GENERAL AND ADMINISTRATIVE CONDITIONS
APPLICABLE TO ALF GRANT CONTRACTS

ARTICLE 1 - GENERAL OBLIGATIONS

1.1 The Applicant, when selected and having signed a grant contract (in terms of these rules: the “Beneficiary”) shall implement the Action under his own responsibility and in accordance with the Description of the Action in Annex A (Application Form) with a view to achieving the objectives laid down therein.

1.2 The Beneficiary shall implement the Action with the requisite care, efficiency, transparency and diligence, in line with best practice in the field concerned and in compliance with this Contract. For this purpose, the Beneficiary shall mobilise all the financial, human and material resources required for full implementation of the Action as specified in the Description of the Action (Grant Application Form, Annex A).

1.3 The Beneficiary shall act in partnership with partners identified in the Description of the Action (Annex A Grant Application Form). He may subcontract a limited portion of the Action (works and services). The bulk of the Action must, however, be undertaken by the Beneficiary and his partners.

If implementation of the Action involves the conclusion of contracts by the Beneficiary, the contract-award procedures and rules of nationality and origin set out in Annex D 2 shall apply.

The Anna Lindh Foundation does not acknowledge any contractual link between itself and the Beneficiary’s partners or subcontractors. The Beneficiary alone shall be accountable to the Anna Lindh Foundation for the implementation of the Action. He shall undertake that the conditions applicable to him under Articles 1, 3, 4, 5, 6, 7, 8, 10, 14, 16 and 17 shall also apply to his partners, and those applicable under Articles 1, 3, 4, 5, 6, 8 and 16 to all his contractors. He shall include provisions to that effect as appropriate in his contracts with them.

The Beneficiary and the Anna Lindh Foundation (ALF) are the only parties (the “Parties”) to this Contract.
ARTICLE 2 – OBLIGATIONS TO PROVIDE INFORMATION, FINANCIAL AND TECHNICAL REPORTS

2.1. The Beneficiary must provide the Anna Lindh Foundation with all required information on the implementation of the Action. To that end, the Beneficiary must draw up a final report. This report shall consist of a technical section and a financial section. It shall cover the Action as a whole, regardless of which part of it is financed by the Anna Lindh Foundation. The Anna Lindh Foundation may request additional information at any time and that information must be supplied within 30 days of the request. If the Beneficiary fails to comply with this obligation, the Anna Lindh Foundation may terminate the Contract in accordance with Article 12.2 a) and recover the amounts already paid and not substantiated.

2.2. The report must provide a full account of all aspects of the Action’s implementation for the period covered. The report shall be laid out in such a way as to allow comparison between on the one hand the objective(s), the means proposed, the results expected in the Description of the Action and the budget details for the Action (Annexes A and B) and on the other hand the means employed, the costs incurred and the results obtained (using the indicators of achievement provided for in the Description of the Action).

2.3. The final report shall also contain a detailed description of the conditions in which the Action was carried out, information on the steps taken to ensure the visibility of Anna Lindh Foundation financing, information with which to evaluate the Action's impact, and a final statement of all the eligible costs of the Action, plus a full summary statement of the Action's income and expenditure and payments received.

2.4. The report shall be drafted in the language of the Contract. It shall be submitted to the Anna Lindh Foundation no later than three months after the implementation period as defined in Article 2 of the Special Conditions (in the Grant Contract/Annex D).

2.5. If the Beneficiary fails to supply the Anna Lindh Foundation with a final report by the deadline laid down in Article 2.4 and fails to provide an acceptable and sufficient written explanation of the reasons why he is unable to comply with this obligation, the Anna Lindh Foundation may terminate the Contract in accordance with Article 12.2 a) and recover the amounts already paid and not substantiated.

