EUROPEAN CLIMATE, INFRASTRUCTURE AND ENVIRONMENT EXECUTIVE AGENCY (CINEA)

CINEA.B – Sustainable networks and investments
Head of Department

GRANT AGREEMENT

Project 101278194 — 2025-10-SK-LS-JTIP

PREAMBLE

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

on the one part,

the **European Climate, Infrastructure and Environment Executive Agency (CINEA)** ('EU executive agency' or 'granting authority'), under the powers delegated by the European Commission ('European Commission'),

and

on the other part,

1. 'the coordinator':

MESTO KOSICE (City of Kosice), PIC 938386731, established in TRIEDA SNP 48 A, KOSICE 040 11, Slovakia,

Unless otherwise specified, references to 'beneficiary' or 'beneficiaries' include the coordinator and affiliated entities (if any).

If only one beneficiary signs the grant agreement ('mono-beneficiary grant'), all provisions referring to the 'coordinator' or the 'beneficiaries' will be considered — mutatis mutandis — as referring to the beneficiary.

The parties referred to above have agreed to enter into the Agreement.

By signing the Agreement and the accession forms, the beneficiaries accept the grant and agree to implement the action under their own responsibility and in accordance with the Agreement, with all the obligations and terms and conditions it sets out.

The Agreement is composed of:

Preamble

Terms and Conditions (including Data Sheet)

Annex 1 Description of the action[1]

Annex 2 Estimated budget for the action

Annex 3 Accession forms (if applicable)[2]

Annex 3a Declaration on joint and several liability of affiliated entities (if applicable)[3]

Annex 4 Model for the financial statements

Annex 5 Specific rules (if applicable)

[1] Template published on Portal Reference Documents.
[2] Template published on Portal Reference Documents.
[3] Template published on Portal Reference Documents.

TERMS AND CONDITIONS

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DATA SHEET

1. General data

Project summary:

Project summary
The Košice Just Transition Infrastructure Programme is a framework loan–backed investment package supporting the modernisation of key public infrastructure in the City of Košice, Slovakia, a designated Just Transition territory. The programme contributes to the implementation of Slovakia's Territorial Just Transition Plan and Košice's Climate City Contract as part of the EU Mission Cities initiative, supporting the transition towards climate neutrality and sustainable urban development. The overall objective of the project is to upgrade critical municipal assets in order to reduce energy consumption and operating costs, improve accessibility and service quality, strengthen climate resilience, and support inclusive socio-economic development. The investment portfolio is structured around four Strategic Investment Areas: (i) Energy-Efficient Education, (ii) Resilient Healthcare and Inclusive Housing, (iii) User-Centric Public Infrastructure, and (iv) Sustainable Mobility. The programme addresses development needs related to ageing public buildings, poor energy performance, limited accessibility for vulnerable groups, and insufficient low-carbon mobility infrastructure. The project directly responds to key environmental, social and economic challenges in the region. Environmentally, it reduces energy demand and supports decarbonisation of public assets. Socially, it improves access to safe, barrier-free and higher-quality public services for children, elderly citizens, low-income households and persons with disabilities. Economically, it lowers long-term operating costs for the municipality and strengthens the attractiveness and functionality of public facilities and local mobility networks. In quantitative terms, the project will renovate approximately 20,000 m² of public facilities, deliver annual energy savings of approximately 1,050 MWh, and improve infrastructure and services benefiting around 229,000 residents. The project also includes the construction of a missing link in the municipal cycle path network and minor road reconstruction of approximately 2 road lanes. As a result of the project 2–3 additional permanent direct jobs are expected to be created. The grant of EUR 4,267,170 complements a loan of EUR 17,068,680 awarded by the European Investment Bank (EIB), bringing the total budget for the project to EUR 23,706,500.

Keywords:

- just transition, climate-neutral cities, mission cities, energy-efficient public buildings, sustainable mobility

Project number: 101278194

Project name: Košice Just Transition Infrastructure Programme

Project acronym: 2025-10-SK-LS-JTIP

Call: JTM-2022-2025-PSLF

Topic: JTM-2022-2025-PSLF-LOAN-SCHEMES

Type of action: JTM Lump Sum Grants

Granting authority: European Climate, Infrastructure and Environment Executive Agency

Grant managed through EU Funding & Tenders Portal: Yes (eGrants)

Project starting date: fixed date: 1 April 2026

Project end date: 31 January 2030

Project duration: 46 months

Consortium agreement: Yes

2. Participants

List of participants:

N°	Role	Short name	Legal name	Ctry	PIC	Max grant amount
1	COO	City of Kosice	MESTO KOSICE	SK	938386731	4 267 170.00
Total						4 267 170.00

Coordinator:

- MESTO KOSICE (City of Kosice)

3. Grant

Maximum grant amount, total estimated eligible costs and contributions and funding rate:

Maximum grant amount (Annex 2)	Maximum grant amount (award decision)
4 267 170.00	4 267 170.00

Grant form: Lump Sum

Grant mode: Action grant

Budget categories/activity types: Lump sum contributions

Cost eligibility options: n/a

Budget flexibility: No

4. Reporting, payments and recoveries

4.1 Continuous reporting (art 21)

Deliverables: see Funding & Tenders Portal Continuous Reporting tool

4.2 Periodic reporting and payments

Reporting and payment schedule (art 21, 22):

Reporting					Payments	
Reporting periods			Type	Deadline	Type	Deadline (time to pay)
RP No	Month from	Month to				
					Initial prefinancing	30 days from entry into force/ financial guarantee (if required) – whichever is the latest
1	1	46	Periodic report	60 days after end of reporting period	Final payment	90 days from receiving periodic report

Prefinancing payments and guarantees:

Prefinancing payment		Prefinancing guarantee		
Type	Amount	Guarantee amount	Division per participant	
Prefinancing 1 (initial)	2 987 019.00	n/a	1 - City of Kosice	n/a

Reporting and payment modalities (art 21, 22):

Mutual Insurance Mechanism (MIM): No

Restrictions on distribution of initial prefinancing: The prefinancing may be distributed only if the minimum number of beneficiaries set out in the call condititions (if any) have acceded to the Agreement and only to beneficiaries that have acceded.

Interim payment ceiling (if any): 100% of the maximum grant amount

No-profit rule: n/a

Late payment interest: ECB + 3.5%

Bank account for payments:

SK2109000000005239625830 GIBASKBXXXX

Conversion into euros: n/a

Reporting language: Language of the Agreement

4.3 Certificates (art 24): n/a

4.4 Recoveries (art 22)

First-line liability for recoveries:

Beneficiary termination: Beneficiary concerned

Final payment: Coordinator

After final payment: Beneficiary concerned

Joint and several liability for enforced recoveries (in case of non-payment):

Limited joint and several liability of other beneficiaries — up to the maximum grant amount of the beneficiary

Joint and several liability of affiliated entities — n/a

5. Consequences of non-compliance, applicable law & dispute settlement forum

Suspension and termination:

Additional suspension grounds (art 31)

Additional termination grounds (art 32)

Applicable law (art 43):

Standard applicable law regime: EU law + law of Belgium

Dispute settlement forum (art 43):

Standard dispute settlement forum:

EU beneficiaries: EU General Court + EU Court of Justice (on appeal)

Non-EU beneficiaries: Courts of Brussels, Belgium (unless an international agreement provides for the enforceability of EU court judgements)

6. Other

Specific rules (Annex 5): Yes

Standard time-limits after project end:

Confidentiality (for X years after final payment): 5

Record-keeping (for X years after final payment): 5 (or 3 for grants of not more than EUR 60 000)

Reviews (up to X years after final payment): 5 (or 3 for grants of not more than EUR 60 000)

Audits (up to X years after final payment): 5 (or 3 for grants of not more than EUR 60 000)

Extension of findings from other grants to this grant (no later than X years after final payment): 5 (or 3 for grants of not more than EUR 60 000)

Impact evaluation (up to X years after final payment): 5 (or 3 for grants of not more than EUR 60 000)

CHAPTER 1 GENERAL

ARTICLE 1 — SUBJECT OF THE AGREEMENT

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

ARTICLE 2 — DEFINITIONS

For the purpose of this Agreement, the following definitions apply:

Actions — The project which is being funded in the context of this Agreement.

Grant — The grant awarded in the context of this Agreement.

EU grants — Grants awarded by EU institutions, bodies, offices or agencies (including EU executive agencies, EU regulatory agencies, EDA, joint undertakings, etc.).

Participants — Entities participating in the action as beneficiaries, affiliated entities, associated partners, third parties giving in-kind contributions, subcontractors or recipients of financial support to third parties.

Beneficiaries (BEN) — The signatories of this Agreement (either directly or through an accession form).

Affiliated entities (AE) — Entities affiliated to a beneficiary within the meaning of Article 190 of EU Financial Regulation 2024/2509[4] which participate in the action with similar rights and obligations as the beneficiaries (obligation to implement action tasks and right to charge costs and claim contributions).

Associated partners (AP) — Entities which participate in the action, but without the right to charge costs or claim contributions.

Purchases — Contracts for goods, works or services needed to carry out the action (e.g. equipment, consumables and supplies) but which are not part of the action tasks (see Annex 1).

Subcontracting — Contracts for goods, works or services that are part of the action tasks (see Annex 1).

In-kind contributions — In-kind contributions within the meaning of Article 2(38) of EU Financial Regulation 2024/2509, i.e. non-financial resources made available free of charge by third parties.

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[4] For the definition, see Article 190 Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (recast) ('EU Financial Regulation') (OJ L, 2024/2509, 26.9.2024): "**affiliated entities** [are]:

(a) entities that form a sole beneficiary [(i.e. where an entity is formed of several entities that satisfy the criteria for being awarded a grant, including where the entity is specifically established for the purpose of implementing an action to be financed by a grant)];

(b) entities that satisfy the eligibility criteria and that do not fall within one of the situations referred to in Article 138(1) and 143(1) and 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".

Fraud — Fraud within the meaning of Article 3 of EU Directive 2017/1371[5] and Article 1 of the Convention on the protection of the European Communities' financial interests, drawn up by the Council Act of 26 July 1995[6], as well as any other wrongful or criminal deception intended to result in financial or personal gain.

Irregularities — Any type of breach (regulatory or contractual) which could impact the EU financial interests, including irregularities within the meaning of Article 1(2) of EU Regulation 2988/95[7].

Grave professional misconduct — Any type of unacceptable or improper behaviour in exercising one's profession, especially by employees, including grave professional misconduct within the meaning of Article 138(1)(c) of EU Financial Regulation 2024/2509[8].

Applicable EU, international and national law — Any legal acts or other (binding or non-binding) rules and guidance in the area concerned.

Portal — EU Funding & Tenders Portal; electronic portal and exchange system managed by the European Commission and used by itself and other EU institutions, bodies, offices or agencies for the management of their funding programmes (grants, procurements, prizes, etc.).

CHAPTER 2 ACTION

ARTICLE 3 — ACTION

The grant is awarded for the action **101278194 — 2025-10-SK-LS-JTIP** ('action'), as described in Annex 1.

ARTICLE 4 — DURATION AND STARTING DATE

The duration and the starting date of the action are set out in the Data Sheet (see Point 1).

CHAPTER 3 GRANT

ARTICLE 5 — GRANT

[5] Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (OJ L 198, 28.7.2017, p. 29).

[6] OJ C 316, 27.11.1995, p. 48.

[7] Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.1995, p. 1).

[8] 'Professional misconduct' includes, in particular, the following: violation of ethical standards of the profession; wrongful conduct with impact on professional credibility; breach of generally accepted professional ethical standards; false declarations/misrepresentation of information; participation in a cartel or other agreement distorting competition; violation of IPR; attempting to influence decision-making processes by taking advantage, through misrepresentation, of a conflict of interests, or to obtain confidential information from public authorities to gain an advantage; incitement to discrimination, hatred or violence or similar activities contrary to the EU values where negatively affecting or risking to affect the performance of a legal commitment.

5.1 Form of grant

The grant is an action grant[9] which takes the form of a lump sum grant for the completion of work packages.

5.2 Maximum grant amount

The maximum grant amount is set out in the Data Sheet (see Point 3) and in the estimated budget (Annex 2).

5.3 Funding rate

Not applicable

5.4 Estimated budget, budget categories and forms of funding

The estimated budget for the action (lump sum breakdown) is set out in Annex 2.

It contains the estimated eligible contributions for the action (lump sum contributions), broken down by participant and work package.

Annex 2 also shows the types of contributions (forms of funding)[10] to be used for each work package.

5.5 Budget flexibility

Budget flexibility does not apply; changes to the estimated budget (lump sum breakdown) always require an amendment (see Article 39).

Amendments for transfers between *work packages* are moreover possible only if:

- the work packages concerned are not already completed (and declared in a financial statement) and
- the transfers are justified by the technical implementation of the action.

ARTICLE 6 — ELIGIBLE AND INELIGIBLE CONTRIBUTIONS

6.1 and 6.2 General and specific eligibility conditions

Lump sum contributions are eligible ('eligible contributions'), if:

(a) they are set out in Annex 2 and

(b) the work packages are completed and the work is properly implemented by the beneficiaries and/or the results are achieved, in accordance with Annex 1 and during in the period set out in Article 4 (with the exception of work/results relating to the submission of the final periodic report, which may be achieved afterwards; see Article 21)

[9] For the definition, see Article 183(2)(a) EU Financial Regulation 2024/2509: '**action grant**' means an EU grant to finance "an action intended to help achieve a Union policy objective".

[10] See Article 125 EU Financial Regulation 2024/2509.

They will be calculated on the basis of the amounts set out in Annex 2.

6.3 Ineligible contributions

'Ineligible contributions' are:

(a) lump sum contributions that do not comply with the conditions set out above (see Article 6.1 and 6.2)

(b) lump sum contributions for activities already funded under other EU grants (or grants awarded by an EU Member State, non-EU country or other body implementing the EU budget), except for the following case:

(i) Synergy actions: not applicable

(c) other:

(i) country restrictions for eligible costs: not applicable.

6.4 Consequences of non-compliance

If a beneficiary declares lump sum contributions that are ineligible, they will be rejected (see Article 27).

This may also lead to other measures described in Chapter 5.

CHAPTER 4 GRANT IMPLEMENTATION

SECTION 1 CONSORTIUM: BENEFICIARIES, AFFILIATED ENTITIES AND OTHER PARTICIPANTS

ARTICLE 7 — BENEFICIARIES

The beneficiaries, as signatories of the Agreement, are fully responsible towards the granting authority for implementing it and for complying with all its obligations.

They must implement the Agreement to their best abilities, in good faith and in accordance with all the obligations and terms and conditions it sets out.

They must have the appropriate resources to implement the action and implement the action under their own responsibility and in accordance with Article 11. If they rely on affiliated entities or other participants (see Articles 8 and 9), they retain sole responsibility towards the granting authority and the other beneficiaries.

They are jointly responsible for the *technical* implementation of the action. If one of the beneficiaries fails to implement their part of the action, the other beneficiaries must ensure that this part is implemented by someone else (without being entitled to an increase of the maximum grant amount and subject to an amendment; see Article 39). The *financial* responsibility of each beneficiary in case of recoveries is governed by Article 22.

The beneficiaries (and their action) must remain eligible under the EU programme funding the grant for the entire duration of the action. Lump sum contributions will be eligible only as long as the beneficiary and the action are eligible.

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

(a) Each beneficiary must:

(i) keep information stored in the Portal Participant Register up to date (see Article 19)

(ii) inform the granting authority (and the other beneficiaries) immediately of any events or circumstances likely to affect significantly or delay the implementation of the action (see Article 19)

(iii) submit to the coordinator in good time:

- the prefinancing guarantees (if required; see Article 23)
- the financial statements and certificates on the financial statements (CFS): not applicable
- the contribution to the deliverables and technical reports (see Article 21)
- any other documents or information required by the granting authority under the Agreement

(iv) submit via the Portal data and information related to the participation of their affiliated entities.

(b) The coordinator must:

(i) monitor that the action is implemented properly (see Article 11)

(ii) act as the intermediary for all communications between the consortium and the granting authority, unless the Agreement or granting authority specifies otherwise, and in particular:

- submit the prefinancing guarantees to the granting authority (if any)
- request and review any documents or information required and verify their quality and completeness before passing them on to the granting authority
- submit the deliverables and reports to the granting authority
- inform the granting authority about the payments made to the other beneficiaries (report on the distribution of payments; if required, see Articles 22 and 32)

(iii) distribute the payments received from the granting authority to the other beneficiaries without unjustified delay (see Article 22).

The coordinator may not delegate or subcontract the above-mentioned tasks to any other beneficiary or third party (including affiliated entities).

However, coordinators which are public bodies may delegate the tasks set out in Point (b)(ii) last indent and (iii) above to entities with 'authorisation to administer' which they have created or which are controlled by or affiliated to them. In this case, the coordinator retains sole responsibility for the payments and for compliance with the obligations under the Agreement.

Moreover, coordinators which are 'sole beneficiaries'[11] (or similar, such as European research infrastructure consortia (ERICs)) may delegate the tasks set out in Point (b)(i) to (iii) above to one of their members. The coordinator retains sole responsibility for compliance with the obligations under the Agreement.

The beneficiaries must have **internal arrangements** regarding their operation and co-ordination, to ensure that the action is implemented properly.

If required by the granting authority (see Data Sheet, Point 1), these arrangements must be set out in a written **consortium agreement** between the beneficiaries, covering for instance:

- the internal organisation of the consortium
- the management of access to the Portal
- different distribution keys for the payments and financial responsibilities in case of recoveries (if any)
- additional rules on rights and obligations related to background and results (see Article 16)
- settlement of internal disputes
- liability, indemnification and confidentiality arrangements between the beneficiaries.

The internal arrangements must not contain any provision contrary to this Agreement.

ARTICLE 8 — AFFILIATED ENTITIES

Not applicable

ARTICLE 9 — OTHER PARTICIPANTS INVOLVED IN THE ACTION

9.1 Associated partners

Not applicable

9.2 Third parties giving in-kind contributions to the action

Other third parties may give in-kind contributions to the action (i.e. personnel, equipment, other goods, works and services, etc. which are free-of-charge), if necessary for the implementation.

Third parties giving in-kind contributions do not implement any action tasks. They may not charge

[11] For the definition, see Article 190(2) EU Financial Regulation 2024/2509: "Where several entities satisfy the criteria for being awarded a grant and together form one entity, that entity may be treated as the **sole beneficiary**, including where it is specifically established for the purpose of implementing the action financed by the grant."

contributions to the action (no lump sum contributions) and the costs for the in-kind contributions are not eligible (may not be included in the estimated budget in Annex 2).

The third parties and their in-kind contributions should be set out in Annex 1.

9.3 Subcontractors

Subcontractors may participate in the action, if necessary for the implementation.

Subcontractors must implement their action tasks in accordance with Article 11. The beneficiaries' costs for subcontracting are considered entirely covered by the lump sum contributions for implementing the work packages (irrespective of the actual subcontracting costs incurred, if any).

The beneficiaries must ensure that their contractual obligations under Articles 11 (proper implementation), 12 (conflict of interest), 13 (confidentiality and security), 14 (ethics), 17.2 (visibility), 18 (specific rules for carrying out action), 19 (information) and 20 (record-keeping) also apply to the subcontractors.

The beneficiaries must ensure that the bodies mentioned in Article 25 (e.g. granting authority, OLAF, Court of Auditors (ECA), etc.) can exercise their rights also towards the subcontractors.

9.4 Recipients of financial support to third parties

If the action includes providing financial support to third parties (e.g. grants, prizes or similar forms of support), the beneficiaries must ensure that their contractual obligations under Articles 12 (conflict of interest), 13 (confidentiality and security), 14 (ethics), 17.2 (visibility), 18 (specific rules for carrying out action), 19 (information) and 20 (record-keeping)also apply to the third parties receiving the support (recipients).

The beneficiaries must also ensure that the bodies mentioned in Article 25 (e.g. granting authority, OLAF, Court of Auditors (ECA), etc.) can exercise their rights also towards the recipients.

ARTICLE 10 — PARTICIPANTS WITH SPECIAL STATUS

10.1 Non-EU participants

Participants which are established in a non-EU country (if any) undertake to comply with their obligations under the Agreement and:

- to respect general principles (including fundamental rights, values and ethical principles, environmental and labour standards, rules on classified information, intellectual property rights, visibility of funding and protection of personal data)
- for the submission of certificates under Article 24: use qualified external auditors which are independent and comply with comparable standards as those set out in EU Directive 2006/43/EC[12]
- for the controls under Article 25: allow for checks, reviews, audits and investigations (including

[12] 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 (OJ L 157, 9.6.2006, p. 87).

on-the-spot checks, visits and inspections) by the bodies mentioned in that Article (e.g. granting authority, OLAF, Court of Auditors (ECA), etc.).

Special rules on dispute settlement apply (see Data Sheet, Point 5).

10.2 Participants which are international organisations

Participants which are international organisations (IOs; if any) undertake to comply with their obligations under the Agreement and:

- to respect general principles (including fundamental rights, values and ethical principles, environmental and labour standards, rules on classified information, intellectual property rights, visibility of funding and protection of personal data)

- for the submission of certificates under Article 24: to use either independent public officers or external auditors which comply with comparable standards as those set out in EU Directive 2006/43/EC[13]

- for the controls under Article 25: to allow for the checks, reviews, audits and investigations by the bodies mentioned in that Article, taking into account the specific agreements concluded by them and the EU (if any).

For such participants, nothing in the Agreement will be interpreted as a waiver of their privileges or immunities, as accorded by their constituent documents or international law.

Special rules on applicable law and dispute settlement apply (see Article 43 and Data Sheet, Point 5).

10.3 Pillar-assessed participants

Pillar-assessed participants (if any) may rely on their own systems, rules and procedures, in so far as they have been positively assessed and do not call into question the decision awarding the grant or breach the principle of equal treatment of applicants or beneficiaries.

'Pillar-assessment' means a review by the European Commission on the systems, rules and procedures which participants use for managing EU grants (in particular internal control system, accounting system, external audits, financing of third parties, rules on recovery and exclusion, information on recipients and protection of personal data; see Article 157 EU Financial Regulation 2024/2509).

