



Call for project proposals 2020
“A Better Region Starts with Youth”

GRANT CONTRACT

TIRANA
ALBANIA

TABLE OF CONTENTS

SPECIAL CONDITIONS

Article 1	PURPOSE
Article 2	IMPLEMENTATION PERIOD OF THE ACTION
Article 3	FINANCING THE ACTION
Article 4	REPORTING AND PAYMENT ARRANGEMENTS
Article 5	EVALUATION/ MONITORING OF THE ACTION
Article 6	EXCHANGE RATE
Article 7	CONTACT ADDRESSES
Article 8	ANNEXES

GENERAL AND ADMINISTRATIVE PROVISIONS

ARTICLE 1	DEFINITIONS AND GENERAL PROVISIONS
ARTICLE 2	OBLIGATION TO PROVIDE FINANCIAL AND NARRATIVE REPORTS
ARTICLE 3	LIABILITY
ARTICLE 4	CONFLICT OF INTEREST
ARTICLE 5	CONFIDENTIALITY
ARTICLE 6	OWNERSHIP/USE OF RESULTS AND ASSETS
ARTICLE 7	ENTIRETY OF THE CONTRACT
ARTICLE 8	AMENDMENT OF THE CONTRACT
ARTICLE 9	IMPLEMENTATION
ARTICLE 10	EXTENSION
ARTICLE 11	SUSPENSION
ARTICLE 12	TERMINATION OF THE CONTRACT
ARTICLE 13	ADMINISTRATIVE SANCTIONS
ARTICLE 14	APPLICABLE LAW AND DISPUTE SETTLEMENT
ARTICLE 15	ELIGIBLE COSTS
ARTICLE 16	PAYMENT AND INTEREST ON LATE PAYMENT

ARTICLE 17 ACCOUNTS AND TECHNICAL AND FINANCIAL CHECKS

ARTICLE 18 FINAL AMOUNT OF THE GRANT

ARTICLE 19 RECOVERY

ARTICLE 20 ANTI-TERRORISM

ARTICLE 21 GOVERNING LANGUAGE

GRANT CONTRACT

Identification number:-----

1. The Regional Youth Cooperation Office* (RYCO), duly established and organised under the laws of the Republic of Albania, under registration number L71911452J having its registered address and Head Office at Rruga “Skenderbej”, 8/2/2 in Tirana, Albania, legally represented by Secretary General, Mr. Djuro Blanusa, adult, with full legal capacity to act, hereinafter referred to as “RYCO” or the “Contracting authority”

of the one part,

2. “-----”**, having its registered address at: -----, duly established on [d/m/y] under the laws of the (name of the Contracting party) under registration number -----, legally represented by [name and title of the legal representative], hereinafter referred to as the “Beneficiary” or the “Partner”.

on the other hand

Hereinafter each of them referred to as the “Party” and collectively as the “Parties” have agreed to enter into this Grant contract “the Contract” under the following terms and conditions:

WHEREAS

- 1) Through the Open call for project proposals, RYCO is establishing itself as a leading regional initiative for supporting young people in the Western Balkans;
- 2) RYCO wants to empower youth for setting the course to better societies in the Western Balkans and for ensuring further progress towards the European integration of the region;
- 3) RYCO supports the contribution to the process of reconciliation in the Western Balkans through increasing youth mobility, cooperation and activism;
- 4) RYCO’s 4th Open Call (4OC) for Project Proposals is financed by the European Union, represented by the European Commission;
- 5) The Beneficiary is a legal entity, non-profit-making, non-governmental organisation, Civil Society Organisation (CSO) established in one of the Contracting parties of the Western Balkans 6 (WB6), existing since at least 1 (one) year prior to the launch of the current Call for project proposals, that shall be directly responsible for the preparation and management of the project with the partners, (not acting as an intermediary), as well as pursuing the priority areas set up in the current Call for project proposals.

* In Albanian: “Zyra Rajonale për Bashkëpunim Rinor”

** Insert [Name of the organisation in the original language]

SPECIAL CONDITIONS

ARTICLE 1 PURPOSE

1.1 The purpose of this Contract is the award of a grant by the Contracting Authority to the Beneficiary to finance the implementation of the action [entitled] (hereby referred to as the “Action”), as described in the “Application form”, of this Contract.

