



ISLAND SUSTAINABLE TOURISM ACTION THROUGH RESILIENT SMES

I-STARS

OPEN CALL FOR APPLICATIONS

Grants Scheme for Tourism Businesses

ANNEX IV

GRANT AGREEMENT MODEL

(provided only for information purposes; to be signed after selection process)

Version 1.0
19 July 2023

Disclaimer

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Cambra de Comerç
Mallorca



Fundació Mallorca Turisme
Consell de Mallorca



Grant Agreement in the framework of the Project 101085914 – I-STARS

Open Call for Applications Grants Scheme for Tourism Businesses hereinafter referred as the “Agreement”

Between [NAME OF THE PARTNER] with registered office [ADDRESS], Company registration number [...], Tax ID [...], legally represented by [...], hereafter referred as the “**Contractor**”

AND [NAME OF THE BENEFICIARY] with registered office [ADDRESS], Company registration number [...], Tax ID [...], legally represented by [...], hereafter referred as the “**Beneficiary**”

WHEREAS the Beneficiary has been selected pursuant to the Open Call for Grants published by the Island Sustainable Tourism Action through Resilient SMEs (I-STARS) Project, Grant Agreement number: 101085914 (hereinafter referred as the “the Project”) to receive financial support, The Contractor and the Beneficiary HAVE AGREED to the following conditions:

Article 1 - Aim and purpose of the financial support

- 1.1.** I-STARS is a project co-funded by the European Commission under the **Single Market Programme (SMP)**, which aims at building a more resilient, innovative, and sustainable tourism ecosystem by taking at least 125 tourism MSMEs operating on the (islands) of Cyprus, Greece, Ireland, Spain and Italy, on a transformation ‘journey’, the 2030 journey to recovery and sustainability - while another 175 MSMEs will be boosted in as far as their development and capacity in the area of sustainable innovations is concerned.
- 1.2.** The financial support will be offered in the form of a grant, which the Beneficiary can use to purchase services/activities as specified below.
- 1.3.** The Application Form and its Annexes submitted by the beneficiary and approved by the I-STARS Evaluation Committee is an inseparable part of this Agreement and are binding for the Beneficiary.

Article 2 - Use of the Grant (financial support)

2.1. Financial support can be used solely for the following activities which are part of the submitted by the Beneficiary Application Form:

[.....]

2.2 If the Beneficiary participates in another scheme (co)funded by EU/national/regional/local/international funds on the same topic, the services/activities acquired must be different. Double funding of the same activities is strictly forbidden.

Article 3 - Amount of the Grant (financial support)

3.1. The maximum amount of the Grant (financial support) is [.....] € (exact amount as per the approved Application Form).

3.2. This amount is deemed to support the beneficiary in the execution of the Application as mentioned in the Article 2 of this Agreement.

Article 4 – Duration of the Agreement

4.1. The Agreement shall enter into force on the date of its signature.

- 4.2.** The implementation period of the activities starts on the day following the date the Agreement enters into force. The activities shall be implemented within the framework of the I-STARS project, but no later than July 2025.
- 4.3.** The implementation period of the activities is ... (...) **months** (according to the approved Application Form).

Article 5 – Reporting and Eligible Costs

- 5.1.** The Beneficiary will be requested to submit the deliverable(s) according to the Application Form approved under the I-STARS Open Call.
- 5.2.** The Beneficiary shall submit the deliverable(s) within one month after their completion, with 31/07/2025 being the very latest.
- 5.3.** The implementation of the funded services/activities under the I-STARS Grant:
- begins after the Beneficiary completes the I-STARS online courses (within a maximum of four months after approval of Application Form);
 - must end within 15-months at the most, 31/07/2025 being the very latest.
- 5.4.** Eligible costs included in the “Application Form” will be reported as follows:
- Costs of third parties’ providers/suppliers, with submission of deliverable(s) as defined within I-STARS Application Form and Call Guide as proof of evidence (payments made in cash and/or cheques are ineligible);
 - Travel and accommodation costs, with submission of deliverable(s) as defined within I-STARS Application Form and Call Guide as proof of evidence (payments made in cash and/or cheques are ineligible).