Participants with a positive pillar assessment may rely on their own systems, rules and procedures, in particular for:

- record-keeping (Article 20): may be done in accordance with internal standards, rules and procedures

- currency conversion for financial statements (Article 21): may be done in accordance with usual accounting practices

- guarantees (Article 23): for public law bodies, prefinancing guarantees are not needed

[13] 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 (OJ L 157, 9.6.2006, p. 87).

- certificates (Article 24):

    - certificates on the financial statements (CFS): may be provided by their regular internal or external auditors and in accordance with their internal financial regulations and procedures

    - certificates on usual accounting practices (CoMUC): are not needed if those practices are covered by an ex-ante assessment

and use the following specific rules, for:

- recoveries (Article 22): in case of financial support to third parties, there will be no recovery if the participant has done everything possible to retrieve the undue amounts from the third party receiving the support (including legal proceedings) and non-recovery is not due to an error or negligence on its part

- checks, reviews, audits and investigations by the EU (Article 25): will be conducted taking into account the rules and procedures specifically agreed between them and the framework agreement (if any)

- impact evaluation (Article 26): will be conducted in accordance with the participant's internal rules and procedures and the framework agreement (if any)

- grant agreement termination (Article 32): the final grant amount and final payment will be calculated taking into account also costs relating to contracts due for execution only after termination takes effect, if the contract was entered into before the pre-information letter was received and could not reasonably be terminated on legal grounds

- liability for damages (Article 33.2): the granting authority must be compensated for 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 only if the damage is due to an infringement of the participant's internal rules and procedures or due to a violation of third parties' rights by the participant or one of its employees or individual for whom the employees are responsible.

Participants whose pillar assessment covers procurement and granting procedures may also do purchases, subcontracting and financial support to third parties (Article 6.2) in accordance with their internal rules and procedures for purchases, subcontracting and financial support.

Participants whose pillar assessment covers data protection rules may rely on their internal standards, rules and procedures for data protection (Article 15).

The participants may however not rely on provisions which would breach the principle of equal treatment of applicants or beneficiaries or call into question the decision awarding the grant, such as in particular:

- eligibility (Article 6)

- consortium roles and set-up (Articles 7-9)

- security and ethics (Articles 13, 14)

- IPR (including background and results, access rights and rights of use), communication, dissemination and visibility (Articles 16 and 17)
- information obligation (Article 19)
- payment, reporting and amendments (Articles 21, 22 and 39)
- rejections, reductions, suspensions and terminations (Articles 27, 28, 29-32)

If the pillar assessment was subject to remedial measures, reliance on the internal systems, rules and procedures is subject to compliance with those remedial measures.

Participants must inform the coordinator without delay of any changes to the systems, rules and procedures that were part of the pillar assessment. The coordinator must immediately inform the granting authority.

Pillar-assessed participants that have also concluded a framework agreement with the EU, may moreover — under the same conditions as those above (i.e. not call into question the decision awarding the grant or breach the principle of equal treatment of applicants or beneficiaries) — rely on provisions set out in that framework agreement.

SECTION 2 RULES FOR CARRYING OUT THE ACTION

ARTICLE 11 — PROPER IMPLEMENTATION OF THE ACTION

11.1 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, the call conditions and all legal obligations under applicable EU, international and national law.

11.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28).

Such breaches may also lead to other measures described in Chapter 5.

ARTICLE 12 — CONFLICT OF INTERESTS

12.1 Conflict of interests

The beneficiaries must take all measures to prevent any situation where the impartial and objective implementation of the Agreement could be compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other direct or indirect interest ('conflict of interests').

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

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

12.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28) and the grant or the beneficiary may be terminated (see Article 32).

Such breaches may also lead to other measures described in Chapter 5.

ARTICLE 13 — CONFIDENTIALITY AND SECURITY

13.1 Sensitive information

The parties must keep confidential any data, documents or other material (in any form) that is identified as sensitive in writing ('sensitive information') — during the implementation of the action and for at least until the time-limit set out in the Data Sheet (see Point 6).

If a beneficiary requests, the granting authority may agree to keep such information confidential for a longer period.

Unless otherwise agreed between the parties, they may use sensitive information only to implement the Agreement.

The beneficiaries may disclose sensitive information to their personnel or other participants involved in the action only if they:

(a) need to know it in order to implement the Agreement and

(b) are bound by an obligation of confidentiality.

The granting authority may disclose sensitive information to its staff and to other EU institutions and bodies.

It may moreover disclose sensitive information to third parties, if:

(a) this is necessary to implement the Agreement or safeguard the EU financial interests and

(b) the recipients of the information are bound by an obligation of confidentiality.

The confidentiality obligations no longer apply if:

(a) the disclosing party agrees to release the other party

(b) the information becomes publicly available, without breaching any confidentiality obligation

(c) the disclosure of the sensitive information is required by EU, international or national law.

Specific confidentiality rules (if any) are set out in Annex 5.

13.2 Classified information

The parties must handle classified information in accordance with the applicable EU, international or national law on classified information (in particular, Decision 2015/444[14] and its implementing rules).

Deliverables which contain classified information must be submitted according to special procedures agreed with the granting authority.

Action tasks involving classified information may be subcontracted only after explicit approval (in writing) from the granting authority.

Classified information may not be disclosed to any third party (including participants involved in the action implementation) without prior explicit written approval from the granting authority.

Specific security rules (if any) are set out in Annex 5.

13.3 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28).

Such breaches may also lead to other measures described in Chapter 5.

ARTICLE 14 — ETHICS AND VALUES

14.1 Ethics

The action must be carried out in line with the highest ethical standards and the applicable EU, international and national law on ethical principles.

Specific ethics rules (if any) are set out in Annex 5.

14.2 Values

The beneficiaries must commit to and ensure the respect of basic EU values (such as respect for human dignity, freedom, democracy, equality, the rule of law and human rights, including the rights of minorities).

Specific rules on values (if any) are set out in Annex 5.

14.3 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28).

Such breaches may also lead to other measures described in Chapter 5.

ARTICLE 15 — DATA PROTECTION

15.1 Data processing by the granting authority

[14] Commission Decision 2015/444/EC, Euratom of 13 March 2015 on the security rules for protecting EU classified information (OJ L 72, 17.3.2015, p. 53).

Any personal data under the Agreement will be processed under the responsibility of the data controller of the granting authority in accordance with and for the purposes set out in the Portal Privacy Statement.

For grants where the granting authority is the European Commission, an EU regulatory or executive agency, joint undertaking or other EU body, the processing will be subject to Regulation 2018/1725[15].

15.2 Data processing by the beneficiaries

The beneficiaries must process personal data under the Agreement in compliance with the applicable EU, international and national law on data protection (in particular, Regulation 2016/679[16]).

They must ensure that personal data is:

- processed lawfully, fairly and in a transparent manner in relation to the data subjects
- collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes
- adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed
- accurate and, where necessary, kept up to date
- kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the data is processed and
- processed in a manner that ensures appropriate security of the data.

The beneficiaries may grant their personnel access to personal data only if it is strictly necessary for implementing, managing and monitoring the Agreement. The beneficiaries must ensure that the personnel is under a confidentiality obligation.

The beneficiaries must inform the persons whose data are transferred to the granting authority and provide them with the Portal Privacy Statement.

15.3 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28).

Such breaches may also lead to other measures described in Chapter 5.

ARTICLE 16 — INTELLECTUAL PROPERTY RIGHTS (IPR) — BACKGROUND AND RESULTS —ACCESS RIGHTS AND RIGHTS OF USE

[15] Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).

[16] Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC ('GDPR') (OJ L 119, 4.5.2016, p. 1).

16.1 Background and access rights to background

The beneficiaries must give each other and the other participants access to the background identified as needed for implementing the action, subject to any specific rules in Annex 5.

'Background' means any data, know-how or information — whatever its form or nature (tangible or intangible), including any rights such as intellectual property rights — that is:

(a) held by the beneficiaries before they acceded to the Agreement and

(b) needed to implement the action or exploit the results.

If background is subject to rights of a third party, the beneficiary concerned must ensure that it is able to comply with its obligations under the Agreement.

16.2 Ownership of results

The granting authority does not obtain ownership of the results produced under the action.

'Results' means any tangible or intangible effect of the action, such as data, know-how or information, whatever its form or nature, whether or not it can be protected, as well as any rights attached to it, including intellectual property rights.

16.3 Rights of use of the granting authority on materials, documents and information received for policy, information, communication, dissemination and publicity purposes

The granting authority has the right to use non-sensitive information relating to the action and materials and documents received from the beneficiaries (notably summaries for publication, deliverables, as well as any other material, such as pictures or audio-visual material, in paper or electronic form) for policy information, communication, dissemination and publicity purposes — during the action or afterwards.

The right to use the beneficiaries' materials, documents and information is granted in the form of a royalty-free, non-exclusive and irrevocable licence, which includes the following rights:

(a) **use for its own purposes** (in particular, making them available to persons working for the granting authority or any other EU service (including institutions, bodies, offices, agencies, etc.) or EU Member State institution or body; copying or reproducing them in whole or in part, in unlimited numbers; and communication through press information services)

(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** (including shortening, summarising, inserting other elements (e.g. 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) **storage** in paper, electronic or other form

(f) **archiving**, in line with applicable document-management rules

(g) the right to authorise **third parties** to act on its behalf or sub-license to third parties the modes of use set out in Points (b), (c), (d) and (f), if needed for the information, communication and publicity activity of the granting authority and

(h) **processing**, analysing, aggregating the materials, documents and information received and **producing derivative works**.

The rights of use are granted for the whole duration of the industrial or intellectual property rights concerned.

If materials or documents are subject to moral rights or third party rights (including intellectual property rights or rights of natural persons on their image and voice), the beneficiaries must ensure that they comply with their obligations under this Agreement (in particular, by obtaining the necessary licences and authorisations from the rights holders concerned).

Where applicable, the granting authority will insert the following information:

"© – [year] – [name of the copyright owner]. All rights reserved. Licensed to the [name of granting authority] under conditions."

16.4 Specific rules on IPR, results and background

Specific rules regarding intellectual property rights, results and background (if any) are set out in Annex 5.

16.5 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28).

Such a breach may also lead to other measures described in Chapter 5.

ARTICLE 17 — COMMUNICATION, DISSEMINATION AND VISIBILITY

17.1 Communication — Dissemination — Promoting the action

Unless otherwise agreed with the granting authority, the beneficiaries must promote the action and its results by providing targeted information to multiple audiences (including the media and the public), in accordance with Annex 1 and in a strategic, coherent and effective manner.

Before engaging in a communication or dissemination activity expected to have a major media impact, the beneficiaries must inform the granting authority.

17.2 Visibility — European flag and funding statement

Unless otherwise agreed with the granting authority, communication activities of the beneficiaries related to the action (including media relations, conferences, seminars, information material, such as brochures, leaflets, posters, presentations, etc., in electronic form, via traditional or social media, etc.), dissemination activities and any infrastructure, equipment, vehicles, supplies or major result funded

by the grant must acknowledge the EU support and display the European flag (emblem) and funding statement (translated into local languages, where appropriate):



Funded by the European Union



Co-funded by the European Union



Funded by the European Union



Co-funded by the European Union

The emblem must remain distinct and separate and cannot be modified by adding other visual marks, brands or text.

Apart from the emblem, no other visual identity or logo may be used to highlight the EU support.

When displayed in association with other logos (e.g. of beneficiaries or sponsors), the emblem must be displayed at least as prominently and visibly as the other logos.

For the purposes of their obligations under this Article, the beneficiaries may use the emblem without first obtaining approval from the granting authority. This does not, however, give them the right to exclusive use. Moreover, they may not appropriate the emblem or any similar trademark or logo, either by registration or by any other means.

17.3 Quality of information — Disclaimer

Any communication or dissemination activity related to the action must use factually accurate information.

Moreover, it must indicate the following disclaimer (translated into local languages where appropriate):

> "Funded by the European Union. Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or [name of the granting authority]. Neither the European Union nor the granting authority can be held responsible for them."

17.4 Specific communication, dissemination and visibility rules

Specific communication, dissemination and visibility rules (if any) are set out in Annex 5.

17.5 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28).

Such breaches may also lead to other measures described in Chapter 5.

ARTICLE 18 — SPECIFIC RULES FOR CARRYING OUT THE ACTION

18.1 Specific rules for carrying out the action

Specific rules for implementing the action (if any) are set out in Annex 5.

18.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28).

Such a breach may also lead to other measures described in Chapter 5.

SECTION 3 GRANT ADMINISTRATION

ARTICLE 19 — GENERAL INFORMATION OBLIGATIONS

19.1 Information requests

The beneficiaries must provide — during the action or afterwards and in accordance with Article 7 — any information requested in order to verify eligibility of the lump sum contributions declared, proper implementation of the action and compliance with the other obligations under the Agreement.

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

19.2 Participant Register data updates

The beneficiaries must keep — at all times, during the action or afterwards — their information stored in the Portal Participant Register up to date, in particular, their name, address, legal representatives, legal form and organisation type.

19.3 Information about events and circumstances which impact the action

The beneficiaries must immediately inform the granting authority (and the other beneficiaries) of any of the following:

(a) **events** which are likely to affect or delay the implementation of the action or affect the EU's financial interests, in particular:

(i) changes in their legal, financial, technical, organisational or ownership situation (including changes linked to one of the exclusion grounds listed in the declaration of honour signed before grant signature)

(ii) linked action information: not applicable

(b) **circumstances** affecting:

(i) the decision to award the grant or

(ii) compliance with requirements under the Agreement.

19.4 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28).

Such breaches may also lead to other measures described in Chapter 5.

ARTICLE 20 — RECORD-KEEPING

20.1 Keeping records and supporting documents

The beneficiaries must — at least until the time-limit set out in the Data Sheet (see Point 6) — keep records and other supporting documents to prove the proper implementation of the action (proper implementation of the work and/or achievement of the results as described in Annex 1) in line with the accepted standards in the respective field (if any); beneficiaries do not need to keep specific records on the actual costs incurred.

The records and supporting documents must be made available upon request (see Article 19) or in the context of checks, reviews, audits or investigations (see Article 25).

If there are on-going checks, reviews, audits, investigations, litigation or other pursuits of claims under the Agreement (including the extension of findings; see Article 25), the beneficiaries must keep these 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 granting authority may accept non-original documents if they offer a comparable level of assurance.

20.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, lump sum contributions insufficiently substantiated will be ineligible (see Article 6) and will be rejected (see Article 27), and the grant may be reduced (see Article 28).

Such breaches may also lead to other measures described in Chapter 5.

ARTICLE 21 — REPORTING

21.1 Continuous reporting

The beneficiaries must report on the progress of the action (e.g. **deliverables, milestones, outputs/ outcomes, critical risks, indicators,** etc; if any), in the Portal Continuous Reporting tool and in accordance with the timing and conditions it sets out (as agreed with the granting authority).

Standardised deliverables (e.g. progress reports not linked to payments, reports on cumulative expenditure, special reports, etc; if any) must be submitted using the templates published on the Portal.

21.2 Periodic reporting: Technical reports and financial statements

In addition, the beneficiaries must provide reports to request payments, in accordance with the schedule and modalities set out in the Data Sheet (see Point 4.2):

- for additional prefinancings (if any): **an additional prefinancing report**
- for interim payments (if any) and the final payment: a **periodic report**

The prefinancing and periodic reports include a technical and financial part.

The technical part includes an overview of the action implementation. It must be prepared using the template available in the Portal Periodic Reporting tool.

The financial part of the additional prefinancing report includes a statement on the use of the previous prefinancing payment.

The financial part of the periodic report includes:

- the financial statement (consolidated statement for the consortium)
- the explanation on the use of resources (or detailed cost reporting table): not applicable
- the certificates on the financial statements (CFS): not applicable.

The **financial statement** must contain the lump sum contributions indicated in Annex 2, for the work packages that were completed during the reporting period.

For the last reporting period, the beneficiaries may exceptionally also declare partial lump sum contributions for work packages that were not completed (e.g. due to force majeure or technical impossibility).

Lump sum contributions which are not declared in a financial statement will not be taken into account by the granting authority.

By signing the financial statement (directly in the Portal Periodic Reporting tool), the coordinator confirms (on behalf of the consortium) that:

- the information provided is complete, reliable and true
- the lump sum contributions declared are eligible (in particular, the work packages have been completed, that the work has been properly implemented and/or the results were achieved in accordance with Annex 1; see Article 6)
- the proper implementation and/or achievement can be substantiated by adequate records and supporting documents (see Article 20) that will be produced upon request (see Article 19) or in the context of checks, reviews, audits and investigations (see Article 25).

In case of recoveries (see Article 22), beneficiaries will be held responsible also for the lump sum contributions declared for their affiliated entities (if any).

21.3 Currency for financial statements and conversion into euros

The financial statements must be drafted in euro.

21.4 Reporting language

The reporting must be in the language of the Agreement, unless otherwise agreed with the granting authority (see Data Sheet, Point 4.2).

21.5 Consequences of non-compliance

If a report submitted does not comply with this Article, the granting authority may suspend the payment deadline (see Article 29) and apply other measures described in Chapter 5.

If the coordinator breaches its reporting obligations, the granting authority may terminate the grant or the coordinator's participation (see Article 32) or apply other measures described in Chapter 5.

ARTICLE 22 — PAYMENTS AND RECOVERIES — CALCULATION OF AMOUNTS DUE

22.1 Payments and payment arrangements

Payments will be made in accordance with the schedule and modalities set out in the Data Sheet (see Point 4.2).

They will be made in euro to the bank account indicated by the coordinator (see Data Sheet, Point 4.2) and must be distributed without unjustified delay (restrictions may apply to distribution of the initial prefinancing payment; see Data Sheet, Point 4.2).

Payments to this bank account will discharge the granting authority from its payment obligation.

The cost of payment transfers will be borne as follows:

- the granting authority 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.

Payments by the granting authority will be considered to have been carried out on the date when they are debited to its account.

22.2 Recoveries

Recoveries will be made, if — at beneficiary termination, final payment or afterwards — it turns out that the granting authority has paid too much and needs to recover the amounts undue.

The general liability regime for recoveries (first-line liability) is as follows: At final payment, the coordinator will be fully liable for recoveries, even if it has not been the final recipient of the undue amounts. At beneficiary termination or after final payment, recoveries will be made directly against the beneficiaries concerned.

Beneficiaries will be fully liable for repaying the debts of their affiliated entities.

In case of enforced recoveries (see Article 22.4):

- the beneficiaries will be jointly and severally liable for repaying debts of another beneficiary under the Agreement (including late-payment interest), if required by the granting authority (see Data Sheet, Point 4.4)

- affiliated entities will be held liable for repaying debts of their beneficiaries under the Agreement (including late-payment interest), if required by the granting authority (see Data Sheet, Point 4.4).

22.3 Amounts due

22.3.1 Prefinancing payments

The aim of the prefinancing is to provide the beneficiaries with a float.

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

For **initial prefinancings** (if any), the amount due, schedule and modalities are set out in the Data Sheet (see Point 4.2).

For **additional prefinancings** (if any), the amount due, schedule and modalities are also set out in the Data Sheet (see Point 4.2). However, if the statement on the use of the previous prefinancing payment shows that less than 70% was used, the amount set out in the Data Sheet will be reduced by the difference between the 70% threshold and the amount used.

Prefinancing payments (or parts of them) may be offset (without the beneficiaries' consent) against amounts owed by a beneficiary to the granting authority — up to the amount due to that beneficiary.

For grants where the granting authority is the European Commission or an EU executive agency, offsetting may also be done against amounts owed to other Commission services or executive agencies.

Payments will not be made if the payment deadline or payments are suspended (see Articles 29 and 30).

22.3.2 Amount due at beneficiary termination — Recovery

In case of beneficiary termination, the granting authority will determine the provisional amount due for the beneficiary concerned.

This will be done on the basis of work packages already completed in previous interim payments. Payments for ongoing/not yet completed work packages which the beneficiary was working on before termination (if any) will therefore be made only later on, with the next interim or final payments when those work packages have been completed.

The **amount due** will be calculated in the following step:

Step 1 — Calculation of the total accepted EU contribution

Step 1 — Calculation of the total accepted EU contribution

The granting authority will first calculate the 'accepted EU contribution' for the beneficiary, on the basis of the beneficiary's lump sum contributions for the work packages which were approved in previous interim payments.

After that, the granting authority will take into account grant reductions (if any). The resulting amount is the 'total accepted EU contribution' for the beneficiary.

The **balance** is then calculated by deducting the payments received (if any; see report on the distribution of payments in Article 32), from the total accepted EU contribution:

{total accepted EU contribution for the beneficiary

minus

{prefinancing and interim payments received (if any)}}.

If the balance is **negative**, it will be **recovered** in accordance with the following procedure:

The granting authority will send a **pre-information letter** to the beneficiary concerned:

- formally notifying the intention to recover, the amount due, the amount to be recovered and the reasons why and
- requesting observations within 30 days of receiving notification.

If no observations are submitted (or the granting authority decides to pursue recovery despite the observations it has received), it will confirm the amount to be recovered and ask this amount to be paid to the coordinator (**confirmation letter**).

22.3.3 Interim payments

Interim payments reimburse the eligible lump sum contributions claimed for work packages implemented during the reporting periods (if any).

Interim payments (if any) will be made in accordance with the schedule and modalities set out the Data Sheet (see Point 4.2).

Payment is subject to the approval of the periodic report and the work packages declared. Their approval does not imply recognition of compliance, authenticity, completeness or correctness of their content.

Incomplete work packages and work packages that have not been delivered or cannot be approved will be rejected (see Article 27).

The **interim payment** will be calculated by the granting authority in the following steps:

Step 1 — Calculation of the total accepted EU contribution

Step 2 — Limit to the interim payment ceiling

Step 1 — Calculation of the total accepted EU contribution

The granting authority will first calculate the 'accepted EU contribution' for the action for the reporting period, by calculating the lump sum contributions for the approved work packages.

After that, the granting authority will take into account grant reductions from beneficiary termination (if any). The resulting amount is the 'total accepted EU contribution'.

Step 2 — Limit to the interim payment ceiling

The resulting amount is then capped to ensure that the total amount of prefinancing and interim payments (if any) does not exceed the interim payment ceiling set out in the Data Sheet (see Point 4.2).

Interim payments (or parts of them) may be offset (without the beneficiaries' consent) against amounts owed by a beneficiary to the granting authority — up to the amount due to that beneficiary.