ARTICLE 3 – LIABILITY

3.1. The Anna Lindh Foundation cannot under any circumstances or for any reason whatsoever be held liable for damage or injury sustained by the staff or property of the Beneficiary while
the Action is being carried out. The Anna Lindh Foundation cannot therefore accept any claim for compensation or increases in payment in connection with such damage or injury.

3.2. The Beneficiary shall assume sole liability towards third parties, including liability for damage or injury of any kind sustained by them while the Action is being carried out. The Beneficiary shall discharge the Anna Lindh Foundation of all liability arising from any claim or action brought as a result of an infringement by the Beneficiary or the Beneficiary’s employees or individuals for whom those employees are responsible of rules or regulations, or as a result of violation of a third party’s rights.

ARTICLE 4 – CONFLICT OF INTEREST

The Beneficiary undertakes to take all necessary precautions to avoid conflicts of interests and shall inform the Anna Lindh Foundation without delay of any situation constituting or likely to lead to any such conflict.

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

ARTICLE 5 – CONFIDENTIALITY

Subject to Article 16, the Anna Lindh Foundation and the Beneficiary undertake to preserve the confidentiality of any document, information or other material communicated to them in confidence until at least seven years after the final payment. The European Commission shall also have access to all documents communicated to the Anna Lindh Foundation and will maintain the same confidentiality.

ARTICLE 6 – VISIBILITY

6.1. Unless the Anna Lindh Foundation agrees or requests otherwise, the Beneficiary must take all necessary steps to publicise the fact that the Anna Lindh Foundation has financed or co-financed the Action.

6.2. In particular, the Beneficiary shall mention the Action and the Anna Lindh Foundation financial contribution in information given to the final recipients of the Action, in its internal and annual reports, and in any dealings with the media. It shall display the Anna Lindh Foundation Euro-Med label wherever appropriate.
6.3. Any notice or publication by the Beneficiary concerning the Action, including those given at a conference or seminar, must specify that the Action has received Anna Lindh Foundation funding. Any publication by the Beneficiary, in whatever form and by whatever medium, including the Internet, must include the following statement: “This document has been produced with the financial assistance of the Anna Lindh Euro-Mediterranean Foundation for the Dialogue between Cultures. The contents of this document are the sole responsibility of <Beneficiary’s name> and can under no circumstances be regarded as reflecting the position of the Anna Lindh Foundation.”

6.4. The Beneficiary authorises the Anna Lindh Foundation to publish his name and address, the purpose of the grant, the maximum amount of the grant and rate of funding of the Action's eligible costs, as laid down in the Article 3.2 of the Special Conditions in the Grant Contract.

ARTICLE 7 – OWNERSHIP/USE OF RESULTS

7.1. Ownership of, and title and intellectual and industrial property rights to, the Action's results, reports and other documents relating to it shall be vested in the Beneficiary.

7.2. Notwithstanding the provisions of Article 7.1 and subject to Article 5, the Beneficiary grants the Anna Lindh Foundation and the European Commission the right to use freely and as it sees fit all documents deriving from the Action, whatever their form, provided it does not thereby breach existing industrial and intellectual property rights.

ARTICLE 8 – EVALUATION OF THE ACTION

8.1. If the Anna Lindh Foundation or the Board of Governors, Member States and the European Commission, carry out an interim or ex post evaluation, the Beneficiary shall undertake to provide them and/or the persons authorised by them with any document or information which will assist with the evaluation, and grant them the access rights described in Article 16.2.

8.2. If either Party carries out or commissions an evaluation in the course of the Action, it must provide the other Party with a copy of the evaluation report.
ARTICLE 9 - AMENDMENT OF THE CONTRACT

9.1. Any amendment to the Contract, including the annexes thereto, must be set out in writing in an addendum.

If an amendment is requested by the Beneficiary, he must submit that request to the Anna Lindh Foundation one month before the date on which the amendment should enter into force, unless there are special circumstances duly substantiated by the Beneficiary and accepted by the Anna Lindh Foundation.