Article 6 – Payment arrangements

- 6.1.** The Beneficiary will pay the Sustainability Expert (service provider) upon successful completion of the services/activities provided, or as otherwise agreed between them.
- 6.2.** The Beneficiary will submit the final progress monitoring and financial report, and upon their approval by the Contractor, the Contractor will then deposit the approved Grant amount in the bank account of the Beneficiary.

Article 7– Rights and obligations of the Beneficiary

- 7.1.** The Beneficiary guarantees that it has complied with all legal requirements and that all necessary approvals for the correct implementation of the action plan have been obtained;
- 7.2.** The Beneficiary must observe the Call Guide, the approved Application form, and its Annexes.
- 7.3.** The Beneficiary must not receive or have received money from other Programmes or public financing for the same action (“double funding”).

Article 8 – Rights and obligations of the Contractor

- 8.1.** The Contractor has the obligation to support the Beneficiary by providing necessary information and clarifications for the implementation of the activities.
- 8.2.** The Contractor has the obligation to reply to any written solicitation from the Beneficiary, within ten (10) working days from the date of receiving the request.
- 8.3.** The Contractor has the obligation to inform the Beneficiary regarding conclusions and recommendations, made by the European Commission and/or EISMEA, which may affect the implementation of the present Agreement.

8.4. The Contractor has the right to request at any time during the implementation of this Agreement information about the progress of the activities and the planned deliverable/s.

8.5. The Contractor has the right to apply financial corrections in case the Beneficiary fails to comply with the respective European and/or national rules, the Call Guide, as well as with the approved Application form.

Article 9 – Checks and Audits

9.1. At any moment of implementation of the activities and up to five years later after final payment from the EISMEA to the Consortium, the Contractor and/or the I-STARS Consortium has the right to carry out checks, reviews, and audits, to ascertain:

- the proper use of funds concerning the eligible activities;
- compliance with the obligations laid down in the Call Announcement;
- the truthfulness of the declarations and information produced by the Beneficiary.
- Occurring the above situations or in case of impossibility of carrying out the checks, reviews, and audits for reasons attributable to the Beneficiary, the contribution may be reduced, rejected or revoked and may lead to criminal prosecution under national law. The contribution will be revoked in case of express renunciation of the contribution by the Beneficiary.

9.2. By signing this Agreement, the Beneficiary declares, that in the case that, as a result of the financial support payment, as mentioned in the Article 3.1. of this Agreement, the beneficiary incurs any obligation under the rules of their tax law, the beneficiary will fulfil this obligation by himself/herself.

9.3 The beneficiary acknowledges that EISMEA as the granting authority and the European Commission have the right to conduct checks, reviews and audits.

The beneficiary must cooperate diligently and provide — within the deadline requested — any information and data in addition to deliverables and reports already submitted (including information on the use of resources, complete accounts, individual salary statements or other personal data). The granting authority may request beneficiaries to provide such information to it directly. The beneficiary may be requested to participate in meetings, including with the outside experts. For on-the-spot visits, the beneficiary must allow access to sites and premises (including to the outside experts and audit firms) 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.

9.4. The beneficiary is aware that the following bodies may also carry out checks, reviews, audits and investigations — during the action or afterwards:

- the European Anti-Fraud Office (OLAF) under Regulations No 883/201322 and No 2185/9623;
- the European Public Prosecutor's Office (EPPO) under Regulation 2017/1939;
- the European Court of Auditors (ECA) under Article 287 of the Treaty on the Functioning of the EU (TFEU) and Article 257 of EU Financial Regulation 2018/1046.

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

To this end, the beneficiary concerned must keep all relevant information relating to the action, for at least 5 years after final payment from the EISMEA to the Consortium and, in any case, until any ongoing checks, reviews, audits, investigations, litigation or other pursuits of claims have been concluded.

The Beneficiary is acquainted with the fact that findings arising from an OLAF or EPPO investigation

may lead to criminal prosecution under national law.

9.5. State Aid “De minimis regime”. The Guidance Notice of the European Commission on the notion of “State aid” (Commission Notice on the notion of State aid as referred to in Article 107(1) of the Treaty on the Functioning of the European Union (2016/C 262/01), available at: https://eur-lex.europa.eu/legalcontent/EN/TXT/?uri=uriserv:OJ.C_.2016.262.01.0001.01.ENG, relevant information from FAQ: <https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/support/faq/18476>) clarifies that direct funding from the European Union, including from an Executive Agency, is not considered as a State Aid.

