

[How to complete these special conditions:

- < ... >, **enter the information** relevant to the call for proposals in question.
- The phrases within [] should only be **included if appropriate**
- the paragraphs shaded in grey should only be **amended/included** in exceptional cases, dictated by the requirements of a particular call for proposal procedure.

In no circumstances may you alter any other part of these standard instructions.

Please remember to delete this paragraph, any other text with yellow highlighting and all such brackets in the final version]

ANNEX III – MODEL SPECIFIC GRANT AGREEMENT

SPECIFIC AGREEMENT No/..

The European Union, represented by the European Commission , (the ‘Union’ represented by the ‘Commission’)

of the one part,

and

<Full official name as mentioned in the LEF>

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

[<Organisation official registration number>] <Full official address>

[VAT number, for VAT registered beneficiaries],

[the “Partner”]

of the other part,

(the ‘Parties’)

have agreed as follows:

Article 1 — Purpose

This Specific Agreement is concluded in the context of the Partnership established between the Parties. It is drawn up in accordance with the relevant terms of framework partnership agreement No [...] signed between the Commission and the Partner on [insert the date on which the last party has signed the Framework Agreement] (hereinafter referred to as "the Framework Agreement").

The Commission has decided to award a grant under the terms and conditions set out in the Specific Agreement and the Framework Agreement, to finance **for action grants:** the implementation of the

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action entitled: *<title of the Action>* (the 'Action')] *[for operating grants: an operating grant for <specify>* (the 'Work Programme')] described in Annex I.

With the signature of the Specific Agreement the Partner accepts the grant and agrees to implement the Action *<or>* the Work Programme in accordance with the terms and conditions of the Specific Agreement and the Framework Agreement, acting on its own responsibility.

Article 2 — Implementation period of the *<Action/Work Programme>*

2.1 This Specific Agreement shall enter into force on the date when the second of the two Parties signs.

2.2 Implementation of the *<Action/Work Programme>* shall begin on:

choose one of the following:

- [the day following that on which the second 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 Commission]

- *<a later date (specify the date)>*

- *< exceptionally and subject to conditions on retroactive eligibility as stipulated in the Practical Guide, a date preceding the signature of the Specific Agreement but not preceding the Partner's request for a grant.(specify the date)¹>*.

2.3 The implementation period of the *<Action/ Work Programme>*, as laid down in Annex I, is *<number of months>*.

2.4 The execution period of this Specific Agreement shall end when the payment of the balance is made by the Commission and, in any event, at the latest 18 months after the end of the implementation period as stipulated in Article 2.3 unless postponed in accordance with Article 12.5 of the General Conditions.

Article 3 — Financing the Action²

3.1 The total eligible costs are estimated at EUR *<amount, for Action grants, enter the amount in heading 11 of Annex II >*, as set out in Annex II.

3.2 The Commission undertakes to finance a maximum amount of EUR .

The grant is further limited to *<enter applicable percentage>* of the estimated total eligible cost of the *< Action/for operating grants: operating budget>* specified in paragraph 1.

The final amount of the Commission's contribution shall be determined in accordance with Articles 14 and 17 of the General Conditions.

Only for Action grants:

[3.3 Pursuant to Article 14.7 of the General Conditions, *<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 General Conditions, may be claimed as indirect costs.]

Article 4 — Reporting and payment arrangements

4.1 Payments shall be made in accordance with Article 15 of the General Conditions option no. *<choose 1, 2 or 3>* as set out in Article 15.1

[Option 1 and 2]

¹ in the case of an operating grant costs may neither have been incurred before the grant application was submitted nor before the start of the beneficiary budgetary year.

² In case of action grants, note that the amount awarded and percentages stated in this Article shall also be updated in Annex II Budget of the Action, in the worksheet 'Expected sources of funding and summary of estimated costs'.

