unit contributions which are included in an approved periodic report will be taken into account (no contributions if no periodic report was ever approved).

Improper termination may lead to a grant reduction (see Article 28).

After termination, the beneficiaries' obligations (in particular Articles 13 (confidentiality and security), 16 (IPR), 17 (communication, dissemination and visibility), 21 (reporting), 25 (checks, reviews, audits and investigations), 26 (impact evaluation), 27 (rejections), 28 (grant reduction) and 42 (assignment of claims)) continue to apply.

32.2 Consortium-requested beneficiary termination

32.2.1 Conditions and procedure

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

The coordinator must submit a request for **amendment** (see Article 39), with:

- the reasons why
- the opinion of the beneficiary concerned (or proof that this opinion has been requested in writing)
- the date the beneficiary ends work on the action ('end of work date')
- the date the termination takes effect ('termination date'); this date must be after the date of the submission of the amendment request.

If the termination concerns the coordinator and is done without its agreement, the amendment request must be submitted by another beneficiary (acting on behalf of the consortium).

The termination will **take effect** on the termination date specified in the amendment.

If no information is given or if the granting authority considers that the reasons do not justify termination, it may consider the beneficiary to have been terminated improperly.

32.2.2 Effects

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

- (i) a **report on the distribution of payments** to the beneficiary concerned
- (ii) a **termination report** from the beneficiary concerned, for the open reporting period until termination, containing an overview of the progress of the work, the financial statement and the explanation on the use of resources
- (iii) a second **request for amendment** (see Article 39) with other amendments needed (e.g. reallocation of the tasks and the estimated budget of the terminated beneficiary; addition of a new beneficiary to replace the terminated beneficiary; change of coordinator, etc.).

The granting authority will calculate the amount due to the beneficiary on the basis of the report submitted and taking into account the unit contributions for activities implemented before the end of work date (see Article 22).

The information in the termination report must also be included in the periodic report for the next reporting period (see Article 21).

If the granting authority does not receive the termination report within the deadline, only unit contributions which are included in an approved periodic report will be taken into account (no contributions if no periodic report was ever approved).

If the granting authority does not receive the report on the distribution of payments within the deadline, it will consider that:

- the coordinator did not distribute any payment to the beneficiary concerned and that
- the beneficiary concerned must not repay any amount to the coordinator.

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

If the second request for amendment is rejected by the granting authority (because it calls into question the decision awarding the grant or breaches the principle of equal treatment of applicants), the grant may be terminated (see Article 32).

Improper termination may lead to a reduction of the grant (see Article 31) or grant termination (see Article 32).

After termination, the concerned beneficiary's obligations (in particular Articles 13 (confidentiality and security), 16 (IPR), 17 (communication, dissemination and visibility), 21 (reporting), 25 (checks, reviews, audits and investigations), 26 (impact evaluation), 27 (rejections), 28 (grant reduction) and 42 (assignment of claims)) continue to apply.

32.3 EU-initiated GA or beneficiary termination

32.3.1 Conditions

The granting authority may terminate the grant 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 the action or the legal, financial, technical, organisational or ownership situation of a beneficiary is likely to substantially affect the implementation of the action or calls into question the decision to award the grant (including changes linked to one of the exclusion grounds listed in the declaration of honour)
- (c) following termination of one or more beneficiaries, the necessary changes to the Agreement (and their impact on the action) would call into question the decision awarding the grant or breach the principle of equal treatment of applicants
- (d) implementation of the action has become impossible or the changes necessary for its continuation would call into question the decision awarding the grant or breach the principle of equal treatment of applicants
- (e) a beneficiary (or person with unlimited liability for its debts) is subject to bankruptcy proceedings or similar (including insolvency, winding-up, administration by a liquidator or court, arrangement with creditors, suspension of business activities, etc.)
- (f) a beneficiary (or person with unlimited liability for its debts) is in breach of social security or tax obligations
- (g) a beneficiary (or person having powers of representation, decision-making or control, or person

essential for the award/implementation of the grant) has been found guilty of grave professional misconduct

- (h) a beneficiary (or person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has committed fraud, corruption, or is involved in a criminal organisation, money laundering, terrorism-related crimes (including terrorism financing), child labour or human trafficking
- (i) a beneficiary (or person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) was created under a different jurisdiction with the intent to circumvent fiscal, social or other legal obligations in the country of origin (or created another entity with this purpose)
- (j) a beneficiary (or person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has committed:
 - (i) substantial errors, irregularities or fraud or
 - (ii) serious breach of obligations under this Agreement or during its award (including improper implementation of the action, non-compliance with the call conditions, submission of false information, failure to provide required information, breach of ethics or security rules (if applicable), etc.)
- (k) a beneficiary (or person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has committed — in other EU 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 25)
- (l) despite a specific request by the granting authority, a beneficiary does not request — through the coordinator — an amendment to the Agreement to end the participation of one of its affiliated entities or associated partners that is in one of the situations under points (d), (f), (e), (g), (h), (i) or (j) and to reallocate its tasks, or
- (m) other:
 - (i) linked action issues: not applicable
 - (ii) due to major delays, the objectives of the action can no longer be achieved

32.3.2 Procedure

Before terminating the grant or participation of one or more beneficiaries, the granting authority will send a **pre-information letter** to the coordinator or beneficiary concerned:

- formally notifying the intention to terminate and the reasons why and
- requesting observations within 30 days of receiving notification.

If the granting authority does not receive observations or decides to pursue the procedure despite the observations it has received, it will confirm the termination and the date it will take effect (**confirmation letter**). Otherwise, it will formally notify that the procedure is discontinued.

For beneficiary terminations, the granting authority will — at the end of the procedure — also inform the coordinator.

The termination will **take effect** the day after the confirmation notification is sent (or on a later date specified in the notification; ‘termination date’).

32.3.3 Effects

(a) for **GA termination**:

The coordinator must — within 60 days from when termination takes effect — submit a **periodic report** (for the last open reporting period until termination).

The granting authority will calculate the final grant amount and final payment on the basis of the report submitted (see Article 22). Only units implemented until termination will be accepted.

If the grant is terminated for breach of the obligation to submit reports, the coordinator may not submit any report after termination.

If the granting authority does not receive the report within the deadline, only unit contributions which are included in an approved periodic report will be taken into account (no contributions if no periodic report was ever approved).

Termination does not affect the granting authority’s right to reduce the grant (see Article 28) or to impose administrative sanctions (see Article 34).

The beneficiaries may not claim damages due to termination by the granting authority (see Article 33).

After termination, the beneficiaries’ obligations (in particular Articles 13 (confidentiality and security), 16 (IPR), 17 (communication, dissemination and visibility), 21 (reporting), 25 (checks, reviews, audits and investigations), 26 (impact evaluation), 27 (rejections), 28 (grant reduction) and 42 (assignment of claims)) continue to apply.

(b) for **beneficiary termination**:

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

- (i) a **report on the distribution of payments** to the beneficiary concerned
- (ii) a **termination report** from the beneficiary concerned, for the open reporting period until termination, containing an overview of the progress of the work, the financial statement, and the explanation on the use of resources
- (iii) a **request for amendment** (see Article 39) with any amendments needed (e.g. reallocation of the tasks and the estimated budget of the terminated beneficiary; addition of a new beneficiary to replace the terminated beneficiary; change of coordinator, etc.).

The granting authority will calculate the amount due to the beneficiary on the basis of the report submitted (see Article 22). Only units implemented until termination will be accepted.

The information in the termination report must also be included in the periodic report for the next reporting period (see Article 21).

If the granting authority does not receive the termination report within the deadline, only unit contributions included in an approved periodic report will be taken into account (no contributions if no periodic report was ever approved).

If the granting authority does not receive the report on the distribution of payments within the deadline, it will consider that:

- the coordinator did not distribute any payment to the beneficiary concerned and that
- the beneficiary concerned must not repay any amount to the coordinator.

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

If the request for amendment is rejected by the granting authority (because it calls into question the decision awarding the grant or breaches the principle of equal treatment of applicants), the grant may be terminated (see Article 32).

After termination, the concerned beneficiary's obligations (in particular Articles 13 (confidentiality and security), 16 (IPR), 17 (communication, dissemination and visibility), 21 (reporting), 25 (checks, reviews, audits and investigations), 26 (impact evaluation), 27 (rejections), 28 (grant reduction) and 42 (assignment of claims)) continue to apply.

SECTION 3 OTHER CONSEQUENCES: DAMAGES AND ADMINISTRATIVE SANCTIONS

ARTICLE 33 — DAMAGES

33.1 Liability of the granting authority

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

The granting authority cannot be held liable for any damage caused by any of the beneficiaries or other participants involved in the action, as a consequence of the implementation of the Agreement.

33.2 Liability of the beneficiaries

The beneficiaries must compensate the granting authority 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, provided that it was caused by gross negligence or wilful act.

The liability does not extend to indirect or consequential losses or similar damage (such as loss of profit, loss of revenue or loss of contracts), provided such damage was not caused by wilful act or by a breach of confidentiality.

ARTICLE 34 — ADMINISTRATIVE SANCTIONS AND OTHER MEASURES

Nothing in this Agreement may be construed as preventing the adoption of administrative sanctions (i.e. exclusion from EU award procedures and/or financial penalties) or other public law measures, in addition or as an alternative to the contractual measures provided under this Agreement (see, for instance, Articles 135 to 145 EU Financial Regulation 2018/1046 and Articles 4 and 7 of Regulation 2988/95¹⁸).

SECTION 4 FORCE MAJEURE

ARTICLE 35 — FORCE MAJEURE

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

‘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 other participants involved in the action), and
- proves to be inevitable in spite of exercising all due diligence.

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.

CHAPTER 6 FINAL PROVISIONS

ARTICLE 36 — COMMUNICATION BETWEEN THE PARTIES

36.1 Forms and means of communication — Electronic management

EU grants are managed fully electronically through the EU Funding & Tenders Portal (‘Portal’).

All communications must be made electronically through the Portal, in accordance with the Portal Terms and Conditions and using the forms and templates provided there (except if explicitly instructed otherwise by the granting authority).

Communications must be made in writing and clearly identify the grant agreement (project number and acronym).

Communications must be made by persons authorised according to the Portal Terms and Conditions. For naming the authorised persons, each beneficiary must have designated — before the signature of

¹⁸ Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.1995, p. 1).

this Agreement — a ‘legal entity appointed representative (LEAR)’. The role and tasks of the LEAR are stipulated in their appointment letter (see Portal Terms and Conditions).

