



EUROPEAN COMMISSION
Directorate General Justice and Consumers
Programme and financial management



GRANT AGREEMENT

NUMBER — 814775 — STAR II

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

on the one part,

the **European Union** ('the EU'), represented by the European Commission ('the Commission'),

represented for the purposes of signature of this Agreement by Daniela BANKIER, Head of Unit, DIRECTORATE-GENERAL JUSTICE AND CONSUMERS, Programme and financial management,

and

on the other part,

1. 'the coordinator':

NEMZETI ADATVÉDELMI ÉS INFORMÁCIÓSZABADSÁG HATÓSÁG (NAIH), established in Szilágyi E. fasor 22/c, Budapest 1125, Hungary, VAT number: HU15795771243, represented for the purposes of signing the Agreement by Attila PETERFALVI

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

2. **VRIJE UNIVERSITEIT BRUSSEL (VUB)**, established in PLEINLAAN 2, BRUSSEL 1050, Belgium, VAT number: BE0449012406,

3. **TRILATERAL RESEARCH LIMITED (TRI IE)**, established in FDW HOUSE BLACKTHORN BUSINESS PARK COES ROAD, DUNDALK LOUTH, Ireland,

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

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

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

The Agreement is composed of:

Terms and Conditions

- | | |
|---------|---|
| Annex 1 | Description of the action |
| Annex 2 | Estimated budget for the action |
| | Annex 2a Not applicable |
| Annex 3 | Accession Forms |
| Annex 4 | Model for the financial statements |
| Annex 5 | Model for the certificate on the financial statements (CFS) |
| Annex 6 | Not applicable |

TERMS AND CONDITIONS

TABLE OF CONTENTS

CHAPTER 1 GENERAL	8
ARTICLE 1 — SUBJECT OF THE AGREEMENT	8
CHAPTER 2 ACTION	8
ARTICLE 2 — ACTION TO BE IMPLEMENTED	8
ARTICLE 3 — DURATION AND STARTING DATE OF THE ACTION	8
ARTICLE 4 — ESTIMATED BUDGET AND BUDGET TRANSFERS	8
4.1 Estimated budget	8
4.2 Budget transfers	8
CHAPTER 3 GRANT	8
ARTICLE 5 — GRANT AMOUNT, FORM OF GRANT, REIMBURSEMENT RATE AND FORMS OF COSTS	8
5.1 Maximum grant amount	8
5.2 Form of grant, reimbursement rates and forms of costs	9
5.3 Final grant amount — Calculation	9
5.4 Revised final grant amount — Calculation	10
ARTICLE 6 — ELIGIBLE AND INELIGIBLE COSTS	11
6.1 General conditions for costs to be eligible	11
6.2 Specific conditions for costs to be eligible	12
6.3 Conditions for costs of affiliated entities to be eligible	14
6.4 Ineligible costs	14
6.5 Consequences of declaration of ineligible costs	15
CHAPTER 4 RIGHTS AND OBLIGATIONS OF THE PARTIES	15
SECTION 1 RIGHTS AND OBLIGATIONS RELATED TO IMPLEMENTING THE ACTION	15
ARTICLE 7 — GENERAL OBLIGATION TO PROPERLY IMPLEMENT THE ACTION	15
7.1 General obligation to properly implement the action	16
7.2 Consequences of non-compliance	16
ARTICLE 8 — RESOURCES TO IMPLEMENT THE ACTION — THIRD PARTY INVOLVED IN THE ACTION	16
ARTICLE 8a — IMPLEMENTATION OF ACTION TASKS BY BENEFICIARIES NOT RECEIVING EU FUNDING	16
ARTICLE 9 — PURCHASE OF GOODS, WORKS OR SERVICES	16

9.1 Rules for purchasing goods, works or services	16
9.2 Consequences of non-compliance	17
ARTICLE 10 — IMPLEMENTATION OF ACTION TASKS BY SUBCONTRACTORS	17
10.1 Rules for subcontracting action tasks	17
10.2 Consequences of non-compliance	18
ARTICLE 11 — IMPLEMENTATION OF ACTION TASKS BY AFFILIATED ENTITIES	18
ARTICLE 11a — FINANCIAL SUPPORT TO THIRD PARTIES	18
11a.1 Rules for providing financial support to third parties	18
11a.2 Financial support in the form of prizes	18
11a.3 Consequences of non-compliance	18
SECTION 2 RIGHTS AND OBLIGATIONS RELATED TO THE GRANT ADMINISTRATION	18
ARTICLE 12 — GENERAL OBLIGATION TO INFORM	18
12.1 General obligation to provide information upon request	18
12.2 Obligation to keep information up to date and to inform about events and circumstances likely to affect the Agreement	19
12.3 Consequences of non-compliance	19
ARTICLE 13 — KEEPING RECORDS — SUPPORTING DOCUMENTATION	19
13.1 Obligation to keep records and other supporting documentation	19
13.2 Consequences of non-compliance	20
ARTICLE 14 — SUBMISSION OF DELIVERABLES	20
14.1 Obligation to submit deliverables	20
14.2 Consequences of non-compliance	21
ARTICLE 15 — REPORTING — PAYMENT REQUESTS	21
15.1 Obligation to submit reports	21
15.2 Reporting periods	21
15.2a Request(s) for further pre-financing payment(s)	21
15.3 Periodic reports — Requests for interim payments	21
15.4 Final report — Request for payment of the balance	21
15.5 Information on cumulative expenditure incurred	22
15.6 Currency for financial statements and conversion into euro	22
15.7 Language of reports	23
15.8 Consequences of non-compliance	23
ARTICLE 16 — PAYMENTS AND PAYMENT ARRANGEMENTS	23
16.1 Payments to be made	23

16.2 Pre-financing payment(s) — Amount	23
16.3 Interim payments — Amount — Calculation	23
16.4 Payment of the balance — Amount — Calculation	24
16.5 Notification of amounts due	24
16.6 Currency for payments	24
16.7 Payments to the coordinator — Distribution to the beneficiaries	24
16.8 Bank account for payments	25
16.9 Costs of payment transfers	25
16.10 Date of payment	25
16.11 Consequences of non-compliance	25
ARTICLE 17 — CHECKS, REVIEWS, AUDITS AND INVESTIGATIONS — EXTENSION OF FINDINGS	26
17.1 Checks, reviews and audits by the Commission	26
17.2 Investigations by the European Anti-Fraud Office (OLAF)	28
17.3 Checks and audits by the European Court of Auditors (ECA)	28
17.4 Checks, reviews, audits and investigations for international organisations	28
17.5 Consequences of findings in checks, reviews, audits and investigations — Extension of findings	28
17.6 Consequences of non-compliance	30
ARTICLE 18 — EVALUATION OF THE IMPACT OF THE ACTION	30
18.1 Right to evaluate the impact of the action	30
18.2 Consequences of non-compliance	30
SECTION 3 OTHER RIGHTS AND OBLIGATIONS	30
ARTICLE 19 — PRE-EXISTING RIGHTS AND OWNERSHIP OF THE RESULTS (INCLUDING INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS)	31
19.1 Pre-existing rights and access rights to pre-existing rights	31
19.2 Ownership of results and rights of use	31
19.3 Consequences of non-compliance	31
ARTICLE 20 — CONFLICT OF INTERESTS	31
20.1 Obligation to avoid a conflict of interests	31
20.2 Consequences of non-compliance	31
ARTICLE 21 — CONFIDENTIALITY	32
21.1 General obligation to maintain confidentiality	32
21.2 Consequences of non-compliance	32
ARTICLE 22 — PROMOTING THE ACTION — VISIBILITY OF EU FUNDING	32

22.1 Communication activities by the beneficiaries	32
22.2 Communication activities by the Commission	33
22.3 Consequences of non-compliance	34
ARTICLE 23 — PROCESSING OF PERSONAL DATA	34
23.1 Processing of personal data by the Commission	34
23.2 Processing of personal data by the beneficiaries	34
23.3 Consequences of non-compliance	35
ARTICLE 24 — ASSIGNMENTS OF CLAIMS FOR PAYMENT AGAINST THE COMMISSION	35
CHAPTER 5 DIVISION OF BENEFICIARIES' ROLES AND RESPONSIBILITIES	35
ARTICLE 25 — DIVISION OF BENEFICIARIES' ROLES AND RESPONSIBILITIES	35
25.1 Roles and responsibilities towards the Commission	35
25.2 Internal division of roles and responsibilities	35
25.3 Internal arrangements between beneficiaries — Consortium agreement	36
CHAPTER 6 REJECTION OF COSTS — REDUCTION OF THE GRANT — RECOVERY — SANCTIONS — DAMAGES — SUSPENSION — TERMINATION — FORCE MAJEURE	37
SECTION 1 REJECTION OF COSTS — REDUCTION OF THE GRANT — RECOVERY — SANCTIONS	37
ARTICLE 26 — REJECTION OF INELIGIBLE COSTS	37
26.1 Conditions	37
26.2 Ineligible costs to be rejected — Calculation — Procedure	37
26.3 Effects	37
ARTICLE 27 — REDUCTION OF THE GRANT	37
27.1 Conditions	38
27.2 Amount to be reduced — Calculation — Procedure	38
27.3 Effects	38
ARTICLE 28 — RECOVERY OF UNDUE AMOUNTS	38
28.1 Amount to be recovered — Calculation — Procedure	38
ARTICLE 29 — ADMINISTRATIVE SANCTIONS	41
SECTION 2 LIABILITY FOR DAMAGES	41
ARTICLE 30 — LIABILITY FOR DAMAGES	41
30.1 Liability of the Commission	41
30.2 Liability of the beneficiaries	41
SECTION 3 SUSPENSION AND TERMINATION	41
ARTICLE 31 — SUSPENSION OF PAYMENT DEADLINE	41
31.1 Conditions	41

31.2 Procedure	41
ARTICLE 32 — SUSPENSION OF PAYMENTS	42
32.1 Conditions	42
32.2 Procedure	42
ARTICLE 33 — SUSPENSION OF THE ACTION IMPLEMENTATION	43
33.1 Suspension of the action implementation, by the beneficiaries	43
33.2 Suspension of the action implementation, by the Commission	43
ARTICLE 34 — TERMINATION OF THE AGREEMENT OR OF THE PARTICIPATION OF ONE OR MORE BENEFICIARIES	44
34.1 Termination of the Agreement, by the beneficiaries	45
34.2 Termination of the participation of one or more beneficiaries, by the beneficiaries	45
34.3 Termination of the Agreement or of the participation of one or more beneficiaries, by the Commission	46
SECTION 4 FORCE MAJEURE	49
ARTICLE 35 — FORCE MAJEURE	49
CHAPTER 7 FINAL PROVISIONS	50
ARTICLE 36 — COMMUNICATION BETWEEN THE PARTIES	50
36.1 Form and means of communication	50
36.2 Date of communication	50
36.3 Addresses for communication	51
ARTICLE 37 — INTERPRETATION OF THE AGREEMENT	51
37.1 Precedence of the Terms and Conditions over the Annexes	51
37.2 Privileges and immunities	51
ARTICLE 38 — CALCULATION OF PERIODS, DATES AND DEADLINES	51
ARTICLE 39 — AMENDMENTS TO THE AGREEMENT	51
39.1 Conditions	51
39.2 Procedure	52
ARTICLE 40 — ACCESSION TO THE AGREEMENT	52
40.1 Accession of the beneficiaries mentioned in the Preamble	52
40.2 Addition of new beneficiaries	53
ARTICLE 41 — APPLICABLE LAW AND SETTLEMENT OF DISPUTES	53
41.1 Applicable law	53
41.2 Dispute settlement	53
ARTICLE 42 — ENTRY INTO FORCE OF THE AGREEMENT	54

CHAPTER 1 GENERAL

ARTICLE 1 — SUBJECT OF THE AGREEMENT

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

CHAPTER 2 ACTION

ARTICLE 2 — ACTION TO BE IMPLEMENTED

The grant is awarded for the action entitled ‘**Support small And medium enterprises on the data protection Reform II — STAR II**’ (‘**action**’), as described in Annex 1.

ARTICLE 3 — DURATION AND STARTING DATE OF THE ACTION

The duration of the action will be **24 months** as of 01/08/2018 (‘**starting date of the action**’).

ARTICLE 4 — ESTIMATED BUDGET AND BUDGET TRANSFERS

4.1 Estimated budget

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

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

4.2 Budget transfers

The estimated budget breakdown indicated in Annex 2 may be adjusted — without an amendment (see Article 39) — by transfers of amounts between beneficiaries, budget categories and/or forms of costs set out in Annex 2, if the action is implemented as described in Annex 1.

However :

- the beneficiaries may not add costs relating to subcontracts not provided for in Annex 1, unless such additional subcontracts are approved by an amendment or in accordance with Article 10;
- the transfers between budget categories must stay below 20% of the total costs for the action set out in Annex 2, unless they are approved by an amendment.

CHAPTER 3 GRANT

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

5.1 Maximum grant amount

The ‘**maximum grant amount**’ is **EUR 448,544.00** (four hundred and forty eight thousand five hundred and forty four EURO).

5.2 Form of grant, reimbursement rate and forms of costs

The grant reimburses **80%** of the action’s eligible costs (see Article 6) (‘**reimbursement of eligible costs grant**’) (see Annex 2).

The estimated eligible costs of the action are **EUR 560,680.00** (five hundred and sixty thousand six hundred and eighty EURO).

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

- (a) for **direct personnel costs**: as actually incurred costs (‘**actual costs**’)
- (b) for **direct travel and subsistence costs**: as actually incurred costs (**actual costs**);
- (c) for **direct costs of subcontracting**: as actually incurred costs (**actual costs**);
- (d) for direct costs of **providing financial support to third parties**: not applicable;
- (e) for **other direct costs**: as actually incurred costs (‘**actual costs**’);
- (f) for **indirect costs**: on the basis of a flat-rate applied as set out in Article 6.2.Point F (‘**flat-rate costs**’);

5.3 Final grant amount — Calculation

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

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

- Step 1 – Application of the reimbursement rate to the eligible costs
- Step 2 – Limit to the maximum grant amount
- Step 3 – Reduction due to the no-profit rule
- Step 4 – Reduction due to substantial errors, irregularities or fraud or serious breach of obligations

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

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

5.3.2 Step 2 — Limit to the maximum grant amount

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

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

The grant must not produce a profit.

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

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

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

The following are considered **receipts**:

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

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

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

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

5.3.4 Step 4 — Reduction due to substantial errors, irregularities or fraud or serious breach of obligations

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

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

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

5.4 Revised final grant amount — Calculation

If — after the payment of the balance (in particular, after checks, reviews, audits or investigations;

see Article 17) — the Commission rejects costs (see Article 26) or reduces the grant (see Article 27), it will calculate the ‘**revised final grant amount**’ for the action or for the beneficiary concerned.

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

- in case of **rejection of costs**: by applying the reimbursement rate to the *revised* eligible costs approved by the Commission for the beneficiary concerned;
- in case of **reduction of the grant**: by deducting the amount of the reduction (calculated in proportion to the seriousness of the substantial errors, irregularities or fraud or breach of obligations, in accordance with Article 27.2) from the maximum grant amount set out in Article 5.1 or from the maximum EU contribution indicated for the beneficiary in the estimated budget (see Annex 2).

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

ARTICLE 6 — ELIGIBLE AND INELIGIBLE COSTS

6.1 General conditions for costs to be eligible

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

(a) for **actual costs**:

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

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

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

- (i) they must be calculated by applying the flat-rate set out in Annex 2, and

- (ii) the costs (actual costs) to which the flat-rate is applied must comply with the conditions for eligibility set out in this Article;

(d) for **lump sum costs**: not applicable.

6.2 Specific conditions for costs to be eligible

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

- A. direct personnel costs;
- B. direct travel and subsistence costs;
- C. direct costs of subcontracting;
- D. not applicable;
- E. other direct costs.
- F. indirect costs.

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

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

A. Direct personnel costs

Types of eligible personnel costs

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

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

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

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

- (a) the person works under the beneficiary’s instructions and, unless otherwise agreed with the beneficiary, on the beneficiary’s premises;
- (b) the result of the work carried out belongs to the beneficiary, and

- (c) the costs are not significantly different from those for personnel performing similar tasks under an employment contract with the beneficiary.

Calculation

Personnel costs must be calculated by the beneficiaries as follows:

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

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

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

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

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

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

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

The ‘number of individual annual productive hours’ is the total actual hours worked by the person in the year. It may not include holidays and other absences (such as sick leave, maternity leave, special leave, etc). However, it may include overtime and hours spent in meetings, trainings and other similar activities.

B. Direct travel and subsistence costs

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

C. Direct costs of subcontracting (including related duties, taxes and charges, such as non-deductible value added tax (VAT) paid by beneficiaries that are not public bodies acting as public authority) are eligible if the conditions in Article 10.1.1 are met.

D. Direct costs of providing financial support to third parties

Not applicable

E. Other direct costs

E.1 The **depreciation costs of equipment, infrastructure or other assets** (new or second-hand) as recorded in the beneficiary's accounts are eligible, if they were purchased in accordance with Article 9.1.1 and written off in accordance with international accounting standards and the beneficiary's usual accounting practices.

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

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

E.2 **Costs of other goods and services** (including related duties, taxes and charges, such as non-deductible value added tax (VAT) paid by beneficiaries that are not public bodies acting as public authority) are eligible, if they are purchased specifically for the action and in accordance with Article 9.1.1.

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

F. Indirect costs

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

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

6.3 Conditions for costs of affiliated entities to be eligible

Not applicable

6.4 Ineligible costs

'**Ineligible costs**' are:

- (a) costs that do not comply with the conditions set out above (Article 6.1 to 6.3), in particular:

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

- (i) costs related to return on capital;
 - (ii) debt and debt service charges;
 - (iii) provisions for future losses or debts;
 - (iv) interest owed;
 - (v) doubtful debts;
 - (vi) currency exchange losses;
 - (vii) bank costs charged by the beneficiary's bank for transfers from the Commission;
 - (viii) excessive or reckless expenditure;
 - (ix) deductible VAT;
 - (x) costs incurred during suspension of the implementation of the action (see Article 33);
 - (xi) in-kind contributions provided by third parties;
- (b) costs declared under another EU or Euratom grant (including grants awarded by a Member State and financed by the EU or Euratom budget and grants awarded by bodies other than the Commission for the purpose of implementing the EU or Euratom budget); in particular, indirect costs if the beneficiary is already receiving an operating grant financed by the EU or Euratom budget in the same period;
- (c) costs for staff of a national (or local) administration, for activities that are part of the administration's normal activities (i.e. not undertaken only because of the grant);
- (d) costs (especially travel and subsistence costs) for staff or representatives of EU institutions, bodies or agencies;
- (e) costs for activities that do not take place in one of the eligible countries set out in the call for proposals — unless approved by the Commission.

6.5 Consequences of declaration of ineligible costs

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

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

CHAPTER 4 RIGHTS AND OBLIGATIONS OF THE PARTIES

SECTION 1 RIGHTS AND OBLIGATIONS RELATED TO IMPLEMENTING THE ACTION

ARTICLE 7 — GENERAL OBLIGATION TO PROPERLY IMPLEMENT THE ACTION

7.1 General obligation to properly implement the action

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

7.2 Consequences of non-compliance

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

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

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

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

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

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

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

ARTICLE 8a — IMPLEMENTATION OF ACTION TASKS BY BENEFICIARIES NOT RECEIVING EU FUNDING

Not applicable

ARTICLE 9 — PURCHASE OF GOODS, WORKS OR SERVICES

9.1 Rules for purchasing goods, works or services

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

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

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

9.1.2 Beneficiaries that are ‘contracting authorities’ within the meaning of Directive 2004/18/EC² (or 2014/24/EU³) or ‘contracting entities’ within the meaning of Directive 2004/17/EC⁴ (or 2014/25/EU⁵) must comply with the applicable national law on public procurement.

9.2 Consequences of non-compliance

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

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

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

ARTICLE 10 — IMPLEMENTATION OF ACTION TASKS BY SUBCONTRACTORS

10.1 Rules for subcontracting action tasks

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

Subcontracting may cover only a limited part of the action.