As a consequence, the financial distribution to third parties as integral part of the funding granted under the I-STARS Project by the EISMEA in application of the EU Financial Regulation does not constitute “State aid” and is not to be taken into account for the calculation of the “de minimis” rule.

Article 10- Confidentiality

10.1. General obligation to maintain confidentiality.

During the implementation of the action and for five years after the payment of the balance from the EISMEA to the I-STARS Consortium, the Beneficiary 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’). 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.

10.2. Consequences of non-compliance.

If the Beneficiary breaches any of its obligations under this Call, the grant may be reduced. Such breaches may also lead to any of the other measures such as rejection of ineligible costs, reduction of the grant, recovery of undue amounts and potential administrative and financial penalties.

Article 11 Conflict of interest

11.1. In the Grant Agreement, the conflict of interests in the meaning of Article 57 of Regulation 966/2012 represents any impartial and objective exercise of the functions of any person under the project compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with another person.

11.2. The parties take upon themselves to take all necessary measures in order to avoid any conflict of interest and to keep each other informed on any circumstances that have generated or may generate such a conflict. Any precondition or suspicion of conflict of interest that arises during the implementation of the contract shall be immediately reported to the relevant national partner (Contractor).

Article 12 Irregularities, fraud and reimbursement of the funding

12.1. “Irregularity”, according to Article 2, paragraph 36 of the Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013, means any breach of Union law, or of national law relating to its application, resulting from an act or omission by an economic operator involved in the implementation of the ESI Funds, which has, or would have, the effect of prejudicing the budget of the Union by charging an unjustified item of expenditure to the budget of the Union.

12.2. “Suspected fraud” is an irregularity giving rise to the initiation of administrative or judicial proceedings at national level in order to establish the presence of intentional behavior, in particular

fraud, as referred to in point (a) of Article 1(1) of the Convention drawn up on the basis of Article K.3 of the Treaty on European Union, on the protection of the European Communities' financial interests and represent any intentional act or omission relating to:

- the use or presentation of false, incorrect or incomplete statements or documents, which has as its effect the misappropriation or wrongful retention of funds from the general budget of the European Communities or budgets managed by, or on behalf of, the European Communities;
- non-disclosure of information in violation of a specific obligation, with the same effect;
- the misapplication of such funds for purposes other than those for which they were originally granted.

12.3. In case of irregularity, the Contractor may impose to the Beneficiary, in written, all the necessary measures for the elimination or diminishing of the consequences on the implementation of the operation.

12.4. The Contractor may suspend or terminate the Agreement in the case the Beneficiary fail to take the measures imposed.

12.5. The Contractor takes the decision for suspending/ terminating this Agreement, after verifying the reasons presented by the Beneficiary and the related documents.

12.6. In case an irregularity is committed, the Beneficiary is responsible for reimbursing the entire amount to the Contractor (including the charged interest, if any).

12.7. In case the Grant Agreement (that is signed between the Contractor's Consortium and the EISMEA granting authority) shall be terminated, after and upon agreement with EISMEA, the Contractor notifies the Beneficiary regarding this decision and the related financial measures. In this case, the Contractor will request that within 30 (thirty) calendar days as of the receiving date of the notification, the Beneficiary is obliged to return the amounts that the notification refers to, including the accrued interest on the received payments.

12.8. In case the irregularity is discovered before the balance payment, the Contractor may decide to diminish the reimbursable amount starting with the next payment until the total recovery of the debt.

12.9. In case the irregularity resulting in an unduly paid amount is discovered after the final payment or the debt was not entirely recovered, the Contractor shall notify the Beneficiary regarding the unduly paid amount, and the Beneficiary has the obligation to return the amount, within 30 (thirty) calendar days as of the receiving date of the notification.

12.10. Any extra payment done by the Contractor is considered unduly paid amount, and the Beneficiary has to repay the respective amounts within 30 (thirty) calendar days as of the receiving date of the notification from the Contractor.

12.11. The Beneficiary shall pay the bank charges resulted from the reimbursing of the amounts to the Contractor.

Article 13 Failure and penalties

13.1. In case of non-performance of the Agreement, including in case of poor or delayed performance, the Beneficiary shall owe to the Contractor a penalty in the paid amount of the Agreement.