If the electronic exchange system is temporarily unavailable, instructions will be given on the Portal.

36.2 Date of communication

The sending date for communications made through the Portal will be the date and time of sending, as indicated by the time logs.

The receiving date for communications made through the Portal will be the date and time the communication is accessed, as indicated by the time logs. Formal notifications that have not been accessed within 10 days after sending, will be considered to have been accessed (see Portal Terms and Conditions).

If a communication is exceptionally made on paper (by e-mail or postal service), general principles apply (i.e. date of sending/receipt). Formal notifications by registered post with proof of delivery will be considered to have been received either on 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 Portal can be accessed via the Europa website.

The address for paper communications to the granting authority (if exceptionally allowed) is the official mailing address indicated on its website.

For beneficiaries, it is the legal address specified in the Portal Participant Register.

ARTICLE 37 — INTERPRETATION OF THE AGREEMENT

The provisions in the Data Sheet take precedence over the rest of the Terms and Conditions of the Agreement.

Annex 5 takes precedence over the Terms and Conditions; the Terms and Conditions take precedence over the Annexes other than Annex 5.

Annex 2 takes precedence over Annex 1.

ARTICLE 38 — CALCULATION OF PERIODS AND DEADLINES

In accordance with Regulation No 1182/71¹⁹, 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.

¹⁹ 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).

‘Days’ means calendar days, not working days.

ARTICLE 39 — AMENDMENTS

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 directly in the Portal Amendment tool.

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 granting authority may request additional information.

If the party receiving the request agrees, it must sign the amendment in the tool within 45 days of receiving notification (or any additional information the granting authority has requested). If it does not agree, it must formally notify its disagreement within the same deadline. The deadline may 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 of entry into force or other date specified in the amendment.

ARTICLE 40 — ACCESSION AND ADDITION OF NEW BENEFICIARIES

40.1 Accession of the beneficiaries mentioned in the Preamble

The beneficiaries which are not coordinator must accede to the grant by signing the accession form (see Annex 3) directly in the Portal Grant Preparation tool, within 30 days after the entry into force of the Agreement (see Article 44).

They will assume the rights and obligations under the Agreement with effect from the date of its entry into force (see Article 44).

If a beneficiary does not accede to the grant within the above deadline, the coordinator must — within 30 days — request an amendment (see Article 39) to terminate the beneficiary and make any changes necessary to ensure proper implementation of the action. This does not affect the granting authority's right to terminate the grant (see Article 32).

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 directly in the Portal Amendment tool.

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

Additions are also possible in mono-beneficiary grants.

ARTICLE 41 — TRANSFER OF THE AGREEMENT

In justified cases, the beneficiary of a mono-beneficiary grant may request the transfer of the grant to a new beneficiary, provided that this would not call into question the decision awarding the grant or breach the principle of equal treatment of applicants.

The beneficiary must submit a request for **amendment** (see Article 39), with

- the reasons why
- the accession form (see Annex 3) signed by the new beneficiary directly in the Portal Amendment tool and
- additional supporting documents (if required by the granting authority).

The new beneficiary will assume the rights and obligations under the Agreement with effect from the date of accession specified in the accession form (see Annex 3).

ARTICLE 42 — ASSIGNMENTS OF CLAIMS FOR PAYMENT AGAINST THE GRANTING AUTHORITY

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

If the granting authority has not accepted the assignment or if 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 granting authority.

ARTICLE 43 — APPLICABLE LAW AND SETTLEMENT OF DISPUTES

43.1 Applicable law

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

Special rules may apply for beneficiaries which are international organisations (if any; see Data Sheet, Point 5).

43.2 Dispute settlement

If a dispute concerns the interpretation, application or validity of the Agreement, the parties must bring action before the EU General Court — or, on appeal, the EU Court of Justice — under Article 272 of the Treaty on the Functioning of the EU (TFEU).

For non-EU beneficiaries (if any), such disputes must be brought before the courts of Brussels, Belgium — unless an international agreement provides for the enforceability of EU court judgements.

For beneficiaries with arbitration as special dispute settlement forum (if any; see Data Sheet, Point 5), the dispute will — in the absence of an amicable settlement — be settled in accordance with the Rules for Arbitration published on the Portal.

If a dispute concerns administrative sanctions, offsetting or an enforceable decision under Article 299 TFEU (see Articles 22 and 34), the beneficiaries must bring action before the General Court — or, on appeal, the Court of Justice — under Article 263 TFEU.

For grants where the granting authority is an EU executive agency (see Preamble), actions against offsetting and enforceable decisions must be brought against the European Commission (not against the granting authority; see also Article 22).

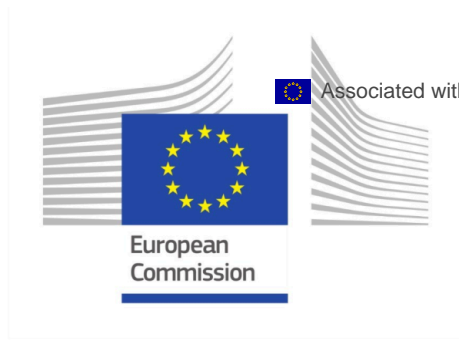
ARTICLE 44 — ENTRY INTO FORCE

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

SIGNATURES

For the coordinator

For the granting authority



ANNEX 1



Connecting Europe Facility (CEF)

Description of the action (DoA)

Part A

Part B

DESCRIPTION OF THE ACTION (PART A)

COVER PAGE

Part A of the Description of the Action (DoA) must be completed directly on the Portal Grant Preparation screens.

PROJECT	
<i>Grant Preparation (General Information screen) — Enter the info.</i>	
Project number:	101172249
Project name:	ETCS - Upgrade of the railway station Masarykovo nádraží
Project acronym:	23-CZ-TC-ETCS Masaryk
Call:	CEF-T-2023-SIMOBEOEN
Topic:	CEF-T-2023-SIMOBEOEN-ERTMS-UNITS
Type of action:	CEF-ERTMS-UN
Service:	CINEA/B/01
Project starting date:	fixed date: 1 January 2024
Project duration:	48 months

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List of work packages	4
Staff effort	7
List of deliverables	8
List of milestones (outputs/outcomes)	11
List of critical risks	11

PROJECT SUMMARY

Project summary

Grant Preparation (General Information screen) — Provide an overall description of your project (including context and overall objectives, planned activities and main achievements, and expected results and impacts (on target groups, change procedures, capacities, innovation etc)). This summary should give readers a clear idea of what your project is about.

Use the project summary from your proposal.

The aim of project is to modernise the station interlocking in the Praha Masarykovo nádraží railway station and deployment of trackside ETCS L2 in the area Praha- Libeň (excl.) – Praha Masarykovo nádraží – Praha-Bubny – Praha-Holešovice (excl). In total, the project includes 9,547 km of railway lines (double track equivalent) equipped with new interlocking and 13,794 km of railway lines (double track equivalent) prepared for exclusive operation under ETCS L2. This will be a substantial improvement of the signalling and train control infrastructure of Praha railway junction – which is an important urban node on the Orient - East Med Core Network Corridor.

The project is part of the global project for the development of ETCS on TEN-T lines in the Czech Republic. It is complementary to project “Modernization of RST Praha Masarykovo nádraží” (CEF No. 101122736 Acronym: 22-CZ-TC-Masaryk) – one of the construction projects of the railway connection to the Vaclav Havel Airport, located on the core TEN-T network.

The project’s main objectives are as follows:

- to implement ETCS L2 in the defined area for future operation controlled exclusively by ETCS;
- to upgrade the interlocking equipment to a standard that would allow for a smooth communication with the Radio Block Centre (RBC) and remote control of operation;
- to increase line capacity.

LIST OF PARTICIPANTS

PARTICIPANTS

Grant Preparation (Beneficiaries screen) — Enter the info.

Number	Role	Short name	Legal name	Country	PIC
1	COO	SZDC	SPRAVA ZELEZNIC STATNI ORGANIZACE	CZ	996456460

LIST OF WORK PACKAGES

Work packages						
<i>Grant Preparation (Work Packages screen) — Enter the info.</i>						
Work Package No	Work Package name	Lead Beneficiary	Effort (Person-Months)	Start Month	End Month	Deliverables
WP1	ETCS and interlocking equipment	1 - SZDC	0.00	1	48	D1.1 – Progress Report No. 1 D1.2 – Progress Report No. 2 D1.3 – EC Declaration of verification of the subsystem D1.4 – APIS request D1.5 – Copy of an application for Interlockings authorisation

Work package WP1 – ETCS and interlocking equipment

Work Package Number	WP1	Lead Beneficiary	1 - SZDC
Work Package Name	ETCS and interlocking equipment		
Start Month	1	End Month	48

Objectives

The objective of this WP is to modernise the interlockings equipment at the Praha Masarykovo nádraží railway station and to implement ETCS L2 in the area Praha-Libeň (excl.) – Praha Masarykovo nádraží – Praha-Bubny – Praha-Holešovice (excl.). Completion of works will create the conditions for accomplishing all objectives of the project. Interoperability in accordance with TSI CCS currently in force will be achieved, including accomplishment of the partial objectives of NIP ERTMS.

In the direction of Praha-Libeň, the start of the Interlocking equipment implementation is at km 409.884 and the end at km 406.477 (in the direction of Praha-Libeň). There are also parts of tracks in the direction of Balabenka branch. In the direction of Praha-Bubny, the start of the Interlocking equipment implementation is at km 409.884, the end at km 411,094 (in the direction of Dresden). In total, this will be 9.547 km of railway tracks (double-track equivalent) under the new Category 3 interlocking equipment, fully compatible with ERTMS/ETCS.

The boundary of the area, where ETCS L2 is to be implemented by the construction project, is demarcated by km 406.477 (from the direction of Praha-Libeň) up to km 409.884 at the Praha Masarykovo nádraží railway station, as well as in the direction of Dresden at km 413.037. There are also parts of tracks in the direction of Balabenka branch and to Kladno. In total, this will be 13.794 km of railway tracks (double-track equivalent) under ETCS L2. Exclusive operation will be launched in year 2027.