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

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

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

The beneficiaries must ensure that the subcontracted work is performed in one of the eligible countries set out in the call for proposals (‘place of performance obligation’) — unless otherwise approved by the Commission.

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

³ Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94, 28.3.2014, p. 65).

⁴ Directive 2004/17/EC of the European Parliament and of the Council of 31 March 2004 coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors (OJ L 134, 30.04.2004, p. 1).

⁵ Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC (OJ L 94, 28.3.2014, p. 243).

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

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

Beneficiaries that are ‘contracting authorities’ within the meaning of Directive 2004/18/EC (or 2014/24/EU) or ‘contracting entities’ within the meaning of Directive 2004/17/EC (or 2014/25/EU) must comply with the applicable national law on public procurement.

10.2 Consequences of non-compliance

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

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

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

ARTICLE 11 — IMPLEMENTATION OF ACTION TASKS BY AFFILIATED ENTITIES

Not applicable

ARTICLE 11a — FINANCIAL SUPPORT TO THIRD PARTIES

11a.1 Rules for providing financial support to third parties

Not applicable

11a.2 Financial support in the form of prizes

Not applicable

11a.3 Consequences of non-compliance

Not applicable

SECTION 2 RIGHTS AND OBLIGATIONS RELATED TO THE GRANT ADMINISTRATION

ARTICLE 12 — GENERAL OBLIGATION TO INFORM

12.1 General obligation to provide information upon request

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

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

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

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

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

12.3 Consequences of non-compliance

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

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

ARTICLE 13 — KEEPING RECORDS — SUPPORTING DOCUMENTATION

13.1 Obligation to keep records and other supporting documentation

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

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

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

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

13.1.1 Records and other supporting documentation on the technical implementation

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

13.1.2 Records and other documentation to support the costs declared

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

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

In addition, for **personnel costs** (declared as actual costs), the beneficiaries must keep **time records** for the number of hours declared. The time records must be in writing and approved by the persons working on the action and their supervisors, at least monthly. In the absence of reliable time records of the hours worked on the action, the Commission may accept alternative evidence supporting the number of hours declared, if it considers that it offers an adequate level of assurance.

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

13.2 Consequences of non-compliance

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

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

ARTICLE 14 — SUBMISSION OF DELIVERABLES

14.1 Obligation to submit deliverables

The coordinator must submit:

- a **mid-term progress report** on the implementation of the action, within 30 days after half of the reporting period set out in Article 15.2 has passed;
- the '**deliverables**' identified in Annex 1, in accordance with the timing and conditions set out in it.

14.2 Consequences of non-compliance

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

ARTICLE 15 — REPORTING — PAYMENT REQUESTS

15.1 Obligation to submit reports

The coordinator must submit to the Commission (see Article 36) the technical and financial report(s) set out in this Article. This report includes the request(s) for payment and must be drawn up using the forms and templates provided in the electronic exchange system (see Article 36).

15.2 Reporting periods

The action has one ‘**reporting period**’:

- RP1: from month 1 to month 24

15.2a Request(s) for further pre-financing payment(s)

Not applicable

15.3 Periodic reports — Requests for interim payments

Not applicable

15.4 Final report — Request for payment of the balance

The coordinator must submit — within 60 days following the end of the reporting period — a final report, which includes the request for payment of the balance.

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

- (a) a ‘**final technical report**’ containing:
 - (i) an **explanation of the work carried out** by the beneficiaries;
 - (ii) an **overview of the implementation** of the action, including milestones and deliverables identified in Annex 1.

This report must include explanations justifying the differences between work expected to be carried out in accordance with Annex 1 and that actually carried out;
 - (iii) a summary for publication by the Commission;
 - (iv) the answers to the ‘**questionnaire**’: not applicable;
- (b) a ‘**final financial report**’ containing:

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

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

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

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

Each beneficiary must **certify** that:

- the information provided is full, reliable and true;
 - the costs declared are eligible (see Article 6);
 - the costs can be substantiated by adequate records and supporting documentation (see Article 13) that will be produced upon request (see Article 12) or in the context of checks, reviews, audits and investigations (see Article 17), and
 - that all the receipts have been declared (see Article 5.3.3);
- (ii) an **explanation of the use of resources** and the information on subcontracting (see Article 10) from each beneficiary, for the reporting period concerned;
- (iii) not applicable;
- (iv) a **‘final summary financial statement’**, created automatically by the electronic exchange system, consolidating the individual financial statement(s) for the reporting period and including the **request for payment of the balance**;
- (v) a **‘certificate on the financial statements’** (drawn up in accordance with Annex 5) for each beneficiary, if:
- it requests an EU contribution of EUR 325 000 or more as reimbursement of actual costs and
 - the maximum EU contribution indicated, for that beneficiary, in the estimated budget (see Annex 2) as reimbursement of actual costs is EUR 750 000 or more.

15.5 Information on cumulative expenditure incurred

Not applicable

15.6 Currency for financial statements and conversion into euro

Financial statements must be drafted in euro.

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

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

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

15.7 Language of reports

All report(s) (including financial statements) must be submitted in the language of the Agreement.

15.8 Consequences of non-compliance

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

If the coordinator breaches its obligation to submit the report(s) and if it fails to comply with this obligation within 30 days following a written reminder, the Commission may terminate the Agreement (see Article 34) or apply any of the other measures described in Chapter 6.

ARTICLE 16 — PAYMENTS AND PAYMENT ARRANGEMENTS

16.1 Payments to be made

The following payments will be made to the coordinator:

- a **pre-financing payment**;
- one **payment of the balance**, on the basis of the request for payment of the balance (see Article 15).

16.2 Pre-financing payment(s) — Amount

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

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

The amount of the pre-financing payment will be EUR **358,835.20** (three hundred and fifty eight thousand eight hundred and thirty five EURO and twenty eurocents).

The Commission will — except if Article 32 applies — make the pre-financing payment to the coordinator within 30 days from the accession of all beneficiaries to the Agreement (see Article 40).

16.3 Interim payments — Amount — Calculation

Not applicable

16.4 Payment of the balance — Amount — Calculation

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

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

If the total amount of earlier payments is lower than the final grant amount, the Commission will pay the balance within 90 days from receiving the final report (see Article 15.4), except if Articles 31 or 32 apply.

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

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

$$\begin{aligned} & \{ \text{final grant amount (see Article 5.3)} \\ & \text{minus} \\ & \{ \text{pre-financing and interim payments (if any) made} \} \}. \end{aligned}$$

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

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

If the balance is negative, it will be recovered from the coordinator (see Article 28).

16.5 Notification of amounts due

When making payments, the Commission will formally notify to the coordinator the amount due, specifying that it concerns the payment of the balance.

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

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

16.6 Currency for payments

The Commission will make all payments in euro.

16.7 Payments to the coordinator — Distribution to the beneficiaries

Payments will be made to the coordinator.

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

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

16.8 Bank account for payments

All payments will be made to the following bank account:

Name of bank: HUNGARIAN STATE TREASURY

Full name of the account holder: NEMZETI ADATVEDELMI ES
INFORMACIOSZABADSAG HATOSAG

Full account number (including bank codes):

IBAN code: HU83100048851000801600139632

16.9 Costs of payment transfers

The cost of the payment transfers is borne as follows:

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

16.10 Date of payment

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

16.11 Consequences of non-compliance

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

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

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

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

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

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

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

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

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

17.1 Checks, reviews and audits by the Commission

17.1.1 Right to carry out checks

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

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

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

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

17.1.2 Right to carry out reviews

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

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

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

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

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

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

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

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

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

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

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

17.1.3 Right to carry out audits

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

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

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

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

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

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

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

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

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

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

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

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

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

Under Regulations No 883/2013⁷ and No 2185/96⁸ (and in accordance with their provisions and procedures), the European Anti-Fraud Office (OLAF) may — at any moment during implementation of the action or afterwards — carry out investigations, including on-the-spot checks and inspections, to establish whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the EU.

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

Under Article 287 of the Treaty on the Functioning of the European Union (TFEU) and Article 161 of the Financial Regulation No 966/2012⁹, the European Court of Auditors (ECA) may — at any moment during implementation of the action or afterwards — carry out audits.

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

17.4 Checks, reviews, audits and investigations for international organisations

Not applicable

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

17.5.1 Findings in this grant

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

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

⁷ 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).

⁸ Council Regulation (Euratom, EC) No 2185/1996 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities’ financial interests against fraud and other irregularities (OJ L 292, 15.11.1996, p. 2).

⁹ Regulation (EU, EURATOM) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, EURATOM) No 1605/2002 (OJ L 298, 26.10.2012, p. 1).

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

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

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

17.5.2 Findings in other grants

The Commission may extend findings from other grants to this grant (**‘extension of findings from other grants to this grant’**), if:

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

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

17.5.3 Procedure

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

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

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

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

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

17.5.3.2 If the findings concern **substantial errors, irregularities or fraud or serious breach of obligations**: the formal notification will include:

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

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

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

17.6 Consequences of non-compliance

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

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

ARTICLE 18 — EVALUATION OF THE IMPACT OF THE ACTION

18.1 Right to evaluate the impact of the action

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

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

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

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

18.2 Consequences of non-compliance

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

SECTION 3 OTHER RIGHTS AND OBLIGATIONS

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

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

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

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

Each beneficiary must give the other beneficiaries access to any pre-existing industrial and intellectual property rights needed for the implementation of the action and compliance with the obligations under the Agreement.

19.2 Ownership of results and rights of use

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

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

19.3 Consequences of non-compliance

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

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

ARTICLE 20 — CONFLICT OF INTERESTS

20.1 Obligation to avoid a conflict of interests

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

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

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

20.2 Consequences of non-compliance

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

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

ARTICLE 21 — CONFIDENTIALITY

21.1 General obligation to maintain confidentiality

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

They may use confidential information to implement the Agreement.

The confidentiality obligations no longer apply if:

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

21.2 Consequences of non-compliance

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

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

ARTICLE 22 — PROMOTING THE ACTION — VISIBILITY OF EU FUNDING

22.1 Communication activities by the beneficiaries

22.1.1 General obligation to promote the action and its results

The beneficiaries must promote the action and its results.

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

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

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

“This [insert appropriate description, e.g. report, publication, conference, infrastructure, equipment, insert type of result, etc.] was funded by the European Union’s Rights, Equality and Citizenship Programme (2014-2020).”

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

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

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

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

22.1.3 Disclaimer excluding Commission responsibility

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

“The content of this [insert appropriate description, e.g. report, publication, conference, etc.] represents the views of the author only and is his/her sole responsibility. The European Commission does not accept any responsibility for use that may be made of the information it contains.”

22.2 Communication activities by the Commission

22.2.1 Right to use beneficiaries’ materials, documents or information

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

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

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

- (a) **use for its own purposes** (in particular, making them available to persons working for the Commission or any other EU institution, body, office or agency or body or institutions in EU Member States; and copying or reproducing them in whole or in part, in unlimited numbers);
- (b) **distribution to the public** (in particular, publication as hard copies and in electronic or digital format, publication on the internet, as a downloadable or non-downloadable file, broadcasting by any channel, public display or presentation, communicating through press information services, or inclusion in widely accessible databases or indexes);
- (c) **editing or redrafting** for communication and publicising activities (including shortening, summarising, inserting other elements (such as meta-data, legends, other graphic, visual, audio or text elements), extracting parts (e.g. audio or video files), dividing into parts, use in a compilation);
- (d) **translation**;
- (e) **giving access in response to individual requests** under Regulation No 1049/2001¹⁰, without the right to reproduce or exploit;
- (f) **storage** in paper, electronic or other form;

¹⁰ Regulation (EC) No 1049/2001 of the European Parliament and of the Council of 30 May 2001 regarding public access to European Parliament, Council and Commission documents, OJ L 145, 31.5.2001, p. 43.

- (g) **archiving**, in line with applicable document-management rules, and
- (h) the right to authorise **third parties** to act on its behalf or sub-license the modes of use set out in Points (b), (c), (d) and (f) to third parties if needed for the communication and publicising activities of the Commission.

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

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

“© – [year] – [name of the copyright owner]. All rights reserved. Licensed to the European Union (EU) under conditions.”

22.3 Consequences of non-compliance

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

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

ARTICLE 23 — PROCESSING OF PERSONAL DATA

23.1 Processing of personal data by the Commission

Any personal data under the Agreement will be processed by the Commission under Regulation No 45/2001¹¹ and according to the ‘notifications of the processing operations’ to the Data Protection Officer (DPO) of the Commission (publicly accessible in the DPO register).

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

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

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

23.2 Processing of personal data by the beneficiaries

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

¹¹ Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data (OJ L 8, 12.01.2001, p. 1).

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

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

23.3 Consequences of non-compliance

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

ARTICLE 24 — ASSIGNMENTS OF CLAIMS FOR PAYMENT AGAINST THE COMMISSION

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

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

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

CHAPTER 5 DIVISION OF BENEFICIARIES' ROLES AND RESPONSIBILITIES

ARTICLE 25 — DIVISION OF BENEFICIARIES' ROLES AND RESPONSIBILITIES

25.1 Roles and responsibilities towards the Commission

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

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

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

25.2 Internal division of roles and responsibilities

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

(a) Each **beneficiary** must:

- (i) keep information stored in the Participant Portal Beneficiary Register (via the electronic exchange system) up to date (see Article 12);

- (ii) inform the coordinator immediately of any events or circumstances likely to affect significantly or delay the implementation of the action (see Article 12);
- (iii) submit to the coordinator in good time:
 - individual financial statement(s) for itself and, if required, certificates on the financial statement(s) (see Article 15);
 - the data needed to draw up the technical report(s) (see Article 15);
 - any other documents or information required by the Commission under the Agreement, unless the Agreement requires the beneficiary to submit this information directly.

(b) The **coordinator** must:

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

The coordinator may not subcontract the above-mentioned tasks.

25.3 Internal arrangements between beneficiaries — Consortium agreement

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

- internal organisation of the consortium;
- management of access to the electronic exchange system;
- distribution of EU funding;
- additional rules on rights and obligations related to pre-existing rights and results (see Article 19);
- settlement of internal disputes;

- liability, indemnification and confidentiality arrangements between the beneficiaries.

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

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

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

ARTICLE 26 — REJECTION OF INELIGIBLE COSTS

26.1 Conditions

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

The rejection may also be based on the **extension of findings from other grants to this grant** (see Article 17.5.2).

26.2 Ineligible costs to be rejected — Calculation — Procedure

Ineligible costs will be rejected in full.

If the rejection of costs does not lead to a recovery (see Article 28), the Commission will formally notify the coordinator or beneficiary concerned of the rejection of costs, the amounts and the reasons why (if applicable, together with the notification of amounts due; see Article 16.5). The coordinator or beneficiary concerned may — within 30 days of receiving notification — formally notify the Commission of its disagreement and the reasons why.

If the rejection of costs leads to a recovery, the Commission will follow the contradictory procedure with pre-information letter set out in Article 28.

26.3 Effects

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

If the Commission rejects costs **after the payment of the balance**, it will deduct the amount rejected from the total eligible costs declared, by the beneficiary, in the final summary financial statement. It will then calculate the revised final grant amount as set out in Article 5.4. If the revised final grant amount is lower than the final grant amount, the Commission will recover the difference (see Article 28).

ARTICLE 27 — REDUCTION OF THE GRANT

27.1 Conditions

The Commission may — **at the payment of the balance** or **afterwards** — reduce the grant, if:

- (a) a beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has committed:
 - (i) substantial errors, irregularities or fraud or
 - (ii) serious breach of obligations under the Agreement or during the award procedure (including improper implementation of the action, submission of false information, failure to provide required information, breach of ethical principles) or
- (b) a beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has committed — in other EU or Euratom grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on this grant (**extension of findings from other grants to this grant**; see Article 17.5.2).

27.2 Amount to be reduced — Calculation — Procedure

The amount of the reduction will be proportionate to the seriousness of the errors, irregularities or fraud or breach of obligations.

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

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

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

27.3 Effects

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

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

ARTICLE 28 — RECOVERY OF UNDUE AMOUNTS

28.1 Amount to be recovered — Calculation — Procedure

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

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

In addition, the beneficiaries (including the coordinator) are jointly and severally liable for repaying any debts under the Agreement (including late-payment interest) — up to the maximum EU contribution indicated, for each beneficiary, in the estimated budget (as last amended; see Annex 2).

28.1.1 Recovery at payment of the balance

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

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

If no observations are submitted or the Commission decides to pursue recovery despite the observations it has received, it will **confirm** the amount to be recovered and formally notify to the coordinator a **debit note** with the terms and the date for payment (together with the notification of amounts due; see Article 16.5).

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

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

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

- (b) not applicable;

- (c) by **holding** the other beneficiaries jointly and severally **liable** — up to the maximum EU contribution indicated, for each beneficiary, in the estimated budget (as last amended; see Annex 2)

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

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

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

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

28.1.2 Recovery of amounts after payment of the balance

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

- if the rejection or reduction does *not* concern a specific beneficiary: claim back the difference from the coordinator (even if it has not been the final recipient of the amount in question)

or

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

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

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

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

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

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

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

- (b) by **holding** the other beneficiaries jointly and severally **liable**, up to the maximum EU contribution indicated, for each beneficiary, in the estimated budget (as last amended; see Annex 2);
- (c) by **taking legal action** (see Article 41) or by **adopting an enforceable decision** under Article 299 of the Treaty on the Functioning of the EU (TFEU) and Article 79(2) of the Financial Regulation No 966/2012.

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

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

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

ARTICLE 29 — ADMINISTRATIVE SANCTIONS

In addition to contractual measures, the Commission may also adopt administrative sanctions under Articles 106 and 131(4) of the Financial Regulation No 966/2012 (i.e. exclusion from future procurement contracts, grants and expert contracts and/or financial penalties).

SECTION 2 LIABILITY FOR DAMAGES

ARTICLE 30 — LIABILITY FOR DAMAGES

30.1 Liability of the Commission

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

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

30.2 Liability of the beneficiaries

Except in case of force majeure (see Article 35), the beneficiaries must compensate the Commission 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.

SECTION 3 SUSPENSION AND TERMINATION

ARTICLE 31 — SUSPENSION OF PAYMENT DEADLINE

31.1 Conditions

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

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

31.2 Procedure

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

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

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

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

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

ARTICLE 32 — SUSPENSION OF PAYMENTS

32.1 Conditions

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

- (a) a beneficiary (or a natural person who has the power to represent or take decision on its behalf) 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 the award procedure (including improper implementation of the action, submission of false information, failure to provide required information, breach of ethical principles), or
- (b) a beneficiary (or a natural person who has the power to represent or take decision on its behalf) has committed — in other EU or Euratom grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on this grant (**extension of findings from other grants to this grant**; see Article 17.5.2).

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

32.2 Procedure

Before suspending payments, the Commission will formally notify the coordinator or beneficiary concerned:

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

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

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

If the conditions for resuming payments are met, the suspension will be **lifted**. The Commission will formally notify the coordinator or beneficiary concerned.

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

ARTICLE 33 — SUSPENSION OF THE ACTION IMPLEMENTATION

33.1 Suspension of the action implementation, by the beneficiaries

33.1.1 Conditions

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

33.1.2 Procedure

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

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

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

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

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

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

33.2 Suspension of the action implementation, by the Commission

33.2.1 Conditions

The Commission may suspend implementation of the action or any part of it, if:

- (a) a beneficiary (or a natural person who has the power to represent or take decisions on its behalf) 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 the award procedure (including improper implementation of the action, submission of false declaration, failure to provide required information, breach of ethical principles) or
- (b) a beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has committed — in other EU or Euratom grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on this grant (**extension of findings from other grants to this grant**; see Article 17.5.2).

33.2.2 Procedure

Before suspending implementation of the action, the Commission will formally notify the coordinator or beneficiary concerned:

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

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

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

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

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

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

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

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

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

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

34.1 Termination of the Agreement by the beneficiaries

34.1.1 Conditions and procedure

The beneficiaries may terminate the Agreement.