1.2 The Beneficiary shall be awarded a grant on the terms and conditions set out in this Contract, which consists of these Special conditions (hereby referred to as the “Special conditions”) and the Annexes, which the Beneficiary hereby declares has noted, understood and accepted.

1.3 The Beneficiary hereby accepts the grant and undertakes the responsibility 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 it.

2.2 The implementation period of the Action, as laid down in the “Application form”, Annex III, is in the duration of [*insert number*] months, starting on d/m/year.

2.3 The execution period of this Contract shall end when the payment of the balance is executed by the Contracting Authority and, in any event, at the latest 18 (eighteen) months after the end of the implementation period as stipulated in Article 2.2, unless postponed in accordance with Article 12.5 of the “General and administrative provisions”, Annex I of this Contract.

ARTICLE 3 FINANCING THE ACTION

3.1 The total eligible costs are estimated in EUR, as set out in Annex IV “Budget Form” of this Contract. All payments executed by the Contracting authority are made in EUR currency.

3.2 The Contracting authority undertakes to finance a maximum amount of (*insert amount expressed in numbers and letters*) euros.

3.3 The grant is further limited to (*insert number*) % of the total eligible costs of the Action, as specified in paragraph 1 of this Article. The final amount of the Contracting authority’s contribution shall be determined in accordance with the Budget form, Annex IV.

ARTICLE 4 REPORTING AND PAYMENT ARRANGEMENTS

4.1 The Beneficiary shall make a request for payment in accordance with Article 16.1 of the “General and administrative provisions”, Annex I.

4.2 The Beneficiary is required to submit an interim report, both financial and narrative, to the Contracting Authority after the 3rd month of the implementation. Projects with a duration of

up to 5 (five) months are not required to submit an interim report, unless otherwise required under Article 2 of General and administrative provisions .

4.3 Interim reports are due within 15 (fifteen) days of the expiration of the 3rd month of the project implementation. The report shall include a detailed breakdown of expenditures covering the interim period.

4.4 Final report is due within 15 (fifteen) calendar days of the expiration of the approved project implementation period and will be shared with the Expenditure Verification external expert within the following 5 days.

4.5 The Beneficiary shall make the request for the payment of the balance of the final amount of the grant, using the model in Annex VIII, and shall be accompanied by:

- a narrative and financial report in line with Article 2 of the general and administrative provisions;
- a detailed breakdown of expenditure
- VAT Declaration of Honour for Beneficiaries, using the model in Annex XIII
- the final expenditure verification report.

4.6 The Beneficiary must provide an expenditure verification report for the final report. The expenditure verification report shall cover all expenditure not covered by any previous expenditure verification report.

4.7 The Expenditure Verifier will be selected by the Beneficiary from the official list provided by the Contracting authority or after its approval in case of a strongly justified request for a selection outside of the official list provided by the contracting authority. The Contracting authority should be informed from the Beneficiary not later than 30 (thirty) calendar days before the approved project implementation period on the selected entity.

4.8 The Beneficiary shall engage 'the Expenditure Verifier' to perform a verification of reported expenditure, using the Terms of Reference, in Annex XIV.

ARTICLE 5 EVALUATION/MONITORING OF THE ACTION

5.1 Upon the beginning of the project implementation, the Contracting authority's Local Branch Office representatives will conduct on-the-spot checks to ensure that the Beneficiary understands and is able to implement the project according to the annexes of this Contract, and especially in compliance with the "Guidelines for Grantees", Annex II.

5.2 If the Contracting authority carries out an interim or ex post evaluation, or a monitoring mission, the Beneficiary shall undertake to provide it and/or the persons authorized by it, with the documents or information necessary for the evaluation or monitoring mission.

5.3 If the Contracting authority carries out or commissions an evaluation in the course of the Action, it shall provide the Beneficiary with a copy of the evaluation report.

5.4 During an on-the-spot visit, the Beneficiary must ensure that the information is readily available at the moment of the on-the-spot visit and the information requested is handed over in an appropriate form. If the Beneficiary refuses to provide access to the sites, premises and the requested information, RYCO may consider any cost insufficiently substantiated by information provided by the Beneficiary as ineligible.

