



# Up2Circ Guide for Applicants

In its pilot call, Up2Circ Accelerator will support 7 projects to validate the adoption of circular business models and implement concrete actions towards circular products, processes and services. The budget allocation for the pilot call is €350.000.

**Call opening:** September 13<sup>th</sup>, 2023

**Call closure:** November 15<sup>th</sup>, 2023

**Evaluation period:** from November 16<sup>th</sup>, 2023, to January 10<sup>th</sup>, 2024

**Announcement of results:** by January 17<sup>th</sup>, 2024

**Start of projects:** from February 1<sup>st</sup> to March 15<sup>th</sup>, 2024

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# 1. About Up2Circ and its objectives

The [EU Green Deal](#) sets ambitious goals to transform the EU into a modern, resource-efficient and competitive economy, striving for no net emissions of greenhouse gases by 2050, economic growth decoupled from resource use and no person and no place left behind. The EU's transition to a circular economy as outlined in the [Circular Economy Action Plan](#) shall create sustainable growth and jobs and increase competitiveness of Europe's economy harnessing the significant potential in global markets for low-emission technologies, sustainable products and services, meanwhile reducing pressure on natural resources.

[Up2Circ](#) is a project funded by the European Commission's Horizon Europe programme with the overall objective to accelerate and scale the transition of European SMEs towards a circular economy. Up2Circ covers the entire value chain from awareness raising, education and training, tailored advisory service to funding of concrete transition projects towards a circular economy. The Up2Circ-Accelerator aims to mobilise and enable SMEs for the uptake of circular business models, circular product design and circular processes. It accompanies SMEs with a client-centric, customised advisory approach from exploration of opportunities to concrete implementation projects along the circular strategies to narrow (use less), slow (use longer), close (use again), regenerate (make clean) and inform (use data) material and energy flows.

Up2Circ encourages the uptake of advanced technologies and social innovation as enablers and drivers of a successful transition towards a modern, digitalized, resource-efficient and competitive circular economy. Advanced technologies like new materials, digitalisation, industrial biotechnology and additive manufacturing can significantly support the transition to circularity and can increase competitiveness and resilience of enterprises as elaborated in [European Industrial Strategy](#). Social innovation is a key driver for economic success of circular transition as it enables businesses to fully develop their human capital potential and is essential to rethink and reshape current practices of producing and consuming to enhance resource efficiency while satisfying customers' needs.

Up2Circ focuses on innovation and transformation measures that individual SMEs can realistically achieve. Up2Circ especially targets SMEs that are not aware yet how they could best innovate to transform. That is why in the Up2Circ-Accelerator capacity building comes prior to funding and active participation in the '[Up2Circ Academy](#)' is an eligibility criterion for submission of proposals to this call.

## 2. Eligibility criteria

### 2.1 Eligible applicants

Projects must be submitted by a single [SME](#) from EU or associated countries that has been actively involved in the Up2Circ Academy. SME status should be checked by applicants using the [EU SME self-assessment questionnaire](#).

SMEs applying or participating in the program can be excluded at any time (during the evaluation, the subgrant agreement process, or the implementation phase) if they are in one of the situations described in Annex 7.1 Exclusion criteria.

Only one entity per proposal will be admitted, consortia will not be considered eligible.

Applicants are not allowed to submit multiple applications for this call. Only the last submitted application will be eligible in case there is more than one application submitted by one entity.

English is the official language for open calls. Proposals must be submitted in English to be eligible.

Proposals must be complete and contain all the requested information.

Proposals must be submitted through an online form on the Up2Circ website. Proposals submitted by any other means will not be evaluated.

Proposals must be submitted before the deadline. Late proposals will not be admitted.

The Up2Circ partners, or their affiliates or employees, are NOT considered as eligible applicants and can NOT apply for funding.

For the pilot call only SMEs with headquarters or operational site in one of the Up2Circ partner regions are considered eligible. These are:

- Metropolitan Region of Hamburg (DE, TUTECH)
- Estonia (EE, TSP)
- South Moravian region (CZ, JIC)
- Provence Alpes Côte d'Azur Region (FR, risingSUD)
- Lubelskie region (PL, LFR)
- Metropolitan City of Torino (IT, CCIAATO)
- Extremadura region (ES, FUNDECYT-PCTEX)

One project per region is expected to be funded in this call provided minimum threshold is reached.

