

*[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.**

**Note that the Special Conditions provide for allowed deviations from the General Conditions. The use of further deviations from the General Conditions requires an exception to be granted by the relevant services of the European Commission.**

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

Deleted: uly

Deleted: 5

# GRANT CONTRACT

## - EXTERNAL ACTIONS OF THE EUROPEAN UNION -

<Grant contract identification number>

(the 'Contract')

[The European Union, represented by the European Commission or <full name and address of the Contracting Authority>], (the 'Contracting Authority')

of the one part,

and

<Full official name as mentioned in the LEF>

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

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

<Full official address>

[VAT number, for VAT registered beneficiaries],

If a multi-beneficiary grant: [hereinafter the "Coordinator"]

[and

<Full official name as mentioned in the LEF of any co-beneficiary(ies)>

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

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

<Full official address>

[VAT number, for VAT registered beneficiaries]

who have conferred powers of attorney for the purposes of the signature of the agreement to the Coordinator<sup>1</sup>, collectively referred to as "Beneficiary(ies)" where a provision applies without distinction to the Coordinator and the co-Beneficiary(ies) ]

of the other part,

(the 'Parties')

have agreed as follows:

Deleted: b

Deleted: G

Deleted: A

Deleted: uly

Deleted: 5

<sup>1</sup> Model mandate provided in Annex A to the guidelines for applicants

## Special conditions

### Article 1 — Purpose

- 1.1 The purpose of this Contract is the award of a grant by the Contracting Authority to finance [for action grants: the implementation of the action entitled: <title of the Action> (the 'Action')] [for operating grants: an operating grant for <specify> (the 'Work Programme')] described in Annex I.
- 1.2 The Beneficiary(ies) 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(ies) hereby declares it has noted and accepted.
- 1.3 The Beneficiary(ies) accepts the grant and undertakes to be responsible for carrying out the Action.

### Article 2 — Implementation period of the Action

- 2.1 This Contract 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 Contracting Authority]
  - [<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 Contract but not preceding the Beneficiary(ies)'s request for a grant.(specify the date)>].
- 2.3 The implementation period of the [Action] [Work Programme]<sup>2</sup>, as laid down in Annex I, is <number of months>.
- 2.4 The execution period of this Contract shall end when the payment of the balance is made by the Contracting Authority 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 Annex II.

### Article 3 — Financing the Action<sup>4</sup>

- 3.1 The total eligible costs are estimated at [EUR] [<currency of the country to which the Contracting Authority belongs>] <amount, for Action grants, enter the amount in heading 11 of Annex III >, as set out in Annex III.
- 3.2 The Contracting Authority undertakes to finance a maximum amount of [EUR] [<Contracting Authority currency as above>] <amount>.
- The grant is further limited to <enter applicable percentage > of the total eligible cost of the [Action] [for operating grants: operating budget] specified in paragraph 1.
- The final amount of the Contracting Authority's contribution shall be determined in accordance with Articles 14 and 17 of Annex II.

Only for Action grants:

<sup>2</sup> 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's budgetary year.

<sup>3</sup> The duration of operating grants may not exceed 12 months.

<sup>4</sup> In case of action grants, note that the amount awarded and percentages stated in this Article shall also be updated in Annex III Budget of the Action, in the worksheet 'Expected sources of funding and summary of estimated costs'.

Deleted: i

Deleted: b

Deleted: uly

Deleted: 5

- [3.3 Pursuant to Article 14.7 of 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 Annex II, may be claimed as indirect costs. ]

#### Article 4 — Reporting and payment arrangements

- 4.1 Payments shall be made in accordance with Article 15 of Annex II option no. <choose 1 ,2 or 3> as set out in Article 15.1

##### [Option 1 and 2]

Initial pre-financing payment: [EUR] [<Contracting Authority currency>] <amount>.

##### [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 of the Special Conditions, excluding not authorised contingencies.

Further pre-financing payments(s): [EUR] [<Contracting Authority currency>] <amount> (subject to the provisions of Annex II).