ARTICLE 6 EXCHANGE RATE

For the purpose of reporting, conversion into Euro of the real costs borne in other currencies shall be made using the monthly exchange rate of *InforEuro*, at which RYCO's contribution was recorded in the Beneficiary's account.

ARTICLE 7 CONTACT ADDRESSES

7.1 Any notices or other communications between the Parties in relation to this Contract, such as payment requests, delivery of reports, including requests for changes to bank account arrangements, shall be made in writing, by the official e-mail account, be delivered by hand, or sent via registered mail or courier with return receipt to the following contact details:

I. For the Contracting Authority
Regional Youth Cooperation Office
Address: Rruga "Skënderbej, 8/2/2", Tirana 1000, Albania
E-mail: office@rycowb.org

II. For the Beneficiary
Name of the Beneficiary
Address:
E-mail:

7.2 The Beneficiary shall immediately notify RYCO for any changes related to the address or contact details, otherwise any notification issued or addressed by RYCO shall be deemed as received by the Beneficiary to the address provided in this Contract.

ARTICLE 8 ANNEXES

8.1 The following documents are annexed to these Special conditions, and form an integral part of the Contract:

Annex I: General and administrative provisions
Annex II: Guidelines for Grantees
Annex III: Application form
Annex IV: Budget form
Annex V: Narrative report Template
Annex VI: Financial report Template
Annex VII: Breakdown list of expenditures
Annex VIII: Standard request for payment
Annex IX: Letter of request for no-cost extension
Annex X: Financial identification form
Annex XI: Legal identification form

- Annex XII: Declaration of honor of the Beneficiary
- Annex XIII: VAT Declaration of Honour of the Beneficiary
- Annex XIV: Terms of reference for Expenditure verification

8.2 In the event of a conflict between the provisions of the present “Special Conditions” and any Annexes thereto, the “Special Conditions” shall take precedence. In the event of a conflict between the provisions of the “General and administrative Conditions”, Annex I, and those of the other annexes, the provisions of the “General and administrative Conditions”, shall take precedence.

8.3 If the implementation of the Action requires procurement by the Beneficiary, the contract must be awarded according to the Procurement Rules specified in the “Guidelines for Grantees” Annex II. In doing so, the Beneficiary shall avoid any conflict of interests and respect the obligations under this Contract.

Done in English in two 3 (three) originals, 2 (two) for the Contracting Authority, and one 1 (one) for the Beneficiary.

Place: Date:	Place: Date:
for the Regional Youth Cooperation Office, <i>[signature]</i> Mr. Duro Blanusa Secretary General	for <i>[name of the Beneficiary]</i> , <i>[signature]</i> <i>[Legal representative’s Name]</i> <i>[Official title within the organisation]</i>

ANNEX I
GENERAL AND ADMINISTRATIVE PROVISIONS

ARTICLE 1
DEFINITIONS AND GENERAL PROVISIONS

1.1 The following definitions apply for the purpose of the Contract:

- a. ‘Action’: the set of activities or the project for which the grant is awarded, to be implemented by the beneficiary.
- b. ‘Confidential information or document’: any information or document (in any format) received by either party from the other or accessed by either party in the context of the implementation of the Contract that any of the Parties has identified as confidential. It does not include information that is publicly available.
- c. ‘Conflict of interests’: a situation where the impartial and objective implementation of the Contract by the Beneficiary is compromised for reasons involving family, emotional life, political or national affinity, economic interest, or any other shared interest with any third party related to the subject matter of the Contract.
- d. ‘Direct costs’: those specific costs which are directly linked to the implementation of the action and can therefore be attributed directly to it. They may not include any indirect costs;
- e. ‘Force majeure’: any unforeseeable, exceptional situation or event beyond the control of the parties that prevents either of them from fulfilling any of their obligations under the Contract, which is not attributable to error or negligence on their part or on the part of the subcontractors affiliated entities or third parties in receipt of financial support and which proves to be inevitable despite their exercising due diligence. The following cannot be invoked as force majeure: labor disputes, strikes, financial difficulties or any default of a service, defect in equipment or materials or delays in making them available, unless they stem directly from a relevant case of force majeure;
- f. ‘Formal notification’: form of communication between the parties made in writing by mail or electronic mail which provides the sender with compelling evidence that the message was delivered to the specified recipient;
- g. ‘Fraud’: any intentional act or omission affecting RYCO’s financial interests relating to the use or presentation of false, incorrect or incomplete statements or documents, to nondisclosure of information in violation of a specific obligation;
- h. ‘Implementation period’: the period of implementation of the activities forming part of the action,
- i. ‘Indirect costs’: those costs which are not specific costs directly linked to the implementation of the action and which therefore cannot be attributed directly to it. They may not include any costs identifiable or declared as eligible direct costs;
- j. ‘Irregularity’: any infringement of the law resulting from an act or omission by a beneficiary, which has or would have the effect of prejudicing the project’s budget;
- k. ‘Maximum amount of the grant’: the maximum contribution to the action,