## 2.2 Eligible activities

The types of activities that can be implemented within the financial support must focus on the uptake of circular business models, circular product design and circular processes.

SMEs can apply for two different funding schemes based on the maturity of their transition projects:

### **Small scale projects: Feasibility studies**

Funding: small scale projects of up to €15.000

Project scope: In-depth validation of technical, economic and social aspects of adoption of circular business models, considering desirability, feasibility, viability and environmental aspects. Projects should focus on one or several circular business models such as circular supply chain, sharing platforms, product as a service, product life extension, recovery and recycling.

Expected outcome: feasibility study including a business plan

Project duration: max. 6 months

*Examples of potential projects:*

*Reform the use of resources by innovating toward a circular supply chain: A construction company explores the feasibility of implementing circular building practices.*

*Optimize capacity use by introducing a sharing platform model: A clothing retailer explores the feasibility of introducing a sharing platform for evening dresses.*

*Offer outcome oriented solutions with shifting to a product as a service business model: A manufacturer of industrial tools explores the feasibility of shifting from selling products to an access-oriented business model with recurring fees or to a pay-per-use model.*

*Product life extension: An ICT service provider explores feasibility of offering a new service portfolio on office equipment life extension through repair, maintenance, upgrading, resale or remanufacturing.*

*Innovating towards recovery and recycling: A food and beverage producer explores the feasibility of implementing a closed-loop waste management system.*

*Assessing the full potential of circular economy opportunities by exploring application opportunities of several of the above-mentioned circular business model types along the value chain: A logistics company explores the feasibility of setting up a zero-emission logistics offer by shifting to renewable energy sources, exploring opportunities of low or zero-emission transport modes, cooperating with other logistics companies on shared use of vehicle fleet and on optimization of transport capacities, exploring opportunities for life extension of fleet and equipment, optimizing tire management and exploring opportunities to cooperate for tire reuse and recycling as well as for CO2 compensation projects.*

### **Large scale projects: Piloting and demonstration**

Funding: large scale projects of up to €50.000

Project scope: Pilot and demonstration activities to implement concrete transition measures towards circularity through the implementation of certain technologies, introduction of new products, processes and services. Projects should focus on prototyping, pilot testing, implementation of new business processes, solutions and systems.

Expected outcome: validated prototype

Project duration: max. 12 months

*Examples of potential projects:*

*A SME manufacturer of construction materials conducts a pilot testing of a new material for circularity using recycled waste streams as an input.*

*A cosmetic SME develops and tests a new circular product line, using biodegradable and compostable packaging and integrating waste streams as ingredients.*

*A fashion SME conducts pilot testing of a new collection and recovery system, implementing a take-back program for old clothing and the use of recycled materials in new product lines.*

*A plastic SME develops and tests a new circular production process, using recycled plastics and integrating the internal cascade use of process by-products.*

*A textile dyeing SME conducts pilot testing of a new water treatment process, reusing treated wastewater in production processes.*

*A SME explores eco-design opportunities and prototypes new products made with bio-based materials from the valorisation of agro-industrial waste.*

*An agricultural SME develops and tests applications for valorisation of residues from olive oil extraction.*

*Based on a Life Cycle Assessment a SME manufacturer of consumer electronics optimizes product design, considering reduction of material and energy input during production and use, repairability, reuse, remanufacturing and recycling. Social aspects in assembly and use are considered.*

*A metal working SME conducts an in-depth analysis of opportunities to increase energy and material efficiency in production, including ICT/AI-enabled optimisation of machinery use, production planning and energy consumption as well as valorisation of production waste heat and pilot's implementation measures.*

## 2.3 Eligible costs

Although the payment will be made as a lump sum, it is necessary to explain in the application form how the lump sum will be used, including a clear budget proposal with the following budget categories:

- Personnel costs: employees or equivalent, natural persons under direct contract, seconded persons, SME owners and natural person beneficiaries
- Subcontracting costs (based on beneficiary's usual purchasing practices and ensuring best value for money and no conflict of interests)
- Purchase costs: travel and subsistence
- Purchase costs: equipment, infrastructures and other assets (calculated on the basis of the costs actually incurred and written off in accordance with international accounting standards and the beneficiary's usual accounting practices)
- Purchase costs: other goods, works and services

Indirect costs are added by applying the 25% flat rate to the direct costs that qualify for indirect costs, these are all cost categories listed above except for subcontracting.

