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Single Market Programme (SMP/SME Pillar)

“COVID-19 Recovery through Sustainable Tourism Growth and SME Support”
(SMP-COSME-2021-TOURSME)



TRACE

**SMEs TRANSITION FOR A EUROPEAN
CIRCULAR TOURISM ECOSYSTEM**

ANNEX III Third Party Beneficiary Service Agreement

Disclaimer

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This THIRD PARTY BENEFICIARY SERVICE AGREEMENT (hereinafter “Service Agreement”) is based upon the SINGLE MARKET PROGRAMME (SMP/SME PILLAR) Guidelines for Awarding Financial Support to Third Parties for the call COVID-19 Recovery through sustainable Tourism Growth and SME Support (SMP-COSME-2021-TOURSME), and is made on [DATE], hereinafter referred to as the Effective Date

BETWEEN:

Iniziativa Cube S.r.l., as the responsible partner for the Financial Support for Third Parties (FSTP) under the “SMEs TRAnSition for an European Circular tourism Ecosystem” project, in short TRACE (hereinafter referred to as “Project”),

established in Via G. Porzio, 4–CDN Is. G7 80143 Napoli, Italy, VAT number: 05752831213, represented for the purposes of signing the Agreement by Ivo Allegro, Chief Executive Officer (CEO)

AND

[COMPANY NAME], established in [Address, City, Country, VAT number], represented for the purposes of signing the Agreement by [NAME SURNAME], [Role], hereinafter referred to as the “beneficiary SME”

1. DESCRIPTION OF THE PROJECT

TRACE is a project co-funded by the European Commission under the Single Market Programme (SMP/SME Pillar), which aims to provide sustainability services such as strategies, training activities and tools for tourism SMEs willing to innovate their business models and enhance their performance from a sustainability and circularity perspective.

More specifically, TRACE partners will develop specific sustainability strategies, training activities and tools for tourism SMEs willing to innovate their business model and enhance their performance from a sustainability and circularity perspective, developing and supporting cultural tourism in European regions, in connection with both material and non-material cultural heritage and natural heritage.

Considering the specific needs of the tourism industry facing the sustainability challenge, TRACE project aims to enhance and monitor the sustainability performance of SMEs in the tourism sector, boosting their awareness, development and capacity to develop and integrate sustainable innovations in their business practice, making sustainability, resilience and circularity as key factors of competitiveness in the rapidly changing global tourism market scenario.

The TRACE SMEs Support Programme is organized in four interconnected phases, the Phase 1 Capacity Building Support, the Phase 2 Assess & Recommend, the Phase 3 Circular Business Direct Support, and the Phase 4 Financial Support for selected tourism SMEs.



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Through all four phases, TRACE Consortium members will provide tailored services for the beneficiary SMEs aimed at facilitating the understanding and assimilation of circular economy paradigm in their company, namely:

- action-learning trainings, awareness raising towards sustainability and circular tourism webinars, study visits and local matchmaking;
- mentoring programme towards peer learning & knowledge sharing;
- sustainability assessment and certification schemes, circularity action plan development, boosting for business development;
- financial support in the maximum amount of € 7,200 per beneficiary for tourism SMEs.

2. DURATION OF THE AGREEMENT

The present agreement enters into force on the effective day of signature and will last until 30th of April 2025.

3. DECLARATIONS AND OBLIGATION OF THE BENEFICIARY

By signing this document the beneficiary declares to meet the requirements set out in the TRACE Open Call for SMEs Support.