For grants where the granting authority is the European Commission or an EU executive agency, offsetting may also be done against amounts owed to other Commission services or executive agencies.

Payments will not be made if the payment deadline or payments are suspended (see Articles 29 and 30).

22.3.4 Final payment — Final grant amount — Revenues and Profit — Recovery

The final payment (payment of the balance) reimburses the remaining eligible lump sum contributions claimed for the implemented work packages (if any).

The final payment will be made in accordance with the schedule and modalities set out in the Data Sheet (see Point 4.2).

Payment is subject to the approval of the final periodic report and the work packages declared. Their approval does not imply recognition of compliance, authenticity, completeness or correctness of their content.

Work packages (or parts of them) that have not been delivered or cannot be approved will be rejected (see Article 27).

The **final grant amount for the action** will be calculated in the following steps:

Step 1 — Calculation of the total accepted EU contribution

Step 2 — Limit to the maximum grant amount

Step 3 — Reduction due to the no-profit rule

Step 1 — Calculation of the total accepted EU contribution

The granting authority will first calculate the 'accepted EU contribution' for the action for all reporting periods, by calculating the lump sum contributions for the approved work packages.

After that, the granting authority will take into account grant reductions (if any). The resulting amount is the 'total accepted EU contribution'.

Step 2 — Limit to the maximum grant amount

Not applicable

Step 3 — Reduction due to the no-profit rule

Not applicable

The **balance** (final payment) is then calculated by deducting the total amount of prefinancing and interim payments already made (if any), from the final grant amount:

{final grant amount

minus

{prefinancing and interim payments made (if any)}}.

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

The final payment (or part of it) may be offset (without the beneficiaries' consent) against amounts owed by a beneficiary to the granting authority — up to the amount due to that beneficiary.

For grants where the granting authority is the European Commission or an EU executive agency, offsetting may also be done against amounts owed to other Commission services or executive agencies.

Payments will not be made if the payment deadline or payments are suspended (see Articles 29 and 30).

If the balance is **negative**, it will be **recovered** in accordance with the following procedure:

The granting authority will send a **pre-information letter** to the coordinator:

- formally notifying the intention to recover, the final grant amount, the amount to be recovered and the reasons why
- requesting observations within 30 days of receiving notification.

If no observations are submitted (or the granting authority decides to pursue recovery despite the observations it has received), it will confirm the amount to be recovered (**confirmation letter**), together with a **debit note** with the terms and date for payment.

If payment is not made by the date specified in the debit note, the granting authority will **enforce recovery** in accordance with Article 22.4.

22.3.5 Audit implementation after final payment — Revised final grant amount — Recovery

If — after the final payment (in particular, after checks, reviews, audits or investigations; see Article 25) — the granting authority rejects lump sum contributions (see Article 27) or reduces the grant (see Article 28), it will calculate the **revised final grant amount** for the beneficiary concerned.

The **beneficiary revised final grant amount** will be calculated in the following step:

Step 1 — Calculation of the revised total accepted EU contribution

Step 1 — Calculation of the revised total accepted EU contribution

The granting authority will first calculate the 'revised accepted EU contribution' for the beneficiary, by calculating the 'revised accepted contributions'.

After that, it will take into account grant reductions (if any). The resulting 'revised total accepted EU contribution' is the beneficiary revised final grant amount.

If the revised final grant amount is lower than the beneficiary's final grant amount (i.e. its share in the final grant amount for the action), it will be **recovered** in accordance with the following procedure:

The **beneficiary final grant amount** (i.e. share in the final grant amount for the action) is calculated as follows:

{{total accepted EU contribution for the beneficiary

divided by

total accepted EU contribution for the action}

multiplied by

final grant amount for the action}.

The granting authority will send a **pre-information letter** to the beneficiary concerned:

- formally notifying the intention to recover, the amount to be recovered and the reasons why and
- requesting observations within 30 days of receiving notification.

If no observations are submitted (or the granting authority decides to pursue recovery despite the observations it has received), it will confirm the amount to be recovered (**confirmation letter**), together with a **debit note** with the terms and the date for payment.

Recoveries against affiliated entities (if any) will be handled through their beneficiaries.

If payment is not made by the date specified in the debit note, the granting authority will **enforce recovery** in accordance with Article 22.4.

22.4 Enforced recovery

If payment is not made by the date specified in the debit note, the amount due will be recovered:

(a) by offsetting the amount — without the coordinator or beneficiary's consent — against any amounts owed to the coordinator or beneficiary by the granting authority.

In exceptional circumstances, to safeguard the EU financial interests, the amount may be offset before the payment date specified in the debit note.

For grants where the granting authority is the European Commission or an EU executive agency, debts may also be offset against amounts owed by other Commission services or executive agencies.

(b) by drawing on the financial guarantee(s) (if any)

(c) by holding other beneficiaries jointly and severally liable (if any; see Data Sheet, Point 4.4)

(d) by holding affiliated entities jointly and severally liable (if any, see Data Sheet, Point 4.4)

(e) by taking legal action (see Article 43) or, provided that the granting authority is the European Commission or an EU executive agency, by adopting an enforceable decision under Article 299 of the Treaty on the Functioning of the EU (TFEU) and Article 100(2) of EU Financial Regulation 2024/2509.

The amount to be recovered will be increased by **late-payment interest** at the rate set out in Article 23.5, from the day following the payment date in the debit note, up to and including the date the full payment is received.

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 2015/2366[17] applies.

For grants where the granting authority is an EU executive agency, enforced recovery by offsetting or enforceable decision will be done by the services of the European Commission (see also Article 43).

22.5 Consequences of non-compliance

22.5.1 If the granting authority does not pay within the payment deadlines (see above), the beneficiaries are entitled to **late-payment interest** at the reference rate applied by the European Central Bank (ECB) for its main refinancing operations in euros, plus the percentage specified in the Data Sheet (Point 4.2). The ECB reference rate to be used 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 on 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).

If payments or the payment deadline are suspended (see Articles 29 and 30), payment will not be considered as late.

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.

22.5.2 If the coordinator breaches any of its obligations under this Article, the grant may be reduced (see Article 28) and the grant or the coordinator may be terminated (see Article 32).

Such breaches may also lead to other measures described in Chapter 5.

[17] Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC (OJ L 337, 23.12.2015, p. 35).

ARTICLE 23 — GUARANTEES

23.1 Prefinancing guarantee

If required by the granting authority (see Data Sheet, Point 4.2), the beneficiaries must provide (one or more) prefinancing guarantee(s) in accordance with the timing and the amounts set out in the Data Sheet.

The coordinator must submit them to the granting authority in due time before the prefinancing they are linked to.

The guarantees must be drawn up using the template published on the Portal and fulfil the following conditions:

(a) be provided by a bank or approved financial institution established in the EU or — if requested by the coordinator and accepted by the granting authority — by a third party or a bank or financial institution established outside the EU offering equivalent security

(b) the guarantor stands as first-call guarantor and does not require the granting authority to first have recourse against the principal debtor (i.e. the beneficiary concerned) and

(c) remain explicitly in force until the final payment and, if the final payment takes the form of a recovery, until five months after the debit note is notified to a beneficiary.

They will be released within the following month.

23.2 Consequences of non-compliance

If the beneficiaries breach their obligation to provide the prefinancing guarantee, the prefinancing will not be paid.

Such breaches may also lead to other measures described in Chapter 5.

ARTICLE 24 — CERTIFICATES

Not applicable

ARTICLE 25 — CHECKS, REVIEWS, AUDITS AND INVESTIGATIONS — EXTENSION OF FINDINGS

25.1 Granting authority checks, reviews and audits

25.1.1 Internal checks

The granting authority may — during the action or afterwards — check the proper implementation of the action and compliance with the obligations under the Agreement, including assessing lump sum contributions, deliverables and reports.

25.1.2 Project reviews

The granting authority may carry out reviews on the proper implementation of the action and

compliance with the obligations under the Agreement (general project reviews or specific issues reviews).

Such project reviews may be started during the implementation of the action and until the time-limit set out in the Data Sheet (see Point 6). They will be formally notified to the coordinator or beneficiary concerned and will be considered to start on the date of the notification.

If needed, the granting authority may be assisted by independent, outside experts. If it uses outside experts, the coordinator or beneficiary concerned will be informed and have the right to object on grounds of commercial confidentiality or conflict of interest.

The coordinator or beneficiary concerned must cooperate diligently and provide — within the deadline requested — any information and data in addition to deliverables and reports already submitted. The granting authority may request beneficiaries to provide such information to it directly. Sensitive information and documents will be treated in accordance with Article 13.

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

For **on-the-spot visits**, the beneficiary concerned must allow access to sites and premises (including to the outside experts) 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 **project review report** will be drawn up.

The granting authority will formally notify the project review report to the coordinator or beneficiary concerned, which has 30 days from receiving notification to make observations.

Project reviews (including project review reports) will be in the language of the Agreement, unless otherwise agreed with the granting authority (see Data Sheet, Point 4.2).

25.1.3 Audits

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

Such audits may be started during the implementation of the action and until the time-limit set out in the Data Sheet (see Point 6). They will be formally notified to the beneficiary concerned and will be considered to start on the date of the notification.

The granting authority may use its own audit service, delegate audits to a centralised service or use external audit firms. If it uses an external firm, the beneficiary concerned will be informed and have the right to object on grounds of commercial confidentiality or conflict of interest.

The beneficiary concerned must cooperate diligently and provide — within the deadline requested — any information (including complete accounts, individual salary statements or other personal data) to verify compliance with the Agreement. Sensitive information and documents will be treated in accordance with Article 13.

For **on-the-spot** visits, the beneficiary concerned must allow access to sites and premises (including for the external audit firm) 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 auditors will formally notify the draft audit report to the beneficiary concerned, which has 30 days from receiving notification to make observations (contradictory audit procedure).

The **final audit report** will take into account observations by the beneficiary concerned and will be formally notified to them.

Audits (including audit reports) will be in the language of the Agreement, unless otherwise agreed with the granting authority (see Data Sheet, Point 4.2).

25.2 European Commission checks, reviews and audits in grants of other granting authorities

Where the granting authority is not the European Commission, the latter has the same rights of checks, reviews and audits as the granting authority.

25.3 Access to records for assessing simplified forms of funding

The beneficiaries must give the European Commission access to their statutory records for the periodic assessment of simplified forms of funding which are used in EU programmes.

25.4 OLAF, EPPO and ECA audits and investigations

The following bodies may also carry out checks, reviews, audits and investigations — during the action or afterwards:

- the European Anti-Fraud Office (OLAF) under Regulations No 883/2013[18] and No 2185/96[19]
- the European Public Prosecutor's Office (EPPO) under Regulation 2017/1939
- the European Court of Auditors (ECA) under Article 287 of the Treaty on the Functioning of the EU (TFEU) and Article 263 of EU Financial Regulation 2024/2509.

If requested by these bodies, the beneficiary concerned must provide full, accurate and complete information in the format requested (including complete accounts, individual salary statements or other personal data, including in electronic format) and allow access to sites and premises for on-the-spot visits or inspections — as provided for under these Regulations.

[18] 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).

[19] Council Regulation (Euratom, EC) No 2185/96 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 this end, the beneficiary concerned must keep all relevant information relating to the action, at least until the time-limit set out in the Data Sheet (Point 6) and, in any case, until any ongoing checks, reviews, audits, investigations, litigation or other pursuits of claims have been concluded.

25.5 Consequences of checks, reviews, audits and investigations — Extension of findings

25.5.1 Consequences of checks, reviews, audits and investigations in this grant

Findings in checks, reviews, audits or investigations carried out in the context of this grant may lead to rejections (see Article 27), grant reduction (see Article 28) or other measures described in Chapter 5.

Rejections or grant reductions after the final payment will lead to a revised final grant amount (see Article 22).

Findings in checks, reviews, audits or investigations during the action implementation may lead to a request for amendment (see Article 39), to change the description of the action set out in Annex 1.

Checks, reviews, audits or investigations that find systemic or recurrent errors, irregularities, fraud or breach of obligations in any EU grant may also lead to consequences in other EU grants awarded under similar conditions ('extension to other grants').

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

25.5.2 Extension from other grants

Findings of checks, reviews, audits or investigations in other grants may be extended to this grant, if:

(a) the beneficiary concerned is found, in other EU 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 grants affected by the findings — within the time-limit for audits set out in the Data Sheet (see Point 6).

The granting authority will formally notify the beneficiary concerned of the intention to extend the findings and the list of grants affected.

If the extension concerns **rejections of lump sum contributions**: the 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 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.

If the extension concerns **grant reductions**: the notification will include:

(a) an invitation to submit observations on the list of grants affected by the findings and

(b) the **correction rate for extrapolation**, established on the basis of the systemic or recurrent errors and the principle of proportionality.

The beneficiary concerned has **60 days** from receiving notification to submit observations, revised financial statements or to propose a duly substantiated **alternative correction method/rate**.

On the basis of this, the granting authority will analyse the impact and decide on the implementation (i.e. start rejection or grant reduction procedures, either on the basis of the revised financial statements or the announced/alternative method/rate or a mix of those; see Articles 27 and 28).

25.6 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, lump sum contributions insufficiently substantiated will be ineligible (see Article 6) and will be rejected (see Article 27), and the grant may be reduced (see Article 28).

Such breaches may also lead to other measures described in Chapter 5.

ARTICLE 26 — IMPACT EVALUATIONS

26.1 Impact evaluation

The granting authority may carry out impact evaluations of the action, measured against the objectives and indicators of the EU programme funding the grant.

Such evaluations may be started during implementation of the action and until the time-limit set out in the Data Sheet (see Point 6). They will be formally notified to the coordinator or beneficiaries and will be considered to start on the date of the notification.

If needed, the granting authority may be assisted by independent outside experts.

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

26.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the granting authority may apply the measures described in Chapter 5.

CHAPTER 5 CONSEQUENCES OF NON-COMPLIANCE

SECTION 1 REJECTIONS AND GRANT REDUCTION

ARTICLE 27 — REJECTION OF CONTRIBUTIONS

27.1 Conditions

The granting authority will — at interim payment, final payment or afterwards — reject any lump sum contributions which are ineligible (see Article 6), in particular following checks, reviews, audits or investigations (see Article 25).

The rejection may also be based on the extension of findings from other grants to this grant (see Article 25).

Ineligible lump sum contributions will be rejected.

27.2 Procedure

If the rejection does not lead to a recovery, the granting authority will formally notify the coordinator or beneficiary concerned of the rejection, the amounts and the reasons why. The coordinator or beneficiary concerned may — within 30 days of receiving notification — submit observations if it disagrees with the rejection (payment review procedure).

If the rejection leads to a recovery, the granting authority will follow the contradictory procedure with pre-information letter set out in Article 22.

27.3 Effects

If the granting authority rejects lump sum contributions, it will deduct them from the lump sum contributions declared and then calculate the amount due (and, if needed, make a recovery; see Article 22).

ARTICLE 28 — GRANT REDUCTION

28.1 Conditions

The granting authority may — at beneficiary termination, final payment or afterwards — reduce the grant for a beneficiary, if:

(a) the beneficiary (or a person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has committed:

  (i) substantial errors, irregularities or fraud or

  (ii) serious breach of obligations under this Agreement or during its award (including improper implementation of the action, non-compliance with the call conditions, submission of false information, failure to provide required information, breach of ethics or security rules (if applicable), failure to cooperate with checks, reviews, audits and investigations, etc.), or

(b) the beneficiary (or a person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has committed — in other EU 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; see Article 25.5).

The amount of the reduction will be calculated for each beneficiary concerned and proportionate to the

seriousness and the duration of the errors, irregularities or fraud or breach of obligations, by applying an individual reduction rate to their accepted EU contribution.

28.2 Procedure

If the grant reduction does not lead to a recovery, the granting authority will formally notify the coordinator or beneficiary concerned of the reduction, the amount to be reduced and the reasons why. The coordinator or beneficiary concerned may — within 30 days of receiving notification — submit observations if it disagrees with the reduction (payment review procedure).

If the grant reduction leads to a recovery, the granting authority will follow the contradictory procedure with pre-information letter set out in Article 22.

28.3 Effects

If the granting authority reduces the grant, it will deduct the reduction and then calculate the amount due (and, if needed, make a recovery; see Article 22).

SECTION 2 SUSPENSION AND TERMINATION

ARTICLE 29 — PAYMENT DEADLINE SUSPENSION

29.1 Conditions

The granting authority may — at any moment — suspend the payment deadline if a payment cannot be processed because:

(a) the required report (see Article 21) has not been submitted or is not complete or additional information is needed

(b) there are doubts about the amount to be paid (e.g. ongoing extension procedure, queries about eligibility, need for a grant reduction, etc.) and additional checks, reviews, audits or investigations are necessary, or

(c) there are other issues affecting the EU financial interests.

29.2 Procedure

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

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

If the conditions for suspending the payment deadline are no longer met, the suspension will be **lifted** — and the remaining time to pay (see Data Sheet, Point 4.2) will resume.

If the suspension exceeds two months, the coordinator may request the granting authority to confirm if the suspension will continue.

If the payment deadline has been suspended due to the non-compliance of the report and the revised report is not submitted (or was submitted but is also rejected), the granting authority may also terminate the grant or the participation of the coordinator (see Article 32).

ARTICLE 30 — PAYMENT SUSPENSION

30.1 Conditions

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

(a) a beneficiary (or a person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) 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 its award (including improper implementation of the action, non-compliance with the call conditions, submission of false information, failure to provide required information, breach of ethics or security rules (if applicable), failure to cooperate with checks, reviews, audits and investigations, etc.), or

(b) a beneficiary (or a person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has committed — in other EU 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; see Article 25.5).

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

30.2 Procedure

Before suspending payments, the granting authority will send a **pre-information letter** to the beneficiary concerned:

- formally notifying the intention to suspend payments and the reasons why and
- requesting observations within 30 days of receiving notification.

If the granting authority does not receive observations or decides to pursue the procedure despite the observations it has received, it will confirm the suspension (**confirmation letter**). Otherwise, it will formally notify that the procedure is discontinued.

At the end of the suspension procedure, the granting authority will also inform the coordinator.

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

If the conditions for resuming payments are met, the suspension will be **lifted**. The granting authority will formally notify the beneficiary concerned (and the coordinator) and set the suspension end date.

During the suspension, no prefinancing will be paid to the beneficiaries concerned. For interim payments, the periodic reports for all reporting periods except the last one (see Article 21) must

not contain any financial statements from the beneficiary concerned (or its affiliated entities). 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.

ARTICLE 31 — GRANT AGREEMENT SUSPENSION

31.1 Consortium-requested GA suspension

31.1.1 Conditions and procedure

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

The coordinator must submit a request for **amendment** (see Article 39), with:

- the reasons why
- the date the suspension takes effect; this date may be before the date of the submission of the amendment request and
- the expected date of resumption.

The suspension will **take effect** on the day specified in the amendment.

Once circumstances allow for implementation to resume, the coordinator must immediately request another **amendment** of the Agreement to set the suspension end date, the resumption date (one day after suspension end date), extend the duration and make other changes necessary to adapt the action to the new situation (see Article 39) — unless the grant has been terminated (see Article 32). The suspension will be **lifted** with effect from the suspension end date set out in the amendment. This date may be before the date of the submission of the amendment request.

During the suspension, no prefinancing will be paid. Moreover, no work may be done. Ongoing work packages must be interrupted and no new work packages may be started.

31.2 EU-initiated GA suspension

31.2.1 Conditions

The granting authority may suspend the grant or any part of it, if:

(a) a beneficiary (or a person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) 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 its award (including improper implementation of the action, non-compliance with the call conditions, submission of false information, failure to provide required information, breach of ethics or security rules (if applicable), failure to cooperate with checks, reviews, audits and investigations, etc.), or

(b) a beneficiary (or a person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has committed — in other EU 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; see Article 25.5)

(c) other:

(i) linked action issues: not applicable

(ii) due to major delays, the objectives of the action risk to no longer be achieved

31.2.2 Procedure

Before suspending the grant, the granting authority will send a **pre-information letter** to the coordinator:

- formally notifying the intention to suspend the grant and the reasons why and
- requesting observations within 30 days of receiving notification.

If the granting authority does not receive observations or decides to pursue the procedure despite the observations it has received, it will confirm the suspension (**confirmation letter**). Otherwise, it will formally notify that the procedure is discontinued.

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

Once the conditions for resuming implementation of the action are met, the granting authority will formally notify the coordinator a **lifting of suspension letter**, in which it will set the suspension end date and invite the coordinator to request an amendment of the Agreement to set the resumption date (one day after suspension end date), extend the duration and make other changes necessary to adapt the action to the new situation (see Article 39) — unless the grant has been terminated (see Article 32). The suspension will be **lifted** with effect from the suspension end date set out in the lifting of suspension letter. This date may be before the date on which the letter is sent.

During the suspension, no prefinancing will be paid. Moreover, no work may be done. Ongoing work packages must be interrupted and no new work packages may be started.

The beneficiaries may not claim damages due to suspension by the granting authority (see Article 33).

Grant suspension does not affect the granting authority's right to terminate the grant or a beneficiary (see Article 32) or reduce the grant (see Article 28).

ARTICLE 32 — GRANT AGREEMENT OR BENEFICIARY TERMINATION

32.1 Consortium-requested GA termination

32.1.1 Conditions and procedure

The beneficiaries may request the termination of the grant.

The coordinator must submit a request for **amendment** (see Article 39), with:

- the reasons why
- the date the consortium ends work on the action ('end of work date') and
- the date the termination takes effect ('termination date'); this date must be after the date of the submission of the amendment request.

The termination will **take effect** on the termination date specified in the amendment.

If no reasons are given or if the granting authority considers the reasons do not justify termination, it may consider the grant terminated improperly.

32.1.2 Effects

The coordinator must — within 60 days from when termination takes effect — submit a **periodic report** (for the open reporting period until termination).

The granting authority will calculate the final grant amount and final payment on the basis of the report submitted and taking into account the lump sum contributions for activities implemented before the end of work date (see Article 22). Partial lump sum contributions for work packages that were not completed (e.g. due to technical reasons) may exceptionally be taken into account.

If the granting authority does not receive the report within the deadline, only lump sum contributions which are included in an approved periodic report will be taken into account (no contributions if no periodic report was ever approved).

Improper termination may lead to a grant reduction (see Article 28).