Only costs generated during the lifetime of the project are eligible.

Costs described in the submitted proposal must be determined in accordance with the beneficiary's usual accounting and management principles and practices.

Eligible costs are subject to the basic eligibility rules of Horizon Europe as defined in Art. 6 of the Horizon Europe Model Grant Agreement.

According to the de minimis regulation of the European Commission (EC No 1998/2006), the Up2Circ subgrants are not a State Aid and therefore the funding does not count as de minimis grant.

## 3. Funding conditions

The awarded projects will be able to receive up to €15.000 for small scale and up to €50.000 for large scale projects in the form of a lump sum.

The financial support covers up to 100% of eligible costs.

The financial support will be paid in two phases:

- First payment of 50% as a prefinancing upon the signature of the Subgrant Agreement. The first payment remains a prefinancing until the Final Report is approved at the end of the project. The prefinancing amount can be redeemed in case of non-execution of the project.
- Second payment of 50% after the implementation of the project and approval of the Final Report. The Final Report must be submitted by beneficiaries max. 30 days after the project completion, detailing the work progress towards the project objectives, defined milestones

and deliverables set in the Subgrant Agreement, major achievements and impact and next steps.

All payments will be made by bank transfer from the coordinator, who holds all third-party funds, in the name of the consortium. Beneficiaries will be informed since the beginning about these conditions which will also be included in the Subgrant Agreement.

There is no financial report to be delivered by the beneficiaries. However, you are obliged to demonstrate the implementation of the project, progress and quality of your work in the Final Report. The lump sum does not release you from the obligation to collect documentation to confirm the costs under fiscal regulation.

## 4. Application process

The application process is one-stage with an online application form accessible through the project website, asking for a description of innovation measures planned, a detailed action plan, impacts expected and a thorough estimation of costs.

## 5. Evaluation process

The evaluation process is composed of two phases:

### 5.1 Eligibility check

The eligibility check is conducted by Up2Circ consortium partners and comprises checking:

- SME status based on the EU SME self-assessment questionnaire result
- Type of activity
- Participation in the Up2Circ Academy
- English language
- Submission through an online form on the Up2Circ website before the deadline
- Absence of conflict of interest

As a result, a list of eligible applications will be produced.

### 5.2 Independent evaluation

Eligible applications will be evaluated by 3 experts independent from the organisations involved in the consortium and from any applicant. The selected experts sign a declaration of confidentiality concerning the contents of the proposals they read, and they also confirm the absence of any conflict of interest.

Each proposal will be evaluated against the following evaluation criteria:

Criteria	Weight	Score
<p><b>Concept: Does the project demonstrate a clear benefit to the Up2Circ objectives?</b></p> <ul style="list-style-type: none"> <li>• <b>Relevance:</b> Does the project demonstrate a clear transition towards a circular economy and meet the objectives of Up2Circ project? Are the objectives of the project clear and achievable?</li> <li>• <b>Novelty:</b> To what extend does the proposed project bring new value for the company? To what extend the project</li> </ul>	30%	Threshold 3/5