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

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

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

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

34.1.2 Effects

The coordinator must — within 60 days from when termination takes effect — submit the final report (see Article 15.4).

If the Commission does not receive the report(s) within the deadline (see above), no costs will be taken into account.

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

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

After termination, the beneficiaries' obligations (in particular, Articles 15, 17, 18, 19, 21, 22, 24, 26, 27 and 28) continue to apply.

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

34.2.1 Conditions and procedure

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

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

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

The notification must include:

- the reasons why;

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

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

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

34.2.2 Effects

The beneficiary concerned must submit to the coordinator:

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

This information must be included by the coordinator in the final report (see Article 15.4).

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

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

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

After termination, the concerned beneficiary's obligations (in particular Articles 15, 17, 18, 19, 21, 22, 24, 26, 27 and 28) continue to apply.

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

34.3.1 Conditions

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

- (a) one or more beneficiaries do not accede to the Agreement (see Article 40);
- (b) a change to their legal, financial, technical, organisational or ownership situation is likely to

substantially affect or delay the implementation of the action or calls into question the decision to award the grant;

- (c) following termination of participation for one or more beneficiaries (see above), the necessary changes to the Agreement would call into question the decision awarding the grant or breach the principle of equal treatment of applicants (see Article 39);
- (d) implementation of the action is prevented by force majeure (see Article 35) or suspended by the coordinator (see Article 33.1) and either:
 - (i) resumption is impossible, or
 - (ii) the necessary changes to the Agreement would call into question the decision awarding the grant or breach the principle of equal treatment of applicants;
- (e) a beneficiary is declared bankrupt, being wound up, having its affairs administered by the courts, has entered into an arrangement with creditors, has suspended business activities, or is subject to any other similar proceedings or procedures under national law;
- (f) a beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has been found guilty of professional misconduct, proven by any means;
- (g) a beneficiary does not comply with the applicable national law on taxes and social security;
- (h) a beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has committed fraud, corruption, or is involved in a criminal organisation, money laundering or any other illegal activity;
- (i) a beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has committed:
 - (i) substantial errors, irregularities or fraud or
 - (ii) serious breach of obligations under the Agreement or during the award procedure (including improper implementation of the action, submission of false information, failure to provide required information, breach of ethical principles);
- (j) a beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has committed — in other EU or Euratom grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on this grant (**extension of findings from other grants to this grant**; see Article 17.5.2);
- (k) not applicable.

34.3.2 Procedure

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

- informing it of its intention to terminate and the reasons why and

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

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

The termination will **take effect**:

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

34.3.3 Effects

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

The coordinator must — within 60 days from when termination takes effect — submit a final report (see Article 15.4).

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

If the Commission does not receive the report(s) within the deadline (see above), no costs will be taken into account.

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

This does not affect the Commission's right to reduce the grant (see Article 27) or to impose administrative sanctions (Article 29).

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

After termination, the beneficiaries' obligations (in particular Articles 15, 17, 18, 19, 21, 22, 24, 26, 27 and 28) continue to apply.

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

The coordinator must — within 60 days from when termination takes effect — submit a request for amendment (see Article 39), with a proposal for reallocation of the tasks and estimated budget of the beneficiary concerned (see Annexes 1 and 2) and, if necessary, the addition of one or more new beneficiaries (see Article 40). If termination is notified after the period set out

in Article 3, no request for amendment must be submitted unless the beneficiary concerned is the coordinator. In this case the request for amendment must propose a new coordinator.

The beneficiary concerned must submit to the coordinator:

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

This information must be included by the coordinator in the final report (see Article 15.4).

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

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

After termination, the concerned beneficiary's obligations (in particular Articles 15, 17, 18, 19, 21, 22, 24, 26, 27 and 28) continue to apply.

SECTION 4 FORCE MAJEURE

ARTICLE 35 — FORCE MAJEURE

'Force majeure' means any situation or event that:

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

The following cannot be invoked as force majeure:

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

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

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

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

CHAPTER 7 FINAL PROVISIONS

ARTICLE 36 — COMMUNICATION BETWEEN THE PARTIES

36.1 Form and means of communication

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

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

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

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

Communications in the electronic exchange system must be made by persons authorised according to the Participant Portal terms & conditions. For naming the authorised persons, each beneficiary must have designated — before the signature of this Agreement — a ‘legal entity appointed representative (LEAR)’. The role and tasks of the LEAR are stipulated in his/her appointment letter (see Participant Portal terms & conditions).

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

36.2 Date of communication

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

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

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

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

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

36.3 Addresses for communication

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

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

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

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

European Commission
Directorate General Justice and Consumers
Programme and financial management (MO59 - 04/021)
B-1049 Brussels
BELGIUM

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

ARTICLE 37 — INTERPRETATION OF THE AGREEMENT

37.1 Precedence of the Terms and Conditions over the Annexes

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

Annex 2 takes precedence over Annex 1.

37.2 Privileges and immunities

Not applicable

ARTICLE 38 — CALCULATION OF PERIODS, DATES AND DEADLINES

In accordance with Regulation No 1182/71¹², periods expressed in days, months or years are calculated from the moment the triggering event occurs.

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

ARTICLE 39 — AMENDMENTS TO THE AGREEMENT

39.1 Conditions

¹² 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).

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

Amendments may be requested by any of the parties.

39.2 Procedure

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

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

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

The request for amendment must include:

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

The Commission may request additional information.

If the party receiving the request agrees, it must sign the amendment in the electronic exchange system within 45 days of receiving notification (or any additional information the Commission 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 agreed by the parties or, in the absence of such an agreement, on the date on which the amendment enters into force.

ARTICLE 40 — ACCESSION TO THE AGREEMENT

40.1 Accession of the beneficiaries mentioned in the Preamble

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

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

If a beneficiary does not accede to the Agreement within the above deadline, the coordinator must — within 30 days — request an amendment to make any changes necessary to ensure proper

implementation of the action. This does not affect the Commission's right to terminate the Agreement (see Article 34).

40.2 Addition of new beneficiaries

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

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

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

ARTICLE 41 — APPLICABLE LAW AND SETTLEMENT OF DISPUTES

41.1 Applicable law

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

41.2 Dispute settlement

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

If a dispute concerns administrative sanctions, offsetting or an enforceable decision under Article 299 TFEU (see Articles 28, 29 and 30), the beneficiaries must bring action before the General Court — or, on appeal, the Court of Justice of the European Union — under Article 263 TFEU.

ARTICLE 42 — ENTRY INTO FORCE OF THE AGREEMENT

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

SIGNATURES

For the coordinator

For the Commission



EUROPEAN COMMISSION
DIRECTORATE-GENERAL JUSTICE AND CONSUMERS
Programme and financial management

ANNEX 1 (part A)

REC Action Grant

NUMBER — 814775 — STAR II

Table of Contents

1.1. The project summary.....	3
1.2. The list of beneficiaries.....	4
1.3. Workplan Tables - Detailed implementation.....	5
1.3.1. WT1 List of work packages.....	5
1.3.2. WT2 List of deliverables.....	6
1.3.3. WT3 Work package descriptions.....	8
Work package 1.....	8
Work package 2.....	12
Work package 3.....	15
Work package 4.....	19
Work package 5.....	22
1.3.4. WT4 List of milestones.....	25
1.3.5. WT5 Critical Implementation risks and mitigation actions.....	28
1.3.6 WT6 Summary of project effort in person-months.....	30
1.3.7. WT7 Tentative schedule of project reviews.....	31

1.1. The project summary

Project Number ¹	814775	Project Acronym ²	STAR II
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One form per project

General information

Project title ³	Support small And medium enterprises on the data protection Reform II
Starting date ⁴	01/08/2018
Duration in months ⁵	24
Call (part) identifier ⁶	REC-RDAT-TRAI-AG-2017
Topic	REC-RDAT-TRAI-AG-2017 Restricted call for proposals: Ensure the highest level of protection of privacy and personal data
Fixed EC Keywords	
Free keywords	data protection, DPAs, SMEs, GDPR, awareness-raising, hotline, guidance, support

Abstract ⁷

There are pressing needs to (1) assist European Union (EU) data protection authorities (DPAs) in raising awareness among businesses, especially small and medium enterprises (SMEs), on the new EU legal framework for personal data protection, particularly the General Data Protection Regulation (GDPR), and (2) assist these SMEs in ensuring compliance therewith. The new law and its novelties create much confusion and uncertainty as to its practical application, magnified by its upcoming applicability (May 2018). Some 22 million European SMEs – the core of EU enterprise policy – not only face distinctive challenges from data protection law, but also – despite specific, often protective regulation – rarely can afford professional legal advice. Thus they merit special support from public authorities.

The STAR II project will directly address these needs and will: (1) review the state of the art in DPA awareness-raising activities, (2) analyse SMEs' experience within first months of the functioning of the GDPR, (3) run an awareness-raising campaign for SMEs and (4) a trial hotline (12 months) to respond to SMEs' questions, measuring its performance and the most frequently asked questions, and – on that basis – (5) prepare a digital guidance for DPAs on good practices in running a hotline and raising SME awareness, and (6) draft an innovative, FAQ-based handbook (digital and printed) for SMEs on EU personal data protection law. These results will be prepared in consultation with stakeholders (especially via validation workshops and the External Advisory Board) and widely disseminated. The outputs will be freely available, openly accessible and copyright-unrestricted, thus easily reusable and adaptable. STAR II is addressed to 40+ EU DPAs and millions of EU SMEs. It will deliver tangible and long-term results to SMEs, directly assisting them in compliance with the GDPR (by hotline and guidance material) and – indirectly – to DPAs, to assist in their awareness-raising mission.

1.2. List of Beneficiaries

 Associated with document Ref. Ares(2018)3608687 - 06/07/2018

Project Number ¹	814775	Project Acronym ²	STAR II
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List of Beneficiaries

No	Name	Short name	Country	Project entry month ⁸	Project exit month
1	NEMZETI ADATVÉDELMI ÉS INFORMÁCIÓSZABADSÁG HATÓSÁG	NAIH	Hungary	1	24
2	VRJE UNIVERSITEIT BRUSSEL	VUB	Belgium	1	24
3	TRILATERAL RESEARCH LIMITED	TRI IE	Ireland	1	24

1.3. Workplan Tables - Detailed implementation Associated with document Ref. Ares(2018)3608687 - 06/07/2018

1.3.1. WT1 List of work packages

WP Number ⁹	WP Title	Lead beneficiary ¹⁰	Person-months ¹¹	Start month ¹²	End month ¹³
WP1	Management and coordination of the project	1 - NAIH	8.00	1	24
WP2	State-of-the-art	3 - TRI IE	15.00	1	7
WP3	Hotline & awareness-raising campaign for SMEs	1 - NAIH	23.00	4	21
WP4	Guidance for DPAs & handbook for SMEs	2 - VUB	18.00	13	23
WP5	Dissemination and outreach	3 - TRI IE	8.00	1	24
Total			72.00		

1.3.2. WT2 list of deliverables

Deliverable Number¹⁴	Deliverable Title	WP number⁹	Lead beneficiary	Type¹⁵	Dissemination level¹⁶	Due Date (in months)¹⁷
D1.1	Kick-off meeting	WP1	1 - NAIH	Other	Confidential, only for members of the consortium (including the Commission Services)	1
D1.2	Progress report	WP1	1 - NAIH	Report	Confidential, only for members of the consortium (including the Commission Services)	13
D1.3	Coordination meetings	WP1	1 - NAIH	Report	Confidential, only for members of the consortium (including the Commission Services)	24
D1.4	Composition of Advisory Board	WP1	1 - NAIH	Other	Public	4
D1.5	Final, wrap-up meeting	WP1	1 - NAIH	Other	Public	23
D2.1	DPAs' efforts to raise awareness among SMEs	WP2	3 - TRI IE	Report	Public	6
D2.2	SMEs' experience with the GDPR	WP2	3 - TRI IE	Report	Public	6
D2.3	A report from the first Validation Workshop (Dublin)	WP2	3 - TRI IE	Report	Public	7
D3.1	Report on the awareness-raising campaign	WP3	1 - NAIH	Report	Public	10
D3.2	Report on the hotline	WP3	1 - NAIH	Report	Public	20
D3.3	Report on the statistics and efficiency of the hotline	WP3	3 - TRI IE	Report	Public	20
D3.4	Second validation workshop (Brussels)	WP3	1 - NAIH	Report	Public	21
D4.1	Draft versions of the guidance & handbook	WP4	2 - VUB	Report	Public	16
D4.2	Third validation workshop (Dublin)	WP4	2 - VUB	Report	Public	17

Deliverable Number¹⁴	Deliverable Title	WP number⁹	Lead beneficiary	Type¹⁵	Dissemination level¹⁶	Due Date (in months)¹⁷
D4.3	Finalised guidance & handbook in English and Hungarian	WP4	2 - VUB	Report	Public	22
D4.4	Launch event for the guidance & handbook (Budapest)	WP4	2 - VUB	Report	Public	23
D5.1	STAR II on-line communication tools (website, social media accounts)	WP5	2 - VUB	Websites, patents filling, etc.	Public	24
D5.2	Journal article	WP5	3 - TRI IE	Report	Public	24
D5.3	Press releases	WP5	2 - VUB	Report	Public	24
D5.4	Trade press articles	WP5	1 - NAIH	Report	Public	20
D5.5	Bi-monthly newsletter	WP5	1 - NAIH	Websites, patents filling, etc.	Public	24

1.3.3. WT3 Work package descriptions

Work package number ⁹	WP1	Lead beneficiary ¹⁰	1 - NAIH
Work package title	Management and coordination of the project		
Start month	1	End month	24

Objectives

The workpackage is intended for all activities related to the general management and coordination of the project (kick-off meetings, coordination, project monitoring and evaluation, financial management) and all the activities which are cross cutting and therefore difficult to assign just to one specific Workpackage. In such case, instead of splitting them across many Workpackages, please enter and describe them in Workpackage 1. For this reason, this Workpackage has a different layout, where you do not have to enter objectives and duration. Nevertheless, it will have its own deliverables and corresponding budget.

Description of work and role of partners

WP1 - Management and coordination of the project [Months: 1-24]
NAIH, VUB, TRI IE

1.1 - Launch of the action (kick-off meeting, Budapest) [M1]
 Within the first month of the project, the project coordinator will organise a kick-off meeting in Budapest. This meeting will bring together representatives of the applicant and two partners as well as a representative of the European Commission's Directorate-General for Justice and Consumers [DG JUST] (EC), the Project Officer (PO), to discuss in detail the actions to be undertaken within the project as well as to clarify the Commission's expectations and any administrative details.

1.2 - Project coordination [M1-M24]
 STAR II will be managed overall in accordance with standard project management and risk management best practices. The main tasks of NAIH as project coordinator include monitoring and supervising work progress, maintaining the project implementation plan, liaising with relevant contacts among the partners and the EC. It will be the point of contact with the EC.

In order to best monitor the work progress, the project coordinator will:

- a) identify important issues, prepare meeting agendas, organise logistics, moderate the meetings and perform the follow-up with lists of action items and meeting reports;
- b) manage and provide the project reporting on partners' progress and use of resources compared to the contract and agreed work plan;
- c) monitor and coordinate the review of deliverables;
- d) manage the resolution of any conflicts between partners in the unlikely instance they should arise.

The project coordinator will ensure an effective communication and flow of information between the partners. This is done by the means of regular – quarterly – meetings (via e.g. instant messengers, telephone conference calls, e-mails and face-to-face, should the need be, meetings amongst partners).

Upon the conclusion of each Work Package, the project coordinator will submit the deliverables to the EC via the Participant Portal (PP) and report on progress of the project (M13 and after the conclusion of the project). At the outset of each Work Package, the partners will consider whether any changes are desirable in the modalities of that Work Package within the context of the overall project, whether there are any new risks to the project and, if so, what should be done to contain those risks.

As mentioned above, progress meetings will be held every quarter to effectively follow and review the activities of the partners. As part of the launch event of the guidance and the handbook, an internal (wrap-up) meeting will be held in Budapest in the last quarter of the project (M23), where partners will discuss their final outputs and activities. The meeting will aim to ensure coherence between overall results of the project.

1.3 - Financial management [M1-M24]
 NAIH will be in charge of project's financial administration and managing diligently the project funding. Upon receiving funding from the EC, it will distribute it to partners in a timely fashion, under conditions spelled out in the Consortium Agreement (CA).

1.4 - External Advisory Board [M4-M24]

The coordinator will also be responsible for establishing an External Advisory Board (EAB). It will initiate the communication with potential members thereof, after the consortium compiles a list of suggested members. The members of the STAR II EAB – by reviewing the project’s work, offering advice on specific issues concerning its subject-matter and actively taking part in certain events, namely validation workshops – will contribute to the project’s development and will ensure high quality of its work. (Members of the EAB will not be remunerated for their work.)

Participation per Partner

Partner number and short name	WP1 effort
1 - NAIH	4.00
2 - VUB	2.00
3 - TRI IE	2.00
Total	8.00

List of deliverables

Deliverable Number ¹⁴	Deliverable Title	Lead beneficiary	Type ¹⁵	Dissemination level ¹⁶	Due Date (in months) ¹⁷
D1.1	Kick-off meeting	1 - NAIH	Other	Confidential, only for members of the consortium (including the Commission Services)	1
D1.2	Progress report	1 - NAIH	Report	Confidential, only for members of the consortium (including the Commission Services)	13
D1.3	Coordination meetings	1 - NAIH	Report	Confidential, only for members of the consortium (including the Commission Services)	24
D1.4	Composition of Advisory Board	1 - NAIH	Other	Public	4
D1.5	Final, wrap-up meeting	1 - NAIH	Other	Public	23

Description of deliverables

- 1.1 Kick-off meeting
- 1.2 Progress report
- 1.3 Coordination meetings
- 1.4 Composition of Advisory Board
- 1.5 Final, wrap-up meeting

D1.1 : Kick-off meeting [1]

Within the first month of the project, the project coordinator will organise a kick-off meeting in Budapest. This meeting will bring together representatives of the applicant and two partners as well as a representative of the European Commission’s Directorate-General for Justice and Consumers [DG JUST] (EC), the Project Officer (PO),

to discuss in detail the actions to be undertaken within the project as well as to clarify the Commission's expectations and any administrative details.

D1.2 : Progress report [13]

In order to best monitor the work progress, the project coordinator will manage and provide the project reporting on partners' progress and use of resources compared to the contract and agreed work plan.

D1.3 : Coordination meetings [24]

Coordination and progress meetings will be held every quarter to effectively follow and review the activities of the partners. The project coordinator will identify important issues to be addressed, prepare meeting agendas, organise logistics, moderate the meetings and perform the follow-up with lists of action items and prepare meeting reports. Such reports will be issued after coordination meetings foreseen in M3, M6, M12, M15, M18, M21, and M24. The final report will be produced in M24.

D1.4 : Composition of Advisory Board [4]

The coordinator will also be responsible for establishing an External Advisory Board (EAB). It will initiate the communication with potential members thereof, after the consortium compiles a list of suggested members. The members of the STAR II EAB – by reviewing the project's work, offering advice on specific issues concerning its subject-matter and actively taking part in certain events, namely validation workshops – will contribute to the project's development and will ensure high quality of its work. (Members of the EAB will not be remunerated for their work.)

D1.5 : Final, wrap-up meeting [23]

The meeting will be held during the last quarter of the project. A possibility to open this meeting to the public will be explored. The aim would be to present and further disseminate the materials as well as to further discuss with invited stakeholders (including the EAB) to ensure the use of the resources and results even after the end of the project.

