**APPENDIX I – to include in the Special Conditions (Articles 7.3 and/or 7.4) when one of the beneficiaries is an international organisation/pillar assessed organisation[[1]](#footnote-1).**

7.3 The following modifications to Annex II shall apply to: <include here the international organisation(s) who are beneficiary(ies) of the grant> (hereinafter the “Organisation”)[[2]](#footnote-2)

* Nothing in this contract shall be interpreted as a waiver of the Organisation's privileges and immunities or of any specific agreement, including on verification, concluded in this respect with the European Union;
* Article 3 of Annex II shall be supplemented as follows:

“*The Organisation liability is subject to the rules governing the organisation’s privileges and immunities*.”

* Article 6 of Annex II shall be supplemented as follows:

“*Equipment and vehicles of the Organisation may routinely carry its emblem and other indications of ownership prominently displayed. If during the implementation of the action, equipment, vehicles, or major supplies are purchased, the Organisation shall, however, display appropriate acknowledgement on such vehicles, equipment and major supplies (including display of the European Union emblem). Where such display could jeopardise the Organisation’s privileges and immunities or the safety and security of the organisation’s staff or of the final beneficiaries, the Organisation shall propose appropriate alternative arrangements. The acknowledgement and European Union emblem shall be clearly visible in a manner that does not create any confusion regarding the identification of the action as an activity of the Organisation, the ownership of the equipment and supplies by the Organisation, and the application to the action of the Organisation’s privileges and immunities*.”

* Article 7.5 of Annex II shall be supplemented by the following:

*“When the action funded by the EU contributes to a larger action, the Organisation may transfer the equipment, vehicles and supplies paid by the budget of the action to this larger action, if so provided for in the special conditions. In such case, it shall submit an inventory listing the items concerned and their use with the submission of the final report. The visibility requirements regarding the equipment, vehicles and supplies and compliance with EU values referred to in Article 4 of Annex II shall continue to apply at least until the end of the larger action.*

*Proofs of transfer of any equipment and goods transferred by the Organisation shall not be enclosed to the final report but kept for control purposes according to in accordance with the record keeping obligations laid down in Article 16.”*

* Articles 12.8 to 12.11 (Administrative measures) of Annex II shall be subject to the privileges and immunities of the Organisation.
* Articles 13.1 and 13.4 of Annex II shall be replaced by the following:

“*Without prejudice to any related Financial Framework Partnership Agreement, in the absence of an amicable settlement pursuant to Article 13.2 above, any dispute, controversy or claim arising out of or in relation to this agreement, or the existence, interpretation, application, breach, termination, or invalidity thereof, shall be settled by final and binding arbitration in accordance with the 2012 Permanent Court of Arbitration Rules for Arbitration, as in effect on the date of entry into force of this Agreement. The appointing authority shall be the Secretary General of the Permanent Court of Arbitration. The arbitration proceedings must take place in the Hague and the language used in the arbitral proceedings will be English. The arbitrator’s decision shall be binding on all Parties and there shall be no appeal.*“

* Article 14.9 i) of Annex II shall be supplemented by the following:

“*provisions, reserves or non-remuneration related costs. Employers' contributions to pension or to any other employee insurance funds run by the Organisation shall only be eligible to the extent they do not exceed the cost incurred during the reporting period, calculated following applicable international accounting standards*;”

- For the purposes of Article 15.14 of Annex II, where the Organisation is the coordinator, as a public body, it does not have to submit a pre-financing guarantee, thus Annex VIII does not apply to it.

7.4 The following modifications shall apply to: <include here the pillar assessed entities who are beneficiary(ies) of the grant> (hereinafter the “Organisation”)[[3]](#footnote-3)

- In the performance of the activities and subject to ad-hoc provisions stipulated below, if any, the Organisation shall apply its own rules and procedures, which have been subject to the pillar-assessment, as regards:

a) internal control;

b) accounting system;

c) independent external audit;

f) protection of personal data.