<p>demonstrates uptake of advanced technologies and/or social innovation as enablers of circularity to implement concrete, achievable innovation measures?</p> <ul style="list-style-type: none"> <li>• <i>Only for large scale projects:</i> <b>Ambition:</b> To what extent does the proposed project demonstrate change in the transition towards a circular economy? To what extent is the proposed work ambitious?</li> </ul>		
<p><b>Feasibility: Does the business have all the resources and ability to execute on the project proposition?</b></p> <ul style="list-style-type: none"> <li>• <b>Soundness of the workplan:</b> How relevant are the tasks described and the timing of the activities in relation to the current stage?</li> <li>• <b>Team:</b> Does the proposal demonstrate relevant competences and capacity to implement the project, either in-house or in cooperation with external partners including sub-contractors? Are the missing expertise and resources identified?</li> <li>• <i>Only for large scale projects:</i> <b>Risk analysis:</b> Does the project adequately address potential risks and propose appropriate mitigation strategies?</li> </ul>	30%	Threshold 3/5
<p><b>Impact: Can the funding make a difference to help make the business more sustainable?</b></p> <ul style="list-style-type: none"> <li>• <b>Sustainable growth:</b> To what extent does the project quantify achieving circular business transformation of the company? Is the proposed transformation justified by sound KPIs<sup>1</sup>?</li> <li>• <b>Added value:</b> To what extent does the project have an impact on the relevant industrial sector or region?</li> <li>• <i>Only for large scale projects:</i> <b>Cost-effectiveness:</b> What is the quality and effectiveness of the resources assigned to the project to get the proposed objectives and deliverables</li> </ul>	40%	Threshold 3/5

The evaluators will score each criterion on a scale from 0 to 5 (half point scores may be given):

0 = The proposal fails to address the criteria, or it cannot be assessed due to missing or incomplete information.

1 = Poor – The criterion is inadequately addressed or there are serious inherent weaknesses.

2 = Fair – The proposal broadly addresses the criterion, but there are significant weaknesses.

3 = Good – The proposal addresses the criterion well but there are a certain number of shortcomings.

4 = Very good – There is a small number of shortcomings but overall, the proposal addresses

<sup>1</sup> We recommend that you should set clear and measurable objectives aligned with the following UNSDG:

SDG 13 Climate Action: Reduction of GHG emissions, e.g., striving for 55% reduction of GHG emissions by 2030 in line with the EU's "Fit for 55" and Green Deal targets

SDG 12 Responsible Consumption and Production: Decrease in waste generation through prevention, reduction, recycling and reuse

SDG 8 Decent Work and Economic Growth: Improvements in resource efficiency and in decoupling economic growth from environmental degradation. You can e.g., compare the decrease in consumption of primary materials with the number of jobs created and preserved or with increased turnover

SDG 7 Affordable and Clean Energy: Improvements in energy efficiency can be measured with a ratio of energy consumption per economic output.

the criterion very well.

5 = Excellent – The proposal successfully addresses all relevant aspects of the criterion with minor or no shortcomings

The maximum overall score is 15. The standard threshold for individual criteria is 3, and the standard overall threshold, applying to the sum of the three individual scores, is 10. The average of the 3 scores given by evaluators per section and total will be calculated for each proposal. Priority will be given to applications that have higher scores in the criterion Impact. Proposals failing to achieve the threshold score per individual criteria and the overall threshold will be rejected.

For all proposals reaching the threshold the evaluators would carry out an ethics screening to detect if the projects proposed include ethically sensitive activities, such as recruitment of human study participants to activities that may involve risks, use of technologies that may circumvent the autonomy of human persons, or processing of personal data that may come in conflict with personal integrity. In case ethically sensitive activities are detected, SMEs receiving Up2Circ 3rd party funding will be obliged to take measures to ensure compliance with ethical principles, the applicable international and national law, and to include details about ethics compliance into their reporting.

Proposals will be ranked according to the overall scores in descending order. The ranking will be subject to an online consensus meeting with evaluators and Up2Circ project partner representatives who meets to validate the results and agree on the final list of selected applicants and a reserve list. The evaluation results will be available by January 17<sup>th</sup>. All applicants will be informed about the evaluation results by email.

Summary report will be provided for both small scale and large scale projects after each call evaluation.

## 6. Subgrant Agreement

Applicants selected in the call will be invited for the Subgrant Agreement preparation. Before the conclusion of the Subgrant Agreement, we will ask you to provide documents regarding your SME status (Annex 3: SME declaration form) and declaration of honour on exclusion criteria and absence of conflict of interest (Annex 2: Declaration of honour).

## 7. Annexes

### 7.1 Exclusion

Applicants that are subject to EU administrative sanctions (i.e. exclusion)<sup>2</sup> or are in one of the following exclusion situations<sup>3</sup> banning them from receiving EU grants can NOT participate:

- Bankruptcy, winding up, affairs administered by the courts, arrangement with creditors, suspended business activities or other similar procedures (including procedures for persons with unlimited liability for the applicant's debts).
- They are in breach of social security or tax obligations (including if done by persons with unlimited liability for the applicant's debts).