Schedule of relevant Milestones

Milestone number ¹⁸	Milestone title	Lead beneficiary	Due Date (in months)	Means of verification
MS1	MS1 – Kick-off meeting	1 - NAIH	1	Within the first month of the project, the project coordinator will organise a kick-off meeting in Budapest. This meeting will bring together representatives of the applicant and two partners as well as a representative of the European Commission's Directorate-General for Justice and Consumers [DG JUST] (EC), the Project Officer (PO), to discuss in detail the actions to be undertaken within the project as well as to clarify the Commission's expectations and any administrative details.
MS2	External Advisory Board	1 - NAIH	4	The set up of an External Advisory Board (EAB). The project coordinator will initiate the communication with potential members thereof, after the consortium

Schedule of relevant Milestones

Milestone number¹⁸	Milestone title	Lead beneficiary	Due Date (in months)	Means of verification
				<p>compiles a list of suggested members. The members of the STAR II EAB – by reviewing the project’s work, offering advice on specific issues concerning its subject-matter and actively taking part in certain events, namely validation workshops – will contribute to the project’s development and will ensure high quality of its work.</p>

Work package number ⁹	WP2	Lead beneficiary ¹⁰	3 - TRI IE
Work package title	State-of-the-art		
Start month	1	End month	7

Objectives

Interact with EU DPAs and EU SMEs in order to capture their experience in the first months of the functioning of the GDPR, and to review the state-of-the-art in DPAs' awareness-raising. The consortium will be positioned with enough knowledge to establish an awareness-raising campaign and a trial hotline for SMEs, both to the needs of its key stakeholders. It will also have established relationships with those stakeholders and made them aware of the project's activities. It will therefore be able to identify gaps that the project's work must address.

Description of work and role of partners

WP2 - State-of-the-art [Months: 1-7]

TRI IE, NAIH, VUB

The PIAF, PHAEDRA I, PHAEDRA II and STAR consortia have established excellent contacts with all EU DPAs during the past five years of these projects' duration. NAIH, as the Hungarian DPA, is an active part of the network of EU DPAs. VUB-LSTS is frequently collaborating with SMEs and their umbrella organisations. Upon their consent, the STAR II consortium will take full advantage of these contacts. We will build on that recognition to learn the DPAs efforts to raise awareness among SMEs and SMEs' early experience with the GDPR. Because we are so well known to DPAs and maintain good contacts with SMEs, they are forthcoming with us and share their views willingly, which is an indispensable component for the development of relevant and useful training material. The interim results of the EU co-funded STAR project (1 Nov 2017 to 31 Oct 2019) will be taken into account wherever possible.

2.1 - DPAs' efforts to raise awareness among SMEs [M1-M6]

The purpose of the semi-structured interviews is to gather the views and experience of European DPAs on their efforts, best practices, gaps, problems, uncertainties, needs and wishes to raise awareness with regard to the data protection framework among SMEs, before and after the GDPR entered into force (with special attention to the utilisation of hotlines). Consortium partners will interview DPAs with regard to the challenges they face, their responses and the needs they have with regard to giving full effect to the EU data protection reform package. They will also be asked to confirm their interest in the scope of STAR II and to share their views, requirements and information with regard to the various awareness-raising and supporting tools planned in STAR II. Interviews will be also aimed at gathering DPA views and expectations concerning awareness-raising, examples of their good practice and measures they have already deployed to raise awareness. The interviews will also help to define the strategic approach of DPAs to raising awareness in light of the national context in which they operate. TRI will prepare an interview protocol "script" which will serve as the template for the interviews. It will consult with the other STAR II partners and support their conduct of the interviews, taking advantage of the linguistic diversity in the consortium where necessary. The interviews will comprise a set of questions aimed at eliciting information needed to feed into or provide the basis for future Work Packages and activities. From the interviews, the consortium expects to deepen and clarify the scope of awareness-raising and assistance required for implementation of the EU data protection reform package, as well as establish the state of the art in the field of awareness-raising amongst SMEs. As the result of this activity, the partners will develop a report describing good practices in raising awareness.

2.2 - SMEs' experience with the GDPR [M1-M6]

Similarly to Activity 2.1, the consortium will contact at least 50 geographically dispersed European SMEs and gather their views on the new regulatory framework via semi-structured interviews. The interviews will focus on SMEs' biggest concerns, their level of awareness, their impressions about the GDPR, level of engagement with external assistants (e.g. through trainings, DPO organisations, DPAs, etc.) and on the mapping of their needs. Contacting them will also help the consortium to assess their level of knowledge regarding data protection and their willingness to change that. Existing surveys (including industry and academic research) of how aware SMEs and the public are about the GDPR will be also identified and analysed.

2.3 - Validation workshop (W1; Dublin) [M7]

Once the information gathering processes and the interviews are concluded, the consortium will organise a workshop with the participation of representatives of DPAs and SMEs, with a view to their validation. The outcomes of the

workshop and the new experience will be used to prepare the content and details of the awareness-raising campaign and the hotline.

Participation per Partner

Partner number and short name	WP2 effort
1 - NAIH	4.50
2 - VUB	2.50
3 - TRI IE	8.00
Total	15.00

List of deliverables

Deliverable Number ¹⁴	Deliverable Title	Lead beneficiary	Type ¹⁵	Dissemination level ¹⁶	Due Date (in months) ¹⁷
D2.1	DPAs' efforts to raise awareness among SMEs	3 - TRI IE	Report	Public	6
D2.2	SMEs' experience with the GDPR	3 - TRI IE	Report	Public	6
D2.3	A report from the first Validation Workshop (Dublin)	3 - TRI IE	Report	Public	7

Description of deliverables

2.1 DPAs' efforts to raise awareness among SMEs

2.2 SMEs' experience with the GDPR

2.3 A report from the first Validation Workshop (Dublin)

D2.1 : DPAs' efforts to raise awareness among SMEs [6]

Project scope delineation and relevance, with regard to its intended recipients' experience and needs, will be warranted through initial interviews and continued dialog with DPAs and SMEs (if necessary). Project relevance also to be validated through the EAB.

D2.2 : SMEs' experience with the GDPR [6]

Project scope delineation and relevance, with regard to its intended recipients' experience and needs, will be warranted through initial interviews and continued dialog with DPAs and SMEs (if necessary). Project relevance also to be validated through the EAB.

D2.3 : A report from the first Validation Workshop (Dublin) [7]

Summary of the first workshop with the stakeholders which aims to validate the deliverables and materials produced under WP2.

Schedule of relevant Milestones

Milestone number ¹⁸	Milestone title	Lead beneficiary	Due Date (in months)	Means of verification
MS3	First validation workshop	3 - TRI IE	7	Once the information gathering processes

Schedule of relevant Milestones

Milestone number¹⁸	Milestone title	Lead beneficiary	Due Date (in months)	Means of verification
				and the interviews are concluded, the consortium will organise a workshop with the participation of representatives of DPAs and SMEs, with a view to their validation. The outcomes of the workshop and the new experience will be used to prepare the content and details of the awareness-raising campaign and the hotline.

Work package number ⁹	WP3	Lead beneficiary ¹⁰	1 - NAIH
Work package title	Hotline & awareness-raising campaign for SMEs		
Start month	4	End month	21

Objectives

Establish and operate an e-mail hotline for SMEs and explore the impact of a complementary one-month broadcasting awareness-raising campaign, targeting especially SMEs. The campaign established within the scope of this workpackage aims to reach out to SMEs to raise their awareness regarding the GDPR and that DPAs provide assistance. The trial hotline will build on this campaign and for 12 months it will respond to SMEs' questions and assist them in compliance with the GDPR. Partners will monitor the hotline's functioning and collect statistics and information on which questions SMEs most frequently asked. This knowledge will form a basis for a guidance for DPAs and a handbook for SMEs.

Description of work and role of partners

WP3 - Hotline & awareness-raising campaign for SMEs [Months: 4-21]

NAIH, VUB, TRI IE

3.1 - Establish the awareness-raising campaign [M4-M8]

Based on the information gathered in Activities 2.1 and 2.2, the partners will define the texts and scenarios of the proposed awareness-raising campaign via radio spots. Partners will explore the relevance of other platforms as well. The texts and scenarios will be first drafted in English and published online to be used by other DPAs as well; subsequently they will be translated into Hungarian. After the finalisation of the texts and scenarios, the radio spots will be recorded. The communication channels (radio), the length of the campaign (one month), the frequency of broadcasting (two plus one spots per day) are based on the experience gained in the ARCADES project. A one-month-long campaign with three spots per day seems to be necessary and at the same time enough to deliver the message for a significant number of people. Therefore, NAIH requested quotes from the Hungarian Media Service Support and Trust Fund (MTVA) on the expected costs of the recording and one-month-long broadcast. The awareness-raising campaign – with an estimated cost for the production of a spot of about 6 500 EUR and cost of running ca. 35 000 EUR – would target SMEs and it would concern the obligations of SMEs generated by the GDPR. The spot would be a short (max. one-minute-long) advertisement.

3.2 - Run the awareness-raising campaign [M8-M10]

The campaign will run in public media channels for approximately one month (preferably three times a day, once at prime-time). The radio spot will be broadcast in Petőfi Rádió – a countrywide public radio – which has the most listeners per day among the adult population in Hungary (1,882 million listeners – 22,9% (<https://www.radiosaleshouse.hu/news/Sajtkozlemeny.html>)). The spots will run primarily three times per day (twice between 06:00-18:00, as people often listen to radio at the workplace, and once between 18:00-23:00). To advertise the campaign itself, representatives of NAIH will attend in various morning shows and radio programmes as well. NAIH expects that the campaign will further raise the target group's awareness of the need to comply with the new data protection framework, encouraging them to take the necessary measures.

3.3 - Establish the trial hotline [M7-M8]

Based on the information gathered in Activities 2.1 and 2.2, the partners will identify best practices regarding hotlines (where they exist) and other practices aimed at raising awareness of SMEs about the GDPR. Physically, the trial hotline will be maintained at NAIH premises, who will provide the infrastructure (office, web interface, etc.) and the necessary workforce. As the hotline raises numerous issues, partners will create templates, policies, guidelines and a code of conduct to address the legal and ethical concerns; to define the timeframe, work hours, and deadlines; and to set the conditions of assistance (incl. liability issues); the platforms of communication (primarily e-mail; availability of other means will be further explored); and to gather feedback from the SMEs via satisfaction surveys. The consortium expects to adjust the main legal and ethical principles for the functioning of legal clinics at universities to the reality and needs of the STAR II trial hotline.

3.4 - Operate the hotline [M9-M20]

After the conclusion of Activities 3.2 and 3.3, a trial hotline will be deployed and run for a consecutive 12 months. This period will be sufficient to interact with SMEs, assist them to ensure compliance with the GDPR and gather valuable information about the difficulties they face. The hotline will be run primarily in English and Hungarian, but consortium members will assist NAIH in answering questions in other languages as well, should the need be.

3.5 - Conduct a statistical analysis of the questions raised by SMEs [M9-M20]

The functioning of the hotline, the issues faced and questions answered will be continuously monitored by TRI and VUB (qualitatively and quantitatively). The former process will focus on the demand for and effectiveness of the hotline service and resource, with special attention to the structural performance (as a validation of Activity 3.3), to the content of the work (cases, nature of questions, difficulty of problems, etc.) and the satisfactoriness of the outcomes, measured via surveys. The latter, quantitative monitoring will comprise a statistical analysis of the questions asked by SMEs (the issues most frequently raised by SMEs, level of difficulty, number of issues, number of questions received and responded to, used languages, etc.). Based on the statistical analysis, the functioning of the hotline will be periodically refined and adjusted to the needs.

3.6 - Validation workshop (W2; Brussels) [M21]

Once the awareness-raising campaign and the operation of the hotline have been concluded, the consortium will organise a workshop with the participation of the representatives of DPAs and SMEs, with a view to their validation. The outcomes of the workshop and the experience from awareness-raising campaign and the still running hotline will be used to prepare the guidance for DPAs and the handbook for SMEs.

Participation per Partner

Partner number and short name	WP3 effort
1 - NAIH	9.00
2 - VUB	6.50
3 - TRI IE	7.50
Total	23.00

List of deliverables

Deliverable Number ¹⁴	Deliverable Title	Lead beneficiary	Type ¹⁵	Dissemination level ¹⁶	Due Date (in months) ¹⁷
D3.1	Report on the awareness-raising campaign	1 - NAIH	Report	Public	10
D3.2	Report on the hotline	1 - NAIH	Report	Public	20
D3.3	Report on the statistics and efficiency of the hotline	3 - TRI IE	Report	Public	20
D3.4	Second validation workshop (Brussels)	1 - NAIH	Report	Public	21

Description of deliverables

3.1 Report on the awareness-raising campaign

3.2 Report on the hotline

3.3 Report on the statistics and efficiency of the hotline

3.4 Second validation workshop (Brussels)

D3.1 : Report on the awareness-raising campaign [10]

Summary of the establishment and broadcast of materials, texts, furthermore public appearances, events and available statistics, with special attention to the reached audience.

D3.2 : Report on the hotline [20]

Summary of the establishment and running of the hotline, including the infrastructure, policies, internal guidelines, difficulties and lessons learned during the operation.

D3.3 : Report on the statistics and efficiency of the hotline [20]

Report based on a statistical analysis of the most frequently asked questions including the number and nature of issues, frequency of contacts, response time, effects of awareness-raising campaigns and public appearances, etc.

D3.4 : Second validation workshop (Brussels) [21]

Summary of the second workshop with the stakeholders which aims to validate the deliverables and materials produced under WP3.

Schedule of relevant Milestones

Milestone number ¹⁸	Milestone title	Lead beneficiary	Due Date (in months)	Means of verification
MS4	Launch of the awareness-raising campaign	1 - NAIH	7	Based on the information gathered in Activities 2.1 and 2.2, the partners will define the texts and scenarios of the proposed awareness-raising campaign via radio spots. The campaign will run in public media channels for approximately one month (preferably three times a day, once at prime-time).
MS5	Launch of the hotline for SMEs	1 - NAIH	7	Based on the information gathered in Activities 2.1 and 2.2, the partners will identify best practices regarding hotlines (where they exist) and other practices aimed at raising awareness of SMEs about the GDPR. Physically, the trial hotline will be maintained at NAIH premises, who will provide the infrastructure (office, web interface, etc.) and the necessary workforce. As the hotline raises numerous issues, partners will create templates, policies, guidelines and a code of conduct to address the legal and ethical concerns; to define the timeframe, work hours, and deadlines; and to set the conditions of assistance (incl. liability issues); the platforms of communication (primarily e-mail; availability of other means will be further explored); and to gather feedback from the SMEs via satisfaction surveys. The consortium expects to adjust the main legal and ethical

Schedule of relevant Milestones

Milestone number¹⁸	Milestone title	Lead beneficiary	Due Date (in months)	Means of verification
				principles for the functioning of legal clinics at universities to the reality and needs of the STAR II trial hotline.

Work package number ⁹	WP4	Lead beneficiary ¹⁰	2 - VUB
Work package title	Guidance for DPAs & handbook for SMEs		
Start month	13	End month	23

Objectives

Develop, test and validate a digital guidance for DPAs on good practices for raising the awareness of SMEs about the GDPR, and a printed and digital handbook for SMEs on EU data protection law based on the most frequently asked questions by SMEs. Based on validation workshops and other inputs, the consortium will refine these outputs, in response to end-user feedback, and will ensure that they are fit for purpose and provide added value in raising awareness.

Description of work and role of partners

WP4 - Guidance for DPAs & handbook for SMEs [Months: 13-23]

VUB, NAIH, TRI IE

4.1 - Draft versions of the guidance & handbook [M13-M16]

Based on the knowledge gained through the project's main activities (most notably, the information gathering process, the awareness-raising campaign and the running of the trial hotline) and the interaction with DPAs and SMEs throughout the project (via interviews, surveys, validation workshops, etc.), the consortium will produce two main documents:

- A guidance for DPAs on good practices in raising awareness, especially of SMEs about GDPR issues. One of those good practices will be the operation of a hotline for SMEs, with guidance on how to set up and run a hotline (with special attention to the required infrastructure, resources required, engaged personnel, internal policies, legal implications and ethical considerations).
- An innovative handbook for SMEs on EU data protection law based on the questions SMEs most frequently asked the hotline and the responses given. The responses to be given will help explain to SMEs the basics of data protection law and the GDPR, through illustrations, practical examples, templates and contacts for better understanding and easy utilisation. This handbook will accustom SMEs to the GDPR, and help them ensure that they are GDPR compliant. The handbook will predominantly reflect and build on the issues raised in Activity 3.4. The handbook will also be valuable for DPAs too as it will help them understand which issues are particularly concerning SMEs and where they might wish to be put the emphasis in their own awareness raising activities.

4.2 - Validation workshop (W3; Dublin) [M17]

Once the guidance and the handbook have been developed in Activity 4.1, a workshop will be organised with the participation of the representatives of DPAs and SMEs. The outcomes of the workshop and the new experience from the still running hotline, will be used to finalise the two documents.

4.3 - Final versions of the guidance & handbook [M17-M22]

Based on the outcomes of the validation workshop and the hotline, the guidance and the handbook will be refined and finalised. It will be written in English and then translated to Hungarian. Subsequently, the guidance for DPAs will be published online and made available to EU DPAs under a copyright-unrestricted licence, making it possible to adapt and translate, should the need be. The handbook for SMEs will be printed in 5000 copies and distributed among partners, involved DPAs and SMEs and further stakeholders. The handbook will also be published online.

4.4 - Launch event for the guidance & handbook (W4; Budapest) [M23]

As a further awareness-raising activity, at the end of the project, the two developed documents will be introduced and promoted in an open event.

Participation per Partner

Partner number and short name	WP4 effort
1 - NAIH	4.00
2 - VUB	10.00
3 - TRI IE	4.00
Total	18.00

List of deliverables

Deliverable Number¹⁴	Deliverable Title	Lead beneficiary	Type¹⁵	Dissemination level¹⁶	Due Date (in months)¹⁷
D4.1	Draft versions of the guidance & handbook	2 - VUB	Report	Public	16
D4.2	Third validation workshop (Dublin)	2 - VUB	Report	Public	17
D4.3	Finalised guidance & handbook in English and Hungarian	2 - VUB	Report	Public	22
D4.4	Launch event for the guidance & handbook (Budapest)	2 - VUB	Report	Public	23

Description of deliverables

4.1 Draft versions of the guidance & handbook
 4.2 Third validation workshop (Dublin)
 4.3 Finalised guidance & handbook in both English and Hungarian
 4.4 Launch event for the guidance & handbook (Budapest)

D4.1 : Draft versions of the guidance & handbook [16]
 The guidance for DPAs on good practices in raising the awareness by DPAs (based on the survey and individual interviews with DPAs) and the handbook for SMEs on EU data protection law.

D4.2 : Third validation workshop (Dublin) [17]
 Summary of the third workshop with the stakeholders which aims to validate the deliverables produced under WP4.

D4.3 : Finalised guidance & handbook in English and Hungarian [22]
 Finalised versions of guidance and the handbook. The guidance will have only a digital version, but the handbook will be printed in ca. 5000 copies both in English and Hungarian (latter to be translated by NAIH) and subsequently distributed (cf. Activity 5.3).

D4.4 : Launch event for the guidance & handbook (Budapest) [23]
 Summary of the launch event of the guidance and the handbook.

Schedule of relevant Milestones

Milestone number¹⁸	Milestone title	Lead beneficiary	Due Date (in months)	Means of verification
MS6	Validation of the draft guidance & handbook	2 - VUB	17	Once the guidance and the handbook have been developed in Activity 4.1, a workshop will be organised with the participation of the representatives of DPAs and SMEs. The outcomes of the workshop and the new experience from the still running hotline, will be used to finalise the two documents.

Schedule of relevant Milestones

Milestone number¹⁸	Milestone title	Lead beneficiary	Due Date (in months)	Means of verification
MS7	Printed handbook and digital guidance	2 - VUB	24	Based on the outcomes of the validation workshop and the hotline, the guidance and the handbook will be refined and finalised. It will be written in English and then translated to Hungarian. Subsequently, the guidance for DPAs will be published online and made available to EU DPAs under a copyright-unrestricted licence, making it possible to adapt and translate, should the need be. The handbook for SMEs will be printed in 5000 copies and distributed among partners, involved DPAs and SMEs and further stakeholders. The handbook will also be published online.

Work package number ⁹	WP5	Lead beneficiary ¹⁰	3 - TRI IE
Work package title	Dissemination and outreach		
Start month	1	End month	24

Objectives

Create awareness, encourage uptake and use of the guidance and handbook developed under the STAR II project through dissemination, communication, outreach and awareness-raising methods.