After termination, the beneficiaries' obligations (in particular Articles 13 (confidentiality and security), 16 (IPR), 17 (communication, dissemination and visibility), 21 (reporting), 25 (checks, reviews, audits and investigations), 26 (impact evaluation), 27 (rejections), 28 (grant reduction) and 42 (assignment of claims)) continue to apply.

32.2 Consortium-requested beneficiary termination

32.2.1 Conditions and procedure

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

The coordinator must submit a request for **amendment** (see Article 39), with:

- the reasons why
- the opinion of the beneficiary concerned (or proof that this opinion has been requested in writing)
- the date the beneficiary ends work on the action ('end of work date')
- the date the termination takes effect ('termination date'); this date must be after the date of the submission of the amendment request.

If the termination concerns the coordinator and is done without its agreement, the amendment request must be submitted by another beneficiary (acting on behalf of the consortium).

The termination will **take effect** on the termination date specified in the amendment.

If no information is given or if the granting authority considers that the reasons do not justify termination, it may consider the beneficiary to have been terminated improperly.

32.2.2 Effects

The coordinator must — within 60 days from when termination takes effect — submit:

(i) a **report on the distribution of payments** to the beneficiary concerned

(ii) a **termination report** from the beneficiary concerned, for the open reporting period until termination, containing an overview of the progress of the work

(iii) a second **request for amendment** (see Article 39) with other amendments needed (e.g. reallocation of the tasks and the estimated budget of the terminated beneficiary; addition of a new beneficiary to replace the terminated beneficiary; change of coordinator, etc.).

The granting authority will calculate the amount due to the beneficiary on the basis of the reports submitted in previous interim payments (i.e. beneficiary's lump sum contributions for completed and approved work packages).

Lump sum contributions for ongoing/not yet completed work packages will have to be included in the periodic report for the next reporting periods when those work packages have been completed.

If the granting authority does not receive the report on the distribution of payments within the deadline, it will consider that:

- the coordinator did not distribute any payment to the beneficiary concerned and that
- the beneficiary concerned must not repay any amount to the coordinator.

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

If the second request for amendment is rejected by the granting authority (because it calls into question the decision awarding the grant or breaches the principle of equal treatment of applicants), the grant may be terminated (see Article 32).

Improper termination may lead to a reduction of the grant (see Article 31) or grant termination (see Article 32).

After termination, the concerned beneficiary's obligations (in particular Articles 13 (confidentiality and security), 16 (IPR), 17 (communication, dissemination and visibility), 21 (reporting), 25 (checks, reviews, audits and investigations), 26 (impact evaluation), 27 (rejections), 28 (grant reduction) and 42 (assignment of claims)) continue to apply.

32.3 EU-initiated GA or beneficiary termination

32.3.1 Conditions

The granting authority may terminate the grant 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 the action or the legal, financial, technical, organisational or ownership situation of a beneficiary is likely to substantially affect the implementation of the action or calls into question the decision to award the grant (including changes linked to one of the exclusion grounds listed in the declaration of honour)

(c) following termination of one or more beneficiaries, the necessary changes to the Agreement (and their impact on the action) would call into question the decision awarding the grant or breach the principle of equal treatment of applicants

(d) implementation of the action has become impossible or the changes necessary for its continuation would call into question the decision awarding the grant or breach the principle of equal treatment of applicants

(e) a beneficiary (or person with unlimited liability for its debts) is subject to bankruptcy proceedings or similar (including insolvency, winding-up, administration by a liquidator or court, arrangement with creditors, suspension of business activities, etc.)

(f) a beneficiary (or person with unlimited liability for its debts) is in breach of social security or tax obligations

(g) a beneficiary (or person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has been found guilty of grave professional misconduct

(h) a beneficiary (or person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has committed fraud, corruption, or is involved in a criminal organisation, money laundering, terrorism-related crimes (including terrorism financing), child labour or human trafficking

(i) a beneficiary (or person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) was created under a different jurisdiction with the intent to circumvent fiscal, social or other legal obligations in the country of origin (or created another entity with this purpose)

(j) a beneficiary (or person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has committed:

  (i) substantial errors, irregularities or fraud or

  (ii) serious breach of obligations under this Agreement or during its award (including improper implementation of the action, non-compliance with the call conditions, submission of false information, failure to provide required information, breach of ethics or security rules (if applicable), failure to cooperate with checks, reviews, audits and investigations, etc.)

(k) a beneficiary (or person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has committed — in other EU 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; see Article 25.5)

(l) despite a specific request by the granting authority, a beneficiary does not request — through the coordinator — an amendment to the Agreement to end the participation of one of its affiliated entities or associated partners that is in one of the situations under points (d), (f), (e), (g), (h), (i) or (j) and to reallocate its tasks, or

(m) other:

(i) linked action issues: not applicable

(ii) due to major delays, the objectives of the action can no longer be achieved

32.3.2 Procedure

Before terminating the grant or participation of one or more beneficiaries, the granting authority will send **a pre-information letter** to the coordinator or beneficiary concerned:

- formally notifying the intention to terminate and the reasons why and
- requesting observations within 30 days of receiving notification.

If the granting authority does not receive observations or decides to pursue the procedure despite the observations it has received, it will confirm the termination and the date it will take effect (**confirmation letter**). Otherwise, it will formally notify that the procedure is discontinued.

For beneficiary terminations, the granting authority will — at the end of the procedure — also inform the coordinator.

The termination will **take effect** the day after the confirmation notification is sent (or on a later date specified in the notification; 'termination date').

32.3.3 Effects

(a) for **GA termination**:

The coordinator must — within 60 days from when termination takes effect — submit a **periodic report** (for the last open reporting period until termination).

The granting authority will calculate the final grant amount and final payment on the basis of the report submitted and taking into account the lump sum contributions for activities implemented before termination takes effect (see Article 22). Partial lump sum contributions for work packages that were not completed (e.g. due to technical reasons) may exceptionally be taken into account.

If the grant is terminated for breach of the obligation to submit reports, the coordinator may not submit any report after termination.

If the granting authority does not receive the report within the deadline, only lump sum contributions which are included in an approved periodic report will be taken into account (no contributions if no periodic report was ever approved).

Termination does not affect the granting authority's right to reduce the grant (see Article 28) or to impose administrative sanctions (see Article 34).

The beneficiaries may not claim damages due to termination by the granting authority (see Article 33).

After termination, the beneficiaries' obligations (in particular Articles 13 (confidentiality and security), 16 (IPR), 17 (communication, dissemination and visibility), 21 (reporting), 25 (checks, reviews, audits and investigations), 26 (impact evaluation), 27 (rejections), 28 (grant reduction) and 42 (assignment of claims)) continue to apply.

(b) for **beneficiary termination**:

The coordinator must — within 60 days from when termination takes effect — submit:

(i) a **report on the distribution of payments** to the beneficiary concerned

(ii) a **termination report** from the beneficiary concerned, for the open reporting period until termination, containing an overview of the progress of the work

(iii) a **request for amendment** (see Article 39) with any amendments needed (e.g. reallocation of the tasks and the estimated budget of the terminated beneficiary; addition of a new beneficiary to replace the terminated beneficiary; change of coordinator, etc.).

The granting authority will calculate the amount due to the beneficiary on the basis of the reports submitted in previous interim payments (i.e. beneficiary's lump sum contributions for completed and approved work packages).

Lump sum contributions for ongoing/not yet completed work packages will have to be included in the periodic report for the next reporting periods when those work packages have been completed.

If the granting authority does not receive the report on the distribution of payments within the deadline, it will consider that:

- the coordinator did not distribute any payment to the beneficiary concerned and that
- the beneficiary concerned must not repay any amount to the coordinator.

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

If the request for amendment is rejected by the granting authority (because it calls into question the decision awarding the grant or breaches the principle of equal treatment of applicants), the grant may be terminated (see Article 32).

After termination, the concerned beneficiary's obligations (in particular Articles 13 (confidentiality and security), 16 (IPR), 17 (communication, dissemination and visibility), 21 (reporting), 25 (checks, reviews, audits and investigations), 26 (impact evaluation), 27 (rejections), 28 (grant reduction) and 42 (assignment of claims)) continue to apply.

SECTION 3 OTHER CONSEQUENCES: DAMAGES AND ADMINISTRATIVE SANCTIONS

ARTICLE 33 — DAMAGES

33.1 Liability of the granting authority

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

The granting authority cannot be held liable for any damage caused by any of the beneficiaries or other participants involved in the action, as a consequence of the implementation of the Agreement.

33.2 Liability of the beneficiaries

The beneficiaries must compensate the granting authority 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, provided that it was caused by gross negligence or wilful act.

The liability does not extend to indirect or consequential losses or similar damage (such as loss of profit, loss of revenue or loss of contracts), provided such damage was not caused by wilful act or by a breach of confidentiality.

ARTICLE 34 — ADMINISTRATIVE SANCTIONS AND OTHER MEASURES

Nothing in this Agreement may be construed as preventing the adoption of administrative sanctions (i.e. exclusion from EU award procedures and/or financial penalties) or other public law measures, in addition or as an alternative to the contractual measures provided under this Agreement (see, for instance, Articles 137 to 148 EU Financial Regulation 2024/2509 and Articles 4 and 7 of Regulation 2988/95[20]).

SECTION 4 FORCE MAJEURE

ARTICLE 35 — FORCE MAJEURE

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

'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 other participants involved in the action) and
- proves to be inevitable in spite of exercising all due diligence.

[20] Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.1995, p. 1).

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.

CHAPTER 6 FINAL PROVISIONS

ARTICLE 36 — COMMUNICATION BETWEEN THE PARTIES

36.1 Forms and means of communication — Electronic management

EU grants are managed fully electronically through the EU Funding & Tenders Portal ('Portal').

All communications must be made electronically through the Portal in accordance with the Portal Terms and Conditions and using the forms and templates provided there (except if explicitly instructed otherwise by the granting authority).

Communications must be made in writing and clearly identify the grant agreement (project number and acronym).

Communications must be made by persons authorised according to the Portal Terms and 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 their appointment letter (see Portal Terms and Conditions).

If the electronic exchange system is temporarily unavailable, instructions will be given on the Portal.

36.2 Date of communication

The sending date for communications made through the Portal will be the date and time of sending, as indicated by the time logs.

The receiving date for communications made through the Portal will be the date and time the communication is accessed, as indicated by the time logs. Formal notifications that have not been accessed within 10 days after sending, will be considered to have been accessed (see Portal Terms and Conditions).

If a communication is exceptionally made on paper (by e-mail or postal service), general principles apply (i.e. date of sending/receipt). Formal notifications by registered post with proof of delivery will be considered to have been received either on 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 Portal can be accessed via the Europa website.

The address for paper communications to the granting authority (if exceptionally allowed) is the official mailing address indicated on its website.

For beneficiaries, it is the legal address specified in the Portal Participant Register.

ARTICLE 37 — INTERPRETATION OF THE AGREEMENT

The provisions in the Data Sheet take precedence over the rest of the Terms and Conditions of the Agreement.

Annex 5 takes precedence over the Terms and Conditions.

The Terms and Conditions take precedence over the Annexes other than Annex 5.

Annex 2 takes precedence over Annex 1.

ARTICLE 38 — CALCULATION OF PERIODS AND DEADLINES

In accordance with Regulation No 1182/71[21], 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.

'Days' means calendar days, not working days.

ARTICLE 39 — AMENDMENTS

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

The party requesting an amendment must submit a request for amendment signed directly in the Portal Amendment tool.

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

[21] 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).

- for a change of coordinator without its agreement: the opinion of the coordinator (or proof that this opinion has been requested in writing).

The granting authority may request additional information.

If the party receiving the request agrees, it must sign the amendment in the tool within 45 days of receiving notification (or any additional information the granting authority 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 of entry into force or other date specified in the amendment.

ARTICLE 40 — ACCESSION AND ADDITION OF NEW BENEFICIARIES

40.1 Accession of the beneficiaries mentioned in the Preamble

The beneficiaries which are not coordinator must accede to the grant by signing the accession form (see Annex 3) directly in the Portal Grant Preparation tool, within 30 days after the entry into force of the Agreement (see Article 44).

They will assume the rights and obligations under the Agreement with effect from the date of its entry into force (see Article 44).

If a beneficiary does not accede to the grant within the above deadline, the coordinator must — within 30 days — request an amendment (see Article 39) to terminate the beneficiary and make any changes necessary to ensure proper implementation of the action. This does not affect the granting authority's right to terminate the grant (see Article 32).

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 directly in the Portal Amendment tool.

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

Additions are also possible in mono-beneficiary grants.

ARTICLE 41 — TRANSFER OF THE AGREEMENT

In justified cases, the beneficiary of a mono-beneficiary grant may request the transfer of the grant to a new beneficiary, provided that this would not call into question the decision awarding the grant or breach the principle of equal treatment of applicants.

The beneficiary must submit a request for **amendment** (see Article 39), with

- the reasons why
- the accession form (see Annex 3) signed by the new beneficiary directly in the Portal Amendment tool and
- additional supporting documents (if required by the granting authority).

The new beneficiary will assume the rights and obligations under the Agreement with effect from the date of accession specified in the accession form (see Annex 3).

ARTICLE 42 — ASSIGNMENTS OF CLAIMS FOR PAYMENT AGAINST THE GRANTING AUTHORITY

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

If the granting authority has not accepted the assignment or if 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 granting authority.

ARTICLE 43 — APPLICABLE LAW AND SETTLEMENT OF DISPUTES

43.1 Applicable law

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

Special rules may apply for beneficiaries which are international organisations (if any; see Data Sheet, Point 5).

43.2 Dispute settlement

If a dispute concerns the interpretation, application or validity of the Agreement, the parties must bring action before the EU General Court — or, on appeal, the EU Court of Justice — under Article 272 of the Treaty on the Functioning of the EU (TFEU).

For non-EU beneficiaries (if any), such disputes must be brought before the courts of Brussels, Belgium — unless an international agreement provides for the enforceability of EU court judgements.

For beneficiaries with arbitration as special dispute settlement forum (if any: see Data Sheet, Point 5), the dispute will — in the absence of an amicable settlement — be settled in accordance with the Rules for Arbitration published on the Portal.

If a dispute concerns administrative sanctions, offsetting or an enforceable decision under Article 299 TFEU (see Articles 22 and 34), the beneficiaries must bring action before the General Court — or, on appeal, the Court of Justice — under Article 263 TFEU.

For grants where the granting authority is an EU executive agency (see Preamble), actions against

offsetting and enforceable decisions must be brought against the European Commission (not against the granting authority; see also Article 22).

ARTICLE 44 — ENTRY INTO FORCE

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

SIGNATURES

For the coordinator

For the granting authority

- the reasons why
- the accession form (see Annex 3) signed by the new beneficiary directly in the Portal Amendment tool and
- additional supporting documents (if required by the granting authority).

The new beneficiary will assume the rights and obligations under the Agreement with effect from the date of accession specified in the accession form (see Annex 3).

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SIGNATURES

For the coordinator

For the granting authority

Associated with document Ref. Ares(2026)6658010 - 02/07/2026

European Commission

ANNEX 1



Just Transition Mechanism (JTM)

Description of the action (DoA)

Part A

Part B

DESCRIPTION OF THE ACTION (PART A)

COVER PAGE

Part A of the Description of the Action (DoA) must be completed directly on the Portal Grant Preparation screens.

PROJECT *Grant Preparation (General Information screen) — Enter the info.*	
Project number:	101278194
Project name:	Košice Just Transition Infrastructure Programme
Project acronym:	2025-10-SK-LS-JTIP
Call:	JTM-2022-2025-PSLF
Topic:	JTM-2022-2025-PSLF-LOAN-SCHEMES
Type of action:	JTM-LS
Service:	CINEA/B/02
Project starting date:	fixed date: 1 April 2026
Project duration:	46 months

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List of work packages 4
Staff effort 12
List of deliverables 13
List of milestones (outputs/outcomes) 17
List of critical risks 18

PROJECT SUMMARY

Project summary

Grant Preparation (General Information screen) — Provide an overall description of your project (including context and overall objectives, planned activities and main achievements, and expected results and impacts (on target groups, change procedures, capacities, innovation etc)). This summary should give readers a clear idea of what your project is about.

Use the project summary from your proposal.

The Košice Just Transition Infrastructure Programme is a framework loan–backed investment package supporting the modernisation of key public infrastructure in the City of Košice, Slovakia, a designated Just Transition territory. The programme contributes to the implementation of Slovakia's Territorial Just Transition Plan and Košice's Climate City Contract as part of the EU Mission Cities initiative, supporting the transition towards climate neutrality and sustainable urban development.

The overall objective of the project is to upgrade critical municipal assets in order to reduce energy consumption and operating costs, improve accessibility and service quality, strengthen climate resilience, and support inclusive socio-economic development. The investment portfolio is structured around four Strategic Investment Areas: (i) Energy-Efficient Education, (ii) Resilient Healthcare and Inclusive Housing, (iii) User-Centric Public Infrastructure, and (iv) Sustainable Mobility. The programme addresses development needs related to ageing public buildings, poor energy performance, limited accessibility for vulnerable groups, and insufficient low-carbon mobility infrastructure.

The project directly responds to key environmental, social and economic challenges in the region. Environmentally, it reduces energy demand and supports decarbonisation of public assets. Socially, it improves access to safe, barrier-free and higher-quality public services for children, elderly citizens, low-income households and persons with disabilities. Economically, it lowers long-term operating costs for the municipality and strengthens the attractiveness and functionality of public facilities and local mobility networks.

In quantitative terms, the project will renovate approximately 20,000 m² of public facilities, deliver annual energy savings of approximately 1,050 MWh, and improve infrastructure and services benefiting around 229,000 residents. The project also includes the construction of a missing link in the municipal cycle path network and minor road reconstruction of approximately 2 road lanes. As a result of the project 2–3 additional permanent direct jobs are expected to be created.

The grant of EUR 4,267,170 complements a loan of EUR 17,068,680 awarded by the European Investment Bank (EIB), bringing the total budget for the project to EUR 23,706,500.

LIST OF PARTICIPANTS

PARTICIPANTS

Grant Preparation (Beneficiaries screen) — Enter the info.

Number	Role	Short name	Legal name	Country	PIC
1	COO	City of Kosice	MESTO KOSICE	SK	938386731

Associated with document Ref. Ares(2026)6658010 - 02/07/2026

LIST OF WORK PACKAGES

Work packages *Grant Preparation (Work Packages screen) — Enter the info.*						
Work Package No	**Work Package name**	**Lead Beneficiary**	**Effort (Person-Months)**	**Start Month**	**End Month**	**Deliverables**
WP1	Project Management, Monitoring & Communication	1 - City of Kosice	0.00	1	46	D1.1 – Periodic Progress Report 1 D1.2 – Periodic Progress Reports 2 D1.3 – Periodic Progress Reports 3 D1.4 – Dissemination Actions and Outputs Plan D1.5 – Final Press Release
WP2	Energy-Efficient Educational Buildings	1 - City of Kosice	0.00	1	46	D2.1 – Completion and handover documentation for renovated educational facilities
WP3	Resilient Healthcare and Inclusive Housing	1 - City of Kosice	0.00	1	46	D3.1 – Completion and handover documentation for renovated healthcare facilities and social housing
WP4	User-Centric Public Infrastructure	1 - City of Kosice	0.00	1	46	D4.1 – Completion and handover documentation for renovated public buildings
WP5	Sustainable Mobility and Accessibility	1 - City of Kosice	0.00	1	46	D5.1 – Completion and acceptance documentation for renovated mobility infrastructure

Work package WP1 – Project Management, Monitoring & Communication

Work Package Number	WP1	Lead Beneficiary	1 - City of Kosice
Work Package Name	Project Management, Monitoring & Communication		
Start Month	1	End Month	46

Objectives
The objective of Work Package 1(WP1) is to ensure effective overall coordination, administrative and financial management, monitoring and reporting of the project, ensuring compliance with the Grant Agreement requirements and supporting the timely and high-quality implementation of all technical work packages. Moreover, WP1 covers all communication and dissemination activities.

Description
WP1 is divided into two main tasks: Task T1.1-Project Management & monitoring T1.1 covers all horizontal activities related to project management, internal coordination, monitoring and reporting. It ensures the integration of the project within existing municipal governance structures, coordination among internal departments and external stakeholders, and continuous liaison with CINEA. More specifically, the following tasks will be implemented: - Overall project coordination and internal governance set-up - Administrative and financial management of the project - Organisation of coordination meetings and internal reporting processes - Monitoring of project progress, risks and performance - Preparation of progress reports and the final report in line with the Grant Agreement requirements - Coordination and communication with CINEA and other relevant stakeholders in line with the EU visibility and communication guidelines - Quality assurance and compliance control Task T1.2-Communication T1.2 covers external communication and dissemination activities implemented through the beneficiary's existing communication channels and practices, in line with the EU Visibility and Communication Guidelines. The task focuses on making project information and results accessible to the public and relevant stakeholders without creating additional parallel communication structures. More specifically, the following tasks will be implemented: - Preparation and publication of project factsheets (EN/SK) - Publication of web articles and press releases through existing municipal channels - Participation in national and EU-level knowledge-sharing and networking events The following results are expected: - Dissemination outputs delivered, including project factsheets, web and press articles, and participation in knowledge-sharing events - Clear visibility of the project and EU financial contribution in line with the EU visibility guidelines. - Increased awareness of project objectives and results among stakeholders and the public - Efficient and transparent project management and coordination - Timely delivery of project activities and outputs - Timely progress reporting and final reporting completed in line with GA requirements - Effective monitoring of project progress and risks - Compliance with reporting and audit requirements

Work package WP2 – Energy-Efficient Educational Buildings

Work Package Number	WP2	Lead Beneficiary	1 - City of Kosice

Work Package Name	Energy-Efficient Educational Buildings		
Start Month	1	End Month	46

Objectives

The objective of Work Package 2 (WP2) is to renovate and modernise selected educational buildings in the City of Košice in order to improve their energy performance, climate resilience, operational efficiency and user comfort, while supporting inclusive and high-quality learning environments. The interventions cover four municipal primary and kindergarten school buildings serving more than 2,000 pupils and staff, contributing to the programme-wide renovation of more than 20,000 m² of public facilities and delivering significant annual energy savings.

