

CALL FOR SELECTION OF INNOVATIVE TOURISM SMEs Stage 1

Annex IV - Financial Agreement Template



23 November, 2022

This document has the scope to regulate the financial support to the selected innovative tourism SMEs selected as winners from the Advisory Board during the EU DigiTOUR DEMO DAYS. The present financial agreement provides the conditions set out for payment arrangements of the vouchers, deadlines, rules and obligations for the awarded innovative tourism SME for the use of funds, the reporting and the claiming of the costs incurred.

The EU DigiTOUR Financial Agreement stands as a legal document that is binding and holds the parties responsible for their commitment or just a partnership agreement.

EU DigiTOUR FINANCIAL AGREEMENT

Agreement number: _____ (hereinafter referred as the “Agreement”)

[THE Awarder]

Name of the Partner providing the financial support:

Registered office: _____

Company Reg. No: _____

Tax ID: _____

Name of the authorised representative:

(hereafter referred as the “**Awarder**”),

AND

[THE Third-party Beneficiary]

Name of the Third-party Beneficiary awarded:

Registered office: _____

Address: _____

Company Reg. No: _____

NACE Code: _____

NAME/DESCRIPTION of the product/process/service to the Tourism market sector submitted to the Consortium and specified in a formal specification contained in a technical document defining the characteristics of a product applied to the Tourism sector, owned, produced, marketed, or licensed to the applicant with the legal power to market it for profit, such as the description, the levels of quality or ownership of use, safety, size, including applicable terminology, symbols, test methods, packaging, marking and labelling requirements, etc.

Name of the authorised representative:

Name of the bank: _____

IBAN: _____

Tel.: _____

E-mail: _____

(hereafter referred as the “**third-party beneficiary**”),

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CONSIDERING THAT

the third-party beneficiary has been successfully selected, pursuant the EU DigiTOUR Project, Grant Agreement number: 01038104 - COS-TOURINN-2020-3-04 GRO/SME/20/C/07 (hereinafter referred as the

“the Project”) terms and conditions, to receive financial support under the conditions set out in this Agreement,

HAS AGREED

the following conditions and all details and conditions of the *Call for Selection of Innovative tourism SMEs* published on to the Project website <https://www.eudigitour.eu/> (hereinafter referred as the “**Call for Selection of Tourism SMEs**”) and its annexes:

- i. Annex I: Application form
- ii. Annex II: Declaration on Honour
- iii. Annex III: Programme Agreement
- iv. Annex IV: Financial Agreement
- v. Annex V: The EU DigiTOUR Challenges
- vi. Annex VII Guide for Applicants

WITH THE FOLLOWING CONDITIONS

Article 1 - Aim and purpose of the financial support

1.1. The EU DigiTOUR Programme project aims to support selected innovative tourism SME through financial support for covering their costs as detailed in the Application Form (Annex I) submitted so far.

1.2 The financial support will have to be used for covering specific costs as below-mentioned listed.

Article 2 – Use of the financial support

- 2.1. Financial support can be used solely for the following item of costs:
- **travel, registration and accommodation costs to attend:**
 - courses around digital transformation, AR/VR, AI, IoT, big data;
 - specialised training for employees skills improvement (e.g. advanced training course about specific vertical topics);
 - participation fees to digital-oriented events at EU level;
 - Internationalisation missions for market expansion and networking;
 - Mission costs for specialised mentoring and coaching to reach the mentors and coach premises.
 - **Consultancy services fee:**
 - consultancy fee from digital professionals and business mentors;
 - advisory consultancy services in the field of digital transformation (digital strategy, implementation of digital systems using disruptive techs such as AI, IoT, AR/VR, predictive analytics or sentiment analysis);

- consultancy fee for assessing the digital impact of digital transformation at their premises, in managing operations using key enabling techs ensuring sustainability, etc.);
- consultancy fees for business strategy development and services around digitalisation.
- **Certification Costs:**
 - compliance adaptation for certification schemes;
 - standardisation of fact or law for implementing digital techs at their premises.
- **innovation procurement costs:**
 - digital services, product or processes from tourism innovative SMEs, spin-offs, research body
 - IPR costs.

