



EUROPEAN COMMISSION
Consumers, Health, Agriculture and Food Executive Agency
Director



GRANT AGREEMENT

NUMBER — 825940 — G ASIA

This **Agreement** ('the Agreement') is **between** the following parties:

on the one part,

the **Consumers, Health, Agriculture and Food Executive Agency (CHAFEA)** ('the Agency'), under the powers delegated by the European Commission ('the Commission'),

represented for the purposes of signature of this Agreement by Veronique WASBAUER, Director, or his/her duly authorised representative,

and

on the other part,

1. 'the coordinator':

ASOCIACION PARA LA PROMOCION DEL VINO DE GARNACHA-GARNACHA ORIGEN (GARNACHA ORIGEN), established in PARQUE EMPRESARIAL ZENTRO EXPO, AVDA DE RANILLAS, (ANTIGUA C/ PABLO RUIZ PICASSO, 63A), 2A PLANTA, OFFICINA A, ZARAGOZA 50018, Spain, VAT number: ESG99398935, represented for the purposes of signing the Agreement by PLSIGN, Chueca CALAVIA

and the following other beneficiaries, if they sign their 'Accession Form' (see Annex 3 and Article 40):

2. **CONSEIL INTERPROFESSIONNEL DES VINS DU ROUSSILLON (CIVR)**, established in 19 AV DE LA GRANDE BRETAGNE, PERPIGNAN 66006, France,

Unless otherwise specified, references to 'beneficiary' or 'beneficiaries' include the coordinator.

The parties referred to above have agreed to enter into the Agreement under the terms and conditions below.

By signing the Agreement or the Accession Form, the beneficiaries accept the grant and agree to implement it under their own responsibility and in accordance with the Agreement, with all the obligations and conditions it sets out.

The Agreement is composed of:

Terms and Conditions

- Annex 1 Description of the action
- Annex 2 Estimated budget for the action
 - Annex 2a Not applicable
- Annex 3 Accession Forms
- Annex 4 Model for the financial statements
- Annex 5 Model for the certificate on the financial statements (CFS)

TERMS AND CONDITIONS

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CHAPTER 1 GENERAL

ARTICLE 1 — SUBJECT OF THE AGREEMENT

This Agreement sets out the rights and obligations and the terms and conditions applicable to the grant awarded to the beneficiaries for implementing the action set out in Chapter 2.

CHAPTER 2 ACTION

ARTICLE 2 — ACTION TO BE IMPLEMENTED

The grant is awarded for the action entitled ‘**European Garnacha/Grenache Quality Wines MULTI Program in ASIA — G ASIA**’ (‘**action**’), as described in Annex 1.

ARTICLE 3 — DURATION AND STARTING DATE OF THE ACTION

The duration of the action will be **36 months** as of 01/01/2019 (‘**starting date of the action**’).

ARTICLE 4 — ESTIMATED BUDGET AND BUDGET TRANSFERS

4.1 Estimated budget

The ‘**estimated budget**’ for the action is set out in Annex 2.

It contains the estimated eligible costs and the forms of costs, broken down by beneficiary and budget category (see Articles 5, 6).

4.2 Budget transfers

The estimated budget breakdown indicated in Annex 2 may be adjusted — without an amendment (see Article 39) — by transfers of amounts between beneficiaries, budget categories and/or forms of costs set out in Annex 2, if the action is implemented as described in Annex 1.

However, the beneficiaries may not add costs relating to subcontracts not provided for in Annex 1, unless such additional subcontracts are approved by an amendment or in accordance with Article 10.

CHAPTER 3 GRANT

ARTICLE 5 — GRANT AMOUNT, FORM OF GRANT, REIMBURSEMENT RATES AND FORMS OF COSTS

5.1 Maximum grant amount

The ‘**maximum grant amount**’ is **EUR 2,880,000.00** (two million eight hundred and eighty thousand EURO).

5.2 Form of grant, reimbursement rates and forms of costs

The grant reimburses 80% of the action's eligible costs (see Article 6) (**'reimbursement of eligible costs grant'**) (see Annex 2).

The estimated eligible costs of the action are EUR **3,600,000.00** (three million six hundred thousand EURO).

Eligible costs (see Article 6) must be declared under the following forms (**'forms of costs'** or **'cost forms'**):

- (a) for **direct personnel costs**: as actually incurred costs (**'actual costs'**)
- (b) for **direct costs of subcontracting**: as actually incurred costs (**actual costs**);
- (c) for other direct costs: as actually incurred costs (actual costs);
- (d) for **indirect costs**: on the basis of a flat-rate applied as set out in Article 6.2.D (**'flat-rate costs'**);

The remaining costs of the action must be borne by the beneficiaries. Financial contributions given by third parties to a beneficiary, specifically to be used for costs that are eligible under the action are not allowed (except for financial contributions to a beneficiary organisation made by its members).

5.3 Final grant amount — Calculation

The **'final grant amount'** depends on the actual extent to which the action is implemented in accordance with the Agreement's terms and conditions.

This amount is calculated by the Agency — when the payment of the balance is made — in the following steps:

- Step 1 – Application of the reimbursement rates to the eligible costs
- Step 2 – Limit to the maximum grant amount
- Step 3 – Reduction due to the no-profit rule
- Step 4 – Reduction due to substantial errors, irregularities or fraud or serious breach of obligations

5.3.1 Step 1 — Application of the reimbursement rate to the eligible costs

The reimbursement rate(s) (see Article 5.2) are applied to the eligible costs (actual costs and flat-rate costs; see Article 6) declared by the beneficiaries (see Article 15) and approved by the Agency (see Article 16).

5.3.2 Step 2 — Limit to the maximum grant amount

If the amount obtained following Step 1 is higher than the maximum grant amount set out in Article 5.1, it will be limited to the latter.

5.3.3 Step 3 — Reduction due to the no-profit rule

The grant must not produce a profit.

‘**Profit**’ means the surplus of the amount obtained following Steps 1 and 2 plus the action’s total receipts, over the action’s total eligible costs.

The ‘**action’s total eligible costs**’ are the consolidated total eligible costs approved by the Agency.

The ‘**action’s total receipts**’ are the consolidated total receipts generated during its duration (see Article 3).

The following are considered **receipts**:

- (a) income generated by the action;
- (b) financial contributions given to the beneficiaries by their members, specifically to be used for costs that are eligible under the action.

The following are however **not** considered receipts:

- (a) financial contributions by beneficiaries’ members or other third parties, if they may be used to cover costs other than the eligible costs (see Article 6);
- (b) financial contributions by beneficiaries’ members or other third parties with no obligation to repay any amount unused at the end of the period set out in Article 3.

If there is a profit, it will be deducted in proportion to the final rate of reimbursement of the eligible actual costs approved by the Agency (as compared to the amount calculated following Steps 1 and 2).

5.3.4 Step 4 — Reduction due to substantial errors, irregularities or fraud or serious breach of obligations

If the grant is reduced (see Article 27), the Agency will calculate the reduced grant amount by deducting the amount of the reduction (calculated in proportion to the seriousness of the errors, irregularities or fraud or breach of obligations, in accordance with Article 27.2) from the maximum grant amount set out in Article 5.1.

The final grant amount will be the lower of the following two:

- the amount obtained following Steps 1 to 3 or
- the reduced grant amount following Step 4.

5.4 Revised final grant amount — Calculation

If — after the payment of the balance (in particular, after checks, reviews, audits or investigations; see Article 17) — the Agency rejects costs (see Article 26) or reduces the grant (see Article 27), it will calculate the ‘**revised final grant amount**’ for the action or for the beneficiary concerned.

This amount is calculated by the Agency on the basis of the findings, as follows:

- in case of **rejection of costs**: by applying the reimbursement rate(s) to the *revised* eligible costs approved by the Agency for the beneficiary concerned;
- in case of **reduction of the grant**: by deducting the amount of the reduction (calculated in proportion to the seriousness of the errors, irregularities or fraud or breach of obligations, in

accordance with Article 27.2) from the maximum grant amount set out in Article 5.1 or from the maximum EU contribution indicated for the beneficiary in the estimated budget (see Annex 2).

In case of **rejection of costs and reduction of the grant**, the revised final grant amount will be the lower of the two amounts above.

ARTICLE 6 — ELIGIBLE AND INELIGIBLE COSTS

6.1 General conditions for costs to be eligible

‘**Eligible costs**’ are costs that meet the following criteria:

(a) for **actual costs**:

- (i) they must be actually incurred by the beneficiary;
- (ii) they must be incurred in the period set out in Article 3, with the exception of costs relating to the submission of the periodic report for the last reporting period and the final report (see Article 15) and the study evaluating the results of the measures carried out (see Article 14);
- (iii) they must be indicated in the estimated budget set out in Annex 2;
- (iv) they must be incurred in connection with the action as described in Annex 1 and necessary for its implementation;
- (v) they must be identifiable and verifiable, in particular recorded in the beneficiary’s accounts in accordance with the accounting standards applicable in the country where the beneficiary is established and with the beneficiary’s usual cost accounting practices;
- (vi) they must comply with the applicable national law on taxes, labour and social security, and
- (vii) they must be reasonable, justified and must comply with the principle of sound financial management, in particular regarding economy and efficiency;

(b) for **unit costs**: not applicable;

(c) for **flat-rate costs**:

- (i) they must be calculated by applying the flat-rate set out in Annex 2, and
- (ii) the costs (actual costs) to which the flat-rate is applied must comply with the conditions for eligibility set out in this Article;

(d) for **lump sum costs**: not applicable.

6.2 Specific conditions for costs to be eligible

Costs are eligible if they comply with the general conditions (see above) and the specific conditions set out below, for each of the following budget categories:

- A. direct personnel costs;
- B. direct costs of subcontracting;
- C. other direct costs.

D. indirect costs.

‘Direct costs’ are costs that are directly linked to the action implementation and can therefore be attributed to it directly. They must not include any indirect costs (see Point D below).

‘Indirect costs’ are costs that are not directly linked to the action implementation and therefore cannot be attributed directly to it.

A. Direct personnel costs

Types of eligible personnel costs

A.1 Personnel costs are eligible if they are related to personnel working for the beneficiary under an employment contract (or equivalent appointing act) and assigned to the action (**‘costs for employees (or equivalent)’**). They must be limited to salaries, social security contributions, taxes and other costs included in the **remuneration**, if they arise from national law or the employment contract (or equivalent appointing act).

They may also include **additional remuneration** for personnel assigned to the action (including payments on the basis of supplementary contracts regardless of their nature), if:

- (a) it is part of the beneficiary’s usual remuneration practices and is paid in a consistent manner whenever the same kind of work or expertise is required;
- (b) the criteria used to calculate the supplementary payments are objective and generally applied by the beneficiary, regardless of the source of funding used.

A.2 The **costs for natural persons working under a direct contract** with the beneficiary other than an employment contract or **seconded by a third party against payment** are eligible personnel costs, if:

- (a) the person works under the beneficiary’s instructions and, unless otherwise agreed with the beneficiary, on the beneficiary’s premises;
- (b) the result of the work carried out belongs to the beneficiary, and
- (c) the costs are not significantly different from those for personnel performing similar tasks under an employment contract with the beneficiary.

Calculation

Personnel costs must be calculated by the beneficiaries as follows:

- for persons **working exclusively on the action**:

{monthly rate for the person
multiplied by
number of actual months worked on the action}.

The months declared for these persons may not be declared for any other EU or Euratom grant.

The **‘monthly rate’** is calculated as follows:

{annual personnel costs for the person
divided by
12}

using the personnel costs for each full financial year covered by the reporting period concerned. If a financial year is not closed at the end of the reporting period, the beneficiaries must use the monthly rate of the last closed financial year available.

- for all **other** persons:

{daily rate for the person
multiplied by
number of actual days worked on the action (rounded up or down to the nearest half-day)}.

The number of actual days declared for a person must be identifiable and verifiable (see Article 13).

The total number of days declared in EU or Euratom grants, for a person for a year, cannot be higher than the annual productive days used for the calculations of the daily rate. Therefore, the maximum number of days that can be declared for the grant are:

{number of annual productive days for the year (see below)
minus
total number of days declared by the beneficiary, for that person for that year, for other EU or Euratom grants}.

The '**daily rate**' is calculated as follows:

{annual personnel costs for the person
divided by
number of individual annual productive days}

using the personnel costs and the number of annual productive days for each full financial year covered by the reporting period concerned. If a financial year is not closed at the end of the reporting period, the beneficiaries must use the daily rate of the last closed financial year available.

The 'number of individual annual productive days' is the total actual days worked by the person in the year. It may not include holidays and other absences (such as sick leave, maternity leave, special leave, etc). However, it may include overtime and time spent in meetings, trainings and other similar activities.

B. Direct costs of subcontracting (including related duties, taxes and charges, such as non-deductible value added tax (VAT) paid by beneficiaries that are not public bodies acting as public authority) are eligible if the conditions in Article 10.1.1 are met.

C. Other direct costs

- C.1 Travel costs and related subsistence allowances (including related duties, taxes and charges, such as non-deductible value added tax (VAT) paid by beneficiaries that are not public bodies acting as public authority) are eligible if they are in line with the beneficiary's usual practices on travel.
- C.2 The depreciation costs of equipment, infrastructure or other assets (new or second-hand) as recorded in the beneficiary's accounts are eligible, if they were purchased in accordance with Article 9.1.1 and written off in accordance with international accounting standards and the beneficiary's usual accounting practices.

The costs of renting or leasing equipment, infrastructure or other assets (including related duties, taxes and charges, such as non-deductible value added tax (VAT) paid by beneficiaries that are not public bodies acting as public authority) are also eligible, if they do not exceed the depreciation costs of similar equipment, infrastructure or assets and do not include any financing fees.

The only portion of the costs that will be taken into account is that which corresponds to the duration of the action and rate of actual use for the purposes of the action.

- C.3 **Costs of other goods and services** (including related duties, taxes and charges, such as non-deductible value added tax (VAT) paid by beneficiaries that are not public bodies acting as public authority) are eligible, if they are purchased specifically for the action and in accordance with Article 9.1.1.

Such goods and services include, for instance, consumables and supplies, dissemination, protection of results, certificates on the financial statements (if they are required by the Agreement), translations and publications.

D. Indirect costs

Indirect costs are eligible if they are declared on the basis of the flat-rate of 4% of the eligible personnel costs (see Article 5.2 and Point A).

Beneficiaries receiving an operating grant¹ financed by the EU or Euratom budget cannot declare indirect costs for the period covered by the operating grant.

6.3 Conditions for costs of affiliated entities to be eligible

Not applicable

6.4 Ineligible costs

'**Ineligible costs**' are:

- (a) costs that do not comply with the conditions set out above (Article 6.1 to 6.3), in particular:
 - (i) costs related to return on capital;

¹ For the definition, see Article 121(1)(b) of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 218, 26.10.2012, p.1) ('**Financial Regulation No 966/2012**'): '**operating grant**' means direct financial contribution, by way of donation, from the budget in order to finance the functioning of a body which pursues an aim of general EU interest or has an objective forming part of and supporting an EU policy.

- (ii) debt and debt service charges;
 - (iii) provisions for future losses or debts;
 - (iv) interest owed;
 - (v) doubtful debts;
 - (vi) currency exchange losses;
 - (vii) bank costs charged by the beneficiary's bank for transfers from the Agency;
 - (viii) excessive or reckless expenditure;
 - (ix) deductible VAT;
 - (x) costs incurred during suspension of the implementation of the action (see Article 33);
 - (xi) in-kind contributions provided by third parties;
- (b) costs declared under another EU or Euratom grant (including grants awarded by a Member State and financed by the EU or Euratom budget and grants awarded by bodies other than the Agency for the purpose of implementing the EU or Euratom budget); in particular, indirect costs if the beneficiary is already receiving an operating grant financed by the EU or Euratom budget in the same period;
- (c) costs for staff of a national (or local) administration, for activities that are part of the administration's normal activities (i.e. not undertaken only because of the grant);
- (d) costs (especially travel and subsistence costs) for staff or representatives of EU institutions, bodies or agencies;

6.5 Consequences of declaration of ineligible costs

Declared costs that are ineligible will be rejected (see Article 26).

This may also lead to any of the other measures described in Chapter 6.

CHAPTER 4 RIGHTS AND OBLIGATIONS OF THE PARTIES

SECTION 1 RIGHTS AND OBLIGATIONS RELATED TO IMPLEMENTING THE ACTION

ARTICLE 7 — GENERAL OBLIGATION TO PROPERLY IMPLEMENT THE ACTION

7.1 General obligation to properly implement the action

The beneficiaries must implement the action as described in Annex 1 and in compliance with the provisions of the Agreement and all legal obligations under applicable EU, international and national law.

7.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 27).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 8 — RESOURCES TO IMPLEMENT THE ACTION — THIRD PARTIES INVOLVED IN THE ACTION

The beneficiaries must have the appropriate resources to implement the action.

If it is necessary to implement the action, the beneficiaries may:

- purchase goods, works and services (see Article 9);
- call upon subcontractors to implement action tasks described in Annex 1 (see Article 10).

In these cases, the beneficiaries retain sole responsibility towards the Agency and the other beneficiaries for implementing the action.

ARTICLE 8a — IMPLEMENTATION OF ACTION TASKS BY BENEFICIARIES NOT RECEIVING EU FUNDING

Not applicable

ARTICLE 9 — PURCHASE OF GOODS, WORKS OR SERVICES

9.1 Rules for purchasing goods, works or services

9.1.1 If necessary to implement the action, the beneficiaries may purchase goods, works or services.

The beneficiaries must make such purchases ensuring the best value for money or, if appropriate, the lowest price. In doing so, they must avoid any conflict of interests (see Article 20).

The beneficiaries must ensure that the Agency, the Commission, the European Court of Auditors (ECA) and the European Anti-Fraud Office (OLAF) can exercise their rights under Articles 17 and 18 also towards their contractors.

9.1.2 Beneficiaries that are ‘contracting authorities’ within the meaning of Directive 2004/18/EC² (or 2014/24/EU³) must comply with the applicable national law on public procurement.

9.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under Article 9.1.1, the costs related to the contract concerned will be ineligible (see Article 6) and will be rejected (see Article 26).

² Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public work contracts, public supply contracts and public service contracts (OJ L 134, 30.04.2004, p. 114).

³ Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94, 28.3.2014, p. 65).

If a beneficiary breaches any of its obligations under Article 9.1.2, the grant may be reduced (see Article 27).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 10 — IMPLEMENTATION OF ACTION TASKS BY SUBCONTRACTORS

10.1 Rules for subcontracting action tasks

10.1.1 If necessary to implement the action, the beneficiaries may award subcontracts covering the implementation of certain action tasks described in Annex 1.

The beneficiaries must award the subcontracts ensuring the best value for money or, if appropriate, the lowest price. In doing so, they must avoid any conflict of interests (see Article 20).

Subcontracts may also be awarded to entities that have a structural link with the beneficiary⁴, but only if the price is limited to the costs actually incurred by the entity (i.e. without any profit margin).

The tasks to be implemented and the estimated cost for each subcontract must be set out in Annex 1 and the total estimated costs of subcontracting per beneficiary must be set out in Annex 2. Subcontracts to entities that have a structural link with the beneficiary must be detailed in Annex 1.

The Agency may however approve subcontracts not set out in Annex 1 and 2 without amendment (Article 39), if:

- they are specifically justified in the periodic technical report and
- they do not entail changes to the Agreement which would call into question the decision awarding the grant or breach the principle of equal treatment of applicants.

The beneficiaries must ensure that the Agency, the Commission, the European Court of Auditors (ECA) and the European Anti-Fraud Office (OLAF) can exercise their rights under Articles 17 and 18 also towards their subcontractors.

They must moreover ensure that entities that have a structural link with them keep records on their costs.

10.1.2 The beneficiaries must ensure that their obligations under Articles 20, 21, 22 and 30 also apply to the subcontractors.

Beneficiaries that are ‘contracting authorities’ within the meaning of Directive 2004/18/EC (or 2014/24/EU) must comply with the applicable national law on public procurement.

10.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under Article 10.1.1, the costs related to the subcontract concerned will be ineligible (see Article 6) and will be rejected (see Article 26).

⁴ ‘Entities that have a structural link with the beneficiary’ are entities that have a link with the beneficiary, in particular, a legal or capital link, which is neither limited to the action nor established for the sole purpose of its implementation.

If a beneficiary breaches any of its obligations under Article 10.1.2, the grant may be reduced (see Article 27).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 11 — IMPLEMENTATION OF ACTION TASKS BY AFFILIATED ENTITIES

Not applicable

ARTICLE 11a — FINANCIAL SUPPORT TO THIRD PARTIES

Not applicable

SECTION 2 RIGHTS AND OBLIGATIONS RELATED TO THE GRANT ADMINISTRATION

ARTICLE 12 — GENERAL OBLIGATION TO INFORM

12.1 General obligation to provide information upon request

The beneficiaries must provide — during implementation of the action or afterwards and in accordance with article 25.2 — any information requested in order to verify eligibility of the costs, proper implementation of the action and compliance with any other obligation under the Agreement.

12.2 Obligation to keep information up to date and to inform about events and circumstances likely to affect the Agreement

Each beneficiary must keep information stored in the Participant Portal Beneficiary Register (via the electronic exchange system; see Article 36) up to date, in particular, its name, address, legal representatives, legal form and organisation type.

Each beneficiary must immediately inform the coordinator — which must immediately inform the Agency and the other beneficiaries — of any of the following:

- (a) **events** which are likely to affect significantly or delay the implementation of the action or the EU's financial interests, in particular:
 - (i) changes in its legal, financial, technical, organisational or ownership situation
- (b) **circumstances** affecting:
 - (i) the decision to award the grant or
 - (ii) compliance with requirements under the Agreement.

12.3 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 27).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 13 — KEEPING RECORDS — SUPPORTING DOCUMENTATION

13.1 Obligation to keep records and other supporting documentation

The beneficiaries must — for a period of **five years after the payment of the balance** — keep records and other supporting documentation, in order to prove the proper implementation of the action and the costs they declare as eligible.

They must make them available upon request (see Article 12) or in the context of checks, reviews, audits or investigations (see Article 17).

If there are on-going checks, reviews, audits, investigations, litigation or other pursuits of claims under the Agreement (including the extension of findings; see Articles 17), the beneficiaries must keep the records and other supporting documentation until the end of these procedures.

The beneficiaries must keep the original documents. Digital and digitalised documents are considered originals if they are authorised by the applicable national law. The Agency may accept non-original documents if it considers that they offer a comparable level of assurance.

13.1.1 Records and other supporting documentation on the technical implementation

The beneficiaries must keep records and other supporting documentation on the technical implementation of the action, in line with the accepted standards in the respective field.

13.1.2 Records and other documentation to support the costs declared

The beneficiaries must keep the records and documentation supporting the costs declared, in particular the following:

- (a) for **actual costs**: adequate records and other supporting 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;
- (b) for **unit costs**: not applicable;
- (c) for **flat-rate costs**: adequate records and other supporting documentation to prove the eligibility of the costs to which the flat-rate is applied. The beneficiaries do not need to identify the costs covered or provide supporting documentation (such as accounting statements) to prove the amount declared at a flat-rate.
- (d) for **lump sum costs**: not applicable.

In addition, for **personnel costs** (declared as actual costs), the beneficiaries must keep **time records** for the number of days declared. The time records must be in writing and approved by the persons working on the action and their supervisors, at least monthly. In the absence of reliable time records of the days worked on the action, the Agency may accept alternative evidence supporting the number of days declared, if it considers that it offers an adequate level of assurance.

As an exception, for **persons working exclusively on the action**, there is no need to keep time records,

if the beneficiary signs a **declaration** confirming that the persons concerned have worked exclusively on the action.

13.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, costs insufficiently substantiated will be ineligible (see Article 6) and will be rejected (see Article 26), and the grant may be reduced (see Article 27).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 14 — SUBMISSION OF DELIVERABLES

14.1 Obligation to submit deliverables

The coordinator must submit:

- the deliverables identified in Annex 1, in accordance with the timing and conditions set out in it;
- copies of all the material and audio-visuals linked to the deliverables, in accordance with the timing defined for each deliverable in Annex 1, and
- a study by an independent external body evaluating the results of the promotional and information measures carried out, by the deadline for the final report.

This study must use the impact indicators set out in Annex 1.

14.2 Consequences of non-compliance

If the coordinator breaches any of its obligations under this Article, the Agency may apply any of the measures described in Chapter 6.

ARTICLE 15 — REPORTING — PAYMENT REQUESTS

15.1 Obligation to submit reports

The coordinator must submit to the Agency (see Article 36) the technical and financial report(s) set out in this Article. These reports include the request(s) for payment and must be drawn up using the forms and templates provided in the electronic exchange system (see Article 36).

15.2 Reporting periods

The action is divided into the following ‘**reporting periods**’:

- RP1: from month 1 to month 12
- RP2: from month 13 to month 24
- RP3: from month 25 to month 36

15.2a Request(s) for further pre-financing payment(s)

Not applicable

15.3 Periodic reports — Requests for interim payments

The coordinator must submit a periodic report within 60 days following the end of each reporting period.

The **periodic report** must include the following:

(a) a **‘periodic technical report’** containing:

- (i) an **explanation of the work carried out** by the beneficiaries;
- (ii) an **overview of the progress** towards the objectives of the action, including deliverables identified in Annex 1.

This report must use the output and results indicators set out in Annex 1 and include explanations justifying the differences between work expected to be carried out in accordance with Annex 1 and that actually carried out;

- (iii) a summary for publication by the Agency;;
- (iv) the answers to the **‘questionnaire’**: covering issues related to the action implementation and its impact;

(b) a **‘periodic financial report’** containing:

- (i) an **‘individual financial statement’** (see Annex 4) from each beneficiary, for the reporting period concerned.

The individual financial statement must detail the eligible costs (actual costs and flat-rate costs; see Article 6) for each budget category (see Annex 2).

The beneficiaries must declare all eligible costs, even if — for actual costs and flat-rate costs — they exceed the amounts indicated in the estimated budget (see Annex 2). Amounts which are not declared in the individual financial statement will not be taken into account by the Agency.

If an individual financial statement is not submitted for a reporting period, it may be included in the periodic financial report for the next reporting period.

The individual financial statements of the last reporting period must also detail the **receipts of the action** (see Article 5.3.3).

Each beneficiary must **certify** that:

- the information provided is full, reliable and true;
- the costs declared are eligible (see Article 6);
- the costs can be substantiated by adequate records and supporting documentation (see Article 13) that will be produced upon request (see Article 12) or in the context of checks, reviews, audits and investigations (see Article 17), and

- for the last reporting period: that all the receipts have been declared (see Article 5.3.3);
- (ii) an **explanation of the use of resources** and the information on subcontracting (see Article 10) from each beneficiary, for the reporting period concerned;
- (iii) not applicable
- (iv) a **‘periodic summary financial statement’**, created automatically by the electronic exchange system, consolidating the individual financial statements for the reporting period concerned and including — except for the last reporting period — the **request for interim payment**;
- (v) a **‘certificate on the financial statements’** (drawn up in accordance with Annex 5) for each beneficiary if:
 - it requests an EU contribution of EUR 325 000 or more as reimbursement of actual costs and
 - the maximum EU contribution indicated, for that beneficiary in the estimated budget (see Annex 2) as reimbursement of actual costs is EUR 750 000 or more.

15.4 Final report — Request for payment of the balance

In addition to the periodic report for the last reporting period, the coordinator must submit the final report within 90 days following the end of the last reporting period.

The **final report** must include the following:

- (a) a **‘final technical report’** containing:
 - (i) an overview of the activities carried out and the results achieved.
This overview must also cover the impact indicators set out in Annex 1;
 - (ii) a summary for publication;
 - (iii) not applicable;
- (b) a **‘final financial report’** containing a **‘final summary financial statement’**, created automatically by the electronic exchange system, consolidating the individual financial statements for all reporting periods and including the **request for payment of the balance**.

15.5 Information on cumulative expenditure incurred

Not applicable

15.6 Currency for financial statements and conversion into euro

Financial statements must be drafted in euro.

Beneficiaries with accounting established in a currency other than the euro must convert the costs

recorded in their accounts 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.

If no daily euro exchange rate is published in the *Official Journal of the European Union* for the currency in question, they must be converted at the average of the monthly accounting rates published on the Commission's website, calculated over the corresponding reporting period.

Beneficiaries with accounting established in euro must convert costs incurred in another currency into euro according to their usual accounting practices.

15.7 Language of reports

All report(s) (including financial statements) must be submitted in the language of the Agreement.

15.8 Consequences of non-compliance

If the report(s) submitted do not comply with this Article, the Agency may suspend the payment deadline (see Article 31) and apply any of the other measures described in Chapter 6.

If the coordinator breaches its obligation to submit the report(s) and if it fails to comply with this obligation within 30 days following a written reminder, the Agency, may terminate the Agreement (see Article 34) or apply any of the other measures described in Chapter 6.

ARTICLE 16 — PAYMENTS AND PAYMENT ARRANGEMENTS

16.1 Payments to be made

The following payments will be made to the coordinator:

- a **pre-financing payment**;
- one or more **interim payments**, on the basis of the request(s) for interim payment (see Article 15), and
- one **payment of the balance**, on the basis of the request for payment of the balance (see Article 15).

16.2 Pre-financing payment — Amount

The aim of the pre-financing is to provide the beneficiaries with a float.

It remains the property of the EU until the payment of the balance.

The amount of the pre-financing payment will be EUR **576,000.00** (five hundred and seventy six thousand EURO).

The Agency will — except if Article 32 applies — make the pre-financing payment to the coordinator within 30 days from the entry into force of the Agreement (see Article 42) or from 10 days before the starting date of the action (see Article 3), whichever is the latest.

16.3 Interim payments — Amount — Calculation

Interim payments reimburse the eligible costs incurred for the implementation of the action during the corresponding reporting periods.

The Agency will pay to the coordinator the amount due as interim payment within 60 days from receiving the periodic report (see Article 15.3), except if Articles 31 or 32 apply.

Payment is subject to the approval of the periodic report. Its approval does not imply recognition of compliance, authenticity, completeness or correctness of its content.

The **amount due as interim payment** is calculated by the Agency in the following steps:

Step 1 — Application of the reimbursement rates

Step 2 — Limit to 90% of the maximum grant amount

16.3.1 Step 1 — Application of the reimbursement rates

The reimbursement rate(s) (see Article 5.2) are applied to the eligible costs (actual costs and flat-rate costs; see Article 6) declared by the beneficiaries (see Article 15) and approved by the Agency (see above) for the concerned reporting period.

16.3.2 Step 2 — Limit to 90% of the maximum grant amount

The total amount of pre-financing and interim payments must not exceed 90% of the maximum grant amount set out in Article 5.1. The maximum amount for the interim payment will be calculated as follows:

$$\left\{ \begin{array}{l} 90\% \text{ of the maximum grant amount (see Article 5.1)} \\ \text{minus} \\ \text{\{pre-financing and previous interim payments\}} \end{array} \right\}.$$

16.4 Payment of the balance — Amount — Calculation

The payment of the balance reimburses the remaining part of the eligible costs incurred by the beneficiaries for the implementation of the action.

If the total amount of earlier payments is greater than the final grant amount (see Article 5.3), the payment of the balance takes the form of a recovery (see Article 28).

If the total amount of earlier payments is lower than the final grant amount, the Agency will pay the balance within 60 days from receiving the final report (see Article 15.4), except if Articles 31 or 32 apply.

Payment is subject to the approval of the final report. Its approval does not imply recognition of compliance, authenticity, completeness or correctness of its content.

The **amount due as the balance** is calculated by the Agency by deducting the total amount of pre-financing and interim payments (if any) already made, from the final grant amount determined in accordance with Article 5.3:

{ final grant amount (see Article 5.3)
minus
{pre-financing and interim payments (if any) made} }.

If the balance is positive, it will be paid to the coordinator.

The amount to be paid may however be offset — without the beneficiaries' consent — against any other amount owed by a beneficiary to the Agency, the Commission or another executive agency (under the EU or Euratom budget), up to the maximum EU contribution indicated, for that beneficiary, in the estimated budget (see Annex 2).