Description

WP2 covers the preparation and implementation of renovation investments in four public educational facilities representing typical post-1970s public school infrastructure:
-Primary School Hroncova I
-Primary School Hroncova II
-Kindergarten and Primary School Masarykova
-Primary School Ľ. Novomeského

The selected school buildings represent an approximate combined gross floor area of around 17,000 m²; the final renovated area will be defined in the detailed project documentation and may cover only parts of the buildings depending on the scope of the approved renovation measures.

More specifically, the following tasks will be implemented:
- Implementation of renovation works in line with the agreed schedule with the contractor (by the beneficiary)
- Preparation of technical documentation and permitting procedures (by beneficiary/school and external designers)
- Procurement of works and services in line with public procurement rules (by the beneficiary/school)
- Implementation of renovation and construction works (i.e renovation of municipal primary and kindergarten school buildings, building envelope upgrades, heating and energy system modernisation, and related safety and accessibility measures) (by selected contractors)
- Supervision, quality control and acceptance of works (by the beneficiary/school and external supervisors)
- Commissioning and handover of upgraded facilities for operation (by the beneficiary/school)
- Coordination with internal departments and external stakeholders (by the beneficiary)

Primary School Hroncova I – Kitchen, Dining and Corridor: renovation of internal spaces, replacement of obsolete technical installations, improvement of energy performance and operational functionality of catering and circulation areas.
Primary School Hroncova II – Main Building Renovation: comprehensive energy renovation including building envelope insulation, replacement of windows and doors, modernisation of heating and lighting systems, and selected safety and accessibility upgrades.
Kindergarten and Primary School Masarykova: energy-efficiency upgrades of façades and roofs, replacement of windows, modernisation of internal technical systems, and improvement of indoor comfort and safety conditions.
Primary School Ľ. Novomeského (8,128 m2): building envelope insulation, replacement of windows and doors, upgrades of heating and lighting systems, and selected climate-adaptation and accessibility measures.
Across all sites, the renovation works include façade and roof insulation, replacement of windows and doors, modernisation of heating and lighting systems, basic climate-adaptation measures (such as shading and drainage improvements), and selected accessibility upgrades (barrier-free access and sanitary facilities).

The following results are expected:

- Renovated and modernised selected municipal school buildings.
- Annual energy savings of approximately 370 MWh achieved across renovated educational facilities.
- Improved thermal comfort, indoor air quality and safety for more than 2,000 pupils and staff.
- Reduced operating and maintenance costs of school facilities.
- Increased climate resilience and accessibility of educational infrastructure.

The following benefits are expected:
- Improved functionality of learning environments
- Increased resilience of educational infrastructure to climate impacts

- Enhanced accessibility and quality of public education facilities

Work package WP3 – Resilient Healthcare and Inclusive Housing

Work Package Number	WP3	**Lead Beneficiary**	1 - City of Kosice
Work Package Name	Resilient Healthcare and Inclusive Housing		
Start Month	1	**End Month**	46

Objectives
The objective of Work Package 3 (WP3) is to renovate and modernise selected social housing units and public healthcare facilities in the City of Košice in order to improve accessibility, energy performance, safety and climate resilience, and to enhance the quality and availability of essential health and social services for vulnerable population groups. The interventions target facilities with high social impact and aim to reduce energy poverty, improve user comfort and strengthen service continuity during climate extremes.

Description
WP3 covers the preparation and implementation of renovation investments in selected social housing building and outpatient healthcare facilities located in different districts of Košice. The work package includes technical preparation, permitting, procurement and execution of construction work, as well as commissioning and handover of upgraded buildings. WP3 is divided into two main tasks: T3.1 Healthcare infrastructure upgrades This investment targets selected outpatient polyclinic facilities serving large urban catchment areas in Košice, currently characterised by poor thermal performance, degraded building envelopes and inefficient heating systems leading to high energy losses and suboptimal indoor comfort for patients and medical staff. The targeted facilities include two outpatient health centres located in the city districts of KVP and Ťahanovce, together serving a catchment of more than 44,000 residents across over 80 medical practices, including emergency and primary care services, gross floor area of the two buildings exceeding approximately 10,700 m² ("Polyclinic KVP" and "Polyclinic Ťahanovce). The actual renovated surfaces will mainly concern the building envelope and selected technical systems and will be confirmed through the detailed project documentation. The polyclinic in KVP is prioritised for implementation, while the polyclinic in Ťahanovce may be implemented subject to available financial resources and final investment readiness at the time of launching the procurement procedure. More specifically, the following tasks will be implemented: - Implementation of renovation works in line with the agreed schedule with the contractor (by the beneficiary) - Preparation of technical documentation and permitting procedures (by beneficiary/wholly-owned municipal company acting under a mandate agreement (BPMK) and selected contractor) - Procurement of works and services in line with public procurement rules (by the beneficiary/BPMK and selected contractor) - Implementation of renovation and construction works (Typical interventions include comprehensive renovation of façades and roofs, replacement of windows and doors, modernisation of heating and internal technical systems, and selected climate-adaptation measures) (by selected contractors) - Supervision, quality control and acceptance of works (by the beneficiary/BPMK and external supervisors) - Commissioning and handover of upgraded facilities for operation (by the beneficiary/BPMK) - Coordination with internal departments and external stakeholders (by the beneficiary) T3.2 Social Housing Renovations This investment targets selected municipal housing building accommodating vulnerable residents, with a focus on reducing energy intensity, improving living comfort, ensuring barrier-free access and improving overall building safety. The targeted site includes the Adlerova 4 social housing building, which currently accommodates approximately 102 socially vulnerable residents, including emergency and sheltered housing clients. The Adlerova 4 social housing building has an approximate gross floor area of around 6,400 m². The renovation primarily targets the building envelope and

technical systems; therefore, the actual renovated surfaces will differ from the total gross area and will be defined in the detailed project documentation.
The final technical scope and sequencing of works will be confirmed based on detailed design documentation, permitting status, available financing and implementation phasing, while maintaining alignment with programme objectives and targeted social impact.

More specifically, the following tasks will be implemented:
- Implementation of renovation works in line with the agreed schedule with the contractor (by the beneficiary)
- Preparation of technical documentation and permitting procedures (by beneficiary/BPMK and selected contractor)
- Procurement of works and services in line with public procurement rules (by the beneficiary /BPMK and selected contractor)
- Implementation of renovation and construction works (planned interventions include comprehensive energy-efficiency upgrades of the building envelope, replacement of windows and selected internal technical systems, improvement of barrier-free access and circulation, and measures aimed at improving indoor comfort, health and safety conditions for residents) (by selected contractors)
- Supervision, quality control and acceptance of works (by the beneficiary/BPMK and external supervisors)
- Commissioning and handover of upgraded facilities for operation (by the beneficiary/BPMK)
- Coordination with internal departments and external stakeholders (by the beneficiary)

The following results are expected:
- Renovated social housing units and healthcare facilities with improved accessibility.
- Annual energy savings in the order of several hundred MWh across renovated facilities, contributing to significant reductions in operating and energy costs.
- Improved indoor comfort and environmental quality for patients, medical staff and residents.
- Increased resilience of critical social and healthcare infrastructure to heatwaves and extreme weather events.
- Direct benefits for several tens of thousands of city residents using upgraded healthcare services and improved living conditions for low-income households.

The following benefits are expected:
- Reduced operational costs for municipal healthcare and housing facilities.
- Improved quality, continuity and accessibility of essential healthcare and social services for vulnerable population groups.
- Enhanced comfort, safety and dignity of living conditions for social housing residents.
- Strengthened climate resilience of frontline public service infrastructure.
- Improved operational reliability during heatwaves and extreme weather, improving patient comfort and staff working conditions, and reducing long-term operating costs.

Work package WP4 – User-Centric Public Infrastructure

Work Package Number	WP4	**Lead Beneficiary**	1 - City of Kosice
Work Package Name	User-Centric Public Infrastructure		
Start Month	1	**End Month**	46

Objectives
The objective of Work Package 4 (WP4) is to renovate and modernise selected municipal and public service buildings in order to improve accessibility, functionality, safety, service quality and climate resilience of urban public services, while reducing energy consumption and improving working and visitor conditions.

Description
WP4 covers the preparation and implementation of renovation investments in two key public facilities in the City of Košice: - the SMsZ AB2 Administrative Premises of the Municipal Greenery Administration - the entrance and administrative building of the Košice Zoo WP4 is divided into 2 main tasks:

T4.1 Municipal Greenery Administration upgrades
The SMsZ AB2 administrative building, constructed in the 1960s, currently accommodates approximately 130 municipal field workers and suffers from high heat losses, degraded building envelope, leaking roof, outdated windows and obsolete electricity and water distribution systems. The planned renovation aims to reduce energy demand by at least 30–35%, improve indoor comfort and extend the building's operational lifespan. The SMsZ AB2 administrative building has an approximate gross floor area of around 1,200 m², with the final renovated surfaces to be confirmed through the detailed project documentation in line with the approved scope of works.

More specifically, the following tasks will be implemented:
- Implementation of renovation works in line with the agreed schedule with the contractor (by the beneficiary)
- Preparation of technical documentation and permitting procedures (by the beneficiary)
- Procurement of works and services in line with public procurement rules (by the beneficiary)
- Implementation of renovation and construction works (building envelope insulation, roof reconstruction, replacement of windows and doors, modernisation of internal technical systems, and functional upgrades of sanitary and staff facilities) (by selected contractors)
- Supervision, quality control and acceptance of works (by the beneficiary)
- Commissioning and handover of upgraded facilities for operation (by the beneficiary)
- Coordination with internal departments and external stakeholders (by the beneficiary)

T4.2 Košice Zoo upgrades
The Košice Zoo entrance and administrative building serve approximately 200,000–220,000 visitors annually and is currently in a technically deteriorated condition with obsolete energy systems and insufficient visitor amenities. The existing entrance and administrative building of the Košice Zoo has an approximate gross floor area of around 1,250 m². The upgrades include an extension and reconstruction resulting in a new facility with an estimated gross floor area of around 1,500 m², to be confirmed in the detailed project documentation.

More specifically, the following tasks will be implemented:
- Implementation of renovation works in line with the agreed schedule with the contractor (by the beneficiary)
- Preparation of technical documentation and permitting procedures (by the beneficiary/ Košice Zoo as a municipal contributory organisation (Zoo) and external designers)
- Procurement of works and services in line with public procurement rules (by the beneficiary/Zoo)
- Implementation of renovation and construction works (new visitor entrance and visitor centre, modernised sanitary facilities, educational rooms and administrative spaces, together with energy-efficiency upgrades) (by selected contractors)
- Supervision, quality control and acceptance of works (by the beneficiary/Zoo and external supervisors)
- Commissioning and handover of upgraded facilities for operation (by the beneficiary/Zoo)
- Coordination with internal departments and external stakeholders (by the beneficiary)

The following results are expected:
- Two renovated and modernised key public service buildings with improved accessibility, safety and functionality.
- Reduced energy consumption by at least 30–35% in the renovated administrative building and annual energy savings of approximately 60–70 MWh in the Zoo facility
- Improved working conditions for approximately 130 municipal employees and improved visitor comfort and service quality for more than 200,000 annual Zoo visitors
- Increased operational reliability and climate resilience of municipal public service infrastructure
- Enhanced attractiveness and usability of civic facilities for residents and visitors.
-Subject to the final operational setup of the upgraded facilities, the investment is also expected to support the creation of approximately 2–3 additional permanent direct jobs related to visitor services, facility operation and maintenance

The following benefits are expected:
- Lower municipal energy and maintenance costs.
- Improved accessibility and quality of public services and visitor facilities
- Better working conditions and occupational safety for municipal staff
- Strengthened public trust in modernised civic infrastructure and services
- Contribution to inclusive, climate-resilient urban development

Work package WP5 – Sustainable Mobility and Accessibility

Work Package Number	WP5	**Lead Beneficiary**	1 - City of Kosice

Work Package Name	Sustainable Mobility and Accessibility		
Start Month	1	End Month	46

Objectives

The objective of Work Package 5 (WP5) is to develop, and upgrade selected urban mobility infrastructure in the City of Košice in order to improve safety, accessibility, connectivity and environmental performance of the transport system, and to support low-emission, active and inclusive mobility while reducing car dependency.

Description

WP5 covers the preparation and implementation of three targeted municipally owned mobility investments aimed at eliminating critical safety risks, improving last-mile connectivity and expanding inclusive low-emission transport options. WP5 includes technical preparation, permitting, procurement and execution of construction work, as well as commissioning and handover of the completed infrastructure. Implementation is coordinated by the beneficiary through the City Transport Department in cooperation with relevant municipal units and infrastructure operators.

WP5 is divided into 3 main tasks:
T5.1 Reconstruction of pedestrian underpass
The first task concerns the reconstruction of the pedestrian underpass at Trieda L. Svobodu – Postupimská, serving the densely populated district of Sídlisko Dargovských hrdinov. The underpass currently suffers from structural degradation, insufficient lighting, poor drainage and lack of barrier-free access.
More specifically, the following tasks will be implemented:
- Preparation of technical documentation and permitting procedures (by beneficiary and external designers)
- Procurement of works and services in line with public procurement rules (by the beneficiary)
- Implementation of construction and renovation works (structural rehabilitation, installation of sensor-controlled LED lighting, CCTV connection to the municipal police system, drainage upgrades and barrier-free access improvements) (by selected contractors):
- Supervision, quality control and acceptance of works (by the beneficiary and external supervisors)
- Commissioning and handover of completed infrastructure (by the beneficiary)
- Coordination with internal departments and external stakeholders (by the beneficiary)

T5.2 Cycle and pedestrian path construction
The second task is the construction of a new shared cycle and pedestrian path along Alejová Street, with an approximate length of 938 metres and a width of around 3 metres. The project will close a missing link in the city's cycling network by connecting residential areas with employment zones and planned industrial developments. Once completed, the path will represent approximately 2.36% of the city's total cycling network.
More specifically, the following tasks will be implemented:
- Preparation of technical documentation and permitting procedures (by beneficiary and external designers)
- Procurement of works and services in line with public procurement rules (by the beneficiary)
- Implementation of construction and renovation works (by selected contractors):
- Supervision, quality control and acceptance of works (by the beneficiary and external supervisors)
- Commissioning and handover of completed infrastructure (by the beneficiary)
- Coordination with internal departments and external stakeholders (by the beneficiary)

T5.3 Road reconstruction
The third task focuses on the reconstruction of the Road to Bankov (Cesta na Bankov) including landslide remediation and drainage improvements. The intervention will stabilise the roadbed, renew the road surface and restore safe access to recreational and hospitality areas in the Čermeľ valley, reducing long-term maintenance risks and improving resilience to extreme weather.

More specifically, the following tasks will be implemented:
- Implementation of renovation works in line with the agreed schedule with the contractor (by the beneficiary)
- Preparation of technical documentation and permitting procedures (by beneficiary and external designers)
- Procurement of works and services in line with public procurement rules (by the beneficiary)
- Implementation of construction and renovation works (by selected contractors)
- Supervision, quality control and acceptance of works (by the beneficiary and external supervisors)
- Commissioning and handover of completed infrastructure (by the beneficiary)
- Coordination with internal departments and external stakeholders (by the beneficiary)

The following results are expected:
- One reconstructed pedestrian underpass improving safety and accessibility for approximately 24,000 residents and daily commuters
- Approximately 0.94 km of new shared cycle and pedestrian infrastructure constructed, expanding the city's cycling network by approximately 2.36%
- Critical access road stabilised and reconstructed improving safety and climate resilience of transport infrastructure
- Improved connectivity between residential areas, employment zones and recreational areas
- Increased safety and accessibility for pedestrians, cyclists, elderly citizens and other vulnerable users
- Contribution to reduced car dependency and lower transport-related emissions

The following benefits are expected:
- Enhanced road safety and personal security in high-traffic urban areas.
- Improved access to jobs, services and recreation for residents of underserved districts.
- Expanded low-emission mobility options supporting modal shift.
- Reduced long-term maintenance risks and improved infrastructure resilience to extreme weather events.
- Improved quality of urban environment and public space.

Associated with document Ref. Ares(2026)6658010 - 02/07/2026

STAFF EFFORT

Staff effort per participant

Grant Preparation (Work packages - Effort screen) — Enter the info.

Participant	WP1	WP2	WP3	WP4	WP5	Total Person-Months
Total Person-Months	0.00	0.00	0.00	0.00	0.00	0.00

Associated with document Ref. Ares(2026)6658010 - 02/07/2026

LIST OF DELIVERABLES

Deliverables

Grant Preparation (Deliverables screen) — Enter the info.

The labels used mean:

Public — fully open (⚠ automatically posted online)

Sensitive — limited under the conditions of the Grant Agreement

EU classified —RESTREINT-UE/EU-RESTRICTED, CONFIDENTIEL-UE/EU-CONFIDENTIAL, SECRET-UE/EU-SECRET under Decision 2015/444

Deliverable No	Deliverable Name	Work Package No	Lead Beneficiary	Type	Dissemination Level	Due Date (month)
D1.1	Periodic Progress Report 1	WP1	1 - City of Kosice	R — Document, report	SEN - Sensitive	13
D1.2	Periodic Progress Reports 2	WP1	1 - City of Kosice	R — Document, report	SEN - Sensitive	25
D1.3	Periodic Progress Reports 3	WP1	1 - City of Kosice	R — Document, report	SEN - Sensitive	37
D1.4	Dissemination Actions and Outputs Plan	WP1	1 - City of Kosice	R — Document, report	SEN - Sensitive	6
D1.5	Final Press Release	WP1	1 - City of Kosice	R — Document, report	PU - Public	46
D2.1	Completion and handover documentation for renovated educational facilities	WP2	1 - City of Kosice	R — Document, report	SEN - Sensitive	46
D3.1	Completion and handover documentation for renovated healthcare facilities and social housing	WP3	1 - City of Kosice	R — Document, report	SEN - Sensitive	46
D4.1	Completion and handover documentation for renovated public buildings	WP4	1 - City of Kosice	R — Document, report	SEN - Sensitive	46
D5.1	Completion and acceptance documentation for renovated mobility infrastructure	WP5	1 - City of Kosice	R — Document, report	SEN - Sensitive	46

Deliverable D1.1 – Periodic Progress Report 1

Deliverable Number	D1.1	**Lead Beneficiary**	1 - City of Kosice
Deliverable Name	Periodic Progress Report 1		
Type	R — Document, report	**Dissemination Level**	SEN - Sensitive
Due Date (month)	13	**Work Package No**	WP1

Description
Consolidated progress report project implementation updates (PDF, English). The progress report will describe the actual implementation status of the project per WP for the period from M1 to M12. In addition, the report will outline the planned activities and progress per WP for the remainder of the project. The progress report will be submitted using the PSLF reporting template available on the Funding & Tenders Portal.

Deliverable D1.2 – Periodic Progress Reports 2

Deliverable Number	D1.2	**Lead Beneficiary**	1 - City of Kosice
Deliverable Name	Periodic Progress Reports 2		
Type	R — Document, report	**Dissemination Level**	SEN - Sensitive
Due Date (month)	25	**Work Package No**	WP1

Description
Consolidated progress report project implementation updates (PDF, English). The progress report will describe the actual implementation status of the project per WP for the period from M13 to M24. In addition, the report will outline the planned activities and progress per WP for the remainder of the project. The progress report will be submitted using the PSLF reporting template available on the Funding & Tenders Portal.

Deliverable D1.3 – Periodic Progress Reports 3

Deliverable Number	D1.3	**Lead Beneficiary**	1 - City of Kosice
Deliverable Name	Periodic Progress Reports 3		
Type	R — Document, report	**Dissemination Level**	SEN - Sensitive
Due Date (month)	37	**Work Package No**	WP1

Description
Consolidated progress report project implementation updates (PDF, English). The progress report will describe the actual implementation status of the project per WP for the period from M25 to M36. In addition, the report will outline the planned activities and progress per WP for the remainder of the project. The progress report will be submitted using the PSLF reporting template available on the Funding & Tenders Portal.

Deliverable D1.4 – Dissemination Actions and Outputs Plan

Deliverable Number	D1.4	**Lead Beneficiary**	1 - City of Kosice
Deliverable Name	Dissemination Actions and Outputs Plan		
Type	R — Document, report	**Dissemination Level**	SEN - Sensitive

Due Date (month)	6	Work Package No	WP1

Description
Plan for dissemination actions and outputs to be implemented through the beneficiary's existing communication channels in line with the EU Visibility and Communication Guidelines. The plan will cover the preparation of project factsheets (EN/SK), web and press articles, and participation in national and EU-level knowledge-sharing events.

Deliverable D1.5 – Final Press Release

Deliverable Number	D1.5	Lead Beneficiary	1 - City of Kosice
Deliverable Name	Final Press Release		
Type	R — Document, report	Dissemination Level	PU - Public
Due Date (month)	46	Work Package No	WP1

Description
Final press release presenting the main achievements and results of the project, to be published through the beneficiary's existing communication channels in line with the EU Visibility and Communication Guidelines (EN/SK).

Deliverable D2.1 – Completion and handover documentation for renovated educational facilities

Deliverable Number	D2.1	Lead Beneficiary	1 - City of Kosice
Deliverable Name	Completion and handover documentation for renovated educational facilities		
Type	R — Document, report	Dissemination Level	SEN - Sensitive
Due Date (month)	46	Work Package No	WP2

Description
Completion and handover documentation confirming that the renovated schools and kindergartens have been completed and are operational, including occupancy or use-related documentation where applicable (PDF, Slovak).

Deliverable D3.1 – Completion and handover documentation for renovated healthcare facilities and social housing

Deliverable Number	D3.1	Lead Beneficiary	1 - City of Kosice
Deliverable Name	Completion and handover documentation for renovated healthcare facilities and social housing		
Type	R — Document, report	Dissemination Level	SEN - Sensitive
Due Date (month)	46	Work Package No	WP3

Description
Completion and handover documentation confirming that the renovated healthcare facilities and social housing have been completed and are operational, including occupancy or use-related documentation where applicable (PDF, Slovak).

Deliverable D4.1 – Completion and handover documentation for renovated public buildings

Deliverable Number	D4.1	**Lead Beneficiary**	1 - City of Kosice
Deliverable Name	Completion and handover documentation for renovated public buildings		
Type	R — Document, report	**Dissemination Level**	SEN - Sensitive
Due Date (month)	46	**Work Package No**	WP4

Description
TCompletion and handover documentation confirming that the renovated public buildings have been completed and are operational, including occupancy or use-related documentation where applicable (PDF, Slovak).