9.2. However, where the amendment does not affect the basic purpose of the Action and the financial impact is limited to a transfer within the same budget heading, or a transfer between budget headings 1, 2, 3 and 4 of the Budget (Annex B), involving a variation of 15% or less of the amount originally entered under each relevant heading for eligible costs, the Beneficiary may apply the amendment and inform the Anna Lindh Foundation accordingly in writing. This method may not be used to amend the heading for administrative costs (section 6 of the Budget, Annex B).

Changes of address, changes of bank account and changes of auditor may simply be notified, although this does not prevent the Anna Lindh Foundation from opposing the Beneficiary’s choice of bank account or auditor.

The Anna Lindh Foundation reserves the right to require that the auditor chosen by the Beneficiary be replaced if considerations cast doubt on the auditor’s independence or professional standards.

9.3. An addendum may not have the purpose or the effect of making changes to the Contract that would call into question the grant award decision or be contrary to the equal treatment of applicants. The maximum grant referred to in Article 3.2 of the Special Conditions (in the Grant Contract) may not be increased.

ARTICLE 10 – ASSIGNMENT

The Contract and the payments attached to it may not be transferred or assigned to a third party in any manner whatsoever without the prior written consent of the Anna Lindh Foundation.
ARTICLE 11 – IMPLEMENTATION PERIOD OF THE ACTION, EXTENSION, SUSPENSION, FORCE MAJEURE AND END DATE

11.1. The implementation period of the Action is laid down in Article 2 of the Special Conditions (in the Grant Contract). The Beneficiary must inform the Anna Lindh Foundation without delay of any circumstances likely to hamper or delay the implementation of the Action. The Beneficiary may request an extension of the Action’s implementation period no later than one month before it ends. The request must be accompanied by all the supporting evidence needed for its appraisal.

11.2. The Beneficiary may suspend implementation of all or part of the Action if circumstances (chiefly force majeure) make it too difficult or dangerous to continue. The Beneficiary must inform the Anna Lindh Foundation without delay and provide all the necessary details. Each Party may terminate the Contract in accordance with Article 12.1. If the Contract is not terminated, the Beneficiary shall endeavour to minimise the time of its suspension and shall resume implementation once circumstances allow, and shall inform the Anna Lindh Foundation accordingly.

11.3. The Anna Lindh Foundation may request the Beneficiary to suspend implementation of all or part of the Action if circumstances (chiefly force majeure) make it too difficult or dangerous to continue. Each Party may terminate the Contract in accordance with Article 12.1. If the Contract is not terminated, the Beneficiary shall endeavour to minimise the time of its suspension and shall resume implementation once circumstances allow, with the prior written approval of the Anna Lindh Foundation.

11.4. The implementation period of the Action shall be extended by a period equivalent to the length of suspension, without prejudice to amendments to the Contract that may be necessary to adapt the Action to the new implementing conditions.

11.5. Force majeure shall mean any unforeseeable exceptional situation or event beyond the parties’ control which prevents either of them from fulfilling any of their contractual obligations, is not attributable to error or negligence on their part (or the part of their contractors, agents or employees), and proves insurmountable in spite of all due diligence. Defects in equipment or material or delays in making them available, labour disputes, strikes or financial difficulties cannot be invoked as force majeure. A Party shall not be held in breach of its contractual obligations if it is prevented from fulfilling them by force majeure.

Without prejudice to Articles 12.2 and 12.3, the Party faced with force majeure shall inform the other Party without delay, stating the nature, probable duration and foreseeable effects of the problem, and take any measure to minimise possible damage.
11.6. The payment obligations of the Anna Lindh Foundation under this Contract shall end 18 months after the implementation period laid down in Article 2 of the Special Conditions in the Grant Contract, unless the Contract is terminated under Article 12.

The Anna Lindh Foundation shall notify the Beneficiary of any postponement of the end date.