13.2. The Beneficiary shall indemnify and hold the Contractor harmless from and against any and all damages or losses incurred by the latter with regard or in connection with the fulfilment of the activities and arising out of negligence or willful misconduct of the Beneficiary.

13.3. Any factual and documentary deviation from the agreed in this Agreement, from the instructions of the Contractor on the execution, shall be considered as non-performance of this Agreement.

Article 14 - Promoting the action — visibility of EU funding

14.1. The beneficiary is obliged to promote the action and its results. The Contractor will inform the

Beneficiary with detailed rules to implement such dissemination and promotion of the Programme in the proper way.

14.2. Unless the EISMEA requests or agrees otherwise, any communication activity related to the action and any tools or major result funded by the grant must:

- acknowledge EU support and display the European flag (emblem),
- and include the funding statement: “This [insert appropriate description, e.g. report, publication, tool, insert type of result, etc.] was co-funded by the European Union.” When displayed in association with another logo, the EU emblem must have appropriate prominence.



**Co-funded by
the European Union**



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the European Union**

Article 15 – Ethics and values

15.1 The Beneficiary must carry out its obligations arising from this agreement in line with the highest ethical standards and the applicable EU, international and national law on ethical principles.

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

15.3 The Beneficiary is obligated to avoid any conflict of interest and comply with the principles of transparency, non-discrimination, equal treatment, sound financial management, and proportionality and competition rules.

15.4 If the Beneficiary breaches any of its obligations under this article, the financial support may be reduced or the right to financial support may be revoked.

Article 16 – Keeping records and supporting documents

16.1 The Beneficiary must — for at least 5 years after final payment from the EISMEA to the I-STARS Consortium — keep records and other supporting documents to prove the proper implementation of the action/obligations in line with the accepted standards in the respective field (if any).

Article 17 – Correspondence

Any communication in connection with this Agreement shall be done by the Beneficiary in written to the contact person mentioned below:

Contact person of the Contractor:

Name & Surname:
Function:
Organisation Name:
Address:
Tel.:
Email:

Contact person of the Beneficiary:

Company Name:
Name & Surname:
Function:
Address:
Tel.:
Email:

Article 18 – Bank account

Payment of the Grant will be made in EUR in the following bank account of the Beneficiary:

Name of the beneficiary bank	:
Account holder name	
Name of the bank	:
IBAN	:
BIC	:

Article 19 – Applicable law and competent jurisdiction

19.1. In case a dispute arises between the Contractor and the Beneficiary regarding the implementation of this Agreement, a friendly conciliation shall be attempted. The competent legal authorities of the Republic of (Partner country) shall solve the dispute in case no mutual agreement can be reached.

19.2. The present Agreement is governed by the (Partner country) law. The courts, having jurisdiction for matters related to this Agreement shall be the court of the (CITY).

19.3. The Agreement forces the parties to observe in whole and with good faith every provision, according to the principle of the bindery legal force of this Agreement between parties.

Article 20 – Termination of the Agreement

20.1. The present Agreement may be terminated by written mutual agreement of the parties.

20.2. Any breach of the provisions of this Agreement may result in the termination of the Agreement by the Contractor and in reimbursement of the financing and repayment of unduly paid amounts from the Beneficiary.

20.3. The Contractor is entitled to terminate the Agreement, without any other formality, and to demand repayment of the amounts already paid, if:

1. The Contractor finds an inconsistency between the reality and the declarations of the Beneficiary in the application form, regarding the financing of the operation from other European funds; or
2. The Contractor finds that the amount awarded has been partially or entirely misapplied for purposes other than those agreed upon herein; or

3. The Contractor finds that insolvency proceedings are instituted against the Beneficiary, provided that this appears to prevent or risk the implementation of the action, or
4. The Beneficiary closes down; or
5. In case of legal succession the legal successor does not comply with the eligibility criteria laid down for the Beneficiary; or
7. The Contractor decides that the action is no longer eligible, if during its implementation, including 5 (five) years after the closing of the implementation period, some modifications appear that affect the implementation conditions/ create for a third party an unjustified advantage, and the modification is the result of a change in the nature of the property/ ceasing/ change of the location of the operation; or The Contractor finds that the Beneficiary failed to notify the Contractor in the deadline on a case of double financing or conflict of interests or the necessary measures for correction/ ending such a situation were not taken.