- l. 'Pre-existing material': any materials, document, technology or know-how which exists prior to the Beneficiary using it for the production of a result in the implementation of the action;
- m. 'Pre-existing right': any industrial and intellectual property right on pre-existing material; it may consist in a right of ownership, a license right and/or a right of use belonging to the beneficiary or any other third parties;
- n. 'Related person': any person who has the power to represent the beneficiary or to take decisions on its behalf;
- o. 'Starting date': the date on which the implementation of the action starts
- p. 'Subcontract': a procurement contract which covers the implementation by a third party of tasks forming part of the action;
- q. 'Substantial error': any infringement of a provision of a contract resulting from an act or omission, which causes or might cause a loss to the project's budget
- r. 'Substantial obligation': any obligation that relates directly to the essential execution and performance of the Contract.

1.2 The Beneficiary and the Contracting authority are the only parties to this Contract.

1.3 This Contract and the payments attached to it may not be assigned to a third party in any manner whatsoever without the prior written consent of the Contracting Authority.

1.4 Any personal data will be processed solely for the purposes of the performance, management and monitoring of this Contract by the Contracting authority, and may also be passed to the authorities in charge of monitoring or inspection, under the respective law of the Republic of Albania. The Beneficiary will have the right of access to its personal data and the right to rectify any such data. If the Beneficiary has any queries concerning the processing of personal data, he shall address them to the Contracting authority.

1.5 The Beneficiary shall limit access and use of personal data to that strictly necessary for the performance, management and monitoring of this Contract, and shall adopt all appropriate technical and organisational security measures necessary to preserve the strictest confidentiality and limit access to this data

1.6 The Beneficiary shall:

- a) take all necessary and reasonable measures to ensure that the Action is carried out in accordance with the "Application form", Annex III, and the terms and conditions of this Contract;
- b) always communicate RYCO's support for the action according to the Visibility Guidelines, specified in the "Guidelines for Grantees", in Annex II;
- c) implement the Action with the requisite care, efficiency, transparency and diligence, in line with the principle of sound financial management and with the best practices in the field;
- d) be responsible for complying with any obligation incumbent on them from this Contract;
- e) send the data needed to draw up the reports, financial statements and other information or documents required by this Contract and the Annexes to the Contracting authority;
- f) agree upon appropriate internal arrangements for the internal coordination and representation of the Beneficiary vis-a-vis the Contracting authority for any matter concerning this Contract, consistent with the provisions of this Contract and in compliance with the applicable legislation;
- g) have full financial responsibility for ensuring that the Action is implemented in accordance with this Contract;

- h) submit any payment requests in accordance with the “Standard request for payment”, Annex VIII.
- i) be the sole recipient of the payments of the Contracting authority.

ARTICLE 2

OBLIGATION TO PROVIDE FINANCIAL AND NARRATIVE REPORTS

2.1 The Beneficiary shall provide the Contracting authority with all required information on the implementation of the Action. Any submitted report shall describe the implementation of the Action according to the activities envisaged, difficulties encountered, and measures taken to overcome problems, eventual changes introduced, as well as the degree of achievement of its results (impact, outcomes or outputs) as measured by corresponding indicators. Any report shall be laid out in such a way as to allow monitoring of the objective(s), the means envisaged or employed and the budget details for the Action. The level of details in any report should match that of the Application Form, Annex III, and of the Budget Form, Annex IV. The Beneficiary shall collect all necessary information and draw up consolidated interim and final reports. These reports shall:

- a) cover the Action as a whole, regardless of which part of it is financed by the Contracting Authority;
- b) consist of a narrative and a financial report drafted using the templates provided in the “Narrative report template” Annex V and “Financial report template” Annex VI;
- c) provide a full account of all aspects of the Action's implementation for the period covered, including the qualitative and quantitative information needed to demonstrate the fulfillment of the conditions for payment of the second installments established in this Contract;
- d) include the current results within the “Narrative report template” Annex V, based on the “Application form”, Annex III, including the results achieved by the Action (impact, outcomes or outputs), as measured by their corresponding indicators; agreed baselines and targets, and relevant sources of verification;
- e) be drafted in the currency and language of this Contract;
- f) include any relevant reports, publications, press releases and updates related to the Action.

2.2 The final report shall cover any period not covered by the previous reports.

2.3 The “Special conditions” may set out additional reporting requirements.

2.4 The Contracting authority may request additional information at any time. The Beneficiary shall provide the required information within 30 (thirty) days of the reception of the request, in the language of this Contract.

2.5 Final reports shall be submitted with the payment requests (“Standard request for payment”, Annex VIII), according to Article 15. If the Beneficiary fails to provide any report or fails to provide any additional information requested by the Contracting Authority within the set deadline without an acceptable and written explanation of the reasons, the Contracting authority may terminate this Contract according to Article 12.2 (a) and (f).

ARTICLE 3 LIABILITY

3.1 The Contracting authority cannot under any circumstances, or for any reason whatsoever, be held liable for damage or injury sustained by the staff or property of the Beneficiary while the Action is being carried out or as a consequence of the Action. The Contracting authority cannot, therefore, accept any claim for compensation or increases in payment in connection with such damage or injury.

3.2 The Beneficiary shall assume sole liability towards third parties, including liability for damage or injury of any kind sustained by them while the Action is being carried out or as a consequence of the Action. The Beneficiary shall discharge the Contracting authority of all liability arising from any claim or action brought as a result of an infringement of rules or regulations by the Beneficiary, or the Beneficiary employees, or individuals for whom those employees are responsible, or as a result of violation of a third party's rights. For the purpose of this Article, employees of the Beneficiary shall be considered third parties.

ARTICLE 4 CONFLICT OF INTERESTS

4.1 The Beneficiary shall take all necessary measures to prevent or end any situation that could compromise the impartial and objective performance of this Contract. Such conflict of interests may arise in particular as a result of economic interest, political or national affinity, family or emotional ties, or any other relevant connection or shared interest.

4.2 Any conflict of interests which may arise during the performance of this Contract must be notified in writing to the Contracting authority without delay. In the event of such conflict, the Beneficiary shall immediately take all necessary steps to resolve it.

4.3 The Contracting authority reserves the right to verify that the measures taken by the Beneficiary are appropriate and may require additional measures to be taken, if necessary, within a specified period, to be determined case by case.

4.4 The Beneficiary shall ensure that its staff, including its management, is not placed in a situation which could give rise to conflict of interests. Without prejudice to its obligation under this Contract, the Beneficiary shall replace, immediately and without compensation from the Contracting Authority, any member of its staff in such a situation.

4.5 Failure to comply with the contractual obligation set out in this Article constitutes a breach of the contract.

ARTICLE 5 CONFIDENTIALITY

5.1 The Contracting authority and the Beneficiary undertake to preserve the confidentiality of any information, notwithstanding its form, disclosed in writing or orally in relation to the implementation of this Contract and identified in writing as confidential until at least 5 (five) years after the payment of the balance.

5.2 The Beneficiary shall not use confidential information for any aim other than fulfilling its obligations under this Contract unless otherwise agreed with the Contracting authority.

ARTICLE 6 OWNERSHIP/USE OF RESULTS AND ASSETS

6.1 The Beneficiary shall ensure that it has all rights to use any pre-existing intellectual property rights necessary to implement this Contract.

6.2 The Beneficiary grants the Contracting authority the right to use freely and as it sees fit, and in particular, to store, modify, translate, display, reproduce by any technical procedure, publish or communicate by any medium all documents deriving from the Action whatever their form, provided it does not thereby breach existing industrial and intellectual property rights.