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<sup>2</sup> See Article 136 of [EU Financial Regulation](#)

<sup>3</sup> See Articles 136 and 141 of [EU Financial Regulation](#)



- They are guilty of grave professional misconduct (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant).
- They are guilty of fraud, corruption, having links to a criminal organisation, money laundering, terrorism-related crimes (including terrorism financing), child labour or human trafficking (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant).
- They have shown significant deficiencies in complying with main obligations under an EU procurement contract, grant agreement or grant decision (including if done by persons having powers of representation, decision making or control, beneficial owners or persons who are essential for the award/implementation of the grant).
- They are guilty of irregularities within the meaning of Article 1(2) of Regulation No 2988/95 (including if done by persons having powers of representation, decision making or control, beneficial owners or persons who are essential for the award/implementation of the grant).
- They have created under a different jurisdiction an entity with the intent to circumvent fiscal, social or other legal obligations in the country of origin or created another entity with this purpose (including if done by persons having powers of representation, decision making or control, beneficial owners or persons who are essential for the award/implementation of the grant).

Applicants will also be refused if it turns out that during the subgrant agreement process they misrepresented information required as a condition for participating or failed to supply that information, or they were previously involved in the preparation of the call and this entails a distortion of competition that cannot be remedied otherwise (conflict of interest).

## 7.2 Subgrant Agreement Template



# Subgrant Agreement (hereinafter “Agreement”)

Between:

[COMPANY NAME]

[ADDRESS]

[VAT NUMBER] as the Subgrant Contracting Partner for the Up2Circ Project (hereinafter “Contractor”)

And

[PARTNER NAME]

[ADDRESS]

(hereinafter “Beneficiary”)

Together referred to as the “Parties”, individually as a “Party”

The Parties agree as follows:

## **1. BACKGROUND AND OBJECTIVE**

The Contractor is the partner of Horizon Europe Coordination and Support Action project Boosting the uptake of circular business model, product and process innovation (Up2Circ) Grant Agreement number 101091367, which is funded by the European Union. This Agreement sets out the rights and obligations and the terms and conditions applicable to the subgrant awarded to the Beneficiary for implementing the action set out in Chapter 2.

## **2. DESCRIPTION OF THE ACTION**

The Subgrant is awarded for the action [PROJECT\_ACRONYM], [PROJECT\_FULL\_NAME], as described in Annex 1: Description of the action.

The obligations and responsibilities are defined in detail in the Pilot Call documents, namely in the Up2Circ Pilot Call Guide for Applicants.

## **3. DURATION OF THE ACTION**

The duration of the action is X months as of XX.XX.XXXX (‘starting date of the action’) and finished by XX.XX.XXXX (‘end date of the action’).

## **4. SUBGRANT AMOUNT**

The maximum financial contribution to be granted to the Beneficiary shall not exceed the amount XX.XXX,XX EURO.

The subgrant reimburses up to 100% of the eligible costs of the project costs.

## **5. ELIGIBLE COSTS**

Eligible costs must be declared under the following budget categories:

- Personnel costs: employees or equivalent, natural persons under direct contract, seconded persons, SME owners and natural person beneficiaries
- Subcontracting costs (based on beneficiary’s usual purchasing practices and ensuring best value for money and no conflict of interests)
- Purchase costs: travel and subsistence
- Purchase costs: equipment, infrastructures and other assets (calculated on the basis of the costs actually incurred and written off in accordance with international accounting standards and the beneficiary’s usual accounting practices)
- Purchase costs: other goods, works and services

Indirect costs are added by applying the 25% flat rate to the direct costs that qualify for indirect costs, these are all cost categories listed above except for subcontracting.

Only costs generated within the duration of the action are eligible.

Eligible costs are subject to the basic eligibility rules of Horizon Europe as defined in Art. 6 of the Horizon Europe Model Grant Agreement.

All the costs must be determined in accordance with the Beneficiary's usual accounting and management principles and practices.