Description of work and role of partners

WP5 - Dissemination and outreach [Months: 1-24]
TRI IE, NAIH, VUB

5.1 - Create and keep up to date the project communication tools [M1-M24]

5.1.1 - Create and expand the project’s website [M1-24]
 The consortium will continue using the existing website of the STAR project (<http://www.project-star.eu>), subject to necessary amendments, e.g. a clear separation of materials for different audiences.
 The website will be used as a focal point of reference for STAR II project purposes, with special attention to information about and access to the hotline. Updates and project activities, its progress as well as information about the consortium, will be included in the website. In addition, the existing STAR communication tools (social media accounts) will be used in STAR II too. The website will also include a news section for regular updates about the project, including key events and releases. Eventually, on this website, the final version of the guidance and the handbook as well as other relevant resources will be made publicly available for free under an appropriate open access licence.

5.1.2 - Maintain the project’s communication tools (social media accounts) [M1-M24]
 Social media accounts from the STAR project will be retained for STAR II at all platforms deemed necessary and adjusted accordingly; based upon previous experience, LinkedIn, Twitter (@projectSTAR_eu) and Research Gate (<https://www.researchgate.net/project/Support-Training-Activities-on-the-data-protection-Reform-STAR>) are the prime targets. New channels will be sought should the need be. They will be updated and regularly maintained in order to increase visibility, report findings and project developments, create awareness of downloadable material (wherever applicable) and achieve maximum dissemination of project results.

5.1.3 - Bi-monthly newsletter [M7-M24]
 As an additional outreach to SMEs, the consortium will create a two-to-four-page-long newsletter targeted to maintain or further increase SMEs awareness. The newsletter will feature e.g. FAQs from the hotline (anonymised), blurbs about e.g. fines and penalties levied by DPAs, against whom and why; selected questions and cases in connection with the running of the hotline. The newsletter will be sent out to the project’s media contact list on a bi-monthly basis. The aim of the newsletter is to stimulate the interest of journalists and SMEs in the GDPR and in getting journalists to write stories for SMEs in connection with the GDPR. The lessons learned and experience gained from the hotline will be shared with other DPAs so that they can judge the utility of this means of raising awareness.

5.2 - Journal articles and trade press articles [M21-M24]
 The partners will prepare at least one article for a peer-reviewed journal, regarding some of the issues addressed in the STAR II project, particularly those judged to be of greatest concern to SMEs as well as good DPA practices in raising the awareness of a vital part of economy and society, i.e. SMEs. If suitable, the partners will seek to publish in journal(s) that have open access arrangements. Potential journals that could be targeted include International Data Privacy Law (Oxford University Press), Computer Law & Security Review (Elsevier), International Journal of Training and Development (Wiley), International Journal of Public Sector Management (Emerald) and the Journal of Small Business and Enterprise Development (Emerald). The partners will also provide articles on the project and the project’s developed training materials for the privacy and data protection (and broader IT law) trade press, for example, Privacy Law and Business and The Register.

5.3 - Distribution of the guidance and handbook among EU DPAs, SMEs and other stakeholders [M22-M24]
 In addition to open-ended communication with all interested parties in the STAR II project, direct communications will be undertaken after finalisation of the guidance and the handbook. These communications will alert recipients on the availability of such materials, will provide instructions on their recommended use, as well as provide methods of accessing them (download links or other, as appropriate). A method for efficient distribution of printed copies of the handbook will be developed, e.g. via participation in third-party events.

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Participation per Partner

Partner number and short name	WP5 effort
1 - NAIH	2.50
2 - VUB	3.00
3 - TRI IE	2.50
Total	8.00

List of deliverables

Deliverable Number ¹⁴	Deliverable Title	Lead beneficiary	Type ¹⁵	Dissemination level ¹⁶	Due Date (in months) ¹⁷
D5.1	STAR II on-line communication tools (website, social media accounts)	2 - VUB	Websites, patents filling, etc.	Public	24
D5.2	Journal article	3 - TRI IE	Report	Public	24
D5.3	Press releases	2 - VUB	Report	Public	24
D5.4	Trade press articles	1 - NAIH	Report	Public	20
D5.5	Bi-monthly newsletter	1 - NAIH	Websites, patents filling, etc.	Public	24

Description of deliverables

5.1 STAR II on-line communication tools (website, social media accounts)
 5.2 Journal article
 5.3 Press releases in English and Hungarian
 5.4 Trade press articles in English and Hungarian

D5.1 : STAR II on-line communication tools (website, social media accounts) [24]
 Contemporary website – including landing page, introduction to the project, contact details, social media links, deliverables and publications, links to other DPAs and SME organisations. Content is going to be provided in English. LinkedIn, Twitter and Research Gate accounts for STAR will continue to be used in STAR II; they will be updated across the lifespan of the project with announcements, key events, available material.

D5.2 : Journal article [24]
 The article will be published in a peer-reviewed academic journal in English. The article will address some of the issues of the STAR II project, particularly those judged to be of greatest concern to SMEs as well as good DPA practices in raising the awareness of a vital part of economy and society, i.e. SMEs. If suitable, the partners will seek to publish in journal(s) that have open access arrangements. Potential journals that could be targeted include International Data Privacy Law (Oxford University Press), Computer Law & Security Review (Elsevier), International Journal of Training and Development (Wiley), International Journal of Public Sector Management (Emerald) and the Journal of Small Business and Enterprise Development (Emerald). The partners will also provide articles on the project and the project's developed training materials for the privacy and data protection (and broader IT law) trade press, for example, Privacy Law and Business and The Register.

D5.3 : Press releases [24]

Three press releases in English will be distributed to relevant trade press: at project launch, when draft handbook is available, and when final versions are available.

D5.4 : Trade press articles [20]

Two trade press articles (at least one in English, one in Hungarian) will be prepared. The first trade press article will be prepared at launch of the project and the second one in the dissemination phase.

D5.5 : Bi-monthly newsletter [24]

Two-to-four-page-long newsletter that will be sent out to the project’s media contact list on a bi-monthly basis.

Schedule of relevant Milestones

Milestone number¹⁸	Milestone title	Lead beneficiary	Due Date (in months)	Means of verification
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1.3.4. WT4 List of milestones

Milestone number ¹⁸	Milestone title	WP number ⁹	Lead beneficiary	Due Date (in months) ¹⁷	Means of verification
MS1	MS1 – Kick-off meeting	WP1	1 - NAIH	1	Within the first month of the project, the project coordinator will organise a kick-off meeting in Budapest. This meeting will bring together representatives of the applicant and two partners as well as a representative of the European Commission's Directorate-General for Justice and Consumers [DG JUST] (EC), the Project Officer (PO), to discuss in detail the actions to be undertaken within the project as well as to clarify the Commission's expectations and any administrative details.
MS2	External Advisory Board	WP1	1 - NAIH	4	The set up of an External Advisory Board (EAB). The project coordinator will initiate the communication with potential members thereof, after the consortium compiles a list of suggested members. The members of the STAR II EAB – by reviewing the project's work, offering advice on specific issues concerning its subject-matter and actively taking part in certain events, namely validation workshops – will contribute to the project's development and will ensure high quality of its work.
MS3	First validation workshop	WP2	3 - TRI IE	7	Once the information gathering processes and the interviews are concluded, the consortium will organise a workshop with the participation of representatives of DPAs and SMEs, with a view to their validation. The outcomes of the workshop and the new experience will be used to prepare the content and details of the awareness-

Milestone number ¹⁸	Milestone title	WP number ⁹	Lead beneficiary	Due Date (in months) ¹⁷	Means of verification
					raising campaign and the hotline.
MS4	Launch of the awareness-raising campaign	WP3	1 - NAIH	7	Based on the information gathered in Activities 2.1 and 2.2, the partners will define the texts and scenarios of the proposed awareness-raising campaign via radio spots. The campaign will run in public media channels for approximately one month (preferably three times a day, once at prime-time).
MS5	Launch of the hotline for SMEs	WP3	1 - NAIH	7	Based on the information gathered in Activities 2.1 and 2.2, the partners will identify best practices regarding hotlines (where they exist) and other practices aimed at raising awareness of SMEs about the GDPR. Physically, the trial hotline will be maintained at NAIH premises, who will provide the infrastructure (office, web interface, etc.) and the necessary workforce. As the hotline raises numerous issues, partners will create templates, policies, guidelines and a code of conduct to address the legal and ethical concerns; to define the timeframe, work hours, and deadlines; and to set the conditions of assistance (incl. liability issues); the platforms of communication (primarily e-mail; availability of other means will be further explored); and to gather feedback from the SMEs via satisfaction surveys. The consortium expects to adjust the main legal and ethical principles for the functioning of legal clinics at universities to the reality and needs of the STAR II trial hotline.
MS6	Validation of the draft guidance & handbook	WP4	2 - VUB	17	Once the guidance and the handbook have been developed in Activity 4.1, a workshop will be organised

Milestone number ¹⁸	Milestone title	WP number ⁹	Lead beneficiary	Due Date (in months) ¹⁷	Means of verification
					with the participation of the representatives of DPAs and SMEs. The outcomes of the workshop and the new experience from the still running hotline, will be used to finalise the two documents.
MS7	Printed handbook and digital guidance	WP4	2 - VUB	24	Based on the outcomes of the validation workshop and the hotline, the guidance and the handbook will be refined and finalised. It will be written in English and then translated to Hungarian. Subsequently, the guidance for DPAs will be published online and made available to EU DPAs under a copyright-unrestricted licence, making it possible to adapt and translate, should the need be. The handbook for SMEs will be printed in 5000 copies and distributed among partners, involved DPAs and SMEs and further stakeholders. The handbook will also be published online.

1.3.5. WT5 Critical Implementation risks and mitigation actions

Risk number	Description of risk	WP Number	Proposed risk-mitigation measures
1	The STAR II project competes for the scarce resources of the partners. The co-ordination of the project falls precipitously. Low – Medium.	WP1	The partners have already agreed how they will meet the person-months' requirement, usually by recruiting additional staff. The partners view STAR II as a particularly strategic project and thus are committed to its efficient execution.
2	One or more partners is not contributing the quality of work expected. Low.	WP1	The co-ordinator will have a frank conversation with the partner to find a workable, satisfactory solution. If there is no solution, the co-ordinator, with the support of the other partners, may ask the EC to agree to the delinquent partner's withdrawal from the consortium.
3	Incomplete list of stakeholders to interview. Insufficient material to carry out desktop research. Low – Medium.	WP2	The consortium has already well-established contacts with DPAs. It moreover comprises a DPA with an excellent international network. The consortium will reach to SMEs either directly, either via their umbrella organisations. Efforts will be repeated if the number of contacts remains insufficient.
4	Some DPAs and SMEs do not respond to the questionnaire and request for interviews – or take a long time to do so. Medium.	WP2	The partners have very good contacts with the EU DPAs and with several SMEs umbrella organisations, whom we can encourage to provide us with the requested data in as timely fashion as possible.
5	Delay in completing the WP2 deliverables. Progress in STAR II depends on these reports. Low – Medium.	WP2	If there is a risk the report is delayed, the partners will add additional resources.
6	The hotline does not receive enough questions from SMEs. Low – Medium.	WP3	The partners will redouble their efforts in promoting the hotline, especially to SME organisations and their members.
7	The experts are overwhelmed by questions in the hotline. Medium.	WP3	If it becomes apparent that two persons responding to e-mails are not enough, the partners will bring forward the recruitment of a third person at NAIH to support the helpline.
8	Technical failure of the hotline. Low.	WP3	Utmost efforts will be made to ensure smooth functioning of the hotline and secure backup of the data. The technology used to run hotline (i.e. e-mail) is simple and reliable.
9	The awareness raising campaign fails. Medium.	WP3	The partners will continue an informal awareness-raising campaign via the project's social media. Other means would be further explored, if necessary.
10	There are delays in the production of the guidance and handbook. Low – Medium.	WP4	The partners will monitor closely the production of both documents and will increase their efforts to ensure their timely production, should the need be.

Risk number	Description of risk	WP Number	Proposed risk-mitigation measures
11	There is a lack of consensus at the validation workshop. Low – Medium.	WP4	If consensus is impossible, the partners will note the diverging viewpoints and reflect them, with comments, in the handbook and guidance.
12	There are few attendees at the final launch event in Budapest. Low.	WP4	If the registration to the event is insufficient in numbers, the partners will renew their invitations and/or consider live transmission for the interested parties.
13	STAR II communication tools fail. Medium.	WP5	The partners will be continuously widely advertising the project’s website, social media accounts and newsletter. The structure and functioning of these channels will be re-adjusted should the need be.
14	A lack of interest in the STAR II handbook and manual. Medium.	WP5	The consortium will be preparing these in constant communication with stakeholders. Stakeholders will be communicated about the novelty of these materials and their usefulness. Some advertising campaign will be run on social media.

1.3.6. WT6 Summary of project effort in person-months

	WP1	WP2	WP3	WP4	WP5	Total Person/Months per Participant
1 - NAIH	4	4.50	9	4	2.50	24
2 - VUB	2	2.50	6.50	10	3	24
3 - TRI IE	2	8	7.50	4	2.50	24
Total Person/Months	8	15	23	18	8	72

1.3.7. WT7 Tentative schedule of project reviews

Review number ¹⁹	Tentative timing	Planned venue of review	Comments, if any
RV1	24		An in-depth review may be organised in the framework of the assessment of the final narrative and financial report

1. Project number

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

2. Project acronym

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

3. Project title

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

4. Starting date

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

5. Duration

Insert the duration of the project in full months.

6. Call (part) identifier

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

7. Abstract

8. Project Entry Month

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

9. Work Package number

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

10. Lead beneficiary

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

11. Person-months per work package

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

12. Start month

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

13. End month

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

14. Deliverable number

Deliverable numbers: D1 - Dn

15. Type

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

- R Document, report
- DEM Demonstrator, pilot, prototype
- DEC Websites, patent filings, videos, etc.
- OTHER
- ETHICS Ethics requirement
- ORDP Open Research Data Pilot

16. Dissemination level

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

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

17. Delivery date for Deliverable

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

18. Milestone number

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

19. Review number

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

20. Installation Number

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

21. Installation country

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

22. Type of access

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

23. Access costs

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

Part B

Contents

1. Definition of the problem, needs assessment and objectives of the project.....	2
2. Relevance and justification.....	3
3. Expected results	4
4. European added value	5
5. Methodology	5
6. Timeline by work package.....	6
7. The partnership and the core project team	7
8. Subcontracting	8
9. Monitoring of the project implementation; risks and measures to mitigate them.....	8
10. Evaluation of the project activities, deliverables and results	8
11. Dissemination strategy and communication tools	9
12. Sustainability and long-term impact of the project results	11
13. Ethical issues related to the project.....	12
14. Mainstreaming	12
15. Description of child protection policy	13
16. English translation of the abstract	14

1. Definition of the problem, needs assessment and objectives of the project

What are the problems and/or the current situation? Which are the needs that the project aims to address?

In relation to these problems and needs, what are the major objectives that the project should attain? Who are the target group(s) of your activities and why were they chosen?

Note:

You are expected to provide here a needs assessment for your proposed activities. Such needs assessment should include relevant and reliable data and should contain a robust analysis clearly demonstrating the need for the action. The applicant can refer to existing research, studies, previous projects which had already identified the need. The needs assessment must make it clear to what extent the action will meet the need and this shall be quantified. You are requested to be specific and focus on the actual needs that your project will aim to address and not limit the analysis to general statements and information about the problems and needs of the target group in general.

There are two primary beneficiary groups for the STAR II project: (1) small and medium enterprises (SMEs) in the EU – according to the latest estimations, around 22 million [1] [2] – who will be affected by the upcoming changes of the EU regulatory framework on personal data protection, and (2) EU data protection authorities (DPAs) (both at a national level and – where appropriate – regional or sub-federal-level DPAs in EU Member States as well as the European Data Protection Supervisor [EDPS] and the European Data Protection Board [EDPB], altogether around 40+ organisations) – who need to supervise and assist these SMEs, among others, in the practical application of the GDPR; these DPAs are themselves subjected to the new regulatory environment [3]. STAR II has a secondary audience in privacy and data protection regulators and professionals inside and outside of the EU. Its outputs can be easily adapted and reusable in the European Economic Area (EEA), Switzerland and – perhaps with a bit more effort – anywhere else in the world. In other words, the STAR II project is targeted to the EU, i.e. SMEs and DPAs therein, and focuses solely on the key part of EU data protection law, namely the General Data Protection Regulation (GDPR).

The EU data protection reform, largely comprised of the GDPR [4], was only concluded in April 2016. The GDPR will become applicable across the EU on 25 May 2018. This has left a short period of time for SMEs to adapt to the new regulatory environment [5]. There is a lot of uncertainty around the new law. The novelties it brings to the fore, such as specific provisions concerning SMEs [e.g. recitals 13, 132; Art 30(5)], data protection by design (Art 25) and data protection impact assessment (DPIA; Art 35), only add to this complication. SMEs often need external assistance to understand the gravity of the new Regulation; they need guidance on how to follow their respective Member State national legislation giving full effect to the GDPR; they need to adapt their routine practices; they need to acquire information, solve new or hitherto unnoticed issues and follow trainings on the new legislation; they often need to create and execute an action plan to apply the new framework. In addition, a considerable number of SMEs will need to appoint a data protection officer (DPO), who should immediately become the locus of knowledge and expertise on the GDPR and assist them in the implementation of the new regulatory framework requirements.

The objective of achieving a high level of protection of personal data in the EU, especially through the uniform application of the GDPR, will depend in part upon its unvarying understanding and application, yet adjusted to local conditions. However, as these activities evoke significant expenses, not every SME has enough resources to spend, e.g. on professional legal advice. Therefore, as they are a focal point of the EU enterprise policy (e.g. A ‘Small Business Act’ for Europe, 2008 [6]), they merit special attention and adequate support from the public authorities, including DPAs. Furthermore, the European Commission (EC) has recently (January 2018) observed the vulnerability of SMEs with regard to the GDPR. It stated in its press release, *inter alia*, that “[t]here is in particular a need to step up awareness and accompany compliance efforts for SMEs” [7].

DPAs are normally tasked with a range of activities, of which perhaps supervision is *primus inter pares*. Among these, the public awareness-raising activities of DPAs are not a novelty. DPAs have engaged in these since their inception in 1970s and these activities have taken multiple shapes [8]. DPAs continuously need to adapt their awareness-raising activities to the needs and social and technological progress. Yet, similarly to SMEs, DPAs often have not enough resources, knowledge and know-how to engage in these public awareness-raising activities. Thus, these authorities merit special support from the EU and its Member States.

Recently, the GDPR explicitly made to “promote public awareness” one of DPA’s tasks [cf. Art 57(1), Art 70].

Nevertheless, recent research by consortium members, within the ARCADES project (2014-15) – preoccupied with these efforts with regard to children and minors – demonstrated a growing interest amongst all EU DPAs in being assisted in that regard [9]. Furthermore, the currently ongoing STAR project (2017-19) targets compliance with the GDPR and

related instruments through developing training materials for DPAs, DPOs and other officials touching upon personal data protection law in their daily practice. Already in its early months, the STAR project demonstrated fast growing interest in assistance [10].

It is therefore necessary and desired to expand the scope of this ‘popularisation of data protection knowledge’ activities to other groups of stakeholders. The STAR II project will build on and expand the on-going STAR project, yet it will target a different group of stakeholders, namely SMEs, who are structurally different, encounter different problems with GDPR compliance and have different needs (e.g. information-intensive SMEs driving their revenue from online advertising; start-ups, etc.) [11]. Furthermore, in many instances, they fall into the scope of specific, often protective, legal frameworks.

Consistent with the foregoing, the STAR II project will have four main outputs:

- (1) a trial hotline for SMEs,
- (2) a trial awareness-raising campaign for SMEs,
- (3) a digital guidance for DPAs on good awareness-raising practices, including the operation of a hotline for SMEs and an awareness-raising campaign for SMEs, and
- (4) an innovative handbook for SMEs on EU data protection law (both digital and printed), especially based on the most frequently asked questions and responses.