If the balance is negative, it will be recovered from the coordinator (see Article 28).

16.5 Notification of amounts due

When making payments, the Agency will formally notify to the coordinator the amount due, specifying that it concerns an interim payment or the payment of the balance.

For the payment of the balance, the notification will also specify the final grant amount.

In the case of reduction of the grant or recovery of undue amounts, the notification will be preceded by the contradictory procedure set out in Articles 27 and 28.

16.6 Currency for payments

The Agency will make all payments in euro.

16.7 Payments to the coordinator — Distribution to the beneficiaries

Payments will be made to the coordinator.

Payments to the coordinator will discharge the Agency from its payment obligation.

The coordinator must distribute the payments between the beneficiaries without unjustified delay.

Pre-financing may however be distributed only:

- (a) if 90% of the beneficiaries have acceded to the Agreement (see Article 40) and
- (b) to beneficiaries that have acceded to the Agreement (see Article 40).

16.8 Bank account for payments

All payments will be made to the following bank account:

Name of bank: BANKIA, S.A.

Full name of the account holder: ASOCIACION PARA LA PROMOCION DEL VINO DE GARNACHA

Full account number (including bank codes):

IBAN code: ES0520389709186000123754

16.9 Costs of payment transfers

The cost of the payment transfers is borne as follows:

- the Agency bears the cost of transfers charged by its bank;
- the beneficiary bears the cost of transfers charged by its bank;
- the party causing a repetition of a transfer bears all costs of the repeated transfer.

16.10 Date of payment

Payments by the Agency are considered to have been carried out on the date when they are debited to its account.

16.11 Consequences of non-compliance

16.11.1 If the Agency does not pay within the payment deadlines (see above), the beneficiaries are entitled to **late-payment interest** at the rate applied by the European Central Bank (ECB) for its main refinancing operations in euros ('reference rate'), plus three and a half points. The reference rate is the rate in force on the first day of the month in which the payment deadline expires, as published in the C series of the *Official Journal of the European Union*.

If the late-payment interest is lower than or equal to EUR 200, it will be paid to the coordinator only upon request submitted within two months of receiving the late payment.

Late-payment interest is not due if all beneficiaries are EU Member States (including regional and local government authorities or other public bodies acting on behalf of a Member State for the purpose of this Agreement).

Suspension of the payment deadline or payments (see Articles 31 and 32) will not be considered as late payment.

Late-payment interest covers the period running from the day following the due date for payment (see above), up to and including the date of payment.

Late-payment interest is not considered for the purposes of calculating the final grant amount.

16.11.2 If the coordinator breaches any of its obligations under this Article, the grant may be reduced (see Article 27) and the Agreement or the participation of the coordinator may be terminated (see Article 34).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 17 — CHECKS, REVIEWS, AUDITS AND INVESTIGATIONS — EXTENSION OF FINDINGS

17.1 Checks, reviews and audits by the Agency and the Commission

17.1.1 Right to carry out checks

The Agency or the Commission will — during the implementation of the action or afterwards — check

the proper implementation of the action and compliance with the obligations under the Agreement, including assessing deliverables and reports.

For this purpose, the Agency or the Commission may be assisted by external persons or bodies.

The Agency or the Commission may also request additional information in accordance with Article 12. The Agency or the Commission may request beneficiaries to provide such information to it directly.

Information provided must be accurate, precise and complete and in the format requested, including electronic format.

17.1.2 Right to carry out reviews

The Agency or the Commission may — during the implementation of the action or afterwards — carry out reviews on the proper implementation of the action (including assessment of deliverables and reports) and compliance with the obligations under the Agreement.

Reviews may be started **up to five years after the payment of the balance**. They will be formally notified to the coordinator or beneficiary concerned and will be considered to have started on the date of the formal notification.

If the review is carried out on a third party (see Articles 9 to 11a), the beneficiary concerned must inform the third party.

The Agency or the Commission may carry out reviews directly (using its own staff) or indirectly (using external persons or bodies appointed to do so). It will inform the coordinator or beneficiary concerned of the identity of the external persons or bodies. They have the right to object to the appointment on grounds of commercial confidentiality.

The coordinator or beneficiary concerned must provide — within the deadline requested — any information and data in addition to deliverables and reports already submitted (including information on the use of resources). The Agency or the Commission may request beneficiaries to provide such information to it directly.

The coordinator or beneficiary concerned may be requested to participate in meetings, including with external experts.

For **on-the-spot** reviews, the beneficiaries must allow access to their sites and premises, including to external persons or bodies, and must ensure that information requested is readily available.

Information provided must be accurate, precise and complete and in the format requested, including electronic format.

On the basis of the review findings, a '**review report**' will be drawn up.

The Agency or the Commission will formally notify the review report to the coordinator or beneficiary concerned, which has 30 days to formally notify observations ('**contradictory review procedure**').

Reviews (including review reports) are in the language of the Agreement.

17.1.3 Right to carry out audits

The Agency or the Commission may — during the implementation of the action or afterwards —

carry out audits on the proper implementation of the action and compliance with the obligations under the Agreement.

Audits may be started **up to five years after the payment of the balance**. They will be formally notified to the coordinator or beneficiary concerned and will be considered to have started on the date of the formal notification.

If the audit is carried out on a third party (see Articles 9 to 11 a), the beneficiary concerned must inform the third party.

The Agency or the Commission may carry out audits directly (using its own staff) or indirectly (using external persons or bodies appointed to do so). It will inform the coordinator or beneficiary concerned of the identity of the external persons or bodies. They have the right to object to the appointment on grounds of commercial confidentiality.

The coordinator or beneficiary concerned must provide — within the deadline requested — any information (including complete accounts, individual salary statements or other personal data) to verify compliance with the Agreement. The Agency or the Commission may request beneficiaries to provide such information to it directly.

For **on-the-spot** audits, the beneficiaries must allow access to their sites and premises, including to external persons or bodies, and must ensure that information requested is readily available.

Information provided must be accurate, precise and complete and in the format requested, including electronic format.

On the basis of the audit findings, a ‘**draft audit report**’ will be drawn up.

The Agency or the Commission will formally notify the draft audit report to the coordinator or beneficiary concerned, which has 30 days to formally notify observations (‘**contradictory audit procedure**’). This period may be extended by the Agency or the Commission in justified cases.

The ‘**final audit report**’ will take into account observations by the coordinator or beneficiary concerned. The report will be formally notified to it.

Audits (including audit reports) are in the language of the Agreement.

The Agency or the Commission may also access the beneficiaries’ statutory records for the periodical assessment of flat-rate amounts.

17.2 Investigations by the European Anti-Fraud Office (OLAF)

Under Regulations No 883/2013⁵ and No 2185/96⁶ (and in accordance with their provisions and procedures), the European Anti-Fraud Office (OLAF) may — at any moment during implementation of the action or afterwards — carry out investigations, including on-the-spot checks and inspections,

⁵ Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.09.2013, p. 1).

⁶ Council Regulation (Euratom, EC) No 2185/1996 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.1996, p. 2).

to establish whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the EU.

17.3 Checks and audits by the European Court of Auditors (ECA)

Under Article 287 of the Treaty on the Functioning of the European Union (TFEU) and Article 161 of the Financial Regulation No 966/2012⁷, the European Court of Auditors (ECA) may — at any moment during implementation of the action or afterwards — carry out audits.

The ECA has the right of access for the purpose of checks and audits.

17.4 Checks, reviews, audits and investigations for international organisations

Not applicable

17.5 Consequences of findings in checks, reviews, audits and investigations — Extension of findings

17.5.1 Findings in this grant

Findings in checks, reviews, audits or investigations carried out in the context of this grant may lead to the rejection of ineligible costs (see Article 26), reduction of the grant (see Article 27), recovery of undue amounts (see Article 28) or to any of the other measures described in Chapter 6.

Rejection of costs or reduction of the grant after the payment of the balance will lead to a revised final grant amount (see Article 5.4).

Findings in checks, reviews, audits or investigations may lead to a request for amendment for the modification of Annex 1 (see Article 39).

Checks, reviews, audits or investigations that find systemic or recurrent errors, irregularities, fraud or breach of obligations may also lead to consequences in other EU or Euratom grants awarded under similar conditions (**‘extension of findings from this grant to other grants’**).

Moreover, findings arising from an OLAF investigation may lead to criminal prosecution under national law.

17.5.2 Findings in other grants

The Agency or the Commission may extend findings from other grants to this grant (**‘extension of findings from other grants to this grant’**), if:

- (a) the beneficiary concerned is found, in other EU or Euratom grants awarded under similar conditions, to have committed systemic or recurrent errors, irregularities, fraud or breach of obligations that have a material impact on this grant and
- (b) those findings are formally notified to the beneficiary concerned — together with the list of

⁷ Regulation (EU, EURATOM) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, EURATOM) No 1605/2002 (OJ L 298, 26.10.2012, p. 1).

grants affected by the findings — **no later than five years after the payment of the balance** of this grant.

The extension of findings may lead to the rejection of costs (see Article 26), reduction of the grant (see Article 27), recovery of undue amounts (see Article 28), suspension of payments (see Article 32), suspension of the action implementation (see Article 33) or termination (see Article 34).

17.5.3 Procedure

The Agency or the Commission will formally notify the beneficiary concerned the systemic or recurrent errors and its intention to extend these audit findings, together with the list of grants affected.

17.5.3.1 If the findings concern **eligibility of costs**: the formal notification will include:

- (a) an invitation to submit observations on the list of grants affected by the findings;
- (b) the request to submit **revised financial statements** for all grants affected;
- (c) the **correction rate for extrapolation** established by the Agency or the Commission on the basis of the systemic or recurrent errors, to calculate the amounts to be rejected, if the beneficiary concerned:
 - (i) considers that the submission of revised financial statements is not possible or practicable or
 - (ii) does not submit revised financial statements.

The beneficiary concerned has 90 days from receiving notification to submit observations, revised financial statements or to propose a duly substantiated **alternative correction method**. This period may be extended by the Agency or the Commission in justified cases.

The Agency or the Commission may then start a rejection procedure in accordance with Article 26, either on the basis of the revised financial statements, the alternative method or the correction rate announced.

17.5.3.2 If the findings concern **substantial errors, irregularities or fraud or serious breach of obligations**: the formal notification will include:

- (a) an invitation to submit observations on the list of grants affected by the findings and
- (b) the flat-rate the Agency or the Commission intends to apply according to the principle of proportionality.

The beneficiary concerned has 90 days from receiving notification to submit observations or to propose a duly substantiated alternative flat-rate.

The Agency or the Commission may then start a reduction procedure in accordance with Article 27, either on the basis of the alternative flat-rate or the flat-rate announced.

17.6 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, any insufficiently substantiated costs will be ineligible (see Article 6) and will be rejected (see Article 26).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 18 — EVALUATION OF THE IMPACT OF THE ACTION

18.1 Right to evaluate the impact of the action

The Agency or the Commission may carry out interim and final evaluations of the impact of the action measured against the objective of the EU programme.

Evaluations may be started during implementation of the action and **up to five years after the payment of the balance**. The evaluation is considered to start on the date of the formal notification to the coordinator or beneficiaries.

The Agency or the Commission may make these evaluations directly (using its own staff) or indirectly (using external bodies or persons it has authorised to do so).

The coordinator or beneficiaries must provide any information relevant to evaluate the impact of the action, including information in electronic format.

18.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the Agency may apply the measures described in Chapter 6.

SECTION 3 OTHER RIGHTS AND OBLIGATIONS

ARTICLE 18 a — CONDITIONS FOR CARRYING OUT THE INFORMATION AND PROMOTION ACTIVITIES

18a.1 Obligations for carrying out the information and promotion activities

The beneficiaries must respect the following conditions when carrying out their information and promotion activities:

- (a) ensure that the information and promotion measures are objective, unbiased and non-discriminatory;
- (b) ensure that the information and promotion measures also promote the EU action (see Article 22);
- (c) for **mentions of origin** of the promoted products:
 - (i) ensure that the information and promotion measures are not origin-oriented;
 - ensure that the main message is EU-oriented (and not focused on a specific origin) and, in particular, that:
 - the mention of origin complements the main EU message;
 - the mention of origin does not encourage consumers to buy domestic goods solely

because of their origin and the information on the particular properties of the product is also provided;

- the mention of origin remains secondary (i.e. the text or symbol(s) referring to the origin is prominent than text or symbol(s) referring to the main EU message);
 - the main EU message is not obscured by material related to the mention of origin (such as pictures, colours, symbols, etc.) and this material appears in a separate area;
- (ii) ensure that the mention of origin refers to national level or above (i.e. refers to a supra-national area or a Member State, but not below) — unless the mention of origin is part of:
- an outermost regions logo ('RUP logo')⁸ or related visual material;
 - a national quality scheme with an origin in its name;
 - an origin mentioned in the name of a product recognised under one of the following EU quality schemes:
 - protected designation of origin (PDO);
 - protected geographical indication (PGI) or
 - traditional specialities guaranteed (TSG)⁹;
- (iii) the mention of origin is limited to visual material (i.e. not audio);

(d) for use of **brands** :

- (i) ensure that the information and promotion measures are not brand-oriented;
- (ii) ensure that — except for information and promotion measures concerning national quality schemes registered as trade-mark — the use of brands:
 - is limited to:
 - demonstrations or tastings (at fairs, business-to-business events, on websites or in point of sales) and
 - printed information and promotional material distributed during such demonstrations and tastings;

and

⁸ See Annex I to Commission Delegated Regulation (EU) No 179/2014 of 6 November 2013 supplementing Regulation (EU) No 228/2013 of the European Parliament and of the Council with regard to the register of operators, the amount of aid for the marketing of products outside the region, the logo, the exemption from import duties for certain bovine animals and the financing of certain measures relating to specific measures for agriculture in the outermost regions of the Union (OJ L 63, 4.3.2014, p. 3).

⁹ Commission Delegated Regulation (EU) No 664/2014 of 18 December 2013 supplementing Regulation (EU) No 1151/2012 of the European Parliament and of the Council with regard to the establishment of the Union symbols for protected designations of origin, protected geographical indications and traditional specialities guaranteed and with regard to certain rules on sourcing, certain procedural rules and certain additional transitional rules (OJ L 179, 19.6.2014, p. 17).

- complies with the following:
 - only brands that fall within the definition of trade marks under Articles 4 and 66 of Regulation No 207/2009¹⁰ or Article 2 of Directive 2008/95/EC¹¹ are used;
 - the display of brands does not weaken the main EU message and, in particular:
 - the display of brands remains secondary (i.e. in a smaller format than the main EU message);
 - the main EU message is not obscured by the display of branded material (such as pictures, colours, symbols, etc.);
 - the brands are limited to visual display (i.e. not audio);
 - all members of the beneficiary organisation have been given an equal opportunity to display their brands and the brands are displayed together in an equally visible manner in an area separate from that devoted to the main EU message;
 - the brands are displayed as follows:
 - for fairs, business-to-business events or point of sales, either:
 - all brands together in a banner on the front of the counter, with the banner not exceeding 5 % of the total surface area of the front of the counter (or proportionally less if less than 5 brands are mentioned)
 - or
 - the brands individually, in separate and identical booths in a neutral and identical way, on the front of the counter, with the display of the brand name not exceeding 5 % of the total surface area of the front of the counter (or proportionally less if less than 5 brands are mentioned);
 - for websites: all brands together, either:
 - in a banner at the bottom of the webpage, with:
 - the banner not exceeding 5% of the total surface area of the webpage (or proportionally less if less than 5 brands are mentioned) and
 - each brand being smaller than the EU emblem (see Article 22);
 - or
 - on a dedicated webpage distinct from the home page, in a neutral and identical way for each brand;
 - for printed information and promotional material distributed during demonstrations and tastings: all brands together in a banner at the bottom of the page, with the

¹⁰ Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark (OJ L 78, 24.3.2009, p. 1).

¹¹ Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks (OJ L 299, 8.11.2008, p. 25).

banner not exceeding 5 % of the total surface area of the page (or proportionally less if less than 5 brands are mentioned);

(e) for **health claims** (i.e. information on the impact of a product on health):

(i) ensure that the health claim

18a.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 27).

Such a breach may also lead to any of the other measures described in Chapter 6.

ARTICLE 19 — PRE-EXISTING RIGHTS AND OWNERSHIP OF THE RESULTS (INCLUDING INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS)

19.1 Pre-existing rights and access rights to pre-existing rights

Where industrial and intellectual property rights (including rights of third parties) exist prior to the Agreement, the beneficiaries must establish a list of these pre-existing industrial and intellectual property rights, specifying the owner and any persons that have a right of use.

The coordinator must — before starting the action — submit this list to the Agency.

Each beneficiary must give the other beneficiaries access to any pre-existing industrial and intellectual property rights needed for the implementation of the action and compliance with the obligations under the Agreement.

19.2 Ownership of results and rights of use

The results of the action (including the reports and other documents relating to it) are owned by the beneficiaries.

The beneficiaries must give the Agency and the Commission the right to use the results for their communication activities under Article 22.

19.3 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 27).

Such a breach may also lead to any of the other measures described in Chapter 6.

ARTICLE 20 — CONFLICT OF INTERESTS

20.1 Obligation to avoid a conflict of interests

The 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’**).

They must formally notify to the Agency without delay any situation constituting or likely to lead to a conflict of interests and immediately take all the necessary steps to rectify this situation.

The Agency may verify that the measures taken are appropriate and may require additional measures to be taken by a specified deadline.

20.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 27) and the Agreement or participation of the beneficiary may be terminated (see Article 34).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 21 — CONFIDENTIALITY

21.1 General obligation to maintain confidentiality

During implementation of the action and **for five years after the payment of the balance**, the 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’**).

They may use confidential information to implement the Agreement.

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.

21.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 27).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 22 — PROMOTING THE ACTION — VISIBILITY OF EU FUNDING

22.1 Communication activities by the beneficiaries

22.1.1 General obligation to promote the action and its results

The beneficiaries must promote the action and its results.

22.1.2 Information on EU funding — Obligation and right to use the EU emblem — Obligation and right to use the *‘Enjoy, it’s from Europe!’* signature

22.1.2.1 All information and promotion material used must display the EU emblem and the following accompanying text, in the language(s) of the target market(s):



CAMPAIGN FINANCED WITH AID FROM THE EUROPEAN UNION

When displayed in association with other logos, the EU emblem must have appropriate prominence.

For visual media, the emblem and text must be clearly visible at the beginning, during or at the end of the message. For audio media, it must be clearly heard at the end of the message.

For the purposes of their obligations under this Article, the beneficiaries may use the EU emblem without first obtaining approval from the Agency.

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.

22.1.2.2 All visual information and promotion material used must bear the *'Enjoy, it's from Europe!'* signature:



which must be:

- in English, but it is possible to translate the text in a footnote;
- vertical
- in colour (orange = 8-M74-Y90-K0) or in black and white (orange replaced with black K100 and blue with grey K60);
- in a size which is proportional to the size of the material on which it is placed.

Depending on the theme of the campaign, the signature may be accompanied by one of the following texts:

Theme	Text
Environment	The European Union supports campaigns that promote respect for the environment
Quality and food safety	The European Union supports campaigns that promote high quality agricultural products.
Health	The European Union supports campaigns that promote a healthy lifestyle.

Theme	Text
Diversity	The European Union supports campaigns that promote a wide variety of agricultural products.
Tradition	The European Union supports campaigns that promote agricultural traditions.

The signature may not replace the EU emblem (or its accompanying text; see above).

22.1.3 Disclaimer excluding Agency and Commission responsibility

All visual information and promotion material used — except for small promotional items (e.g. small gadgets, such as pens) and small advertisements (e.g. web banners) — must indicate the following disclaimer:

“The content of this this promotion campaign represents the views of the author only and is his/her sole responsibility. The European Commission and the Consumers, Health, Agriculture and Food Executive Agency (CHAFEA) do not accept any responsibility for any use that may be made of the information it contains.”

For websites, this disclaimer must be included in the legal notice. For social media accounts, it must be included in the account presentation section.

22.2 Communication activities by the Agency and the Commission

22.2.1 Right to use beneficiaries’ materials, documents or information

The Agency and the Commission may use information relating to the action, documents notably summaries for publication and public deliverables as well as any other material, such as pictures or audio-visual material received from any beneficiary (including in electronic form).

This does not change the confidentiality obligations in Article 21, which still apply.

The right to use a beneficiary’s materials, documents and information includes:

- (a) **use for its own purposes** (in particular, making them available to persons working for the Agency, the Commission or any other EU institution, body, office or agency or body or institutions in EU Member States; and copying or reproducing them in whole or in part, in unlimited numbers);
- (b) **distribution to the public** (in particular, publication as hard copies and in electronic or digital format, publication on the internet, as a downloadable or non-downloadable file, broadcasting by any channel, public display or presentation, communicating through press information services, or inclusion in widely accessible databases or indexes);
- (c) **editing or redrafting** for communication and publicising activities (including shortening, summarising, inserting other elements (such as meta-data, legends, other graphic, visual, audio or text elements), extracting parts (e.g. audio or video files), dividing into parts, use in a compilation);
- (d) **translation**;

- (e) giving **access in response to individual requests** under Regulation No 1049/2001¹³, without the right to reproduce or exploit;
- (f) **storage** in paper, electronic or other form;
- (g) **archiving**, in line with applicable document-management rules, and
- (h) the right to authorise **third parties** to act on its behalf or sub-license the modes of use set out in Points (b), (c), (d) and (f) to third parties if needed for the communication and publicising activities of the Agency or the Commission.

If the right of use is subject to rights of a third party (including personnel of the beneficiary), the beneficiary must ensure that it complies with its obligations under this Agreement (in particular, by obtaining the necessary approval from the third parties concerned).

Where applicable (and if provided by the beneficiaries), the Agency or the Commission will insert the following information:

“© – [year] – [name of the copyright owner]. All rights reserved. Licensed to the Consumers, Health, Agriculture and Food Executive Agency (CHAFEA) and the European Union (EU) under conditions.”

22.3 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 27).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 23 — PROCESSING OF PERSONAL DATA

23.1 Processing of personal data by the Agency and the Commission

Any personal data under the Agreement will be processed by the Agency or the Commission under Regulation No 45/2001¹⁴ and according to the ‘notifications of the processing operations’ to the Data Protection Officer (DPO) of the Agency or the Commission (publicly accessible in the DPO register).

Such data will be processed by the ‘**data controller**’ of the Agency or the Commission for the purposes of implementing, managing and monitoring the Agreement or protecting the financial interests of the EU or Euratom (including checks, reviews, audits and investigations; see Article 17).

The persons whose personal data are processed have the right to access and correct their own personal data. For this purpose, they must send any queries about the processing of their personal data to the data controller, via the contact point indicated in the privacy statement(s) on the Agency and Commission websites.

They also have the right to have recourse at any time to the European Data Protection Supervisor (EDPS).

¹³ Regulation (EC) No 1049/2001 of the European Parliament and of the Council of 30 May 2001 regarding public access to European Parliament, Council and Commission documents, OJ L 145, 31.5.2001, p. 43.

¹⁴ Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data (OJ L 8, 12.01.2001, p. 1).

23.2 Processing of personal data by the beneficiaries

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

The beneficiaries may grant their personnel access only to data that is strictly necessary for implementing, managing and monitoring the Agreement.

The beneficiaries must inform the personnel whose personal data are collected and processed by the Agency or the Commission. For this purpose, they must provide them with the privacy statement(s) (see above), before transmitting their data to the Agency or the Commission.

23.3 Consequences of non-compliance

If a beneficiary breaches any of its obligations under Article 23.2, the Agency may apply any of the measures described in Chapter 6.

ARTICLE 24 — ASSIGNMENTS OF CLAIMS FOR PAYMENT AGAINST THE AGENCY

The beneficiaries may not assign any of their claims for payment against the Agency to any third party, except if approved by the Agency on the basis of a reasoned, written request by the coordinator (on behalf of the beneficiary concerned).

If the Agency has not accepted the assignment or the terms of it are not observed, the assignment will have no effect on it.

In no circumstances will an assignment release the beneficiaries from their obligations towards the Agency.

CHAPTER 5 DIVISION OF BENEFICIARIES' ROLES AND RESPONSIBILITIES

ARTICLE 25 — DIVISION OF BENEFICIARIES' ROLES AND RESPONSIBILITIES

25.1 Roles and responsibilities towards the Agency

The beneficiaries have full responsibility for implementing the action and complying with the Agreement.

The beneficiaries are jointly and severally liable for the **technical implementation** of the action as described in Annex 1. If a beneficiary fails to implement its part of the action, the other beneficiaries become responsible for implementing this part (without being entitled to any additional EU funding for doing so), unless the Agency expressly relieves them of this obligation.

The **financial responsibility** of each beneficiary is governed by Articles 28, 29 and 30.

25.2 Internal division of roles and responsibilities

The internal roles and responsibilities of the beneficiaries are divided as follows:

- (a) Each **beneficiary** must:

- (i) keep information stored in the Participant Portal Beneficiary Register (via the electronic exchange system) up to date (see Article 12);
- (ii) inform the coordinator immediately of any events or circumstances likely to affect significantly or delay the implementation of the action (see Article 12);
- (iii) submit to the coordinator in good time:
 - individual financial statement(s) for itself and, if required, certificates on the financial statement(s) (see Article 15);
 - the data needed to draw up the technical report(s) (see Article 15);
 - any other documents or information required by the Agency or the Commission under the Agreement, unless the Agreement requires the beneficiary to submit this information directly.

(b) The **coordinator** must:

- (i) monitor that the action is implemented properly (see Article 7);
- (ii) act as the intermediary for all communications between the beneficiaries and the Agency (in particular, providing the Agency with the information described in Article 12), unless the Agreement specifies otherwise;
- (iii) provide a pre-financing guarantee, if requested by the Agency (see Article 16.2);
- (iv) request and review any documents or information required by the Agency and verify their completeness and correctness before passing them on to the Agency;
- (v) submit the deliverables and report(s) to the Agency (see Articles 14 and 15);
- (vi) ensure that all payments are made to the other beneficiaries without unjustified delay (see Article 16);

The coordinator may not subcontract any of the above-mentioned tasks.

25.3 Internal arrangements between beneficiaries — Consortium agreement

The beneficiaries must have internal arrangements regarding their operation and co-ordination to ensure that the action is implemented properly. These internal arrangements must be set out in a written ‘**consortium agreement**’ between the beneficiaries, which may cover:

- internal organisation of the consortium;
- management of access to the electronic exchange system;
- distribution of EU funding;
- additional rules on rights and obligations related to pre-existing rights and results (see Article 19);

- settlement of internal disputes;
- liability, indemnification and confidentiality arrangements between the beneficiaries.

The consortium agreement must not contain any provision contrary to the Agreement.

CHAPTER 6 REJECTION OF COSTS — REDUCTION OF THE GRANT — RECOVERY **— SANCTIONS — DAMAGES — SUSPENSION — TERMINATION —** **FORCE MAJEURE**

SECTION 1 REJECTION OF COSTS — REDUCTION OF THE GRANT — RECOVERY **— SANCTIONS**

ARTICLE 26 — REJECTION OF INELIGIBLE COSTS

26.1 Conditions

The Agency will — at the time of an **interim payment, at the payment of the balance or afterwards** — reject any costs which are ineligible (see Article 6), in particular following checks, reviews, audits or investigations (see Article 17).

The rejection may also be based on the **extension of findings from other grants to this grant** (see Article 17.5.2).

26.2 Ineligible costs to be rejected — Calculation — Procedure

Ineligible costs will be rejected in full.

If the rejection of costs does not lead to a recovery (see Article 28), the Agency will formally notify the coordinator or beneficiary concerned of the rejection of costs, the amounts and the reasons why (if applicable, together with the notification of amounts due; see Article 16.5). The coordinator or beneficiary concerned may — within 30 days of receiving notification — formally notify the Agency of its disagreement and the reasons why.

If the rejection of costs leads to a recovery, the Agency will follow the contradictory procedure with pre-information letter set out in Article 28.

26.3 Effects

If the Agency rejects costs at the time of an **interim payment or the payment of the balance**, it will deduct them from the total eligible costs declared, for the action, in the periodic or final summary financial statement (see Article 15.3 and 15.4). It will then calculate the interim payment or payment of the balance as set out in Article 16.3 or 16.4.

If the Agency — **after an interim payment but before the payment of the balance** — rejects costs declared in a periodic summary financial statement, it will deduct them from the costs declared in the next periodic summary financial statement or final summary financial statement. It will then calculate the interim payment or payment of the balance as set out in Article 16.3 or 16.4.

If the Agency rejects costs **after the payment of the balance**, it will deduct the amount rejected from

the total eligible costs declared, by the beneficiary, in the final summary financial statement. It will then calculate the revised final grant amount as set out in Article 5.4. If the revised final grant amount is lower than the final grant amount, the Agency will recover the difference (see Article 28).

ARTICLE 27 — REDUCTION OF THE GRANT

27.1 Conditions

The Agency may — **at the payment of the balance** or **afterwards** — reduce the grant, if:

- (a) a beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has committed:
 - (i) substantial errors, irregularities or fraud or
 - (ii) serious breach of obligations under the Agreement or during the award procedure (including improper implementation of the action, submission of false information, failure to provide required information, breach of ethical principles) or
- (b) a beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has committed — in other EU or Euratom grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on this grant (**extension of findings from other grants to this grant**; see Article 17.5.2).

27.2 Amount to be reduced — Calculation — Procedure

The amount of the reduction will be proportionate to the seriousness of the errors, irregularities or fraud or breach of obligations.

Before reduction of the grant, the Agency will formally notify a ‘**pre-information letter**’ to the coordinator or beneficiary concerned:

- informing it of its intention to reduce the grant, the amount it intends to reduce and the reasons why and
- inviting it to submit observations within 30 days of receiving notification

If the Agency does not receive any observations or decides to pursue reduction despite the observations it has received, it will formally notify **confirmation** of the reduction (if applicable, together with the notification of amounts due; see Article 16).

27.3 Effects

If the Agency reduces the grant at the time of **the payment of the balance**, it will calculate the reduced grant amount for the action and then determine the amount due as payment of the balance (see Articles 5.3.4 and 16.4).

If the Agency reduces the grant **after the payment of the balance**, it will calculate the revised final grant amount for the action or for the beneficiary concerned (see Article 5.4). If the revised final grant amount is lower than the final grant amount, the Agency will recover the difference (see Article 28).

ARTICLE 28 — RECOVERY OF UNDUE AMOUNTS

28.1 Amount to be recovered — Calculation — Procedure

The Agency will — **at the payment of the balance or afterwards** — claim back any amount that was paid but is not due under the Agreement.

The coordinator is fully liable for repaying debts of the consortium (under the Agreement), even if it has not been the final recipient of those amounts.

In addition, the beneficiaries (including the coordinator) are jointly and severally liable for repaying any unpaid debts under the Agreement (due by the consortium or any beneficiary, including late-payment interest) — up to the maximum EU contribution indicated, for each beneficiary, in the estimated budget (as last amended; see Annex 2).

28.1.1 Recovery at payment of the balance

If the payment of the balance takes the form of a recovery (see Article 16.4), the Agency will formally notify a ‘**pre-information letter**’ to the coordinator:

- informing it of its intention to recover, the amount due as the balance and the reasons why and
- inviting the coordinator to submit observations within 30 days of receiving notification.

If no observations are submitted or the Agency decides to pursue recovery despite the observations it has received, it will **confirm** the amount to be recovered and formally notify to the coordinator a **debit note** with the terms and the date for payment (together with the notification of amounts due; see Article 16.5).

If payment is not made by the date specified in the debit note, the Agency or the Commission will **recover** the amount:

- (a) by ‘**offsetting**’ it — without the coordinator’s consent — against any amounts owed to the coordinator by the Agency, Commission or another executive agency (from the EU or Euratom budget).

In exceptional circumstances, to safeguard the EU’s financial interests, the Agency may offset before the payment date specified in the debit note;

- (b) not applicable;
- (c) by **holding** the other beneficiaries jointly and severally **liable** — up to the maximum EU contribution indicated, for each beneficiary, in the estimated budget (as last amended; see Annex 2)
- (d) by **taking legal action** (see Article 41) or by **adopting an enforceable decision** under Article 299 of the Treaty on the Functioning of the EU (TFEU) and Article 79(2) of the Financial Regulation No 966/2012.