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Initial pre-financing payment: <... EUR >

[Option 2 only.] *Note that the forecast instalments should be indicated as one global amount and not broken down per payment. The actual instalments will be based on the updated forecast for the next reporting period. The total sum of pre-financing payments may not exceed 90 % of the amount referred to in Article 3.2, excluding not authorised contingencies;*

Further pre-financing payments(s): <... EUR >

(subject to the provisions of the General Conditions)

[Option 1-2-3]

Balance of the final amount of the grant:

(subject to the provisions of the General Conditions): <... EUR >]

[4.x For operating grants or specific reporting requirements: <Specify the applicable reporting requirements and payment schedules/length of reporting period>]

Article 5 — Contact addresses

5.1 Any communication relating to this Specific Agreement shall be in writing, state the number and title of the Action and be sent to the following addresses:

For the Commission

Payment requests and attached reports, including requests for changes to bank account arrangements shall be sent to:

European Commission

<Directorate-General for Development and Cooperation — EuropeAid/EU Delegation>

For the attention of <address of the finance unit/section>

Copies of the documents referred to above, and correspondence of any other nature, shall be sent to:

European Commission

<Directorate-General for Development and Cooperation — EuropeAid /EU Delegation>

For the attention of <address of the management unit/section>]

For the Partner

<address of the Partner for correspondence>

[5.2 The expenditure verification(s) referred to in Article 15.7 of the General Conditions will be carried out [by the Contracting Authority or any external body authorised by the Commission < name, address, telephone and fax numbers>].

Article 6 — Annexes

6.1 The following documents are annexed to the Specific Agreement and form an integral part of this agreement:

Annex I: <Description of the Action (including the Logical Framework of the Project and – where applicable - the Concept Note)

Annex II: <Budget for the Action (worksheets 1, 2 and 3)/operating grants: operating budget>

The following documents are annexed to the Framework Agreement and also form an integral part of this Specific Agreement:

- General Conditions applicable to European Union Framework Partnership Agreements for External Actions (the "General Conditions" - Annex II to the Framework Agreement)

- Procurement rules (Annex IV to the Framework Agreement)

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- Standard request for payment and financial identification form (Annex V to the Framework Agreement)
- <Model narrative and financial report/operating grants: annex if specific models are to be used for activity reports and financial statements> (Annex VI to the Framework Agreement)
- Terms of reference for an expenditure verification of a European Union financed grant contract for external actions and model report of factual findings (Annex VII to the Framework Agreement]
- Standard template for Transfer of Asset Ownership (Annex VIII to the Framework Agreement)]

6.2 In the event of a conflict between the provisions of this Specific Agreement and any Annex thereto, the Special Agreement shall take precedence. In the event of a conflict between the provisions of this Specific Agreement and those of the the Framework Agreement, the provisions of this Specific Agreement shall take precedence. In the event of a conflict between the provisions of the General Conditions and the other annexes the provisions of the General Conditions shall take precedence.

[Article 7 — Other specific conditions applying to the Action

7.1 The General Conditions are supplemented by the following:

If any affiliated entity:

[7.1.x For the purpose of this Specific Agreement, the following legal entities are considered as affiliated entities:

- <name of the legal entity>;
- <name of the legal entity>;

Costs incurred by these affiliated entities may be accepted as eligible, provided the entities concerned abide by all the relevant rules applicable to the Partner under this Specific Agreement.

If financial support is provided for in the Guidelines for applicants (not applicable for operating grants):

[7.1.x Financial support to third parties may only be awarded in compliance with the conditions set in the Guidelines for applicants – where applicable - and in accordance with the criteria and conditions laid down in the Description of the Action in Annex I.

optional

The maximum amount of financial support per each third party is limited to <EUR 60.000 or less >.

optional

Financial support is the main purpose of the Action.

If VAT, taxes, duties and charges are not eligible, i.e in one of the following cases:

1. the basic act/financing agreement excludes their eligibility
2. the Call for Proposal excludes their eligibility
3. for VAT, the activities supported through the grant are engaged in by the Partner as a Member State public authority (police, justice and public domain management).

[7.1.x <VAT/ taxes, duties and charges > are not eligible [for the [following] activities as described in Annex I].

In case of accepted costs system (ineligible taxes, in kind contributions...)

7.1.x The following non eligible costs may be as considered part of the total accepted costs of the Action for the purpose of co-financing, as follows: < clarify the conditions and specificities of the accepted costs, such as in-kind contributions, taxes, including VAT etc. for in kind either the amount of the

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contribution if known (ex. valorisation of goods etc.) or the way of calculation (ex. cost per day for work etc.) >

The corresponding cost must be included in the budget (Annex II, and Annex VI to the Framework Agreement) under heading 12.