ARTICLE 12 – TERMINATION OF THE CONTRACT

12.1. If a Party believes that the Contract can no longer be executed effectively or appropriately, it shall consult the other Party. Failing agreement on a solution, either Party may terminate the Contract by serving two months’ written notice, without being required to pay compensation.

12.2. The Anna Lindh Foundation may terminate the Contract, without giving notice and without paying compensation of any kind, where the Beneficiary:

a) fails, without justification, to fulfil any of the obligations incumbent on him and, after being given notice by letter to comply with those obligations, still fails to do so or to furnish a satisfactory explanation within 30 days of sending of the letter;

b) is bankrupt or being wound up, is having its affairs administered by the courts, has entered into an arrangement with creditors, has suspended business activities, is the subject of proceedings concerning those matters or is in any analogous situation arising from a similar procedure provided for in national legislation or regulations;

c) has been convicted of an offence concerning professional conduct by a judgment which has the force of res judicata or is guilty of grave professional misconduct proven by any justified means;

d) engages in any act of fraud or corruption or is involved in a criminal organisation or any other illegal activity detrimental to the Anna Lindh Foundation or the European Communities’ financial interests: this also applies to the partners, contractors and agents of the Beneficiary;

e) changes legal personality, unless an addendum recording that fact is drawn up;

f) does not comply with Articles 4, 10 and 16;

g) makes false or incomplete statements to obtain the grant provided for in the Contract or provides reports that do not reflect reality.
12.3. In the event of termination, the Beneficiary shall be entitled to payment of the grant only for the part of the Action carried out, excluding costs connected with current commitments that would be implemented after termination. For this purpose the Beneficiary shall introduce a payment request and a final report in accordance with Article 2.

12.4. However, in the event of wrongful termination of the Contract by the Beneficiary under Article 12.1 and in the cases specified in Article 12.2 d), e) and g), the Anna Lindh Foundation may request full or partial repayment of sums already paid from the grant, in proportion to the gravity of the failings in question and after allowing the Beneficiary to submit his observations.

12.5. Prior to, or instead of, terminating the Contract as provided for in this Article, the Anna Lindh Foundation may suspend payments as a precautionary measure without prior notice.

12.6. This Contract shall be terminated automatically if it has not given rise to any payment within three years of its signature.

ARTICLE 13 – APPLICABLE LAW AND DISPUTE SETTLEMENT

13.1. This Contract shall be governed by Egyptian law, the Anna Lindh Foundation being a specific private law body registered by the Egyptian Ministry of Foreign Affairs as an international civil society organization having an intergovernmental Board of Governors. Egyptian law applies, therefore, only to aspects not exempted from it by the Host Country Agreement established between the Foundation and the Egyptian Ministry of Foreign Affairs. Concerning these aspects, and in case of procedures foreseen under 13.2 and 13.3 having failed, arbitration may be sought from the Legal Services of the European Council.

13.2. The Parties shall do everything possible to settle amicably any dispute arising between them during implementation of this Contract. To that end, they shall communicate their positions and any solution that they consider possible in writing, and meet each other at either’s request. A Party must reply to a request for an amicable settlement within 30 days. Once this period has expired, or if the attempt to reach amicable settlement has not produced agreement within 120 days of the first request, each Party may notify the other that it considers the procedure to have failed.
13.3. In the event of failure to reach an amicable agreement, the dispute may by common agreement of the Parties be submitted to the conciliation of the European Commission or other third parties. If no settlement is reached within 120 days of the opening of the conciliation procedure, each Party may notify the other that it considers the procedure to have failed.

13.4. In the event of failure of the above procedures, each Party may submit the dispute to the Egyptian courts, subject to the provisions under 13.1. The Anna Lindh Foundation reserves the right to submit the dispute to courts of the country where the Beneficiary is registered or where he has its registered or main office.