The WP is complementary to the construction project “Modernization and Completion of RST Praha Masarykovo nádraží” (CEF No. 101122736, acronym: 22-CZ-TC-Masaryk), which aims to modernise the railway infrastructure to improve its technical specifications. Besides installing the new interlocking equipment and deploying ETCS, this will also be achieved by modernising the substructure and superstructure, by building new platforms and pedestrian overpasses as well as by installing a new catenary and other technologies. The latter construction tasks are not part of this project.

The work package will be carried out by the coordinator (Správa železnic, s. o.) under a contract for work. The coordinator is also responsible for organising project management at its own expense.

Description**Task T1.1 ETCS**

The construction project involves deployment of ETCS L2 in the section Praha-Libeň (from 406.477 km) – Praha Masarykovo nádraží (409.884 km) – Praha-Bubny – Praha-Holešovice (up to 413.037 km). The total scope of coverage railway track by ETCS is 13.794 km (double-track equivalent). The method to be used will be to deploy ETCS while optimising the infrastructure (referred to as “with benefits”) directly for exclusive operation of trains under the control of ETCS with the aim of increasing the capacity of the lines covered by the system.

The track-side part of ETCS L2 will be interoperable and fully compatible with vehicles equipped with the ETCS on-board unit, certified according to the Specification Set 1 (Basic Specification 2) of ETCS, as well as with vehicles equipped with the ETCS on-board unit, certified according to the Specification Set 2 (Basic Specification 3, Maintenance Version 1) and with vehicles equipped with the mobile part of ETCS, certified according to the Specification Set 3 (Basic Specification 3, Version 2) for ETCS according to TSI CCS. In the entire section to be fitted with the equipment, there will be 250 fixed data balises installed, which do not need any power supply or cable connection to transmit information.

For the purposes of ETCS application, balises will be positioned in an area, which includes:

- the area of ETCS L2
- the area of what is referred to as the “logging-in section” before the boundary for entering the area of ETCS L2.

Along with the ETCS Stop signs with supplementary signal lights, localisation markers and all the necessary fixed signal devices of ETCS will be installed in the circuits of the Praha Masarykovo nádraží railway station and the Praha-Bubny railway station.

In the Praha Dispatching Centre (CDP Praha), a new RBC will be created, which, for the time being, will only control the exclusive operation of ETCS at RST Praha Masarykovo nádraží, including all its circuits. At the same time, modifications will be made to the existing RBCs for the section Praha-Libeň – Kralupy and the section Praha Main Station (Praha hlavní n.), Balabenka branch, Praha-Vysočany to the effect of creating links to the new RBC for the Praha Masarykovo nádraží railway station. Handovers between respective RBCs will be installed.

A new automatic system for entering the area controlled by ETCS L2 in the direction from the Praha-Dejvice railway station will be implemented.

The works also include testing, certification and obtaining all the source materials for putting the construction into operation according to the laws of the Czech Republic and the EU in force and according to the internal guidelines of Správa železnic, s.o. for operation of a track section of the ETCS L2, which must be interoperable and fully compatible with the vehicles equipped with an on-board part certified according to the Set of Specifications 1 (Baseline 2) of the ETCS as well as with the vehicles equipped with the mobile part of the ETCS, certified according to the Set of Specifications 2 (Baseline 3, Maintenance Release 1) and with the vehicles equipped with the mobile part of the ETCS certified according to the Set of Specifications 3 (Baseline 3, Release 2) of the ETCS according to the TSI CCS currently in force.

Task T1.2 Interlocking equipment

Eligible parts of the interlocking equipment according to the CINEA methodology:

- Central Interlocking Unit (“Digital Interlocking”) in a centralised technical room
- Interlocking Logic: set of rules and algorithms that govern the safe and permissible routes for train movements
- Signal box (or Interlocking shelter)
- Power cabling and optical fibre data cabling.
- Interface interlocking – Centralised Traffic Control (CTC), including the update to the CTC.
- Interface Radio Block Centre (RBC) – CTC
- Interface between i) Interlocking/RBC and/or ii) interlocking/Traffic Management System

STAFF EFFORT


Staff effort per participant		
<i>Grant Preparation (Work packages - Effort screen) — Enter the info.</i>		
Participant	WP1	Total Person-Months
Total Person-Months	0.00	0.00

LIST OF DELIVERABLES

Deliverables

Grant Preparation (Deliverables screen) — Enter the info.

The labels used mean:

Public — fully open ( automatically posted online)

Sensitive — limited under the conditions of the Grant Agreement

EU classified — RESTREINT-UE/EU-RESTRICTED, CONFIDENTIEL-UE/EU-CONFIDENTIAL, SECRET-UE/EU-SECRET under Decision [2015/444](#)

Deliverable No	Deliverable Name	Work Package No	Lead Beneficiary	Type	Dissemination Level	Due Date (month)
D1.1	Progress Report No. 1	WP1	1 - SZDC	R — Document, report	SEN - Sensitive	26
D1.2	Progress Report No. 2	WP1	1 - SZDC	R — Document, report	SEN - Sensitive	38
D1.3	EC Declaration of verification of the subsystem	WP1	1 - SZDC	R — Document, report	SEN - Sensitive	39
D1.4	APIS request	WP1	1 - SZDC	R — Document, report	SEN - Sensitive	40
D1.5	Copy of an application for Interlockings authorisation	WP1	1 - SZDC	R — Document, report	SEN - Sensitive	41

Deliverable D1.1 – Progress Report No. 1

Deliverable Number	D1.1	Lead Beneficiary	1 - SZDC
Deliverable Name	Progress Report No. 1		
Type	R — Document, report	Dissemination Level	SEN - Sensitive
Due Date (month)	26	Work Package No	WP1

Description
The report will be prepared using the respective template provided in the portal. It will detail the actual progress of the project, per WP, for the period from M1 until M24. It will also refer to the main implementation issues, milestones, events or factors that affected the progress of the project. Finally, it will also include the planned progress per WP until the end of the project.

Deliverable D1.2 – Progress Report No. 2

Deliverable Number	D1.2	Lead Beneficiary	1 - SZDC
Deliverable Name	Progress Report No. 2		
Type	R — Document, report	Dissemination Level	SEN - Sensitive
Due Date (month)	38	Work Package No	WP1

Description
The report will be prepared using the respective template provided in the portal. It will detail the actual progress of the project, per WP, for the period from M25 until M36. It will also refer to the main implementation issues, milestones, events or factors that affected the progress of the project. Finally, it will also include the planned progress per WP until the end of the project.

Deliverable D1.3 – EC Declaration of verification of the subsystem

Deliverable Number	D1.3	Lead Beneficiary	1 - SZDC
Deliverable Name	EC Declaration of verification of the subsystem		
Type	R — Document, report	Dissemination Level	SEN - Sensitive
Due Date (month)	39	Work Package No	WP1

Description
“EC Declaration of verification” issued by the applicant for the trackside control-command and signalling subsystem deployed, including related “EC certificate of verification” of the trackside control-command and signalling subsystem issued by a Notified Body. The documents shall demonstrate traceability of the declared unit(s) with the WP scope.

Deliverable D1.4 – APIS request

Deliverable Number	D1.4	Lead Beneficiary	1 - SZDC
Deliverable Name	APIS request		
Type	R — Document, report	Dissemination Level	SEN - Sensitive
Due Date (month)	40	Work Package No	WP1

Description
A proof of submission of an application for an authorisation for placing the trackside control-command and signalling subsystem in service or the authorization(s) itself if available. The document(s) shall demonstrate traceability of the declared unit(s) with the WP scope.

Deliverable D1.5 – Copy of an application for Interlockings authorisation

Deliverable Number	D1.5	Lead Beneficiary	1 - SZDC
Deliverable Name	Copy of an application for Interlockings authorisation		
Type	R — Document, report	Dissemination Level	SEN - Sensitive
Due Date (month)	41	Work Package No	WP1

Description
A copy of the application submitted to the respective Authority for safety authorisation to place the Interlocking into service. The deliverable shall focus on interlocking-related components of the application and demonstrate traceability of the declared units with the WP scope.

LIST OF MILESTONES

Milestones					
<i>Grant Preparation (Milestones screen) — Enter the info.</i>					
Milestone No	Milestone Name	Work Package No	Lead Beneficiary	Means of Verification	Due Date (month)
1	ETCS deployment in the Praha Dispatching Centre launched	WP1	1 - SZDC	Confirmation from the Beneficiary.	19
2	Start of installation the station's interlocking equipment	WP1	1 - SZDC	Confirmation from the Beneficiary.	22
3	Completion of works on ETCS in the Praha Dispatching Centre	WP1	1 - SZDC	Handover protocol	35
4	Operational tests description and results in the Praha Dispatching Centre completed	WP1	1 - SZDC	Operational scenarios report	38
5	Modernisation of interlockings completed	WP1	1 - SZDC	Confirmation of the physical deployment of interlockings from the Beneficiary.	41

LIST OF CRITICAL RISKS

Critical risks & risk management strategy			
<i>Grant Preparation (Critical Risks screen) — Enter the info.</i>			
Risk number	Description	Work Package No(s)	Proposed Mitigation Measures
1	Shifts in assigned closures to account for delays in surrounding construction. Likelihood: high Impact: middle	WP1	Detailed planning process for construction works and close coordination of the schedule of closures for construction works on the relevant line and connecting lines.

Critical risks & risk management strategy			
<i>Grant Preparation (Critical Risks screen) — Enter the info.</i>			
Risk number	Description	Work Package No(s)	Proposed Mitigation Measures
2	Complex coordination with investment projects of other investors and accompanying construction projects (traffic light intersection, pedestrian connection of the Main Station and Masarykovo nádraží) in the area of interest. Likelihood: high Impact: low	WP1	Setting up intensive and coordinated communication with other investors, actors, and projects in the area of interest (Penta, Česká pošta, MČP1, IPR, NPÚ, MHMP).
3	Legislative changes: during the preparation/ implementation of the project, changes in legislative frameworks and amendments to laws, e.g. in line with European legislation, can be expected. Changes to legislation and laws in the preparation/ implementation phase. Likelihood: low Impact: low	WP1	Continuous monitoring of legislative developments allows partial preparedness for changes thanks to a flexible response.
4	Technological problems during installation and testing Likelihood: low Impact: middle	WP1	Selecting an experienced construction contractor and technical supervisor. Implement best practices from previous successful ETCS L2 deployment projects in the Czech Republic.
5	Technical aspects/interruptions in data/signal transmission Likelihood: middle Impact: high	WP1	Nonstop check of situation. In case of problems service desk 7/24 must be functional to solve the situation immediately; having an experienced staff and providing trainings on ETCS and other related issues regularly.