If payment is not made by the date in the debit note, the amount to be recovered (see above) will be increased by **late-payment interest** at the rate set out in Article 16.11, from the day following the

payment date in the debit note, up to and including the date the Agency or the Commission receives full payment of the amount.

Partial payments will be first credited against expenses, charges and late-payment interest and then against the principal.

Bank charges incurred in the recovery process will be borne by the beneficiary, unless Directive 2007/64/EC applies.

28.1.2 Recovery of amounts after payment of the balance

If — after the payment of the balance — the Agency revised the final grant amount for the action or for the beneficiary concerned (see Article 5.4), due to a rejection of costs or reduction of the grant, and the revised final grant amount is lower than the final grant amount (see Article 5.3), the Agency will:

- if the rejection or reduction does *not* concern a specific beneficiary: claim back the difference from the coordinator (even if it has not been the final recipient of the amount in question)

or

- otherwise: claim back the difference from the beneficiary concerned.

The Agency will formally notify a **pre-information letter** to the coordinator or beneficiary concerned:

- informing it of its intention to recover, the amount to be repaid and the reasons why and
- inviting it to submit observations within 30 days of receiving notification.

If no observations are submitted or the Agency decides to pursue recovery despite the observations it has received, it will **confirm** the amount to be recovered and formally notify to the coordinator or beneficiary concerned a **debit note**. This note will also specify the terms and the date for payment.

If payment is not made by the date specified in the debit note, the Agency or the Commission will **recover** the amount:

- (a) by '**offsetting**' it — without the coordinator's or beneficiary's consent — against any amounts owed to the coordinator or beneficiary by the Agency, Commission or another executive agency (from the EU or Euratom budget).

In exceptional circumstances, to safeguard the EU's financial interests, the Agency may offset before the payment date specified in the debit note;

- (b) by **holding** the other beneficiaries jointly and severally **liable**, up to the maximum EU contribution indicated, for each beneficiary, in the estimated budget (as last amended; see Annex 2);
- (c) by **taking legal action** (see Article 41) or by **adopting an enforceable decision** under Article 299 of the Treaty on the Functioning of the EU (TFEU) and Article 79(2) of the Financial Regulation No 966/2012.

If payment is not made by the date in the debit note, the amount to be recovered (see above) will be increased by **late-payment interest** at the rate set out in Article 16.11, from the day following the date

for payment in the debit note, up to and including the date the Agency or the Commission receives full payment of the amount.

Partial payments will be first credited against expenses, charges and late-payment interest and then against the principal.

Bank charges incurred in the recovery process will be borne by the beneficiary, unless Directive 2007/64/EC applies.

ARTICLE 29 — ADMINISTRATIVE SANCTIONS

In addition to contractual measures, the Agency or the Commission may also adopt administrative sanctions under Articles 106 and 131(4) of the Financial Regulation No 966/2012 (i.e. exclusion from future procurement contracts, grants and expert contracts and/or financial penalties).

SECTION 2 LIABILITY FOR DAMAGES

ARTICLE 30 — LIABILITY FOR DAMAGES

30.1 Liability of the Agency

The Agency cannot be held liable for any damage caused to the beneficiaries or to third parties as a consequence of implementing the Agreement, including for gross negligence.

The Agency cannot be held liable for any damage caused by any of the beneficiaries or third parties involved in the action, as a consequence of implementing the Agreement.

30.2 Liability of the beneficiaries

Except in case of force majeure (see Article 35), the beneficiaries must compensate the Agency for any damage it sustains as a result of the implementation of the action or because the action was not implemented in full compliance with the Agreement.

SECTION 3 SUSPENSION AND TERMINATION

ARTICLE 31 — SUSPENSION OF PAYMENT DEADLINE

31.1 Conditions

The Agency may — at any moment — suspend the payment deadline (see Article 16.2 to 16.4), if a request for payment (see Article 15) cannot be approved because:

- (a) it does not comply with the provisions of the Agreement (see Article 15);
- (b) the technical or financial report(s) have not been submitted or are not complete or additional information is needed, or
- (c) there is doubt about the eligibility of the costs declared in the financial statements and additional checks, reviews, audits or investigations are necessary.

31.2 Procedure

The Agency will formally notify the coordinator of the suspension and the reasons why.

The suspension will **take effect** the day notification is sent by the Agency (see Article 36).

If the conditions for suspending the payment deadline are no longer met, the suspension will be **lifted** — and the remaining period will resume.

If the suspension exceeds two months, the coordinator may request the Agency if the suspension will continue.

If the payment deadline has been suspended due to the non-compliance of the technical or financial report(s) (see Article 15) and the revised report or statement is not submitted or was submitted but is also rejected, the Agency may also terminate the Agreement or the participation of the beneficiary (see Article 34.3.1(i)).

ARTICLE 32 — SUSPENSION OF PAYMENTS

32.1 Conditions

The Agency may — at any moment — suspend payments, in whole or in part for one or more beneficiaries, if:

- (a) a beneficiary (or a natural person who has the power to represent or take decision on its behalf) has committed or is suspected of having committed:
 - (i) substantial errors, irregularities or fraud or
 - (ii) serious breach of obligations under this Agreement or during the award procedure (including improper implementation of the action, submission of false information, failure to provide required information, breach of ethical principles) or
- (b) a beneficiary (or a natural person who has the power to represent or take decision on its behalf) has committed — in other EU or Euratom grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on this grant (**extension of findings from other grants to this grant**; see Article 17.5.2).

If payments are suspended for one or more beneficiaries, the Agency will make partial payment(s) for the part(s) not suspended. If suspension concerns the payment of the balance, the payment (or recovery) of the amount(s) concerned after suspension is lifted will be considered to be the payment that closes the action.

32.2 Procedure

Before suspending payments, the Agency will formally notify the coordinator or beneficiary concerned:

- informing it of its intention to suspend payments and the reasons why and
- inviting it to submit observations within 30 days of receiving notification.

If the Agency does not receive observations or decides to pursue the procedure despite the observations it has received, it will formally notify **confirmation** of the suspension. Otherwise, it will formally notify that the suspension procedure is not continued.

The suspension will **take effect** the day the confirmation notification is sent by the Agency.

If the conditions for resuming payments are met, the suspension will be **lifted**. The Agency will formally notify the coordinator or beneficiary concerned.

During the suspension, the periodic report(s) for all reporting except the last one (see Article 15.3) must not contain any individual financial statement(s) from the beneficiary concerned. The coordinator must include them in the next periodic report after the suspension is lifted or — if suspension is not lifted before the end of the action — in the last periodic report.

The beneficiaries may suspend implementation of the action (see Article 33.1) or terminate the Agreement or the participation of the beneficiary concerned (see Article 34.1 and 34.2).

ARTICLE 33 — SUSPENSION OF THE ACTION IMPLEMENTATION

33.1 Suspension of the action implementation, by the beneficiaries

33.1.1 Conditions

The beneficiaries may suspend implementation of the action or any part of it, if exceptional circumstances — in particular *force majeure* (see Article 35) — make implementation impossible or excessively difficult.

33.1.2 Procedure

The coordinator must immediately formally notify to the Agency the suspension (see Article 36), stating:

- the reasons why and
- the expected date of resumption.

The suspension will **take effect** the day this notification is received by the Agency.

Once circumstances allow for implementation to resume, the coordinator must immediately formally notify the Agency and request an **amendment** of the Agreement, to set the date on which the action will be resumed, extend the duration of the action and make other changes necessary to adapt the action to the new situation (see Article 39) — unless the Agreement or the participation of a beneficiary has been terminated (see Article 34).

The suspension will be **lifted** with effect from the resumption date set out in the amendment. This date may be before the date on which the amendment enters into force.

Costs incurred during suspension of the action implementation are not eligible (see Article 6).

33.2 Suspension of the action implementation, by the Agency

33.2.1 Conditions

The Agency may suspend implementation of the action or any part of it, if:

- (a) a beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has committed or is suspected of having committed:
 - (i) substantial errors, irregularities or fraud or
 - (ii) serious breach of obligations under this Agreement or during the award procedure (including improper implementation of the action, submission of false declaration, failure to provide required information, breach of ethical principles) or
- (b) a beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has committed — in other EU or Euratom grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on this grant (**extension of findings from other grants to this grant**; see Article 17.5.2).

33.2.2 Procedure

Before suspending implementation of the action, the Agency will formally notify the coordinator or beneficiary concerned:

- informing it of its intention to suspend the implementation and the reasons why and
- inviting it to submit observations within 30 days of receiving notification.

If the Agency does not receive observations or decides to pursue the procedure despite the observations it has received, it will formally notify **confirmation** of the suspension. Otherwise, it will formally notify that the procedure is not continued.

The suspension will **take effect** five days after confirmation notification is received (or on a later date specified in the notification).

It will be **lifted** if the conditions for resuming implementation of the action are met.

The coordinator or beneficiary concerned will be formally notified of the lifting and the Agreement will be **amended**, to set the date on which the action will be resumed, extend the duration of the action and make other changes necessary to adapt the action to the new situation (see Article 39) — unless the Agreement has already been terminated (see Article 34).

The suspension will be lifted with effect from the resumption date set out in the amendment. This date may be before the date on which the amendment enters into force.

Costs incurred during suspension are not eligible (see Article 6).

The beneficiaries may not claim damages due to suspension by the Agency (see Article 30).

Suspension of the action implementation does not affect the Agency's right to terminate the Agreement or participation of a beneficiary (see Article 34), reduce the grant or recover amounts unduly paid (see Articles 27 and 28).

ARTICLE 34 — TERMINATION OF THE AGREEMENT OR OF THE PARTICIPATION OF ONE OR MORE BENEFICIARIES

34.1 Termination of the Agreement by the beneficiaries

34.1.1 Conditions and procedure

The beneficiaries may terminate the Agreement.

The coordinator must formally notify termination to the Agency (see Article 36), stating:

- the reasons why and
- the date the termination will take effect. This date must be after the notification.

If no reasons are given or if the Agency considers the reasons do not justify termination, the Agreement will be considered to have been ‘**terminated improperly**’.

The termination will **take effect** on the day specified in the notification.

34.1.2 Effects

The coordinator must — within 90 days from when termination takes effect — submit a periodic report (for the open reporting period until termination; see Article 15.3) and the final report (see Article 15.4).

If the Agency does not receive the report(s) within the deadline (see above), only costs which are included in an approved periodic report will be taken into account.

The Agency will **calculate** the final grant amount (see Article 5.3) and the balance (see Article 16.4) on the basis of the report(s) submitted. Only costs incurred until termination are eligible (see Article 6). Costs relating to contracts due for execution only after termination are not eligible.

Improper termination may lead to a reduction of the grant (see Article 27).

After termination, the beneficiaries’ obligations (in particular, Articles 15, 17, 18, 19, 21, 22, 24, 26, 27 and 28) continue to apply.

34.2 Termination of the participation of one or more beneficiaries, by the beneficiaries

34.2.1 Conditions and procedure

The participation of one or more beneficiaries may be terminated by the coordinator, on request of the beneficiary concerned or on behalf of the other beneficiaries.

The coordinator must formally notify termination to the Agency (see Article 36) and inform the beneficiary concerned.

If the coordinator’s participation is terminated without its agreement, the formal notification must be done by another beneficiary (acting on behalf of the other beneficiaries).

The notification must include:

- the reasons why;

- the opinion of the beneficiary concerned (or proof that this opinion has been requested in writing);
- the date the termination takes effect. This date must be after the notification, and
- a request for amendment (see Article 39), with a proposal for reallocation of the tasks and the estimated budget of the beneficiary concerned (see Annexes 1 and 2) and, if necessary, the addition of one or more new beneficiaries (see Article 40). If termination takes effect after the period set out in Article 3, no request for amendment must be included, unless the beneficiary concerned is the coordinator. In this case, the request for amendment must propose a new coordinator.

If this information is not given or if the Agency considers that the reasons do not justify termination, the participation will be considered to have been **terminated improperly**.

The termination will **take effect** on the day specified in the notification.

34.2.2 Effects

The beneficiary concerned must submit to the coordinator:

- (i) a technical report and
- (ii) a financial statement covering the period from the end of the last reporting period to the date when termination takes effect.

This information must be included by the coordinator in the periodic report for the next reporting period (see Article 15.3).

If the request for amendment is rejected by the Agency (because it calls into question the decision awarding the grant or breaches the principle of equal treatment of applicants), the Agreement may be terminated according to Article 34.3.1(c).

If the request for amendment is accepted by the Agency, the Agreement is **amended** to introduce the necessary changes (see Article 39).

Improper termination may lead to a reduction of the grant (see Article 27) or termination of the Agreement (see Article 34).

After termination, the concerned beneficiary's obligations (in particular Articles 15, 17, 18, 19, 21, 22, 24, 26, 27 and 28) continue to apply.

34.3 Termination of the Agreement or of the participation of one or more beneficiaries, by the Agency

34.3.1 Conditions

The Agency may terminate the Agreement or the participation of one or more beneficiaries, if:

- (a) one or more beneficiaries do not accede to the Agreement (see Article 40);
- (b) a change to their legal, financial, technical, organisational or ownership situation is likely to

substantially affect or delay the implementation of the action or calls into question the decision to award the grant;

- (c) following termination of participation for one or more beneficiaries (see above), the necessary changes to the Agreement would call into question the decision awarding the grant or breach the principle of equal treatment of applicants (see Article 39);
- (d) implementation of the action is prevented by force majeure (see Article 35) or suspended by the coordinator (see Article 33.1) and either:
 - (i) resumption is impossible, or
 - (ii) the necessary changes to the Agreement would call into question the decision awarding the grant or breach the principle of equal treatment of applicants;
- (e) a beneficiary is declared bankrupt, being wound up, having its affairs administered by the courts, has entered into an arrangement with creditors, has suspended business activities, or is subject to any other similar proceedings or procedures under national law;
- (f) a beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has been found guilty of professional misconduct, proven by any means;
- (g) a beneficiary does not comply with the applicable national law on taxes and social security;
- (h) a beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has committed fraud, corruption, or is involved in a criminal organisation, money laundering or any other illegal activity;
- (i) a beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has committed:
 - (i) substantial errors, irregularities or fraud or
 - (ii) serious breach of obligations under the Agreement or during the award procedure (including improper implementation of the action, submission of false information, failure to provide required information, breach of ethical principles);
- (j) a beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has committed — in other EU or Euratom grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on this grant (**extension of findings from other grants to this grant**; see Article 17.5.2);
- (k) not applicable.

34.3.2 Procedure

Before terminating the Agreement or participation of one or more beneficiaries, the Agency will formally notify the coordinator or beneficiary concerned:

- informing it of its intention to terminate and the reasons why and
- inviting it, within 30 days of receiving notification, to submit observations and — in case of

Point (i.ii) above — to inform the Agency of the measures to ensure compliance with the obligations under the Agreement.

If the Agency does not receive observations or decides to pursue the procedure despite the observations it has received, it will formally notify to the coordinator or beneficiary concerned **confirmation** of the termination and the date it will take effect. Otherwise, it will formally notify that the procedure is not continued.

The termination will **take effect**:

- for terminations under Points (b), (c), (e), (g), (i.ii) and (k) above: on the day specified in the notification of the confirmation (see above);
- for terminations under Points (a), (d), (f), (h), (i.i) and (j) above: on the day after the notification of the confirmation is received.

34.3.3 Effects

(a) for **termination of the Agreement**:

The coordinator must — within 90 days from when termination takes effect — submit a periodic report (for the last open reporting period until termination; see Article 15.3) and a final report (see Article 15.4).

If the Agreement is terminated for breach of the obligation to submit report(s) (see Articles 15.8 and 34.3.1(i)), the coordinator may not submit any report(s) after termination.

If the Agency does not receive the reports within the deadline (see above), only costs which are included in an approved periodic report will be taken into account.

The Agency will **calculate** the final grant amount (see Article 5.3) and the balance (see Article 16.4) on the basis of the report(s) submitted. Only costs incurred until termination takes effect are eligible (see Article 6). Costs relating to contracts due for execution only after termination are not eligible.

This does not affect the Agency's right to reduce the grant (see Article 27) or to impose administrative sanctions (Article 29).

The beneficiaries may not claim damages due to termination by the Agency (see Article 30).

After termination, the beneficiaries' obligations (in particular Articles 15, 17, 18, 19, 21, 22, 24, 26, 27 and 28) continue to apply.

(b) for **termination of the participation of one or more beneficiaries**:

The coordinator must — within 60 days from when termination takes effect — submit a request for amendment (see Article 39), with a proposal for reallocation of the tasks and estimated budget of the beneficiary concerned (see Annexes 1 and 2) and, if necessary, the addition of one or more new beneficiaries (see Article 40). If termination is notified after the period set out in Article 3, no request for amendment must be submitted unless the beneficiary concerned is the coordinator. In this case the request for amendment must propose a new coordinator.

The beneficiary concerned must submit to the coordinator:

- (i) a technical report and
- (ii) a financial statement covering the period from the end of the last reporting period to the date when termination takes effect.

This information must be included by the coordinator in the periodic report for the next reporting period (see Article 15.3).

If the request for amendment is rejected by the Agency (because it calls into question the decision awarding the grant or breaches the principle of equal treatment of applicants), the Agreement may be terminated according to Article 34.3.1(c).

If the request for amendment is accepted by the Agency, the Agreement is **amended** to introduce the necessary changes (see Article 39).

After termination, the concerned beneficiary's obligations (in particular Articles 15, 17, 18, 19, 20, 21, 22, 24, 26, 27 and 28) continue to apply.

SECTION 4 FORCE MAJEURE

ARTICLE 35 — FORCE MAJEURE

'Force majeure' means any situation or event that:

- prevents either party from fulfilling their obligations under the Agreement,
- was unforeseeable, exceptional situation and beyond the parties' control,
- was not due to error or negligence on their part (or on the part of third parties involved in the action), and
- proves to be inevitable in spite of exercising all due diligence.

The following cannot be invoked as force majeure:

- any default of a service, defect in equipment or material or delays in making them available, unless they stem directly from a relevant case of force majeure,
- labour disputes or strikes, or
- financial difficulties.

Any situation constituting force majeure must be formally notified to the other party without delay, stating the nature, likely duration and foreseeable effects.

The parties must immediately take all the necessary steps to limit any damage due to force majeure and do their best to resume implementation of the action as soon as possible.

The party prevented by force majeure from fulfilling its obligations under the Agreement cannot be considered in breach of them.

CHAPTER 7 FINAL PROVISIONS

ARTICLE 36 — COMMUNICATION BETWEEN THE PARTIES

36.1 Form and means of communication

Communication under the Agreement (information, requests, submissions, ‘formal notifications’, etc.) must:

- be made in writing and
- bear the number of the Agreement.

Until the payment of the balance: all communication must be made through the electronic exchange system and using the forms and templates provided there.

After the payment of the balance: formal notifications must be made by registered post with proof of delivery (‘formal notification on paper’).

Communications in the electronic exchange system must be made by persons authorised according to the Participant Portal Terms & Conditions. For naming the authorised persons, each beneficiary must have designated — before the signature of this Agreement — a ‘legal entity appointed representative (LEAR)’. The role and tasks of the LEAR are stipulated in his/her appointment letter (see Participant Portal Terms & Conditions).

If the electronic exchange system is temporarily unavailable, instructions will be given on the Agency and Commission websites.

36.2 Date of communication

Communications are considered to have been made when they are sent by the sending party (i.e. on the date and time they are sent through the electronic exchange system).

Formal notifications through the **electronic** exchange system are considered to have been made when they are received by the receiving party (i.e. on the date and time of acceptance by the receiving party, as indicated by the time stamp). A formal notification that has not been accepted within 10 days after sending is considered to have been accepted.

Formal notifications **on paper** sent by **registered post** with proof of delivery (only after the payment of the balance) are considered to have been made on either:

- the delivery date registered by the postal service or
- the deadline for collection at the post office.

If the electronic exchange system is temporarily unavailable, the sending party cannot be considered in breach of its obligation to send a communication within a specified deadline.

36.3 Addresses for communication

The **electronic** exchange system must be accessed via the following URL:

<https://ec.europa.eu/research/participants/portal/desktop/en/projects/>

The Agency will formally notify the coordinator and beneficiaries in advance any changes to this URL.

Formal notifications on paper (only after the payment of the balance) addressed **to the Agency** must be sent to the following address:

Consumers, Health, Agriculture and Food Executive Agency (CHAFEA)
DROSBACH BUILDING
L-2920 Luxembourg
LUXEMBOURG

Formal notifications on paper (only after the payment of the balance) addressed **to the beneficiaries** must be sent to their legal address as specified in the Participant Portal Beneficiary Register.

ARTICLE 37 — INTERPRETATION OF THE AGREEMENT

37.1 Precedence of the Terms and Conditions over the Annexes

The provisions in the Terms and Conditions of the Agreement take precedence over its Annexes.

Annex 2 takes precedence over Annex 1.

37.2 Privileges and immunities

Not applicable

ARTICLE 38 — CALCULATION OF PERIODS, DATES AND DEADLINES

In accordance with Regulation No 1182/71¹⁵, periods expressed in days, months or years are calculated from the moment the triggering event occurs.

The day during which that event occurs is not considered as falling within the period.

ARTICLE 39 — AMENDMENTS TO THE AGREEMENT

39.1 Conditions

The Agreement may be amended, unless the amendment entails changes to the Agreement which would call into question the decision awarding the grant or breach the principle of equal treatment of applicants.

Amendments may be requested by any of the parties.

39.2 Procedure

¹⁵ Regulation (EEC, Euratom) No 1182/71 of the Council of 3 June 1971 determining the rules applicable to periods, dates and time-limits (OJ L 124, 8/6/1971, p. 1).

The party requesting an amendment must submit a request for amendment signed in the electronic exchange system (see Article 36).

The coordinator submits and receives requests for amendment on behalf of the beneficiaries (see Annex 3).

If a change of coordinator is requested without its agreement, the submission must be done by another beneficiary (acting on behalf of the other beneficiaries).

The request for amendment must include:

- the reasons why;
- the appropriate supporting documents, and
- for a change of coordinator without its agreement: the opinion of the coordinator (or proof that this opinion has been requested in writing).

The Agency may request additional information.

If the party receiving the request agrees, it must sign the amendment in the electronic exchange system within 45 days of receiving notification (or any additional information the Agency has requested). If it does not agree, it must formally notify its disagreement within the same deadline. The deadline may be extended, if necessary for the assessment of the request. If no notification is received within the deadline, the request is considered to have been rejected.

An amendment **enters into force** on the day of the signature of the receiving party.

An amendment **takes effect** on the date agreed by the parties or, in the absence of such an agreement, on the date on which the amendment enters into force.

ARTICLE 40 — ACCESSION TO THE AGREEMENT

40.1 Accession of the beneficiaries mentioned in the Preamble

The other beneficiaries must accede to the Agreement by signing the Accession Form (see Annex 3) in the electronic exchange system (see Article 36) within 30 days after its entry into force (see Article 42).

They will assume the rights and obligations under the Agreement with effect from the date of its entry into force (see Article 42).

If a beneficiary does not accede to the Agreement within the above deadline, the coordinator must — within 30 days — request an amendment to make any changes necessary to ensure proper implementation of the action. This does not affect the Agency's right to terminate the Agreement (see Article 34).

40.2 Addition of new beneficiaries

In justified cases, the beneficiaries may request the addition of a new beneficiary.

For this purpose, the coordinator must submit a request for amendment in accordance with Article 39.

It must include an Accession Form (see Annex 3) signed by the new beneficiary in the electronic exchange system (see Article 36).

New beneficiaries must assume the rights and obligations under the Agreement with effect from the date of their accession specified in the Accession Form (see Annex 3).

ARTICLE 41 — APPLICABLE LAW AND SETTLEMENT OF DISPUTES

41.1 Applicable law

The Agreement is governed by the applicable EU law, supplemented if necessary by the law of Belgium.

41.2 Dispute settlement

If a dispute concerning the interpretation, application or validity of the Agreement cannot be settled amicably, the General Court — or, on appeal, the Court of Justice of the European Union — has sole jurisdiction. Such actions must be brought under Article 272 of the Treaty on the Functioning of the EU (TFEU).

If a dispute concerns administrative sanctions, offsetting or an enforceable decision under Article 79(2) of the Financial Regulation No 966/2012 and Article 299 TFEU (see Articles 28, 29 and 30), the beneficiaries must bring action before the General Court — or, on appeal, the Court of Justice of the European Union — under Article 263 TFEU. Actions against enforceable decisions must be brought against the Commission (not against the Agency).

ARTICLE 42 — ENTRY INTO FORCE OF THE AGREEMENT

The Agreement will enter into force on the day of signature by the Agency or the coordinator, depending on which is later.

SIGNATURES

For the coordinator

Chueca CALAVIA with ECAS id ncalachu signed in the Participant Portal on 20/11/2018 at 15:24:10 (transaction id SigId-35001-vzdnNaM6qNYai6SQYQmMvzXsFZQeBfLWtRD0t3cp5mBi6hF1JpP42n3bX6fisHYm1zWtWOaDxD02pHydYllyaxG-Jj71zxYb8yrqxY9A8VHNYG-zapny7er4W3qFkO2lq8mHUj6CGTmoDbo0oZARla6qm6).
Timestamp by third party at
Tue Nov 20 15:24:17 CET 2018

For the Agency

Signed by Veronique WASBAUER with ECAS id wasbave as an authorised representative on 20-11-2018 16:00:00 (transaction id SigId-36032-zzeBZAAY6Bo7Zbj4cuLwUdkSY63TTtoSCoY0cdl5SsgatmE2crujVmMijLnFwMFIUtt0LULgaBsclmHRphH1IFW-Jj71zxYb8yrqxY9A8VHNYG-MqNMLMbo69GGjhl8rD7RY5w2s9YdffKiWErws1cocny)
Tue Nov 20 16:00:06 CET 2018



EUROPEAN COMMISSION
Consumers, Health, Agriculture and Food Executive Agency
Promotion of Agricultural Products Unit

ANNEX 1 (part A)

AGRI-MULTI-THIRD COUNTRIES

NUMBER — 825940 — G ASIA

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1.1. The project summary

Project Number ¹	825940	Project Acronym ²	G ASIA
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One form per project

General information

Project title ³	European Garnacha/Grenache Quality Wines MULTI Program in ASIA
Starting date ⁴	01/01/2019
Duration in months ⁵	36
Call (part) identifier ⁶	AGRI-MULTI-2018
Topic	MULTI-D-2018 Support for multi programmes – Information and promotion in any third country(ies)
Fixed EC Keywords	
Free keywords	

Abstract ⁷

European Garnacha/Grenache Quality Wines (2019-2021 program) aims to increase the market share of Union agricultural products and certain food products, specifically focusing on those markets in third countries that have the highest growth potential, by enhancing the consumption of EU Garnacha/Grenache quality wines in Asia (China, Taiwan, Hong Kong, Singapore, Japan and South Korea), improving exports, consumer trial and market share indicators.

1.2. List of Beneficiaries

 Associated with document Ref. Ares(2018)5841382 - 15/11/2018

Project Number ¹	825940	Project Acronym ²	G ASIA
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List of Beneficiaries

No	Name	Short name	Country	Project entry month ⁸	Project exit month
1	ASOCIACION PARA LA PROMOCION DEL VINO DE GARNACHA-GARNACHA ORIGEN	GARNACHA ORIGEN	Spain	1	36
2	CONSEIL INTERPROFESSIONNEL DES VINS DU ROUSSILLON	CIVR	France	1	36

1.3. Workplan Tables - Detailed implementation

Associated with document Ref. Ares(2018)5841382 - 15/11/2018

1.3.1. WT1 List of work packages

WP Number ⁹	WP Title	Lead beneficiary ¹⁰	Person-months ¹¹	Start month ¹²	End month ¹³
WP1	Project coordination	1 - GARNACHA ORIGEN	10.16	1	36
WP2	Public relations	1 - GARNACHA ORIGEN	8.81	1	36
WP3	Communication tools	1 - GARNACHA ORIGEN	7.51	1	36
WP4	Events	1 - GARNACHA ORIGEN	110.26	1	36
WP5	Point-of-sale (POS) promotion	1 - GARNACHA ORIGEN	19.58	1	36
WP6	Evaluation of results	1 - GARNACHA ORIGEN	5.21	1	36
Total			161.53		

1.3.2. WT2 list of deliverables

Deliverable Number ¹⁴	Deliverable Title	WP number ⁹	Lead beneficiary	Type ¹⁵	Dissemination level ¹⁶	Due Date (in months) ¹⁷
D1.1	Kick-off meeting report	WP1	1 - GARNACHA ORIGEN	Report	Public	1
D1.2	Report on subcontracting	WP1	1 - GARNACHA ORIGEN	Report	Public	3
D1.3	Coordination report for year 1	WP1	1 - GARNACHA ORIGEN	Report	Confidential, only for members of the consortium (including the Commission Services)	12
D1.4	List of IPR rights for year 1	WP1	1 - GARNACHA ORIGEN	Report	Public	12
D1.5	Coordination report for year 2	WP1	1 - GARNACHA ORIGEN	Report	Confidential, only for members of the consortium (including the Commission Services)	24
D1.6	List of IPR rights for year 2	WP1	1 - GARNACHA ORIGEN	Report	Public	24
D1.7	List of IPR rights for year 3	WP1	1 - GARNACHA ORIGEN	Report	Public	36
D1.8	Coordination report for year 3	WP1	1 - GARNACHA ORIGEN	Report	Confidential, only for members of the consortium (including the Commission Services)	36
D2.1	Report on PR events for year 1	WP2	1 - GARNACHA ORIGEN	Report	Confidential, only for members of the consortium (including the Commission Services)	12
D2.2	Report on PR events for year 2	WP2	1 - GARNACHA ORIGEN	Report	Confidential, only for members of the consortium (including the Commission Services)	24
D2.3	Report on PR events for year 3	WP2	1 - GARNACHA ORIGEN	Report	Confidential, only for members of the consortium (including the Commission Services)	36

Deliverable Number¹⁴	Deliverable Title	WP number⁹	Lead beneficiary	Type¹⁵	Dissemination level¹⁶	Due Date (in months)¹⁷
D3.1	Communication concept	WP3	1 - GARNACHA ORIGEN	Report	Public	3
D3.2	Report on communication tools for year 1	WP3	1 - GARNACHA ORIGEN	Report	Public	12
D3.3	Report on communication tools report for year 2	WP3	1 - GARNACHA ORIGEN	Report	Public	24
D3.4	Report on communication tools report for year 3	WP3	1 - GARNACHA ORIGEN	Report	Public	36
D4.1	Report on events for year 1	WP4	1 - GARNACHA ORIGEN	Report	Confidential, only for members of the consortium (including the Commission Services)	12
D4.2	Report on events for year 2	WP4	1 - GARNACHA ORIGEN	Report	Confidential, only for members of the consortium (including the Commission Services)	24
D4.3	Report on events for year 3	WP4	1 - GARNACHA ORIGEN	Report	Confidential, only for members of the consortium (including the Commission Services)	36
D5.1	Report on POS activities for year 1	WP5	1 - GARNACHA ORIGEN	Report	Public	12
D5.2	Report on POS activities for year 2	WP5	1 - GARNACHA ORIGEN	Report	Public	24
D5.3	Report on POS activities for year 3	WP5	1 - GARNACHA ORIGEN	Report	Public	36
D6.1	Evaluation report for year 1	WP6	1 - GARNACHA ORIGEN	Report	Confidential, only for members of the consortium (including the Commission Services)	12
D6.2	Evaluation report for year 2	WP6	1 - GARNACHA ORIGEN	Report	Confidential, only for members of the consortium (including the Commission Services)	24

Deliverable Number¹⁴	Deliverable Title	WP number⁹	Lead beneficiary	Type¹⁵	Dissemination level¹⁶	Due Date (in months)¹⁷
D6.3	Evaluation report for year 3	WP6	1 - GARNACHA ORIGEN	Report	Confidential, only for members of the consortium (including the Commission Services)	36

1.3.3. WT3 Work package descriptions

Work package number ⁹	WP1	Lead beneficiary ¹⁰	1 - GARNACHA ORIGEN
Work package title	Project coordination		
Start month	1	End month	36

Objectives

1. Coordination:

Ensure an efficient and successful implementation of the program:

- Attend kick-off or any mandatory meetings
- Submit to CHAFEA: All reports, continuous (deliverables) and periodic (financial, technical), audit or any other requested material.
- Coordinate actions between partners and suppliers (implementing agency, subcontractors) in order to ensure that the activities are according to the general promotion strategy (messages, image, media...).
- Ensure tracking actions objectives (maximize the impact), application of the guidelines of the program/CHAFEA regulation and its indicators (output, results and impact); and apply corrective measures whenever is necessary.
- Sign off all materials

2. Strategy

- Focus in:
- Segment (consumer more open to new wines through key players & stakeholders)
- Geography: Adaptation to regions more open to wines and biggest growth
- Time: Synergy
- Simplicity of the message (USP: Unique selling proposition)
- Efficient execution

Description of work and role of partners

WP1 - Project coordination [Months: 1-36]

GARNACHA ORIGEN, CIVR

1. Coordination:

The campaign will be managed by a team with experience in this type of activities who will coordinate all actions, subcontracting and reporting required to implement the campaign.