According to the de minimis regulation of the European Commission (EC No 1998/2006), the Up2Circ subgrants are not a State Aid and therefore the funding does not count as de minimis grant.

## **6. SUBGRANT PAYMENT**

The financial support in the form of lump sum based on the tasks and project budget proposed in the application will be paid in two phases:

- First payment of 50% as a prefinancing within 30 days from the entry into force of the Agreement. The first payment remains a prefinancing until the Final Report is approved at the end of the action. The prefinancing amount can be redeemed in case of non-execution of the project.
- Second payment of 50% after the implementation of the project within 30 days after written approval of the Final Report.

All payments will be made by bank transfer from the Coordinator, who holds all third-party funds, in the name of the consortium, to the following account:

**Name of the bank:**

**Address of the branch:**

**Full name of the account holder:**

**IBAN:**

**SWIFT (BIC) code:**

Breaching the provisions of this Agreement and/or failure to implement the activities described in the Description of the action may lead to the reduction of the grant and recovery of any paid amount. In the case of breach, partial approval or disapproval of the work as per the following Chapter 6, the Beneficiary undertakes to return any payment or prepayment received for this work within 30 days.

## **7. REPORTING**

The Final Report must be submitted by the Beneficiary within 30 days after the end day of the action, detailing the work progress towards the project objectives, defined milestones and deliverables set in the Agreement, major achievements and impact and next steps.

The Final Report must include the following:

- Technical report – an overview of the activities implemented and results of the action linked to identified milestones and KPIs
- Financial report – the total costs spent and request for balance payment

The beneficiary must declare that:

- The information provided is full, reliable and true
- The costs declared are eligible
- The costs can be justified by adequate records and supporting documentation that will be produced upon request or in the context of checks, reviews, audits and investigations
- All the receipts have been declared

The submitted technical report will be assessed by a designated group of Up2Circ experts based on the achievement of objectives and milestones of the project. Together with the technical report, the Beneficiary will submit a financial statement for the final payment.

The Final Report shall be presented during the Periodic Project Review to the EC.

All reports must be submitted in English.

Financial statements must be drafted in euros. A Beneficiary with accounting established in a currency other than the euro must convert the costs recorded in their account into euro, at the average of the daily exchange rates published in the C series of the Official Journal of the European Union, calculated over the corresponding reporting period.

Apart from the financial statement there is no detailed financial report to be delivered by the Beneficiary. The beneficiary must keep evidence of the activities implemented and the actual costs incurred, adhering to the Horizon Europe costs eligibility and record-keeping rules (articles 6 and 20 of the Model Grant Agreement).

A template for the Final Report will be provided to beneficiaries upon signature of the Subgrant Agreement.

## **8. TERMS AND CONDITIONS**

In addition to the terms and conditions of this Agreement, the terms and conditions of the project Boosting the uptake of circular business model, product and process innovation (Up2Circ) Grant Agreement number 101091367 under which the work is performed also apply, however only correspondingly for the legal relationship between the Contractor and the Beneficiary.

In particular, the Beneficiary agrees that the following articles of the Grant Agreement are explicitly part of this Agreement ensuring that the European Commission (EC) the European Court of Auditors (ECA), the European Public Prosecutor's Office (EPPO) and the European Anti-Fraud Office (OLAF) can exercise their rights under Articles 25 of the Model Grant Agreement towards the Beneficiary.

Furthermore, the obligations of the Beneficiary include the obligations under articles 12, 13, 14, 17.2, 18,19, and 20 of the Model Grant Agreement<sup>4</sup>.

The referenced articles cover:

- Article 12 – Conflict of interest
  - 12.1 Conflict of interests
  - 12.2 Consequences of non-compliance
- Article 13 – Confidentiality and security
  - 13.1 Sensitive information
  - 13.2 Classified information
  - 13.3 Consequences of non-compliance
- Article 14 – Ethics and values
  - 14.1 Ethics
  - 14.2 Values

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<sup>4</sup> [https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/agr-contr/general-mga\\_horizon-euratom\\_en.pdf](https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/agr-contr/general-mga_horizon-euratom_en.pdf)