It has to be remarked that the purchase of physical infrastructure, goods, are not eligible for the present call.

2.3. Compliance of the use of financial support with above mentioned conditions will be assessed on a case-by-case basis by the Awarder.

Article 3 – Amount of the financial support

- 3.1. The maximum amount of financial support (grant) per innovative tourism SME cannot exceed ten thousand euros (EUR 10.000).
- 3.2. This amount is deemed to cover the expenses incurred for improvement of its innovative product/process/service as mentioned in the Article 2 of this Agreement.
- 3.3. The maximum amount of financial support to be granted to the present third-party beneficiary under the conditions set out in this Agreement is equal to ten thousand euros (EUR 10.000).

Article 4 - Declarations and obligations

- 4.1 Participants must respect the following declarations and obligations:
 - A. Declare not having received funding from other public entities for the same item of costs;
 - B. Declare not having received financial support under other Projects/initiative; co-funded by the Call for Proposals under **COS-TOURINN-2020-3-04** **GRO/SME/20/C/07** Projects: CULTOURDATA; SMARTER AOE; TOURISM 4.0; RESETTING; TOURBIT; DIGITOUR; TOURINN-ACT; EURO-EMOTUR;
 - C. Obligation to submit timely all the reports of the co-funded activities;
 - D. Obligation to keep records and other supporting documentation related to claimed costs for at least 5 years;
 - E. Not failing under the cases provided by laws regulating the "in difficulty" [entity-ies], according to the point 14 of the Commission Regulation (EU) No 651/2014 of 17 June 2014;

- F. To be operating in one of the registered Business Activities listed in the Call Announcement;
- G. Not falling into any of the exclusion criteria apply for participation in the Call Announcement;
- H. Declare to be compliant to the prompt responsibility on accuracy and veracity of data and documents submitted or shared with the EU Tourism SMEs, and with all the conditions and obligations laid down in the Call Announcement;
- I. Declare not being or to have been declared in bankrupt or have initiated bankruptcy procedures in any of the EU countries;
- J. Declare not being or to have been being in a matter of the convictions for fraudulent behaviour or other financial irregularities, unethical or illegal business practices;
- K. Declare not being or to have been under liquidation or an enterprise under difficulty according to the Commission Regulation No 651/2014 art. 2.18.)
- L. Declare not being or to have been part of any economic group (shareholding, Equity Structure, company shared ownership or control, etc.) falling under the cases provided in IX, X, XI;
- M. Obligation to permit the EU DigiTOUR Consortium partners to process the data for management and statistical purposes only (including publishing of general information) even through digital devices in compliance with the security and privacy within the law on data processing by the EU DigiTOUR High Growth Transformation Programme. Consortium Partners will be made by the provisions of Regulation (EU) 2016/679 and the subsequent transposing laws (jointly the "GDPR");
- N. Declare on behalf of each single member and shareholder of the applicant and to all of them as a whole, that no conflict of interests could arise in connection with the present Call.
- O. Declare not having submitted alone or in combination with other entities, other applications under this Call Announcement. The aforementioned innovative tourism SME can submit only one application to the open Call for Participation; in the case of multiple submissions, only the last application received will be considered.
- P. Declare that all the above declarations apply (when resulting reasonable and legally permissible) to each single shareholder, and to all as a whole.

Article 5 - Liability, disputes, reduction and revocation of the grant.

5.1 *Liability, disputes, reduction and revocation of the grant.*

- Liability of the Consortium

The Consortium cannot be held liable for any damage caused to the Third Party Beneficiaries [European Tourism SMEs and European Innovative Tourism SME] as a consequence of implementing the action, including for gross negligence.

5.2 **Liability of the Third Party Beneficiaries [European Tourism SMEs, European Innovative Tourism SME].**

Except in the case of force majeure, the Third Party Beneficiaries must compensate the Consortium for any damage sustained as a result of the implementation of the action or because the action was not implemented in full compliance with the present document.