ANNEX 1



Connecting Europe Facility (CEF)

Description of the action (DoA)

Part B

Version 1.0
01 September 2021





DESCRIPTION OF THE ACTION (PART B)

PROJECT DESCRIPTION

Project description, scope and objectives

Describe the project scope, main goals and objectives, as well as the technical data.

Please use the following structure:

- Overall objective
- General description and context — describe the context, including political priorities and if the project is part of a bigger project ('global project', including projects of common interest)
- Location — mention where on the network/corridors the project will be implemented
- Justification — describe the current situation and needs analysis
- Specific objectives — list and link them to the work packages used in section 6
- Expected outcomes and results — include facts and statistics (for instance, quantitative information expressed in km, MVA, Bcm/y, kV, bar, etc.).

Overall objective

The project “**ETCS - Upgrade of the railway station Masarykovo nádraží**” aims at upgrading of the station interlocking in the Praha Masarykovo nádraží railway station and at interconnecting with the Praha-Bubny railway station. ETCS L2 shall also be implemented on the line branch Praha-Libeň (excl.) – Praha Masarykovo nádraží – Praha-Bubny – Praha-Holešovice (excl).

From the construction perspective, this project is complementary to project “Modernization and completion of RST Praha Masarykovo nádraží”. The project also connects to the already completed modernization project of the Negrelli viaduct (CEF No. 2015-CZ-TM-0214-W) and to the project under construction of “Modernization of the Praha-Bubny – Praha-Výstaviště railway line” (CEF No. 101079444) in the direction of the planned railway connection to the Vaclav Havel Airport located on the core TEN-T network.

The project meets the conditions defined by the [Commission Implementing Regulation \(EU\) 2017/6](#) and the National ERTMS Deployment Plan that derives from the Regulation and that aims at implementing of ETCS on more than 2,500 km of TEN-T railway lines in the Czech Republic by 2030.

General description and context

ETCS deployment on railway infrastructure of the Czech Republic included in the European conventional railway network will allow for running of trains from any destination on the territory of the EU via the Czech Republic without the need to change traction units at the borders. ETCS deployment on railway infrastructure of the Czech Republic included in the European conventional railway network is beneficial in the context of interoperability, but also with regard to increased safety and effectiveness of railway transport. This will help to improve the position of Czech railway in transit transport, in particular in the context of European freight corridors.

From the perspective of the Transport Policy of the Czech Republic for the period 2021–2027 which is the basic national conceptual document for the field of transport, the project by its focus contributes to two of the measures set out for transport infrastructure. First it is the obligation to equip the identified railway network with the ETCS system and to implement ETCS deployment projects as a factor of interoperability in line with the [Commission Implementing Regulation \(EU\) 2017/6](#) of 5 January 2017 on the European Rail Traffic Management System European deployment plan (schedule of the projects in question is presented in Annex I to the Regulation, p. 11), and also the requirement to increase railway transport safety.

Railway stations Praha Masarykovo nádraží and Praha-Bubny are part of Railway Junction Praha that is listed in the National ERTMS Deployment plan – the basic conceptual national document describing the process of ERTMS/ETCS implementation. The document in Czech language is available at the website of the [Ministry of Transport of the Czech Republic](#).

Railway stations Praha Masarykovo nádraží and Praha-Bubny are included in the Core TEN-T network of passenger railway lines (cross-border connections Dresden – Ústí nad Labem – Mělník/Praha – Lysá nad Labem/Poříčany – Kolín – Pardubice – Brno – Wien / Bratislava of the Orient / East Med Corridor as per the Regulation (EU) No. 2021/1153 of the European Parliament and of the Council).

Railway station Praha Masarykovo nádraží is located in the urban zone of the Capital City of Praha with more than 1.2 million inhabitants. It is heavily used for passenger transport –36,600 passengers per working day rank it as the third most used railway station in the Czech Republic. Section Masarykovo nádraží – Praha-Bubny is used daily by more than 15,000 passengers. Railway station Praha-Bubny is located in a vast development area “Bubny-Zátory” with plans for the upcoming years for residential development for 25,000 new inhabitants, with numerous associated services and job opportunities.



Figure No. 1 Position of railway stations Praha Masarykovo nádraží and Praha-Bubny within Railway Junction Praha



The Project ETCS - Upgrade of the railway station Masarykovo nádraží is composed of one Work Package ETCS and interlocking equipment divided into two tasks:

Task 1: ETCS

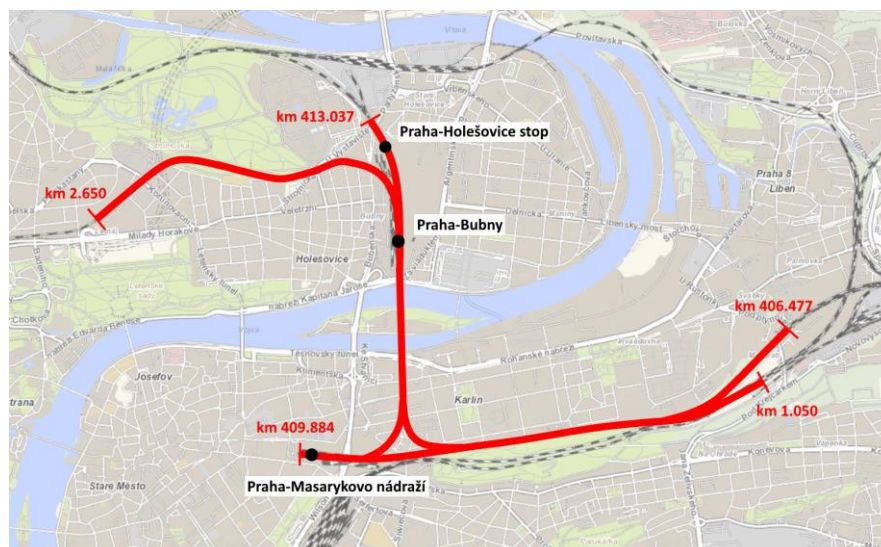
Task 2: Interlocking equipment

Location of the Project

The overall scope of the project corresponds to the scope of the area under ETCS L2 i.e. the area newly secured by the European Train Control System. In the direction of Praha-Libeň, the start of the ETCS implementation is at km 409.884 and the end at km 406.477 (in the direction of Praha-Libeň). There are also parts of tracks in the direction of Balabenka branch. In the direction of Praha-Bubny, the start of the ETCS implementation is at km 409.884 and the end at km 413.037 (in the direction of Dresden). There are also parts of tracks in the direction of Kladno.

The total track length of newly secured by ETCS is **27.588 km**. In total, this will be **13.794 km of railway tracks (double-track equivalent)** under ETCS L2. Exclusive operation will be launched in year 2027.

Figure No. 2 Scope of the project – ETCS

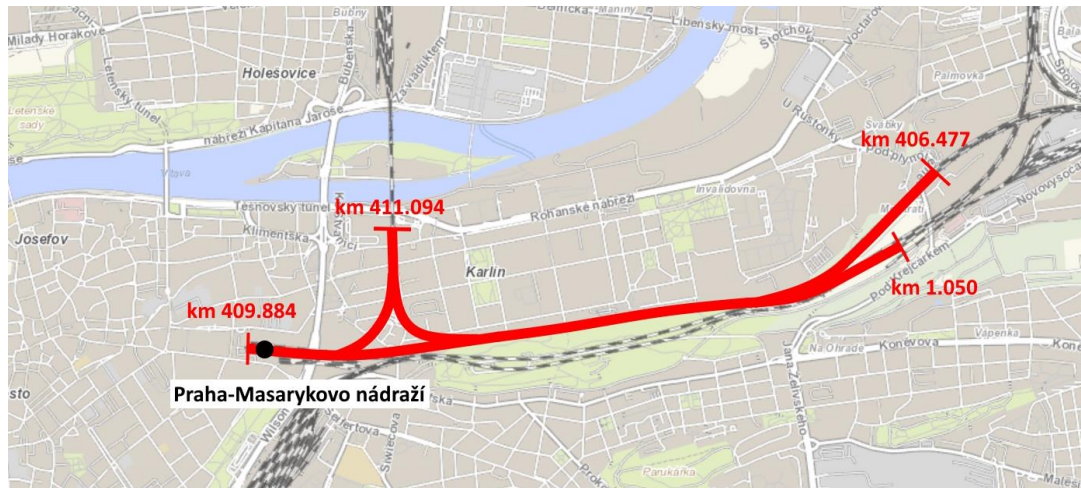




In the direction of Praha-Libeň, the start of the Interlocking equipment implementation is at km 409.884, and the end at km 406.477 (in the direction of Praha-Libeň). There are also parts of tracks in the direction of Balabenka branch. In the direction of Praha-Bubny, the start of the Interlocking equipment implementation is at km 409.884 and the end at km 411.094 (in the direction of Dresden).

The total track length of implemented Interlocking equipment is **19.093 km**. In total, this will be **9.547 km of railway tracks (double-track equivalent)** under the new Category 3 interlocking equipment, fully compatible with ERTMS/ETCS.

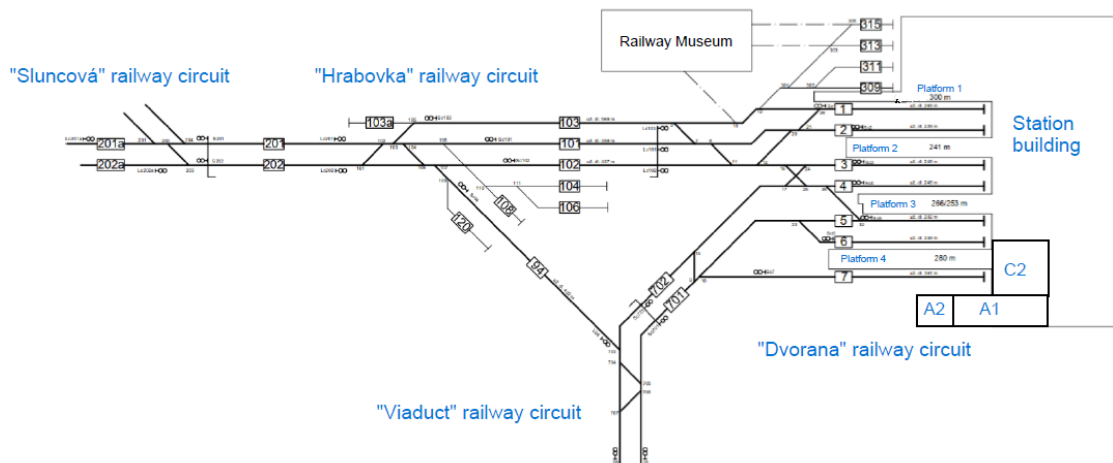
Figure No. 3 Scope of the project - Interlocking equipment



Current situation

The Masaryk railway station has seven-piece transport tracks with platform edges („Dvorana“ circuit), connection to the then abandoned depot and other handling tracks designed primarily for train stopping both in „Dvorana“ and in Hrabovka circuit (see picture below). The station is located on the line of the national railway Praha-Libeň - Praha-Holešovice - Stromovka, in the direction to Bubny the station is closely connected to the Negrelli viaduct. The connecting line is double tracked in both directions, electrified with a 3 kV DC catenary system.

