**GRANT CONTRACT**

**- EXTERNAL ACTIONS OF THE EUROPEAN UNION -**

**<**Grant contract identification number*>*

(the ‘contract’)

Ministry of Finance

Directorate for Finance and Contracting of the EU Assistance Funds,

Stanka Dragojevića 2,

81 000 Podgorica, Montenegro

(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**]**,

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[[1]](#footnote-1), 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:

**Special conditions**

**Article 1 — Purpose**

1.1 The purpose of this contract is the award of a grant by the contracting authority to finance the implementation of the action entitled: title of the action (the ‘action’) 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 shall begin on:

*-* 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)>

2.3 The implementation period of the action, 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**[[2]](#footnote-2)

3.1 The total eligible costs are estimated at EUR<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 <amount>.

The grant is further limited to <enter applicable percentage > of the total eligible cost of the action 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.

3.3 Pursuant to Article 14.8 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. 2 as set out in Article 15.1

Initial pre-financing payment: EUR<amount>.

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

Balance of the final amount of the grant:

(subject to the provisions of Annex II): EUR <amount>

4.2 An electronic system will be used by the contracting authority and the beneficiary(ies) for all stages of implementation including, inter alia, management of the contract (amendments and notifications), reporting (including reporting on results) and payments. The beneficiary(ies) will be required to register in and use the appropriate electronic exchange system to allow for the e-management of the contract. With regard to interim and final reports, the beneficiary(ies) will be expected to use the forms in the electronic system for encoding and submitting the reports.

The electronic management of the contract through the aforementioned system may commence on the date on which implementation of the contract starts, as described in Article 2 above, or at a later date. In the latter case, the contracting authority will inform the beneficiary(ies) in writing that he/they will be required to use the electronic system for all communications within a maximum period of 3 months.

4.3 In relation to Article 2 of Annex II, the Beneficiaries shall submit reports on the achievement of indicators according to the following schedule:

* 31 March
* 30 June
* 30 September
* 31 December

all along the period of implementation of their contract, as well as upon the submission of the final narrative report of the contract. These reports will be submitted through an information system. The Joint Technical Secretariat (JTS) of the programme will be available for technical support while using this information system and will carry out a sort of validation of the submitted data.

[nikola.djonovic@jts-mne-alb-mne-kos.org](mailto:nikola.djonovic@jts-mne-alb-mne-kos.org)

**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

Ministry of Finance

The Directorate for Finance and Contracting of the EU Assistance Funds,

Stanka Dragojevića 2,

81 000 Podgorica, Montenegro

**Please note that opening hours of the Ministry of Finance – The Directorate for Finance and Contracting of the EU Assistance Funds (CFCU) are 7:00-15:00.**

A copy of the reports referred to in Article 4.2 shall be sent to the concerned service of the European Commission, at the following address:

Delegation of the European Union to Montenegro

Vuka Karadžića 12

81000 Podgorica, Montenegro

For the coordinator

<address of the coordinator for correspondence>

A copy of the reports referred to in Article 4.2 shall be sent to the following addresses:

Joint Technical Secretariat for Cross-border Cooperation Programmes Montenegro – Albania and Montenegro – Kosovo 2014-2020

Beogradska 17,

81000 Podgorica, Montenegro

and

Ministry of Finance and Economy

Bulevardi “Dëshmorët e Kombit”,

Nr.3, Tiranë, Albania

5.2 The expenditure verification(s) referred to in Article 15.7 of Annex II will be carried out < 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)

Annex IV: Procurement rules for beneficiary(ies)

Annex V: Standard request for payment and financial identification form

Annex VI: Model narrative and financial report

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 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:

7.1.1 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>;

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.

7.1.2 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.

The maximum amount of financial support per each third party is limited to EUR 60 000 or less.

7.1.3In the framework of financial support to third parties funds that are disbursed and  the subject of a formal legal commitment between the coordinator (or its co-beneficiaries and affiliated entities) and a third party are taken into account when calculating the thresholds allowing the release of the further prefinancing payment in accordance with conditions laid down by art 15.1, option 2, point (ii) of Annex II.

7.1.4 VAT/ taxes, duties and charges are not eligible activities as described in Annex I.

7.2 The following derogations from Annex II shall apply:

7.2.1 By way of derogation from article 14.11 of Annex II, salary costs of the personnel of national administrations may be eligible to the extent that they relate to the costs of activities which the relevant public authority would not carry out if the action were not undertaken.

7.2.2 By way of derogation from article 14.11 of Annex II, purchases of land not built on and land built on in the amount up to 10 % of the total eligible expenditure for the operation concerned shall be eligible for funding if it is justified by the nature of the action and provided in the annual action programme, in which case ownership must be transferred in accordance with Article 7.5 of the general conditions of the standard grant contract, at the latest at the end of the action.

7.2.3 Where the implementation of the action requires the setting up or the use of a project office, the beneficiary(ies) may declare as direct eligible costs the portion of the operating costs of the project office described in the proposal which corresponds to the duration of the Action either based on costs actually incurred by the project office for the action or on the cost apportionment approach presented as part of the proposal.

7.3 For the purpose of Article 1.3 and 1.4 of the general conditions, for the part of the data transferred by the contracting authority to the European Commission the controller for the processing of personal data carried out within the Commission is the head of contracts and finance unit R4 of DG Neighbourhood and Enlargement Negotiations.

7.3.1 Articles 1.3 and 1.4 of Annex II shall be replaced by the following:

1. Processing of personal data related to the implementation of the grant contract by the contracting authority takes place in accordance with the national legislation of the state of the contracting authority and with the provisions of the respective financing agreement.

2. To the extent that the grant contract covers an action financed by the European Union, the Contracting Authority may share communications related to the implementation of the grant contract, with the European Commission. These exchanges shall be made to the Commission, solely for the purpose of allowing the latter to exercise its rights and obligations under the applicable legislative framework and under the financing agreement with the Partner country – contracting authority. The exchanges may involve transfers of personal data (such as names, contact details, signatures and CVs) of natural persons involved in the implementation of the grant contract (such as contractors, staff, experts, trainees, subcontractors, insurers, guarantors, auditors and legal counsel). In cases where the contractor is processing personal data in the context of the implementation of the grant contract, he/she shall accordingly inform the data subjects of the possible transmission of their data to the Commission. When personal data is transmitted to the Commission, the latter processes them in accordance with 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[[3]](#footnote-3) and as detailed in the specific privacy statement published at ePRAG.

Done in English in four originals, one original being for the contracting authority, one original being for the European Commission, one original being for the Joint Technical Secretariat for Cross-border Cooperation Programmes Montenegro – Albania and Montenegro – Kosovo 2014-2020 and one original being for the beneficiary(ies).

|  |  |  |  |
| --- | --- | --- | --- |
| **For the beneficiary(ies) [[4]](#footnote-4)** | | **For the contracting authority** | |
| Name |  | Name |  |
| Title |  | Title |  |
| Signature |  | Signature |  |
| Date |  | Date |  |

1. Model mandate provided in Annex A to the guidelines for applicants. [↑](#footnote-ref-1)
2. 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’. [↑](#footnote-ref-2)
3. OJ L 205 of 21.11.2018, p. 39. [↑](#footnote-ref-3)
4. 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. [↑](#footnote-ref-4)