[The Organisation shall apply the following ad hoc measures <insert ad hoc measures stemming from the pillar assessment>]

- Article 1.5 of Annex II shall be supplemented as follows: “*e) The Organisation shall notify the contracting authority and the European Commission where it is not the contracting authority, without delay of any substantial change in the rules, procedures and systems applied in the implementation of the action. This obligation concerns in particular (i) substantial changes affecting the pillar assessment undergone by the Organisation, where applicable (ii) those which may affect the conditions for eligibility provided for in the applicable legal instruments of the EU. The contracting authority reserves the right to adopt or require additional measures in response to such changes or to terminate the contract or participation of the Organisation, where no agreement on such measures or other solutions can be reached”*.

* First subparagraph of Article 1.6 of Annex II shall be supplemented as follows: “*Where the European Commission and the Organisation have concluded a financial Framework Partnership Agreement, this subparagraph shall be applied in accordance with the related provisions laid down therein*”.
* Articles 4.3 and 4.4. of Annex II shall be applied according to the Organisation's rules and regulations positively assessed in the pillar assessment.
* Article 6 of Annex II shall be supplemented as follows:

“*Equipment and vehicles of the Organisation may routinely carry its emblem and other indications of ownership prominently displayed. If during the implementation of the action, equipment, vehicles, or major supplies are purchased, the Organisation shall, however, display appropriate acknowledgement on such vehicles, equipment and major supplies (including display of the European Union emblem). Where such display could jeopardise the Organisation’s privileges and immunities or the safety and security of the organisation’s staff or of the final beneficiaries, the Organisation shall propose appropriate alternative arrangements. The acknowledgement and European Union emblem shall be clearly visible in a manner that does not create any confusion regarding the identification of the action as an activity of the Organisation, the ownership of the equipment and supplies by the Organisation, and the application to the action of the Organisation’s privileges and immunities*.”

* Article 7.5 of Annex II shall be supplemented by the following:

*“When the action funded by the EU contributes to a larger action, the Organisation may transfer the equipment, vehicles and supplies paid by the budget of the action to this larger action, if so provided for in the special conditions. In such case, it shall submit an inventory listing the items concerned and their use with the submission of the final report. The visibility requirements regarding the equipment, vehicles and supplies and compliance with EU values referred to in Article 4 of Annex II shall continue to apply at least until the end of the larger action.*

*Proofs of transfer of any equipment and goods transferred by the Organisation shall not be enclosed to the final report but kept for control purposes according to in accordance with the record keeping obligations laid down in Article 16. Annex IX does not apply to the Organisation”.*

- If the pillar assessment covers procurement and/or grants add: [Article 10 of Annex II shall be supplemented as follows:

The Organisation may:

* [apply its own rules and procedures for the award and management of procurement contracts which have been pillar assessed, instead of section 1 Principles of Annex IV If applicable, insert: [, complemented with the following ad-hoc measures <insert>] as regards implementation contracts and subcontracting][, and]
* [apply its own rules and procedures for the award and management of grants, which have been pillar assessed If applicable, insert:[, complemented with the following ad-hoc measures <insert>]] as regards financial support to third parties.]]
* Article 2.9 of Annex II shall be supplemented as follows:

“*The coordinator in agreement with the Organisation may decide to substitute the contractual expenditure verification report and/or the detailed breakdown of expenditure for the part of incurred expenditure of the action that is implemented by the Organisation by a management declaration stating that during the period covered by the corresponding report the contribution has been used and accounted for in compliance with the systems and rules positively assessed in the pillar assessment and with the obligations laid down in this contract. In that case, Annex VII is not applicable to the organisation*.”

Select one:

For International Organisations/Member States Organisations which have established an arrangement to provide annually a global management declaration: [The Organisation shall provide annually a global management declaration to the European Commission headquarters.]