4. ELIGIBLE ACTIVITIES AND COSTS

During the TRACE programme, the beneficiary SMEs will receive the direct equity-free funding under the form of Grant for the following eligible activities:

- Fitness check for tourism SMEs as regards sustainability practices and strategies, and compliance check for upcoming regulations;
- Supporting tourism SMEs preparation and application for sustainability/ environmental certification, such as EU Ecolabel certification and EMAS registration;
- Implementation of the Environmental Footprint Methods as part of the tourism SMEs sustainability strategy development (support the generation of Product Environmental Footprint, PEF, studies and Organisation Environmental Footprint, OEF, studies);
- Supporting the development of the tourism SMEs sustainability strategy and implementing the improvement measures following the recommendations of the PEF/OEF studies;
- Supporting upskilling and re-skilling of tourism SMEs on sustainability, digital innovation and data management;
- Boosting innovation in sustainable and resilient tourism through knowledge transfer and cross-sectoral collaboration;



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- Increasing the competitiveness of tourism SMEs by improving their capacity and uptake of innovative sustainable solutions geared towards increased resilience;
- Developing sustainable business strategies in line with forward-looking market trends, to facilitate return of investment and the diversification of service offers;
- Developing socially sustainable tourism models, considering the impact and participation of local communities and reducing problems of over-tourism.

If an applicant acquires services similar to the ones provided under TRACE programme, those services will be deemed not eligible.

If an applicant participates in another Open Call funded/co-funded by EU funds on the same topic, the services acquired must be different. Double funding of same or similar activities is not allowed.

The eligible costs for TRACE financial support scheme are only those costs claimed for the eligible activities under and represented by:

- costs for advisory/experts services;
- costs for accommodation, travel or participation fees at events/training connected to the capacity building and networking activities of TRACE project. The maximum expense for travel, registration and accommodation costs is 20% of the total claimed costs;
- costs for access to sustainability certification.

5. REPORTING

The beneficiary SME agrees to the following reporting scheme (as specified in the TRACE Open Call):

- The beneficiary SME will submit, with the support from the TRACE Consortium, n. 2 reports: (1) an Inception Report (IR) due by the end of month 1 from the start of the Financial Support programme (i.e. March 2024); and (2) a Final Report (FR) due within 30 calendar days after the end of the Financial Support programme, highlighting:
 - activities and services planning (for the IR) and progress (for the FR);
 - budgeted costs (for the IR) and costs incurred (for the FR);
 - receipts and supporting documents of the reported costs incurred (for the FR);
- The beneficiary SME agrees to collaborate with the TRACE Consortium to the evaluation and reporting of the project activities and services, providing throughout the period of participation data, information and reply to evaluation instruments (questionnaires, survey, interviews etc.).

Reporting templates will be provided by the TRACE Consortium and have to be filled in according to the indications given to the beneficiary SMEs.

Eligible costs should be reported as follows:

- Goods and services. These costs shall be reported with documents such as: contracts or purchase orders, invoices/receipts and proof of payments;



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- Travel and accommodation costs for face-to-face activities. These costs shall be reported with the following documents: booking proofs, receipts or other documents (proofs of attendance such as minutes of meetings and report) and proof of payments.

In case reports are incomplete in any part and documents, the TRACE Consortium can ask for additional information; participants must provide the requested documents within 10 calendar days from the request, otherwise the report will be rejected and the Grant revoked.

6. FINANCIAL ASPECTS AND PAYMENTS ARRANGEMENTS

The beneficiary SME will receive a maximum amount of € 7,200.

Within the maximum amount set out above, the beneficiary SME will be bound to participate in the activities listed in the current agreement. The contributions will be calculated as actual costs reimbursed at 100% within the maximum amount.

To receive the Grant instalments, the beneficiary SME must send the reports to the email address specified by the Consortium. The reports must be duly filled in and signed by the Legal Representative of the beneficiary SME.

The beneficiary SME must have participated in at least 90% of the activities included in the agreement. Grants will be delivered to the beneficiary SME in 2 tranches as defined in the following table.