5.3 **Reduction and Revocation**

The contribution is reduced, rejected or revoked by the Consortium in the following cases:

- Under the “continuous checking” criteria (2.2.5), any Third Party, even if already declared eligible, would result uncompliant to one of the eligibility criteria, in particular but not limited to the rules under 1.4.1, letters D., E., F., G., H., and I.;
- The awarded Third Party fails under prohibitions and conditions provided in 2.3 “Conflict of Interests”;
- The Quality and Financial reporting along with the use of funds and claiming of costs was submitted after the deadline posed by the Consortium;
- The implemented activities do not comply with quality standards required by the Consortium and set in each Programme Agreement (template Annex III);
- Reporting does not comply with the requirements set.

Article 6. Reporting

6.1. The third-party beneficiary will be requested to submit a financial and quality report directly on to the Good Grant on-line platform, ensuring a comprehensive understanding of the use of funds and monitoring of the different claiming of costs, supporting documents and transfer of payment to the beneficiaries.

The third-party beneficiary will have 3 months to use the funds granted starting from the sign of the Financial Agreement, and in any case by October 31st, 2023.

6.2 **Check of the eligible costs.**

Eligible costs against the budget included in the “Plan of Action” will be reported as follows:

- **Compliance, adaptations and innovation implementation:**
 - services: contract/order, invoices/receipts; proof of payments;
 - travel and accommodation costs + subsistence allowances for face-to-face activities, e.g.:
 - Third Party Beneficiary’s internal rules on travel, if any;
 - booking, receipts;
 - other documents (proofs of attendance such as minutes of meetings, reports; proof of payments.
- ÷ [SPECIFIC RULES TO TRAVEL COSTS]÷
Travel, accommodation costs and subsistence allowances must be in line with usual SME practices or

respect any maximum ceiling for travel and hotel costs established at the National level, whichever prevails. Travel arrangements must prioritise the use of public and collective transport modes.

The most cost-efficient means of transportation shall be used.

No business or first-class tickets for air transport are eligible irrespective of the fact that this may be allowed by internal rules of the Third-Party Beneficiary institution.

Business-or first-class train tickets are allowed if it can be proved that they are the most economical travel option when booking the ticket (e.g. through screenshots of booking webpages).

Daily rates for hotels are considered as cost-adequate, if not ruled at the national or international level, when they are below the amounts mentioned in the Commission Delegated Regulation (EU) 2016/1611 of July 2016 which are available at: <http://eur-lex.europa.eu/legalcontent/EN/TXT/HTML/?uri=CELEX:32016R1611&from=EN>. Higher daily rates shall be considered as exceptional and must be duly justified. Daily subsistence allowances must be in line with the national and internal rules of the Third Party Beneficiary.

If not rule at the national or international level, as well as in the case of international organisations, the maximum eligible daily allowances are those defined in the official list available on <http://eur-lex.europa.eu/legalcontent/EN/TXT/HTML/?uri=CELEX:32016R1611&from=EN>.

All costs must be linked to the Project activities.

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 exchange rates established by the Commission and published on its website: https://ec.europa.eu/info/funding-tenders/howeu-funding-works/information-contractors-and-beneficiaries/exchange-rate-infoeuro_en

All invoices and accounting documents must be in the name of the Third-Party Beneficiary (European Tourism SMEs or European innovative tourism SME).

All the forms and documents must be uploaded on to the on-line platform, filled in by the beneficiaries and will be stored by the Consortium Partners for the period of the 5 years and will be available for any EU Commission check, if requested.

