[*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]

**GRANT CONTRACT**

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

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

(the ‘contract’)

Ministry of Finance

Directorate for Finance, Contracting and Implementation of the EU Assistance Funds (CFCU)

Stanka Dragojevića 2,

81 000 Podgorica, Montenegro

(the ‘contracting authority’)

of the one part,

and

<Full official name>

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

[<Organisation official registration number>]

<Full official address>

**[**VAT number, for VAT registered beneficiaries**]**,

If a multi-beneficiary grant: [hereinafter the ‘coordinator’]

[and

<Full official name of any co-beneficiary(ies)>

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

[<Organisation official registration number>]

<Full official address>

[VAT number, for VAT registered beneficiaries]

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 beneficiaries 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 beneficiaries hereby declare they have noted and accepted.

1.3 The beneficiaries 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:

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 beneficiaries’ request for a grant[[1]](#footnote-2):[ <specify the date>[[2]](#footnote-3).**]**

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, by the end date defined in Article 12.5 of Annex II.

**Article 3 — Financing the action**[[3]](#footnote-4)

3.1 The grant takes the form of reimbursement of costs only. The provisions laid down in Annex II and other annexes regarding financing not linked to costs are not relevant for this contract. The costs reimbursed are actual costs[[4]](#footnote-5).

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

4.2 The beneficiaries will be expected to encode the logical framework matrix (results, their corresponding indicators, including baselines and targets) and the current values of the indicators in the relevant electronic system, in line with the values of the approved interim and final reports.

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.

Joint Technical Secretariat for Cross-border Cooperation Programmes Montenegro – Albania and Montenegro – Kosovo 2021-2027 IPA III.

Beogradska 17,

81000 Podgorica, Montenegro

4.4 Payments shall be made in accordance with the special conditions into the following bank account:

*Name of bank*: [insert bank name]

*Exact denomination of account holder*: [full name of account holder]

*Bank account number*: [insert bank account number].

**Article 5 — Contact points**

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

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

Stanka Dragojevića 2,

81 000 Podgorica, Montenegro

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

For the coordinator

<address of the coordinator for correspondence>

A copy of the narrative and financial reports, referred to in Article 2 of the general conditions, shall be sent in electronic or paper format from an official corporate e-mail address of the beneficiary to:

1. Delegation of European Union to Montenegro

Vuka Karadžića 12

81000 Podgorica, Montenegro

1. Ministry of Finance and Economy

Bulevardi “Deshmoret e Kombit”

Nr.3, Tirane,Albania

and

Joint Technical Secretariat for Cross-border Cooperation Programmes Montenegro – Albania and Montenegro – Kosovo 2021-2027 IPA III.

Beogradska 17,

81000 Podgorica, Montenegro

5.2 Data protection controller

For the purpose of Article 1.3 and 1.4 of Annex II, 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 legal affairs unit of Directorate-General for Neighbourhood and Enlargement Negotiations.

5.3 The practitioner for the contractual expenditure verification is: < name, address, telephone, email address 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 identification form

Annex VI: Model narrative and financial reports

Annex VII: Terms of reference for an agreed upon procedures engagement for a grant contract to issue a contractual expenditure verification

Annex VIII: Model financial guarantee

Annex IX: Standard template for transfer of asset ownership

Annex X: Template for a partnership agreement

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:

7.1.1 The beneficiaries shall sign a partnership agreement compliant with the template provided in annex X of this contract.

If affiliated entities are involved:

7.1.2 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 or results achieved 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.

7.1.3 VAT/ taxes, duties and charges are not eligible as described in the description of the action in Annex I.

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

7.1.4 The exchange rate applied must be in line with the usual accounting practices of the beneficiary (e.g. official exchange rate of the Bank of Albania on the transaction date or monthly average.  
Montenegrin beneficiaries: Not applicable (euro used). Albanian beneficiaries: e.g. official exchange rate of Bank of Albania on transaction date.

7.1.5 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.

7.2 The following derogations from Annex II shall apply:

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

1.3 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.

1.4 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 European 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, practitioners/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 European Commission. When personal data is transmitted to the European 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[[5]](#footnote-6) and as detailed in the specific privacy statement published at ePRAG.

7.2.2 By way of derogation from Article 15.6 of Annex II, a demand for payment of late interest shall be submitted in all cases irrespective of the amount of interest, within two months of receiving the late payment.

7.2.3 By derogation from Article 2.5 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: The exchange rate applied must be in line with the usual accounting practices of the beneficiary (e.g. official exchange rate of the Bank of Albania on the transaction date or monthly average. Montenegrin beneficiaries: Not applicable (euro used). Albanian beneficiaries: e.g. official exchange rate of Bank of Albania on transaction date

7.2.4 By derogation from Article 2.6 of Annex II, costs incurred or consumed amounts in other currencies than the one used in the beneficiary(ies)'s accounts shall be converted.

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 (JTS) for the CBC Programmes Montenegro – Kosovo and Montenegro - Albania and one original being for the beneficiary(ies).

|  |  |  |  |
| --- | --- | --- | --- |
| **For the beneficiary(ies) [[6]](#footnote-7)** | | **For the contracting authority** | |
| Name |  | Name |  |
| Title |  | Title |  |
| Signature |  | Signature |  |
| Date |  | Date |  |

**Endorsed for financing by the European Union[[7]](#footnote-8)**

Name

Title

Signature

Date

1. Please note that in some exceptional cases it is possible to go beyond the beneficiaries’ request (see Section 6.2.7. practical guide). [↑](#footnote-ref-2)
2. Please note:

   for actions making use of financing not linked to costs (partially or totally): this option does not apply. Should the action combine reimbursement of costs and financing not linked to costs, and retroactivity is required for the reimbursement of costs component, if needed, two different implementaion periods must be laid down (one for the reimbursement of costs component and another for the financing not linked to costs component); [↑](#footnote-ref-3)
3. 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-4)
4. Limitation to actual costs is without prejudice to Article 14.8 of Annex II (unit costs for calculation of co-financing in the form of volunteer work). [↑](#footnote-ref-5)
5. OJ L 205 of 21.11.2018, p. 39. [↑](#footnote-ref-6)
6. 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-7)
7. The European Union is not a party to the contract, shall not be subject to any obligation in connection therewith and shall not be involved in any dispute settlement, including arbitration proceedings, which may arise therefrom. [↑](#footnote-ref-8)