Percentage	Timeline for the payment	Necessary documents	Date of sending documents
40% of the maximum amount	within 1 month and 3 weeks from the submission of the Inception Report	(1) Signed Third Party Beneficiary Service Agreement; (2) Submission of the Inception Report	(1) September 2023 (2) By the end of month 1 from the start of the Financial Support programme (i.e. March 2024)
Up to 60% of the maximum amount (based on the eligible costs incurred)	within 1 month and 3 weeks from the submission of the Final Report	Submission of the Final Report with documentary evidence of expenses	within 30 calendar days after the end of the Financial Support programme (max 6 months)

In addition to the reporting process described in the paragraph 5 of the agreement, to be eligible for finance, the costs must follow the following rules:

- all invoices and accounting documents must be in the name of the beneficiary SME;
- all costs to be reimbursed must:



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- o be actually incurred (and traceable, cash payments are not allowed);
- o be necessary to implement the action which is the subject of the Grant;
- o be reasonable and justified, and comply with the requirements of sound financial management, in particular as regards economy and efficiency;
- o have been incurred within the Financial Support programme duration;
- o not be covered by another EU Grant;
- o be identifiable, verifiable and, in particular, recorded in the beneficiary accounting records and determined according to the applicable accounting standards of the country where it is established and its usual cost-accounting practices;
- o comply with the requirements of applicable national laws on taxes, labour and social security;
- o be supported by adequate records and other documentation to prove the costs declared, such as contracts, subcontracts, invoices and accounting records. In addition, the beneficiaries' usual cost accounting practices and internal control procedures must enable direct reconciliation between the amounts declared, the amounts recorded in their accounts and the amounts stated in the supporting documentation.

Costs incurred in another currency must be converted into Euro 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 exchange rates established by the European Commission and published on its website.

Travel, accommodation costs and subsistence allowances must be in line with usual SME practices or respect any maximum ceiling for travel and hotel costs established at National level, whichever prevails.

Travel arrangements must prioritise the use of public and collective transport modes. The most cost-efficient means of transportation shall be used. Other means shall be justified.

No business or first-class tickets for air transport are eligible. Business- or first-class train tickets are allowed if it can be proved that they are the most economic travel option when booking the ticket (e.g. through screenshots of booking web pages).

Daily rates for hotels are considered as cost-adequate, if not ruled at national or international level, when they are below the amounts mentioned in the Commission Delegated Regulation (EU) 2016/1611 of July 2016.

Higher daily rates shall be considered as exceptional and must be duly justified. Daily subsistence allowances must be in line with national and internal rules of the beneficiary. If not ruled at national or international level, as well as in case of international organisations, the maximum eligible daily allowances are those defined in the official list available on

<http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32016R1611&from=EN>



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All costs must be clearly linked to the project activities.

7. FINANCIAL AUDITS AND CONTROLS

The European Commission (EC) will monitor that TRACE beneficiaries, and the beneficiary SME comply with the conditions for Financial Support to Third Parties (FSTP) set out in Annex 1 of the TRACE Grant Agreement and may take any action foreseen by the Grant Agreement in case of non-compliance vis à vis the beneficiary concerned.

Moreover, the EC may at any time during the implementation of the TRACE project and up to four years after the end of the project, arrange for financial audits to be carried out, by external auditors, or by the EC services themselves including the European Anti-Fraud office (OLAF). The audit procedure shall be deemed to be initiated on the date of receipt of the relevant letter sent by the EC. Such audits may cover financial, systemic, and other aspects (such as accounting and management principles) relating to the proper execution of the grant agreement. They shall be carried out on a confidential basis.

The beneficiary SME shall make available directly to the EC all detailed information and data that may be requested by the EC or any representative authorised by it, with a view to verifying that the Grant Agreement is properly managed and performed in accordance with its provisions and that costs have been charged in compliance with it. This information and data must be precise, complete, and effective.

The beneficiary SME shall keep all sub-project deliverables and the originals or, in exceptional cases, duly authenticated copies – including electronic copies – of all documents relating to the sub-project contract for up to five years from the end of the project. These shall be made available to the EC were requested during any audit under the Grant Agreement.