Financial provisions

ARTICLE 14 – ELIGIBLE COSTS

14.1. To be considered eligible as direct costs of the Action, costs must:

- be necessary for carrying out the Action, be provided for in the Contract and comply with the principles of sound financial management, in particular value for money and cost-effectiveness;
- have actually been incurred by the Beneficiary or his partners during the implementation period of the Action as defined in Article 2 of the Special Conditions to the Contract, whatever the time of actual disbursement by the Beneficiary or a partner; this does not affect the eligibility of costs of the final audit;
- be recorded in the accounts or tax documents of the Beneficiary or his partners and be identifiable, verifiable and backed by originals of supporting evidence.

14.2. Subject to the above and where relevant to the provisions of Annex D 2 being respected, the following direct costs shall be eligible:

- The cost of staff assigned to the Action, corresponding to actual salaries plus social security charges and other remuneration-related costs; salaries and costs must not exceed those normally borne by the Beneficiary or his partners. Moreover, additional hours will be financed at the normal hourly rate and not at any higher rate. Staff costs should be calculated on the basis of the task performed and not on the status of the person.
• Travel and subsistence costs for staff taking part in the Action, provided they do not exceed those normally borne by the Beneficiary or his partners. Any flat-rate reimbursement must not exceed the scales approved annually by the European Commission (Annex C).

• **Rental of equipment and purchase of services, provided they correspond to market rates;**

• Costs of consumables and supplies;

• Subcontracting expenditure;

• Costs deriving directly from the requirements of the Contract (dissemination of information, evaluation specific to the Action, audits, translation, reproduction, insurance, bank costs etc.) including financial service costs (in particular the cost of transfers and financial guarantees).

14.3. **The following costs shall not** be considered eligible:

• Debts and provisions for losses or debts;

• Interest owed;

• Items already financed in another framework;

• Purchases of equipment, land or buildings;

• Currency exchange losses;

• Taxes, including VAT, unless the Beneficiary and, where applicable, the Partners provide ALF with a declaration along with their reports that they are not able to reclaim taxes paid, including VAT;

• Scholarships or any other direct cash contribution;

• Any cost linked to the preparation of the grant application or to any other expenses prior to the contract signature.
14.4. A lump sum not exceeding 7% of the direct eligible costs of the Action may be claimed as indirect costs to cover the administrative overheads incurred by the Beneficiary for the Action.

Indirect costs are eligible provided that they do not include costs assigned to another heading of the Contract budget.

Indirect costs are ineligible if the Beneficiary receives in other respects an operating grant from the European Commission.

The Anna Lindh Foundation is not going to finance operating grants.

14.5. The Beneficiary undertakes to make contributions in kind, as stated in the Description of the Action (Grant application form). Such contributions in kind made by the Beneficiary or his partners must be listed separately in or as attachment to Annex B since they do not represent actual expenditure and are not eligible costs. They may not be treated as co-financing by the Beneficiary or his Partners. The cost of staff assigned to the action, however, corresponding to actual salaries plus social security charges and other remuneration-related costs is part of the eligible costs; salaries and costs must not exceed those normally borne by the Beneficiary or his Partners; such costs may be treated as co-financing by the Beneficiary.

ARTICLE 15 – PAYMENT AND INTEREST ON LATE PAYMENT

15.1. Payment procedures are set out in Article 4 of the Special Conditions to the Grant Contract.

The Anna Lindh Foundation will pay the grant to the Beneficiary in the following manner:

- pre-financing of 80% of the sum referred to in Article 3.2 of the Special Conditions to the Contract within 45 days of receipt by the Anna Lindh Foundation of:
  - the Contract signed by both parties,
  - a request for payment conforming to the model attached at Annex D 3, and

- the balance within 45 days of the Anna Lindh Foundation approving the final report in accordance with Article 15.2, accompanied by a request for payment of the balance conforming to the model “Standard request for payment” (Annex D 3).