6.3 **Very strict rules for costs.**

All costs to be reimbursed must:

- be an efficient prove of the expenses (a scanned copy, etc.), (and traceable, cash payments are not allowed);

- be necessary to implement the action as resulted from the budget included in the Plan of Action, which is the subject of the micro-grant awarded;
- be reasonable and justified, and comply with the requirements of sound financial management, in particular as regards economy and efficiency;
- have been incurred during the action, as defined in Article 11 or in Annex IV (Financial Agreement);
- not be covered by another EU grant (see below ineligible costs);
- be identifiable, verifiable and, in particular, recorded in the Third-Party Beneficiary 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 supported by adequate records and other 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. In case reports are incomplete in any part and documents, the Consortium can ask for additional information; participants must provide within 10 calendar days from the request, otherwise, the report will be rejected and the grant revoked. In case reports are incomplete in any part and documents, the Consortium can ask for additional information; participants must provide within 10 calendar days from the request, otherwise, the report will be rejected and the final rant revoked. confidentially and fairly.

Article 7 – Payment arrangements

7.1. An initial pre-financing payment of 60% of the micro-voucher total value will be made at the latest 30 days after the entry into force of the Financial Agreement (Template Annex IV), no later than end of July. Failing to meet this deadline, will terminate the Agreement. Selected applicants awarded can be requested to anticipate a financial guarantee or deposit in order to receive the funds upfront.

The payment of the pre-financing must correspond to the full and correct use by the awarded party of the sums paid.

The payment of the balance will be done within 30 days from the validation of the financial reporting documenting the cost claimed providing a rationale of the activities carried out, in any case no later than October 31st, 2023. The payment of the balance must correspond to the full and correct use by the awarded party of the sums paid.

The innovative tourism SME will have 3 months to use the funds granted starting from the sign of the Financial Agreement, and in any case by October 31st, 2023. In case of any incoherences in the costs claiming and related proof of expense, and/or in case of incomplete use, partial and/or incorrect use or reporting of the item of costs, and/or of illegitimate use of

the funds i.e. used for ineligible items of costs, and/or in case of violation of the obligations subscribed with the *donor* consortium, THAN:

- A. the term of 30 days for the payment of the balance will be stopped
- B. the party is obliged to respond, fully and exhaustively, to any requests for explanations by the Consortium
- C. the term of 30 days will be resumed as soon as the clarifications will be provided to the Consortium partner and validated accordingly
- D. sums declared as used incorrectly, or incorrectly reported, or not used, will be revoked and unpaid. Amounts declared to be unjustified, if already paid as “pre-financing, will be required to be returned immediately. The consortium may, if necessary, deduct such sums from the guarantee provided, or from the deposit

Article 8 – Guarantee, negotiation of terms

8.1 Conditioned to the evaluation of the Consortium, in order to receive the funds upfront (initial pre-financing payment), the selected applicants awarded may be requested to:

a). anticipate a bank or insurance guarantee. Conditions will be negotiated with the Consortium basing on criteria of transparency, fairness and proportionality, with the aim of ensuring the public fund in its safest and proper use. However, the validity of the guarantee will cover the period until the validation of the reported expenses. The consortium is obliged to the release of the guarantee at the time of the payment of the balance, i.e. as soon as all the costs will be reported by the innovative tourism SME and validated by the Consortium (by 90 days from the reporting submitted)

OR, in alternative

b). leave a deposit in cash of the value of 60% of the award, and until final reporting/validation of expenses. The deposit will be returned together with the balance, and will be paid as soon as all the costs will be reported by the innovative tourism SME and validated by the Consortium (by 90 days from the reporting submitted).

Article 9 – Checks and audits

8.1 At any moment of implementation of the action and afterwards, the Consortium has the right to carry out checks, reviews and audits, to ascertain:

- the proper use of funds concerning the eligible costs;
- compliance with the obligations laid down in the Call;
- the truthfulness of the declarations and information produced by the Third-Party Beneficiary [European Tourism SME; European innovative tourism SME].
- Occurring the above situations or in case of impossibility of carrying out the checks, reviews and audits for reasons attributable to the Third Party 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 Third Party Beneficiary. In case of revocation, any up-front instalment/pre-financing received by the Third Party

Beneficiary must be reimbursed, legal interests included, to the Consortium within 15 calendar days from the official communication.

8.2. By signing of this Agreement, the third-party beneficiary declares, that in the case that, as a result of the paying the financial support mentioned in the Article 3.3. of this Agreement, the third-party beneficiary incurs any obligation under the rules of their tax law, the third-party beneficiary will fulfil this obligation himself/herself.