Figure No. 4 Traffic diagram of the current state of the railway station Praha Masarykovo nádraží



The station is composed of 4 railway circuits – the historical circuit Dvorana of Masarykovo nádraží, circuit Hrabovka, circuit Sluncová and circuit Viaduct.

At present, RST Praha Masarykovo nádraží is equipped with station interlocking of Category 3, electronic interlocking plant from 2007 with light signals and electric point machines. Axle counters are used to identify if tracks and switches are free; in the Sluncová circuit up to the outer switches of the Hrabovka circuit, 275 Hz track circuits are used to transmit the code from the automatic train protection system. There are no railway crossings within the station circuit. The station is controlled remotely from the Praha Dispatching Centre (CDP Praha). The workpost of the emergency dispatcher is located in the transport office.



Line section Praha Masarykovo nádr. – Praha-Bubny is located on the Negrelli Viaduct. In the framework of implementation of the electronic interlocking plant in RST Praha-Bubny, this section was equipped with integrated line interlocking of Category 3. Axle counters are used to identify if tracks are occupied.

In the framework of the CEF project in course No.101079444, Acronym: 21-CZ-TC-Bubny – Vystaviste, “Modernization of line Praha-Bubny – Praha-Výstaviště” (non-eligible expenditure under this project), RST Praha-Bubny shall be equipped with station interlocking of Category 3, type electronic interlocking plant with the technology controlling computer in the interlocking room. National train control system shall not be implemented in the construction; the equipment will be ready for future operation exclusively under ETCS.

In the current state, the subject line section of the railway station Praha Masarykovo nádraží faces the following problems, which affect the whole railway junction Praha:

- insufficient capacity of the railway for the increasing number of passengers carried, which is also reflected in the increasing number of trains. At the same time, the increase in the number of trains encounters operational constraints, where the existing signalling equipment does not allow for shortening the intervals of individual trains;
- old and morally obsolete interlocking – the existing electronic interlocking plant of Masarykovo nádraží is old, with relay outputs that are no longer manufactured. In case the station configuration and scope would need to be modified, it would not be possible to add more equipment to the interlocking room;
- high labour costs of the railway operators (workers on construction sites and dispatchers).

Needs analysis

There are two main reasons to implement the project – fulfilment of legislative obligations and increasing the safety of operation.

Legislative reasons: lines included in the Trans-European Transport Network must meet interoperability objectives – safety, reliability, protection of health, environmental protection and technical compatibility. Deployment of ERTMS in line with the [Commission Regulation \(EU\) 2016/919 on the technical specification for interoperability relating to the ‘control-command and signalling’ subsystems](#) (TSI CCS) is one of the necessary preconditions for meeting of the set objectives.

ERTMS implementation on lines belonging to the Core TEN-T Network shall be organised in compliance with the [Commission Implementing Regulation \(EU\) 2017/6 of 5 January 2017 on the European Rail Traffic Management System European deployment plan](#). The Implementing Regulation sets out a binding schedule for deployment and putting into operation of the ERTMS system (GSM-R radio system and ETCS train control system) on these core lines, including railway stations and nodes. For those lines where ERTMS implementation date says “After 2023”, the target state must be reached before 2030. Implementation on lines belonging to the comprehensive network shall be organised immediately after their upgrading or optimisation with the aim of reaching the target state also by 2030, but at latest by 2050.

In the context of the Czech Republic, mandatory ERTMS deployment for reasons of line inclusion in the TEN-T Network shall be done on approx. 2,550 km of existing conventional lines.

Increasing of safety is the primary operating reason for ETCS deployment. Class B train control system, type LS, used in the Czech Republic, is far from offering similar levels of functionality and in particular of safety as a Class A system (ETCS). ETCS should therefore be seen as the direct replacement of the national LS system in the Czech Republic. The LS train control system is an interlocking system of Czecho-Slovak origin allowing to transmit four signals to the work post of the train conductor. It functions together with the alertness control function. ETCS use allows to significantly reduce the probability of running through a stop signal or exceeding current, permanent or temporary speed limits. ETCS shall reduce to the minimum the number of accidents caused by a mistake of the train conductor (not seeing or not respecting the signal) and reduce the dependence of safe train driving on human factors in relation to the track, but also to the vehicles. ETCS can mean other positive effects for train operation, such as increase in through capacity of heavily burdened lines by running trains with shorter time span between them or faster runs due to a more precise definition of speed profiles

The project represents one part of the total reconstruction of Railway Junction Praha as an urban node on the TEN-T network. Other reasons for implementation of the project derive from the current operating and technical parameters of the section in question that do not correspond with the standards required for TEN-T railway lines.

Needs addressed by the project:

- improvement of the technical condition and parameters of the railway infrastructure of the railway station Praha Masarykovo nádraží to a condition that meets the requirements of technical standards and the requirements of national and European legislation
- deploy new interlocking equipment of category 3 enabling the deployment of ERTMS/ETCS L2 to ensure interoperability
- to increase the capacity of the station for the monitored range of traffic with more than double the number of passengers and trains for the prospective connection to Václav Havel Airport Praha.

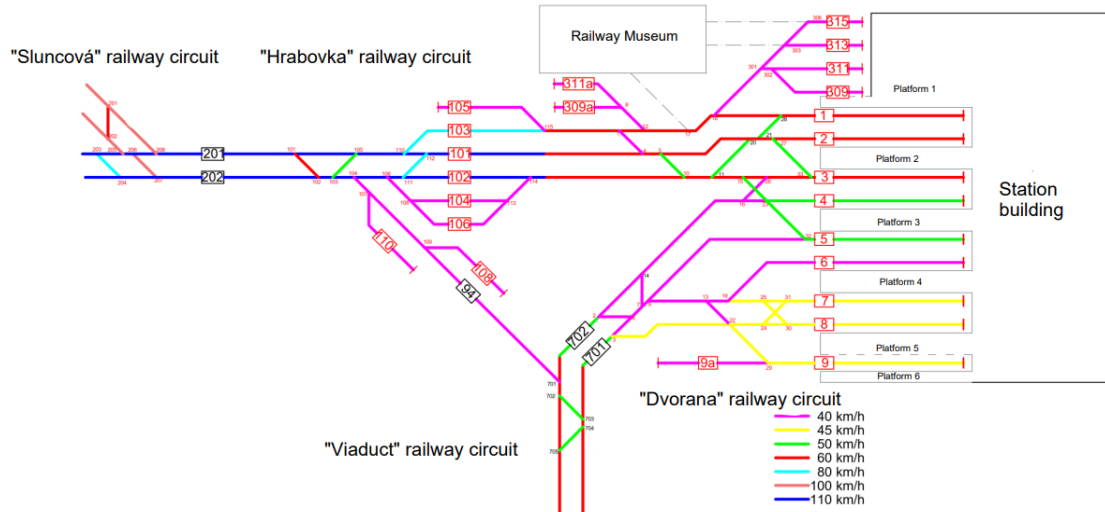
The project scope – Proposed measures

The project shall merge RST Praha Masarykovo nádraží and RST Praha-Bubny into one complex station with more circuits. From the perspective of operation control, RST Praha-Bubny will be part of RST Praha Masarykovo nádraží. New station interlocking of Category 3, electronic interlocking plant with two-way communication with the RBC shall be implemented in the Praha Masarykovo nádraží circuit. In the Praha-Bubny circuit, the station interlocking implemented as part of the previous project “Modernization of section Praha-Bubny (incl.) – Praha-Výstaviště (incl.)” shall remain in operation. The new station interlocking will be connected to the control panels in the Praha Dispatching Centre (CDP Praha).

Exclusive operation under ERTMS/ETCS L2 with benefits shall be implemented on the branch line Praha-Libeň (excl.) – Praha Masarykovo nádraží – Praha-Bubny – Praha-Holešovice (excl.). The train number will be transmitted to the electronic interlocking plant from all adjacent directions. Axle counters shall be used to identify if the tracks and switches are occupied or free over the entire area of the new implemented interlocking. This solution was proposed in light of the future model of operation under ETCS. According to the ERTMS/ETCS NIP, exclusive operation under ETCS is planned as of 1 January 2025.

As some modifications will be carried out in the station, it will be possible to increase the maximum speed once the project is completed. The line speed shall increase from 40 km/h to 45 km/h in the direction towards the Negrelli Viaduct and from 30 km/h to 60 km/h in the direction to Libeň. The changes are presented on the following figure.

Figure No. 5 Proposed speeds and railyard layout in RST Praha Masarykovo nádraží



Only those parts of the project that comply with the definitions of co-financed objects according to the CINEA methodology for Interlocking in ERTMS calls shall be eligible for CEF funding in the “interlocking equipment” category. These include:

- Central Interlocking Unit (“Digital Interlocking”) in a centralised technical room
- Interlocking Logic: set of rules and algorithms that govern the safe and permissible routes for train movements
- Signal box (or Interlocking shelter)
- Power cabling and optical fibre data cabling.
- Interface interlocking – Centralised Traffic Control (CTC), including the update to the CTC.
- Interface Radio Block Centre (RBC) – CTC (if foreseen).