15.2. Any report shall be considered approved if there is no written reply from the Anna Lindh Foundation within 45 days of its receipt accompanied by the required documents.
The Anna Lindh Foundation may suspend the time-limit for approval of a report by notifying the Beneficiary that the report cannot be approved and that it finds it necessary to carry out additional checks. In such cases, the Anna Lindh Foundation may request clarification, alteration or additional information, which must be produced within 30 days of the request.

The time-limit starts running again on the date the required information is received. Reports shall be presented in accordance with Article 2.

15.3. The time-limit of 45 days for payment referred to in Article 15.1 above shall expire on the date on which the Anna Lindh Foundation’s account is debited. Without prejudice to Article 12.5, the Anna Lindh Foundation may suspend this time-limit by notifying the Beneficiary that the request for payment is inadmissible, either because the amount in question is not due or because proper supporting documents have not been supplied or it thinks it necessary to conduct further checks, including on-the-spot checks, to make sure that the expenditure is eligible. The time-limit for payment shall start running again on the date on which a correctly formulated request for payment is received.

15.4. All references to days in this article 15 are to calendar days.

15.5. An external audit of the Action's accounts, produced by an approved auditor who is a member of an internationally recognised supervisory body for statutory auditing, shall be attached to any request for payment of the balance (other than the first request for pre-financing).

In an audit certificate conforming to the model in Annex D 5 (Audit Certificate Template) the auditor certifies that the submitted accounts (income and expenditure) are accurate, reliable and justified by adequate supporting documents, and identifies the eligible expenditure incurred in accordance with the Contract.

The amounts that the audit report certifies as incurred in conformity with the Contract shall be deducted from the total sum of pre-financing under the Contract (clearance).

Where the Beneficiary is a Government department or a public body of a Member State of the Euro-Mediterranean Partnership, the Anna Lindh Foundation may exempt it from the audit requirement.

15.6. The payments owed by the Anna Lindh Foundation shall be made to the Action-specific bank account or sub-account referred to in the financial identification form in Annex D 4, which identifies the funds paid by the Anna Lindh Foundation.

15.7. The Anna Lindh Foundation shall make payments in Euro.
15.8. Any interest or equivalent benefits accruing from pre-financing paid by the Anna Lindh Foundation to the Beneficiary shall be mentioned in the final report and refunded to the Anna Lindh Foundation at its request, in accordance with Article 18. They are not taken into account when calculating the total sum of pre-financing under the Contract.

ARTICLE 16 – ACCOUNTS AND TECHNICAL AND FINANCIAL CHECKS

16.1. The Beneficiary shall keep accurate and regular records and accounts of the implementation of the Action using a dedicated double-entry book-keeping system as part of or as an adjunct to the Beneficiary’s own accounts. This dedicated system shall be run in accordance with the procedures dictated by professional practice. Separate accounts must be kept for each Action, detailing all income and expenditure. They must provide precise details of interest accruing on funds paid by the Anna Lindh Foundation.

16.2. The Beneficiary will allow the Anna Lindh Foundation or its representatives and, if requested, the European Commission or its representatives, the European Anti-Fraud Office and the European Court of Auditors to verify, by examining the documents or by means of on-the-spot checks, the implementation of the Action and conduct a full audit, if necessary, on the basis of supporting documents for the accounts, accounting documents and any other document relevant to the financing of the Action. These inspections may take place up to 7 years after the payment of the balance.

Furthermore, the Beneficiary will allow the European Anti-Fraud Office to carry out checks and verification on the spot in accordance with the procedures set out in the European Community legislation for the protection of the financial interests of the European Communities against fraud and other irregularities.