Deliverable D5.1 – Completion and acceptance documentation for renovated mobility infrastructure

Deliverable Number	D5.1	**Lead Beneficiary**	1 - City of Kosice
Deliverable Name	Completion and acceptance documentation for renovated mobility infrastructure		
Type	R — Document, report	**Dissemination Level**	SEN - Sensitive
Due Date (month)	46	**Work Package No**	WP5

Description
Completion and acceptance documentation confirming that the renovated mobility infrastructure has been completed and accepted for operation or use, as applicable under national law (PDF, Slovak).

Associated with document Ref. Ares(2026)6658010 - 02/07/2026

LIST OF MILESTONES

Milestones *Grant Preparation (Milestones screen) — Enter the info.*					
Milestone No	**Milestone Name**	**Work Package No**	**Lead Beneficiary**	**Means of Verification**	**Due Date (month)**
1	Launch of the procurement procedure for the renovation - Educational Buildings	WP2	1 - City of Kosice	Copy of procurement notice published / sending tender information to potential bidders	1
2	End of procurement procedure - Educational Buildings	WP2	1 - City of Kosice	Copy of signed contracts	24
3	Start of the works for the renovation - Educational Buildings	WP2	1 - City of Kosice	Document confirming site handover to the contractor and start of works	4
4	Completion of the works – Educational Buildings	WP2	1 - City of Kosice	Copy of signed hand-over protocol of the renovated education buildings	46
5	Launch of the procurement procedure for the renovation - Health and Social Housing	WP3	1 - City of Kosice	Copy of procurement notice published / sending tender information to potential bidders	1
6	End of the procurement procedure - Health and Social Housing	WP3	1 - City of Kosice	Copy of signed contracts	24
7	Start of the works for the renovation - Health and Social Housing	WP3	1 - City of Kosice	Document confirming site handover to the contractor and start of works	4
8	Completion for the works - Health and Social Housing	WP3	1 - City of Kosice	Copy of signed hand-over protocol for the health and social housing buildings	46
9	Launch of procurement procedure for the renovation - Public Infrastructure	WP4	1 - City of Kosice	Copy of procurement notice published / sending tender information to potential bidders	1
10	End of the procurement procedure - Public Infrastructure	WP4	1 - City of Kosice	Copy of signed contracts	24
11	Start of the works for the renovation - Public Infrastructure	WP4	1 - City of Kosice	Document confirming site handover to the contractor and start of works	4

Associated with document Ref. Ares(2026)6658010 - 02/07/2026

Milestones

Grant Preparation (Milestones screen) — Enter the info.

Milestone No	Milestone Name	Work Package No	Lead Beneficiary	Means of Verification	Due Date (month)
12	Completion of the works - Public Infrastructure	WP4	1 - City of Kosice	Copy of signed hand-over protocol for the public infrastructure renovated	46
13	Launch of the procurement procedure - Mobility infrastructure	WP5	1 - City of Kosice	Copy of procurement notice published / sending tender information to potential bidders	1
14	End of the procurement procedure - Mobility Infrastructure	WP5	1 - City of Kosice	Copy of signed contracts	24
15	Start of works for the renovation - Mobility Infrastructure	WP5	1 - City of Kosice	Document confirming site handover to the contractor and start of works	4
16	Completion of the works - Mobility Infrastructure	WP5	1 - City of Kosice	Copy of signed hand-over protocol or similar document	46

LIST OF CRITICAL RISKS

Critical risks & risk management strategy

Grant Preparation (Critical Risks screen) — Enter the info.

Risk number	Description	Work Package No(s)	Proposed Mitigation Measures
1	Delays in obtaining construction permits for building renovations or infrastructure upgrades Likelihood: Medium Impact: High	WP3, WP2, WP5, WP4	All subprojects are selected based on technical readiness. Where permitting is pending, timeline buffers have been incorporated into implementation planning. The Strategic Development Department coordinates early engagement with permitting authorities to anticipate and resolve administrative bottlenecks.
2	Underperformance or delays by contractors Likelihood: Medium Impact: High	WP3, WP2, WP5, WP4	Procurement documentation will be prepared in a comprehensive and technically precise

Associated with document Ref. Ares(2026)6658010 - 02/07/2026

Critical risks & risk management strategy

Grant Preparation (Critical Risks screen) — Enter the info.

Risk number	Description	Work Package No(s)	Proposed Mitigation Measures
			manner to minimise ambiguities. Contracts will include clearly defined penalty clauses and performance milestones. Contractor progress will be monitored through regular site visits.
3	Shortage of qualified contractors, especially for energy renovations or specialised works Likelihood: Medium Impact: Medium	WP3, WP2, WP5, WP4	All subprojects will be phased and scheduled to avoid overloading the regional construction market. Market consultations and early engagement with potential contractors may be used to increase bidder interest and improve response quality.
4	Regulatory or legislative changes during implementation Likelihood: Low Impact: Medium	WP3, WP1, WP2, WP5, WP4	City departments monitor national legislation and EU policy developments relevant to infrastructure, energy, and environmental regulation. Košice also engages with the Union of Slovak Cities and other networks to stay informed and advocate on emerging legal challenges.
5	Unexpected cost increases due to inflation or material price volatility Likelihood: Medium Impact: High	WP3, WP2, WP5, WP4	Financial forecasts include inflation-adjusted estimates. During implementation, any justified cost increases will be managed in accordance with the applicable contractual, procurement and budgetary rules, including, where relevant, contract amendments within the available financing framework.
6	Weather-related delays or seasonal constraints, particularly for outdoor works Likelihood: Medium Impact: Medium	WP3, WP2, WP5, WP4	Project timelines are adapted to seasonal conditions and include reasonable implementation buffers where needed. For example, school renovations are scheduled for summer holidays, and road works are avoided during winter months in order to reduce the risk of weather-related delays.

DESCRIPTION OF THE ACTION (PART B)

COVER PAGE

PROJECT	
Project number:	101278194
Project name:	Košice Just Transition Infrastructure Programme
Project acronym:	2025-10-SK-LS-JTIP
Call:	JTM-2022-2025-PSLF
Topic:	JTM-2022-2025-PSLF-LOAN-SCHEMES
Type of action:	JTM-LS
Service:	CINEA/B/02
Project starting date:	April 1st 2026
Project duration:	46 months

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1 RELEVANCE AND IMPACT

1.1 Background and general objectives

Slovakia's push for climate neutrality by 2030—requiring a 22.7% cut in emissions from 2005 levels—poses a particular challenge for Košice, a region defined by its industrial legacy and economic fragility. As home to the country's largest single emitter (U.S. Steel Košice) yet one of its poorest areas, the city embodies the risks of an unmanaged transition: without targeted support for education, infrastructure, and social cohesion, decarbonisation could widen inequalities rather than drive recovery.

Košice's role as Eastern Slovakia's economic hub—with a quarter of the region's population and over 55,000 daily commuters—masks deeper structural problems. The city's population has stagnated at 238,000, but its ageing workforce (average age 42.4) and shrinking youth cohort threaten long-term viability. Brain drain is acute, with 9.9% of secondary graduates leaving to study abroad and 11,000+ residents commuting outside the city for work, signalling a weak local labour market. While emerging sectors like ICT and professional services offer growth potential, a skills mismatch—fuelled by outdated education systems—leaves these opportunities largely untapped.

The city's obsolete infrastructure compounds these challenges. Schools, social facilities, and public buildings are not only energy-inefficient but also unfit for modern demands, reducing Košice's appeal to skilled workers. Meanwhile, its fossil-dependent energy system—with 99.5% of heat and electricity from non-renewables—drives high emissions (933,000 tCO_2e in 2018), of which 65% come from buildings and heating alone (The Sustainable Energy and Climate Action Plan (SECAP)). Transport, dominated by private cars, adds another 9% to emissions, despite plans for e-mobility and cycling that remain underfunded.

Without any intervention, Košice risks a downward spiral: demographic decline, economic stagnation, and environmental degradation. Yet its status as a regional centre also presents an opportunity. By modernising infrastructure, aligning education with labour market needs, and accelerating decarbonisation—particularly in heating and transport—the city could transform its industrial legacy into a model for just transition. The alternative—inaction or incremental change—would leave Košice trapped in high emissions, high costs, and low competitiveness, ill-prepared for a low-carbon future.

The TJTP and the Economic and Social Development Programme for the City of Košice and its Functional Area 2022–2027 (PHRSR 2022 – 2027) converge on an integrated response for Košice. They prioritise deep renovation of public infrastructure, including schools, to support energy efficiency, modernisation of social and healthcare facilities to address demographic pressures and quality of life, renewal of cultural assets to strengthen community cohesion, and sustainable mobility to improve accessibility and emission-free transport. These interventions directly tackle the interconnected challenges of brain drain, population ageing, and outdated infrastructure. Yet the City's ability to realise them is constrained by the **structural weaknesses of Slovakia's system of regional and municipal financing**. Project-based EU and national grants have supported individual reforms in education and social services, but there is little or no predictable funding available for large-scale infrastructure renewal. This creates a vicious circle in which schools, social facilities, and mobility networks deteriorate more rapidly than they can be modernised.

Over the past decade, the City of Košice has begun a deliberate reorientation of its development model. Through diagnostics of its ageing infrastructure, participation in EU initiatives, and reforms in local governance, it has built a **framework of integrated strategies** to address decarbonisation, social inclusion, and climate resilience. What has been missing is not strategy or alignment, but predictable, long-term capital investment at scale. The proposed **Framework Loan** under the PSLF is one of the key instruments to help unlock this financing and accelerate the city's ability to implement its strategic priorities.

KOŠICE PROJECT PORTFOLIO

Designed for systemic impact, the PSLF project prepared by the City of Košice is structured around four high-priority Strategic Investment Areas (SIAs). Each area reflects core priorities in the **City Development Plan** (PHRSR 2022–2027), the **Territorial Just Transition Plan** (2022), and the **Climate City Contract** (2025), while maintaining alignment with national and **EU climate and cohesion objectives**. Together, the SIAs encompass a portfolio of subprojects that directly respond to urgent deficits in education, social services, public infrastructure, and mobility.

ENERGY-EFFICIENT EDUCATION FOR 21ST CENTURY

Košice's educational infrastructure, predominantly built in the 1960s–1980s, remains structurally degraded, energy-inefficient, and poorly adapted to the needs of a modern learning environment. According to **SECAP** and the **Climate Adaptation Plan** (2022), more than half of school facilities fall below energy performance certificate (EPC) Class D, with persistent deficits in insulation, ventilation, shading, and drainage. These conditions result in overheated classrooms, high energy bills, and learning environments that undermine both health and performance. The average year of construction of many schools is 1973, and no systematic retrofit has been implemented since.

To address these deficits, Košice has prepared an integrated investment pipeline focused on the comprehensive renovation of public schools and kindergartens. The Strategic Investment Area covers:

- **Primary School Hroncova I – Kitchen, Dining and Corridor:** This project modernises the catering block serving 734 pupils and 60 staff. Works include complete renovation of the kitchen and canteen, sanitary upgrades, barrier-free access (including a new lift), and refurbishment of the connecting corridor. Energy savings of ~21 MWh/year are projected, reducing operating costs by ~€15,000 annually.

- **Primary School Hroncova II – Main Building Renovation:** The main school buildings are structurally outdated and energy-intensive. Planned interventions include full façade and roof insulation, replacement of windows and doors, renewal of heating and lighting systems, and barrier-free retrofits. The works will secure healthier classrooms and longterm reductions in municipal costs.
- **Kindergarten and Primary School Masarykova:** This complex (main building, kitchen/dining/MŠ, and gymnasium) accommodates 500 pupils and 50 staff. Planned works include façade insulation, roof replacement, window and door renewal, central heating modernisation, and installation of barrier-free access features. Expected annual energy savings are 168 MWh, cutting operating costs by ~€40,000.
- **Ľ. Novomeského Primary School:** Serving 769 pupils and 60 staff, this 8,128 m² facility requires comprehensive modernisation. Renovation covers insulation of façades and roofs, replacement of outdated heating and lighting systems, and accessibility improvements. The project is expected to save ~180 MWh/year and reduce operating costs by ~€66,000 annually.

Together, these projects will modernise facilities serving more than 2,000 pupils and staff, deliver annual energy savings of ~370 MWh, and reduce municipal operating costs by over €120,000 per year.

By consolidating earlier pilot efforts into a scaled renovation programme, this SIA ensures that physical renewal accompanies ongoing curricular and governance reforms. It delivers directly on PHRSR Axis 2 (Inclusive and modern education), TJTP Pillar III (Skills and labour market inclusion), national decarbonisation goals, and Košice's Climate City Contract commitments. The result will ensure that schools are energy-efficient, digitally ready, climate-resilient, and accessible – capable of supporting the city's ambition to retain talent and prepare youth for green and digital transitions.

RESILIENT HEALTHCARE AND INCLUSIVE HOUSING

City's polyclinics and social housing infrastructure play a central role in safeguarding vulnerable communities during the climate and social transition. Yet most facilities suffer from high energy losses, degraded envelopes, and poor indoor environments that compromise both patient outcomes and resident wellbeing. The City's Climate City Contract (2025) prioritises these assets as critical for resilience, emphasising both energy efficiency and equitable access to essential services.

This SIA targets facilities with the highest social return, combining healthcare modernisation with social housing retrofits to reduce energy poverty, strengthen service quality, and ensure dignified living conditions for residents:

- **Polyclinics – Comprehensive Energy Renovation:** The City of Košice is to improve two outpatient health centres in KVP and Ťahanovce, together serving a catchment of more than 44,000 residents across over 80 practices, including emergency care. Both buildings face severe deficits in insulation, façades, windows, and heating systems, leading to high energy losses and unsustainable operating costs. With a combined floor area of over 10,700 m², the facilities currently generate annual heating costs exceeding €100,000. Planned renovations will deliver annual energy savings

of more than 410 MWh, cutting heating expenditures by approximately 70–80% and significantly improving patient comfort and staff working conditions. The estimated budget is supported by valid technical documentation and building permits (valid until 11/2026).

- **Adlerova 4 – Social Housing Energy Retrofit**: The building currently accommodates 102 socially vulnerable residents, including 44 clients in emergency housing and 58 in sheltered housing. The facility is highly energy-intensive and technically obsolete, creating unaffordable energy costs and substandard living conditions. The planned retrofit will deliver comprehensive energy-efficiency upgrades, barrier-free access, and healthier living environments. Beneficiaries: 102 low-income residents, many elderly and dependent.

Together, these projects will deliver direct benefits to more than 44,000 residents across Košice, including some of the most vulnerable households and patient groups. Indirectly, they will relieve pressure on municipal budgets by reducing energy consumption and unplanned maintenance costs, while strengthening the resilience of frontline healthcare infrastructure to heatwaves and extreme weather.

The benefits are wide-ranging: improved patient comfort, continuity of care during climate shocks, dignified living standards for low-income households, and lower municipal operating costs. In strategic terms, the SIA directly contributes to TJTP Pillar II (inclusive and resilient services), PHRSR 2022 – 2027 priorities for social infrastructure, national decarbonisation goals, and Košice's CCC Action Lines on building renovation, accessibility, and climate adaptation.

USER-CENTRIC PUBLIC INFRASTRUCTURE

Košice's stock of civic and administrative buildings is reaching the end of its lifespan. Most of these facilities were constructed before 1990 and have never undergone comprehensive renovation. As a result, they are energy-intensive, technically obsolete, and ill-suited to modern service delivery. According to the Community Plan for Social Services (2022–2030), a large share of public-facing facilities remains non-compliant with barrier-free standards, undermining the city's commitment to inclusion and equality. Poor indoor environments – overheating, leaking roofs, failing ventilation – diminish staff wellbeing and reduce the efficiency of public service delivery.

To address these deficits, the city has prepared a Strategic Investment Area targeting deep retrofits and functional upgrades in two critical sites:

- **SMsZ AB2 Administrative Premises**: Built in 1965, the Municipal Greenery Administration's (SMsZ) AB2 building is in urgent need of modernisation. It currently provides offices, social facilities, and hygiene spaces for around 130 field workers of the municipal green-space authority. The building suffers from severe heat losses, degraded walls, leaking roofs, outdated windows and doors, and obsolete electricity and water distribution systems. Annual energy costs exceed €8,400, with high inefficiency due to poor insulation. A comprehensive renovation will cut energy demand by at least 35%, saving roughly €2,900 annually, and extend building life.
- **Košice Zoo Entrance and Administrative Building**: The Zoo, which welcomes 200,000–220,000 visitors annually, operates from an outdated and technically inadequate entrance pavilion and attached offices. The building is in a deteriorated, near-hazardous state, with obsolete energy systems and failing visitor amenities. Planned reconstruction includes a new visitor centre, modernised sanitary facilities, educational rooms, and administrative offices. Energy savings of 60–70 MWh/year are projected, alongside cost reductions of €20,000 annually.. Implementation will also create 2–3 new permanent jobs and significantly raise visitor satisfaction by aligning facilities with 21st-century standards.

These projects exemplify Košice's approach: targeting public assets that combine urgent energy retrofits with improved service delivery. They demonstrate how infrastructure renewal can deliver both technical efficiency and social outcomes – improved accessibility, better working conditions, and enhanced trust in municipal institutions.

The benefits are wide-reaching:

- **Primary beneficiaries**: municipal staff, social service users, elderly and dependent residents, and 200,000+ annual visitors to the Zoo.
- **Secondary beneficiaries**: the wider community, which gains from reduced municipal energy

costs, improved inclusion, and more attractive civic amenities.

By renewing public infrastructure in this way, the SIA directly advances TJTP Pillar III (social resilience and inclusive services), PHRSR 2022 – 2027 priorities for accessible infrastructure, and the Climate City Contract commitment to barrier-free, energy efficient civic buildings. The projects also demonstrate readiness, with technical documentation, permitting pathways, and budget frameworks already in preparation.

SUSTAINABLE MOBILITY AND ACCESSIBLE INFRASTRUCTURE

Košice's mobility system remains structurally car-dependent, with over 60% of trips made by private car compared with just 27% by public transport and 11.5% by active modes (SECAP). Despite adoption of the Cycling Strategy 2022–2030, last-mile connectivity continues to suffer from fragmented networks, poor surface quality, and safety concerns. These deficits reinforce transport poverty, particularly for residents in peripheral boroughs without reliable access to jobs, schools, or clinics. Addressing these bottlenecks is essential not only for climate neutrality but also for territorial equity.

This Strategic Investment Area focuses on three targeted subprojects, all municipally owned and designed to eliminate critical safety risks, reduce emissions, and expand inclusive mobility options:

- **Reconstruction of the Underpass at Trieda L. Svobodu – Postupimská**: The underpass, serving the densely populated Sídlisko Dargovských hrdinov, provides the only grade-separated crossing of a four-lane arterial road near major public transport stops. Decades of neglect have left the structure unsafe, with non-functional lighting, inadequate drainage, and inaccessible staircases. The project, , includes full structural rehabilitation, installation of sensor-controlled LED lighting, CCTV linked to the municipal police, drainage upgrades, and barrier-free access for people with reduced mobility. Beneficiaries include nearly 24,000 residents of this city district and daily commuters relying on this corridor.

- **Alejová Cycle and Pedestrian Path**: This new 938-metre, 3-metre-wide shared path addresses a major missing link in Košice's cycling network, connecting residential areas with industrial zones and the planned Volvo industrial park., the project is currently in the permitting phase, with municipal cofinancing approved for land acquisition. Once built, it will represent 2.36% of Košice's cycle-path stock and significantly improve safety for pedestrians and cyclists who currently must walk through roadside greenery.

- **Road to Bankov Reconstruction and Landslide Remediation**: Cesta na Bankov is a critical road connecting the city to recreation and hospitality services in the Čermeľ valley. A 2012 landslide has compromised road safety, forcing temporary repairs. The new intervention will stabilise the roadbed with retaining walls, renew the road surface and drainage, and re-establish safe access. Energy and maintenance savings of €492 annually are projected through reduced emergency repairs.

These subprojects are not isolated interventions but part of a broader transformation agenda. They build on Košice's **Modernisation of Public Transport Stops** (), which has upgraded accessibility and information systems at key interchanges, and the city's inclusion in the **EuroVelo 11 corridor**, connecting Myslavský potok to Hornád areas and integrating Košice into Europe's long-distance cycling network. Together, these initiatives demonstrate a commitment to modal shift, combining safer pedestrian and cycling options with improved public-transport infrastructure.

The beneficiaries are wide-ranging: residents of underserved boroughs, students and low-income commuters, elderly citizens, and visitors to the city's recreation areas. By improving connectivity, safety, and accessibility, the projects directly contribute to TJTP Pillar II (green infrastructure and territorial cohesion), PHRSR 2022 – 2027 priorities for mobility, national decarbonisation goals, and Košice's Climate City Contract targets for emissions reduction. The interventions will reduce car dependency, cut CO_2 emissions, and mitigate urban heat by expanding green mobility infrastructure, thereby enhancing both climate and social resilience.

Territorial Just Transition Plan	Territorial Just Transition Plan of Slovakia. Plán spravodlivej transformácie územia. 2022

1.2 Needs analysis and specific objectives

Košice, as the core urban centre of the Košice Self-Governing Region, represents both a regional engine and a focal point of structural vulnerability. Despite its role as Slovakia's second-largest city, Košice continues to exhibit marked development disparities that reflect deeper socio-economic, infrastructural, and climate transition gaps. Recognised as a **less developed region** under Cohesion Policy 2021–2027 and explicitly prioritised in the TJTP, Košice's trajectory is hindered by layered challenges that demand coordinated, multi-sectoral investment.

The challenges facing Košice stem from deep-rooted systemic failures: long-term underinvestment, fragmented funding, weak institutional capacity, and a persistent neglect of mobility and care infrastructure. These issues have led to crumbling public services—from unsafe schools and energy-inefficient buildings to declining wellbeing among public servants and vulnerable groups.

At the same time, the region faces growing climate risks and youth outmigration, further straining social cohesion and economic stability. Without addressing these structural gaps, progress toward sustainable mobility, climate neutrality, and territorial equity will remain out of reach.