[1] Cf. http://ec.europa.eu/eurostat/statistics-explained/index.php/Statistics_on_small_and_medium-sized_enterprises.

[2] Cf. Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises, OJ L 124, 20.05.2003, pp. 36–41; <http://data.europa.eu/eli/reco/2003/361/oj>.

[3] Regulation 2016/679, OJ L 119, 04.05.2016, pp. 1–88; <http://data.europa.eu/eli/reg/2016/679/oj>.

[4] Ashford Warwick, Most UK small businesses in the dark over GDPR”, *ComputerWeekly.com*, 07.11.2017; <http://www.computerweekly.com/news/450429625/Most-UK-small-businesses-in-the-dark-over-GDPR>.

[5] A “*Small Business Act*” for Europe, COM(2008) 394 final.

[6] EC, *Commission publishes guidance on upcoming new data protection rules*, press release, Brussels, 24.01.2018, IP/18/386.

[7] On the role of DPAs, cf. e.g. Colin Bennett & Charles Raab, *The governance of privacy: policy instruments in global perspective*, Ashgate Publishing 2003.

[8] Gloria González Fuster, Dariusz Kloza & Paul De Hert, “The many faces of privacy Education in European schools”, in: González Fuster, G. & Kloza, D. (eds.), *The European Handbook for Teaching Privacy and Data Protection at Schools*, Intersentia, Cambridge 2016; http://arcades-project.eu/images/pdf/arcades_teaching_handbook_final_EN.pdf.

[9] Cf. <http://www.project-star.eu>.

[10] Alexander Dix, Gregor Thüsing, Johannes Traut *et al.*, “EU Data Protection Reform: Opportunities and Concerns”, *Intereconomics*, Vol. 48(5), 2013; <https://archive.intereconomics.eu/year/2013/5/eu-data-protection-reform-opportunities-and-concerns>.

[11] Christina Tikkinen-Piri, Anna Rohunen & Jouni Markkula, “EU General Data Protection Regulation: Changes and implications for personal data collecting companies”, *Computer Law & Security Review*, Vol. 33, 2017.

2. Relevance and justification

How does your project address the call priority under which you are applying? What is the project's contribution in this area?

What are the innovative aspects of the project?

The call priority for the STAR II project asks for projects to “support Data Protection Authorities in raising awareness among businesses, in particular by small and medium size enterprises, and in replying to their queries; this objective can be achieved for instance through the establishment of ‘hotlines’.” The STAR II project places this priority at its core: it is aimed – in the first phase – at analysing SMEs’ experience with the early months of the functioning of the GDPR and DPAs’ awareness-raising efforts towards SMEs, and – in the second phase – at running an awareness-raising campaign for SMEs and a trial hotline by e-mail (12 months) to respond to SMEs’ questions, measuring its performance and the most frequently asked questions, and – on that basis – prepare a digital guidance for DPAs on good practices in running a hotline and raising SMEs’ awareness, and a handbook (digital and printed) for SMEs on EU personal data protection law. The new law and all its novelties create, for many stakeholders, confusion and uncertainty as to its practical application,

magnified by its upcoming applicability (May 2018). Additionally, some 22 million European SMEs, who are the focal point of the EU enterprise policy, are particularly vulnerable as – despite some protective regulation – personal data protection law affects them as any other business, yet they rarely can afford professional legal advice. Their comprehension and knowledge on the new legal framework must be addressed in order to warrant an effective implementation across the EU. This is a task to be undertaken primarily by DPAs who should raise and maintain a high level of awareness regarding the new legal framework. The STAR II project aims at contributing to a more effective application of the EU data protection reform package, through developing a best practice on awareness-raising among SMEs, run a hotline for SMEs and develop a handbook for them to increase their knowledge on data protection. Consequently, therein lies two of the innovations of the STAR II project: a guidance on DPA good practices on raising SME awareness of the GDPR and the handbook on the EU data protection law, built on the most relevant questions and answers raised by SMEs who contacted our hotline (the hotline for SMEs is yet another innovation). The materials created for DPAs and SMEs within STAR II will contribute to confidence and certainty of SMEs to handle data protection related issues.

The development and use in practice of the STAR II guidance and handbook, which will be made available throughout the EU, will contribute substantially to the harmonisation and effective implementation of the EU data protection reform package. All materials and resources (both digital and printed versions) prepared within the STAR II project will adhere to open access principles (under suitable licences, such as Creative Commons, [12] if necessary), making them freely and widely available, reusable and adaptable, not only within the EU, but also for interested stakeholders beyond.

[12] Cf. <https://creativecommons.org>.

3. Expected results

What are the expected results of the project? Who will benefit from these results and how?

How will the target groups of the project benefit concretely from the project results and what shall change for them?

How will these results contribute to achieving the objectives of the call priority under which you are applying?

Note:

Results are immediate changes that arise for the target groups after the completion of the project (e.g. improved knowledge, increased awareness). Results must be distinguished from deliverables, which are produced with the resources allocated to the project, e.g. training courses, conferences, leaflets.

STAR II is essentially a ‘support SMEs’ project. It will result in a concrete, ready-made, fully-customisable, white-label and freely available and reusable **handbook** on EU data protection law to be provided to SMEs, based on the most frequently asked questions by SMEs from the hotline and the responses to those questions. Furthermore, it will result in a **guidance for DPAs on good practices in raising the awareness of SMEs about the GDPR**. The good practices will come from desktop research, interviews and surveys to be carried out by the consortium. While developing these, the project will run a **trial (e-mail) hotline for a period of 12 months and a special awareness-raising campaign for one month**, which, along with the related preparatory works, will constitute a basis for the guidance and handbook. The guidance and handbook will be designed, drafted, tested, validated and disseminated in cooperation with their intended users, DPAs and SMEs, throughout the project’s term.

This way, STAR II will result in relevant and timely materials that will address DPAs’ and SMEs’ immediate specific needs, so as to effectively promote uniform application of the new EU data protection legal framework. Valuable human and financial resources that would otherwise be required by DPAs and SMEs for the development or acquisition of these materials under the STAR II project will be freed, so as to be used in the actual data protection work.

Contribution of the above results to the call priority is obvious: targeting SMEs’ needs are integral and necessary in order to adequately give effect to the new legal framework. By providing them with free, relevant, immediately usable materials, STAR II contributes directly to the effective implementation and application of the EU data protection reform, as per the call’s priority. Overall, this is expected to significantly contribute to increasing the level of protection of personal data in the EU.

4. European added value

What is the project's added value at European level?

How will you ensure that the project methodology and/or deliverables and/or results will be transferable at European level?

Note: *European added value of actions, including that of small-scale and national actions, shall be assessed in the light of criteria such as their contribution to the consistent and coherent implementation of Union law, and to wide public awareness about the rights deriving from it, their potential to develop mutual trust among Member States and to improve cross-border cooperation, their transnational impact, their contribution to the elaboration and dissemination of best practices or their potential to contribute to the creation of minimum standards, practical tools and solutions that address cross-border or Union-wide challenges.*

STAR II's European added value lies squarely at its conceptual core. Through the development and provision of its four main outputs – (1) a hotline for SMEs, (2) an awareness-raising campaign for SMEs, (3) a guidance for DPAs on good practices in raising SME awareness, and (4) a handbook for SMEs based on their most frequently asked questions (and responses) – it warrants:

- (a) **Aiding European SMEs in complying with the GDPR** through a handbook. Indirectly, the project will present good practices in raising the awareness of SMEs, including good practice in operating hotlines, addressed to all EU DPAs;
- (b) **Address the EU-wide imminent need for aiding and educating SMEs on the EU data protection reform** in a practical and standardised manner, and developing **best practices** to that end;
- (c) **Consistent and coherent implementation of Union law**, in particular EU data protection law; the project's outputs used across the EU will promote a singular, informed understanding of the relevant provisions and will result in promotion of the same implementation and practices;
- (d) **Improved cross-border co-operation** between DPAs, through the common use and dissemination of the same guidance for DPAs and handbook for SMEs;
- (e) Indirectly **contributing to the setting of a worldwide standard** (best practice) in personal data protection education, assistance and public awareness.

5. Methodology

Outline the approach and methodology. Explain why this is the best approach to attain the objectives and the proposed results.

Explain the structure and complementarity of the work packages.

Overall, STAR II is a 'needs-based' project, meaning its main goal is to efficiently address the current needs of DPAs and SMEs. Therefore, its outputs will be adjusted as the research progresses. In the early stage of the STAR II project, the consortium envisages frequent and direct contacts with the main stakeholders (i.e. DPAs, SMEs, their DPOs and umbrella organisations) to identify the needs of DPAs, SMEs and their challenges with regard to the EU data protection reform. In the subsequent stages, STAR II will also make use of comparative analysis and desktop research. Eventually, the results of STAR II will be validated by a survey and three public workshops. STAR II will also attempt to disseminate its results to relevant high-level conferences as well as in professional and academic publications.

Below, we indicate all research tools that will be used in STAR II, in order of their perceived importance:

(a) **Desktop research.** The partners will undertake desktop analysis regarding the identification of stakeholders (particularly with regard to representative organisations of SMEs per Member State) to be contacted under the STAR II project. In addition, desktop research will be helpful in the drafting of the actual guidance materials to be developed under STAR II.

(b) **Interviews.** This is the preferred research tool in order to identify the needs and challenges. Experience in PHAEDRA I, PHAEDRA II and the STAR projects has demonstrated that semi-structured interviews are the best way to gain in-depth knowledge on the challenges and needs of DPAs. While it poses little additional workload, it allows stakeholders to express freely their concerns and problems. It also allows the STAR II partners to immediately clarify any ambiguity in replies and hence is often more reliable than surveys. Additionally, it allows the partners to further strengthen the trust between DPAs and SMEs and the STAR II consortium.

(c) **An awareness-raising campaign** will be launched by NAIH in the Hungarian media through a radio spot. While contributing itself to the project purposes, useful conclusions will be enabled on the merits, drawbacks and cost-

effectiveness of similar media campaigns to reach and address SMEs' data protection requirements.

(d) **Hotline** would be a source of information about the needs and difficulties about the first months of functioning the GDPR. The hotline will be available – at minimum – in English and Hungarian, under a specific policy developed before it starts. The hotline will be via e-mail. We will attempt to respond to all queries within a maximum of one week within receipt of a query. We will track which questions are asked the most, which will be an important indicator of SME concerns and apprehensions about the GDPR. Particularly complex cases will be guided towards the respective competent DPA for resolution.

(e) **Testing and validation.** The guidance material for DPAs and a handbook for SMEs will be tested and validated via three workshops and, in parallel, with the help of the External Advisory Board. Finally, frequent interaction between partners will ensure consistency of results: Partners will participate in periodic coordination meetings, via e.g. Skype conference calls, to ensure the project is progressing as planned and discuss main research findings. The kick-off meeting at the outset of the project will set the scene therefore, especially by clarifying the exact means to realise the STAR II project's objectives. The final wrap-up meeting between the partners will be devoted to discussing the final deliverables and to ensure the dissemination of those final deliverables to the wider DPA and SME communities.

6. Timeline by work package

Provide in a structured manner the timing of the activities per Work package by using, for instance, a Gantt chart.

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	M13	M14	M15	M16	M17	M18	M19	M20	M21	M22	M23	M24	
WP1: Management & Coordination																									
T1.1: Launch of the action (kick-off meeting, Budapest)	D1.1																								
T1.2: Project coordination			D1.3			D1.3			D1.3			D1.3	D1.2		D1.3				D1.3			D1.3		D1.5	D1.3
T1.3: Financial coordination																									
T1.4: External Advisory Board				D1.4																					
WP2: State-of-the-art																									
T2.1: DPAs' efforts to raise awareness among SMEs						D2.1																			
T2.2: SMEs' experience with the GDPR						D2.2																			
T2.3: Validation workshop (W1; Dublin)							D2.3																		
WP3: Hotline & awareness-raising campaign for SMEs																									
T3.1: Establish the awareness-raising campaign																									
T3.2: Run the awareness-raising campaign										D3.1															
T3.3: Establish the trial hotline																									
T3.4: Operate the hotline																									
T3.5: Statistical analysis of the questions raised by SMEs																									
T3.6: Validation workshop (W2; Brussels)																									
WP4: Guidance for DPAs & handbook for SMEs																									
T4.1: Draft versions of the guidance & handbook																									
T4.2: Validation workshop (W3; Dublin)																									
T4.3: Final versions of the guidance & handbook																									
T4.4: Launch event for the guidance & handbook (W4; Budapest)																									
WP5: Dissemination & outreach																									
T5.1: Project communication tools																									
T5.2: Journal articles and trade press articles																									
T5.3: Distribution of the guidance and handbook																									
	M1		M2			M3											M6							M7	
							M4																		
							M5																		

7. The partnership and the core project team

Describe the partnership of organisations implementing the project (applicant, partners). Explain how the partners were selected, and why is this partnership the best to attain the objectives of the project. Describe the value of the partnership, its strengths/weaknesses, the organisational arrangements within the partnership and how you will ensure coordination within the partnership.

Introduce the persons of the core project team and list the CVs (to be attached to the application) of the key people working in the project (project manager, financial manager and the key experts).

The consortium comprises:

- *coordinator*: **Nemzeti Adatvédelmi és Információszabadság Hatóság** [National Authority for Data Protection and Freedom of Information] (NAIH; <http://naih.hu>), the Hungarian DPA. NAIH devotes many efforts, in addition to its daily routine of supervisory activities, to awareness-raising activities, preparation of training materials and teaching. NAIH disseminates updated information on the reform of the EU data protection legislation. NAIH pays special attention to the activities and support of DPOs. In 2015, NAIH organized and hosted the International Drone Conference and in 2016 – the European DPAs’ annual conference (‘Spring Conference’) in Budapest.
- *partner*: **Vrije Universiteit Brussel – Research Group on Law, Science, Technology and Society (VUB-LSTS)**, since its inception in 2003 is devoted to interdisciplinary, analytical, theoretical and prospective research into the relationships between law, science, technology and society (<http://vub.ac.be/LSTS>); VUB-LSTS has a well-established reputation in research concerning privacy and data protection. The team, comprising 47 researchers, has been involved in international research projects and publishes widely. VUB-LSTS is the main organiser of the annual Computers, Privacy & Data Protection (CPDP) Conference (www.cpdpcferences.org) and hosts two research facilities: Brussels Privacy Hub (<http://brusselsprivacyhub.org>) and the Brussels Laboratory for Data Protection & Privacy Impact Assessments (d.pia.lab) (<http://dpialab.org>). VUB-LSTS closely cooperates with Privacy Salon (<http://www.privacysalon.org>).
- *partner*: **Trilateral Research Ltd (TRI)** is based in Ireland and has a related entity in the United Kingdom, with which it shares resources and expertise (<http://trilateralresearch.com>). TRI is a multidisciplinary research services company. Its team collaborates across social science and technology development to bring insights from each into supporting data-driven innovation. TRI provides research, advisory and technology development services to private and public-sector organisations. TRI is widely published in the field of privacy policy research and has been closely tracking the impacts and changes arising from the GDPR across several domains. Training is delivered by domain experts intimately involved in TRI’s research and consultancy activity as well as their wider fields of expertise.

The partners have a long track of collaboration on EU co-funded action grants, in particular:

	<i>PIAF</i>	<i>PHAEDRA</i>	<i>PHAEDRA II</i>	<i>ARCADES</i>	<i>STAR</i>
NAIH				partner	partner
VUB-LSTS	coordinator	coordinator	coordinator	partner	coordinator
TRI	partner	partner	partner		partner

In particular, NAIH and VUB-LSTS have collaborated previously in the ARCADES project (2014-2015; <http://arcades-project.eu>), which concerned training on data protection topics, in the form of the ‘training the trainers’, aimed at school teachers in EU Member States. It concluded with a set of teaching materials to be used in schools in Europe at various levels, culminated with the quadrilingual, widely acclaimed *European Handbook for Teaching Privacy and Data Protection at Schools*, edited by Gloria Gonzalez-Fuster and Dariusz Kloza (VUB-LSTS) [13].

The CVs of the core project team are attached to this application:

- **NAIH**: Dr. Júlia Sziklay, Gábor Kulitsán, Dr. Dániel Eszteri (principal researchers); Dr. Attila Péterfalvi, president (*no cost to the project*) and two employees to be recruited;
- **VUB-LSTS**: Paul De Hert (project & financial manager); Vagelis Papanikolaou, Dariusz Kloza, István Böröcz (researcher) and a researcher to be recruited;
- **TRI**: David Wright (Director), David Barnard-Wills (senior research analyst), Filippo Marchetti (research analyst), Desmond Faucher (finance manager).

[13] Cf. http://arcades-project.eu/images/pdf/arcades_teaching_handbook_final_EN.pdf

8. Subcontracting

If applicable, explain the reasons for any subcontracting in your project.

Not applicable.

9. Monitoring of the project implementation; risks and measures to mitigate them

How will you ensure that the project is implemented as planned and what methods will you use to monitor its progress?

What are the potential risks and what action do you plan to undertake to mitigate them?

The consortium has proven its reliability in the above-mentioned EU co-funded action grants. The STAR II consortium will adopt similar measures to monitor the progress of the project and to ensure quality of its work and final output. In particular, it will introduce:

1. An **External Advisory Board (EAB)**, which will include at least two representatives from each of DPAs, SMEs (including DPOs) and distinguished academics; in total 5-7 people. The EAB will have sight of the project's progress and will be able to comment thereon and provide suggestions on how the goals of the project can best be realised in the context of the planned activities;
2. A representative sample of European DPAs, SMEs, umbrella organisations and legal experts will assess the STAR II materials during three **validation workshops**;
3. **Internal, quarterly overview of project's progress**, in order to review progress and discuss any unexpected events that might slow down the realisation of the project's schedule. These calls will be minuted and each relevant milestone, deliverable and event will be tracked.

Identification of any conflicts which arise in the project lies is the responsibility of each project participant. Any signs of disagreement between project participants will be notified to the project coordinator (as appropriate), who will then instigate the conflict resolution procedure. The coordinator will separately contact all parties to identify the different viewpoints. Based on a clarification of viewpoints, the coordinator will propose a solution. If consensus cannot be reached, each participant exercises a vote. If conflicts relate to matters related to project management, the views of the PO will be sought.

The consortium has an excellent reputation, experience in collaborating with each other, as well as experience and knowledge in the field of study of this new project.

10. Evaluation of the project activities, deliverables and results

How will the project activities, the deliverables and the results be evaluated, and by whom?

Explain which quantitative and qualitative indicators you propose to use for the evaluation of the reach and coverage of project activities and project results.

Explain what data will be collected, according to what method and at what moments, including feedback from project participants (satisfaction surveys, evaluation forms, etc).

How will findings be analysed and reported and how will they be used.

Note: For the evaluation of the activities you will be requested to use the participation evaluation questionnaire to be provided by the Commission.

You must identify which indicators you will use from the list provided in the Indicators excel sheet and include them in the indicators of your project. You will be asked to report on those indicators as part of the project's Final Report.

Where relevant, data must be disaggregated by gender and by age.

To monitor and evaluate the project activities, outputs and results, STAR II will collect and track the following indicators:

- **Statistical, anonymous data on interviews:** e.g. number of people interviewed (quantitative), affiliation, roles and countries (qualitative); WP2;
- **EAB review,** retaining feedback upon deliverables and other outputs (qualitative); WP2-5;
- **Hotline feedback forms,** analysing e.g. number of participants, gender, age (quantitative) and e.g. organisation type, area of activity, country (qualitative); WP3;
- **Workshop feedback forms** to capture the assessment of their value and quality (qualitative); WP4;
- **Validation of the guidance and handbook,** capturing the perspectives of DPAs and SMEs through their comments on the circulated materials (qualitative); WP4;
- **Expressions of interest and downloads of the DPA guidance and the SME handbook** – by placing the materials the STAR II website, we will be able to track the number downloads (quantitative); WP5;
- **Confirmed use of hotline guidance and SME handbook** – we will ask that users of the materials inform us of their use and provide qualitative feedback upon their experiences with the material (qualitative); WP4-5;
- **Feedback from DPA and SMEs on the final materials** – in the dissemination stages of the project, we will collect qualitative feedback on the training materials in-use (qualitative); WP5.