- 14.3 Consequences of non-compliance
- Article 17. Communication, dissemination and visibility
  - 17.2 Visibility – European flag and funding statement
  - 17.5 Consequences of non-compliance
- Article 18. Specific rules for carrying out the action
  - 18.1 Specific rules for carrying out the action
  - 18.2 Consequences of non-compliance
- Article 19. General information obligations
  - 19.1 Information requests
  - 19.2 Participant Register data updates
  - 19.3 Information about events and circumstances which impact the action
  - 19.4 Consequences of non-compliance
- Article 20 Record keeping
  - 20.1 Keeping records and supporting documents
  - 20.2 Consequences of non-compliance
- Article 25 – Checks, reviews, audits and investigations — Extension of findings
  - 25.1 Granting authority checks, reviews and audits.
  - 25.2 European Commission checks, reviews and audits in grants of other granting authorities.
  - 25.3 Access to records for assessing simplified forms of funding
  - 25.4 OLAF, EPPO and ECA audits and investigations
  - 25.5 Consequences of checks, reviews, audits and investigations — Extension of results of reviews, audits or investigations
  - 25.6 Consequences of non-compliance

## **9. PERFORMANCE**

The Beneficiary shall perform its work under this Agreement in accordance with the requirements of the open call and the Annex 1: Description of the action of this Agreement.

The Beneficiary shall endeavour to ensure that all work is performed to the highest professional standards and in accordance with the state of the art.

The Beneficiary shall be entitled to a continuous mentoring process, including an assigned group of consortium members to monitor the technical work, and to support the Beneficiary to perform their tasks in the project, thus ensuring their full integration in the overall project work.

The Beneficiary will notify the Contractor as soon as possible of any changes affecting the implementation of the work.

## **10. INTELLECTUAL PROPERTY RIGHTS**

Results are generated and owned by the Beneficiary.

The Beneficiary warrants full compliance with all IPR provisions on agreement on background, results free from restrictions, ownership of results, protection of results, exploitation of results, transfer, and licensing of results, and access rights to results and background.

The Beneficiary shall take all reasonable precautions to avoid the use of any third party IPR in the work. If other third parties may claim rights to the results, the Beneficiary must ensure that those rights can be exercised in a manner compatible with its obligations under this Agreement.

**11. SUSPENSION AND TERMINATION**

The Parties may terminate this Agreement on reasonable and justified grounds prior written notification and agreement.

Termination shall not affect any rights or obligations of the Agreement Parties incurred prior to the date of termination unless otherwise agreed in writing between them.

The termination can be made at any time during the project implementation phase if the Beneficiary is in one of the situations declared by Annex 2: Declaration of honour.

In the case that the Up2Circ project Grant Agreement terminated earlier than planned, this Agreement will also be terminated and work items and payments will be finalised in line with the conditions of the Grant Agreement termination.

If either Party breaches any conditions of this Agreement and fails to remedy such breach within 30 days after receipt of a written notice from the other Party, the Party giving notice may, at its option and in addition to any other remedies which it may have, terminate this Agreement by sending notice of termination in writing to the other Party and such termination shall be effective as the date of the receipt of such notice, and any benefits of the Agreement in respect of the other Party shall cease.

**12. PROCESSING OF PERSONAL DATA**

Any personal data under the Agreement will be processed by Up2Circ partners according to the project’s data management plan and joint controller agreement.

**13. ENTRY INTO FORCE**

The Agreement shall enter into force on the date on which the last Party signs it.

**14. APPLICABLE LAW**

This Agreement shall be governed by and construed by the laws of [CONTRACTOR COUNTRY].

**15. ANNEXES**

Annex 1: Description of the action (amended project proposal, including estimated budget)

Annex 2: Declaration of honour

Annex 3: SME declaration form

For the Beneficiary:

[NAME SURNAME]

[SIGNATURE]

For the Contractor:

[PARTNER NAME]

[NAME SURNAME]

[SIGNATURE]

**ANNEX 1: DESCRIPTION OF THE ACTION** (amended project proposal, including estimated budget)

## ANNEX 2: DECLARATION OF HONOUR

The undersigned [NAME SURNAME], representing [COMPANY NAME], [ADDRESS], [VAT NUMBER]

**declares** that the entity:

- Is eligible in accordance with the criteria set out in the specific call for proposals.
- Has the required legal, regulatory, financial, technical and operational capacity to carry out the action.
- Has not received any other European Union funding to carry out the action and commits to declare immediately to the Contractor any other such European Union funding it would receive until the end of the action.