- Interface between i) Interlocking/RBC and/or ii) interlocking/Traffic Management System (if foreseen)

Specific objectives

Project implementation will contribute to meeting of the following specific objectives, in particular:

- O 1: Create conditions for connecting of ETCS to track-side and station interlocking systems
- O 2: Deliver and install ETCS components.
- O 3: Go life, test and demonstrate the required system functionalities.
- O 4: Meet all the legislative conditions for putting the system into standard market operation.
- O 5: Increase capacity.
- O 6: Increase speed.
- O 7: Replacement of outdated, unreliable, and obsolete equipment, reduction of O/M costs

Table No. 1 Expected outputs and results

Information, indicator	Values	Linked objectives to
Total length of railway lines equipped with ETCS L2 in urban nodes	27,558 km	O1, O2, O3, O4, O5, O6, O7
Total number of railway stations connected to ETCS	2 pc	O1, O2, O3, O4, O5, O6, O7
Number of Radio-Block Centres (RBC)	1 pc	O1, O2, O3, O4, O5, O6, O7
Number of balises	250 pc	O1, O2, O3, O4, O5, O6, O7
Interlocking in urban nodes	19,093 km	O1, O2, O3, O4, O5, O6, O7
Number of stations equipped with new station interlocking	1 pc	O1, O2, O3, O4, O5, O6, O7

Global projects

If the project is part of a global project (including projects of common interest (PCI), if applicable), provide the following information:

- Objectives of the global project
- General description and context — specify how the project fits into the global project
- Justification — problems, needs and issues addressed by the global project
- State of play, results and objectives achieved by the global project so far
- Parallel projects — describe which other parts of the global project are to be implemented in parallel and their links to the project
- Timetable — describe the timetable of the global project and the interdependence with the timetable of the project; explain how the project will impact the progress of other activities which are part of the global project.

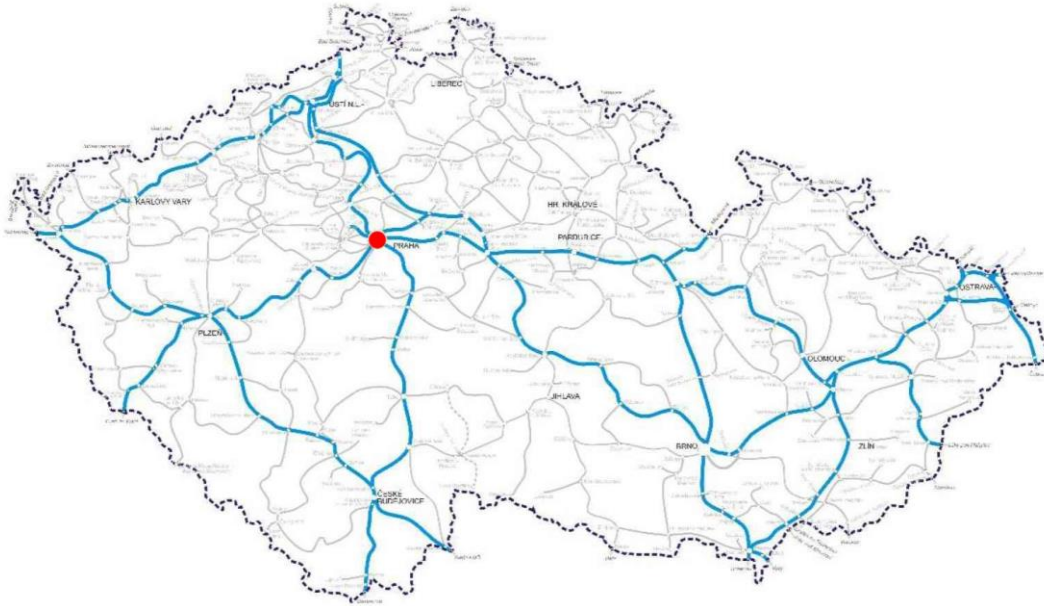
Global Project Objectives

Lines included in the Trans-European Transport Network TEN-T in particular shall comply with interoperability objective which are as follows: safety, reliability, protection of health, environmental protection and technical compatibility. ERTMS deployment in line with TSI CCS is one the conditions necessary for meeting these objectives.



“Development of ETCS systems on TEN-T lines in the Czech Republic” is the Global Project. Objectives of the Global Project are to meet the railway transport interoperability requirements stemming from existing EU legislation related to ERTMS/ETCS deployment, specifically the [Directive \(EU\) 2016/797 of the European Parliament and of the Council of 11 May 2016 on the interoperability of the rail system within the European Union](#) and the [Directive \(EU\) 2016/798 of the European Parliament and of the Council of 11 May 2016 on railway safety](#) and thus to contribute in the context of Czech railway infrastructure to meeting of the general objective of ERTMS deployment – ensuring of a unified system of railway transport control across the EU.

Figure No. 6 Global Project is composed of TEN-T lines with mandatory ERTMS implementation (project in red)



TEN-T Network lines where it is mandatory to install and use the ERTMS, among other obligations, represent approx. 26 % of the entire Czech railway network scope, but they account for over 80 % of overall transport performance of the Czech railway. TEN-T railway lines are important not only for international, but also for national transport where in particular suburban sections of transit corridors are overburdened by long-distance (passenger and freight) and regional transport running in parallel. Under a proper set up of the infrastructure and interlocking, ETCS represents an efficient and necessary instrument for increasing infrastructure capacity on these sections. The plan for the implementation of ETCS on individual sections of the TEN-T network in the Czech Republic and on other lines is part of the [document](#) approved by the Ministry of Transport in 2021.

General description and context

The [ERTMS National Implementation Plan](#) defines the strategy for gradual installation and use of ERTMS/ETCS in the Czech Republic. In addition to railway lines included in the Core TEN-T Railway Network, system expansion is planned also on other important conventional connecting lines and alternative branches of corridor lines that belong to the Comprehensive TEN-T Network in the Czech Republic with the aim to create complex operating branches for transport control and circulation of vehicles. As a priority, ETCS shall be deployed on lines where it is possible to increase the speed limit above the current 100 km/h. As the general orientation is aimed at ETCS L2, ETCS deployment in the Czech Republic shall be done in close coordination with development of the GSM-R system. ETCS installation will come after the necessary upgrading of station, track-side and crossings interlocking in the scope necessary for creating of functional interfaces in order to harmonise equipment service life cycles of interconnected technical devices and to minimise costs. All upgrading of station, track-side and crossings interlocking (also on lines where the date of ETCS deployment has not been defined yet) shall be done in such a way that creates suitable conditions for easy future ETCS installation.

Pursuant to TSI CCS, the following are the current mandatory specifications versions for ETCS:

1. Baseline 2;
2. Baseline 3 – Maintenance Release 1;

3. Baseline 3 – Release 2.

Baseline 2-Release 2.3.0d is the minimum strictly required for all ETCS projects in the Czech Republic. For all new projects launched from 2017 on, Baseline 3 specification is also required. Pursuant to documents of European Railway Agency on Baseline 3, full retrospective and prospective compatibility is guaranteed for devices manufactured under set of specifications No 3 (ETCS Baseline 3 – Release 2) and set of specifications No 2 (ETCS Baseline 3 - Maintenance Release 1). Movement of vehicle equipped with an on-board unit pursuant to ETCS Baseline 2 on a line equipped with track-side parts pursuant to ETCS Baseline 3 – Release 2 is possible when using systemic version 1.1. but it is not possible to use some functions offered by ETCS Baseline 3 – Release 2. This systemic version is required on lines managed by Správa železnic.

The project is part of the Global Project as the line section subject to works is part of the TEN-T Network in accordance with the [Regulation \(EU\) No 1315/2013 of the European Parliament and of the Council](#). The track-side part of ETCS L2 system shall be designed, implemented, approved for operation and certified pursuant to Czech and EU legislative rules in force; it shall be interoperable and fully compatible with vehicles equipped with on-board ETCS units certified in line with set of specifications No 1 (Baseline 2) and also with vehicles equipped with on-board ETCS units certified in line with set of specifications No 2 (Baseline 3 – Maintenance Release 1) and with vehicles equipped with on-board ETCS units certified in line with set of specifications No 3 (Baseline 3 – Release 2) as per the TSI CCS.

Problems and needs addressed by the Global Project

The main reason behind full deployment of the ETCS system in the Czech Republic is the need to increase railway transport safety. In the context of Czech railway operation, there is a growing number of cases when a train runs through a stop signal. This is due to the fact that national system in place is not able to stop these dangerous events. On the contrary, ETCS train control system is able to stop a train which did not respect a stop signal and can also control that line speed is not exceeded. The current interlocking system used in the Czech Republic and the related system of signals has been designed 60 years ago; its technological level corresponds with its age. ETCS will allow for a gradual replacement of the national LS interlocking system which means that it will no longer be necessary to use the working frequency of 75 Hz of the national LS system; problems with electro-magnetic compatibility of modern, highly efficient electric traction vehicles will thus be solved. Overall safety level will increase, line capacity will be used in a more efficient way and railway transport control efficiency within the Czech Republic will be improved.

Another reason behind ETCS deployment is the need to increase transport reliability. Any event of running through a stop signal represents a major risk with possible tragic consequences but also is the cause behind train delays within the network amounting to dozens of thousands of minutes per year which means economic losses for the carriers and complications during travelling or transporting of goods for passengers and carriers. Operation controlled exclusively by ETCS can prevent these losses.

ETCS deployment on Czech railway infrastructure will allow to run trains from any destination in EU member states via the Czech Republic without the need to switch traction units at the borders. This will contribute to strengthening of the position of Czech railways in transit transport, especially in the context of European freight corridors.

Last but not least, ETCS deployment is motivated by the need to have in place a technology from the 21st century allowing to improve efficiency of operation on the railway network and which is also crucial for introducing of a general automated control of the railway.

Analyses and experience clearly show that running of vehicles equipped and not equipped with ETCS in parallel does not allow for reaching of the corresponding increase in safety, removing of capacity restrictions, reducing the operating costs of the infrastructure manager and carriers, and at the same time it discriminates those carriers who have equipped their vehicles with ETCS. Their investment is not bringing the expected value as ETCS is not used on a sufficient scale. A train not equipped with ETCS running on a line constitutes a danger for itself, but also for all other trains on the lines or in stations. Such running of vehicles equipped and not equipped with ETCS in parallel is also an obstacle for introducing speeds above 160 km/h. It is therefore necessary to ensure that all vehicles running on an ETCS-equipped line will have the on-board ETCS units installed. Train operation controlled exclusively by ETCS will thus be introduced on a given line.