8.3. **State Aid “De minimis regime”.** The Guidance Notice of the European Commission on the notion of “State aid”¹ 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 EU DigiTOUR 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 9 - Conflict of interests

9.1 The present set of rules about the prohibition of any “conflict of interest” is extended to each member of the board and the shareholders of the innovative tourism SME as they all (each of them, and all as a whole) are subject to such rule.

9.2 The Consortium beneficiaries and the Third Party 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”). In further particular, the application to the Programme and the consequent participation in the selection phase, are strictly forbidden to any applicant which, at the time of the present Call publication, have any of the Consortium partners playing as a shareholder in the applicant’s capital table. .

9.3 **Consequence of non-compliance.** If a Consortium beneficiary or a Third Party Beneficiary breaches any of its obligations under the Call, the grant may be reduced and the Agreement or participation may be terminated. 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, opening of an infringement (legal) procedure.

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 Consortium, all 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’). 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.

¹ https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2016.262.01.0001.01.ENG&toc=OJ:C:2016:262:TOC

10.2 **Consequences of non-compliance.** If a Third Party 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 - Promoting the action — visibility of EU funding

11.1 **Communication activities by the Third Party Beneficiaries.**

General obligation to promote the action and its results. The awarded innovative tourism SME is obliged to promote the action and its results. The Consortium of partners, and/or one of the organisations belonging to it, will lead and drive the awarded organisations with a timescale/detailed-rules to implement such dissemination and promotion of the Programme in the proper way. Contents specific to this will be circulated to the awarded organisations and will be followed by the winners.

11.2 **Information on EU funding — Obligation and right to use the EU emblem graphic purpose.** Unless the EISMEA 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
- include the following text: *“This [insert appropriate description, e.g. report, publication, conference, infrastructure, equipment, insert type of result, etc.] was co-funded by the European Union’s COSME Programme.”*

When displayed in association with another logo, the EU emblem must have appropriate prominence. For their obligations under the Call, Third Party Beneficiaries may use the EU emblem without first obtaining approval from the EISMEA. 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.

Article 12 – Contact person

12.1. Any communication in connection with this Agreement shall be done by the third-party beneficiary in writing to the contact person mentioned below.

12.2. Contact person of the *Awarder*:

Name: _____
 Function: _____
 Address: _____

 Tel.: _____
 Email: _____

12.3. Contact person of the *Third-party Beneficiary*:

Name: _____
 Function: _____
 Address: _____

 Tel.: _____

Email: _____

Article 13 – Bank account

13.1. Payment of the financial support will be made as follows:

Name of the third-party beneficiary bank account holder:

Name of the bank:

Registered office:

IBAN:

BIC/SWIFT:

Article 14 – Applicable law and competent jurisdiction

14.1. This Agreement is governed by the terms mentioned in this Agreement _____ under the law of _____.

14.2. The courts having jurisdiction for matters relating to this Agreement shall be the courts of _____.

Article 15 – Termination of this Agreement

15.1. The Awarder may terminate this Agreement if the third-party beneficiary has inadequately discharged or failed to discharge any of the contractual obligations, insofar as this is not due to force majeure, after notification to the third-party beneficiary, who discharged or failed to discharge any of his contractual obligations, by registered letter has remained without effect for one month. The notice period is 1 (one) month, which begins on the 1st calendar day of the month following the month in which the notice was delivered to the third-party beneficiary.

Article 16 - Amendment

16.1. Any amendment to this Agreement must be the subject of a written supplementary agreement. No oral agreement may bind the parties to this effect.

16.2. This Agreement shall come into force on the day when it has been signed by all parties.

Specific country rules and regulations are detailed as follow:

16.3. Done in 2 copies, one for each party.

City, Country, Date

City, Country, Date

Signature of **Awarder's** authorised representative

Signature of **third-party beneficiary** authorised representative

Name of the organization
Name of the authorised representative
Name of his/her position

Name of the organization
Name of the authorised representative
Name of his/her position



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