To carry out these audits, the beneficiary SME shall ensure that the EC's services and any external body(ies) authorised by it have on-the-spot access at all reasonable times, notably to the sub-project applicant offices, to its computer data, to its accounting data and to all the information needed to carry out those audits, including information on individual salaries of persons involved in the project. They shall ensure that the information is readily available on the spot at the moment of the audit and, if so requested, that data be handed over in an appropriate form.

Based on the findings made during the financial audit, a provisional report shall be drawn up. It shall be sent by the EC or its authorized representative to the beneficiary concerned, which may make observations thereon within one month of receiving it. The Commission may decide not to consider observations conveyed or documents sent after that deadline. The final report shall be sent to the beneficiary concerned within two months of expiry of the aforesaid deadline.

Based on the conclusions of the audit, the EC shall take all appropriate measures which it considers necessary, including the issuing of recovery orders regarding all or part of the payments made by it and the application of any applicable sanction.

The European Court of Auditors shall have the same rights as the EC, notably right of access, for the purpose of checks and audits, without prejudice to its own rules.

In addition, the EC may carry out on-the-spot checks and inspections in accordance with Council Regulation (Euratom, EC) No 2185/96 of November 11th, 1996 concerning on-the-spot checks and



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inspections carried out by the Commission to protect the European Communities' financial interests against fraud and other irregularities.

8. PROMOTING THE ACTION AND GIVE VISIBILITY TO THE EU FUNDING

The beneficiary SMEs must promote the sub-project, the TRACE project and its results, by providing targeted information to multiple audiences (including the media and the public) in a strategic and effective manner and to highlight the financial support of the EC. The TRACE Communication team will guide and support these communication activities.

Unless the European Commission or the TRACE Coordinator requests or agrees otherwise or unless it is impossible, any communication activity related to the action (including in electronic form, via social media, etc.), any publicity, including at a conference or seminar or any type of information or promotional material (brochure, leaflet, poster, presentation etc.), and any infrastructure, equipment and major results funded by the grant must:

- I. display the EU emblem
- II. display the TRACE logo and
- III. include the following disclaimer: *Co-funded by the European Union under the Grant Agreement 101085893. Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or European Innovation Council and SMEs Executive Agency (EISMEA). Neither the European Union nor the granting authority can be held responsible for them.*



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When displayed in association with a logo, the European emblem should be given appropriate prominence. This obligation to use the European emblem in respect of projects to which the EC contributes implies no right of exclusive use. It is subject to general third-party use restrictions which do not permit the appropriation of the emblem, or of any similar trademark or logo, whether by registration or by any other means. Under these conditions, the Beneficiary is exempted from the obligation to obtain prior permission from the EC to use the emblem. Further detailed information on the EU emblem can be found on the [European web page](#).

Any publicity made by the beneficiary SME in respect of the project, in whatever form and on or by whatever medium, must specify that it reflects only the author's views and that the EC or TRACE project is not liable for any use that may be made of the information contained therein.

The EC and the TRACE Consortium shall be authorized to publish, in whatever form and on or by whatever medium, the following information:

- a. the name of the beneficiary SME;



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- b. contact address of the beneficiary SME;
- c. the general purpose of the project;
- d. the amount of the financial contribution foreseen for the project; after the final payment, and the amount of the financial contribution actually received;
- e. the geographic location of the activities carried out;
- f. the list of dissemination activities and/or of patent (applications) relating to foreground;
- g. the details/references and the abstracts of scientific publications relating to foreground and, if funded within the sub-project, the published version or the final manuscript accepted for publication;
- h. the publishable reports submitted to TRACE;
- i. any picture or any audio-visual or web material provided to the EC and TRACE in the framework of the project.

The beneficiary SME shall ensure that all necessary authorizations for such publication have been obtained and that the publication of the information by the EC and TRACE does not infringe any rights of third parties.

Upon a duly substantiated request by the beneficiary SME, if such permission is provided by the EC, the TRACE Consortium may agree to embargo project publicity if disclosure of the information indicated above would risk compromising the beneficiary's security, academic or commercial interests.