The team will report to a Steering Committee and will receive support from members of the applicant associations. The organization structure of the activity will be based on the following criteria:

- A Steering Committee with 10 members (from the two applicants) will take strategic decisions in the name of the applicant associations.
- Garnacha Origen will be the coordinator: A project management team with 3 members (3 full-time) will directly implement part of the programme and will coordinate the other subcontracted activities.
- A project support team with 4-part time members from CIVR and Aragón Exterior (applied as subcontractor as other direct costs) will help control the activities and provide administrative and financial support.
- Other: eligible costs of PO (audit certificates, guarantee for prefinancing, non-recoverable VAT)

2. Strategy:

The strategy guidelines described in the program will be applied on the first year and it will be updated, if needed, for upcoming years based on:

- Market research
- Definition of general criteria of communication and execution.

- Evaluation of the different action proposals according to that criteria and measures to improve it.
- Ongoing evaluation of execution and, if needed, measures to improve execution

Participation per Partner

Partner number and short name	WP1 effort
1 - GARNACHA ORIGEN	7.17
2 - CIVR	2.99
Total	10.16

List of deliverables

Deliverable Number ¹⁴	Deliverable Title	Lead beneficiary	Type ¹⁵	Dissemination level ¹⁶	Due Date (in months) ¹⁷
D1.1	Kick-off meeting report	1 - GARNACHA ORIGEN	Report	Public	1
D1.2	Report on subcontracting	1 - GARNACHA ORIGEN	Report	Public	3
D1.3	Coordination report for year 1	1 - GARNACHA ORIGEN	Report	Confidential, only for members of the consortium (including the Commission Services)	12
D1.4	List of IPR rights for year 1	1 - GARNACHA ORIGEN	Report	Public	12
D1.5	Coordination report for year 2	1 - GARNACHA ORIGEN	Report	Confidential, only for members of the consortium (including the Commission Services)	24
D1.6	List of IPR rights for year 2	1 - GARNACHA ORIGEN	Report	Public	24
D1.7	List of IPR rights for year 3	1 - GARNACHA ORIGEN	Report	Public	36
D1.8	Coordination report for year 3	1 - GARNACHA ORIGEN	Report	Confidential, only for members of the consortium (including the Commission Services)	36

Description of deliverables

Report regarding the attendancy to kick off meeting and selection of subcontractors in year 1 and, for all the year of the campaign, on coordination between partners and subcontractors (including travels) as well as strategy updates

D1.1 : Kick-off meeting report [1]

Report of the kick-off meeting that will take place in Luxembourg in January 2019 with the presence of mandatory people (project manager and a person responsible for financial reporting) and if considered necessary other members of the management team. To present: - Timeline of deliverables and overall programme - Further explanations of execution requirements of the programme, deliverables(as list of IPR rights) and on financial matters. - Establish relationship with other organizations also participating in UE programs. - Procedure of selection of subcontractors (implementing bodies) will be presented as well as other key matters of the programme.

D1.2 : Report on subcontracting [3]

Report on the procedure: tender, criteria applied, meeting agenda and attendants and results. Updated activities planning if necessary.

D1.3 : Coordination report for year 1 [12]

- Coordination of actions between partners and subcontractors. - Travels to ensure the correct implementation of the program as well as internal trips for the coordination between both beneficiaries.

D1.4 : List of IPR rights for year 1 [12]

List of content with third-party intellectual property rights incorporated in the results of the programme and produced before or during the project implementation.

D1.5 : Coordination report for year 2 [24]

- Coordination of actions between partners and subcontractors. - Travels to ensure the correct implementation of the program as well as internal trips for the coordination between both beneficiaries.

D1.6 : List of IPR rights for year 2 [24]

Update of list of content with third-party intellectual property rights incorporated in the results of the programme and produced during the project implementation

D1.7 : List of IPR rights for year 3 [36]

Update of list of content with third-party intellectual property rights incorporated in the results of the programme and produced during the project implementation

D1.8 : Coordination report for year 3 [36]

- Coordination of actions between partners and subcontractors. - Travels to ensure the correct implementation of the program as well as internal trips for the coordination between both beneficiaries.

Schedule of relevant Milestones

Milestone number ¹⁸	Milestone title	Lead beneficiary	Due Date (in months)	Means of verification
--------------------------------	-----------------	------------------	----------------------	-----------------------

Work package number ⁹	WP2	Lead beneficiary ¹⁰	1 - GARNACHA ORIGEN
Work package title	Public relations		
Start month	1	End month	36

Objectives

Press events:
 - 10 journalist visiting Europe's Garnacha vineyards yearly
 - 6 non paid articles/posts/news yearly

Description of work and role of partners

WP2 - Public relations [Months: 1-36]

GARNACHA ORIGEN, CIVR

1. PR office:

Analyze editorial opportunities proposed by suppliers, especially Lifestyle, Digital gastronomic media and Wine specialized outlets and overview the implementation of press releases and the delivery of samples to interested journalists.

2. Press events:

Planning, coordination recruitment and implementation of trips and events for wine-specialized media outlets

Participation per Partner

Partner number and short name	WP2 effort
1 - GARNACHA ORIGEN	6.22
2 - CIVR	2.59
Total	8.81

List of deliverables

Deliverable Number ¹⁴	Deliverable Title	Lead beneficiary	Type ¹⁵	Dissemination level ¹⁶	Due Date (in months) ¹⁷
D2.1	Report on PR events for year 1	1 - GARNACHA ORIGEN	Report	Confidential, only for members of the consortium (including the Commission Services)	12
D2.2	Report on PR events for year 2	1 - GARNACHA ORIGEN	Report	Confidential, only for members of the consortium (including the Commission Services)	24
D2.3	Report on PR events for year 3	1 - GARNACHA ORIGEN	Report	Confidential, only for members of the consortium (including the Commission Services)	36

Description of deliverables

Report of PR office activities on potential editorial opportunities and of the press events (trips)

D2.1 : Report on PR events for year 1 [12]

- PR office: Potential editorial opportunities proposed and followed through such as press releases or delivery of samples to interested journalists. - Press events: Report of the trips planning, coordination recruitment and implementation.

D2.2 : Report on PR events for year 2 [24]

- PR office: Potential editorial opportunities proposed and followed through such as press releases or delivery of samples to interested journalists. - Press events: Report of the trips planning, coordination recruitment and implementation.

D2.3 : Report on PR events for year 3 [36]

- PR office: Potential editorial opportunities proposed and followed through such as press releases or delivery of samples to interested journalists. - Press events: Report of the trips planning, coordination recruitment and implementation.

Schedule of relevant Milestones

Milestone number ¹⁸	Milestone title	Lead beneficiary	Due Date (in months)	Means of verification
--------------------------------	-----------------	------------------	----------------------	-----------------------

Work package number ⁹	WP3	Lead beneficiary ¹⁰	1 - GARNACHA ORIGEN
Work package title	Communication tools		
Start month	1	End month	36

Objectives

- Brand's look and feel
- Design and production of transversal materials

Description of work and role of partners

WP3 - Communication tools [Months: 1-36]

GARNACHA ORIGEN, CIVR

- Creation and development of a unique brand platform
- Communication materials' copy/design updates, key messages development & adaptation throughout the different components of the campaign.

Participation per Partner

Partner number and short name	WP3 effort
1 - GARNACHA ORIGEN	5.30
2 - CIVR	2.21
Total	7.51

List of deliverables

Deliverable Number ¹⁴	Deliverable Title	Lead beneficiary	Type ¹⁵	Dissemination level ¹⁶	Due Date (in months) ¹⁷
D3.1	Communication concept	1 - GARNACHA ORIGEN	Report	Public	3
D3.2	Report on communication tools for year 1	1 - GARNACHA ORIGEN	Report	Public	12
D3.3	Report on communication tools report for year 2	1 - GARNACHA ORIGEN	Report	Public	24
D3.4	Report on communication tools report for year 3	1 - GARNACHA ORIGEN	Report	Public	36

Description of deliverables

Report about the design, development and production of the brand platform and communication materials

D3.1 : Communication concept [3]

Visual and key messages of the campaign

D3.2 : Report on communication tools for year 1 [12]

Report about the design and final production of the brand platform content creation and development, as well as, the communication materials, coyp/design (collateral designs) updates, key messages development & adaptation throughtout the different components of the campaign

D3.3 : Report on communication tools report for year 2 [24]

Report about the design and final production of the brand platform content creation and development, as well as, the communication materials, coyp/design (collateral designs) updates, key messages development & adaptation throughtout the different components of the campaign

D3.4 : Report on communication tools report for year 3 [36]

Report about the design and final production of the brand platform content creation and development, as well as, the communication materials, coyp/design (collateral designs) updates, key messages development & adaptation throughtout the different components of the campaign

Schedule of relevant Milestones

Milestone number ¹⁸	Milestone title	Lead beneficiary	Due Date (in months)	Means of verification
--------------------------------	-----------------	------------------	----------------------	-----------------------

Work package number ⁹	WP4	Lead beneficiary ¹⁰	1 - GARNACHA ORIGEN
Work package title	Events		
Start month	1	End month	36

Objectives

1. Stands at trade fairs
 - 4 pavillions each year
 - 25.000 attendants (stakeholders reach) each year
2. Seminars, workshops, B2B meetings, training for trade/cooks, activities in schools
 - 2 B2B meetings organized each year
 - 21 importers staff training organized each year
 - 8 masterclasses organized each year
 - 310 attendants (stakeholders reach) each year
3. Study trips to Europe
 - 17 importers visiting European vineyards yearly
 - 17 attendants (stakeholders reach) each year
4. Other events
 - 6 sommelier dinners organized each year
 - 13 consumer dinners organized each year
 - 24 tasting events with buyers organized yearly
 - 59 tasting events with consumers organized yearly
 - 25 tasting events with distributors organized yearly
 - 2 tasting events with media organized each year
 - 3 tasting events with sommeliers organized each year
 - 3 tasting events with wholesalers organized each year
 - 15.000 attendants (reach) each year

Description of work and role of partners

- WP4 - Events** [Months: 1-36]
GARNACHA ORIGEN, CIVR
1. Stands at trade fairs
European Garnacha/Grenache pavilion on key Asian trade shows
 2. Seminars, workshops, B2B meetings, training for trade/cooks, activities in schools
Organization of educative events as well as opening new opportunities
 3. Study trips to Europe
Organizing dedicated educative missions to Europe's vineyards
 4. Other events
 - Fusion local cuisine pairing with Garnacha/Grenache wines to show their matching potential.
 - Educative tastings with stakeholders to show the characteristics of the Garnacha/Grenache European grape wine

Participation per Partner

Partner number and short name	WP4 effort
1 - GARNACHA ORIGEN	77.82
2 - CIVR	32.44
Total	110.26

List of deliverables

Deliverable Number¹⁴	Deliverable Title	Lead beneficiary	Type¹⁵	Dissemination level¹⁶	Due Date (in months)¹⁷
D4.1	Report on events for year 1	1 - GARNACHA ORIGEN	Report	Confidential, only for members of the consortium (including the Commission Services)	12
D4.2	Report on events for year 2	1 - GARNACHA ORIGEN	Report	Confidential, only for members of the consortium (including the Commission Services)	24
D4.3	Report on events for year 3	1 - GARNACHA ORIGEN	Report	Confidential, only for members of the consortium (including the Commission Services)	36

Description of deliverables

Report of events participation, B2B meetings, importers staff training and masterclasses; study trips to Europe, dinners with sommeliers and consumers as well as tasting events with buyers, consumers, distributors, individual media, sommeliers and wholesalers

D4.1 : Report on events for year 1 [12]

- Stands at trade fairs and events participation - B2B meetings, importers staff training and masterclasses - Study trips to Europe - Dinners with sommeliers and consumers. - Tasting events with buyers, consumers, distributors, individual media, sommeliers and wholesalers

D4.2 : Report on events for year 2 [24]

Report on: - Stands at trade fairs and events participation - B2B meetings, importers staff training and masterclasses - Study trips to Europe - Dinners with sommeliers and consumers. - Tasting events with buyers, consumers, distributors, individual media, sommeliers and wholesalers

D4.3 : Report on events for year 3 [36]

Report on: - Stands at trade fairs and events participation - B2B meetings, importers staff training and masterclasses - Study trips to Europe - Dinners with sommeliers and consumers. - Tasting events with buyers, consumers, distributors, individual media, sommeliers and wholesalers

Schedule of relevant Milestones

Milestone number¹⁸	Milestone title	Lead beneficiary	Due Date (in months)	Means of verification
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Work package number ⁹	WP5	Lead beneficiary ¹⁰	1 - GARNACHA ORIGEN
Work package title	Point-of-sale (POS) promotion		
Start month	1	End month	36

Objectives

1. Tasting days
 - 123 in-store tastings organized yearly
 - 3715 attendants (stakeholders reach) yearly
2. Other: promotion in retailers' publications, POS advertising (shelf talkers, posters, etc.), promotion in canteens
 - 5 online store collaborations yearly
 - 10.000 online consumer reach yearly

Description of work and role of partners

WP5 - Point-of-sale (POS) promotion [Months: 1-36]
GARNACHA ORIGEN, CIVR

1. Tasting days
 Organization of in-store tastings for consumers in different Asian markets
2. Other: promotion in retailers' publications, POS advertising (shelf talkers, posters, etc.), promotion in canteens
 Development of content creation and collaboration with high growth potential online stores

Participation per Partner

Partner number and short name	WP5 effort
1 - GARNACHA ORIGEN	13.82
2 - CIVR	5.76
Total	19.58

List of deliverables

Deliverable Number ¹⁴	Deliverable Title	Lead beneficiary	Type ¹⁵	Dissemination level ¹⁶	Due Date (in months) ¹⁷
D5.1	Report on POS activities for year 1	1 - GARNACHA ORIGEN	Report	Public	12
D5.2	Report on POS activities for year 2	1 - GARNACHA ORIGEN	Report	Public	24
D5.3	Report on POS activities for year 3	1 - GARNACHA ORIGEN	Report	Public	36

Description of deliverables

Report of implementation of tastings and partnership & content creation with online stores.

D5.1 : Report on POS activities for year 1 [12]
 Report of implementation of tastings and partnership & content creation with online stores.

D5.2 : Report on POS activities for year 2 [24]
 Report of implementation of tastings and partnership & content creation with online stores.

D5.3 : Report on POS activities for year 3 [36]
Report of implementation of tastings and partnership & content creation with online stores.

Schedule of relevant Milestones

Milestone number¹⁸	Milestone title	Lead beneficiary	Due Date (in months)	Means of verification
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Work package number ⁹	WP6	Lead beneficiary ¹⁰	1 - GARNACHA ORIGEN
Work package title	Evaluation of results		
Start month	1	End month	36

Objectives

- Global SMART objectives impact indicators:
Ex-post calculation of returns by an independent audit body in order to ensure the succesful execution of the program
- Consumer trial share and awareness (yearly) amongst regular Asian wine consumers and evaluation of Garnacha/Grenache as a quality wine
- Association of Europe as the main producer (yearly): Regular wine consumers that mention EU members as Garnacha/Grenache producing countries
- Exports & market share (by the end of the programme): EU-28's rank position and exports to Asia in terms of value and volume.
- Output and results indicators specific to each activity yearly:
Public relations, communication tools, events and point of sale promotion.

Description of work and role of partners

WP6 - Evaluation of results [Months: 1-36]

GARNACHA ORIGEN, CIVR

Regarding the methodology for measurement of results linked to SMART Objectives, both market awareness, output results and market share will be measured.

Output indicators, the activities individual results, awareness and trial rate will be measured yearly (at the end of each action year). However, and in order to optimize the cost efficiency of the program, market share related information (with a much higher cost) will be measured at the end of the program.

Participation per Partner

Partner number and short name	WP6 effort
1 - GARNACHA ORIGEN	3.68
2 - CIVR	1.53
Total	5.21

List of deliverables

Deliverable Number ¹⁴	Deliverable Title	Lead beneficiary	Type ¹⁵	Dissemination level ¹⁶	Due Date (in months) ¹⁷
D6.1	Evaluation report for year 1	1 - GARNACHA ORIGEN	Report	Confidential, only for members of the consortium (including the Commission Services)	12
D6.2	Evaluation report for year 2	1 - GARNACHA ORIGEN	Report	Confidential, only for members of the consortium (including the Commission Services)	24

List of deliverables

Deliverable Number¹⁴	Deliverable Title	Lead beneficiary	Type¹⁵	Dissemination level¹⁶	Due Date (in months)¹⁷
D6.3	Evaluation report for year 3	1 - GARNACHA ORIGEN	Report	Confidential, only for members of the consortium (including the Commission Services)	36

Description of deliverables

Yearly market insights, procedure used to measure and results of impact indicators related to global SMART objectives: consumer trial share and awareness and association of Europe as the main producer. Also, at the end of the program, exports and market share

D6.1 : Evaluation report for year 1 [12]

It will include output/results, market insights, procedure used to measure and results of impact indicators related to global SMART objectives: - Consumer trial share and awareness: Regular asian wine consumers that have tried Garnacha/Grenache wines and quality score. - Association of Europe as the main producer: Regular asian wine consumers that mention EU members as Garnacha/Grenache producing countries

D6.2 : Evaluation report for year 2 [24]

It will include output/results, market insights, procedure used to measure and results of impact indicators related to global SMART objectives: - Consumer trial share and awareness: Regular asian wine consumers that have tried Garnacha/Grenache wines and quality score. - Association of Europe as the main producer: Regular asian wine consumers that mention EU members as Garnacha/Grenache producing countries

D6.3 : Evaluation report for year 3 [36]

It will include output/results, market insights, procedure used to measure and results of impact indicators related to global SMART objectives: - Consumer trial share and awareness: Regular asian wine consumers that have tried Garnacha/Grenache wines and quality score. - Association of Europe as the main producer: Regular asian wine consumers that mention EU members as Garnacha/Grenache producing countries

Schedule of relevant Milestones

Milestone number¹⁸	Milestone title	Lead beneficiary	Due Date (in months)	Means of verification
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1.3.4. WT4 List of milestones

No milestones indicated

1.3.5. WT5 Critical Implementation risks and mitigation actions

Risk number	Description of risk	WP Number	Proposed risk-mitigation measures
1	Financial risks (exchange rate fluctuations). On the one hand, there could be potential political risks regarding changes on imports policies in several controlled countries. However, risk management agencies have not forecasted attention to a significant political or economic risks worth of market abandon against the growth potential in the targeted areas. The exchange rate between the euro and CNY (Chinese yuan), JPY (Japanese yen), TWD (New Taiwan dollar), HKD (Hong Kong dollar), BND – SGD (Brunei dollar - Singapore dollar) or KRW (South Korean won) may fluctuate and impact on cost per activity of the programme (given that a large part of the execution costs will be in the local currency).	WP1, WP2, WP3, WP4, WP5, WP6	The ideal solution would be for the applicants to hedge the risk with an open forward contract with every currency, but, unfortunately, the co-financing flows of the Information and Promotion programmes make this difficult (with a forward contract, when the external currency revaluates, the contract's profit covers the increased costs; but when it devaluates in a co-financed programme, the loss is not compensated by the reduced costs, as the European Commission only co-finances the execution costs – even though it would only guarantee that the cost in euros certain for all the programme both for the applicant and the EC). The applicants will minimize the risk subcontracting in euros when possible (to European subcontractors or to Asian subcontractors who have been able to hedge their risk in euros).
2	Managing a campaign from a European base	WP1, WP2, WP3, WP4, WP5, WP6	Hiring local asian subcontractors, as well as on-site visits and meetings (when necessary) from the managing team to ensure a close follow-up and successful implementation of the program
3	Entry barriers: shipping costs and time, warehousing and adaptation of product to meet local requirements and regulations	WP1, WP2, WP3, WP4, WP5, WP6	In order to optimize costs and handle any delays, shippings will be planned ahead, when possible, grouped from origin or using importers samples already in destination. Information about customs (documentation for samples and import duties) and product requirements (packaging, labelling) will be updated regularly and taken into account beforehand
4	Intellectual property rights in the agri food industry and, specially, in Asia	WP1, WP2, WP3, WP4, WP5, WP6	This campaign is not brand oriented and, indeed, aims to be an umbrella campaign to benefit all EU Garnacha/Grenache producers. As a consequence, there is no need to protect it as a trademark so every EU producer of the varietal can benefit from it.
5	Multiple target countries	WP1, WP2, WP3, WP4, WP5, WP6	Single implementing body to guarantee the homogeneity of the campaign through all the different markets and, at the same time, allowing enough flexibility to be able to adapt it to the local requirements.

Risk number	Description of risk	WP Number	Proposed risk-mitigation measures
6	Internal disagreements between the beneficiaries	WP1, WP2, WP3, WP4, WP5, WP6	Tight consortium agreement to be respected
7	Multiple languages and cultures	WP1, WP2, WP3, WP4, WP5, WP6	Local collaborators and key stakeholders in each market with well domestic market knowledge
8	Operational risks: not being able to perform as expected, corrupt practices and reckless behavior	WP1, WP2, WP3, WP4, WP5, WP6	Establishment of control mechanisms that will consist of a close follow up of every activity, with a set of pre-defined Key Performance Indicators (number of impacts, number of tastings, articles published, number of visitors to events, level of trial and awareness...), physically auditing the activities (random visits), and regular online meetings with the subcontractors and the implementing body. Last but not least, penalty clauses will be included in the event of inappropriate performance as a prevention measure.

1.3.6. WT6 Summary of project effort in person-months

	WP1	WP2	WP3	WP4	WP5	WP6	Total Person/Months per Participant
1 - GARNACHA ORIGEN	7.17	6.22	5.30	77.82	13.82	3.68	114.01
2 - CIVR	2.99	2.59	2.21	32.44	5.76	1.53	47.52
Total Person/Months	10.16	8.81	7.51	110.26	19.58	5.21	161.53

1.3.7. WT7 Tentative schedule of project reviews

No project reviews indicated

1. Project number

The project number has been assigned by the Commission as the unique identifier for your project. It cannot be changed. The project number **should appear on each page of the grant agreement preparation documents (part A and part B)** to prevent errors during its handling.

2. Project acronym

Use the project acronym as given in the submitted proposal. It can generally not be changed. The same acronym **should appear on each page of the grant agreement preparation documents (part A and part B)** to prevent errors during its handling.

3. Project title

Use the title (preferably no longer than 200 characters) as indicated in the submitted proposal. Minor corrections are possible if agreed during the preparation of the grant agreement.

4. Starting date

Unless a specific (fixed) starting date is duly justified and agreed upon during the preparation of the Grant Agreement, the project will start on the first day of the month following the entry into force of the Grant Agreement (NB : entry into force = signature by the Commission). Please note that if a fixed starting date is used, you will be required to provide a written justification.

5. Duration

Insert the duration of the project in full months.

6. Call (part) identifier

The Call (part) identifier is the reference number given in the call or part of the call you were addressing, as indicated in the publication of the call in the Official Journal of the European Union. You have to use the identifier given by the Commission in the letter inviting to prepare the grant agreement.

7. Abstract

8. Project Entry Month

The month at which the participant joined the consortium, month 1 marking the start date of the project, and all other start dates being relative to this start date.

9. Work Package number

Work package number: WP1, WP2, WP3, ..., WPn

10. Lead beneficiary

This must be one of the beneficiaries in the grant (not a third party) - Number of the beneficiary leading the work in this work package

11. Person-months per work package

The total number of person-months allocated to each work package.

12. Start month

Relative start date for the work in the specific work packages, month 1 marking the start date of the project, and all other start dates being relative to this start date.

13. End month

Relative end date, month 1 marking the start date of the project, and all end dates being relative to this start date.

14. Deliverable number

Deliverable numbers: D1 - Dn

15. Type

Please indicate the type of the deliverable using one of the following codes:

- R Document, report
- DEM Demonstrator, pilot, prototype
- DEC Websites, patent filings, videos, etc.
- OTHER
- ETHICS Ethics requirement
- ORDP Open Research Data Pilot

16. Dissemination level

Please indicate the dissemination level using one of the following codes:

- PU Public
- CO Confidential, only for members of the consortium (including the Commission Services)
- EU-RES Classified Information: RESTREINT UE (Commission Decision 2005/444/EC)
- EU-CON Classified Information: CONFIDENTIEL UE (Commission Decision 2005/444/EC)
- EU-SEC Classified Information: SECRET UE (Commission Decision 2005/444/EC)

17. Delivery date for Deliverable

Month in which the deliverables will be available, month 1 marking the start date of the project, and all delivery dates being relative to this start date.

18. Milestone number

Milestone number: MS1, MS2, ..., MSn

19. Review number

Review number: RV1, RV2, ..., RVn

20. Installation Number

Number progressively the installations of a same infrastructure. An installation is a part of an infrastructure that could be used independently from the rest.

21. Installation country

Code of the country where the installation is located or IO if the access provider (the beneficiary or linked third party) is an international organization, an ERIC or a similar legal entity.

22. Type of access

- VA if virtual access,
- TA-uc if trans-national access with access costs declared on the basis of unit cost,
- TA-ac if trans-national access with access costs declared as actual costs, and
- TA-cb if trans-national access with access costs declared as a combination of actual costs and costs on the basis of unit cost.

23. Access costs

Cost of the access provided under the project. For virtual access fill only the second column. For trans-national access fill one of the two columns or both according to the way access costs are declared. Trans-national access costs on the basis of unit cost will result from the unit cost by the quantity of access to be provided.

European Garnacha/Grenache Quality Wines

Multi program

Part B

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History of changes

Comment	Modification
<p>Include a section with the history of changes at the beginning (as presented in the template).</p>	<p>History of changes section has been added as well as any other adaptation necessary to follow the template.</p>
<p>Remove names of individuals and any additional personal information from the DoA and leave only references to their functions.</p>	<p>Names and personal information like professional background and experience have been removed in section 8.</p>
<p>Check carefully all the costs and deliverables (and revise, if necessary) for each sub-activity for each year and eliminate any clerical errors. However, note that the overall budget amount of the proposal cannot be changed (increased).</p> <p>The following comments, received in evaluation letter regarding this matter, have been addressed:</p> <p>- Other coordination costs in Part B equal 21 171.74 euro and in the Detailed Budget Table = 26 412 euro.</p> <p>- For press events, the WP 3 indicates in some cases 3 events (China, Japan) or 2 (Corea) but calculations are in all cases made for only one event. The same applies for staff training and master classes in the different target countries</p>	<p>All costs and deliverables, including sub-activities, have been carefully revised and the overall budget remains unchanged.</p> <p>- 21.171,74 € is the total for the whole program of others costs (such as equipment depreciation, legal advice, visas, courier, translations. Added descriptions to total to indicate if they are per year or of the whole campaign.</p> <p>However, to make part B follow the same structure than the Detailed Budget Table WP 1 Coordination and WP 2 Strategy have been grouped under WP 1 coordination.</p> <p>Updated consequently the man months equivalent.</p> <p>- The numbers on the table are the totals for all the events and not the cost per event so they already considered the number of events and the cost of each one.</p> <p>In order to make them more clear totals are now described as total for the x numbers of events.</p>

- Figure 15, page 38 - a mistake in the budget calculation: 10 flights equal 12 000 € and not 1 200 euro.

- Costs of project coordination are escribed in 2 detailed tables (Table 13 and 14) but they are not clear enough.

Their total in Table 14 shows 480 000 €,

whereas in WP 1 on p. 39 coordination costs total 193 894.74 euro and

Total description has also been added in WP 7 for staff trainings and master classes.

- The mistake has been amended:

Flights cost remains the same 1.200 € and the total per year for the 6 flights are 7.200 €.

Travel insurance per trip remains the same at 50 € but now the total reflects the amount for the 6 trips per year: 300 €

Additionally, other elements have been updated to reflect more accurately the reality:

- o Numbers of trips per year have been reduced from 10 to 6.
- o Transportation per day cost from 50 € to 40 €
- o Meals cost from 70 e to 65 €

- Table 13: Man/month dedication (Explanation of each column)

- o Dedication per person/ employee: 4 full time from Garnacha Origen (SG, MM, B,. RL) and 3 part time from CIVR(EA, HL, CIVR)
- o Total per PO. Garnacha Origen and CIVR
- o Total of the whole coordination team.
- o Percentage of man months dedicated to each WP from the total effort of the program
- o An additional average dedication row has been added to make it easier identify the dedication each year of the campaign.

- Table 14: Total coordination costs & man/months

It calculates the cost per man/month of each PO and average taking into consideration the coordination cost of the whole program (3 years, all WP) which is 480.000 € as stated in the Detailed Budget Table subtotal for column A. Direct personnel costs.

