**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 (CFCU),

(the ‘Contracting Authority’), Stanka Dragojevića 2, 81000 Podgorica

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[[1]](#footnote-2), 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.

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-3)

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 14.7 of Annex II, maximum  <%> 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. 1 as set out in Article 15.1

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

Balance of the final amount of the grant:

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

4.2 For grants exceeding EUR 60 000, the first instalment of pre-financing shall be accompanied by a financial guarantee < EUR **>** and complying with the requirements of Article 15.8 of Annex II.The content of the financial guarantee will follow the template provided in Annex VIII.

4.3 In adittion to the Narrative and Financial Report, prescribed in the Article 2 of the General Conditions,that shall be produced to support the Payment request, the Beneficiaries shall prepare and submit Progress Narrative and Financial Reports. The Progress Narrative and Financial Reports shall be drafted in English and shall conform with the model of the Interim Reports, provided in Annex VI. They shall be submitted to the Contracting Authority as per following schedule:

* Progress Narrative and Financial Reports covering each 4 (four) months of the period of implementation shall be submitted within 1 (one) month after the period of implementation concerned.
* No Progress Narrative and Financial Reports shall be submitted if they are due within the last two months of the period of implementation

*The Final report shall in all cases include a detailed breakdown of expenditure covering the whole Action.*

**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

The Ministry of Finance – The Directorate for Finance and Contracting of the EU Assistance Funds (CFCU), Stanka Dragojevića 2, 81000 Podgorica, Montenegro

Please note that opening hours of the of the The Ministry of Finance – The Directorate for Finance and Contracting of the EU Assistance Funds (CFCU) is 9:00–17:00.

For the Coordinator

<address of the Coordinator for correspondence>

**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 rule and 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 VIII: Model financial guarantee

Annex IX: Transfer of Ownership of Assets

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.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>;

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.

7.2 The following derogations from the Annex II shall apply:

7.2.1. By way of derogation from article 14.9 of Annex II, the following costs are also ineligible:

1. taxes, including value added taxes, unless they are not recoverable by any means and it is established that they are borne by the final beneficiary;
2. customs and import duties, or any other charges;
3. purchase, rent or leasing of land and existing buildings;
4. rent or leasing, unless it is exclusively related to the period of co-financing of the operation, and that it is preferable to other solutions in terms of the best values for money;
5. fines, financial penalties and expenses of litigation;
6. operating costs, unless the operating costs relate exclusively to the period of co-financing of the operation;
7. second hand equipment;
8. bank charges, with the exception of costs relating to bank guarantee or comparable surety to be lodged by the beneficiary of a grant;
9. conversion costs, charges and exchange losses associated with any of the component specific euro accounts, as well as other purely financial expenses;
10. contributions in kind;
11. maintenance and rental costs, unless the rental costs relate exclusively to the period of co-financing of the operation;
12. depreciation costs for the infrastructure, unless the following cumulative conditions are met:
    * 1. no national or Union grants have contributed to the purchase of the related investment;
      2. the depreciation costs are calculated with the relevant applicable national accountancy rules;
      3. the costs relate exclusively to the period of co-financing of the operation concerned

Done in English in fouroriginals, 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) [[3]](#footnote-4)** | | **For the Contracting Authority** | |
| Name |  | Name  Marija Radenović |  |
| Title |  | Title  Head of the CFCU |  |
| Signature: |  | Signature: |  |
| Date |  | Date |  |

**Endorsed for financing by the European Union**

Name

Title

Signature

Date

1. Model mandate provided in Annex A to the Guidelines for Applicants [↑](#footnote-ref-2)
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-3)
3. In accordance with the mandate conferred on the Coordinator, (see section 5 of the 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)