To this end, the Beneficiary undertakes to give appropriate access to staff or agents of the Anna Lindh Foundation, of the European Commission, of the European Anti-Fraud Office and of the European Court of Auditors to the sites and locations at which the Action is implemented, including its information systems, as well as all documents and databases concerning the technical and financial management of the Action and to take all steps to facilitate their work. Access given to the Anna Lindh Foundation staff, agents of the European Commission, of the European Anti-Fraud Office and the European Court of Auditors shall be on the basis of confidentiality with respect to third parties, without prejudice to the obligations of public law to which they are subject. Documents must be easily accessible and filed so as to facilitate their examination and the Beneficiary must inform the Anna Lindh Foundation of their precise location.
16.3. The documents referred to in Article 16.2 include:

A. Works, supplies and services
   - bids from suppliers;
   - contracts and order forms;
   - invoices and proofs of payment or settled invoices; if supplies come from the Beneficiary's stocks, invoices shall reflect the price paid at the time of purchase. A copy of the purchase invoice must be attached;
   - for fuel and oil the Beneficiary shall keep a summary list of the distance covered, the average consumption of the vehicles used, fuel costs and maintenance costs.

B. Staff costs:
   - a statement of expenditure on local staff recruited on fixed-term contracts, with details of remuneration paid, duly substantiated by the person in charge locally, broken down into gross salary, social security charges, insurance and net salary;
   - a statement of expenditure on expatriate and/or international staff per month of actual work; expenditure will be assessed on the basis of unit prices per verifiable block of time worked and broken down into gross salary, social security charges, insurance and net salary.

16.4. The Contractor guarantees that the rights of the Anna Lindh Foundation, of the European Commission, of the European Anti-Fraud Office and of the European Court of Auditors to carry out audits, checks and verification will be equally applicable, under the same conditions and according to the same rules as those set out in this Article 16, to the Beneficiary's partners and contractors.

ARTICLE 17 – FINAL AMOUNT OF FINANCING BY THE ANNA LINDH FOUNDATION

17.1. The total amount to be paid by the Anna Lindh Foundation to the Beneficiary may not exceed the maximum grant laid down in Article 3.2 of the Special Conditions (Grant Contract), even if the total of actual eligible expenditure exceeds the estimated total budget set out in Annex B.

17.2. If the eligible costs at the end of the Action are less than the estimated total cost referred to in Article 3.1 of the Special Conditions (Grant Contract), the Anna Lindh Foundation’s contribution shall be limited to the amount obtained by applying the percentage laid down in Article 3.2 of the Special Conditions (Grant Contract) to the actual eligible costs approved by the Anna Lindh Foundation.

17.3. The Beneficiary accepts that the grant can under no circumstances result in a profit for himself and that it must be limited to the amount required to balance income and expenditure
for the Action. Profit shall be defined as: a surplus of receipts over the costs of the Action in question when the request is made for payment of the balance.

17.4. In addition and without prejudice to the right to terminate the Contract in accordance with Article 12.2, the Anna Lindh Foundation may, by a duly reasoned decision, if the Action is not implemented or is implemented poorly, partially or late, reduce the grant initially provided for in line with the actual implementation of the Action on the terms laid down in this Contract.

ARTICLE 18 – RECOVERY

18.1. The Beneficiary undertakes to repay any amounts paid in excess of the final amount due to the Anna Lindh Foundation within 45 days of receiving a request to do so.

Should the Beneficiary fail to make repayment within the deadline set by the Anna Lindh Foundation, the Anna Lindh Foundation may (unless the Beneficiary is a Government department or public body of a Member State of the Euro-Mediterranean Partnership) increase the amounts due by adding interest at the rate applied by the European Central Bank to its main refinancing transactions in Euro, on the first day of the month in which the time-limit expired, plus three and a half percentage points. The default interest shall be incurred over the time which elapses between the date of the payment deadline set by the Anna Lindh Foundation (exclusive), and the date on which payment is actually made (inclusive). Any partial payments shall first cover the interest thus established.

18.2. Amounts to be repaid to the Anna Lindh Foundation may be offset against amounts of any kind due to the Beneficiary. This shall not affect the Parties' right to agree on payment in instalments.

18.3. Bank charges incurred by the repayment of amounts due to the Anna Lindh Foundation shall be borne entirely by the Beneficiary.