- Table 15: Detailed budget for WP1

<p>the Detailed Budget Table gives 199 135.36 euro for coordination.</p> <p>Direct personnel costs for each activity are added to coordination costs.</p>	<p>199.894,74 € is the total for personnel costs of the proposing organizations (172.723,00 €) and others (21.171,74 €). which was the total for the whole program of others costs (such as equipment depreciation, legal advice, visas, courier, translations.</p> <p>However, the subsection has been rearranged to make part B follow the same structure than the Detailed Budet Table and make it easier to identify when it is referring to the whole program coordination and when detailing the costs under WP1 budget,</p> <p>199.135,36 € is the total of budget allocated to WP1 Coordination. It takes into consideration A. Direct personnel costs column but also C. Other direct costs (travels, depereciation...)are not closely linked with personnel or its dedication and, therefore, not taken into account to calculate man months</p> <p>As previously addressed, coordination cost when mentioned in, the description of WP or activities are always of the implementing body and, as a result, under B. Direct cost of subcontracting in the Detailed Budget Table. It is now have been described as Implementing body coordination fees.</p> <p>All the coordination costs of the POs are only indicated under A. Direct personnel costs in the Detailed Budget Table.</p>												
<p>Make sure that the structure of the work packages follows the Detailed budget table and the structure introduced in the Participant portal (see GAP guide sections 6.8 and 6.9).</p> <table border="1" data-bbox="244 1836 810 2101"> <thead> <tr> <th>WP No</th> <th>Wp Title</th> <th>DLV</th> <th>Time</th> </tr> </thead> <tbody> <tr> <td>WP1</td> <td>Coordination</td> <td>Kick-off meeting report</td> <td>M1</td> </tr> <tr> <td></td> <td></td> <td>Report on subcontracting</td> <td>M3</td> </tr> </tbody> </table>	WP No	Wp Title	DLV	Time	WP1	Coordination	Kick-off meeting report	M1			Report on subcontracting	M3	<p>The structure of the work packages has been adapted to it.</p> <p>Following EU officer recommendation, we applied the following changes:</p> <p>-Removed deliverable “Communication strategy update report”: Any deviations will be mentioned in the interim reports and, if necessary, analyse if an specific issue requires an amendment at that moment.</p>
WP No	Wp Title	DLV	Time										
WP1	Coordination	Kick-off meeting report	M1										
		Report on subcontracting	M3										

		Coordination report	M12, M24, M36	<p>-Made all deliverables public except for:</p> <ul style="list-style-type: none"> Coordination report (D1.3, D1.5, D 1.8) Evaluation report (D6.1, D6.2 & D6.3): Given both of them contain highly sensitive information only for internal use of the proposing organisations and others directly involved in the management, implementation and supervision of the programme. Report on PR events (D2.1, D2.2, D2.3) Report on events (D4.1, D4.2, D4.3): Due to containing highly valuable lists of professionals and contacts attending to the events as well as photos of them which goes against our aim to respect data protection law. <p>Note that the report on subcontracting will also be public but any sensitive information will not be included in the report (budget, personal/companies offers exact data and details...). In any case, it will be kept and fully accessible in case of audits.</p>
		List of IPR rights	M12, M24, M36	
		Communication strategy update report	M6, M18, M30	
WP2	Public relations	Report on PR events	M12, M24, M36	
WP3	Communication tools	Communication concept	M3	
		Report on communication tools (POS materials, banners...)	M12, M24, M36	
WP4	Events	Report on events	M12, M24, M36	
WP5	POS promotion	Report on POS activities	M12, M24, M36	
WP6	Evaluation	Evaluation report	M12, M24, M36	
Please update the subcontracting selection procedure/s in section 8, clearly describing how the best value for money will be ensured and how any conflict of interest will be avoided. In addition, specify that the selection of subcontracting body/-ies will apply also for the external evaluation body.				Subcontracting selection procedure (including external evaluation body) in section 8 describes how the selection criteria will ensure best value for money and avoidance of conflict of interest.
Please streamline the risks section.				Additional risks and solutions have been explained in detail and added in section 8.
Some costs are not described well enough, as often only totals are given (e.g. trade fairs by country, no unit costs presented for promotional material). Please clarify in the DoA.				Costs are as broke down as possible in order to present a program plan with enough flexibility to adapt to the current market circumstances, exchange rates fluctuation... but, at the same time, always guaranteeing reaching impact

	<p>indicators and results within the global budget of the action.</p>
<p>Clarify as much as possible the costs of products samples</p>	<p>Cost of samples are not indicated because the scenario will be different at each area as well as depending on the availability of products: a) will be offered by the participants for free (subject to some case-by-case exceptions) and in order to optimize costs and handle any delays, b) shipping will be planned ahead, when possible, grouped from origin c) or using importers samples already in destination, as explained under Risks subsection.</p> <p>Either way, costs are already included in each activity's total budget. Last but not least, efficiency principles will always be followed.</p>
<p>Personnel costs are not specifically mentioned in the budget analysis of each work package as presented in section 6. Please harmonise section 6 with the detailed budget table</p> <p>The following comments, received in evaluation letter regarding this matter, have been addressed:</p> <ul style="list-style-type: none"> - The rates of person/days are indicated however, they are not consistent with the detailed budget table. - In several WPs budget coordination fees are included but in addition, direct personal costs of the POs are also mentioned with total numbers which can only be found in the Detailed Budget Table. <p>These costs are always lower for the first year, which is not explained.</p>	<p>Personnel costs have been included in section 6 under each work package and now is harmonized with the detailed budget table.</p> <ul style="list-style-type: none"> - It calculates the cost per man/month of each PO and average taking into consideration the coordination cost of the whole program (3 years, all WP) which is 480.000 € as stated in the Detailed Budget Table subtotal for column A. Direct personnel costs - Coordination fees, when mentioned in the description of WP or activities, are always of the implementing body and, as a result, under B. Direct cost of subcontracting in the Detailed Budget Table. It is now have been described as Implementing body coordination fees. <p>All the coordination costs of the POs are only indicated under A. Direct personnel costs in the Detailed Budget Table.</p>

<p>- Costs in the Detailed Budget Table contains, next to direct costs of subcontracting, a component of direct personal costs of the POs, which is not shown in € in the budgets for the WPs of Part B.</p>	<p>These costs are always lower for the first year because most part of the coordination team will share dedication between this program and 734440 – GARNACHA GRENACHE in US and Canada. The following years they will be fully dedicated to this one.</p> <p>- The budgets for each WP in Part B breaks down B.Direct cost of subcontracting total.</p> <p>Two new rows in each table have been added to indicate A. Direct personnel costs and total per WP.</p> <p>- Figure 13: man/months per WP at page 37 & 38 updated to two decimals instead of one as well as to follow the headings classification of the detailed budget table.</p>
<p>The proposed actions for target countries are not reflected in the work plans, where activities and deliverables are identical for each country. Communication mix is insufficiently addressed</p>	<p>For efficiency and risk avoidance purposes, the activity mix is relatively similar at every country to ensure a proper implementation and follow-up. However, slight details swift from one market to another in order to adapt to the reality and needs of each geographical area.</p>
<p>Imports of all Grenache wines from all EU countries, not only from France and Spain are used as reference.</p>	<p>Following 2018 Guide for applicants, when setting the action objectives “The applicant should try to estimate the return at the EU level taking into account the impact of the campaign for other EU producers” (p.18 of 56) Following this instruction, G.O. were set and their evaluation was budgeted accordingly. However, the beneficiaries will try to get specific info at a national level if possible.</p> <p>Given it’s an umbrella campaign, the impact is expected to benefit all EU producers of Garnacha and not only the results for the PO countries.</p>

1. Presentation of the proposing organisation(s)

The proposing organisations are: **Asociación para la Promoción del Vino de Garnacha/Garnacha Origen** and **Conséil Interprofessionnel des Vins du Roussillon**. They represent an important share of the production and exports of quality wine in France and Spain, the two largest producers in Europe. They also represent a major share of the production of Garnacha/Grenache varietal quality wines and have been key in promoting the grape as a quintessential European variety. The two organizations represent the diversity (one of the variety's main characteristics) of Garnacha/Grenache wines, as they are renowned producers of sweet, white, rosé, red and even sparkling Garnacha/Grenache wines.

Conseil Interprofessionnel des Vins du Roussillon (CIVR) is a French association (recognized as AOP, Appellation d'Origine Protégée and IGP, Indication Géographique Protégée) that includes 14 AOCs (Appellations d'Origine Contrôlée): Collioure, Côtes du Roussillon, Côtes du Roussillon Villages, Côtes du Roussillon Villages les Aspres, Côtes du Roussillon Villages Camarany, Côtes du Roussillon Villages Latour de France, Côtes du Roussillon Villages Lesquerde, Côtes du Roussillon Villages Tautavel, Maury Sec, Rivesaltes, Maury, Banyuls, Banyuls Grand Cru and Muscat de Rivesaltes, as well as 3 IGPs in Southern France.

Vineyards cover 22,000 Ha (70% in AOP) with a maximum average yield of 30 hl/ha (which assures high quality, as the average yield of all French AOPs vines is 60 hl/ha). The total average production is 600 K to 750,000 hectoliters per year. Of that, 146,000 hl is Vins Doux Naturels and 251,000 hl is the appellations AOP dry wines and 256,000 hl is the IGP wines. Roussillon has around 2,200 wine growers. Vineyards are generally small, averaging 10 hl (25 acres) in size, and 90% of them are managed by their owners.

As a main vinicultural region, 58% of the agricultural areas of Roussillon are planted with vines. CIVR represents 2% of the vineyards production in France, and approximately 6% of the Grenache planted in French PDO. It produces White, Rosé, Red, and, most notably, Fortified Sweet Wines (Vins Doux Naturels). Grenache represents approximately 42% of the planted surface in Roussillon. Last but not least, China has become CIVR's #1 wine destination both in terms of value and volume (14% & 20%, meaning € 3,5 M and 1,4M bottles).

Asociación para la Promoción del Vino de Garnacha/Garnacha Origen (Garnacha Origen) includes 5 Spanish Protected Designations of Origin (Somontano, Terra Alta, Cariñena, Calatayud and Campo de Borja), together with other stakeholders such as individual producers, agricultural research institutes like CITA (Agrifood Research and Technology Centre of Aragon) and other public organizations like AREX (Aragón's Foreign Trade and Invest Agency). It was founded in 2014 in order to promote PDO Garnacha based quality wines and it is the largest Garnacha wines promotion conglomerate in Spain and the EU. All of the wines promoted by the Garnacha Origen must be under a PDO scheme and are monovarietal Garnacha wines (>85% of their content, according to European rules).

- Garnacha Origen's five DOs cultivate 33,656 hectares of vineyards¹ and produce 750,000 Hl of wine, with an average yield of 20 hl/ha.
- There are around 5,500 winegrowers and 144 wineries in the regions². The main varieties in these regions are Red Garnacha (in the four DOs from the region of Aragón) and White Garnacha (in Terra Alta, the Catalanian DO).

The five regions represent 10.23% of bottled wine Spanish exports, being the target markets of the programme the destination of 6.5% of their total production, specially China and Japan. The export market represents 56,6% of their sales, higher than the average 43% of the total Spanish DOs. They produce Red Garnacha (mainly in the 4 DOs from Aragón), Rosé and White Garnacha (mainly in Terra Alta). Garnacha is by far the main variety in these PDOs, representing over 40% of their vineyards (other varieties are Tempranillo, Cabernet Sauvignon or Syrah). Together, they produce 38% of the Garnacha PDO wines in Spain and, specifically, Terra Alta produces 80% of the White Garnacha from Spanish PDOs.³

Garnacha has historically been the traditional variety in these regions and, in spite of the introduction of other grapes during the 20th century, it is still the main variety. After many years of uprooting thousands of hectares of low-yielding old Garnacha vines, they have recently rediscovered their value when it's properly marketed and have started a trend going back to their roots, selling originality and authenticity in the international markets with great success.

As a **previous experience**, both proponents are currently implementing the 734440 — GARNACHA GRENACHE — AGRI-MULTI-2016/AGRI-MULTI-2016-1 Program with 3 million € budget in USA and Canada, as well as the 5 Spanish PDOs in Garnacha Origen successfully launched in 2014 a 3-year European Garnacha/Grenache quality wines promotion programme with the collaboration of the European Commission and the Spanish Ministry of Agriculture. As a result of the campaign, they have boosted trial rates of Garnacha/Grenache wines in the US by 30% (54% in the specific target markets), value market share above 34% and average price per bottle⁴, and they have strengthened the association of the variety with its European origins (mainly France and Spain), developing along the way key capabilities for marketing Garnacha/Grenache as a European generic brand for quality DOP wines.

Other parallel activities launched by the campaign proponents :

- CIVR launched in 2013 and coordinates the annual « Grenaches du Monde » concours, where wines from all over the world (but with a wide majority from Europe) compete every year. In 2017, 684 wines (from Spain, France, Italy, Sardinia, R. of Macedonia, Australia, Libano, Greece and South Africa), were judged by 100 professional tasters from the participating countries plus UK, Belgium, USA, South Korea, Netherlands and Portugal. The medals went mainly to European wines: 51 from France, 108 from Spain, 51 from Italy and 1 from Australia. The 2017 edition changed its location from Roussillon (France) to Sardinia and in 2018 it will go to Terra Alta (Catalonia, Spain), but it is still coordinated by CIVR. The contest will be

¹ Data extracted from PDOs Somontano, Terra Alta, Cariñena, Calatayud and Campo de Borja 2016-2017 harvest reports.

² Data extracted from Spanish Ministry of Agriculture, Food and Environment 2013-2015 harvest reports.

³ Database of Regional, National and Global Winegrape Bearing Areas by Variety, 2000 and 2010, University of Adelaide.

⁴ According with Nielsen's Scantrack® 2013-2017.

coordinated with the campaign and provide great synergies (content, media contacts, reinforced messages...).

- DOP Cariñena has launched an OCM campaign in the USA reinforcing the message that Garnacha is a European grape to be discovered by the international consumer.
- DOP Campo de Borja (whose slogan is « Empire of Garnacha ») organized the 2016 edition of the « Grenaches du Monde » contest in collaboration with CIVR, in order to promote global awareness of the variety, and intends to keep promoting it with complementary activities.
- CITA has several research programmes in collaboration with wineries and PDOs, with the goal of increasing the technical knowledge of the variety and help improve the quality of Garnacha wines. The knowledge developed by CITA will be one of the sources for content used during the campaign.
- AREX has launched several promotional and information activities with the goal of helping individual PDOs and wineries take advantage of the Garnacha/Grenache campaign (e.g. importers agenda, reverse trade missions...) and counts on a fully dedicated expat office in Shanghai (China).

With over 1 million ha, **Spain** is the largest worldwide vineyard area, representing 6,500 million euros in sales each year and 24,000 direct jobs⁵ followed by **France** (794,000 ha). France is the top EU PDO wine producer (13.0%), followed closely by Italy (9.4%) and Spain (8.3%).⁶ It is commonly scientifically accepted that **Garnacha/Grenache** was born in the regions that the proponents represent, and then expanded across Mediterranean Europe, making it the quintessential European Mediterranean variety.

Garnacha/Grenache is one of the top 5 varieties in Europe, which together account for 29% of the total production (the remaining 71% is split among more than 200 grape varieties). Europe is the leading Garnacha/Grenache producer in the world (92% of the production is European, compared with 39% for Cabernet or 70% for Merlot). Garnacha/Grenache is the grape with more significant presence in more than one European country (90,000 ha in France, 70,000 in Spain, 6,000 in Italy...), and the only major European grape where the top three producers are European countries.⁷

Grape varieties are very important in many New World markets. Europe has lost its positioning as the “owner” of many European varieties, as they have become the flagship of New World producers, like New Zealand with Sauvignon Blanc and Argentina with Malbec. The proponents believe that the points above set Garnacha/Grenache as a good candidate to help European DOs position themselves as the “owners” of some varieties in markets where “grape variety” is the first consumer decision variable. If the Garnacha/Grenache is successful (like the efforts in the last years have been), other producers could start similar campaigns with other traditionally European varieties.

⁵ Mercasa – MAGRAMA (2016): Alimentación en España 2015: Vino y Mosto.

⁶ OeMV (2016): El Vino en Cifras.

⁷ Database of Regional, National and Global Winegrape Bearing Areas by Variety, 2000 and 2010, University of Adelaide.

2. Products/schemes and market analysis

Products or schemes that will be promoted or informed upon by the action: Wine with a protected designation of origin (PDO) and carrying an indication of the wine grape variety (Garnacha/Grenache)

CN code of the products: 22042106 (wine in containers holding 2 liters or less with a protected designation of origin (PDO)).

Aligned with the macroeconomic analysis of the Commission's services and EU priorities for third markets, this proposal is addressed at China, Hong Kong, Taiwan, Singapore, South Korea and Japan.

Summary

Nowadays, two countries are driving World wine consumption: the USA and China. **If one would consider the Asian continent as a whole, it is the world's first market for wine consumption, with 4 billion bottles consumed in 2017**, and an exceptional growth potential within the 5 coming years, when imported bottles will account for half of those consumed. **The Chinese market's figures and forecasts are the most impressive in the region, but Asia is also driven by other more mature markets**, adding further potential for growth, a more volume-driven importing behavior, and countries holding a hub position with a potential for further international distribution of wine to the equation.

To fully seize the opportunity that the Asian continent brings, one must see the region as more than solely China. The proponent organizations suggest promoting EU wines with a protected designation of origin and carrying an indication of the wine grape variety Garnacha/Grenache in **China, Japan, Hong-Kong, South Korea, Taiwan, and Singapore**. These markets are respectively the **most important Asian markets for wine importation by volume**, in decreasing order. **Wine consumption in the Asian continent as a whole should grow by 13% between 2017 and 2020.**

Old World (EU-28) wines have been gradually losing market share since New World Wines started to be more present in Asia, majorly because of the recent Free Trade Agreements arranged. However, EU wines' leading position in the main Asian wine markets and unique reputation would benefit from the promotion of quality schemed Garnacha/Grenache based wines. Moreover, the reverse would also be true. **EU wines are facing increasing competition from New World wines.** These wines have adapted their communication strategy to market realities and consumer habits, promoting simpler and modern ways of communication framed around a wine grape variety approach.

Taking into account the complexity, multiple varieties and numerous vineyards that EU wines have to offer, and the relative low knowledge about Garnacha/Grenache in Asia, European producers have now the opportunity to adapt the New World Wines' *modus operandi* to their entry promotional strategies. This, together with the main **advantage** of Old Wines', being the origin of wine tradition, aligned with the history, quality and authenticity of their products reflected in the quality symbols systems, can be elements of success when penetrating the Asian market. Therefore, the **challenges** of EU wine producers include being able to simplify and modernize their communication by framing their strategy around Garnacha/Grenache, which could help them face the growing competition of New World wines, while Garnacha/Grenache would benefit from the

unique reputation of wines from the *old* continent. Most importantly, framing communication around a wine grape variety approach would allow all Garnacha/Grenache European producers to take the best out of being associated to the EU quality standards and message (Enjoy! It is From Europe), strengthen their promotional efforts and encouraging brand awareness in the process.

The overall wine consumption in Asia can be concentrated mostly on three different segments: Western expatriates, high-income citizens and the newcomers' middle classes. Nevertheless, females and young generations have arisen as the two population segments who have started to boost Asian wine consumption, more open to try new wines and receive information. Despite certain profile differences of the targeted countries, the main segments share a medium-high purchasing power by average and are very attracted to Western consumption patterns.

Geographically, the largest concentration of import wine occurs in **major urban centers** like Beijing and Guangzhou / Shenzhen in China, Taipei in Taiwan, Seoul in South Korea and Tokyo in Japan, with high concentration in major cities. Furthermore, commercial hubs such as Shanghai and Hong Kong comprise more mature markets with more experienced wine consumers. Currently, there is been visible an increasing trend in wine imports of moving to more centric regions (**2 & 3-Tier cities**)⁸ such in the case of China, as a consequence of the rise of high middle classes. As a result, Euromonitor (2017) has predicted "grape wine consumption to spread out widely across the country (...) to emerging lower-tier cities, which provide a huge potential opportunity due to low product penetration. This will help wine to grow at a CAGR of 5% in total volume terms."⁹

Among these Asian markets, wine consumption is more guided by **type, country and region of origin**, rather than grape varieties. The product design is also an important driver of wine purchasing decisions. If we ask a consumer from each targeted country, what grape varieties they know, the three most often mentioned are New world's related Cabernet-Sauvignon, Merlot and Pinot Noir. Garnacha/Grenache ranks between 9 and 12¹⁰, coming after Gamay, Shiraz, Malbec, and Zinfandel. However, Asia's lack of awareness of Garnacha/Grenache would be a non-issue, as the selected **approach** of associating EU wines with Garnacha/Grenache will be **new** for the Asian wine market. This approach began with New World Wines, basing their communication around this approach, increasing their notoriety and their overall exports. As a result, the **objective** is to anticipate this new trend, making Garnacha/Grenache the flagship for EU quality wines.

⁸ The Wall Street Journal (2017): *China's "Second-Tier" Cities Take Off*. Available at <http://online.wsj.com/ad/article/chinaenergy-cities>

⁹ Euromonitor International (2017): *Wine in China*. Available at <http://www.euromonitor.com/wine-in-china/report>

¹⁰ Vinitrack ©.

Final Overview: the Asian Market

As a result of the previous analysis and the synthesis included under the previous SWOT pages; overall, the marketing strategies proposed in next sections will be oriented and based on the market and product analysis extracted from this Section nº2. Below, there is a summary of the main points to be taken into account for the proponent organizations when promotion *Garnacha/Grenache* in the targeted countries:

Figure 5: General SWOT for Asia.

Strengths	Weaknesses
<p>“Being new”: <i>Garnacha/Grenache</i> can become a trend for new Asian potential consumers, who usually look for different experiences and knowledge about exotic grapes and regions (with an additional good price-quality ratio).</p> <p>European wine enjoys good reputation and the Mediterranean culture is being proliferated successfully within the off-trade channel.</p> <p>EU trade agreements with different regions.</p>	<p>Low knowledge and awareness of <i>Garnacha/Grenache</i>.</p> <p>European producers are in a vulnerable position regarding grape variety and structure:</p> <ul style="list-style-type: none"> • Grape variety: There are <u>no mainstream grape varieties clearly associated with Europe</u>. • Structure: Winery size is key in order to support the marketing effort needed to develop brands that are relevant to the final Asian consumer. European producers lack the size, financial and operational capabilities to do this.
Opportunities	Threats
<p>Collaboration with the market stakeholders. Shorten intermediaries. Getting in touch with the new e-commerce platforms.</p> <p>Main hubs & cities, as well as 2 & 3-Tier cities (China)</p> <p>Adapt to Asian consumers’ preferences:</p> <ul style="list-style-type: none"> • Product presentation: wide variety of formats, attractive and colorful bottle design, English labels, and Region descriptions. • Promote softer, fruitier and “warmer” wines (which can be more robust in the case of Taiwan). • Encourage tastings pairing with traditional Asian food. 	<p>Competition is sharp and is intensifying dramatically due to a wider access to distribution channels. Supply grows faster than demand and penetration must be effective and quick.</p> <p>Promotional costs are very expensive: the entry barriers (even these are diminishing), the competition of domestic (Asian) competitors, the need of adapting to the Asian consumer tastes and the language barrier require an important follow-up and efficient management.</p> <p><i>Garnacha/Grenache</i> is beginning to being produced by New World Wines, competitors already established in the market.</p>

The **challenge** for European *Garnacha/Grenache* in the next years is to become a mainstream grape variety, allowing European wines to obtain the same impact as New World Wines with a grape variety approach.

European wineries can deal with these disadvantages combining the effort of many producers and PDOs in order to build bigger umbrella brands around European grapes like *Garnacha/Grenache*. In the last years, the proponents have proved that they are willing and able to do it.

3. Action objectives

The proposed campaign has defined SMART³⁵ objectives based on the insights of the previous analysis and aligned with the general and specific objectives set out in Article 2 and 3 of Regulation (EU) No 11 1144/2014.

The expected ultimate impact is to enhance the competitiveness and consumption of Union agri-food products, raise their profile and increase their market share in these targeted countries. As a result, the general objective is to enhance the competitiveness, consumption and market share of EU quality wines, specifically those produced with Garnacha/Grenache varietal.

Specifically, the **main action objectives** for the period (3 years) of the campaign are the following by order of priority (the quantified objectives show the impact reached in the final year of the period of the programme):

1. To increase the market share of Union agricultural products and certain food products, specifically focusing on those markets in third countries that have the highest growth potential, by enhancing the consumption of EU Garnacha/Grenache quality wines in Asia (China, Taiwan, Hong Kong, Singapore, Japan and South Korea), improving exports, market share and penetration indicators.

- **Market share:**
 - Indicator: As previously mentioned in Section 2, EU-28 wines have been gradually losing market share against New World Wines, that's why this multi program aims to maintain EU wines' leading position.
 - Target: to **help maintaining world's #1 exporter in Asia both in terms of volume and, specially, value** by the end of 2021.
- **Consumer trial share:**
 - Indicator: % of regular Asian wine consumers (once per month or more) who **have tried Garnacha/Grenache wines** in the previous 6 months.
 - Target: An increase of 20% in the current trial share from the current 3% (around 0.6 pp).
- **Macroeconomics:**
 - Indicator: **EU-28's exports to Asia** in terms of value and volume³⁶.
 - Target: An increase of 0.5%, meaning -at least- an increase of 23.190 hl and 8.345.000 € (resulting on a total ROI of 2,32 = 232%)³⁷

³⁵ SMART : specific, measurable, achievable, result-focused and time-bound.

³⁶ Wine CN 2204 trade – exports from EU – 28 in 2016 have been established by Agri G2 (Comext) and Eurostat at 3.249.000 hl and 922 € mio in China, as well as 1.389.000 hl and 747 € mio for Japan.

³⁷ Taking into account the total program investment = 3.600.000 €.

2. **Enhance the competitiveness of EU Garnacha/Grenache quality wines, by increasing awareness as a EU agricultural product and raising their profile in high growth third countries (Asia)**, improving the indicators in consumer surveys of 1) association with Europe as the main producer and 2) evaluation as a quality product.
- **Association of Europe as the main producer:**
 - Indicator: % of regular wine consumers (once per month or more) that mention EU members when asked about Garnacha/Grenache producing countries.
 - Target: Above 30%.
 - **Evaluation of European Garnacha/Grenache as a quality product:**
 - Indicator: average quality score (0 to 10) of EU Garnacha/Grenache wines from regular wine consumers who have mentioned EU members as producers.
 - Target: Above 7 points.

These objectives are in line with the promotion regime listed in Art. 2 and 3 of the Regulation 1144/2014. They also are in line with the priorities of the 2018 annual work programme for multi programmes in third countries. Furthermore, the objectives have been estimated to be achievable, given the experience of the applicants in similar third country programs (for example, taking into account the current impact of the campaign that Garnacha Origen has executed from 4 February 2014 to 3 February 2017 in the North American market) as well as the MULTI Program n° 734440 in the USA and Canada from January the 1st 2017 to December the 31st 2019.

The proposed action secondary objectives are:

- Opening the door for single variety promotion by EU producers in growing and emerging markets where grape variety is important for consumers.
- Setting up and improving the **collaboration** of PDOs and producers from **neighboring EU members in third countries**.

4. Action strategy

Based on the market analysis presented in Section 2 and Section 3's SMART objectives, this section describes the chosen strategy in relation to the planned objectives and target markets.

After decades of consolidation, **New World** wineries have gained a relevant average size, which has helped them build strong brands, investing heavily in marketing and sales activities. European wines have traditionally followed a strategy of using PDOs and countries of origin as umbrella brands, but they have not significantly used grape varieties as a relevant message in their communication. The **challenge** for European Garnacha/Grenache in the next years is to become a mainstream grape variety, allowing European wines to obtain the same impact as New World Wines with a grape variety approach. European wineries can deal with these disadvantages combining the effort of many producers and PDOs in order to build bigger umbrella brands around European grapes like Garnacha/Grenache. In the last years, the proponents have proved that they are willing and able to do it.

Furthermore, the average size of European wineries is much smaller than New World wineries, which makes it difficult for them, except for a minority, to reach the economies of scale necessary to market directly to consumers and build strong brands. One key challenge for European wines is to be able to develop umbrella brands that can compensate their small average size, and the need for these umbrella brands to be relevant for the Asian consumers, who have different drivers than Europeans.

European producers have on their side the advantage of being the **origin of wine history and tradition**. This is reflected in their authenticity, their history, and in the diversity of their wine styles. On top of that, the cultivated surface of some European grapes, like Garnacha/Grenache, is much higher (192,455 Ha, of which 178,628 in Europe) than other grapes that have become mainstream in the world market (Zinfandel with 32,755 Ha worldwide, Syrah 184,834 Ha, Sauvignon Blanc 111,549 Ha, Pinot Noir 98,744 Ha, or Malbec 40,663 Ha). As a result, there is an **opportunity** for European wines to become the "owners" of **traditional European varieties** using the "Enjoy, it's from Europe" visuals together with the quality schemes system in order to reinforce the quality and authenticity of the varietal wines.

In order to succeed, the action strategy has been developed directly related to objectives and according to specific efficiency criteria:

- **Simplicity of the message: USP (Unique Selling Proposition)** The message will gain effectiveness by focusing on a few simple messages around Garnacha/Grenache, its European origin, its characteristics (specific features of EU agricultural production methods and products, such as food safety, traceability, authenticity, labelling, nutritional and health aspects, respect for the environment and sustainability, and the characteristics of EU agricultural and food products, particularly in terms of their quality, taste, diversity or traditions) as well as the quality of EU PDOs that produce Garnacha/Grenache wines, benefiting from the high consideration of most Asian consumers towards the "European" origin. Originally, proponents have been using "European Quality Garnacha/Grenache Wines", however, the main slogan will be adapted to each language and area, p.e.:

欧洲优质加纳卡/歌海娜葡萄酒 (Simplified Chinese)

ヨーロッパ品質のガルナチャ/グルナッシュワイン (Japanese)

유럽 품질의 Garnacha / Grenache 와인 (Korean)

➤ **Adaptation to each region:** given the language and cultural differences (among others) are very specific to each region, a custom-made strategy has been designed.

➤ **Key players/stakeholders engagement:** potential consumers segments described in Section 2 will be reached via key players (wine professionals: importers, distributors, wholesalers, staff, etc. and influencers in each country, mainly media, and sommeliers) in order to maximize the impact of the program's investment.

Segment focus: In order to gain communication efficiency, the strategy will focus on consumers segments more open to wine information and recommendations to try new wines. Even though the campaign will probably impact all segments of consumers, the activities have been designed to prioritize influencing stakeholders and to adapt to target segments: activities are designed around the behaviour of the target segments (sources of recommendations, purchasing behaviour...).

➤ **Geographical focus:** In a big market like Asia, which is also very fragmented geographically, it is much more effective to reach a minimum awareness threshold by focusing on specific markets, which we have already defined: China, Japan, South Korea, Hong-Kong, Taiwan and Singapore. To maximize the effort on each region, we will target the biggest growth potential areas. The geographical markets have been prioritized by the volume and value of imported wines and by their openness to trade. There are three main areas of action:

- Main city/capitals: Singapore, Hong Kong and Taipei (Taiwan).
- Several cities (Metropolitan areas): Japan and South Korea
- China's on-trade and off-trade main cities (Shanghai, Beijing, Guangzhou, Shenzhen, ...) as well as 2 & 3-Tier cities.

➤ **Synergies.** There are synergies when several activities take place at the same time, gaining intensity and reinforcing each other.

➤ **Efficient execution:** The campaign's organization and coordination has been designed to optimize resources. Facing such a plural geographical focus, playing with multiple countries and languages, the proposing organizations will work with a single implementing body to make sure the strategy is successfully implemented, avoiding the creation of a chaotic management of the program.

However, given market, language and cultural differences (among others) are very specific to each region; a **custom-made strategy** has been designed for each area, described in the following pages (Figures 6 to 11).