Dissemination KPIs:

- A website that generates over 1000 unique page views (<http://www.project-star.eu>);
- At least 1 peer-reviewed scientific publication;
- At least 2 publications published in international trade press;
- Presentation of project results in at least two international events;
- Over 100 Twitter followers (@projectSTAR_eu);
- At least 10 Research Gate followers;
- Social media links with at least 10 representative groups across the EU.

Progress against these indicators will be monitored by the relevant WP leaders, and reported to the project coordinator periodically.

11. Dissemination strategy and communication tools

How do you plan to disseminate (actively spread) information about the project, its activities and its results? Please specify in particular:

- **Communication needs and objectives:** What are the communication needs and objectives of the project?
- **Target groups and multipliers:** What are the target groups? Which stakeholders or other organisations could possibly be supporters and multipliers of the communication activities?
- **Key messages:** Which messages will the activities convey in order to meet the communication objectives?
- **Distribution channels/tools:** Which communication channels/tools will be used to convey the messages to your target groups and multipliers?
- How will your dissemination strategy facilitate further use and transferability of the project results?



STAR II’s **communication needs** in the first phase of the project (M1-M6) are to inform the public about the launch of the project, its goals and means of their achievement. From M7 onwards, NAIH will conduct an awareness-raising campaign in the Hungarian media through a radio spot. This campaign aims to draw more attention to the new regulatory framework on personal data protection and the particular forms of assistance STAR II will provide, namely the trial hotline for SMEs in the first place, and – subsequently – the handbook for SMEs and a guidance for DPAs.

The communication needs in the second phase of the project (M12-M24) and persisting beyond the project’s conclusion shift to informing SMEs and DPAs about the existence and usefulness of the project deliverables and seeking feedback. This is to ensure that they take-up and use them.

Target group	Communication	Communication multipliers	Primary communications
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	considerations		channels and methods
European SMEs	Some 22 million entities geographically dispersed, of different levels of financial means and organisational sophistication. High level of familiarity with English and digital tools. Represented in numerous associations of varying legal statuses and scopes.	National and European SME associations, e.g. <i>Digital SME</i> , <i>European Association of Craft, Small and Medium-sized Enterprises</i> (UEAPME), <i>SME Europe</i> , <i>European Small Business Alliance</i> (ESBA); <i>Confédération Européenne des Associations de Petites et Moyennes Entreprises</i> , <i>Confederazione Italiana della Piccola e Media Industria Privata</i> (CONFAPI); <i>Association Francaise des Dirigeants d'Entreprises en Europe</i> (AFDEE), etc.	E-mail, interviews, newsletters
EU DPAs	Relatively small number of organisations. High level of familiarity with English, digitally literate. Professionally networked through a number of forums well-known to the consortium.	<ul style="list-style-type: none"> - Article 29 Working Party/European Data Protection Board (EDPB) - European Commission - 'Spring Conference' - International Conference of Data Protection and Privacy Commissioners (ICDPPC) - Social media (both Twitter and LinkedIn have DPA presence) - Advisory Board members 	<ul style="list-style-type: none"> - Personal and institutional contacts - Direct e-mail - Presentations at conferences and workshops - Social media - Project website
Secondary audience (International DPAs and data protection professionals).	Larger and more diverse, but still relatively small number of organisations. Medium level of familiarity with English, digitally literate. Professionally networked through a number of forums well-known to the consortium.	<ul style="list-style-type: none"> - International professional organisations (e.g. International Association of Privacy Professionals [IAPP]) - Trade press - Social media (Twitter, LinkedIn, Research Gate, etc. have strong privacy and data protection presence) 	<ul style="list-style-type: none"> - Project website - Press releases - Trade press articles
Secondary audience	Large number of heterogeneous actors, distributed across industry sectors across different countries. High linguistic variance. Potentially sceptical about project objectives.	<ul style="list-style-type: none"> - Specialist and trade press, - Social media (both Twitter and LinkedIn have strong data protection presence) 	<ul style="list-style-type: none"> - Direct e-mail - Project website - Press releases - Trade press articles

The **key messages** are the same for the four target groups:

<i>1st phase:</i>	<i>2nd phase:</i>
<ul style="list-style-type: none"> - STAR II project launched and research started - STAR II project is developing hotline, awareness-raising campaign, guidance and handbook - How to become involved in the project's work (esp. hotline and validation workshops) 	<ul style="list-style-type: none"> - Guidance material exists or will shortly exist - The feedback will be sought - How to access training materials - How to get the best use from them

The consortium's dissemination strategy comprises several **tools**:

- **Kick-off meeting:** The consortium intends to host a kick-off meeting that, apart from setting STAR II in place, will be communicated to the data protection community so as to inform all stakeholders about the project;
- **Project digital communication tools, e.g. website** (comprising information about the project, partners, deliverables and contact opportunities), **social media accounts and newsletters** (keeping stakeholders informed on the progress of its work), warranting in this way awareness and participation;
- **Several press releases;** targeted at the data protection trade press;
- **At least one article for a peer-reviewed journal;**
- **Communication with stakeholders** via the partners' extensive contact lists to inform DPAs and SMEs about progress of the project, its website and deliverables;
- **Communication with stakeholders' representative organisations** (e.g. SMEs and their umbrella organisations), both at the EU and Member State level;
- Involving the **External Advisory Board** structured to help achieve even wider dissemination;
- Formal dissemination at **third party events** (e.g. the annual Computers, Privacy and Data Protection [CPDP] conference) and **informal communication** via e.g. briefings.

Further use and transferability. It is important that the guidance materials are taken and up and used beyond the lifespan of the project. As a DPA, NAIH is well positioned to continue to host the material on their website and maintain the project website. However, the STAR II project will negotiate with further DPAs (including the secretariat of the developing EDPB) to investigate the possibility of hosting the outputs. Further, the European Commission itself is in a strong position to make such a resource available over the longer term. In addition, VUB-LSTS and TRI will incorporate these materials into their own on-going training and consultancy work in the field of privacy and personal data protection.

12. Sustainability and long-term impact of the project results

What is planned as follow-up of the project after the financial support of the European Union has ended? How will the sustainability of the project's results be assured? Are the project results likely to have a long-term impact? How?

Note: *In this part you should not list activities or deliverables of your project, but you should focus on the expected long-term impact of your project. The long-term impact refers to long-term socio-economic consequences that can be observed after a certain period following the completion of the project and may affect either the target groups of the project or other groups falling outside the boundary of the project, who may be winners or losers.*

The project results are likely to have long-term legal and socio-economic impacts. By reducing the effort that DPAs will have to exert to interact with SMEs regarding the practical application of the GDPR, the project will provide resource saving over the lifetime of the GDPR (although with decreasing savings over time, given potential shifts in interpretation of the Regulation, relevant judicial rulings or implementing acts).

Additional longer-term benefits come from harmonised implementation across the EU. Sustainability of the project's results is dependent upon whether DPAs and SMEs have confidence in the STAR II output, taking it up, and using in their everyday practices. STAR II will produce the go-to, gold-standard guidance on good practices for raising the awareness of SMEs and – directly for SMEs – a handbook on EU data protection law based on their most frequently asked questions and the hotline responses.

Identification of and continued dialogue with stakeholders in WP2 will create the necessary engagement with the project, whilst the set of dissemination and communication work under WP5 will make sure that the work is widely known and available. NAIH will host the launch event for the guidance before the conclusion of the project, and will continue to advocate for the guidance amongst the EU DPA community over the longer term. VUB-LSTS and TRI will incorporate the guidance into their own organisational practices, and the partners will maintain the project website (hosting the material) for two years (at least) following conclusion. All the material developed under STAR II will be provided under an open, unrestricted copyright licence, such as Creative Commons licences, and as such, they will be available for wide use and re-use.

13. Ethical issues related to the project

Describe any ethical issues which you could come across during the implementation of your project, including with regard to interactions with target groups or persons benefiting from the project, and present your strategy to address them.

The STAR II project, especially the running of the hotline, might raise significant ethical issues, for which the consortium will develop a code of ethics, containing principles such as honesty, privacy, integrity, informed consent, equity, balance of power, dignity, respect, etc. In particular, communication with the hotline will be free and can be stopped or suspended at any time. The identities of the persons interacted therewith will be anonymised in the publicly available reports and results. If, for any reason, anyone is opposed to such publication, their wishes will be respected, and we will not include any information obtained from them.

In all communications with all SMEs, DPAs and other stakeholders, the partners will inform them that any person no longer wishing to use the hotline, receive newsletter or information about the project activities can be removed from our contact list if they so wish with no negative consequences. We will inform all persons from whom we solicit or gather information that we intend to publish the information gathered in an aggregate format in reports which will be publicly available on the project website. The partners will not repurpose any personal data (such as contact details) nor sell or give such data to third parties.

A further key ethical issue for STAR II could be the accessibility of the materials developed. These should be designed to follow best practices in accessibility in design [14]. For example, making presentation text large enough to be visible, using easy-to-read fonts with consistent thickness, and using sufficient colour contrast. This will ensure that materials are useable by the widest range of people, and that nobody is unfairly excluded.

[14] <https://www.w3.org/WAI/training/accessible>.

14. Mainstreaming

How do you plan to ensure mainstreaming of equality between women and men and the rights of the child, and respect of the Charter of Fundamental Rights in the activities of your project?.

Since 2014, VUB has a Gender Action Plan [15], combining objectives at faculty level with measures designed to ensure a sustainable culture change. Having more women among the academic corps and one-third of directors and of selection and promotion committees of the opposite sex are two of the key goals of the Plan.

TRI is an SME with strong culture of gender equality, with women in many senior roles (60% of TRI employees are women). Trilateral also has a workplace equality and diversity policy, with a commitment to equal treatment, employment and promotion based upon experience, aptitude and ability and a commitment to equal professional development.

As a public authority and an employer, NAIH acts in accordance with Hungary's Fundamental Law and the Act on Equal Treatment and Promotion of Equal Opportunities (2003, amended 2006). As a DPA, NAIH is the competent authority in the field of the freedom of information and the right to privacy.

The key issues for gender mainstreaming and respect for fundamental rights in the STAR II project itself are (1) ensuring equal inclusion and participation in the scoping process (primarily in WP2), (2) developing accessible hotline and conducting an awareness-raising campaign that do not exhibit gender bias (primarily in WP3), (3) ensuring equal inclusion and participation in the development of the guidance for DPAs and the handbook for SMEs (WP4). Where appropriate, STAR II will incorporate gender and equality issues within personal data protection law into its work, especially the handbook. The STAR II project will monitor participation in its scoping and validation work, report this to project meetings, and conduct additional recruitment as necessary to correct gender imbalances. Invitations to the EAB will also account for gender balance and to counter potential underrepresentation.

[15] <http://www.vub.ac.be/over/genderactieplan>.

15. Description of child protection policy

If applicable

If the applicant and/or any of the partners work directly with/have contact with children, provide a description of the child protection policy of these organisations, covering the following topics:

- purpose of the child protection policy;
- application of the policy (applicable to which staff, in which situations);
- responsibility: who is responsible for ensuring that the policy is adhered to;
- description of recruitment and screening processes with regard to child protection policy (details of training on child protection policy and rights of the child, screening, vetting (criminal background check). Preventing harm to children: processes exist to help minimise the possibility of children being abused by those in positions of trust.

No work or contact with children is expected as part of the STAR II project.

16. English translation of the abstract
If applicable

Not applicable.

History of changes between your proposal and Annex I to the Grant Agreement "Description of the Action"

Please state whether you have made any changes in the data entered in on-line forms in the participant portal (which will become part A of the Description of the Action) when compared to part B of the original proposal (*Description of workpackages and activities*).

Changes suggested in the Evaluation Summary Report	YES/NO ¹	Concise description of the change(s)
Other changes	YES/NO	Concise description of the change(s)

Please state whether you have made any changes in part B of the Description of the Action when compared to part B of the original proposal (*General Description of the project and applicant organisation*).

Changes suggested in the Evaluation Summary Report	YES/NO	No of section/page(s), concise description of the change(s)
Other changes	YES/NO	No of section/page(s), concise description of the change(s)

Note: Please note that changes to your original proposal should be limited to modifications suggested in the Evaluation Summary Report. We strongly advise against any other changes at this point as they may lead to the Commission considering the modified proposal as not compliant with the one recommended for funding and terminating the grant agreement preparation. Should you wish to introduce some modifications nevertheless (e.g. as a result of "force majeure" changes that occurred since the date of your original proposal), these must be indicated in the table. Failure to clearly signal any changes made to your proposal may lead to termination of the grant agreement preparation or – at any point following the signature of a grant agreement – to the termination of the grant agreement by the Commission. In accordance with Art. 34.3.1 (i)(ii).

¹ Delete what is not applicable

ESTIMATED BUDGET FOR THE ACTION (page 1 of 2)

Estimated eligible ¹ costs (per budget category)										EU contribution			Action's estimated receipts			
A. Direct personnel costs	B. Direct travel and subsistence costs				C. Direct costs of subcontracting	[D. Direct costs of fin. support]	E. Other direct costs	F. Indirect costs ¹	Total costs	Reimbursement rate % ⁴	Maximum EU contribution ⁵	Maximum grant amount ⁶	Income generated by the action	Financial contributions given by third parties to the beneficiaries	Action's total receipts	
A.1 Employees (or equivalent) A.2 Natural persons under direct contract and seconded persons	B.1 Travel	B. Subsistence			Actual	Actual	Actual	Flat-rate ⁹	Total costs							
Form of costs ⁷	Actual	Actual	Actual	Unit ⁸												Actual
	a	b1	[b2]	No	Total [b2]	c	[d]	e	f = flat-rate * (a + b1 + b2 + c + [d] + e)	g = a + b1 + b2 + c + [d] + e + f	h	i = g * h	j	k	l	m = k + l
1. NAIH	72,000.00	8,667.00	3,333.00			0.00	0.00	44,000.00	8,960.00	136,960.00	80	109,568.00	109,568.00	0.00	0.00	0.00
2. VUB	180,000.00	8,667.00	3,333.00			0.00	0.00	19,500.00	14,805.00	226,305.00	80	181,044.00	181,044.00	0.00	0.00	0.00
3. TRI IE	168,000.00	8,666.00	3,334.00			0.00	0.00	4,500.00	12,915.00	197,415.00	80	157,932.00	157,932.00	0.00	0.00	0.00
Total consortium	420,000.00	26,000.00	10,000.00			0.00	0.00	68,000.00	36,680.00	560,680.00	80	448,544.00	448,544.00	0.00	0.00	0.00

ESTIMATED BUDGET FOR THE ACTION (page 2 of 2)

- (1) See Article 6 for the eligibility conditions.
- (2) The consortium remains free to decide on a different internal distribution of the EU funding (via the consortium agreement; see Article 25.3)
- (3) The indirect costs claimed must be free of any amounts covered by an operating grant (received under any EU or Euratom funding programme). A beneficiary that receives an operating grant during the duration of the action cannot claim any indirect costs for the year(s) covered by the operating grant (see Article 6.2.F)
- (4) For the reimbursement rate, see Article 5.2
- (5) This is the theoretical amount of the EU contribution, if the reimbursement rate is applied to all the budgeted costs. This theoretical amount is capped by the 'maximum grant amount'
- (6) The 'maximum grant amount' is the maximum grant amount decided by the Commission. It normally corresponds to the requested grant, but may be lower
- (7) See Article 5 for the cost forms
- (8) See Annex 2a 'Additional information on the estimated budget' for the details (units, cost per unit)
- (9) For the flat rate, see Article 6.2.F

ACCESSION FORM FOR BENEFICIARIES

VRIJE UNIVERSITEIT BRUSSEL (VUB), established in PLEINLAAN 2, BRUSSEL 1050, Belgium, VAT number: BE0449012406, ('the beneficiary'), represented for the purpose of signing this Accession Form by the undersigned,

hereby agrees

to become beneficiary No ('2')

in Grant Agreement No 814775 ('the Grant Agreement')

between NEMZETI ADATVÉDELMI ÉS INFORMÁCIÓSZABADSÁG HATÓSÁG **and** the European Union ('the EU'), represented by the European Commission ('the Commission'),

for the action entitled Support small And medium enterprises on the data protection Reform II (STAR II).

and mandates

the coordinator to submit and sign in its name and on its behalf any amendments to the Agreement, in accordance with Article 39.

By signing this Accession Form, the beneficiary accepts the grant and agrees to implement it in accordance with the Agreement, with all the obligations and conditions it sets out.

SIGNATURE

For the beneficiary/new beneficiary/new coordinator

ACCESSION FORM FOR BENEFICIARIES

TRILATERAL RESEARCH LIMITED (TRI IE), established in FDW HOUSE BLACKTHORN BUSINESS PARK COES ROAD, DUNDALK LOUTH, Ireland, ('the beneficiary'), represented for the purpose of signing this Accession Form by the undersigned,

hereby agrees

to become beneficiary No ('3')

in Grant Agreement No 814775 ('the Grant Agreement')

between NEMZETI ADATVÉDELMI ÉS INFORMÁCIÓSZABADSÁG HATÓSÁG **and** the European Union ('the EU'), represented by the European Commission ('the Commission'),

for the action entitled SupportT small And medium enterprises on the data protection Reform II (STAR II).

and mandates

the coordinator to submit and sign in its name and on its behalf any amendments to the Agreement, in accordance with Article 39.

By signing this Accession Form, the beneficiary accepts the grant and agrees to implement it in accordance with the Agreement, with all the obligations and conditions it sets out.

SIGNATURE

For the beneficiary/new beneficiary/new coordinator

MODEL ANNEX 4 JUST MGA — MULTI

FINANCIAL STATEMENT FOR [BENEFICIARY [name] / AFFILIATED ENTITY [name]] FOR REPORTING PERIOD [reporting period]

Eligible ¹ costs (per budget category)										Receipts			EU contribution			
A. Direct personnel costs		B. Direct travel and subsistence costs			C. Direct costs of subcontracting		[D. Direct costs of fin. support]	E. Other direct costs	F. Indirect costs ²	Total costs	Income generated by the action	Financial contributions given by third parties to the beneficiaries	Total receipts	Reimbursement rate ³ %	Maximum EU contribution ⁴	Requested EU contribution
A.1 Employees (or equivalent) A.2 Natural persons under direct contract seconded persons		B.1 Travel	B.2 Subsistence				[D.1 Financial support] [D.2 Prizes]	E.1 Equipment E.2 Other goods and services								
Cost form ⁵	Actual	Actual	Actual	Unit ⁶		Actual	Actual	Actual	Flat-rate ⁷							
	a	b1	[b2]	No	Total [b2]	c	[d]	e	f = flat-rate * (a + b1 + b2 + c [+d] + e)	g = a + b1 + b2 + c [+d] + e + f	h	i	j = h + i	k	l	m
[short name beneficiary / affiliated entity]																

The beneficiary/affiliated entity hereby confirms that:
 The information provided is complete, reliable and true.
 The costs declared are eligible (see Article 6).
 The costs can be substantiated by adequate records and supporting documentation that will be produced upon request or in the context of checks, reviews, audits and investigations (see Articles 12, 13 and 17).
 For the last reporting period: that all the receipts have been declared (see Article 5.3.3).

¹ Please declare all eligible costs, even if they exceed the amounts indicated in the estimated budget (see Annex 2). Only amounts that were declared in your individual financial statements can be taken into account later on, in order to replace other costs that are found to be ineligible.

¹ See Article 6 for the eligibility conditions.

² The indirect costs claimed must be free of any amounts covered by an operating grant (received under any EU or Euratom funding programme). A beneficiary that receives an operating grant during the duration of the action cannot claim any indirect costs for the year(s) covered by the operating grant (see Article 6.2.F).

³ See Article 5.2 for the reimbursement rate.

⁴ This is the theoretical amount of EU contribution that the system calculates automatically (by multiplying the reimbursement rate by the total costs declared). The amount you request (in the column 'requested EU contribution') may be less.