1. **Economic and Labour Market Weakness**
   - Košice's **GDP per capita** remains below the EU average; the broader Košice Region stood at **61% of the EU-27 average in 2021**, placing it among Slovakia's convergence territories.
   - The **employment rate** of the population aged 15–64 in the region was **69.2% in 2022**, trailing both the national (71.6%) and EU average (73.2%) – indicating persistent labour market slack.
   - **Youth outmigration** remains a critical risk: vocational institutions in Košice are under-resourced and lack the digital and green training infrastructure required to retain students in future-oriented sectors.

2. **Social Disadvantage and Inclusion Risks**
   - According to Košice's *Community Plan for Social Services*, over **15% of the city's population is over 65**, while vulnerable communities face a lack of access to public services, healthcare, and climate-resilient infrastructure
   - **Public care infrastructure** is under strain: buildings are energy inefficient, physically inaccessible, and insufficiently equipped to meet demand, especially for elderly and disabled residents.
   - The city's existing social services do not have the spatial reach or functional quality to mitigate inequalities in service access, despite high social need in several urban zones.

3. **Infrastructure and Accessibility Deficits**
   - Košice's **urban transport system** is under-adapted to climate and equity objectives. Active mobility infrastructure is fragmented, and key pedestrian infrastructure, such as underpasses, is unsafe or degraded.

While the city manages substantial municipal building stock, **over 50% of these facilities are rated below EPC Class D**, with poor insulation, ageing HVAC systems, and little renewable energy integration.

- **School buildings and health centres** are not only energy inefficient but also fall short on modern safety, fire protection, and accessibility standards, as documented in the city's *SECAP* and *PHRSR* 2022 – 2027.
- Municipal administrative capacity is thinly stretched across fragmented departments, delaying project delivery and reducing access to EU funding pipelines.

4. **Environmental and Energy Transition Gaps**
   - Košice's building stock is a major source of emissions, particularly if we do not take into account industry within the ETS. The city's *SECAP* sets a target to reduce GHG emissions by **40% by 2030**, yet renovation rates remain far below levels required to meet this goal
   - **Energy poverty** is a growing concern: high municipal heating costs disproportionately affect vulnerable groups and constrain the city's operational budget, particularly during winter months

- According to the *Adaptation Plan for Climate Change 2022–2027*, Košice faces intensifying climate risks, including more frequent **heatwaves**, **droughts**, and **flash floods**. Many public buildings lack adaptive features to cope with these extremes.
- The city's *Thermal Energy Development Concept* notes significant heat loss in district heating systems and limited integration of renewables, especially in public buildings reliant on fossil fuel systems.

The cumulative effect of these deficits is one of constrained convergence. Ageing infrastructure, combined with social exclusion, under-resourced public services, and climate vulnerability, limits Košice's capacity to serve its residents equitably and sustainably. These gaps cannot be bridged through fragmented national programmes or one-off capital injections. They require a **strategic, integrated investment programme** anchored in Just Transition principles.

Košice's PHRSR 2022 – 2027 and Climate City Contract Action Plan both identify public building renovation, inclusive mobility, and institutional strengthening as necessary preconditions for unlocking long-term development and resilience. The Slovak TJTP similarly designates Košice as a Just Transition priority zone under Article 8 of Regulation (EU) 2021/1056, mandating targeted investment in infrastructure, inclusion, and energy transition.

The four Strategic Investment Areas: climate-proof education, user-centric public services, sustainable mobility, and resilient healthcare and housing are designed as mutually reinforcing pillars of Košice's transformation. Each responds directly to the city's most urgent deficits: energy-inefficient schools, degraded municipal buildings, unsafe and cardependent mobility systems, and vulnerable healthcare and social housing stock. By addressing these gaps, the programme converts structural weaknesses into opportunities for inclusive growth, reduced operating costs, and climate resilience.

To ensure that these objectives translate into tangible improvements, a clear set of outputs, outcomes, and performance indicators has been defined. These indicators capture both the scale of physical works – such as the square metres of renovated schools and clinics, kilometres of rehabilitated roads and cycle paths, and number of public buildings upgraded – and the social and economic impacts, including residents benefiting, cultural participation, and jobs created during construction and operation.

By linking strategic objectives to measurable targets, Košice can demonstrate not only formal compliance with the TJTP, NECP, and EU Green Deal, but also visible improvements in daily life for nearly 300,000 residents in the functional urban area. The results framework is also consistent with Mission Cities monitoring requirements, ensuring alignment with the city's 2030 climate-neutrality pathway.

1.3 Complementarity with other actions and innovation

The PSLF Framework Loan builds directly on a decade of EU- and nationally co-financed investments that Košice has already implemented across education, mobility, energy efficiency, public lighting, and circular economy. These earlier projects – delivered under IROP, OPII, the Recovery and Resilience Facility, and national grant schemes – represent the foundation for this project. They have allowed the City to cultivate the technical, procurement, and strategic capacities necessary for complex project delivery.

For Košice, **building stock is the City's capital**: schools, clinics, housing, and civic facilities are the assets through which residents access education, health, culture, and services. Yet most of this stock was constructed before 1990 and suffers from chronic underinvestment. Earlier pilots such as *Building Power* (municipal energy management), the *Renovation of School Buildings programme*, and the *Modernisation of Nursery Oštepová* proved the feasibility of energy-efficient retrofits, while green public-space projects like *Green Infrastructure at City Hall* and mobility upgrades such as *Modernisation of Public Transport Stops* demonstrated Košice's ability to align infrastructure with climate objectives.

To capture this dual track of development, the City distinguishes between two complementary categories of prior investment, presented in separate tables: **(i) projects that strengthen municipal capacity** through governance, planning, data systems, and cross-sector modelling; and **(ii) projects that deliver tangible infrastructure** such as renovated schools, polyclinics, mobility corridors, and civic facilities.
The first category includes initiatives like projects **SAM-SUD**, **Building Power**, and **CLIMAAX**, which enhance Košice's ability to plan, benchmark, and evaluate investment needs across the whole urban portfolio. These "capacity and planning" projects provide digital platforms, modelling tools, and

institutional reforms that ensure the City can prioritise, monitor, and scale investments transparently and efficiently. Importantly, they also develop human capital within the municipality (e.g. the new Energy Department with eight specialists) and create **lasting partnerships** with universities, NGOs, and European networks.

The second category covers **infrastructure and implementation projects**, ranging from school retrofits and clinic modernisations to composting plants, cycle paths, and stormwater-retention pilots. These "infrastructure delivery" projects **transform the physical fabric of the city, reducing emissions, improving service quality**, and **enhancing social equity**. They are the concrete outcomes that residents directly see and use, and they generate measurable energy savings, emission reductions, and accessibility gains.

The two categories are mutually reinforcing: capacity and planning projects establish the data, governance, and organisational frameworks needed to identify, design, and finance investments, while infrastructure projects apply these capacities on the ground, validating methods and demonstrating impact. Together, they allow Košice to move from isolated pilots to a portfolio-based approach aligned with **Mission Cities' 2030 climate-neutrality target.**

The PSLF project builds directly on these results by:

• **Scaling proven interventions** from project-specific pilots (e.g. school retrofits, cycle paths) into a coherent city-wide investment stream;

• **Structuring investment pipelines** into mission-driven work packages aligned with just transition priorities;

• **Embedding cross-cutting principles** such as climate adaptation, accessibility, and social inclusion across all infrastructure domains.

The Košice operation is designed with a **European dimension** in mind. While its immediate benefits are concentrated in the city and its functional urban area, the methods of bundling fragmented local needs into three strategic investment pillars under a unified governance and monitoring structure are transferable to other urban territories facing similar transition challenges. Cities in Poland, Czechia, Romania, and Bulgaria, marked by mono-industrial legacies, demographic ageing, and under-resourced public services, could adapt Košice's model to accelerate their own just transitions.

1.4 Impact and ambition

Impact and ambition

Economic Impact. The PSLF investment programme will reinforce Košice's economic base by delivering a portfolio of mature subprojects across education, healthcare, mobility, and municipal services. In total, **20,000 m² of public facilities will be renovated**, and **achieving improved energy performance**. Long-term economic benefits include reduced operational expenditures through verified **annual energy savings of around 1,050 MWh**, allowing municipal budgets to be redirected towards education and social care. These renovations also serve as a critical steppingstone for Košice to progress toward its strategic objectives under Slovakia's **Decarbonisation Strategy, NECP** and **TJTP**, while at the same time contributing to the binding commitments of the **Climate City Contract** and the **European Green Deal**. By narrowing the current investment gap, the programme reduces the risk of accumulating delays that would make future compliance more costly and challenging, ensuring that the city maintains momentum toward climate, energy, and just transition goals.

Social Impact. The PSLF package **directly benefits nearly 230,000** across the Košice functional urban area. Renovated schools will **improve learning conditions**, while the modernisation of policlinics and social housing facilities addresses urgent needs for vulnerable groups. Investments into the ZOO facilities are expected to significantly strengthen community cohesion and quality of life in Košice, benefiting its more than 200,000 annual visitors. A 0.938 km cycle path is being upgraded along the main route to the new Volvo facility, offering a safe active mobility option for more than 3,300 employees that will be employed here, along thousands more residents. In addition, a new underpass will improve overall connectivity in the area. These outcomes directly advance Pillar III of the Košice TJTP, which prioritises social resilience and

equitable access to services in areas with ageing populations, energy poverty, or marginalised Roma communities.

Environmental Impact. Renovation projects are designed to deliver deep energy efficiency improvements, with up to 9 public buildings upgraded and annual savings of **more than 1,000 MWh**, consistent with SECAP and CCC commitments to cut building-related emissions by 40% by 2030. By tackling an estimated over 50% of public buildings currently below EPC Class D, the programme accelerates Košice's trajectory towards climate neutrality. Mobility measures, including pedestrian and cycle paths, foster modal shift away from car use, addressing transport's ~9% share of local emissions. The Road to Bankov project will **stabilise a section of road affected by landslide events**, reducing the risk of future disruption from environmental hazards and ensuring reliable access. Co-benefits across the programme include reduced air and noise pollution, improved drainage, greater vegetation coverage, and mitigation of urban heat stress in exposed sites such as schoolyards. All investments are intended to comply with the DNSH principle and do not include new fossil-based components, ensuring alignment with EU green taxonomy.

The Košice PSLF project represents a step-change in how structurally lagging cities in transition regions design, sequence, and deliver public infrastructure investments. It introduces a unified, climate-oriented investment framework that fuses energy transition, social equity, and resilience objectives under one delivery logic. This strategic leap is institutional and territorial, aiming to rewire how urban infrastructure is planned and implemented in Slovakia's most exposed metropolitan region.

Environmental impact

All investments under the Košice PSLF project are designed to support climate-aligned urban development and adhere to the environmental objectives of the EU Green Deal, Slovakia's Decarbonisation Strategy, and the National Energy and Climate Plan (NECP). While the projects are not individually labelled under the EU Taxonomy, their design reflects the "Do No Significant Harm" (DNSH) principle as outlined in Regulation (EU) 2020/852.
This commitment has been reinforced by Košice's active participation in the international GRIP project – *Green Responsible Innovative Procurement* – under the NetZeroCities "Enabling City Transformation" call. As part of this initiative, Košice is collaborating with cities like Oslo and Aachen to pilot and test innovative approaches to green procurement, including the development of toolkits and shared learning for climate-responsive public investment. This project strengthens the city's capacity to apply sustainability principles consistently across procurement, design, and implementation.
Key environmental safeguards confirmed across the PSLF portfolio include:

- **Energy Efficiency and Renovation Standards**: All building subprojects – including schools, the polyclinic, social building Adlerova 4, and municipal service buildings – are scoped to deliver substantial improvements in energy performance. Planned renovations focus on insulation, ventilation, and heating system upgrades. Although precise EPC targets vary, the city's ambition is to elevate assets to EPC Class B or better, in line with national NECP targets and the SECAP.

- **Climate Adaptation and Urban Resilience**: Upgrades will address vulnerabilities identified in Košice's Adaptation Strategy (2022), particularly for flood-prone and heat-exposed buildings such as schools and clinics. Proposed measures include stormwater management (e.g. drainage improvements), green roofing, and passive shading to mitigate heat stress.
- **Emissions Reduction through Mobility Investments**: Active mobility infrastructure (i.e. Alejová cycle path,) supports the SECAP's modal shift targets and reduces dependency on fossil-fuel-based transport. Košice's modal split currently remains car-dominated (61.3%), making pedestrian and cycling improvements essential to decarbonisation.
- **Avoidance of Negative Land Impacts**: Most subprojects are located on publicly owned and already urbanised land. Where land acquisition is necessary, as in the case of the Alejová cycle and pedestrian path, it will be limited to the extent necessary for the implementation of the investment and will not involve significant adverse impacts on habitats or biodiversity. Where applicable, greening elements and soft landscaping will support adaptation and biodiversity goals.
- **Green Public Procurement (GPP)**: Through its engagement in the GRIP project, Košice is

advancing capacity to incorporate GPP standards into project-level procurement. While GPP has not yet been fully mainstreamed, the GRIP initiative (2025–2026) aims to build a city-level framework for integrating climate objectives into procurement planning, monitoring, and contractor requirements.

- **Oversight and Monitoring**: Environmental compliance will be overseen by the Strategic Development Department, with technical support from the Department of Environment and Construction. While no stand-alone GPP ordinance exists, the city's procurement teams are participating in transnational learning under the GRIP programme to harmonise environmental safeguards across investments.

DECARBONISATION STRATEGY ALIGNMENT

The Košice PSLF makes a direct and measurable contribution to the national **Low-Carbon Development Strategy** by operationalising its key sectoral goals at the local level. The Strategy calls for a **−47% reduction in emissions by 2030 compared to 1990** and highlights buildings as the most cost-effective source of savings; Košice responds by renovating **20,000 m² public facilities**, generating estimated **annual energy savings of 1,050 MWh**. This directly advances the national target of a **30% improvement in energy efficiency by 2030**. In the transport sector, where the Strategy prioritises modal shift and low-emission infrastructure, the city delivers **0.938 km of new cycle paths**, reconstructs a major pedestrian underpass and stabilises landslide-prone roads to safeguard climate-resilient access. The project also addresses the Strategy's adaptation priority by embedding flood protection, insulation and shading measures in building retrofits, reducing vulnerability to heatwaves and extreme rainfall. Crucially, in line with the Strategy's requirement for a just and inclusive transition, the project prioritises assets serving disadvantaged groups, ensuring that decarbonisation advances social equity rather than exacerbating inequality.

Gender equality, non-discrimination and accessibility

Gender Equality, Accessibility, and Social Inclusion

The Košice PSLF project directly advances gender equality, accessibility, and social inclusion in alignment with the EU Just Transition Mechanism, Slovakia's TJTP (2022), and the EU Charter of Fundamental Rights. All subprojects are designed to redress infrastructure and service deficits that disproportionately affect women, elderly residents, persons with disabilities, and socially excluded groups.

Addressing Gender Gaps and Structural Inequality

Several PSLF subprojects target systemic barriers contributing to unequal outcomes for women and marginalised groups, particularly in care, education, and mobility infrastructure:

- **Health and social service retrofits** (e.g. Polyclinics, Adlerova 4) improve conditions in sectors where women represent the majority of both users and staff. These upgrades reduce occupational strain and enhance dignity in feminised professions, consistent with the *Community Plan for Social Services 2022–2030*.

- **School modernisations** (e.g. Hroncova, Masarykova, L. Novomeského) improve safety, comfort, and digital inclusion for girls and young women. These investments respond to the PHRSR 2022 – 2027's call for inclusive education and the *Climate City Contract* (2024), which prioritises child-centred, equitable infrastructure.

- **Energy renovations and thermal comfort upgrades** across public buildings will disproportionately benefit women and elderly users, who spend more time in care, education, and municipal spaces vulnerable to overheating, poor air quality, or access barriers.

Mainstreaming Non-Discrimination and Accessibility

The City of Košice has codified non-discrimination and equitable treatment into its governance frameworks. The **Ethical Code for Elected Representatives (2020)** commits decision-makers to impartial service, avoidance of conflicts of interest, and integrity in public office. Complementing this, the **Employee Ethical Code (2023)** obliges municipal staff to act with respect, transparency, and impartiality, prohibits mobbing, harassment, or discriminatory treatment, and enforces equal access to services.

Specific safeguards are embedded into PSLF subprojects:

- **Universal accessibility**: All renovations (schools, municipal offices, polyclinics, social housing) will comply with national norms and universal design principles, including lifts, ramps, tactile surfaces, accessible

toilets, and signage.

• **Inclusive spatial planning**: Designs incorporate gender-sensitive layouts, senior- and child-friendly amenities, and culturally appropriate features for Roma and other minorities, consistent with the *Community Plan*.

• **Inclusive procurement and delivery**: Equal opportunity clauses, anti-discrimination safeguards, and adherence to municipal ethical standards are integrated into all PSLF contracts.

• **Accessible public space and mobility**: The Alejová cycle path and Tr. L. Svobodu underpass reconstructions prioritise pedestrian safety, barrier-free mobility, and improved access for car-poor households.

Institutional Mechanisms and Monitoring

Implementation is led by the Strategic Development Department, in cooperation with education, construction, and social affairs units, and includes clear equity safeguards, namely compliance with the **Ethical Codes for representatives (2020)** and employees (2023), which forbid discrimination, mobbing, harassment, and corruption, ensuring fair and respectful delivery of municipal services.

2 QUALITY

2.1 Concept and methodology

Concept and methodology

The project provides a financing structure through which the City of Košice can deliver an ambitious yet grounded package of projects across multiple urban development sectors. By consolidating technically prepared, municipally owned subprojects into a single framework loan operation, the city seeks to accelerate implementation timelines, optimise synergies between interventions, and strengthen internal governance.

The project is grouped into four strategic investment areas reflecting the city's core competencies and development objectives: **Energy-Efficient Education, Resilient Healthcare and Inclusive Housing, User-Centric Public Infrastructure,** and **Sustainable Mobility and Accessibility.** All subprojects are selected based on their readiness for implementation, contribution to climate and social goals, and the urgency of addressing high-need, high-impact infrastructure that is currently in critical condition.

DELIVERY APPROACH

The delivery model builds on Košice's existing strategic planning and procurement capacities, supported by clearly defined roles and responsibilities in the city's organisational structure. The approach ensures clear accountability, timely implementation, and transparent monitoring across all phases.

PROJECT SELECTION AND GROUPING

The selection of projects under this investment programme followed a rigorous dual validation process, designed to ensure that only the most pressing, impactful, and implementation-ready subprojects were included in the PSLF portfolio.

• **Strategic pre-selection of projects** was carried out at the City's Investment Coordination Meetings, chaired by the Mayor and composed of senior representatives from relevant departments. This process assessed the alignment of each proposed project with the city's climate commitments, social inclusion objectives, and strategic planning documents. It also considered territorial equity and prioritised interventions that deliver **high value in under-served areas**.

• **Technical validation** was performed by expert staff from the city's sectoral departments. It was based on objective criteria such as the condition and age of existing infrastructure, results of energy audits, population

served, risk of service disruption, and the administrative and technical readiness of the projects.

• Through this dual validation process, the City of Košice was able to filter a broader investment pipeline and select a coherent package of high-need subprojects - particularly those addressing infrastructure in advanced stages of degradation, posing safety, energy inefficiency, or service delivery risks. Importantly, the selected projects are those for which **no alternative EU or national funding instruments are currently applicable**. The PSLF mechanism thus fills a critical gap in the city's investment strategy.

To facilitate implementation, coordination, and reporting, projects are grouped into four thematically and functionally coherent Strategic Investment Areas (SIAs):

• **Energy-Efficient Education** – renovation of schools and kindergartens with energy and climate adaptation upgrades. Investments improve thermal comfort, accessibility, and learning conditions, while reducing emissions and operating costs.

• **Resilient Healthcare and Inclusive Housing** – upgrades of polyclinics (KVP, Ťahanovce) and social housing (Adlerova). These projects reduce energy poverty, strengthen healthcare service quality, and improve living conditions for vulnerable groups.

• **User-Centric Public Infrastructure** – deep retrofits of municipal service and administrative buildings (e.g. SMsZ premises) and the Košice ZOO visitor centre. Investments enhance accessibility, climate resilience, working conditions for the employees, and the quality of public-facing services.

• **Sustainable Mobility and Accessibility** – last-mile infrastructure including underpass reconstruction, the Alejová cycle path, and the Bankov access road. These projects support modal shift, reduce transport-related emissions, and improve safety and connectivity.

The grouping of projects not only enables bundled procurement and economies of scale but also reflects the city's integrated approach to urban development - one that balances environmental, social, and institutional objectives.

IMPLEMENTATION AND MONITORING

• **Overall programme coordination** is led by the Strategic Development Department, which ensures cross-departmental alignment, central tracking of milestones, and strategic liaison with national institutions and the EIB. Day-to-day implementation is supported by specialised departments and relevant property management units, each acting as the lead for their respective subprojects.

• **Public procurement processes** follow the City of Košice's internal rules as defined in Directive 2/2020 and Directive 3/2024 on the circulation of accounting documents. These procedures are fully compliant with Slovak public procurement legislation and EU regulatory standards. Project owners are responsible for preparing the technical documentation and ensuring timely procurement initiation.

• **Financial control and compliance** are safeguarded by mechanisms outlined in Directive 5/2015 on financial control, which mandate rigorous pre-approval checks, budgetary validation, and oversight by departmental financial officers. The municipality´s Chief Controller also operates based on an annual plan, improving the overall financial control in the City of Košice.

• **Monitoring systems** are being consolidated across the city's departments to improve performance tracking and reporting. These include dashboards for project progress and standardised templates for procurement and budget execution.

• **Reporting obligations** toward the EIB and the European Commission will be met through structured templates, periodic updates, and verifiable data on financial, technical, and impact-related indicators.

• **Procurement and implementation milestones** (e.g. tender launch, contractor selection, site handover, completion certificates) will be logged and reviewed at regular intervals by the Project Management Team, ensuring that corrective action can be taken where delays or bottlenecks arise.

PROJECT MANAGEMENT AND QUALITY ASSURANCE

• A dedicated **Project Management Team (PMT) will** be established, composed of a lead project manager, departmental coordinators, and a Quality Monitoring Officer (QMO). The PMT is responsible for day-to-day coordination, reporting, and oversight of technical delivery, stakeholder engagement, and compliance with PSLF requirements.