China	Targets	<p>1. Women and young people from wealthy families in the middle class are particularly important consumers: In 2016, 50% of Chinese wine consumers were between 25 and 44 years old. It is estimated that the 18-22 age group is already spending more than all other age groups on wine purchases. They like to share with friends, with family, and are influenced by Western culture in their daily lives. They are attentive to new information, and to new products that facilitate socialization.</p> <p>2. China-based Western expats and tourists. China-based Western expats are influencers for the native Chinese, and they often participate in events promoting Western products and have friends working in the wine industry. They are a good target-audience to receive information and then transfer it to domestic Chinese. Tourists are increasingly important; tourists come from around the world and are often wine consumers who stay at 4-5 star hotels when in China.</p>		
	Geographical areas	<p>Our program will prioritize geographical areas with a highest concentration of imported wines and with trade that is more open. Some activities will take place outside of those areas, to take advantage of some marketing opportunities (2nd-3rd tier cities), but our effort will focus on 3 specific areas. The consumption of Western products is mainly concentrated on the coastal zone, around and in the main cities of the country (Shanghai, Beijing and Guangzhou / Shenzhen).</p>	<p>Shanghai: 24,300,000 inhabitants The municipality borders the provinces of Jiangsu and Zhejiang to the North, South and West, bringing a total population of 158 million.</p>	<p>The municipality borders the provinces of Jiangsu and Zhejiang to the North, South and West, bringing a total population of 158 million.</p>
	<p>Beijing municipality: 21,000,000 inhabitants</p>		<p>Beijing Municipality is surrounded by Hebei Province with the neighboring Tianjin Municipality to its Southeast, bringing a total population of 94 million.</p>	
	<p>Guangzhou-Shenzhen: 21,000,000 inhabitants</p>		<p>The total population of Guangdong province is 108 million.</p>	
2 & 3-Tier cities	<p>Slowing demand in first- and second-tier cities has forced some national wineries to turn their attention to emerging lower-tier cities, which provide a huge potential opportunity due to low product penetration. Such is the case of: Ningbo, Chengdu, Kunming, Harbin, Foshan, Zhengzhou, Dongguan, Nanjing, Qingdao, Tianjin, Hangzhou, Xi'a), 内蒙古呼和浩特Hohehot, 内蒙古包头, Baotou, 甘肃银川市, Yinchuan, Ganzhou, 江西南昌Nanchang, 湖北武汉Wuhan and 湖南长沙 Changsha, among others.</p>			
Goals	<p>G.O.1: EU-28's exports to Asia Market share: maintaining world's #1 exporter in Asia. Consumer trial share</p> <p>G.O.2: Association of Europe as the main producer: Evaluation of European Garnacha/Grenache as a quality product: Association of Europe as the main producer</p>	<p>Considering the low awareness of Garnacha/Grenache in China, our 1st target, segments of consumers, cannot be reached without supporting our 2nd target, wine professionals (stakeholders). The campaign will increase awareness through Public relations (press trips), Communication tools, in-store tastings, Stands at trade fairs, online store collaborations and events, to our two levels of targets: final consumers and wine stakeholders (importers, distributors, wholesalers, buyers, media, etc.). Events will increase awareness to our targeted professionals only if they are tailored to them, helping them in turn to deliver a more detailed information to our 1st target: the consumers.</p> <p>Press events (press trip recruitment) Communication tools (materials & giveaways) Stand at trade fairs Seminars, workshops and B2b meetings Importers' study trips to Europe Events: Tasting dinners and tasting events with stakeholders (sommers, consumers, buyers, distributors, media, wholesalers) In-store tastings Online-store collaboration</p>		

Hong Kong	Targets	Between 2004 and 2010, wine consumption in Hong Kong more than doubled. This trend has subsequently been confirmed and growth forecasts are ongoing for the coming years. There are 4 typical profiles of wine consumers in Hong Kong that we cannot reduce to 2 segments only, considering the size of this market, i.e. city-country.	1. Western expats, who are looking for a wide variety of products and have relatively stable consumption patterns; 2. Chinese born and educated abroad, who combine traditional Chinese culture with Western consumer habits; 3. Chinese citizens with strong purchasing power, who perceive wine consumption as being associated with high social status and a sign of Westernization 4. The middle class, with an increased purchasing power, consumes wine mainly occasionally.
	Geographical areas	The geographical area is Hong Kong. If we have opportunities, we could consider events as well in Macau, which is a high potential spot of tourism, and high concentration of luxury hotels and casinos. But the number of importers in Macau is low, and for most of them, they are from Hong Kong or China mainland, with a small office based in Macau to satisfy the local orders, but the buying of wines is centralized in Hong Kong or China.	Hong Kong (including new territories): 7,400,000 inhabitants
	Goals	<p>G.O.1: EU-28's exports to Asia Market share: maintaining world's #1 exporter in Asia. Consumer trial share</p> <p>G.O.2: Association of Europe as the main producer: Evaluation of European Garnacha/Grenache as a quality product: Association of Europe as the main producer</p>	<p>Considering the low awareness of Garnacha/Grenache, our 1st target, segments of consumers, cannot be reached without supporting our 2nd target, wine professionals (stakeholders).</p> <p>The campaign will increase awareness through Public relations (press trips), Communication tools, in-store tastings, Stands at trade fairs, online store collaborations and events, to our two levels of targets: final consumers and wine stakeholders (importers, distributors, wholesalers, buyers, media, etc.).</p> <p>Events will increase awareness to our targeted professionals only if they are tailored to them, helping them in turn to deliver a more detailed information to our 1st target: the consumers.</p>

Taiwan	Targets	<p>The Taiwanese market's profile is quite similar to Korea's, in terms of consumer profiles and evolution, partly due to US influence. Also like Korea, Taiwan's wine market possesses strong potential. Taiwan is also witnessing an emerging sommelier position.</p>		<p>1. Young generation and women. The growth of the Taiwanese wine market can be attributed to women, and young people born between 1980 and the mid-1990. Our program will prioritize geographical areas with a high concentration of imported wines and with trade that is more open. Some activities will take place outside of those areas, to take advantage of some marketing opportunities.</p>		
	Geographical areas	<p>Our program will prioritize geographical areas with a high concentration of imported wines and with trade that is more open. Some activities will take place outside of those areas, to take advantage of some marketing opportunities.</p>		<p>12 million people are living in 3 cities, representing more than 50% of the total population</p>		
					<p>1. Taipei: 2,800,000 inhabitants New Taipei City (= Greater Taipei area) has a population of 4 million.</p> <p>2. Kaohsiung city: 2,800,000 inhabitants</p> <p>3. Taichung: 2,700,000 inhabitants</p>	
Goals		<p>G.O.1: EU-28's exports to Asia Market share: maintaining world's #1 exporter in Asia. Consumer trial share</p> <p>G.O.2: Association of Europe as the main producer: Evaluation of European Garnacha/Grenache as a quality product: Association of Europe as the main producer</p>	<p>Considering the low awareness of Garnacha/Grenache, our 1st target, segments of consumers, cannot be reached without supporting our 2nd target, wine professionals (stakeholders). The campaign will increase awareness through Public relations (press trips), Communication tools, in-store tastings, Stands at trade fairs, online store collaborations and events, to our two levels of targets: final consumers and wine stakeholders (importers, distributors, wholesalers, buyers, media, etc.). Events will increase awareness to our targeted professionals only if they are tailored to them, helping them in turn to deliver a more detailed information to our 1st target: the consumers.</p> <p>Press events (press trip recruitment) Communication tools (materials & giveaways) Stand at trade fairs Seminars, workshops and B2b meetings Importers' study trips to Europe Events: Tasting dinners and tasting events with stakeholders (somm, consumers, buyers, distributors, media, wholesalers) In-store tastings</p>			

Japan	Targets	<p>The people who consume the most wine in Japan are women and young people. There are more than 36 million regular wine consumers (Wine & Gourmet Japan, 2016).</p>		<p>1. Women and young people. These consumers have a clear preference for imported wines. Young consumers aged 20 to 34 say they choose wine first because they see it as a drink of choice, to be consumed on a daily basis. These wine lovers usually consume less beer.</p> <p>2. Amateurs and sommeliers. <i>Sommellerie</i> is very important in Japan. There are 8,000 professionals and amateur sommeliers. Those who practice it as a profession hold significant influence on importers, especially those practicing it in 5-star hotels or Michelin star restaurants.</p>
	Geographical areas	<p>Our program will prioritize geographical areas with the highest concentration of imported wines and with trade that is more open. Some activities will take place outside of those areas, to take advantage of some marketing opportunities.</p> <p>The Tokyo and Osaka regions account for nearly 60% of wine sales, although real opportunities exist in secondary provincial cities. It is the younger generation that drives the wine market in Japan.</p>	<p>Tokyo: 13,600,000 inhabitants</p>	<p>Greater Tokyo is ranked as number one in the World with a population of 42 million.</p>
			<p>Osaka: 2,700,000 inhabitants</p>	<p>Osaka, Kyoto and Kobe, make up the Keihanshin urban area, which has a total population of 19 million.</p>
	Goals	<p>G.O.1: EU-28's exports to Asia Market share: maintaining world's #1 exporter in Asia. Consumer trial share</p> <p>G.O.2: Association of Europe as the main producer: Evaluation of European Garnacha/Grenache as a quality product: Association of Europe as the main producer</p>	<p>Japan is the most mature market in Asia. Knowledge about wines is higher than the other Asian countries. But the awareness of Garnacha/Grenache is low. Wines that are consumed outside of the home are present in the many restaurants, usually specialized in Western cuisine, or in specialty bars. Some consumer habits are now firmly rooted in Japanese customs and most wines are consumed at home. In this sense, the consumption of wines at low cost is becoming more important. Most wine lovers still supply themselves from supermarkets, "discounters" and department.</p> <p>Considering the low awareness of Garnacha/Grenache, our 1st target, segments of consumers, cannot be reached without supporting our 2nd target, wine professionals (stakeholders). The campaign will increase awareness through Public relations (press trips), Communication tools, in-store tastings, Stands at trade fairs, online store collaborations and events, to our two levels of targets: final consumers and wine stakeholders (importers, distributors, wholesalers, buyers, media, etc.). Events will increase awareness to our targeted professionals only if they are tailored to them, helping them in turn to deliver a more detailed information to our 1st target: the consumers.</p> <p>Press events (press trip recruitment) Communication tools (materials & giveaways) Stand at trade fairs Seminars, workshops and B2b meetings Importers' study trips to Europe Events: Tasting dinners and tasting events with stakeholders (somm, consumers, buyers, distributors, media, wholesalers) In-store tastings</p>	

South Korea	targets	South Korea is believed to be one of the most promising markets in Asia, for the next decade. This is partly explained by a strong development of <i>Sommellerie</i> in Korea and westernization of the young generation. While consumption of strong alcohol has started to decrease, Korea remains one of the biggest alcohol consumption markets in the world. Wine has already begun to take market shares, but the potential remains strong.		1. Young generation and women , who increasingly consume wine, are today the real engines of growth in wine consumption.
	geographical areas	Our program will prioritize geographical areas with a high concentration of imported wines and with trade that is more open. Some activities will take place outside of those areas, to take advantage of some marketing opportunities, but our effort will focus on 2 specific areas.	1. Seoul: 11,000,000 inhabitants	2. Young Korean seniors (aged 44-65) refuse to be considered "old". They want to make the most of life and spend their free time partaking in many activities.
			2. Busan: 3,700,000 inhabitants	Greater Seoul accounts for 50% of the Korean population, other opportunities exist in secondary cities, especially Busan. It is the younger generation, living majorly in greater Seoul, which drives the wine market in Korea. Greater Seoul area has a population of 26 million Greater Busan area has a population of 4.5 million.
Goals	G.O.1: EU-28's exports to Asia Market share: maintaining world's #1 exporter in Asia. Consumer trial share	Our segments target, the young generation, women, and young seniors have their consumption of wine driven by recommendations. A Korean wine consumer's main influence when drinking out, whether in a restaurant or bar, is the sommelier. When for home consumption, Korean consumers are still very attentive to the origin of the wine, and European wines have a unique reputation. Similarly, to other Asian countries, stakeholders are the key to success.	Considering the low awareness of Garnacha/Grenache, our 1st target, segments of consumers, cannot be reached without supporting our 2nd target, wine professionals (stakeholders). The campaign will increase awareness through Public relations (press trips), Communication tools, in-store tastings, Stands at trade fairs, online store collaborations and events, to our two levels of targets: final consumers and wine stakeholders (importers, distributors, wholesalers, buyers, media, etc.). Events will increase awareness to our targeted professionals only if they are tailored to them, helping them in turn to deliver a more detailed information to our 1st target: the consumers.	
	G.O.2: Association of Europe as the main producer: Evaluation of European Garnacha/Grenache as a quality product: Association of Europe as the main producer	Press events (press trip recruitment) Communication tools (materials & giveaways) Stand at trade fairs Seminars, workshops and B2b meetings Importers' study trips to Europe Events: Tasting dinners and tasting events with stakeholders (somms, consumers, buyers, distributors, media, wholesalers)		

Singapore	targets	<p>With a population of 5.7 million in 2017, Singapore represents a relatively small but growing market, which is also the most developed in Southeast Asia. The interesting thing with Singapore is its position of hub to redistribute wines to neighboring countries, even if this specificity becomes less and less important with the development of the other Southeast Asian countries. Singapore remains an interesting sizeable market with a high average revenue of its population, and one of the highest level of knowledge about wine in Asia. Singapore can be compared to Hong Kong. This market's potential is strengthened by the presence of a large expatriate community with high purchasing power and by mass tourism.</p>		<p>1. Expatriated foreigners: they may be a minority (around 200,000 in 2017) but they possess a considerable influence on the country's wine landscape.</p>
	geographical areas	Singapore HUB		
	Goals	<p>G.O.1: EU-28's exports to Asia Market share: maintaining world's #1 exporter in Asia. Consumer trial share</p> <p>G.O.2: Association of Europe as the main producer: Evaluation of European Garnacha/Grenache as a quality product: Association of Europe as the main producer</p>	<p>Considering the low awareness of Garnacha/Grenache, our 1st target, segments of consumers, cannot be reached without supporting our 2nd target, wine professionals (stakeholders). The campaign will increase awareness through Public relations (press trips), Communication tools, in-store tastings, Stands at trade fairs, online store collaborations and events, to our two levels of targets: final consumers and wine stakeholders (importers, distributors, wholesalers, buyers, media, etc.). Events will increase awareness to our targeted professionals only if they are tailored to them, helping them in turn to deliver a more detailed information to our 1st target: the consumers.</p>	
		<p>Press events (press trip recruitment) Communication tools (materials & giveaways) Stand at trade fairs Seminars, workshops and B2b meetings Importers' study trips to Europe Events: Tasting dinners and tasting events with stakeholders (sommers, consumers, buyers, distributors, media, wholesalers) In-store tastings</p>		

5. EU dimension of the action

The proposing organizations are aware that a campaign focused on the European variety Garnacha/Grenache will benefit not only their interests but also result on an important collateral effect on many other European Garnacha/Grenache producers in several countries. The proposing organizations are confident about the fact that a general effect on Garnacha/Grenache sales will be beneficial for them due to their representativeness in the EU winemaking sector for Garnacha/Grenache.

The term Garnacha/Grenache will always be used in the communication reflecting the product as a European multi-country variety.

The main objective of the programme implemented in Asia will have effect on increased competitiveness and consumption of Garnacha/Grenache wines on a European level (especially in France, Spain and Italy, but also in other producing countries like Greece):

- The campaign focuses on one European product (Garnacha/Grenache PDO/IGP wines).
- The goal is to position European wine producers (in general) as the experts on Garnacha/Grenache among Asian trade, opinion leaders and consumers. The focus on specific PDO producers only comes at a second level.
- Garnacha/Grenache is the mainstream European grape (among the top 3 quality wine grapes in the EU)...
 - ...more predominantly planted in Europe (with significant presence in more than one country)
 - ...with no significant presence out of Europe.

Figure 12. Top 10 EU quality wine varieties by Ha and top 3 producing countries (% of world's Ha)³⁸

Rank	Grape Variety	World Ha	EU Ha	EU %	#1		#2		#3	
1	Tempranillo	232.544	225.174	97%	Spain	89%	Portugal	7%	Argentina	3%
2	Merlot	267.215	186.789	70%	France	43%	Italy	10%	United States	9%
3	Garnacha/Grenache	192.455	178.628	93%	France	50%	Spain	39%	Italy	4%
4	Cabernet Sauvignon	288.781	112.789	39%	France	19%	Chile	14%	United States	12%
5	Trebbiano Toscano	111.549	107.646	97%	France	75%	Italy	20%	Argentina	2%
6	Syrah	184.834	99.335	54%	France	36%	Australia	23%	Spain	11%
7	Chardonnay	199.632	85.519	43%	France	23%	United States	20%	Australia	14%
8	Bobal	80.120	80.120	100%	Spain	100%				
9	Sangiovese	77.810	73.219	94%	Italy	92%	Argentina	3%	France	2%
10	Monastrell	69.748	67.839	97%	Spain	84%	France	13%	Australia	1%

³⁸ Extracted from Anderson, K. and N.R. Aryal, *Database of Regional, National and Global Winegrape Bearing Areas by Variety, 2000 and 2010*, University of Adelaide Wine Economics Research Center (December 2013, revised and expanded July 2014).

Following the previously described USP³⁹, the campaign will increase the awareness and commercialization of European production standards, quality and safety standards applicable to European food products, European dietary practices and culture. This increased awareness of the quality symbols will help quality producers all over Europe. The 19 proponent PDOs and 3 IGP members will underline messages related with the guarantees provided by the European origin, for example:

- The cultivation and production traditions and quality are guaranteed by the EU quality symbols system.
- There are specific rules in each PDO that provide consistent standards for the consumer (for example, the minimum age for a vine to be considered “old vine”, the number of months that the wine has to spend in oak barrels, the limits to blending grapes, etcetera).
- The EU and the PDOs have specific rules related with labeling a wine as a monovarietal Garnacha/Grenache, and the procedures to guarantee it.

The 19 PDOs and 3 IGP from two Member States will obtain synergies from their collaboration. They will contribute with their resources to one common objective that would be very difficult to reach for each one of them separately. Furthermore, the participation of two Member States will underline the fact that Garnacha/Grenache is a cross-national European variety.

Finally, the successful implementation of the programme could help European producers of other typically European varieties to launch similar collaborative campaigns in markets where this is a key purchasing decision.

³⁹ Section 4, Strategy : «Simplicity of the message: USP (Unique Selling Proposition) The message will gain effectiveness by focusing on a few simple messages around Garnacha/Grenache, its European origin, its characteristics (specific features of EU agricultural production methods and products, such as food safety, traceability, authenticity, labelling, nutritional and health aspects, respect for the environment and sustainability, and the characteristics of EU agricultural and food products, particularly in terms of their quality, taste, diversity or traditions) as well as the quality of EU PDOs that produce Garnacha/Grenache wines, benefiting from the high consideration of most Asian consumers towards the “European” origin. Originally, proponents have been using “European Quality Garnacha/Grenache Wines”, however, the main slogan will be adapted to each language and area, p.e.(...) ».

WP 2 - PUBLIC RELATIONS

Public Relations implementation will create the foundation for all communications in Asia, generating information for both professionals and consumers, gaining editorial coverage, and ensuring an on-going communication with the local Media, basic success steps for a notorious and legitimate awareness increase.

Final PR activities recipients are the consumers, and the professionals. Media targeted for the PR activities in Asia are all accessible by our different levels of targets. The professional media print will target first the professional, influencers, as importers, retailers, sommeliers, and wine lovers/connoisseur. But with the development of the digital media, and bloggers, the info published is also duplicated, then accessible by our global audience targeted, which includes our targeted consumers. The Media coverage in Asia, is national for Japan, South Korea, Taiwan, Singapore, and for China, National (such as Wine in China) and Regional (such as Wine, Fine Wine Liquor in South of China). Then our geographical areas targeted for their high potential of consumption in every country/area will be automatically covered by the media selected for the campaign.

The proponents find **press trips as the most efficient way to obtain quality press coverage** in the market, as a result of experiencing directly European quality wine production, terroir, appellations, lifestyle and culture. The team will analyze editorial opportunities proposed by suppliers, especially Lifestyle, Digital gastronomic media and Wine specialized outlets and overview the implementation of press releases and the delivery of samples to interested journalists.

Figure 16: detailed budget for WP 2

Activity title	Press events		
Specific objectives	10 journalist visiting Europe's Garnacha vineyards yearly		
Description of activity	Planning, coordination recruitment and implementation of trips and events for wine-specialized media outlets High quality profiles travel to allow the media to discover the diversity of European Garnacha/Grenache growing areas (giving Ambassadors and articles in exchange)		
	Year 1	Year 2	Year 3
Deliverables	Report on PR events	Report on PR events	Report on PR events
Budget analysis:	Including: Air flight tickets Accommodation Transportation fees on site Lunches and dinners Survey and Report Agency fees (recruitment & accompaniment)	Including: Air flight tickets Accommodation Transportation fees on site Lunches and dinners Survey and Report Agency fees (recruitment & accompaniment)	Including: Air flight tickets Accommodation Transportation fees on site Lunches and dinners Survey and Report Agency fees (recruitment & accompaniment)
B. Direct cost of subcontracting	China 18.100,00 € (total for 3 events) Japan 18.100,00 € (total for 3 events) Corea del Sur 13.750,00 € (total for 2 events) Taiwan 4.350,00 € (total for 1 event) Singapore 4.350,00 € (total for 1 event)	China 18.100,00 € (total for 3 events) Japan 18.100,00 € (total for 3 events) Corea del Sur 13.750,00 € (total for 2 events) Taiwan 4.350,00 € (total for 1 event) Singapore 4.350,00 € (total for 1 event)	China 18.100,00 € (total for 3 events) Japan 18.100,00 € (total for 3 events) Corea del Sur 13.750,00 € (total for 2 events) Taiwan 4.350,00 € (total for 1 event)

			Singapore 4.350,00 € (total for 1 event)
	58.650,00 €	58.650,00 €	58.650,00 €
	Implementing body		
A. Direct personnel costs	5.354,003 €	7.493,53 €	7.493,53 €
TOTAL	64.004,03 €	66.143,53 €	66.143,53 €

The team will devote to PR WP a 5,5%: 8,8 man-months equivalents (6,2 from Garnacha Origen and 2,6 from CiVR) of 161,5 man-months during the 3 years of the campaign.

WP – WEBSITE, SOCIAL MEDIA AND ADVERTISING

Following a transversal efficient spirit, as well as taking into account market research findings and the key strategic points, proponents have considered the opportunity of launching specific websites, social media and ads (whether printed or online). However, language diversity and servers limitation in several targeted countries affect at the resources that must be invested to create a successfull digital and/or advertising campaign; reason why it’s been finally decided to focus the programs’ resources in more efficient results-driven activities, alligned with the chosen strategy.

WP 3 - COMMUNICATION TOOLS

Communication tools such as visuals (press kit, brochures, banners, POS, visuals, educative materials...) and videos will assure key messages development and adaptation throughout the different components of the campaign. Creating a unique brand platform for European Garnacha/Grenache quality schemed wines will create synergies and leverage individuals’ exposition and vivid memory to activations during the length of the program, reinforcing the USP main European message through the campaign’s implementations.

Thanks to such a unique brand platform creating synergies among all activities and targeted markets, the program will disseminate information and promote several specific features of EU agricultural production methods and products, such as food safety, traceability, authenticity, labeling, nutritional and health aspects, respect for the environment and sustainability, and the characteristics of EU agricultural and food products, particularly in terms of their quality, taste, diversity or traditions (USP).

Figure 17: detailed budget for WP 3

Activity title	Publications, media kits, promotional merchandise		
Specific objectives	Transversal materials production		
Description of activity	Brand platform content creation and development. Communication materials’ copy/design updates, key messages development & adaptation throughout the different components of the campaign.		
	Year 1	Year 2	Year 3
Deliverables	Communication concept (M3) Report on communication tools (POS materials, banners..., M12)	Report on communication tools (POS materials, banners..., M24)	Report on communication tools (POS materials, banners..., M36)

Budget analysis: B. Direct cost of subcontracting	Key messages, brand's look & feel POS (table runners, Z-maps, posters, brochures, etc.) Collateral designs (POS, Banners, ads,...) Design (10.000 €) Production and shipment (40.000 €)	Key messages, brand's look & feel POS (table runners, Z-maps, posters, brochures, etc.) Collateral designs (POS, Banners, ads,...) Design (10.000 €) Production and shipment (40.000 €)	Key messages, brand's look & feel POS (table runners, Z-maps, posters, brochures, etc.) Collateral designs (POS, Banners, ads,...) Design (10.000 €) Production and shipment (40.000 €)
	50.000,00 €	50.000,00 €	50.000,00 €
Implementing body			
A. Direct personnel costs	4.542,58 €	6.347,83 €	6.347,83 €
TOTAL	54.542,58 €	56.347,83 €	56.347,83 €

Timing: Materials will be created and produced as early in the year as possible, in order to have everything ready for the different events in each country.

The team will devote to COMMUNICATION TOOLS WP a 4,6%: 7,5 man-months equivalents (5,3 from Garnacha Origen and 2,2 from CiVR) of 161,5 man-months during the 3 years of the campaign.

Last but not least, origin will be mentioned following Art. 2-4 of the Regulation 2015/1831 as well as Art. 18a of GA and brands will not be displayed⁴⁴ even if complying with Regulation 2015/1831 (Art. 6, 7 and 8) as well as Art. 18a of GA.

WP 4 - EVENTS

Considering the low awareness of European Garnacha/Grenache, our 1st target, segments of consumers, cannot be reached without supporting our 2nd target, wine professionals (**stakeholders**). The campaign will engage stakeholders by increasing awareness to our targeted professionals only if they are tailored to them, helping them in turn to deliver a more detailed information to our 1st target: the consumers.

In Asia, and especially in our 6 selected areas, professionals position is very important and plays a determinant role in the purchasing and sales process. This grants these influencers a “double power”; thus, stakeholders (sommeliers, consumers, buyers, distributors, media and wholesalers, among others) in each country are targeted as high priorities. Events, whether consumer or professional addressed, represent the best opportunity to physically experience *sur place* the standards of EU agricultural products, as well as the great traditions and diversity available within the EU products.

By organizing a dedicated reverse mission to Europe to educate, enhancing the variety's profile, associating it with quality and organoleptic features, as well as the European origin and presence (mainly Mediterranean), to spread the diversity of the variety, its character (terroir

⁴⁴ The presence of brands will be limited to bottle labels on samples in the activations where needed (tasting events, p.e.), but commercial brands will not be displayed on materials produced by/for the program's implementation.

sensitive), its History, and European agriculture traditions, in order to improve its trade position and to help increase the Asian market share of the European Garnacha/Grenache quality wines, especially from the proposing regions.

Figure 18: detailed budget for WP 4

Activity title	Stands at trade fairs		
Specific objectives	Yearly presence in 4 key Asian trade fairs		
Description of activity	European Garnacha/Grenache pavilion on key Asian trade shows		
	Year 1	Year 2	Year 3
Deliverables	Report on events (M12)	Report on events (M24)	Report on events (M36)
Budget analysis:	Pavilion on trade show: China x1 (52.430,00 €) Japan x1 (47.500,00 €) Hong Kong x1 (52.700,00 €) South Korea x1 (47.000,00 €)	Pavilion on trade show: China x1 (52.430,00 €) Japan x1 (47.500,00 €) Hong Kong x1 (52.700,00 €) South Korea x1 (47.000,00 €)	Pavilion on trade show: China x1 (52.430,00 €) Japan x1 (47.500,00 €) Hong Kong x1 (52.700,00 €) South Korea x1 (47.000,00 €)
B. Direct cost of subcontracting	Transportation and accomodation fees of a representative Transportation and accomodation of an Asian staff Communication and promotion tools Implementing body coordination fees	Transportation and accomodation fees of a representative Transportation and accomodation of an Asian staff Communication and promotion tools Implementing body coordination fees	Transportation and accomodation fees of a representative Transportation and accomodation of an Asian staff Communication and promotion tools Implementing body coordination fees
	199.630,00 €	199.630,00 €	199.630,00 €
I	Implementing body		
A. Direct personnel costs	18.063,57 €	25.208,90 €	25.208, 90 €
TOTAL	217.693,57 €	224.838,90 €	224.838, 90 €

Activity title	Seminars, workshops, B2B meetings, trainings for trade/cooks, activities in schools		
Specific objectives	2 B2b meetings 21 Importers staff training 8 masterclasses		
Description of activity	Organization of educative events as well as opening new opportunities		
	Year 1	Year 2	Year 3
Deliverables	Report on events (M12)	Report on events (M24)	Report on events (M36)
Budget analysis:	2 B2b meetings with importers in Taiwan and Singapore (24,000€ *2 = 48.000€)	2 B2b meetings with importers in Taiwan and Singapore (24,000€ *2 = 48.000€)	2 B2b meetings with importers in Taiwan and Singapore (24,000€ *2 = 48.000€)
B. Direct cost of subcontracting	21 Importers staff training: 8.550 € China 2.800,00 € (total for 8 trainings) Japan 1.750,00 € (total for 5 trainings) South Korea 1.500,00 € (total for 3 trainings) Taiwan 1.500,00 € (total for 3 trainings) Singapore	21 Importers staff training: 8.550 € China 2.800,00 € (total for 8 trainings) Japan 1.750,00 € (total for 5 trainings) South Korea 1.500,00 € (total for 3 trainings) Taiwan 1.500,00 € (total for 3 trainings)	21 Importers staff training: 8.550 € China 2.800,00 € (total for 8 trainings) Japan 1.750,00 € South Korea 1.500,00 € (total for 3 trainings) Taiwan 1.500,00 € (total for 3 trainings) Singapore 1.000,00 € (total for 2 trainings)

	1.000,00 € (total for 2 trainings) 8 masterclasses: 27.800 € China 3.000,00 € (total for 2 masterclasses) Japan x1 1.500,00 € (total for 1 masterclass) South Korea 3.000,00 € (total for 2 masterclasses) Taiwan 7.400,00 € (total for 2 masterclasses) Singapore 12.900,00 € (total for 1 masterclass)	Singapore 1.000,00 € (total for 2 trainings) 8 masterclasses: 27.800 € China 3.000,00 € (total for 2 masterclasses) Japan 1.500,00 € (total for 1 masterclass) South Korea 3.000,00 € (total for 2 masterclasses) Taiwan 7.400,00 € (total for 2 masterclasses) Singapore 12.900,00 € (total for 1 masterclass)	8 masterclasses: 27.800 € China 3.000,00 € (total for 2 masterclasses) Japan 1.500,00 € (total for 1 masterclass) South Korea 3.000,00 € (total for 2 masterclasses) Taiwan 7.400,00 € (total for 2 masterclasses) Singapore 12.900,00 € (total for 2 masterclass)
	84.350,00 €	84.350,00 €	84.350,00 €
	Implementing body		
A. Direct personnel costs	7.511,97 €	10.430,21 €	10.430,21 €
TOTAL	91.861,97 €	94.780,21 €	94.780,21 €

Activity title	Study trips to Europe		
Specific objectives	17 importers visiting European vineyards yearly		
Description of activity	Organizing dedicated educative missions to Europe's vineyards		
	Year 1	Year 2	Year 3
Deliverables	Report on events (M12)	Report on events (M24)	Report on events (M36)
Budget analysis:	Importers trip per country, including: Air flight tickets Accommodation lunches and dinners Survey and report Air flight tickets Accommodation lunches and dinners Survey and Report Implementing body coordination fees	Importers trip per country, including: Air flight tickets Accommodation lunches and dinners Survey and report Air flight tickets Accommodation lunches and dinners Survey and Report Implementing body coordination fees	Importers trip per country, including: Air flight tickets Accommodation lunches and dinners Survey and report Air flight tickets Accommodation lunches and dinners Survey and Report Implementing body coordination fees
B. Direct cost of subcontracting	Totals: 3 China 13.050,00 € 3 Japan 13.050,00 € 3 Hong Kong 13.050,00 € 4 South Korea 15.600,00 € 2 Taiwan 8.700,00 € 2 Singapore 8.700,00 € 72.150,00 €	Totals: 3 China 13.050,00 € 3 Japan 13.050,00 € 3 Hong Kong 13.050,00 € 4 South Korea 15.600,00 € 2 Taiwan 8.700,00 € 2 Singapore 8.700,00 € 72.150,00 €	Totals: 3 China 13.050,00 € 3 Japan 13.050,00 € 3 Hong Kong 13.050,00 € 4 South Korea 15.600,00 € 2 Taiwan 8.700,00 € 2 Singapore 8.700,00 € 72.150,00 €
	Implementing body		
A. Direct personnel costs	6.383,57 €	8.845,57 €	8.845,57 €
TOTAL	78.533,57 €	80.995,57 €	80.995,57 €