⁵ See Article 5.2 for the cost forms.

⁶ See Annex 2a 'Additional information on the estimated budget' for the details (units, cost per unit).

⁷ See Article 6.2.F for the flat-rate.

ANNEX 5

MODEL FOR THE CERTIFICATE ON THE FINANCIAL STATEMENT (CFS)

This document sets out:

- the objectives and scope of the independent report of factual findings on costs declared under a EU grant agreement financed under the Rights equality and citizenship Programme 2014-2020 or the Justice Programme 2014-2020 and
- a model for the certificate on the financial statement (CFS).

1. Background and subject matter

[OPTION 1 for actions with one RP and NO interim payments: Within 60 days of the end of the reporting period, the coordinator must submit to the Commission a **final report**, which should include (among other documents and unless otherwise specified in Article 15 of the Grant Agreement) a **certified financial statement** (CFS; see proposed model below) for each beneficiary and (if applicable) each affiliated entity, if:

- the cumulative amount of payments the beneficiary/affiliated entity requests as reimbursement of actual costs is EUR 325 000 or more and
- the maximum EU contribution indicated for that beneficiary/affiliated entity in the estimated budget (see Annex 2) as reimbursement of actual costs is EUR 750 000 or more.]

[OPTION 2 for actions with several RPs and interim payments: Within 60 days of the end of each reporting period, the coordinator must submit to the Commission a **periodic report**, which should include (among other documents and unless otherwise specified in Article 15 of the Grant Agreement) a **certified financial statement** (CFS; see proposed model below) for each beneficiary and (if applicable) each affiliated entity, if:

- the cumulative amount of payments the beneficiary/affiliated entity requests as reimbursement of actual costs is EUR 325 000 or more and
- the maximum EU contribution indicated for that beneficiary/affiliated entity in the estimated budget (see Annex 2) as reimbursement of actual costs is EUR 750 000 or more.

The CFS must be submitted every time the cumulative amount of payments requested (i.e. including in previous financial statements) reaches the threshold (i.e. a first certificate once the cumulative amount reaches 325 000, a second certificate once it reaches 650 000, a third certificate once it reaches 975 000, etc.).

Once the threshold is reached, the CFS must cover all reporting periods for which no certificate has yet been submitted.]

The beneficiary must provide the CFS for itself and, if applicable, for its affiliated entity(ies).

The **purpose** of the audit on which the CFS is based is to give the Commission ‘reasonable assurance’¹ that costs declared as eligible costs under the grant (and, if relevant, receipts generated in the course of the action) are being claimed by the beneficiary in accordance with the relevant legal and financial provisions of the Grant Agreement.

The **scope** of the audit is limited to the verification of eligible costs included in the CFS. The audit must be conducted in line with point 3 below.

Certifying auditors must carry out the audits in compliance with generally accepted **audit standards** and indicate which standards they have applied. They must bear in mind that, to establish a CFS, they must carry out a compliance audit and not a normal statutory audit. The eligibility criteria in the Grant Agreement always override normal accounting practices.

The beneficiary and the auditor are expected to address any **questions on factual data or detailed calculations** before the financial statement and the accompanying certificate are submitted. It is also recommended that the beneficiary take into account the auditor’s preliminary comments and suggestions in order to avoid a qualified opinion or reduce the scope of the qualifications.

Since the certificate is the main source of assurance for cost claims and payments, it will be easier to consider amounts as eligible if a **non-qualified certificate** is provided..

The submission of a certificate does not affect the Commission’s right to carry out its **own assessment or audits**. Neither does the reimbursement of costs covered by a certificate preclude the Commission, the European Anti-Fraud Office or the European Court of Auditors from carrying out checks, reviews, audits and investigations in accordance with Article 17 of the Grant Agreement.

The Commission expects the certificates to be issued by auditors according to the highest professional standards.

2. Auditors who may deliver a certificate

The beneficiary is free to choose a **qualified external auditor**, including its usual external auditor, provided that:

- the external auditor is **independent** from the beneficiary and
- the provisions of **Directive 2006/43/EC**² are complied with.

¹ This means a high degree of confidence.

² 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).

Independence is one of the qualities that permit the auditor to apply unbiased judgement and objective consideration to established facts to arrive at an opinion or a decision. It also means that the auditor works without direction or interference of any kind from the beneficiary.

Auditors are considered as providing services to the beneficiary under a **purchase contract** within the meaning of Article 9 of the Grant Agreement. This means that the costs of the CFS may normally be declared as costs incurred for the action, if the cost eligibility rules set out in Articles 6 and 9.1.1 of the Grant Agreement are fulfilled (especially: best value for money and no conflict of interests; see also below eligibility of costs of other goods and services). Where the beneficiary uses its usual external auditor, it is presumed that they already have an agreement that complies with these provisions and there is no obligation to find new bids. Where the beneficiary uses an external auditor who is not their usual external auditor, it must select an auditor following the rules set out in Article 9.1.1.

Public bodies can choose an external auditor or a competent public officer. In the latter case, the auditor's independence is usually defined as independence from the audited beneficiary 'in fact and in appearance'. A preliminary condition is that this officer was not involved in any way in drawing up the financial statements. Relevant national authorities establish the legal capacity of the officer to carry out audits of that specific public body. The certificate should refer to this appointment.

3. Audit methodology and expected results

3.1 Verification of eligibility of the costs declared

The auditor must conduct its verification on the basis of inquiry and analysis, (re)computation, comparison, other accuracy checks, observation, inspection of records and documents and by interviewing the beneficiary (and the persons working for it).

The auditor must examine the following documentation:

- the Grant Agreement and any amendments to it;
- the periodical and/or final report(s);
- *for personnel costs*
 - salary slips;
 - time sheets;
 - contracts of employment;
 - other documents (e.g. personnel accounts, social security legislation, invoices, receipts, etc.);
 - proofs of payment;
- *for travel and subsistence costs*
 - the beneficiary's internal rules on travel;
 - transport invoices and tickets (if applicable);
 - declarations by the beneficiary;
 - other documents (proofs of attendance such as minutes of meetings, reports, etc.);
 - proofs of payment;
- *for equipment costs*
 - invoices;
 - delivery slips / certificates of first use;

- proofs of payment;
 - depreciation method of calculation;
- *for subcontracting*
 - the call for tender;
 - tenders (if applicable);
 - justification for the choice of subcontractor;
 - contracts with subcontractors;
 - invoices;
 - declarations by the beneficiary;
 - proofs of payment;
 - other documents: e.g. national rules on public tendering if applicable, EU Directives, etc.;
- *for costs of other goods and services*
 - invoices;
 - proofs of payment; and
 - other relevant accounting documents.

General eligibility rules

The auditor must verify that the costs declared comply with the general eligibility rules set out in Article 6.1 of the Grant Agreement.

In particular, the costs must:

- be actually incurred;
- be linked to the subject of the Grant Agreement and indicated in the beneficiary's estimated budget (i.e. the latest version of Annex 2);
- be necessary to implement the action which is the subject of the grant;
- be reasonable and justified, and comply with the requirements of sound financial management, in particular as regards economy and efficiency;³
- have been incurred during the action, as defined in Article 3 of the Grant Agreement (with the exception of the invoice for the audit certificate and costs relating to the submission of the final report);
- not be covered by another EU or Euratom grant (see below ineligible costs);
- be identifiable, verifiable and, in particular, recorded in the beneficiary's accounting records and determined according to the applicable accounting standards of the country where it is established and its usual cost-accounting practices;
- comply with the requirements of applicable national laws on taxes, labour and social security;
- be in accordance with the provisions of the Grant Agreement (see, in particular, Articles 6 and 9-11 a) and
- have been converted to euro at the rate laid down in Article 15.6 of the Grant Agreement:
 - for beneficiaries with accounts established in a currency other than the euro:
Costs incurred in another currency must be converted into euros at the average of the daily exchange rates published in the C series of the [EU Official Journal](#) determined over the corresponding reporting period.

³ To be assessed in particular on the basis of the procurement and selection procedures for service providers.

If no daily euro exchange rate is published in the EU Official Journal for the currency in question, the rate used must be the average of the monthly accounting rate established by the Commission and published on its [website](#);

- for beneficiaries with accounts established in euro:
Costs incurred in another currency should be converted into euros applying the beneficiary's usual accounting practice.

The auditor must verify whether expenditure includes **VAT** and, if so, verify that the beneficiary:

- cannot recover the VAT (this must be supported by a statement from the competent body) and
- is not a public body acting as a public authority.

The auditor should base his/her audit approach on the **confidence level** following a review of the beneficiary's internal control system. When using sampling, the auditor should indicate and justify the sampling size.

Specific eligibility rules

In addition, the auditor must verify that the costs declared comply with the specific cost eligibility rules set out in Article 6.2 and Articles 9.1.1, 10.1.1, 11.1.1, 11a.1.1 and 11a.2.1 of the Grant Agreement.

Personnel costs

The auditor must verify that:

- personnel costs have been charged and paid in respect of the actual time devoted by the beneficiary's personnel to implementing the action (justified on the basis of time sheets or other relevant time-recording system);
- personnel costs were calculated on the basis of annual gross salary, wages or fees (plus obligatory social charges, but excluding any other costs) specified in an employment or other type of contract, not exceeding the average rates corresponding to the beneficiary's usual policy on remuneration;
- the work was carried out during the period of implementation of the action, as defined in Article 3 the Grant Agreement;
- the personnel costs are not covered by another EU or Euratom grant (see below ineligible costs);
- for additional remunerations: the 2 conditions set out in Article 6.2.A.1 of the Grant Agreement are met (i.e. that it is part of the beneficiary's usual remuneration practices and is paid in a consistent manner whenever the same kind of work or expertise is required and that the criteria used to calculate the supplementary payments are objective and generally applied by the beneficiary, regardless of the source of funding used);
- for in-house consultants: the 3 conditions set out in Article 6.2.A.2 of the Grant Agreement are met (i.e. that the in-house consultant works under the beneficiary's instructions, that the result of the work carried out belongs to the beneficiary, and that the costs are not significantly different from those for personnel performing similar tasks under an employment contract).

The auditor should have assurance that the management and accounting system ensures proper allocation of the personnel costs to various activities carried out by the beneficiary and funded by various donors.

Travel and subsistence costs

The auditor must verify that travel and subsistence costs:

- have been charged and paid in accordance with the beneficiary's internal rules or usual practices (or, in the absence of such rules or practices, that they do not exceed the scale normally accepted by the Commission⁴;
- are not covered by another EU or Euratom grant (see below ineligible costs)
- were incurred for travels linked to action tasks set out in Annex 1 of the Grant Agreement;
- were incurred in the eligible countries set out in the call for proposals.

Equipment costs

The auditor must verify that:

- the equipment was acquired during the period of implementation of the action, as defined in Article 3 of the Grant Agreement;
- the equipment is purchased, rented or leased at normal market prices;
- public bodies have complied with the national rules on public procurement;
- the equipment is written off, depreciation has been calculated according to the tax and accounting rules applicable to the beneficiary and only the portion of the depreciation corresponding to the duration of the action has been declared and
- the costs are not covered by another EU or Euratom grant (see below ineligible costs).

Costs of other goods and services

The auditor must verify that:

- the purchase complies with best value for money (or lowest price) and that there was no conflict of interests;
- public bodies have complied with the national rules on public procurement;
- the costs are not covered by another EU or Euratom grant (see below ineligible costs).

Subcontracting costs

The auditor must verify that:

- the subcontracting complies with best value for money (or lowest price) and that there was no conflict of interests;
- the subcontracting was necessary to implement the action for which the grant is requested;
- the subcontracting was provided for in Annex 1 and Annex 2 or agreed to by the Commission at a later stage;

⁴ See the Guide for Applicants — Action Grants.

- the subcontracting is supported by accounting documents in accordance with national accounting law;
- public bodies have complied with the national rules on public procurement.

Ineligible costs

The auditor must verify that the beneficiary has not declared any costs that are ineligible under Article 6.4 of the Grant Agreement:

- costs relating to return on capital;
- debt and debt service charges;
- provisions for future losses or debts;
- interest owed;
- doubtful debts;
- currency exchange losses;
- bank costs charged by the beneficiary's bank for transfers from the Commission;
- excessive or reckless expenditure;
- deductible VAT;
- VAT incurred by a public body acting as a public authority;
- costs incurred during suspension of the implementation of the action;
- in-kind contributions from third parties;
- costs declared under other EU or Euratom grants (including those awarded by a Member State and financed by the EU or Euratom budget or awarded by bodies other than the Commission for the purpose of implementing the EU or Euratom budget); in particular, indirect costs if the beneficiary is already receiving an operating grant financed by the EU or Euratom budget in the same period;
- costs incurred for permanent staff of a national administration for activities that are part of its normal activities (i.e. not undertaken only because of the grant);
- costs incurred for staff or representatives of EU institutions, bodies or agencies;
- costs for activities that do/did not take place in one of the eligible countries specified in the call for proposals (unless approved by the Commission).

For more information on cost eligibility, see the Guide for applicants — Action Grants.

3.2 Verification of receipts

The auditor must verify that the beneficiary has declared receipts within the meaning of Article 5.3.3 of the Grant Agreement, i.e.:

- income generated by the action (e.g. from the sale of products, services and publications, conference fees) and
- financial contributions given by third parties, specifically to be used for costs that are eligible under the action.

3.3 Verification of the beneficiary's accounting system

The auditor must verify that:

- the accounting system (analytical or other suitable internal system) makes it possible to identify **sources of financing** for the action and related expenses incurred during the contractual period and

- expenses/income under the grant have been recorded systematically using a numbering system that **distinguishes** them from expenses/income for other projects.

Certificate on the financial statement (CFS)

To

[Beneficiary/affiliated entity's full name
address]

We, [full name of the audit firm/organisation], established in [full address/city/country], represented for signature of this audit certificate by [name and function of an authorised representative],

hereby certify

that:

1. We have **conducted an audit** relating to the costs declared in the financial statement of [name of beneficiary/affiliated entity] (the [beneficiary's]/[affiliated entity's]), to which this audit certificate is attached and which is to be presented to the European Commission under Grant Agreement No [insert number] — [insert acronym], covering costs for the following reporting period(s): [insert reporting period(s)].
2. We confirm that our audit was **carried out in accordance with generally accepted auditing standards** in compliance with ethical rules and on the basis of the provisions of the **Grant Agreement** and its Annexes (and in particular the audit methodology described in Annex 5).
3. The financial statement was examined and all necessary tests of [all/[X]]% of the supporting documentation and accounting records were carried out in order to obtain **reasonable assurance that**, in our opinion and on the basis of our audit
 - total costs of EUR [insert number] ([insert amount in words]) are eligible, i.e.:
 - actual;
 - determined in accordance with the [beneficiary's]/[affiliated entity's] accounting principles;
 - incurred during the period referred to in Article 3 of the Grant Agreement;
 - recorded in the [beneficiary's]/[affiliated entity's] accounts (at the date of this audit certificate);
 - comply with the specific eligibility rules in Article 6.2 of the Grant Agreement;
 - do not contain costs that are ineligible under Article 6.4 of the Grant Agreement, in particular:
 - costs relating to return on capital;
 - debt and debt service charges;
 - provisions for future losses or debts;
 - interest owed;
 - doubtful debts;
 - currency exchange losses;
 - bank costs charged by the [beneficiary's]/[affiliated entity's] bank for transfers from the Commission
 - excessive or reckless expenditure;

- deductible VAT;
 - VAT incurred by a public body acting as a public authority;
 - costs incurred during suspension of the implementation of the action;
 - in-kind contributions provided by third parties;
 - costs declared under other EU or Euratom grants (including those awarded by a Member State and financed by the EU or Euratom budget or awarded by bodies other than the Commission for the purpose of implementing the EU or Euratom budget); in particular, indirect costs if the [beneficiary]/[affiliated entity] is already receiving an operating grant financed by the EU or Euratom budget in the same period;
 - costs incurred for permanent staff of a national administration, for activities that are part of its normal activities (i.e. not undertaken only because of the grant);
 - costs incurred for staff or representatives of EU institutions, bodies or agencies;
 - costs for activities that do not take place in one of the eligible countries specified in the call for proposals (unless approved by the Commission);
 - [are claimed according to the euro conversion rate referred to in Article 15.6 of the Grant Agreement;]
- total **receipts** of EUR [insert number] ([insert amount in words]) have been declared under Article 5.3.3 of the Grant Agreement and
- the [beneficiary's]/[affiliated entity's] **accounting procedures** are in compliance with the accounting rules of the state in which it is established and permit direct reconciliation of the costs incurred for the implementation of the action covered by the EU grant with the overall statement of accounts relating to its overall activity.

[However, our audit opinion is **qualified** for:

- costs of EUR [insert number]
- receipts of EUR [insert number]

which in our opinion do not comply with the applicable rules.]

4. We are qualified/authorised to deliver this audit certificate [(for additional information, see appendix to this certificate)].
5. The [beneficiary]/[affiliated entity] paid a **price** of EUR [insert number] (including VAT of EUR [insert number]) for this audit certificate. [OPTION 1: These costs are eligible (i.e. incurred within 60 days of the end of the action referred to in Article 3 of the Grant Agreement) and included in the financial statement.][OPTION 2: These costs were not included in the financial statement.]

Date, signature and stamp

ANNEX 7

***[OPTION 1 if further pre-financing payments foreseen in Article 15.2a:
MODEL FOR THE STATEMENT ON THE USE OF THE PREVIOUS
PRE-FINANCING PAYMENT***

➤ For fields in [grey in square brackets]: enter the appropriate data

STATEMENT ON THE USE OF THE FIRST PRE-FINANCING PAYMENT

(To be filled out by the coordinator)

The undersigned:

- declares that [...] % of the first pre-financing payment of EUR [insert amount] paid for Grant Agreement No [insert number] — [acronym] have been used,
- declares that this is based on substantiated data (bank slip/treasury account) provided by each beneficiary,
- certifies that the information contained in the progress report is full, reliable and true, and is substantiated by adequate supporting documentation that can be produced in the context of checks, reviews, audits and investigations,
- requests a second pre-financing payment of EUR [insert amount].

SIGNATURE

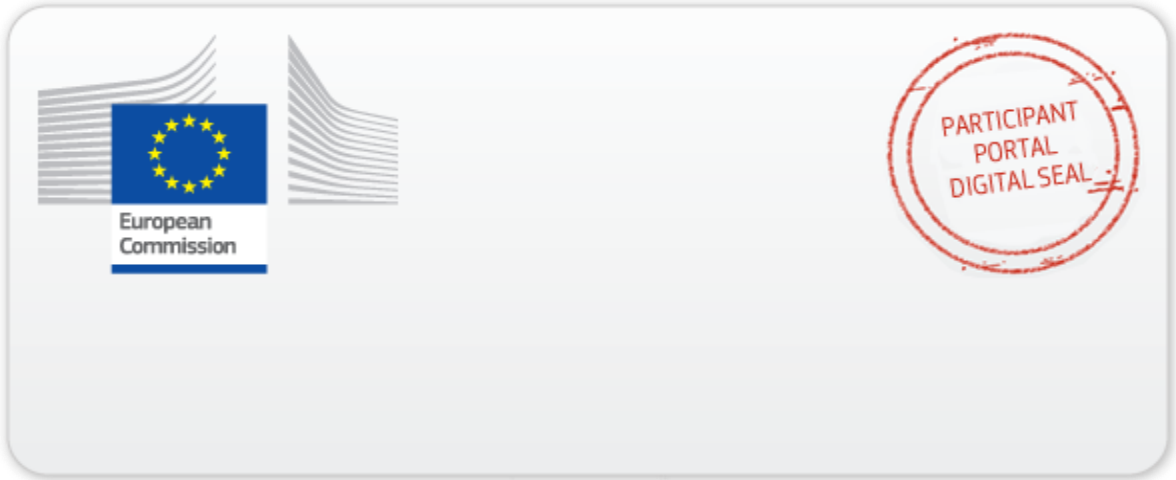
For the coordinator:

[electronic signature]

Done on [electronic time stamp]

/

[OPTION 2: Not applicable]



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