

GRANT CONTRACT
- EXTERNAL ACTIONS OF THE EUROPEAN COMMUNITY -

<Grant contract identification number>

[<full name and address of the Contracting Authority>], ("the Contracting Authority")

of the one part,

and

<Full official name of the Beneficiary, 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] ,
("the Beneficiary")

of the other part,

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 will be awarded the grant on the terms and conditions set out in this contract, which consists of these special conditions ("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 prefinancing is paid by the Contracting Authority]
 - [a later date]>

2.3 The Action's implementation period, as laid down in Annex I, is *<number of months>*.

Article 3 - Financing the Action

- 3.1 The total cost of the Action eligible for financing by the Contracting Authority is estimated at *<... ..EURO >*, as set out in Annex III.
- 3.2 The Contracting Authority undertakes to finance a maximum of *<... ..EURO >*, equivalent to *<...>%* of the estimated total eligible cost specified in paragraph 1; the final amount shall be established in accordance with Articles 14 and 17 of Annex II.
- 3.3 Pursuant to Article 14.4 of the Annex II, *<...>% (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 will be made in accordance with Article 15 of Annex II as amended by Article 7.2 below. Of the options referred to in Article 7.2.1, the following will apply:

[Option 1

Amount of first instalment of pre-financing: *<... ..EURO >*

Forecast final payment
(subject to the provisions of Annex II): *<... ..EURO >*

[Option 2

First instalment of pre-financing (70% of the part of the forecast budget for the first 12 months of implementation financed by the Contracting Authority): *<... ..EURO >*

Further instalment(s) of pre-financing: *<... ..EURO >*

Forecast final payment
(subject to the provisions of Annex II): *<... ..EURO >]*

- 4.3 In case where the pre-financing instalments are to be paid by the Contracting authority, the first instalment of pre-financing will 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.

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:

For the Contracting Authority

<address of the Contracting Authority's management department>

A copy of the reports referred to in Article 4.1 must be sent to the European Commission, at the following address: <address >

For the Beneficiary

<address of the Beneficiary for correspondence>

- 5.2 The audit firm which will 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 Community-financed grant contracts for external Actions

Annex III: Budget for the Action

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 EC financed grant contract for external actions

Annex VIII: Model financial guarantee

- 6.2 In the event of conflict between the provisions of the Annexes and those of the Special Conditions, 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:

7.1.1 Article 1.3 (first paragraph) of Annex II is completed as follows:

The amount of the subcontracted costs must not exceed 10% of the Action's total eligible costs.

7.1.2 Article 1.3 (third paragraph) of Annex II is completed as follows:

In the event of sub-contracting exceeding 5.000 €, the beneficiary must clearly document the tendering procedure, in accordance with the procedures described in annex IV, submit the relevant documents together with the final report at the end of the Action's implementation and retain them for control in case there should be an audit.

7.1.3 Article 6 of Annex II is completed as follows:

The EDF grant shall benefit from an appropriate visibility, by displaying the EU and the ACP Group of States logo in any communication support, reports and publication, or any given public event concerning the Action.

The visibility rules and the logos mentioned are available at the following addresses:

http://ec.europa.eu/europeaid/work/visibility/index_en.htm

<http://www.acp.int>

The logo of the European Union and of the ACP Group of States must always appear together and shall include the following statement « *EU-ACP Support Programme to cultural industries in ACP countries. A Programme of the ACP Group of States, with the financial assistance of the European Union* ».

7.2 The following derogations from the General Conditions shall apply:

7.2.1 By derogation from Article 15.1, payment procedures are as follows:

Option 1: Actions with an implementation period not exceeding 12 months or where the financing provided by the Contracting Authority does not exceed EUR 100 000.

The Contracting Authority will pay the grant to the Beneficiary in the following manner:

- pre-financing of 70% of the sum referred to in Article 3.2 of the Special Conditions following the provisions in Article 4.3 of the Special Conditions.
- the balance within 45 days of the Contracting Authority approving the final report in accordance with Article 15.2, accompanied by:
 - a request for payment of the balance conforming to the model in Annex V;
 - an expenditure verification report under Article 15.6, as amended by article 7.2.2 of the Special conditions.

Option 2: Actions with an implementation period of more than 12 months and where the financing provided by the Contracting Authority is more than EUR 100 000.

The Contracting Authority shall pay the grant to the Beneficiary in the following manner:

- an initial pre-financing instalment of 70% of that part of the estimated budget for the first 12 months financed by the Contracting Authority, as specified in Article 4 of the Special Conditions, following the provisions in Article 4.3 of the Special Conditions.
- further pre-financing instalments of the amount specified in Article 4 of the Special Conditions and designed to normally cover the Beneficiary's financing needs for each twelve month period of implementation of the Action, within 45 days of the Contracting Authority approving an interim report in accordance with Article 15.2, accompanied by:
 - a request for payment conforming to the model in Annex V,

- an expenditure verification report under Article 15.6, as amended by article 7.2.2 of the Special conditions;
 - a financial guarantee if required under Article 15.7, as amended by article 7.2.3 of the Special conditions.
- the balance of minimum 30% within 45 days of the Contracting Authority approving the final report in accordance with Article 15.2, accompanied by:
 - a request for payment of the balance conforming to the model in Annex V,
 - an expenditure verification report under Article 15.6, as amended by article 7.2.2 of the Special conditions.

Further pre-financing may only be given if the part of the expenditure actually incurred which is financed by the Contracting Authority (by applying the percentage set out in Article 3.2 of the Special Conditions) stands at 70% at least of the previous payment (and at 100% of any previous payments) as supported by the corresponding interim report and, where applicable, by an expenditure verification report as specified in Article 15.6, as amended by article 7.2.2 of the Special conditions. Where the consumption of the previous pre-financing is less than 70%, the amount of the new pre-financing payment shall be reduced by the unused amounts of the previous pre-financing payment. The sum total of pre-financing under the Contract may not exceed 70% of the amount referred to in Article 3.2 of the Special Conditions.

7.2.2 By derogation from Article 15.6, a report on the verification of the Action's expenditure, produced by an approved auditor who is a member of an internationally recognised supervisory body for statutory auditing, shall be attached to any request for interim payments and any request for payment of the balance of the grant.
All the other provisions of Article 15.6 remain unchanged.

7.2.3 By derogation from Article 15.7, if the sum total of pre-financing paid and not cleared at any point in time under the Contract exceeds EUR 100 000, its payment must be fully covered by a financial guarantee. Where the beneficiary is a non governmental organisation, such guarantee is not required.
All the other provisions of Article 15.7 remain unchanged.

Done at <.....> in three originals in the English language, two of them for the Contracting Authority and one for the Beneficiary.

For the Beneficiary

Name

Title

Signature

Date

For the Contracting Authority

Name

Title

Signature

Date

Endorsed for financing by the European Community

Name

Title

Signature

Date