Activity title	Other events		
Specific objectives	6 sommelier dinners 13 consumer dinners 24 tasting events with buyers 59 tasting events with consumers 25 tasting events with distributors 2 tasting events with individual media 3 sommelier tasting events 3 wholesalers tasting events		
Description of activity	Following Section 2 findings, fusion local cuisine pairing with Garnacha/Grenache wines. These dinners are a real occasion to show matching potential of Garnacha/Grenache European grape. Educative tastings with stakeholders to show the characteristics of the Garnacha/Grenache European grape wine		
	Year 1	Year 2	Year 3
Deliverables	Report on events (M12)	Report on events (M24)	Report on events (M36)
Budget analysis:	6 somms dinners: 43.200€ China x1 5.950,00 € Japan x1 7.450,00 € Hong Kong x1 7.450,00 € South Korea x1 7.450,00 € Taiwan x1 7.450,00 € Singapore x1 7.450,00 € 13 consumer dinners: 22.320 € 20 attendants at Guanhzgou (China) x1 dinner 2.640,00 € 165 attendants all around China (different cities) x11 dinners : 15.840,00 € 30 attendants at Taipei (Taiwan) x1 dinner 3.840,00 €	6 somms dinners: 43.200€ China x1 5.950,00 € Japan x1 7.450,00 € Hong Kong x1 7.450,00 € South Korea x1 7.450,00 € Taiwan x1 7.450,00 € Singapore x1 7.450,00 € 13 consumer dinners: 22.320 € 20 attendants at Guanhzgou (China) x1 dinner 2.640,00 € 165 attendants all around China (different cities) x11 dinners : 15.840,00 € 30 attendants at Taipei (Taiwan) x1 dinner 3.840,00 €	6 somms dinners: 43.200€ China x1 5.950,00 € Japan x1 7.450,00 € Hong Kong x1 7.450,00 € South Korea x1 7.450,00 € Taiwan x1 7.450,00 € Singapore x1 7.450,00 € 13 consumer dinners: 22.320 € 20 attendants at Guanhzgou (China) x1 dinner 2.640,00 € 165 attendants all around China (different cities) x11 dinners : 15.840,00 € 30 attendants at Taipei (Taiwan) x1 dinner 3.840,00 €
B. Direct cost of subcontracting	29 tasting events with buyers: 85.953,60 € Profile n° attendants city country n° of events total (for all the events) buyers 50 Chengdu China 1 6.000,00 € buyers 50 Kunming China 1 6.000,00 € buyers 50 Harbin China 1 6.000,00 € buyers 50 Shenzhen China 1 6.000,00 € buyers 50 Foshan China 1 6.000,00 € buyers 50 Guangzhou China 1 6.000,00 € buyers 50 Zhengzhou China 1 6.000,00 €	29 tasting events with buyers: 85.953,60 € Profile n° attendants city country n° of events total (for all the events) buyers 50 Chengdu China 1 6.000,00 € buyers 50 Kunming China 1 6.000,00 € buyers 50 Harbin China 1 6.000,00 € buyers 50 Shenzhen China 1 6.000,00 € buyers 50 Foshan China 1 6.000,00 € buyers 50 Guangzhou China 1 6.000,00 € buyers 50 Zhengzhou China 1 6.000,00 €	29 tasting events with buyers: 85.953,60 € Profile n° attendants city country n° of events total (for all the events) buyers 50 Chengdu China 1 6.000,00 € buyers 50 Kunming China 1 6.000,00 € buyers 50 Harbin China 1 6.000,00 € buyers 50 Shenzhen China 1 6.000,00 € buyers 50 Foshan China 1 6.000,00 € buyers 50 Guangzhou China 1 6.000,00 € buyers 50 Zhengzhou China 1 6.000,00 € buyers 50 Shanghai China 1 6.000,00 €

buyers 50 Shanghai China 1 6.000,00 € buyers 50 Dongguan China 1 4.920,00 € buyers staff 10 Seoul South Korea 2 2.520,00 € buyers 10 Seoul South Korea 2 2.520,00 € buyers 4-8 Seoul South Korea 5 960,00 € buyers 400 Beijing China 4 7.560,00 € buyers 800 Fukuoka/Osaka/Nagoya/Tokyo 2 5.763,60 € buyers 50 Tokyo/Osaka Japan 1 1.513,20 € buyers 70 Hong kong Hong kong 1 5.833,20 € buyers 200 Taipei Taiwan 2 5.042,40 € buyers 100 Taichung Taiwan 1 1.321,20 € 59 tasting events with consumers: 108.482,40 € attendants city country n° total 40 Taipei Taiwan 6 10.200,00 € 20 Taipei Taiwan 4 10.400,00 € 50 Guanzhgou China 6 8.400,00 € 20 Guanzhgou China 3 2.400,00 € 50 Seoul South Korea 2 3.200,00 € 20 Tokyo Japan 2 2.800,00 € 11600 China 29 34.000,00 € 50 Taipei Taiwan 1 2.700,00 € 15 Singapore Singapore 1 1.000,00 € 100 Taipei Taiwan 1 9.000,00 € 280 Beijing China 4 6.302,00 € Coordination fees: 18.080,40 € 25 tasting events with distributors: 108.480,00 € attendants city country N° total 10 Taipei Taiwan 2 2.400,00 € 10 Guanzhgou China 2 2.200,00 € 10 Seoul South Korea 1 1.200,00 € 10 Tokyo Japan 2 4.600,00 € 3-4 Shanghai China 4	buyers 50 Shanghai China 1 6.000,00 € buyers 50 Dongguan China 1 4.920,00 € buyers staff 10 Seoul South Korea 2 2.520,00 € buyers 10 Seoul South Korea 2 2.520,00 € buyers 4-8 Seoul South Korea 5 960,00 € buyers 400 Beijing China 4 7.560,00 € buyers 800 Fukuoka/Osaka/Nagoya/Tokyo 2 5.763,60 € buyers 50 Tokyo/Osaka Japan 1 1.513,20 € buyers 70 Hong kong Hong kong 1 5.833,20 € buyers 200 Taipei Taiwan 2 5.042,40 € buyers 100 Taichung Taiwan 1 1.321,20 € 59 tasting events with consumers: 108.482,40 € attendants city country n° total 40 Taipei Taiwan 6 10.200,00 € 20 Taipei Taiwan 4 10.400,00 € 50 Guanzhgou China 6 8.400,00 € 20 Guanzhgou China 3 2.400,00 € 50 Seoul South Korea 2 3.200,00 € 20 Tokyo Japan 2 2.800,00 € 11600 China 29 34.000,00 € 50 Taipei Taiwan 1 2.700,00 € 15 Singapore Singapore 1 1.000,00 € 100 Taipei Taiwan 1 9.000,00 € 280 Beijing China 4 6.302,00 € Coordination fees: 18.080,40 € 25 tasting events with distributors: 108.480,00 € attendants city country N° total 10 Taipei Taiwan 2 2.400,00 € 10 Guanzhgou China 2 2.200,00 € 10 Seoul South Korea 1 1.200,00 € 10 Tokyo Japan 2 4.600,00 € 3-4 Shanghai China 4	6.000,00 € buyers 50 Dongguan China 1 4.920,00 € buyers staff 10 Seoul South Korea 2 2.520,00 € buyers 10 Seoul South Korea 2 2.520,00 € buyers 4-8 Seoul South Korea 5 960,00 € buyers 400 Beijing China 4 7.560,00 € buyers 800 Fukuoka/Osaka/Nagoya/Tokyo 2 5.763,60 € buyers 50 Tokyo/Osaka Japan 1 1.513,20 € buyers 70 Hong kong Hong kong 1 5.833,20 € buyers 200 Taipei Taiwan 2 5.042,40 € buyers 100 Taichung Taiwan 1 1.321,20 € 59 tasting events with consumers: 108.482,40 € attendants city country n° total 40 Taipei Taiwan 6 10.200,00 € 20 Taipei Taiwan 4 10.400,00 € 50 Guanzhgou China 6 8.400,00 € 20 Guanzhgou China 3 2.400,00 € 50 Seoul South Korea 2 3.200,00 € 20 Tokyo Japan 2 2.800,00 € 11600 China 29 34.000,00 € 50 Taipei Taiwan 1 2.700,00 € 15 Singapore Singapore 1 1.000,00 € 100 Taipei Taiwan 1 9.000,00 € 280 Beijing China 4 6.302,00 € Coordination fees: 18.080,40 € 25 tasting events with distributors: 108.480,00 € attendants city country N° total 10 Taipei Taiwan 2 2.400,00 € 10 Guanzhgou China 2 2.200,00 € 10 Seoul South Korea 1 1.200,00 € 10 Tokyo Japan 2 4.600,00 € 3-4 Shanghai China 4 20.000,00 € 2 Taipei Taiwan 2 10.000,00 € 25 Shanghai 1 4.000,00 €
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20.000,00 € 2 Taipei Taiwan 2 10.000,00 € 25 Shanghai 1 4.000,00 € 25 China - Guangzhou 1 4.000,00 € 25 China - Shenzhen 1 4.000,00 € 30 Taiwan - Taipei 1 8.000,00 € 25 China - Ningbo 1 3.500,00 € 30 Taiwan - Taipei 1 4.000,00 € 25 China - Qingdao 1 3.500,00 € 20 Taiwan - Taichung 1 3.000,00 € 20 Taiwan - Kaohsiung 1 4.000,00 € 25 China - Tianjin 1 4.000,00 € 25 China - Hangzhou 1 4.000,00 € 25 China - Shanghai 1 4.000,00 € Coordination fees: 18.080,40 € 2 tasting events with Chinese individual media: 2.400€ 3 sommelier tasting events: 1.442,40€ 15 attendants at Shanghai (China) x 2 events : 601,00 € 10 attendants at Singapore x1 event : 601,00 € Coordination fees: 240,40 € 3 wholesalers tasting events: 8.400,00€ 20 attendants at Taipei (Taiwan) x 1 event : 3.000,00 € 20 attendants at Guangzhou (China) x 2 events : 4.000,00 € Implementing body coordination fees: 1.400,00 €	20.000,00 € 2 Taipei Taiwan 2 10.000,00 € 25 Shanghai 1 4.000,00 € 25 China - Guangzhou 1 4.000,00 € 25 China - Shenzhen 1 4.000,00 € 30 Taiwan - Taipei 1 8.000,00 € 25 China - Ningbo 1 3.500,00 € 30 Taiwan - Taipei 1 4.000,00 € 25 China - Qingdao 1 3.500,00 € 20 Taiwan - Taichung 1 3.000,00 € 20 Taiwan - Kaohsiung 1 4.000,00 € 25 China - Tianjin 1 4.000,00 € 25 China - Hangzhou 1 4.000,00 € 25 China - Shanghai 1 4.000,00 € Coordination fees: 18.080,40 € 2 tasting events with Chinese individual media: 2.400€ 3 sommelier tasting events: 1.442,40€ 15 attendants at Shanghai (China) x 2 events : 601,00 € 10 attendants at Singapore x1 event : 601,00 € Coordination fees: 240,40 € 3 wholesalers tasting events: 8.400,00€ 20 attendants at Taipei (Taiwan) x 1 event : 3.000,00 € 20 attendants at Guangzhou (China) x 2 events : 4.000,00 € Implementing body coordination fees: 1.400,00 €	25 China - Guangzhou 1 4.000,00 € 25 China - Shenzhen 1 4.000,00 € 30 Taiwan - Taipei 1 8.000,00 € 25 China - Ningbo 1 3.500,00 € 30 Taiwan - Taipei 1 4.000,00 € 25 China - Qingdao 1 3.500,00 € 20 Taiwan - Taichung 1 3.000,00 € 20 Taiwan - Kaohsiung 1 4.000,00 € 25 China - Tianjin 1 4.000,00 € 25 China - Hangzhou 1 4.000,00 € 25 China - Shanghai 1 4.000,00 € Coordination fees: 18.080,40 € 2 tasting events with Chinese individual media: 2.400€ 3 sommelier tasting events: 1.442,40€ 15 attendants at Shanghai (China) x 2 events : 601,00 € 10 attendants at Singapore x1 event : 601,00 € Coordination fees: 240,40 € 3 wholesalers tasting events: 8.400,00€ 20 attendants at Taipei (Taiwan) x 1 event : 3.000,00 € 20 attendants at Guangzhou (China) x 2 events : 4.000,00 € Implementing body coordination fees: 1.400,00 €	
380.678,40 €	380.678,40 €	380.678,40 €	
Implementing body			
A. Direct personnel costs	33.495,43 €	46.336,09 €	46.336,09 €
TOTAL	414.173,83 €	427.014,49 €	427.014,49 €

The team will brief the implementing agency and the suppliers about the characteristics of events and the implementation guidelines, decide about specific events and control their implementation. Beneficiaries will also travel to Asia in order to prepare the details and overview the implementation of the most important events.

Consequently with the campaign's major effort, the team will devote to Events WP a 68,3%: 110,3 man-months equivalents (77,8 from Garnacha Origen and 32,4 from CiVR) of 161,5 man-months during the 3 years of the campaign.

WP 5 - POINT-OF-SALE (POS) PROMOTION

Trade partners will be a combination of retail locations, bars and restaurants, as well as online selling popular platforms. These actions are designed to 1) provide retailers with the tools and training to bring European wines from Garnacha / Grenache to consumers; and 2) expand the impact of actions beyond awareness to stakeholders, enabling them to experience the wines.

Specifically, the program will develop, produce and distribute a series of educative materials (WP6) throughout the physical tasting activations, implementing a promotional campaign in partnership with a series of physical and online retailers to both increase the competitiveness and consumption of Union agricultural products (Garnacha/Grenache quality schemed wines) and to raise their profile outside the Union through experiential events, product trials, and "edutainment". The team will define the contents that are distributed during the POS promotion. They will also control their production and distribution.

Tastings and educational promotional contents will target consumers of the top specialized retailers in potential areas as previously mentioned, to provide large variety and quality schemed exposure. Both tastings and contents will have a combined effect over time, while long term market share effect generally results on around four times direct sales in the first semester after the activities have been performed.

On the digital side of the promotion, the implementation of a strategic partnership with major online Chinese wine retailer. Such digital collaboration will reinforce the program's key messages and provide consumers with a unique opportunity to know more about the varietal through dedicated incentives.

Figure 19: detailed budget for WP 5 (1)

Activity title	Tasting days		
Specific objectives	123 in-store tastings with 3715 consumers in China, Singapore, Japan & Taiwan		
Description of activity	Organization of in-store tastings for consumers in different Asian markets		
	Year 1	Year 2	Year 3
Deliverables	Report on POS activities	Report on POS activities	Report on POS activities

Budget analysis: B. Direct cost of subcontracting	China: 14 in-store tastings with a total of 275 consumers in different cities = 27.702 € Japan: 32 in-store tastings with a total of 360 consumers = 22.520 € Singapore 62 in-store tastings with a total of 1900 consumers = 12,500€ Taiwan: 15 in-store tastings with a total of 1180 consumers = 5,202€ Implementing body coordination fees= 13.584,80 €	China: 14 in-store tastings with a total of 275 consumers in different cities = 27.702 € Japan: 32 in-store tastings with a total of 360 consumers = 22.520 € Singapore 62 in-store tastings with a total of 1900 consumers = 12,500€ Taiwan: 15 in-store tastings with a total of 1180 consumers = 5,202€ Implementing body coordination fees= 13.584,80 €	China: 14 in-store tastings with a total of 275 consumers in different cities = 27.702 € Japan: 32 in-store tastings with a total of 360 consumers = 22.520 € Singapore 62 in-store tastings with a total of 1900 consumers = 12,500€ Taiwan: 15 in-store tastings with a total of 1180 consumers = 5,202€ Implementing body coordination fees= 13.584,80 €
	81.508,80 €	81.508,80 €	81.508,80 €
	Implementing body		
A. Direct personnel costs	6.970,31 €	9.561,71 €	9.561,71 €
TOTAL	88.479,11 €	91.070,51 €	91.070,51 €

As introduced in Section 2, online-stores and their growth potential have to be addressed, especially in the Chinese market with WineNice.com, Jiuxian.com, Winekee.com, Wine9.com and Yemywine.com as the main sales channel for middle classes (a 20% of total sales). As a result, a collaboration with such online platforms has been included.

Figure 20: detailed budget for WP 5 (2)

Activity title	Other: promotion in retailers' publications, POS advertising (shelf talkers, posters, etc.), promotion in canteens		
Specific objectives	5 online store collaborations for China		
Description of activity	Development of content creation and collaboration with high growth potential online stores in China		
	Year 1	Year 2	Year 3
Deliverables	Report on POS activities	Report on POS activities	Report on POS activities
Budget analysis: B. Direct cost of subcontracting	5 content collaborations = 5*9.000€ = 45.000€ Implementing body coordination fees: 5.000€	5 content collaborations = 5*9.000€ = 45.000€ Implementing body coordination fees: 5.000€	5 content collaborations = 5*9.000€ = 45.000€ Implementing body coordination fees: 5.000€
	50.000,00 €	50.000,00 €	50.000,00 €
	Implementing body		
A. Direct personnel costs	4.250,94 €	5.821,91 €	5.821,91 €
TOTAL	54.250,94 €	55.821,91 €	55.821,91 €

The team will devote to POS WP a 12,1%: 19,6 man-months equivalents (13,8 from Garnacha Origen and 5,8 from CiVR) of 161,5 man-months during the 3 years of the campaign.

WP 6 - EVALUATION OF RESULTS

As further developed in *ad hoc* Section 7, exports and market share will be measured on a historical trend basis, taking into account indicators status before activities begin to be implemented (2018 exports turnover data) and by the end of the three-year programme (2021 data or latest available).

Consumer's trial share, association of Europe as the main producer and Evaluation of European Garnacha/Grenache as a quality product, as previously introduced in Section 3, will be measured by a specific survey conveying a mix between consumption (estimated on how many people remember having consumed European Garnacha/Grenache) and visibility (consumers remembering having consumed different varieties). These indicators will be yearly evaluated and measured by their introduction on a wine consumption solid panel (such as Wine Intelligence's Vinitrac®) with a substantially representative sample of 5.200 regular wine drinkers (2,000 Chinese, 1,000 Japanese, 600 Singapore, 1,000 South Korean and 600 Hong Kong, given Taiwan's consumer data is not available).

The team will devote to Evaluation WP a 3,2%: 5,2 man-months equivalents (3,7 from Garnacha Origen and 1,5 from CiVR) of 161,5 man-months during the 3 years of the campaign.

Figure 21: detailed budget for WP 6

Activity title	Evaluation of results		
Specific objectives	Yearly ex-post calculation of returns		
Description of activity	ex-post calculation of returns		
	Year 1	Year 2	Year 3
Deliverables	Evaluation report	Evaluation report	Evaluation report
Budget analysis:	35.000,00 €	35.000,00 €	35.000,00 €
B. Direct cost of subcontracting	Independent audit body		
A. Direct personnel costs	2.965,14 €	4.057,00 €	4.057,00 €
TOTAL	37.965,14 €	39.057,00 €	39.057,00 €

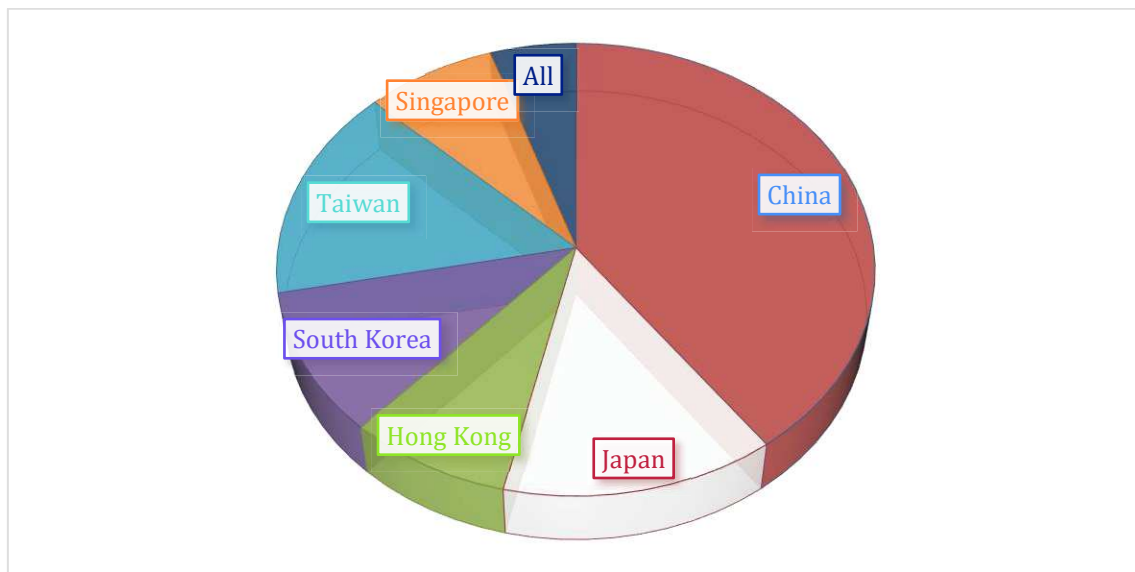
OTHER ELIGIBLE COSTS OF PO

As established both in the different regulations applied and the grant agreement, a certificate on the financial statement (cfs) will be provided yearly (given the interim payments calendar), including objectives and scope of the independent report of factual findings on costs declared under the grant agreement financed under the Promotion of Agricultural Products Programme.

Figure 22: detailed budget for OTHER ELIGIBLE COSTS

Other eligible costs of PO					
Other eligible costs of PO (audit certificates, guarantee for prefinancing, non-recoverable VAT)					
	Year 1			3.500,00 €	3.500,00 €
	Year 2			3.500,00 €	3.500,00 €
	Year 3			3.500,00 €	3.500,00 €
TOTAL	- €	- €	- €	10.500,00 €	10.500,00 €

Figure 22: General budget per target country



Per country	Y1	Y2	Y3	total	
China	390.616,00 €	390.616,00 €	390.616,00 €	1.171.848,00 €	32,6%
Japan	132.530,80 €	132.530,80 €	132.530,80 €	397.592,40 €	11,0%
Hong Kong	79.033,20 €	79.033,20 €	79.033,20 €	237.099,60 €	6,6%
South Korea	99.580,00 €	99.580,00 €	99.580,00 €	298.740,00 €	8,3%
Taiwan	149.886,00 €	149.886,00 €	149.886,00 €	449.658,00 €	12,5%
Singapore	75.321,20 €	75.321,20 €	75.321,20 €	225.963,60 €	6,3%
All	50.000,00 €	50.000,00 €	50.000,00 €	150.000,00 €	4,2%
Others (presonnel, PO, coordination, etc.)	184.510,36 €	242.294,02 €	242.294,02 €	669.098,40 €	18,6%
Total	1.161.477,56 €	1.219.261,22 €	1.219.261,22 €	3.600.000,00 €	100,0%

7. Measurement of results and action indicators

Regarding the methodology for measurement of results linked to SMART Objectives described in Section 3, both market awareness, output results and market share will be measured. Output indicators, the activities individual results, awareness and trial rate will be measured yearly (at the end of each action year). However, and in order to optimize the cost efficiency of the program, market share related information (with a much higher cost) will be measured at the end of the program.

All activities can potentially impact on awareness, trial rate and market share: for example, a new article on Garnacha/Grenache in an important outlet will impact awareness, but possibly also trial rate and market share; if there are POS tastings at the same time, which will also impact on the three indicators, it will be very difficult to break down the effects of each activity. Therefore, we have not been able to develop a cost-efficient method of identifying individual impact indicators per activity (awareness, recognition and sales are expected to increase globally). The following list includes total results to be achieved as the effect of the implementation of the program; the output and result indicators listed afterwards are expected to be reached yearly and are individually linked to each activity to be developed each year.

Figure 23: Impact indicators related to global SMART Objectives (totals for the 3 years)

Impact	Consumer trial share and awareness (yearly)	% of regular Asian wine consumers (once per month or more) who have tried Garnacha/Grenache wines in the previous 6 months.	0.6 pp (20% increase)
		Evaluation of Garnacha/Grenache as a quality wine: average quality score (0 to 10) of EU Garnacha/Grenache wines from regular wine consumers who have mentioned EU members as producers.	Above 7 points
	Exports & market share (by the end of the programme)	EU-28's exports to Asia in terms of value and volume	0.5% increase (23.190 hl & 8.345.000 €)
		EU's wine exporters Rank position in Asia in value and volume (obj. "To help maintaining world's #1 exporter in Asia both in terms of volume and, specially, value by the end of 2021.").	#1
	Association of Europe as the main producer (yearly)	% of regular wine consumers (once per month or more) that mention EU members when asked about Garnacha/Grenache producing countries.	Above 30%

Figure 24: Output and result indicators specific to each activity

		Y1	Y2	Y3	total	
Public relations	Press events					
	output	N° of Journalist visiting Europe's Garnacha vineyards yearly	10	10	10	30
	result	non-paid articles/posts/news	6	6	6	18
Communication tools	Publications, media kits, promotional merchandise					
	output	Brand's Look and feel Disgn and production of materials	n/a	n/a	n/a	n/a
	result	Communication materials' creation, copy/design updates, key messages development & adaptation throughout the different components of the campaign.	n/a	n/a	n/a	n/a
Events	Stands at trade fairs					
	output	Number of Pavilions on trade fairs	4	4	4	12
	result	Number of attendants (stakeholders reach)	25000	25000	25000	75000
	Seminars, workshops, B2B meetings, trainings for trade/cooks, activities in schools					
	output	Number of B2b meetings organized	2	2	2	6
		Number of importers staff training organized	21	21	21	63
		Number of masterclasses organized	8	8	8	24
	result	Number of attendants (stakeholders reach)	310	310	310	930
	Study trips to Europe					
	output	N° of importers visiting European vineyards yearly	17	17	17	51
	result	Number of attendants (stakeholders reach)	17	17	17	51
	Other events					
	output	N° of sommelier dinners organized	6	6	6	18
N° of consumer dinners organized		13	13	13	39	
N° of tasting events with buyers organized		24	24	24	72	
N° of tasting events with consumers organized		59	59	59	177	

		N° of tasting events with distributors organized	25	25	25	75
		N° of tasting events with media organized	2	2	2	6
		N° of tasting events with sommeliers organized	3	3	3	9
		N° of tasting events with wholesalers organized	3	3	3	9
	result	Number of attendants (reach)	15000	15000	15000	45000
Point-of-sale (POS) promotion	Tasting days					
	output	N° of in-store tastings organized	123	123	123	369
	result	Number of attendants (stakeholders reach)	3715	3715	3715	11145
	Other: promotion in retailers' publications, POS advertising (shelf talkers, posters, etc.), promotion in canteens					
	output	N° of online store collaborations for China	5	5	5	15
	result	Online consumer reach	10000	10000	10000	30000

Exports and market share⁴⁵ will be measured on a historical trend basis, taking into account indicators status before activities begin to be implemented (2018 exports turnover data) and by the end of the three-year programme (2021 data or latest available).

Promotional efforts happen in a complex environment, making it more complicated to identify their individual economic impact. A simple comparison of the economic parameters before and after the campaign does not take into account external influencing variables, such as Asian wine consumption trends. To disentangle the true effect of the promotion campaign from other influencing variables the trial increase calculation will make use of a **baseline**, which will be set out in Y1 with the most updated data available, as 2017 has been an atypically low production year in Europe, while 2018 is still in development.

- The total EU wine exports increase to the targeted markets is expected to be of minimum of 8.345.000 euros⁴⁶ (0.5% min. variation). Data will be collected as soon as published by the European Commission's Agriculture and rural development department EU Wine Market Data Portal.

⁴⁵ Impact indicators related to G.O.1: « To increase the market share of Union agricultural products and certain food products, specifically focusing on those markets in third countries that have the highest growth potential, by enhancing the consumption of EU Garnacha/Grenache quality wines in Asia (China, Taiwan, Hong Kong, Singapore, Japan and South Korea), improving exports, market share and penetration indicators. »

⁴⁶ Wine CN 2204 trade – exports from EU – 28 in 2016 have been established by Agri G2 (Comext) and Eurostat at 3.249.000 hl and 922 € mio in China, as well as 1.389.000 hl and 747 € mio for Japan.

- As a result, the exports return on the investment (3.6 million € cost of the activity) is expected to result on a total **ROI of 2,32 = 232%**⁴⁷.
- There will be **long term effects** of the campaign (market share will probably stay around the levels reached at the end of the activity), but they cannot be measured within the time limits of the programme.

Consumer's trial share, association of Europe as the main producer⁴⁸ and Evaluation of European Garnacha/Grenache as a quality product⁴⁹, as previously introduced in Section 3, will be measured by a specific survey conveying a mix between consumption (estimated on how many people remember having consumed European Garnacha/Grenache) and visibility (consumers remembering having consumed different varieties).

These indicators will be yearly evaluated and measured by their introduction on a wine consumption solid panel (such as Wine Intelligence's Vinitrac®) with a substantially representative sample of 5.200 regular wine drinkers (2,000 Chinese, 1,000 Japanese, 600 Singapore, 1,000 South Korean and 600 Hong Kong, given Taiwan's consumer data is not available).

Measurement of the program impact will be carried out with a periodic survey, with standard and ad hoc questions. Visibility of the program will be measured in order to have results pre- vs post campaign and rating of Garnacha/Grenache variety among consumers. The following indicators will offer information before and after the actions taking place each year:

- % of regular drinkers who remember to have consumed each grape variety, and among them, Garnacha/Grenache in the last 6 months.
- % of regular drinkers who know European Garnacha/Grenache wine.
- Average quality score (0 to 10) of EU Garnacha/Grenache wines from regular wine consumers who have mentioned EU members as producers (% of regular drinkers who rate Garnacha/Grenache quality as good or very good, above 7).
- % of regular wine consumers (once per month or more) that mention the Garnacha/Grenache producing EU States when asked about Garnacha/Grenache producing countries.

In order to more precisely evaluate the impact of the campaign on consumer awareness, **measurements will be segmented** geographically according to the strategic areas emphasized in Section 4. Therefore, it will be possible to evaluate the impact on the areas where the effort has been more intense. Similarly, even though the campaign will probably influence all segments of consumers, surveys will specifically focus on programme's target groups at each area.

⁴⁷ Taking into account the total program investment = 3.600.000 €.

⁴⁸ Impact indicators related to G.O.2 : « Enhance the competitiveness of EU Garnacha/Grenache quality wines, by increasing awareness as a EU agricultural product and raising their profile in high growth third countries (Asia), improving the indicators in consumer surveys of 1) association with Europe as the main producer and 2) evaluation as a quality product. »

⁴⁹ Ibid.

Activities performed by the proposing organizations in connection with this activity:

- CIVR:
 - It has developed CMO for third countries activities in the US, China, Canada and (from 2014) South Korea. The average annual budget is around 900,000 euros. The activities include tastings events with key stakeholders, PR, etc.
 - Besides those CMO activities, and as previously explained, CIVR is the founder and coordinator of the “Grenaches du Monde” since 2013, which has taken place 3 times in Roussillon and one in Campo de Borja (Spain). The event is an instrument for promoting the variety, with 576 wines, 260 wineries, 80 judges, and several seminars on “Grenache Research” with 400 visitors.
 - CIVR also implements several promotional and information activities in Europe.

- Garnacha Origen:
 - The organization is the coordinator of 734440 — GARNACHA GRENACHE — AGRI-MULTI-2016/AGRI-MULTI-2016-1 € 3 mio Program in North America with CIVR and has successfully finished a previous campaign in the US and Canada from February 4 2014 until February 3 2017 with the EU Information and Promotion measures. The average annual budget is 750,000 euros. The campaign includes PR, Online promotion, Consumer events, Advertising and Point of Sale tastings.
 - Besides EU programmes, the association has developed several promotional activities, like journalists’ tastings, press trips, and point of sale promotions, in the US, Canada and Europe.

- Garnacha Origen members:
 - Cariñena PDO: It is carrying a CMO campaign for third countries in the US and Canada of around 500,000 euros per year, with PR, online activity, advertising, press trips, and trade promotions
 - Somontano PDO: It is developing a CMO campaign for third countries in the US (especially New York) and Mexico with consumer events, online activity and PR. The average budget is around 200,000 euros per year.
 - Campo de Borja: It has developed a CMO campaign in the US with seminars in several cities. It was the organizer of the last “Grenaches du Monde” contest in February 2016.
 - Aragón Exterior: It manages more than 600 international promotion projects in more than 30 countries every year. In the Agri-business industry, it has organized invers trade missions, participations in trade fairs, seminars, press trips, etcetera. It has participated in several European 7FP and Horizon 2020 projects. Finally, AREX counts on a delegation in Shanghai (China).

The activity organization and management has been designed to optimize costs and ensure results. According to its previous experience in the EU Information and Promotion programme, beneficiaries will ensure that the action is implemented on time and within the budget set, and that its objectives are met. Therefore, the applicants have decided to establish quality control mechanisms to ensure that the action is implemented as foreseen in order to avoid and correct underperformance by the implementing body (if any):

- Reduce costs under the coordination of a single implementing body while avoiding language barriers.
- The management team of the activity will closely follow up the day to day implementation of the agency, increasing direct control of the outcomes, monitoring the implementing body's actions.
- Ensure the correct timing, outcome and execution with penalty clauses that will be signed with the implementing body.
- Correct any deviation from the expected outcome, by applying the penalties and, if necessary, changing the subcontractors.
- There will be penalty clauses to ensure with the agency the proper implementation of the activities.