9. PERSONAL DATA PROTECTION

Any personal data under the TRACE Open Call for SMEs Support and the Third Part Beneficiary Service Agreement will be processed by each Consortium partner, in compliance with the article 13 of EU Regulation 2016/679 (GDPR).

The beneficiaries must process personal data under this 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 TRACE Consortium. For this purpose, they must provide them with the Consortium privacy statement(s), before transmitting their data to the Consortium.



SIGNATURES

Iniziativa Cube S.r.l.

Name/Surname of Legal Representative _____

Role _____

Place and date _____

Signature* _____

Beneficiary SME name

Name/Surname of Legal Representative _____

Role _____

Place and date _____

Signature* _____

(two handwritten signature Agreement copies and enclose copy of the Identity Card of the Legal Representative)



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ANNEX - DECLARATION OF HONOUR AND SME DECLARATION FORM

(to be signed and submitted within the Service Agreement after the evaluation process)

By signing this declaration, I hereby declare that:

- I have read and accepted terms and conditions set out in the TRACE Open Call for SMEs Support and its annexes, as well as the TRACE Third Party Beneficiary Service Agreement;
- I have read the Confidentiality and Communication rules applicable to the TRACE Open Call for SMEs Support, as well as the TRACE Third Party Beneficiary Service Agreement;

I, the undersigned, representing the “.....” /
(Name of SME in local language and in English), hereinafter “SME”, hereby

state that:

- I am legally authorised to sign this statement on behalf of SME;
- The SME is a Small and Medium-sized Enterprise complying with the European Commission Recommendation 2003/361/EC and the SME qualification guide;
- All information provided by SME required as a condition for participating in the TRACE SMEs Support Programme is correct to the best of my/our knowledge;
- SME has the adequate legal capacity to participate in the TRACE SMEs Support Programme and especially to submit all required documents;
- SME has the adequate organisational and financial capacity to implement the project, as described in the Application Form of the TRACE Open Call for SMEs Support and in accordance with the contractual framework of the TRACE SMEs Support Programme;
- SME is not bankrupt, subject to insolvency or winding up procedures, its assets are not being administered by a liquidator or by a court, it is not in an arrangement with creditors, its business activities are not suspended or it is not in any analogous situation arising from a similar procedure provided under national legislation or regulations;
- It has not been established by a final judgement or a final administrative decision that the SME is in breach of its obligations relating to the payment of taxes or social security contributions in accordance with the law of the country in which it is established;
- SME is in compliance with its obligations relating to the payment of social security contributions or payment of taxes in accordance with the legal provisions of the country in which it is established;
- SME and any person legally authorised to represent it has not been involved in fraud, corruption, cooperation with a criminal organisation, money laundering or other illegal activity;



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- SME is not excluded from the possibility of obtaining EU funding under the provisions of both national and EU law, or by a decision of either national or EU authority;
- SME and any person legally authorized to represent it has not been guilty of grave professional misconduct;
- SME is not subject to a conflict of interest;
- SME hasn't received funding from other public entities (including other programmes funded by the European Union) for the same item of costs for the present action plan.

I understand that SME will not be receiving funding under this Service Agreement if:

- It finds itself in one of the situations of exclusion listed above;
- It has misrepresented the information required as a condition for participating in the procedure or has failed to supply that information;
- It is subject to a conflict of interest.

I/we authorise the TRACE Consortium to publish the following information in any form and medium, including via internet:

- The SME's name and address
- The subject of the Application Form for the TRACE Open Call for SMEs and a short description thereof
- The amount awarded and the Grant rate

I understand that if SME will not provide the required information and documents during the involvement in the TRACE Financial Support programme, e.g. interim and final reporting, will need to promptly return the funding received.

By signing this declaration, I accept all the conditions set out in the Open Call and its annexes.

Place, Date Name Surname and Signature of Legal Representative	Stamp of the SME
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