The total accepted cost of the Action are estimated at <enter the amount of heading 13 of Annex II..EURO as set out in Annex II.

The Commission's contribution set out in Article 3.2 is further limited to <enter applicable percentage >% of the estimated total accepted costs.

The final amount of the Commission's contribution shall be established in accordance with Articles 14 and 17 of the General Conditions. The percentages set with regard to the total eligible costs and total accepted costs shall apply cumulatively so that the Commission'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 Commission. In case that the total accepted costs are equal to the total eligible costs, the percentage applicable to the total accepted costs applies to the total eligible costs to ensure the required co-financing.

In case the Partner wants to set a specific exchange rate to be applied to the amount of expenses pre-financed by the Partner (or other donors) at the end of the action (amount of the balance):

7.1.x -The exchange rate to be applied in case of a positive balance pre-financed by the Partner (or other donors) at the end of the Action is <enter applicable rule/criteria to determine the exchange rate> according to the usual accounting practice of the Partner.

Apportionment for costs of local infrastructure in the partner country (field office)³

7.1.x -Where the implementation of the Action requires the setting up or the use of local infrastructure in the partner country (field office), the Partner may declare as eligible direct costs the portion of capitalised and operating costs of the local infrastructure which corresponds to the duration of the Action:

at the rate of use of local infrastructure for the purpose of the Action, determined by the Partner on the basis of a simplified allocation method, provided that the allocation method is:

-compliant with the Partner's usual accounting and management practices and applied in a consistent manner regardless of the source of funding, and

- based on an objective, fair and reliable allocation key.

- assessed and accepted by the evaluation committee, where applicable, and the Commission at the time of contracting.

In case costs are reported on the basis of a simplified method of allocation, adequate record and documentation must be kept by the Partner to prove the compliance of the allocation method used with the conditions set out above.

7.2 The following derogations from the General Conditions shall apply:

If the objective of the Action is to reinforce the financial capacity of the Partner and/or to generate an income to ensure its sustainability beyond the end of the present Specific Agreement

³ To be inserted where the specific action requires it.

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[7.2.x By way of derogation from Article 15.6 of the General Conditions, once the deadline laid down in Article 15.4 has expired, the Partner shall be entitled to late payment interest in accordance with Article 15.6. In such case, a demand must be submitted within two months of receiving late payment. ¶ Articles 1.3 and 1.4 of the General Conditions shall not apply.]¶

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[7.2.x The no-profit rule shall not apply to this Specific Agreement, according to Article 17.7 of the General Conditions:

<choose >

- a) actions the objective of which is the reinforcement of the financial capacity of the Partner
- b) actions which generate an income to ensure their continuity beyond the end of this Specific Agreement

< if appropriate, insert here the exchange rate to be used for reporting and/or the rate to be used for accounting according to Article 15.9 of the General Conditions >

Where the Partner is an International Organisation whose pillars have not been positively assessed refer to annex e3h11 derogations_IOs for the clauses to insert here.

For EDF only where the Specific Agreement implements a financing agreement concluded following a 2013 or earlier template

[7.2.x By derogation to Article 15.9 of the General Conditions, and for the purpose of reporting, conversion into the currency set in the Specific Agreement shall be made using the rate of exchange < insert here the exchange rate to be used for reporting according to Article 15.9 of Annex II >

[7.2.x By derogation to Article 15.10 of the General Conditions, costs incurred in other currencies than the one used in the Partner's accounts shall be converted <insert where the conditions listed in Article 15.10 of Annex II are not fulfilled>

[7.2.x The initial pre-financing payment shall be made within 45 days of receipt of the payment request by the Commission.

For EDF only where the contract implements a financing agreement concluded following a 2014 or later template

[7.2.x The initial pre-financing payment shall be made within 60 days of receipt of the payment request by the Commission.

Done in English in two originals, one original being for the Commission and one original being for the Partner.

For the Partner

Name

Title

Signature

Date

For the Commission

Name

Title

Signature

Date

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