The **subcontracting selection** of implementing body and independent external evaluator body will be decided according to the following criteria in an open call for tenders, ensuring best value for money while prevent situations where conflict of interest is deemed to occur:

Cost effectiveness.....	40 points
Professional experience of the team in Asia.....	30 points
Experience and results in European co-funded projects	20 points
Experience and results in wine promotion campaigns.....	10 points
TOTAL	100 points

Following Grant Agreement's Guide, Article 9: Purchase of goods, works and services, best value for money will be ensured by including it in the criteria selection. Regarding Article 10: Implementation of action tasks by subcontractors, cost effectiveness will be the most weighted criteria to evaluate the score of each proposal while preventing awarding entities that have a structural (legal or capital) link with the beneficiary.

As stated in Grant Agreement's Guide Article 20: Conflict of interest, impartial and objective implementation of the action will be ensured by launching an open call and the criteria selected to score each proposal received.

Last but not least, and once al subcontractors have been elected, a report will be uploaded due month 3 on the subcontractors' selection procedure and results and updated activities planning for year 1.

The **control mechanisms** will consist of a close follow up of every activity, with a set of pre-defined Key Performance Indicators (number of impacts, number of tastings, articles published, number of visitors to events, level of trial and awareness...), personally auditing the activities, and regular online meetings with the subcontractors and the implementing body.

- KPI have been defined for each activity (please refer to Section 7).
- Auditing services:
 - PR activities results will be audited by a press clipping. PR events will be audited by pictures, documentation and reports from the implementing body and the applicants.
 - Online contents will be audited via digital reach reports from each media and snapshots of their content.
 - Events will be audited by pictures, documentation and reports from the implementing body and the applicants, as well as auditing visits by the coordinator.
 - Communication tools will be audited with a physical copy of each piece produced.
 - Point of sales activity will be audited with pictures, reports and random visits from the applicants.

Regarding the activities carried out by the implementation body, the prevention measures will be the penalty clauses in case the agency does not perform appropriately.

Risks in the target markets can be ;

- Financial (exchange rate fluctuations). On the one hand, there could be potential political risks regarding changes on imports policies in several controlled countries. However, risk management agencies have not forecasted attention to a significant political or economic risks worth of market abandon against the growth potential in the targeted areas. The exchange rate between the euro and CNY (Chinese yuan), JPY (Japanese yen), TWD (New Taiwan dollar), HKD (Hong Kong dollar), BND – SGD (Brunei dollar - Singapore dollar) or KRW (South Korean won) may fluctuate and impact on cost per activity of the programme (given that a large part of the execution costs will be in the local currency). The ideal solution would be for the applicants to hedge the risk with an open forward contract with each local currency, but, unfortunately, the co-financing flows of the Information and Promotion programmes make this difficult (with a forward contract, when the external currency revaluates, the contract's profit covers the increased costs; but when it devaluates in a co-financed programme, the loss is not compensated by the reduced costs, as the European Commission only co-finances the execution costs – even though it would only guarantee that the cost in euros certain for all the programme both for the applicant and the EC). The applicants will minimize the risk subcontracting in euros when possible (to European subcontractors or to Asian subcontractors who have been able to hedge their risk in euros).
- Managing a campaign from a European base: Will be addressed by hiring local asian subcontractors, as well as on-site visits and meetings (when necessary) from the managing team to ensure a close follow-up and successful implementation of the program.
- Entry barriers, shipping costs and time, warehousing and adaptation of product to meet local requirements and regulations: In order to optimize costs and handle any delays, shippings will be planned ahead, when possible, grouped from origin or using importers

Detailed Budget Table
 Associated with document Ref. Ares(2018)5841382 - 15/11/2018
Acronym ID Proposal

Headings	Years	A. Direct personnel costs	B. Direct cost of subcontracting	C. Other direct costs	TOTAL
1. Project coordination					
Personnel cost of the proposing organisation(s)					
	Year 1	16 462.48		35 770.36	52 232.84
	Year 2	30 399.39		29 845.69	60 245.08
	Year 3	30 399.39		29 845.69	60 245.08
Other costs of project coordination					
	Year 1				0.00
	Year 2	1 497.85	11 708.33		13 206.18
	Year 3	1 497.85	11 708.33		13 206.18
TOTAL		80 256.96	23 416.66	95 461.74	199 135.36
2. Public relations					
Continuous PR activities (PR office)					
	Year 1				0.00
	Year 2				0.00
	Year 3				0.00
Press events					
	Year 1	5 354.03	58 650.00		64 004.03
	Year 2	7 493.53	58 650.00		66 143.53
	Year 3	7 493.53	58 650.00		66 143.53
TOTAL		20 341.09	175 950.00	0.00	196 291.09

Headings	Years	A. Direct personnel costs	B. Direct cost of subcontracting	C. Other direct costs	TOTAL
3. Website, social media					
Website setup, updating, maintenance					
	Year 1				
	Year 2				
	Year 3				
Social media (Accounts setup, regular posting)					
	Year 1				
	Year 2				
	Year 3				
Other (mobile apps, e-learning platforms, webinars, etc.)					
	Year 1				
	Year 2				
	Year 3				
TOTAL					
4. Advertising					
Print					
	Year 1				
	Year 2				
	Year 3				
TV					
	Year 1				
	Year 2				
	Year 3				
Radio					
	Year 1				
	Year 2				
	Year 3				
Online					
	Year 1				
	Year 2				
	Year 3				
Outdoor, cinema					
	Year 1				
	Year 2				
	Year 3				
TOTAL					
5. Communication tools					
Publications, media kits, promotional merchandise					
	Year 1	4 542.58	50 000.00		54 542.58
	Year 2	6 347.83	50 000.00		56 347.83
	Year 3	6 347.83	50 000.00		56 347.83
Promotional videos					
	Year 1				0.00
	Year 2				0.00
	Year 3				0.00
TOTAL		17 238.24	150 000.00	0.00	167 238.24

Headings	Years	A. Direct personnel costs	B. Direct cost of subcontracting	C. Other direct costs	TOTAL
7. Events					
Stands at trade fairs					
	Year 1	18 063.57	199 630.00		217 693.57
	Year 2	25 208.90	199 630.00		224 838.90
	Year 3	25 208.90	199 630.00		224 838.90
Seminars, workshops, B2B meetings, trainings for trade/cooks, activities in schools					
	Year 1	7 511.97	84 350.00		91 861.97
	Year 2	10 430.21	84 350.00		94 780.21
	Year 3	10 430.21	84 350.00		94 780.21
Restaurant weeks					
	Year 1				0.00
	Year 2				0.00
	Year 3				0.00
Sponsorship of events					
	Year 1				0.00
	Year 2				0.00
	Year 3				0.00
Study trips to Europe					
	Year 1	6 383.57	72 150.00		78 533.57
	Year 2	8 845.57	72 150.00		80 995.57
	Year 3	8 845.57	72 150.00		80 995.57
Other events					
	Year 1	33 495.43	380 678.40		414 173.83
	Year 2	46 336.09	380 678.40		427 014.49
	Year 3	46 336.09	380 678.40		427 014.49
TOTAL		247 096.08	2 210 425.20	0.00	2 457 521.28
7. Point-of-sale (POS) promotion					
Tasting days					
	Year 1	6 970.31	81 508.80		88 479.11
	Year 2	9 561.71	81 508.80		91 070.51
	Year 3	9 561.71	81 508.80		91 070.51
Other: promotion in retailers' publications, POS advertising (shelf talkers, posters, etc.), promotion in canteens					
	Year 1	4 250.94	50 000.00		54 250.94
	Year 2	5 821.91	50 000.00		55 821.91
	Year 3	5 821.91	50 000.00		55 821.91
TOTAL		41 988.49	394 526.40	0.00	436 514.89
8. Other activities					
Other activities					
	Year 1				0.00
	Year 2				0.00
	Year 3				0.00
TOTAL		0.00	0.00	0.00	0.00
9. Evaluation of results					
Evaluation of results					
	Year 1	2 965.14	35 000.00		37 965.14
	Year 2	4 057.00	35 000.00		39 057.00
	Year 3	4 057.00	35 000.00		39 057.00
TOTAL		11 079.14	105 000.00	0.00	116 079.14


Headings	Years	A. Direct personnel costs	B. Direct cost of subcontracting	C. Other direct costs	TOTAL
Other eligible costs of PO					
Other eligible costs of PO (audit certificates, guarantee for prefinancing, non recoverable VAT)					
	Year 1			3 500.00	3 500.00
	Year 2			3 500.00	3 500.00
	Year 3			3 500.00	3 500.00
TOTAL		0.00	0.00	10 500.00	10 500.00
Total all headings	Year 1	106 000.02	1 011 967.20	39 270.36	1 157 237.58
Total all headings	Year 2	155 999.99	1 023 675.53	33 345.69	1 213 021.21
Total all headings	Year 3	155 999.99	1 023 675.53	33 345.69	1 213 021.21
SUBTOTAL		418 000.00	3 059 318.26	105 961.74	3 583 280.00
Indirect costs of POs (max. 4 % of direct personnel costs of POs)		16 720.00			
GRAND TOTAL		434 720.00	3 059 318.26	105 961.74	3 600 000.00

Due to the type of the form (XFA form) IT IS NOT ALLOWED to attach this document as it is, directly in SEP.

Only flat PDF's (not dynamic PDF) is accepted.

Please print and scan the document in PDF format or print it using the virtual Adobe printer if you have the professional version of Acrobat or another virtual printer for the submission.

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ESTIMATED BUDGET FOR THE ACTION (page 1 of 1)  Associated with document Ref. Ares(2018)5841382 - 15/11/2018

Cost form ⁷	Estimated eligible ¹ costs (per budget category)				EU contribution			Action's estimated receipts			
	A. Direct personnel costs	B. Direct costs of subcontracting	C. Other direct costs	D. Indirect costs ²	Total costs	Reimbursement rate % ³	Maximum EU contribution ⁴	Maximum grant amount ⁵	Income generated by the action	Financial contributions given to the beneficiaries by their members ⁶	Action's total receipts
	A.1 Employees (or equivalent) A.2 Natural persons under direct contract and seconded persons		C.1 Travel C.2 Equipment C.3 Other goods and services								
Actual	Actual	Actual	Flat-rate ⁸ 4%								
	a	b	c	d = 0,04*a	e = a+b+c+d	f	g = f*e	h	i	j	k = i+j
1. GARNACHA ORIGEN	250,000.00	1,861,328.26	105,961.74	10,000.00	2,227,290.00		1,781,832.00	n/a	0.00	0.00	0.00
2. CIVR	168,000.00	1,197,990.00	0.00	6,720.00	1,372,710.00		1,098,168.00	n/a	0.00	0.00	0.00
Total consortium	418,000.00	3,059,318.26	105,961.74	16,720.00	3,600,000.00	n/a	2,880,000.00	2,880,000.00	0.00	0.00	0.00

(1) See Article 6 for the eligibility conditions

(2) The indirect costs claimed must be free of any amounts covered by an operating grant (received under any EU or Euratom funding programme). A beneficiary that receives an operating grant during the action's duration cannot claim any indirect costs for the year(s)/reporting period(s) covered by the operating grant (see Article 6.2.D.)

(3) See Article 5.2 for the reimbursement rate(s)

(4) This is the theoretical amount of the EU contribution calculated by the system automatically i.e. the total costs by beneficiary multiplied by the reimbursement rate (see Article 5.2). The sum of these theoretical amounts is capped by the 'maximum grant amount'

(5) The 'maximum grant amount' is the maximum grant amount decided by the Agency. It normally corresponds to the requested grant, but may be lower

(6) For CHAFEA AGRI PROMO grants only financial contributions given to the beneficiaries by their members are allowed. Financial contributions given by third parties other than members are NOT allowed

(7) See Article 5.2 for the cost forms

(8) Flat rate : 4% of eligible direct personnel costs (see Article 6.2.D)

ACCESSION FORM FOR BENEFICIARIES

CONSEIL INTERPROFESSIONNEL DES VINS DU ROUSSILLON (CIVR), established in 19 AV DE LA GRANDE BRETAGNE, PERPIGNAN 66006, France, ('the beneficiary'), represented for the purpose of signing this Accession Form by the undersigned,

hereby agrees

to become beneficiary No ('2')

in Grant Agreement No 825940 ('the Grant Agreement')

between ASOCIACION PARA LA PROMOCION DEL VINO DE GARNACHA-GARNACHA ORIGEN **and** the Consumers, Health, Agriculture and Food Executive Agency (CHAFEA) ('the Agency'), under the powers delegated by the European Commission ('the Commission'),

for the action entitled European Garnacha/Grenache Quality Wines MULTI Program in ASIA (G ASIA).

and mandates

***the coordinator** to submit and sign in its name and on its behalf any **amendments** to the Agreement, in accordance with Article 39.*

By signing this Accession Form, the beneficiary accepts the grant and agrees to implement it in accordance with the Agreement, with all the obligations and conditions it sets out.

SIGNATURE

For the beneficiary/new beneficiary/new coordinator

Philippe BOURIER with ECAS id n002cayl signed in the Participant Portal on 20/11/2018 at 16:47:42 (transaction id SigId-37340-EhGoqO7gefRvLsMlJqHzRzRZbZ3l3p9iRdDHeJuigcTRWdKZ2GKYjylZiNypJbtsMqk1v0DsX3lPMamcJNg5wN-Jj71zxYb8yrqxY9A8VHNYG-FMUWqNYttiSxsBcZTKNicG1mbBm2WpYs9bplvTF3Um4) . Timestamp by third party at Tue Nov 20 16:47:47 CET 2018

EU Model Grant Agreements: CHAFEA Agri Promotion MGA — Multi: V2.0 – 04. February 2016

① print format A4 landscape

MODEL ANNEX 4 CHAFEA AGRICULTURE PROMOTION MGA — MULTI

FINANCIAL STATEMENT FOR [BENEFICIARY]/[AFFILIATED ENTITY] [name] FOR REPORTING PERIOD [reporting period]

	Eligible ¹ costs (per budget category)				Receipts			EU contribution			
	A. Direct personnel costs	B. Direct costs of subcontracting	C. Other direct costs	D. Indirect costs ²	Total costs	Income generated by the action	Financial contributions given to the beneficiaries by their members ³	Total receipts	Reimbursement rate % ⁴	Maximum EU contribution ⁵	Requested EU contribution ⁶
	A.1 Employees (or equivalent) A.2 Natural persons under direct contract and seconded persons		C.1 Travel C.2 Equipment C.3 Other goods and services								
Cost form ⁷	Actual	Actual	Actual	Flat-rate ⁸ 4%							
	a	b	c	d = 0,04 * a	e = a + b + c + d	f	g	h = f + g	i	j	k
[short name beneficiary/affiliated entity]											

The beneficiary/affiliated entity hereby confirms that:
 The information provided is complete, reliable and true.
 The costs declared are eligible (see Article 6).
 The costs can be substantiated by adequate records and supporting documentation that will be produced upon request or in the context of checks, reviews, audits and investigations (see Articles 12, 13 and 17).
 For the last reporting period: that all the receipts have been declared (see Article 5.3.3).

① Please declare ALL eligible costs, even if they exceed the amounts indicated in the estimated budget (see Annex 2). Only amounts that were declared in your individual financial statements can be later on taken into account, if other costs turn out to be ineligible.

¹ See Article 6 for the eligibility conditions.

² The indirect costs claimed must be free of any amounts covered by an operating grant (received under any EU or Euratom funding programme). A beneficiary that receives an operating grant during the duration of the action cannot claim any indirect costs for the year(s) covered by the operating grant (see Article 6.2.D).

³ For CHAFEA AGRICULTURE PROMOTION grants only financial contributions by the beneficiary's members are allowed. Financial contributions given by third parties other than members are NOT allowed.

⁴ See Article 5.2 for the reimbursement rate(s).

⁵ This is the theoretical amount of EU contribution that the system calculates automatically (by multiplying the reimbursement rate by the total costs declared).

⁶ You may request up to the amount of 'maximum EU contribution', however it may have to be less.

⁷ See Article 5 for the cost forms.

⁸ Flat rate : 4% of eligible direct personnel costs (see Article 6.2.D).

ANNEX 5

MODEL FOR THE CERTIFICATE ON THE FINANCIAL STATEMENT (CFS)

This document sets out:

- the objectives and scope of the independent report of factual findings on costs declared under a EU grant agreement financed under the Promotion of Agricultural Products Programme and
- a model for the certificate on the financial statement (CFS).

1. Background and subject matter

[OPTION 1 for actions with one RP and NO interim payments: Within 90 days after the end of the reporting period, the coordinator must submit to the Agency a **final report**, which should include (among other documents and unless otherwise specified in Article 15 of the Grant Agreement) a **certified financial statement** (CFS; see proposed model below) for each beneficiary, if:

- it requests an EU contribution of EUR 325 000 or more as reimbursement of actual costs and
- the maximum EU contribution indicated for that beneficiary in the estimated budget (see Annex 2) as reimbursement of actual costs is EUR 750 000 or more./

[OPTION 2 for actions with several RPs and interim payments: Within 60 days after the end of each reporting period, the coordinator must submit to the Agency a **periodic report**, which should include (among other documents and unless otherwise specified in Article 15 of the Grant Agreement) a **certified financial statement** (CFS; see proposed model below) for each beneficiary, if:

- the cumulative amount of EU contribution the beneficiary requests as reimbursement of actual costs is EUR 325 000 or more and
- the maximum EU contribution indicated for that beneficiary in the estimated budget (see Annex 2) as reimbursement of actual costs is EUR 750 000 or more.

The CFS must be submitted every time the cumulative amount of payments requested (i.e. including in previous financial statements) reaches the threshold (i.e. a first certificate once the cumulative amount reaches 325 000, a second certificate once it reaches 650 000, a third certificate once it reaches 975 000, etc.).

Once the threshold is reached, the CFS must cover all reporting periods for which no certificate has yet been submitted./

The beneficiary must provide the CFS for itself.

The **purpose** of the audit on which the CFS is based is to give the Agency ‘reasonable assurance’¹ that costs declared as eligible costs under the grant (and, if relevant, receipts generated in the course of the action) are being claimed by the beneficiary in accordance with the relevant legal and financial provisions of the Grant Agreement.

The **scope** of the audit is limited to the verification of eligible costs included in the CFS. The audit must be conducted in line with point 3 below.

Certifying auditors must carry out the audits in compliance with generally accepted **audit standards** and indicate which standards they have applied. They must bear in mind that, to establish a CFS, they must carry out a compliance audit and not a normal statutory audit. The eligibility criteria in the Grant Agreement always override normal accounting practices.

The beneficiary and the auditor are expected to address any **questions on factual data or detailed calculations** before the financial statement and the accompanying certificate are submitted. It is also recommended that the beneficiary take into account the auditor’s preliminary comments and suggestions in order to avoid a qualified opinion or reduce the scope of the qualifications.

Since the certificate is the main source of assurance for cost claims and payments, it will be easier to consider amounts as eligible if a **non-qualified certificate** is provided.

The submission of a certificate does not affect the Agency’s right to carry out its **own assessment or audits**. Neither does the reimbursement of costs covered by a certificate preclude the Agency or the Commission, the European Anti-Fraud Office or the European Court of Auditors from carrying out checks, reviews, audits and investigations in accordance with Article 17 of the Grant Agreement.

The Agency expects the certificates to be issued by auditors according to the highest professional standards.

2. Auditors who may deliver a certificate

The beneficiary is free to choose a **qualified external auditor**, including its usual external auditor, provided that:

- the external auditor is **independent** from the beneficiary and
- the provisions of **Directive 2006/43/EC**² are complied with.

¹ This means a high degree of confidence.

² Directive [2006/43/EC](#) of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts or similar national regulations (OJ L 157, 9.6.2006, p. 87).

Independence is one of the qualities that permit the auditor to apply unbiased judgement and objective consideration to established facts to arrive at an opinion or a decision. It also means that the auditor works without direction or interference of any kind from the beneficiary.

Auditors are considered as providing services to the beneficiary under a **purchase contract** within the meaning of Article 9 of the Grant Agreement. This means that the costs of the CFS may normally be declared as costs incurred for the action, if the cost eligibility rules set out in Articles 6 and 9.1.1 of the Grant Agreement are fulfilled (especially: best value for money and no conflict of interests; see also below eligibility of costs of other goods and services). Where the beneficiary uses its usual external auditor, it is presumed that they already have an agreement that complies with these provisions and there is no obligation to find new bids. Where the beneficiary uses an external auditor who is not their usual external auditor, it must select an auditor following the rules set out in Article 9.1.1.

Public bodies can choose an external auditor or a competent public officer. In the latter case, the auditor's independence is usually defined as independence from the audited beneficiary 'in fact and in appearance'. A preliminary condition is that this officer was not involved in any way in drawing up the financial statements. Relevant national authorities establish the legal capacity of the officer to carry out audits of that specific public body. The certificate should refer to this appointment.

3. Audit methodology and expected results

3.1 Verification of eligibility of the costs declared

The auditor must conduct its verification on the basis of inquiry and analysis, (re)computation, comparison, other accuracy checks, observation, inspection of records and documents and by interviewing the beneficiary (and the persons working for it).

The auditor must examine the following documentation:

- the Grant Agreement and any amendments to it;
- the periodical and/or final report(s);
- *for personnel costs*
 - salary slips;
 - time sheets;
 - contracts of employment;
 - other documents (e.g. personnel accounts, social security legislation, invoices, receipts, etc.);
 - proofs of payment;
- *for subcontracting*
 - the call for tender;
 - tenders (if applicable);
 - justification for the choice of subcontractor;
 - contracts with subcontractors;
 - invoices;
 - declarations by the beneficiary;
 - proofs of payment;

- other documents: e.g. national rules on public tendering if applicable, EU Directives, etc.;
- *for travel and subsistence costs*
 - the beneficiary's internal rules on travel;
 - transport invoices and tickets (if applicable);
 - declarations by the beneficiary;
 - other documents (proofs of attendance such as minutes of meetings, reports, etc.);
 - proofs of payment;
- *for equipment costs*
 - invoices;
 - delivery slips / certificates of first use;
 - proofs of payment;
 - depreciation method of calculation;
- *for costs of other goods and services*
 - invoices;
 - proofs of payment; and
 - other relevant accounting documents.

General eligibility rules

The auditor must verify that the costs declared comply with the general eligibility rules set out in Article 6.1 of the Grant Agreement.

In particular, the costs must:

- be actually incurred;
- be linked to the subject of the Grant Agreement and indicated in the beneficiary's estimated budget (i.e. the latest version of Annex 2);
- be necessary to implement the action which is the subject of the grant;
- be reasonable and justified, and comply with the requirements of sound financial management, in particular as regards economy and efficiency;³
- have been incurred during the action, as defined in Article 3 of the Grant Agreement (with the exception of the invoice for the audit certificate and costs relating to the submission of the final report);
- not be covered by another EU or Euratom grant (see below ineligible costs);
- be identifiable, verifiable and, in particular, recorded in the beneficiary's 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 in accordance with the provisions of the Grant Agreement (see, in particular, Articles 6 and 9-11a) and
- have been converted to euro at the rate laid down in Article 15.6 of the Grant Agreement:
 - for beneficiaries with accounts established in a currency other than the euro:

³ To be assessed in particular on the basis of the procurement and selection procedures for service providers.

Costs incurred in another currency must be converted into euros at the average of the daily exchange rates published in the C series of the [EU Official Journal](#) determined over the corresponding reporting period.

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 rate established by the Commission and published on its [website](#);

- for beneficiaries with accounts established in euro:
Costs incurred in another currency should be converted into euros applying the beneficiary's usual accounting practice.

The auditor must verify whether expenditure includes **VAT** and, if so, verify that the beneficiary:

- cannot recover the VAT (this must be supported by a statement from the competent body) and
- is not a public body acting as a public authority.

The auditor should base his/her audit approach on the **confidence level** following a review of the beneficiary's internal control system. When using sampling, the auditor should indicate and justify the sampling size.

Specific eligibility rules

In addition, the auditor must verify that the costs declared comply with the specific cost eligibility rules set out in Article 6.2 and Articles 9.1.1, 10.1.1, 11.1.1, 11a.1.1 and 11a.2.1 of the Grant Agreement.

Personnel costs

The auditor must verify that:

- personnel costs have been charged and paid in respect of the actual time devoted by the beneficiary's personnel to implementing the action (justified on the basis of time sheets or other relevant time-recording system);
- personnel costs were calculated on the basis of annual gross salary, wages or fees (plus obligatory social charges, but excluding any other costs) specified in an employment or other type of contract, not exceeding the average rates corresponding to the beneficiary's usual policy on remuneration;
- the work was carried out during the period of implementation of the action, as defined in Article 3 the Grant Agreement and
- the personnel costs are not covered by another EU or Euratom grant (see below ineligible costs);
- for additional remunerations: the 2 conditions set out in Article 6.2.A.1 are met (i.e. that it is part of the beneficiary's usual remuneration practices and is paid in a consistent manner whenever the same kind of work or expertise is required and that the criteria used to calculate the supplementary payments are objective and generally applied by the beneficiary, regardless of the source of funding used);
- for in-house consultants: the 3 conditions set out in Article 6.2.A.2 of the Grant Agreement are met (i.e. that the in-house consultant works under the beneficiary's instructions, that the result of the work carried out belongs to the beneficiary, and that

the costs are not significantly different from those for personnel performing similar tasks under an employment contract).

The auditor should have assurance that the management and accounting system ensures proper allocation of the personnel costs to various activities carried out by the beneficiary and funded by various donors.

Subcontracting costs

The auditor must verify that:

- the subcontracting complies with best value for money (or lowest price) and that there was no conflict of interests;
- subcontracting was necessary to implement the action for which the grant is requested;
- subcontracting was provided for in Annex 1 and Annex 2 or agreed to by the Agency at a later stage;
- the subcontracting is supported by accounting documents in accordance with national accounting law;
- the costs for subcontracts with entities that have a structural link with the beneficiary are limited to the own costs of the entity (i.e. without any profit margin; see Article 10 of the Grant Agreement);
- public bodies have complied with the national rules on public procurement.

Travel and subsistence costs

The auditor must verify that travel and subsistence costs:

- have been charged and paid in accordance with the beneficiary's internal rules or usual practices;
- are not covered by another EU or Euratom grant (see below ineligible costs);
- were incurred for travels linked to action tasks set out in Annex 1 of the Grant Agreement.

Equipment costs

The auditor must verify that:

- the equipment is purchased, rented or leased at normal market prices;
- public bodies have complied with the national rules on public procurement;
- the equipment is written off, depreciation has been calculated according to the tax and accounting rules applicable to the beneficiary and only the portion of the depreciation corresponding to the duration of the action has been declared and
- the costs are not covered by another EU or Euratom grant (see below ineligible costs).

Costs of other goods and services

The auditor must verify that:

- the purchase complies with best value for money (or lowest price) and that there was no conflict of interests;
- public bodies have complied with the national rules on public procurement;

- the costs are not covered by another EU or Euratom grant (see below ineligible costs).

Ineligible costs

The auditor must verify that the beneficiary has not declared any costs that are ineligible under Article 6.4 of the Grant Agreement:

- costs relating to return on capital;
- debt and debt service charges;
- provisions for future losses or debts;
- interest owed;
- doubtful debts;
- currency exchange losses;
- bank costs charged by the beneficiary's bank for transfers from the Agency;
- excessive or reckless expenditure;
- deductible VAT;
- VAT incurred by a public body acting as a public authority;
- costs incurred during suspension of the implementation of the action;
- in-kind contributions from third parties;
- costs declared under other EU or Euratom grants (including those awarded by a Member State and financed by the EU or Euratom budget or awarded by bodies other than the Agency for the purpose of implementing the EU or Euratom budget); in particular, indirect costs if the beneficiary is already receiving an operating grant financed by the EU or Euratom budget in the same period;
- costs incurred for permanent staff of a national administration for activities that are part of its normal activities (i.e. not undertaken only because of the grant);
- costs incurred for staff or representatives of EU institutions, bodies or agencies.

3.2 Verification of receipts

The auditor must verify that the beneficiary has declared receipts within the meaning of Article 5.3.3 of the Grant Agreement, i.e.:

- income generated by the action (e.g. from the sale of products, services and publications, conference fees)
- financial contributions given to the beneficiary organisation by its members, specifically to be used for costs that are eligible under the action.

Moreover, the auditor must verify that the remaining costs of the action were borne by beneficiary, i.e. that there were no financial contributions given by third parties specifically to be used for costs that are eligible under the action (except by members) (see Article 5.2 and 5.3.3 of the Grant Agreement).

3.3 Verification of the beneficiary's accounting system

The auditor must verify that:

- the accounting system (analytical or other suitable internal system) makes it possible to identify **sources of financing** for the action and related expenses incurred during the contractual period and

- expenses/income under the grant have been recorded systematically using a numbering system that **distinguishes** them from expenses/income for other projects.

Certificate on the financial statement (CFS)

To
[Beneficiary's full name
address]

We, [full name of the audit firm/organisation], established in [full address/city/country], represented for signature of this audit certificate by [name and function of an authorised representative],

hereby certify

that:

1. We have **conducted an audit** relating to the costs declared in the financial statement of [name of beneficiary] (the 'beneficiary'), to which this audit certificate is attached and which is to be presented to the Consumers, Health, Agriculture and Food Executive Agency under Grant Agreement No [insert number] — [insert acronym], covering costs for the following reporting period(s): [insert reporting period(s)].
2. We confirm that our audit was **carried out in accordance with generally accepted auditing standards** in compliance with ethical rules and on the basis of the provisions of the **Grant Agreement** and its Annexes (and in particular the audit methodology described in Annex 5).
3. The financial statement was examined and all necessary tests of [all/[X]]% of the supporting documentation and accounting records were carried out in order to obtain **reasonable assurance that**, in our opinion and on the basis of our audit
 - total **costs of EUR [insert number]** ([insert amount in words]) are eligible, i.e.:
 - actual;
 - determined in accordance with the beneficiary's accounting principles;
 - incurred during the period referred to in Article 3 of the Grant Agreement;
 - recorded in the beneficiary's accounts (at the date of this audit certificate);
 - comply with the specific eligibility rules in Article 6.2 of the Grant Agreement;
 - do not contain costs that are ineligible under Article 6.4 of the Grant Agreement, in particular:
 - costs relating to return on capital;
 - debt and debt service charges;
 - provisions for future losses or debts;
 - interest owed;
 - doubtful debts;
 - currency exchange losses;
 - bank costs charged by the beneficiary's bank for transfers from the Agency;
 - excessive or reckless expenditure;

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- deductible VAT;
 - VAT incurred by a public body acting as a public authority;
 - costs incurred during suspension of the implementation of the action;
 - in-kind contributions provided by third parties;
 - costs declared under other EU or Euratom grants (including those awarded by a Member State and financed by the EU or Euratom budget or awarded by bodies other than the Agency for the purpose of implementing the EU or Euratom budget); in particular, indirect costs if the beneficiary is already receiving an operating grant financed by the EU or Euratom budget in the same period;
 - costs incurred for permanent staff of a national administration, for activities that are part of its normal activities (i.e. not undertaken only because of the grant);
 - costs incurred for staff or representatives of EU institutions, bodies or agencies;
- /are claimed according to the euro conversion rate referred to in Article 15.6 of the Grant Agreement;/
- total **receipts** of EUR [insert number] ([insert amount in words]) have been declared under Article 5.3.3 of the Grant Agreement and
- the beneficiary's **accounting procedures** are in compliance with the accounting rules of the state in which it is established and permit direct reconciliation of the costs incurred for the implementation of the action covered by the EU grant with the overall statement of accounts relating to its overall activity.

/However, our audit opinion is **qualified** for:

- costs of EUR [insert number]
- receipts of EUR [insert number]

which in our opinion do not comply with the applicable rules./

4. We are qualified/authorised to deliver this audit certificate /((for additional information, see appendix to this certificate)).
5. The beneficiary paid a **price** of EUR [insert number] (including VAT of EUR [insert number]) for this audit certificate. **OPTION 1:** These costs are eligible (i.e. incurred within 60 days of the end of the action referred to in Article 3 of the Grant Agreement) and included in the financial statement.**OPTION 2:** These costs were not included in the financial statement./

Date, signature and stamp



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