ETCS implementation onto the national LS train interlocking system currently in use (and the related defining of track sections) worsens the situation with regard to through capacity of the lines. It was therefore decided that after a sufficient time period, the use of the existing national interlocking system will be discontinued on those lines where ETCS has been deployed. The migration period which is the period between ETCS installation on a line and introduction of train operation controlled exclusively by ETCS can be 5 years at maximum on national lines.

**State of play, results, parallel projects**

ERTMS/ETCS L2 implementation in the Czech Republic started by the Pilot Project ETCS L2 Poříčany – Kolín. The pilot project was aimed at technical implementation of the system in local conditions of the Czech Republic which means preparing specifications of functional system requirements deriving from the national environment and also development of all necessary interfaces, verification of the communication protocols used and in particular the development of the STM module for the national ATP LS system. Basic conditions for standard deployment of ETCS LS in the Czech Republic were thus created.

After completion of the pilot project ETCS Poříčany – Kolín, the installation of ETCS system on the line Kolín– Břeclav – state border Austria/Slovakia was completed and handed over for operation. ETCS implementation was already completed on sections Praha – Český Brod, Petrovice u Karviné – Ostrava – Přerov – Břeclav, Česká Třebová – Brodek u Přerova and Praha-Uhřetěves – Votice; it is in progress at present on sections Kralupy nad Vltavou – Praha, Beroun – Cheb and Brodek u Přerova – Přerov.

Currently almost 936 km of railway lines are equipped with ETCS, these are mostly national lines included in the TEN-T Network. Total costs of equipping these lines with ETCS exceed 3 billion CZK.

At present, ETCS is operated in parallel with the national train control system; it is therefore not train operation under exclusive ETCS control. Train operation under exclusive ETCS control shall start on 1 January 2025 on the first sections (of TRC I and TRC II for example). Only on the line Olomouc - Uničov there is an exclusive operation of trains under the supervision of ETCS from 2023.

Overview of projects under preparation and implementation in Table 2.

Global Project schedule

When setting the schedule for line equipment with ETCS, it is necessary to differentiate between the date of physical ETCS implementation and the date from when trains operate exclusively under ETCS control.

Table No. 2 ETCS implementation plan and introduction of train operation exclusively controlled by ETCS for the Global Project

Section	Section length [km]	ETCS implementation	Introduction of train operation exclusively controlled by ETCS
Kolín – Břeclav – state border Austria/Slovakia	270	dokončeno 2017	2025
State border with Poland – Petrovice u Karviné – Přerov – Břeclav	210	Completed in 2020	2025
(Praha) – Praha-Horní Počernice – Lysá nad Labem	35	2026	2027/2029
Praha-Uhřetěves – Praha hl. n.	204	2024	2026
Praha Masarykovo n.		2027	2027
Praha hl. n. – Praha-Smíchov/Praha-Krč – Praha-Radotín		2030	2030
Other projects in Junction Praha		2030	2030
Praha-Libeň – Český Brod	29	Completed in 2020	2025
Praha-Libeň – Kralupy nad Vltavou	32	2024	2025
Kralupy nad Vltavou – Ústí nad Labem – state border with Germany	120	2026	2029
Praha-Veleslavín – Praha-Letiště Václava Havla	40	2029	2029
Praha-Radotín – Beroun	30	2028	2028



Beroun – Ejpovice	53	Completed in 2023	2027
Ejpovice – Plzeň	11	2024	2027
Plzeň – Cheb –state border with Germany	106	Completed in 2023	2027/2032
Praha-Uhřetěves – Votice	60	Completed in 2021	2026
Votice – České Budějovice	110	2024	2026
České Budějovice – Horní Dvořiště/České Velenice – state border with Austria	110	2027	2029
Český Brod – Kolín	28	2024	2025
Ústí nad Labem – Most	78	2030	2030
Most – Kadaň-Prunéřov (incl. Jirkov)	21	2030	2030
Kadaň-Prunéřov – Karlovy Vary	59	2028	2028
Karlovy Vary – Cheb	52	2028	2028
Plzeň – Stod (new line)	25	2031	2031
Plzeň – Chotěšov	22	2026	2026
Stod – Domažlice	33	2029	2029
Domažlice – state border with Germany	10	2029	2029
Plzeň-Koterov – Horažďovice předměstí	55	2027	2027
Horažďovice předměstí – Protivín	40	2027	2027
Protivín –Nemanice	35	2029	2029
Děčín-Prostřední Žleb – Děčín východ	7	2026	2026
Děčín východ – Ústí nad Labem-Střekov	25	2026	2026
Ústí nad Labem-Střekov – Litoměřice dolní nádraží	25	2027	2027
Litoměřice dolní nádraží – Mělník	36	2027	2027
Mělník – Lysá nad Labem	33	2027	2027
Lysá nad Labem – Nymburk	15	2030	2030
Nymburk – Kolín	23	2030	2030
Modřice – Adamov	22	2030	2030
Kolín – Havlíčkův Brod – Brno	200	2030	2030
Ústí nad Orlicí – Lichkov	40	Completed in 2023	2029
Česká Třebová – Brodek u Přerova	99	Completed in 2021	2025
Brodek u Přerova – Přerov	9	Completed in 2023	2025
Brno-Černovice – Blažovice	14	2028	2030
Blažovice – Nezamyslice	81	2030	2030



Nezamyslice – Přerov	27	2027	2027
Dětmárovice – Mosty u Jablunkova – state border with Slovakia	60	Completed in 2023	2028
Polanka nad Odrou/Ostrava-Svinov – Ostrava-Kunčice	17	2028	2028
Ostrava-Kunčice - Český Těšín	29	2028	2028
Hranice na Moravě – Vsetín	45	2030	2030
Vsetín – state border with Slovakia	25	2030	2030
Total	2,710		

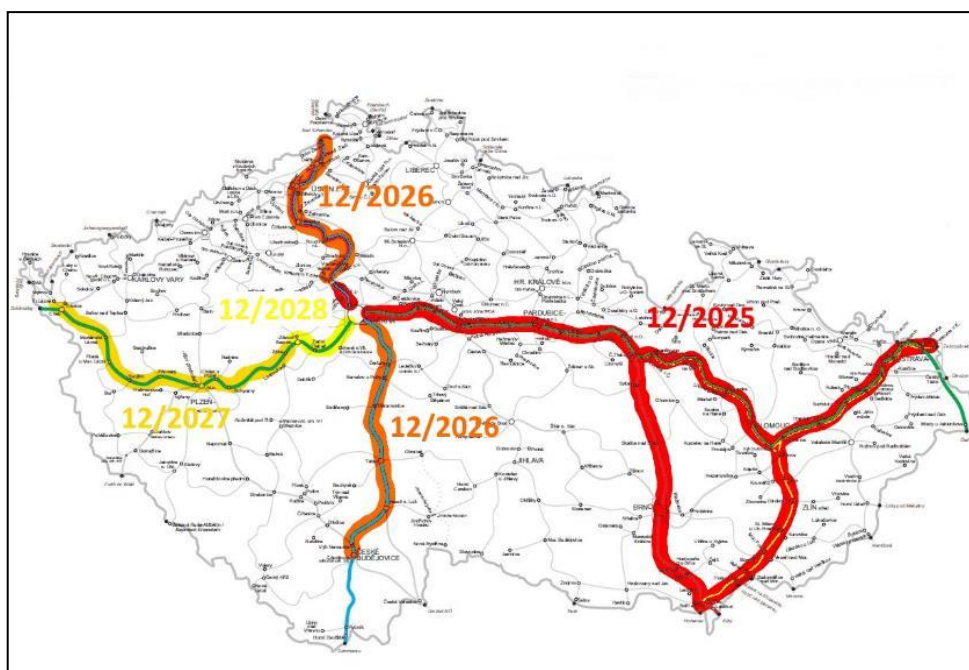
The following principles have to be respected when setting the dates of introduction of train operation exclusively controlled by ETCS:

- Duration of the migration period (mixed operation of trains equipped and not equipped with ETCS):
 - In general, the shortest possible, ideally zero;
 - Maximum 5 years on national lines;
- Interlinking of ETCS implementation – with upgrading of the respective lines, sections (or stations);
- Expectation to use vehicles equipped with on-board ETCS units.

In the context of introducing **train operation exclusively controlled by ETCS**, the dates on Core lines were set first that are subsequently used to define the dates for other lines. These lines and dates are presented below (and on Figure below):

- section Kralupy nad Vltavou – Praha – Česká Třebová – Brno, and Přerov – Česká Třebová as at 1 January 2025;
- section Kralupy nad Vltavou – Ústí nad Labem – state border with Germany and section Praha – České Budějovice as at December 2026;
- section Cheb – Beroun as at December 2027;
- section Beroun – Praha as at December 2028.

Figure No. 7 Dates of introduction of operation exclusively controlled by ETCS on transit railway corridor lines in the Czech Republic





Dates of introduction of train operation exclusively controlled by ETCS on other lines were proposed by the Ministry of Transport and subsequently discussed and adjusted with individual transport contracting authorities to ensure that an acceptable compromise is found within the above limits.

