

GRANT CONTRACT

- EXTERNAL ACTIONS OF THE EUROPEAN UNION -

<Grant contract identification number>
(the "Contract")

The Austrian Development Agency (ADA), a limited liability company registered in the Companies Register at the Commercial Court in Vienna under no FN 243529g, registered domicile in Vienna, Zelinkagasse 2 represented by the Implementation Unit of the Austrian Embassy in Belgrade for EU financed Projects, Senjacka 33, 11000 Belgrade, Serbia (the "Contracting Authority")

of the one part,

and

<Full official name of the Beneficiary>

[<Legal status (organisation)>] / [<title (individual)>]

[<Organisation official registration number>] / [<Passport or ID number >]

<Full official address>

[VAT number, for VAT registered beneficiaries],

(the "Beneficiary")

of the other part,

(the "Parties")

have agreed as follows:

Special conditions

Article 1 - Purpose

- 1.1 The purpose of this Contract is the award of a grant by the Contracting Authority for the implementation of the Action entitled: <title of the Action> (the "Action") described in Annex I.
- 1.2 The Beneficiary shall be awarded the grant on the terms and conditions set out in this Contract, which consists of these special conditions (the "Special Conditions") and the annexes, which the Beneficiary hereby declares it has noted and accepted.
- 1.3 The Beneficiary accepts the grant and undertakes to carry out the Action under its own responsibility.

Article 2 - Implementation period of the Action

- 2.1 This Contract shall enter into force on the date when the last of the two Parties signs.
- 2.2 Implementation of the Action shall begin on:
choose one of the following:
 - [the day following that on which the last of the two Parties signs]
 - [the first day of the month following the date on which the first instalment of pre-financing is paid by the Contracting Authority]
 - <day> <month> <year>
- 2.3 The Action's implementation period, as laid down in Annex I, is <number of months>.
- 2.4 The execution period of this Contract shall end at the moment when final payment is paid by the Contracting authority and in any case at the latest 18 months as from the end of the implementation period as stipulated in art 2.3 above.

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Article 3 - Financing the Action¹

- 3.1 The total accepted cost of the Action is estimated at <enter the amount of heading 13 of Annex III>.....EURO >, as set out in Annex III.

The total eligible cost is estimated at <enter the amount of heading 11 of Annex III>..... EURO >, as set out in Annex III.

- 3.2 The Contracting Authority undertakes to finance a maximum of <... ..EURO>, equivalent to <enter applicable percentage> of the estimated total eligible cost of the Action specified in paragraph 1.

The Contracting Authority's contribution is further limited to < enter applicable percentage >% of the estimated total accepted costs of the Action.

The final amount of the Contracting Authority's contribution shall be established in accordance with Articles 14 and 17 of Annex II. Moreover the percentages laid down with regard to the total eligible costs and total accepted costs shall apply cumulatively so that the Contracting Authority's contribution shall be limited to the lowest amount obtained by respectively applying the percentages to the final total eligible and accepted costs approved by the Contracting Authority.

- 3.3 Pursuant to Article 14.4 of the Annex II, <enter percentage, maximum 7%>...% of the final amount of direct eligible costs of the Action established in accordance with Articles 14 and 17 of the Annex II, may be claimed by the beneficiary as indirect costs.

Article 4 - Narrative and financial reporting and payment arrangements

- 4.1 Narrative and financial reports shall be produced in support of payment requests, in compliance with Articles 2 and 15.1 of Annex II.

- 4.2 Payment shall be made in accordance with Article 15 of Annex II. Of the options referred to in Article 15.1, the following shall apply:

Option 1

Pre-financing payment: <... ..EURO>

Forecast final payment

(subject to the provisions of Annex II): <... ..EURO>

Option 2: *Note that the forecast instalments should be indicated as one global amount and not broken down per payment. The instalments are provisional and actual instalments will be based on the updated forecast for the next 12 months.*

First instalment of pre-financing (80% of the part of the forecast budget for the first 12 months of implementation financed by the Contracting Authority): <... ..EURO>

Forecast further instalment(s) of pre-financing:<... ..EURO>

(subject to the provisions of Annex II)

Forecast final payment

(subject to the provisions of Annex II): <... ..EURO>]

- 4.3 The first instalment of pre-financing, if applicable, shall be paid to the Beneficiary within 45 days, as from the date of reception by the Contracting authority of signed Contract accompanied by the financial guarantee if required in accordance with Article 15.7 of the General Conditions. The signed contract serves as payment request.

¹ Note that the awarded amount and percentages indicated in this article must also be updated in annex III Budget of the action, worksheet "expected sources of funding and summary of estimated costs"

Article 5 - Contact addresses

- 5.1 Any communication relating to this Contract must be in writing, state the number and title of the Action and be sent to the following addresses:

The Austrian Development Agency (ADA), represented by the Implementation Unit of the Austrian Embassy in Belgrade for EU financed Projects

Senjacka 33, 11000 Belgrade, Serbia

Phone: +381 11 7850 110

Fax: +381 11 7850 102

Email: grants@seddsr.org

A copy of the reports referred to in Article 4.1 must be sent to the above address of the Contracting Authority.

For the Beneficiary

<address of the Beneficiary for correspondence>

- 5.2 The audit firm which shall carry out the verification(s) referred to in Article 15.6 of Annex II is <name, address, telephone and fax numbers>].