**declares** that the entity is not subject to EU administrative sanctions (i.e., exclusion)<sup>5</sup> or is in one of the following exclusion situations<sup>6</sup>:

- Bankruptcy, winding up, affairs administered by the courts, arrangement with creditors, suspended business activities or other similar procedures (including procedures for persons with unlimited liability for the applicant's debts).
- In breach of social security or tax obligations (including if done by persons with unlimited liability for the applicant's debts).
- Guilty of grave professional misconduct (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant).
- Guilty of fraud, corruption, having links to a criminal organisation, money laundering, terrorism-related crimes (including terrorism financing), child labour or human trafficking (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant).
- Has shown significant deficiencies in complying with main obligations under an EU procurement contract, grant agreement or grant decision (including if done by persons having powers of representation, decision making or control, beneficial owners or persons who are essential for the award/implementation of the grant).
- Guilty of irregularities within the meaning of Article 1(2) of Regulation No 2988/95 (including if done by persons having powers of representation, decision making or control, beneficial owners or persons who are essential for the award/implementation of the grant).
- Has created under a different jurisdiction an entity with the intent to circumvent fiscal, social or other legal obligations in the country of origin or created another entity with this purpose (including if done by persons having powers of representation, decision making or control, beneficial owners or persons who are essential for the award/implementation of the grant).

By signing this document, I declare that I am authorized to represent the Beneficiary and I am aware and fully accept all conditions described in the Up2Circ Pilot Call documents and its Annexes.

[NAME SURNAME]

[POSITION]

[SIGNATURE]

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<sup>5</sup> See Article 136 of [EU Financial Regulation](#)

<sup>6</sup> See Articles 136 and 141 of [EU Financial Regulation](#)



### ANNEX 3: SME DECLARATION FORM

Declaration of SME Status

[COMPANY NAME]

[ADDRESS]

[VAT NUMBER]

Indicate the type of your enterprise:

- Autonomous enterprise (my enterprise holds less than 25% capital or voting rights in another enterprise and/or another enterprise holds less than 25% in my enterprise)
- Partner enterprise (my enterprise holds at least 25%, but no more than 50% in another enterprise and/or another enterprise holds at least 25%, but no more than 50%, in my enterprise)
- Linked enterprise (my enterprise holds more than 50% of the shareholders' or members' voting rights in another enterprise and/or another enterprise holds more than 50% in my enterprise)

The small and medium-sized enterprise (SME) employs fewer than 250 persons and has either an annual turnover not exceeding EUR 50 million or an annual balance sheet total not exceeding EUR 43 million. These ceilings apply to the figures for individual companies only. A company that is part of a larger group may need to include staff headcount/turnover/balance sheet data from that group too. An enterprise can still be ranked as autonomous if having certain types of investors who hold 25-50 % of its capital or voting rights. More information is available in SME Definition User Guide<sup>7</sup>.

Data used to determine the category of enterprise are calculated according to Article 6 of the Annex to the Commission Recommendation 2003/361/EC on the SME definition<sup>8</sup>.

Reference period<sup>9</sup>: [LAST APPROVED ACCOUNTING PERIOD]

Headcount: [NUMBER OF STAFF HEADCOUNT]

Annual turnover: [EUR NUMBER]

Balance sheet total: [EUR NUMBER]

I declare on my honour the accuracy of this declaration.

I declare on my honour that in case of change affecting my SME status, I will immediately inform the Contractor.

I declare having taken knowledge of the Commission Recommendation 2003/361/EC on the SME definition.

[NAME SURNAME]

[POSITION]

[SIGNATURE]

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<sup>7</sup> <https://ec.europa.eu/docsroom/documents/42921>

<sup>8</sup> <https://eur-lex.europa.eu/eli/reco/2003/361/oj>

<sup>9</sup> All data must relate to the last approved accounting period and calculated on an annual basis. In the case of newly established enterprises, the data shall be derived from a reliable estimate in the form of a business plan.