ANNEXES

LIST OF ANNEXES

Subcontracting table — *mandatory (n/a for Lump Sum and Unit Grants)*

SUBCONTRACTING TABLE

Subcontracting Give details on subcontracted action tasks (if any). Subcontracts must be awarded using your usual purchasing practices – provided that they ensure best value for money and no conflict of interests. If you are a ‘contracting authority/entity’ within the meaning of the EU Directives on public procurement, you must also comply with the applicable national law on public procurement. Note: The coordinator remains fully responsible for the coordination tasks, even if they are delegated to someone else. Coordinator tasks cannot be subcontracted.			
Task number to be subcontracted (follow the numbering in the grant agreement)	Name of task to be subcontracted	Description (Describe briefly the part of the task to be subcontracted and indicate the BEN/AE responsible)	Estimated Costs (EUR)
T1.1			



HISTORY OF CHANGES		
VERSION	PUBLICATION DATE	CHANGE
1.0	01.09.2021	Initial version (new MFF).
2.0	09.09.2024	Version No. 1 for Action 23-CZ-TC-ETCS Masaryk
3.0	25.09.2024	Version No. 2 for Action 23-CZ-TC-ETCS Masaryk

CEF-T ERTMS UNIT COST GRANT CALCULATOR

	Estimated number of units																			
	A. Contributions for on-board ERTMS											B. Contributions for track-side ERTMS					Total units estimated			
	A.1 Retrofitting				A.2 Upgrade							A.3 Fitment	B.1 Deployment						B.2 Upgrade	
	Prototype		Serial		Prototype ¹		Serial						ETCS & associated upgrade costs		Class A radio communication	Interlocking				
	International	National	International	National	International - Software + Hardware	National - Software + Hardware	International - Software	National - Software	International - Software + Hardware	National - Software + Hardware	Network		Urban Node	Network		Urban Node				
1 500 000,00	750 000,00	180 000,00	140 000,00	1 000 000,00	600 000,00	30 000,00	25 000,00	95 000,00	95 000,00	40 000,00	150 000,00	340 000,00	35 000,00	140 000,00	50 000,00	35 000,00				
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	=SUM(a-q)		
Unit contribution																				
1 - Správa Bežného, štátno organizace													13,794			9,547		23,341		
																		-		
																		-		
																		-		
Total consortium	-	-	-	-	-	-	-	-	-	-	-	-	13,794	-	-	9,547	-	23,341		

¹ Software-only upgrades would not receive a prototype unit contribution
 Encode the estimated number of units per unit category and beneficiary/affiliated entity in the white cells

CEF-T ERTMS UNIT COST GRANT CALCULATOR

Estimated EU contribution																			
A. Contributions for on-board ERTMS													B. Contributions for track-side ERTMS						Maximum grant amount
A.1 Retrofitting				A.2 Upgrade						A.3 Fitment	B.1 Deployment				B.2 Upgrade				
Prototype		Serial		Prototype		Serial					ETCS & associated upgrade costs		Interlocking						
International	National	International	National	International - Software + Hardware	National - Software + Hardware	International - Software	National - Software	International - Software + Hardware	National - Software + Hardware		Network	Urban Node	Class A radio communication	Network		Urban Node			
Unit contribution	1 500 000,00	750 000,00	190 000,00	140 000,00	1 000 000,00	600 000,00	90 000,00	25 000,00	95 000,00	95 000,00	45 000,00	150 000,00	340 000,00	35 000,00	140 000,00	510 000,00	95 000,00		
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	-SUM(a-q)	
1 - Správa železniční a státní organizace	-	-	-	-	-	-	-	-	-	-	-	-	4 689 960	-	-	4 868 715	-	9 558 675	
D	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
D	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
D	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
D	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total consortium	-	-	-	-	-	-	-	-	-	-	-	-	4 689 960	-	-	4 868 715	-	9 558 675	

CEF-T ERTMS UNIT COST CALCULATOR

Estimated number of units																			
A. Contributions for on-board ERTMS												B. Contributions for track-side ERTMS					Total units estimated		
A.1 Retrofitting				A.2 Upgrade								A.3 Fitment	B.1 Deployment					B.2 Upgrade	
Prototype		Serial		Prototype ¹				Serial					ETCS & associated upgrade costs		Class A radio communication	Interlocking			
International	National	International	National	International - Software + Hardware	National - Software + Hardware	International - Software	National - Software	International - Software + Hardware	National - Software + Hardware	Network	Urban Node		Network	Urban Node					
a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	-SUM(a-q)		
Unit contribution	900 000,00	450 000,00	110 000,00	80 000,00	600 000,00	350 000,00	18 000,00	15 000,00	55 000,00	55 000,00	25 000,00	90 000,00	200 000,00	20 000,00	80 000,00	300 000,00	20 000,00		
1 - [short name beneficiary]																		-	
1.1 - [short name affiliated entity]																		-	
2 - [short name beneficiary]																		-	
2.1 - [short name affiliated entity]																		-	
X - [short name associated partner]																		-	
Total consortium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

¹ Software-only upgrades would not receive a prototype unit contribution
 Encode the estimated number of units per unit category and beneficiary/affiliated entity in the white cells

ANNEX 2**ESTIMATED BUDGET FOR THE ACTION**

Estimated EU contribution							
Estimated eligible unit contributions (per budget category)							Maximum grant amount ¹
A. Contributions for on-board ERTMS			B. Contributions for track-side ERTMS		Total	u	
Forms of funding	A.1 Retrofitting	A.2 Upgrade	A.3 Fitment	B.1 Deployment			B.2 Upgrade
	Unit contribution ²	Unit contribution ²	Unit contribution ²	Unit contribution ²	Unit contribution ²		
	a	b	c	d	e		
1 - SZDC	0.00	0.00	0.00	9 558 675.00	0.00	9 558 675.00	9 558 675.00

¹ The 'maximum grant amount' is the maximum grant amount fixed in the grant agreement (on the basis of the sum of the beneficiaries' estimated units).

² See Annex 2a 'Additional information on the estimated budget' for the details (units, amount per unit).

ANNEX 2a

ADDITIONAL INFORMATION ON UNIT COSTS AND CONTRIBUTIONS

CEF ERTMS

See [*Additional information on unit costs and contributions \(Annex 2a and 2b\)*](#)

CEF Alternative Fuels Facility - Electric Vehicles Recharging Infrastructure (AFIF-EVRI)

See [*Additional information on unit costs and contributions \(Annex 2a and 2b\)*](#)

CEF Retrofitting Noisy Wagons (RFN)

See [*Additional information on unit costs and contributions \(Annex 2a and 2b\)*](#)

ANNEX 4 CEF-T ERTMS UNIT MGA — MULTI + MONO

FINANCIAL STATEMENT FOR [PARTICIPANT NAME] FOR REPORTING PERIOD [NUMBER]

EU contribution								
Eligible unit contributions (per budget category)						Total	Requested EU contribution	
A. Contributions for on-board ERTMS			B. Contributions for track-side ERTMS		Total			Requested EU contribution
A.1 Retrofitting	A.2 Upgrade	A.3 Fitment	B.1 Deployment	B.2 Upgrade				
Forms of funding	Unit contribution ¹	Unit contribution ¹	Unit contribution ¹	Unit contribution ¹	Unit contribution ¹	f = a+b+c+d+e	g	
	a	b	c	d	e			
XX – [short name beneficiary/affiliated entity]								

The beneficiary/affiliated entity hereby confirms that:
 The information provided is complete, reliable and true.
 The unit contributions declared are eligible (see Article 6).
 The contributions 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 19, 20 and 25).

¹ See Annex 2a 'Additional information on the estimated budget' for the details (units, amount per unit).

ANNEX 5

SPECIFIC RULES

INTELLECTUAL PROPERTY RIGHTS (IPR) — BACKGROUND AND RESULTS — ACCESS RIGHTS AND RIGHTS OF USE (— ARTICLE 16)

Rights of use of the granting authority on results for information, communication, dissemination and publicity purposes

The granting authority also has the right to exploit non-sensitive results of the action for information, communication, dissemination and publicity purposes, using any of the following modes:

- **use for its own purposes** (in particular, making them available to persons working for the granting authority or any other EU service (including institutions, bodies, offices, agencies, etc.) or EU Member State institution or body; copying or reproducing them in whole or in part, in unlimited numbers; and communication through press information services)
- **distribution to the public** in hard copies, in electronic or digital format, on the internet including social networks, as a downloadable or non-downloadable file
- **editing** or **redrafting** (including shortening, summarising, changing, correcting, cutting, inserting elements (e.g. meta-data, legends or other graphic, visual, audio or text elements) extracting parts (e.g. audio or video files), dividing into parts or use in a compilation
- **translation** (including inserting subtitles/dubbing) in all official languages of EU
- **storage** in paper, electronic or other form
- **archiving** in line with applicable document-management rules
- the right to authorise **third parties** to act on its behalf or sub-license to third parties, including if there is licensed background, any of the rights or modes of exploitation set out in this provision
- **processing**, analysing, aggregating the results and **producing derivative works**
- **disseminating** the results in widely accessible databases or indexes (such as through 'open access' or 'open data' portals or similar repositories, whether free of charge or not.

The beneficiaries must ensure these rights of use for the whole duration they are protected by industrial or intellectual property rights.

If results are subject to moral rights or third party rights (including intellectual property rights or rights of natural persons on their image and voice), the beneficiaries must ensure that they comply with their obligations under this Agreement (in particular, by obtaining the necessary licences and authorisations from the rights holders concerned).

COMMUNICATION, DISSEMINATION AND VISIBILITY (— ARTICLE 17)

Communication and dissemination plan

Where imposed by the call conditions, the beneficiaries must provide a detailed communication and dissemination plan, setting out the objectives, key messaging, target audiences, communication channels, social media plan, planned budget and relevant indicators for monitoring and evaluation. **Additional communication and dissemination activities**

The beneficiaries must engage in the following additional communication and dissemination activities:

- **present the project** (including project summary, coordinator contact details, list of participants, European flag and funding statement and project results) on the beneficiaries' **websites** or **social media accounts**
- for actions involving equipment, infrastructure or works, display public **plaques** or **billboards** as soon as the work on the action starts and a **permanent commemorative plaque** once it is finished, with the European flag and funding statement
- upload the public **project results** to the CEF Project Results platform, available through the Funding & Tenders Portal.

SPECIFIC RULES FOR CARRYING OUT THE ACTION (— ARTICLE 18)

Member State information

The beneficiaries must keep the Member States that support the action informed about its progress.

To this effect, the coordinator must provide the reports submitted in accordance with Article 21 to the concerned the Member States representatives (listed on the granting authority's website). This can be done either by email or by giving them access to the reports in the Funding & Tenders Portal.

Durability

Unless exempted by the granting authority, the beneficiaries must commit to continue to use and maintain after the end of the action equipment funded by the action, for activities pursuing the action's objectives. Such equipment must be used for these purposes — for at least five years after the end of the action (see Data Sheet, Point 1) or until the end of its economic lifespan (i.e. until it has been fully depreciated) — whichever is earlier.

Specific rules for blending operations

When implementing blending operations, the beneficiaries acknowledge and accept that:

- the grant depends on the approved financing from the Implementing Partner and/or public or private investors for the project
- they must inform the granting authority both about the approval for financing and the financial close — within 15 days
- both actions will be managed and monitored in parallel and in close coordination with the Implementing Partner, in particular:
 - all information, data and documents (including the due diligence by the Implementing Partner and the signed agreement) may be exchanged and may be relied on for the management of the other action (if needed)
 - issues in one action may impact the other (e.g. suspension or termination in one action may lead to suspension also of the other action; termination of the grant will normally suspend and exit from further financing and vice versa, etc.)
- the granting authority may disclose confidential information also to the Implementing Partner.



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