Article 6 - Annexes

- 6.1 The following documents are annexed to these Special Conditions and form an integral part of the Contract:

Annex I: Description of the Action

Annex II: General Conditions applicable to European Union-financed grant contracts for external Actions

Annex III: Budget for the Action (worksheets 1 and 3)

Annex IV: Contract-award procedures

Annex V: Standard request for payment and financial identification form

Annex VI: Model narrative and financial report

Annex VII: Model report of factual findings and terms of reference for an expenditure verification of an EU financed grant contract for external actions

[Annex VIII: Model financial guarantee]

Annex IX: Standard template for Transfer of Assets Ownership

Annex X: Declaration of Consent pursuant to the Austrian Data Protection Act

- 6.2 In the event of conflict between the provisions of the present Special Conditions and any Annex thereto, the provisions of the Special Conditions shall take precedence. In the event of conflict between the provisions of Annex II and those of the other annexes, those of Annex II shall take precedence.

Article 7 - Other specific conditions applying to the Action

- 7.1 The General Conditions are supplemented by the following:

The Contracting Authority reserves the right to terminate the Grant Contract by serving a two month written notice in the event of any other legal, technical or organizational change substantially affecting the implementation of the Action in particular if the underlying Delegation Agreement between Contracting Authority and the European Commission is terminated.

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7.2 The following derogations from the General Conditions shall apply:

7.2.1 By derogation from Article 14.2, Article 14.6 and Article 14.7 of Annex II, the following costs shall not be considered eligible:

- taxes, including value added taxes*;
- customs and import duties, or any other charges;
- purchase, rent or leasing of land and existing buildings;
- fines, financial penalties and expenses of litigation;
- operating costs;
- second-hand equipment;
- bank charges, costs of guarantees and similar charges;
- conversion costs, charges and exchange losses associated with any of the component specific euro accounts, as well as other purely financial expenses;
- contribution in kind;
- any leasing costs;
- depreciation costs;
- debts and debt service charges;
- provisions for losses or potential future liabilities;
- interest owed;
- costs declared by the beneficiary and covered by another action or work programme;
- credit to third parties;
- interest on debt.

*unless the following conditions are fulfilled:

- (i) the Beneficiary can demonstrate that the value added taxes are not recoverable by any means;
- (ii) it is established that the value added taxes are effectively borne by the final beneficiary; and
- (iii) the value added taxes are clearly identified in Annex I and Annex III.

7.2.2 The following shall complement Article 9.2: The method may not be used to amend heading 12 "Taxes" of Annex III.

7.2.3 Article 6.1 of Annex II shall be supplemented as follows:

Unless the European Commission and/or the Contracting Authority agree or request otherwise, the Beneficiary must take all necessary steps to publicise the fact that the European Union and the Austrian Development Agency have financed or cofinanced the Action. Such measures must comply with the Communication and Visibility Manual for EU External Actions laid down and published by the European Commission, that can be found at: http://ec.europa.eu/europeaid/work/visibility/documents/communication_and_visibility_manual_en.pdf.

The Beneficiary shall submit a communication plan for the approval of the Contracting Authority and report on its implementation in accordance with Article 2.

7.2.4 Article 6.2 of Annex II shall be supplemented as follows:

In particular, the Beneficiary shall mention the Action and the European Union's and the Contracting Authority's financial contribution in information given to the final recipients of the Action, in its internal and annual reports, and in any dealings with the media. It shall display the EU logo and the logo of the Austrian Development Cooperation (to be accessed from: http://www.entwicklung.at/uploads/media/1887_oeza_e.jpg) wherever appropriate.

7.2.5 Article 6.3 of Annex II shall be supplemented as follows:

Any notice or publication by the Beneficiary concerning the Action, including those given at a conference or seminar, must specify that the Action has received EU and Austrian funding. Any

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publication by the Beneficiary, in whatever form and by whatever medium, including the internet, must include the following statement: *“This document has been produced with the financial assistance of the European Union and the Austrian Development Agency. The contents of this document are the sole responsibility of < Beneficiary's name > and can under no circumstances be regarded as reflecting the position of the European Union or the Austrian Development Agency.”*

7.2.6 By derogation from Article 15.6 of Annex II the following shall apply:

A report on the verification of the Action's expenditure, produced by an approved auditor who meets the specific conditions of the Terms of Reference for the expenditure verification, shall be attached to:

- any request for pre-financing payments per financial year in case of grants of more than EUR 100,000 with an implementation period of more than 12 months;
- any final report in the case of a grant of EUR 100 000 or more;
- any request for payment of over EUR 100 000 for the financial year, in the case of an operating grant

The auditor examines whether the costs declared by the Beneficiary are real, accurately recorded and eligible in accordance with the Contract, as well as the revenue of the Action and issues an expenditure verification report conforming to the model in Annex VII.

The Beneficiary grants the auditor all access rights mentioned in Article 16.2.

The expenditure verification report accompanying a request for payment of the balance covers all expenditures not covered by any previous expenditure verification report.

Based on the expenditure verification report the Contracting Authority determines the total amount of eligible expenditure which may be deducted from the total sum of pre-financing under the Contract (clearance).

Where the Beneficiary is a government department or a public body or an international organisation, the Contracting Authority may exempt it from the expenditure verification requirement.

Done in English in three originals, two originals being for the Contracting Authority and one original being for the Beneficiary.

For the Beneficiary

Name

Title

Signature

Date

For the Contracting Authority

Name

Title

Signature

Date