##### [Option 1-2-3]

Balance of the final amount of the grant:

(subject to the provisions of Annex II): [EUR] [<Contracting Authority currency>] <amount>

- [4.x if a financial guarantee is requested: The first instalment of pre-financing shall be accompanied by a financial guarantee amounting to EUR <amount, usually the amount of the first prefinancing payment> and complying with the requirements of Article 15.8 of Annex II.]
- [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 Contract shall be in writing, state the number and title of the Action and be sent to the following addresses:

##### For the Contracting Authority

##### [Option 1: where the Contracting Authority is the European Commission:

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

European Commission

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

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

##### [Option 2: where the Contracting Authority is not the European Commission:

<address of the Contracting Authority's management department>]

[A copy of the reports referred to in Article 4.1 shall be sent to the concerned service of the European Commission, at the following address: <address of Directorate-General for Development and Cooperation — EuropeAid /EU Delegation >]

Deleted: uly

Deleted: 5

For the Coordinator

<address of the Coordinator for correspondence>

[5.2 The expenditure verification(s) referred to in Article 15.7 of Annex II will be carried out [by the Contracting Authority or any external body authorised by the [European Commission] [Contracting Authority]]<sup>5</sup> <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 (including the Logical Framework of the Project and the Concept Note)

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

Annex III: [Budget for the Action (worksheets 1, 2 and 3)] [operating grants: operating budget]

Annex IV: Procurement rules for Beneficiary(ies)

Annex V: Standard request for payment and financial identification form

Annex VI: [Model narrative and financial report] [operating grants: <annex if specific models are to be used for activity reports and financial statements>]

[Annex VII: Terms of reference for an expenditure verification of a European Union financed grant contract for external actions and model report of factual findings]

[Annex VIII: Model financial guarantee]

[Annex IX: Standard template for Transfer of Asset Ownership]

6.2 In the event of a conflict between the provisions of the present Special Conditions and any Annex thereto, the Special Conditions shall take precedence. In the event of a 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 in Annex II are supplemented by the following:

If any affiliated entity in line with the guidelines for applicants:

Deleted: G

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

- <name of the legal entity>, affiliated to <name of the Beneficiary>;

- <name of the legal entity>, affiliated to <name of the Beneficiary>;

Deleted: I

Costs incurred by these affiliated entities may be accepted as eligible, provided the entities concerned abide by all the relevant rules applicable to the Beneficiary(ies) under this Contract.

Deleted: c

If financial support is provided for in the guidelines for applicants:

Deleted: G

Deleted: (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 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] [<ISO Code of Contracting Authority currency>] <60.000 or less ..... >.]

optional

Deleted: uly

Deleted: 5

<sup>5</sup> In case the Contracting Authority has its own audit and verification system

[Financial support is one of the main purposes of the Action<sup>6</sup>]

Deleted: |

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 proposals excludes their eligibility

Deleted: C

3. for VAT, the activities supported through the grant are engaged in by the Beneficiary(ies) as a Member State public authority (police, justice and public domain management).

Deleted: P

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

Deleted: a

The corresponding cost must be included in the budget (Annex III and Annex VI) under heading 12.

The total accepted cost of the Action are estimated at [EUR] [<ISO Code of the Contracting Authority currency as above>] <enter the amount of heading 13 of Annex III>, as set out in Annex III.

Deleted: c

The Contracting Authority'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 Contracting Authority's contribution shall be established in accordance with Articles 14 and 17 of Annex II. The percentages set 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. 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 Beneficiary(ies) wants to set a specific exchange rate to be applied to the amount of expenses pre-financed by the Beneficiary(ies) (or other donors) at the end of the action (amount of the balance):

Deleted: Organisation

Deleted: Organisation

[7.1.x -The exchange rate to be applied in case of a positive balance pre-financed by the Beneficiary(ies) (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 Beneficiary(ies).