In all other cases: [The coordinator shall submit the Organisation’s management declaration with every progress and final report.]

* Article 16.6 to Article 16.10 of Annex II shall be replaced by the following:

**“*Right of access***

*16.6 The Organisation shall allow the European Commission, or any authorised representatives, to conduct desk reviews and on-the-spot checks on the use made of the EU contribution on the basis of supporting accounting documents and any other document related to the financing of the action.*

*16.7. The Organisation agrees that OLAF or the European Public Prosecutors’ Office may carry out investigations, including on-the-spot checks and inspections, in accordance with the provisions laid down by EU law for the protection of the financial interests of the EU against fraud, corruption and any other illegal activity.*

*16.8. The Organisation agrees that the execution of this contract may be subject to scrutiny by the Court of Auditors when the Court of Auditors audits the European Commission’s implementation of EU expenditure. In such case, the Organisation shall provide to the Court of Auditors access to the information that is required for the Court to perform its duties.*

*16.9. To that end, the Organisation undertakes to provide officials of the European Commission, the European Public Prosecutor’s Office, OLAF and the European Court of Auditors and their authorised agents, upon request, information and access to any documents and computerised data concerning the technical and financial management of operations financed under the contract, as well as grant them access to sites and premises at which such operations are carried out. The Organisation shall take all necessary measures to facilitate these checks in accordance with its regulations and rules. The documents and computerised data may include information that the Organisation considers confidential in accordance with its own established regulations and rules or as governed by contractual agreement Such information once provided to the European Commission, the European Public Prosecutor’s Office, OLAF, the European Court of Auditors, or any other authorised representatives, shall be treated in accordance with EU confidentiality rules and legislation and Article 5. Documents must be accessible and filed in a manner permitting checks, the Organisation being bound to inform the European Commission, the European Public Prosecutor’s Office, OLAF or the European Court of Auditors of the exact location at which they are kept. Where appropriate, the parties may agree to send copies of such documents for a desk review.*

*16.9. Where applicable, the desk reviews, investigations, on-the-spot checks and inspections referred to in Article 16.6 to 16.9 shall refer to a verification that shall be performed in accordance with the verification clauses agreed between the Organisation and the European Commission. This is without prejudice to any cooperation arrangement between OLAF and the Organisation’s anti-fraud bodies.*

*16.10. The European Commission shall inform the Organisation of the planned on-the-spot missions by agents appointed by the European Commission in due time in order to ensure adequate procedural matters are agreed upon in advance.*”

* Article 16 of Annex II shall be supplemented with the following:

**“*Consequences of non compliance***

*16.11. Failure to comply with the obligations set forth in Article 16.1 to 16.10 constitutes a case of breach of a substantial obligation under this contract. In this case, the contracting authority may in particular suspend the contract, payments or the time-limit for a payment, terminate the contract, terminate the participation of the Organisation and/or reduce the grant*.”

- Section 2.3. of Annex IV (exceptions to the rules on nationality and origin), shall be supplemented as follows: “*The Organisation may give access to nationals or goods originating from countries other than those referred to in Sections 2.1 and 2.2 in accordance with its rules without prior authorisation by the European Commission*”.

1. Where the **coordinator** is an international organisation/other entity whose pillars have been positively assessed by the European Commission, this annex is not relevant, as the Organisation will sign a contribution agreement based on the related template. This template therefore applies only where a pillar assessed organisation acts as co-beneficiary or where the coordinator or a co-beneficiary is an international organisation whose pillars have not been positively assessed. [↑](#footnote-ref-1)
2. Article 7.3 is only to be inserted where an international organisation: (i) is co-beneficiary (no matter whether it is pillar assessed or note); (ii) is a coordinator and it is not pillar assessed. [↑](#footnote-ref-2)
3. Article 7.4 is only to be included where a pillar assessed organisation is a co-beneficiary. [↑](#footnote-ref-3)