20.4. The Contractor is entitled to terminate the Agreement, and to demand repayment of the amounts already paid, if:

1. The activities have not been or cannot be implemented in a manner that the Contractor considers appropriate with the goal of the application form/actin plan; or
2. The Beneficiary has failed to submit within the deadlines required proofs, or to provide necessary information within the set deadline and has not justified these delays; or
3. An irregularity is discovered at Beneficiary level; or
4. The Beneficiary has failed to meet any other conditions or requirements, stipulated in this Agreement.

20.5. The Agreement may be terminated by request from the Beneficiary, in case there are any obstacles for the proper implementation of the activities described in the Application form. In this case the Beneficiary must inform the Contractor immediately after the situation occurred.

20.6. The Contractor has the right to terminate the Agreement, without any notice, if the European Commission and/or EISMEA withdraws the financing of the I-STARS project. In this case the Contractor is not obliged to pay any compensation to the Beneficiary.

20.7. If termination takes effect before the entire amount is paid to the Beneficiary, the payments will cease, and the Contractor will not consider further requests from the Beneficiary for reimbursement of the remaining part of the amount.

20.8. In case of termination of the contract, the Beneficiary is obliged to transfer the repayment amount to the Contractor. The repayment amount is due within 30 (thirty) calendar days, following the date of the letter by which the Contractor asserts the repayment claim. In case of non-payment at the due date, the Contractor imposes penalties one and a half point above the rate applied by the European Central Bank from the first working day from the month of the deadline date to the owed amounts. These penalties will not be supported from the contract value (they are non-eligible expenditure). The Agreement can be formally terminated after the repayment amount is transferred to the Contractor.

Article 21 – Personal Data Protection

21.1 Any personal data under the I-STARS Open Call for Grants and the Third Party Service Agreement will be processed by each I-STARS Consortium partner, in compliance with the article 13 of EU Regulation 2016/679 (GDPR).

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

21.3 The Contractor and Beneficiary may grant their personnel access only to data that is strictly necessary for implementing, managing and monitoring this Agreement.

21.4 As a requirement of the funding organization, the name of the Beneficiary will be published on the [I-STARS Call Page](#). Information/data will also be shared with the grant awarding body (European

Innovation Council and SMEs Executive Agency (EISMEA)), who may also publish general information accordingly.

Article 22 – Force Majeure

22.1 Force majeure shall mean any unforeseeable and exceptional situation or event beyond the control of the contracting parties which prevents either of them from fulfilling any of their obligations under the Contract, was not due to error or negligence on their part or on the part of a subcontractor, and could not have been avoided by the exercise of due diligence. Defects in tools or material or delays in making it available, labour disputes, strikes or financial problems cannot be invoked as force majeure unless they stem directly from a relevant case of force majeure.

22.2 If either contracting party is faced with force majeure, it shall notify the other party without delay by registered letter with acknowledgement of receipt or equivalent, stating the nature, likely duration and foreseeable effects.

22.3 Neither contracting party shall be held in breach of its contractual obligations if it has been prevented from performing them by force majeure. Where the Contractor is unable to fulfil his contractual obligations owing to force majeure, he shall have the right to remuneration only for tasks actually carried out.

22.4 The contracting parties shall take the necessary measures to reduce damage to a minimum.

Article 23 – Final Provisions

23.1. Any modifications to this Agreement must be duly justified and shall be subject to approval by the I-STARS Consortium and will be operated by a written Addendum to the Agreement. The Addendum shall enter into force on the day when it has been signed by all parties.

23.2. This Agreement is issued in two copies, one for the Contractor, one for the Beneficiary.

23.3. The following annexes form an integral part of this Agreement:

Annex I: Approved Application Form

Annex II: Budget Form

Annex III: Signed Declaration of Legal Representative of Beneficiary

For the Contractor:

For the Beneficiary:

Town/Country:

Town/Country:

Date:

Date:

[Signature]

[Signature]

[Name & Surname of Legal Representative]

[Name & Surname of Legal Representative]