Deleted: Organisation

Deleted: a

Deleted: Organisation

Apportionment for costs of local infrastructure in the partner country (field office)<sup>6</sup>

Deleted: C

Deleted: a

Deleted: F

[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 Beneficiary(ies) 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:

Deleted: Organisation

Deleted: a

Deleted: i) at the rate of actual use of local infrastructure for the purpose of the Action; or<sup>6</sup>

Deleted: ii)

Deleted: Organisation

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

Deleted: uly

Deleted: 5

<sup>6</sup> To be inserted where the specific action requires it.

-compliant with the Beneficiary(ies)'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 Contracting Authority 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 Beneficiary(ies) to prove the compliance of the allocation method used with the conditions set out above.

Deleted: Organisation

Deleted: E

Deleted: C

Deleted:

Deleted: Organisation

Deleted: In the context of the expenditure verifications the auditor will check that the costs declared are in line with the allocation method assessed and accepted at contracting phase.<sup>¶</sup>

Reimbursement of field office's costs on the basis of the simplified allocation method is possible in addition to the EUR 60.000 threshold set at article 14.5 of the General Conditions.<sup>¶</sup>

Deleted: c

7.2 The following derogations from Annex II shall apply:

For indirect management:

[7.2.x By way of derogation from Article 15.6 of Annex II, once the deadline laid down in Article 15.4 has expired, the Coordinator 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.

7.2.x Articles 1.3 and 1.4 of Annex II shall not apply]

If the objective of the Action is to reinforce the financial capacity of a Beneficiary or natural persons in most need and/or to generate an income to ensure its sustainability beyond the end of the present Contract

[7.2.x The no-profit rule shall not apply to this Contract, according to Article 17.7 of Annex II:

choose

[a) actions the objective of which is the reinforcement of the financial capacity of a Beneficiary]

[b) actions which generate an income to ensure their continuity beyond the end of this Contract]

[c) other direct support paid to natural persons in most need, such as unemployed persons and refugees]]

[7.2.x By derogation to Article 15.9 of Annex II, and for the purpose of reporting, conversion into the currency set in the Special Conditions 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 Annex II, costs incurred in other currencies than the one used in the Beneficiary(ies)'s accounts shall be converted (insert where the conditions listed in Article 15.10 of Annex II are not fulfilled)

Deleted: c

Where one of the Beneficiaries is an International Organisation refer to annex e3h11\_derogations\_IOs for the clauses to insert here.

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

Deleted: c

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

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 Contracting Authority.

[If under a Financing Agreement signed before 01.01.2013 when the Commission makes payments on behalf of the Contracting Authority (in decentralised management for both EDF and BUDGET)

Deleted: uly

Deleted: 5

[7.2.x Any report sent with a payment request for further prefinancing or payment of the balance shall be considered approved if there is no written reply from the Contracting Authority within 45 days of its receipt accompanied by the required documents. Approval of the reports does not imply recognition of their regularity nor of the authenticity, completeness and correctness of the declarations and information they contain.]

Done in English in [two] [three] originals, [For contracts under direct management: [one] [two] originals being for the European Commission] [For contracts under indirect management: one original being for the Contracting Authority, one original being for the European Commission,] and one original being for the Beneficiary(ies).

For the Beneficiary(ies) <sup>7</sup>	For the Contracting Authority
Name	Name
Title	Title
Signature	Signature
Date	Date

[For contracts under indirect management (only in the case of ex ante control if the European Commission makes the payments under the Contract and if required (see indirect management with ex-ante controls, section 6.5.8.6 of the Practical Guide) )]:

Endorsed for financing by the European Union

Name  
Title  
Signature  
Date ]

<sup>7</sup> In accordance with the mandate conferred on the Coordinator, (see application form), the Coordinator signs this Contract also on behalf of the other Beneficiaries, who, therefore, do not need to individually sign this Contract to become parties to it.

Deleted: c  
Deleted: I  
Deleted: M

Deleted: section 5 of the  
Deleted: uly  
Deleted: 5