• The **QMO** will play a central role in ensuring alignment with defined quality standards, overseeing project milestones, managing risks, and coordinating timely issue resolution across all subprojects.

• **Investment Coordination Meetings** chaired by the Mayor convene monthly to review progress, resolve strategic issues, and approve course corrections. This governance mechanism ensures political oversight, administrative continuity, and interdepartmental alignment.

• To strengthen internal capacity, the City of Košice provides **regular training sessions** for its staff, including modules on financial control systems or procurement procedures. Knowledge from past EU-funded projects and existing technical platforms (e.g. Digital Twin) is leveraged to support consistent programme delivery.

The City's communication efforts are coordinated by the **Communication Department** and leverage multiple platforms, including the *Košice v skratKE* portal, City of Košice's official website, social media accounts, targeted press releases, local TV and radio, and printed signage at investment sites.

• Stakeholder-specific materials, such as flyers for schools and social centres or briefings for elected officials, ensure that communication is tailored to different audiences and accessible to both residents and professional stakeholders.

• At the national and international level, Košice is actively sharing its experience through networks such as the **Union of Slovak Towns**, the **Net Zero Cities platform**, and various urban development conferences.

• The programme also benefits from Košice's involvement in EU-level innovation projects such as the recently initiated **Digital Twin project**, which will lead to better quality insights into data-driven project planning and citizen engagement.

2.2 Financial maturity

The City of Košice has assembled a well-structured financial package combining municipal resources with support from the European Investment Bank (EIB) and the Public Sector Loan Facility (PSLF). This arrangement underpins the city's investment programme focused on climate-resilient, socially inclusive urban infrastructure. The financing ensures both affordability and long-term sustainability while targeting subprojects that serve vulnerable communities and contribute to the Just Transition.

The EIB Framework Loan approved by the City Council was signed on 17.06.2026 for an amount of **€20,000,000**. However, the loan amount corresponding to this specific project is **€17,068,680** as the framework loan also includes other project not within scope of the PSLF project. This amount represents **72%** of the total project eligible costs. As the programme is fully located in a less developed region, the PSLF grant of **€4,267,170** corresponds to **25% of the EIB loan (€17,068,680)**.

Košice will contribute **€2,370,650** from its own resources based on current project cost estimates, including **potential commercial loan co-financing**. This represents approximately **10%** of the total investment value. The contribution is planned for the **2026–2028 municipal budgets**, and internal financial planning is already underway. Some preparatory costs (e.g., energy audits, project documentation) are covered from existing internal sources.

2.3 Consortium set-up and management

The City of Košice will act as both the project promoter and the sole beneficiary.

As a local public authority, the City of Košice is responsible for managing public services in education, mobility, social housing, urban infrastructure, and environmental management. These functions are delivered through the city's internal departments and affiliated municipal contributory organisations, including SMsZ, BPMK, and ZOO Košice.

The operation will be implemented directly through the city's organisational structure, with strategic coordination led by the Strategic Development Department and supported by the Finance Department, the public procurement unit, and other line departments.

Each thematic investment area – such as building renovation, sustainable mobility, or community infrastructure – is overseen by a designated city department or municipal entity with relevant sectoral expertise. Cross-cutting coordination, reporting, and quality assurance are ensured by the Project Management Team (PMT) under the direction of the lead Project Manager.

Roles and responsibilities will be clearly defined within the project management structure established by City's leadership for the implementation period, and all implementation steps will be subject to internal control mechanisms governed by municipal directives and oversight from the Chief Controller. This integrated structure ensures efficient delivery within the existing municipal structure, without the need for external partners or intermediaries.

2.4 Project management, quality assurance and monitoring and evaluation strategy

The City of Košice will establish a multi-tiered project management structure to ensure effective coordination, quality delivery, and institutional accountability for the PSLF-supported investment programme. The operation is managed through a centralised yet sectorally integrated approach that reflects the city's organisational structure and builds on existing implementation capacity.

- At the core of the structure is the Project Management Team (PMT), which includes:
- A lead Project Manager based in the Strategic Development Department, acting as the central coordinator across all subprojects and departments;
- Sector-specific project managers embedded within key departments (Education, Transport, Construction) and organisations (SMsZ, BPMK, ZOO) responsible for day-to-day implementation;

Quality control will be carried out by the City's Strategic Development Department, which oversees compliance, risk management, internal controls, and performance monitoring across the portfolio, and as such will appoint an employee responsible to fulfil the role of Quality Monitoring Officer (QMO).

The PMT functions as the operational backbone of the programme, responsible for planning, tracking, reporting, and resolving implementation challenges. It will meet regularly to review progress, track milestones, consolidate departmental updates, and prepare materials for senior decision-makers.

Strategic oversight is provided by the Investment Coordination Meetings, chaired by the Mayor, which occur quarterly to review programme-level performance, validate any proposed changes, and provide high-level guidance. Extraordinary sessions may be convened if critical decisions are required (e.g., reallocations or escalation of risks). All relevant department heads are represented, ensuring alignment across administrative, financial, and technical domains.

Roles and responsibilities will be clearly defined within the project management arrangement established by the City's leadership for the implementation period. Project-specific responsibilities, including procurement preparation, budget management, and external communication, are delegated to relevant departments and municipal organisations, but monitored centrally via the Strategic Development Department to ensure consistency and compliance.

The City of Košice's approach to **quality assurance** combines internal coordination, technical review, and progress monitoring, in line with PSLF and EIB requirements. Quality assurance responsibilities will be ensured within the project management arrangement and supported by the City's existing internal audit and financial control mechanisms.

Key quality assurance procedures include:

- Technical review of deliverables before milestone approval (e.g. energy audits, building permits, completion reports);
- Performance tracking through indicators relevant to each investment stream (e.g. MWh saved, m² renovated, number of beneficiaries reached);
- Timely identification of implementation issues and, where necessary, their discussion at the appropriate coordination level, including the Investment Coordination Meetings chaired by the Mayor.

MONITORING AND EVALUATION STRATEGY

The programme's monitoring and evaluation (M&E) strategy is anchored in results-based management and aligns with PSLF and EIB ReM (Results Measurement) Framework requirements. It includes operational,

financial, environmental, and social indicators, with disaggregated data collected at the subproject level.

Key indicators include:

- •Buildings: m² renovated, % energy reduction
- •Mobility: km of cycle paths, km of renovated roads
- •Social impact: number of residents benefitting from the modernised infrastructure, improved accessibility features
- •Environmental: total energy saved (MWh/year)

Monitoring frequency and structure:

- •Monthly check-ins: conducted by sector-specific project managers to track implementation progress;
- •Regular PMT meetings: used to consolidate data, review risks, and validate progress reports;
- •Quarterly Investment Coordination Meetings with the Mayor: focused on strategic oversight, high-level decision-making, and alignment with city-wide priorities;
- •Annual summary reports: capturing cumulative progress and lessons learned, used both for internal reviews and external reporting (EIB, MoE).

Responsible roles:

- •Sectoral Project Managers: collect baseline and implementation data for their respective subprojects;
- •Project Manager (with the support of QMO): reviews and validates reported data, identifies risks or anomalies, and ensures consistency across departments;

PMT: aggregates and formats reports for the Investment Coordination Meetings with the Mayor and PSLF authorities.

Monitoring tools and systems:

- •Structured templates and Excel-based trackers, which are integrated into the City's established administrative and financial workflows;
- •Procurement and financial tracking tools aligned with the City's internal financial and audit procedures;
- •GIS-enabled tracking for location-based investments (e.g. mobility, green infrastructure);
- •Photo and document uploads from site visits for real-time verification;

All monitoring activities are timed to align with disbursement milestones, procurement schedules, and EIB reporting cycles. Reports will be made available for audits and external verification, and data can be disaggregated by sector, user group, or location as needed.

2.5 Cost effectiveness and financial management

The City of Košice has structured the PSLF project to maximise public value while preserving fiscal stability. The co-financing of the EIB Framework Loan with the PSLF grant enables the city to undertake critical, socially and environmentally oriented projects that would otherwise remain underfunded or indefinitely postponed due to budgetary constraints.

The PSLF grant plays an **important role** in the following ways:

- **Prioritising the highest-need infrastructure**, particularly public buildings and mobility assets in critical condition, many of which had been deferred for years due to funding gaps (e.g. Adlerova social facility, energy-inefficient school buildings, public administration buildings in critical condition).
- **Closing financing gaps** for non-revenue-generating projects that offer substantial long-term public value, such as energy savings, social inclusion, and climate resilience.

- **Reducing fiscal pressure** on the city budget by lowering the capital costs of essential investments and enabling the city to expand the scope of renovations (e.g. achieving EPC B or better) without increasing debt levels unsustainably.
- **Accelerating delivery** by enabling implementation of mature, high-impact subprojects in structurally weak urban districts, where affordability has historically been a constraint.
- **Ensuring social equity and Just Transition outcomes** through targeted investments in vulnerable communities (e.g. marginalized groups, low-income families, children, elderly residents).
- **De-risking the overall programme** by blending loan and grant instruments, improving the city's ability to absorb implementation shocks, and enabling a coherent multi-sector delivery model.

By bundling subprojects into a unified framework loan, Košice also benefits from **economies of scale** in project preparation, procurement, and oversight. The consolidated structure simplifies communication with external partners (EIB, national authorities), reduces administrative duplication, and facilitates shared technical documentation and contract management tools.

Targeted energy efficiency measures, such as wall and roof insulation, window replacements, modern HVAC systems, and LED lighting, are expected to significantly reduce energy consumption, with most renovated assets aiming to reach **EPC class B or better**, where technically and economically feasible, significantly improving environmental performance while reducing operational expenditure and improving indoor comfort for users.

BUDGET CONTROL AND OVERSIGHT

Košice applies a mature, standardised financial governance system for externally financed projects, grounded in internal directives and extensive experience with EU structural funds. The financial management structure is designed to ensure transparency, cost control, and compliance with both Slovak and EU requirements.

Key elements of the financial oversight system include:

- **Central financial coordination** by the Strategic Development Department and the Finance Department, including grant drawdown scheduling, reporting consolidation, and interface with the EIB.
- **City Council oversight** through approval of the annual budget and of the co-financing of relevant projects supported from EU funds, providing democratic accountability.
- **Strict procurement compliance** in line with Slovak and EU public procurement law, ensuring fair competition and transparent disbursement of funds.

Procurement and disbursement control procedures follow both national law and the City's internal framework:

- **Directive 2/2020** governs the circulation of accounting documents and invoice verification procedures.
- **Directive 5/2015 (with amendment)** sets rules for financial control and the responsibilities of controllers across departments.
- **Directive 3/2024** sets the city's internal rules for public procurement.

The city's proven track record with EU-funded programmes reflects its institutional capacity for budgetary discipline, procurement compliance, and financial transparency. These internal systems provide a strong foundation for successful PSLF grant delivery and long-term investment sustainability.

2.6 Sustainability and continuation

OPERATIONAL SUSTAINABILITY

All investments foreseen within the scope of the PSLF will remain in public ownership by the City of Košice, with municipal contributory organisations such as BPMK, SMsZ or ZOO Košice responsible for

the ongoing operation, maintenance, and management of the respective facilities. These organisations will integrate the post-renovation lifecycle into their operational and financial plans as part of the project's implementation requirements.

Key measures to ensure operational sustainability include:

- Municipal budget integration: Future operating and maintenance costs are included in departmental budgets and the city's medium-term financial planning. Responsible entities are required to allocate funds for regular upkeep, utilities, and long-term asset management.
- Energy efficiency and lifecycle cost savings: All renovated buildings are aimed to reach energy performance certificate (EPC) level B or higher, with total average annual energy saving of min. 1,050 MWh/year. Durable materials and efficient systems will extend the usable life of assets and reduce repair frequency.
- Technical documentation and staff training: Each implementing entity will receive full technical documentation for the renovated assets.
- Clear ownership and accountability: Post-implementation responsibilities are defined in the city's organisational structure and budgeting directives. Each subproject owner is responsible for asset functionality, preventive maintenance, and ensuring compliance with public service standards.

Overall, the PSLF-project acts as a catalyst for systemic improvement, strengthening how the city plans, delivers, and maintains public infrastructure in a climate-responsible and socially inclusive manner.

3 TIMETABLE

M – Milestone
D – Deliverable

WP no.	WP	Milestones and deliverables	GA planning					2026											2027											2028											2029											2030		
			Start date	End date	Start month	End month	Duration	Q2			Q3			Q4			Q1			Q2			Q3			Q4			Q1			Q2			Q3			Q4			Q1			Q2			Q3			Q4			Q1		
								Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
								1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46		
1	**Project Management, Monitoring & Communication**		**01/04/2026**	**31/01/2030**	**1**	**46**	**46**																																															
	D1.1 Periodic Progress Report 1			30/04/2027		13														D1.1																																	
	D1.2 Periodic Progress Report 2			30/04/2028		25																										D1.2																				
	D1.3 Periodic Progress Report 3			30/04/2029		37																																						D1.3									
	D1.4 Dissemination Actions and Outputs Plan			30/09/2026		6								D1.4																																						
	D1.4 Final Press Release			31/01/2030		46																																													D1.4	
2	**Energy-Efficient Educational Buildings**		**01/04/2026**	**31/01/2030**	**1**	**46**	**46**																																														
	D2.1 Completion and handover documentation for renovated educational facilities			31/01/2030		46																																													D2.1	
	M1-2 Launch and end of the procurement procedure for educational buildings		01/04/2026	31/03/2028	1	24	24	M1																								M2																				
	M3-4 Start and end of works for the renovation of educational buildings		01/07/2026	31/01/2030	4	46	43				M3																																								M4	
3	**Resilient Healthcare and Inclusive Housing**		**01/04/2026**	**31/01/2030**	**1**	**46**	**46**																																													
	D3.1 Completion and handover documentation for renovated healthcare facilities and social housing			31/01/2030		46																																												D3.1	
	M5-6 Launch and end of the procurement procedure for healthcare facilities and social housing		01/04/2026	31/03/2028	1	24	24	M5																								M6																				
	M7-8 Start and end of works for the renovation of healthcare facilities and social housing		01/07/2026	31/01/2030	4	46	43				M7																																							M8	
4	**User-Centric Public Infrastructure**		**01/04/2026**	**31/01/2030**	**1**	**46**	**46**																																												
	D4.1 Completion and handover documentation for renovated public buildings			31/01/2030		46																																												D4.1	
	M9-10 Launch and end of the procurement procedure for public infrastructure renovation		01/04/2026	31/03/2028	1	24	24	M9																								M10																				
	M11-12 Start and end of works for public infrastructure renovation		01/07/2026	31/01/2030	4	46	43				M11																																							M12	
5	**Sustainable Mobility and Accessibility**		**01/04/2026**	**31/01/2030**	**1**	**46**	**46**																																												
	D5.1 Completion and acceptance documentation for renovated mobility infrastructure			31/01/2030		46																																												D5.1	
	M13-14 Launch and end of the procurement procedure for mobility infrastructure		01/04/2026	31/03/2028	1	24	24	M13																								M14																				
	M15-16 Start and end of works for mobility infrastructure		01/07/2026	31/01/2030	4	46	43				M15																																							M16	

HISTORY OF CHANGES		
VERSION	PUBLICATION DATE	CHANGE
1.0	01.06.2022	Initial version (new MFF).

Associated with document Ref. Ares(2026)6658010 - 02/07/2026

ANNEX 2

ESTIMATED BUDGET (LUMP SUM BREAKDOWN) FOR THE ACTION

	Estimated EU contribution					
	Estimated eligible lump sum contributions (per work package)					Maximum grant amount[1]
	WP1 Project Management, Monitoring & Communication	WP2 Energy-Efficient Educational Buildings	WP3 Resilient Healthcare and Inclusive Housing	WP4 User-Centric Public Infrastructure	WP5 Sustainable Mobility and Accessibility	
Forms of funding	Lump sum contribution	Lump sum contribution	Lump sum contribution	Lump sum contribution	Lump sum contribution	
	a	b	c	d	e	f = a + b + c + d + e
1 - City of Kosice	0.00	2 231 370.00	594 000.00	1 000 800.00	441 000.00	4 267 170.00

[1] The 'maximum grant amount' is the maximum grant amount fixed in the grant agreement (on the basis of the sum of the beneficiaries' lump sum shares for the work packages).

Associated with document Ref. Ares(2026)6658010 - 02/07/2026

FINANCIAL STATEMENT FOR THE ACTION FOR REPORTING PERIOD [NUMBER]

	EU contribution											
	Eligible lump sum contributions (per work package)											Requested EU contribution
	WP1 [name]	WP2 [name]	WP3 [name]	WP4 [name]	WP5 [name]	WP6 [name]	WP7 [name]	WP8 [name]	WP9 [name]	WP10 [name]	WP [XX]	
Forms of funding	/ Lump sum contribution / Financing not linked to costs/	/ Lump sum contribution / Financing not linked to costs/	/ Lump sum contribution / Financing not linked to costs/	/ Lump sum contribution / Financing not linked to costs/	/ Lump sum contribution / Financing not linked to costs/	/ Lump sum contribution / Financing not linked to costs/	/ Lump sum contribution / Financing not linked to costs/	/ Lump sum contribution / Financing not linked to costs/	/ Lump sum contribution / Financing not linked to costs/	/ Lump sum contribution / Financing not linked to costs/	/ Lump sum contribution / Financing not linked to costs/	
Status of completion	COMPLETED	COMPLETED	COMPLETED	COMPLETED	COMPLETED	COMPLETED	COMPLETED	PARTIALLY COMPLETED	PARTIALLY COMPLETED	COMPLETED	NOT COMPLETED	
	a	b	c	d	e	f	g	h	i	j	k	l = a + b + c + d + e + f + g + h + i + j + k
1 – [short name beneficiary]												
1.1 – [short name affiliated entity]												
2 – [short name beneficiary]												
2.1 – [short name affiliated entity]												
X – [short name associated partner]												
Total consortium												

The consortium hereby confirms that:

The information provided is complete, reliable and true.

The lump sum contributions declared are eligible (in particular, the work packages have been completed and the work has been properly implemented and/or the results were achieved; see Article 6).

The proper implementation of the action/achievement of the results 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 19, 21 and 25).

Associated with document Ref. Ares(2026)6658010 - 02/07/2026

ANNEX 5

SPECIFIC RULES

INTELLECTUAL PROPERTY RIGHTS (IPR) — BACKGROUND AND RESULTS — ACCESS RIGHTS AND RIGHTS OF USE (— ARTICLE 16)

Rights of use of the granting authority on results for information, communication, dissemination and publicity purposes

The granting authority also has the right to exploit non-sensitive results of the action for information, communication, dissemination and publicity purposes, using any of the following modes:

- **use for its own purposes** (in particular, making them available to persons working for the granting authority or any other EU service (including institutions, bodies, offices, agencies, etc.) or EU Member State institution or body; copying or reproducing them in whole or in part, in unlimited numbers; and communication through press information services)
- **distribution to the public** in hard copies, in electronic or digital format, on the internet including social networks, as a downloadable or non-downloadable file
- **editing** or **redrafting** (including shortening, summarising, changing, correcting, cutting, inserting elements (e.g. meta-data, legends or other graphic, visual, audio or text elements) extracting parts (e.g. audio or video files), dividing into parts or use in a compilation
- **translation**(including inserting subtitles/dubbing)in all official languages of EU
- **storage** in paper, electronic or other form
- **archiving** in line with applicable document-management rules
- the right to authorise **third parties** to act on its behalf or sub-license to third parties, including if there is licensed background, any of the rights or modes of exploitation set out in this provision
- **processing**, analysing, aggregating the results and **producing derivative works**
- **disseminating** the results in widely accessible databases or indexes (such as through 'open access' or 'open data' portals or similar repositories), whether free of charge or not.

The beneficiaries must ensure these rights of use for the whole duration they are protected by industrial or intellectual property rights.

If results are subject to moral rights or third party rights (including intellectual property rights or rights of natural persons on their image and voice), the beneficiaries must ensure that they

comply with their obligations under this Agreement (in particular, by obtaining the necessary licences and authorisations from the rights holders concerned).

COMMUNICATION, DISSEMINATION AND VISIBILITY (— ARTICLE 17)

Communication and dissemination plan

The beneficiaries must provide a detailed communication and dissemination plan, setting out the objectives, key messaging, target audiences, communication channels, social media plan, planned budget and relevant indicators for monitoring and evaluation.

Additional communication and dissemination activities

The beneficiaries must engage in the following additional communication and dissemination activities:

- **present the project** (including project summary, coordinator contact details, list of participants, European flag and funding statement and project results) on the beneficiaries' **websites** or **social media accounts**
- for actions involving equipment, infrastructure or works, display public **plaques** or **billboards** as soon as the work on the action starts and a **permanent commemorative plaque** once it is finished, with the European flag and funding statement
- upload the public **project results** to the JTM Project Results platform, available through the Funding & Tenders Portal.

SPECIFIC RULES FOR CARRYING OUT THE ACTION (— ARTICLE 18)

Durability

Unless exempted by the granting authority, the beneficiaries must commit to continue to use and maintain after the end of the action equipment funded under this grant agreement ,, for activities pursuing the action's objectives. Such equipment must be used for these purposes — for at least five years after the end of the action (see Data Sheet, Point 1) or until the end of its economic lifespan (i.e. until it has been fully depreciated) — whichever is earlier.

Specific rules for blending operations

When implementing blending operations, the beneficiaries acknowledge and accept that:

- the grant depends on the approved financing from the Implementing Partner
- the amount of the grant depends on the amount of the loan granted by the Implementing Partner (and will be reduced if the final amount of the loan is reduced)
- they must inform the granting authority both about the approval for financing, the entry into force of the financing agreement and the financial close — within 15 days
- the payment deadline for the first prefinancing is automatically suspended until the granting authority is informed about the financial close
- both actions will be managed and monitored in parallel and in close coordination with the Implementing Partner, in particular:

  - all information, data and documents (including the due diligence by the Implementing Partner and the signed agreement) may be exchanged and may be relied on for the management of the other action (if needed)
  - issues in one action may impact the other (e.g. suspension or termination in one action may lead to suspension also of the other action; termination of the grant will normally suspend and exit from further financing and vice versa, etc.)
- the granting authority may disclose confidential information also to the Implementing Partner.



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