ARTICLE 7 ENTIRETY OF THE CONTRACT

7.1 If any part of this Contract is found to be invalid or unenforceable, that part will be severed from this Contract and the remainder of the Contract shall remain in full force.

7.2 This Contract and any Annexes embody the entire agreement between the Parties and supersede all prior agreements and understandings, if any, relating to the subject matter of this Contract.

ARTICLE 8 AMENDMENT OF THE CONTRACT

8.1 Any amendment to this Contract, including the Annexes thereto, shall be set out in writing. This Contract can be modified only during its execution period.

8.2 The amendment may not have the purpose or the effect of making changes to this Contract that would call into question the grant award decision or be contrary to the equal treatment of applicants.

8.3 If an amendment is requested by the Beneficiary, the Beneficiary shall submit a duly justified request to the Contracting authority 30 (thirty) days before the date on which the amendment should enter into force, unless there are special circumstances duly substantiated and accepted by the Contracting authority. The Contracting authority can submit any amendment at any time to the Beneficiary.

8.4 If during implementation of project the Beneficiary decides to amend the Budget, the following variations and procedures apply:

i. Variation up to 5% - The Beneficiary may amend the Budget unilaterally and inform RYCO accordingly, in writing and at the latest in the next report for any transfer between items within the same main budget heading including cancellation or introduction of an item involving a variation of 5% or less of the amount originally entered (or as modified by addendum) in relation to each concerned main heading for eligible costs.

ii. Variation from 5% to 25% - The Beneficiary may amend the Budget only after prior approval by RYCO for any transfer between items within the same main budget heading

including cancellation or introduction of an item involving a variation of 25% or less of the amount originally entered to the main heading for eligible costs.

8.5 If exceptional circumstances, notably of Force majeure, make the implementation of the Action, or any part thereof, excessively difficult or dangerous, the Parties, upon mutual agreement, can decide to adopt other modalities in order to fulfil their respective obligations and continue the implementation of the Action.

8.6 Changes of address or bank account shall simply be notified by the Beneficiary. However, in duly substantiated circumstances, the Contracting authority may oppose the Beneficiary choice.

8.7 The Contracting authority reserves the right to require that the auditor referred to in Article 17.3 be replaced if considerations which were unknown when this Contract was signed cast doubt on the auditor's independence or professional standards.

ARTICLE 9 IMPLEMENTATION

9.1 If the implementation of the Action requires the Beneficiary to procure goods and services, it shall respect the contract-award rules and the provisions of the "Guidelines for Grantees", Annex II, of this Contract.

9.2 To the extent relevant, the Beneficiary shall ensure that the conditions applicable to them under Articles 3, 4 and 15 of this Annex are also applicable to contractors awarded an implementation contract.

9.3 The Beneficiary shall provide in its report to the Contracting Authority a comprehensive and detailed report on the award and implementation of the contracts awarded under Article 9.1 of this Annex, in accordance with the reporting requirements specified in the "General and administrative Conditions" and "Guidelines for Grantees", Annexes I and II,

9.4 The Beneficiary may subcontract tasks forming part of the action. If he does so, in addition to the conditions specified in Article 9.1, 9.2 and 9.3, the Beneficiary must ensure that the following conditions are respected:

- i) subcontracting does not cover core tasks of the action;
- ii) recourse to subcontracting is justified because of the nature of the action and what is necessary for its implementation;
- iii) the estimated costs of the subcontracting are clearly identifiable in the estimated budget set out in the "Budget form", Annex IV.

ARTICLE 10 EXTENSION

10.1 The Beneficiary shall inform the Contracting authority without delay of any circumstances likely to impede or delay the implementation of the Action. The Beneficiary may request an extension of the Action's implementation period as laid down in Article 2 of the "Special Conditions" in accordance with Article 8 of this Annex. The request shall be accompanied by all the supporting evidence needed for its assessment.

10.2 The request for an extension to the duration of the action will be approved when it is only given a clear added value for the project and/or where external events (not reasonably foreseeable at the point of signing the grant) mean that it is impossible to complete the work in the agreed timeframe.

10.3 Any request for an extension to the duration of the action may only be accepted for well-justified reasons.

10.4 Retroactive requests for an extension to the duration of the action are not accepted.

ARTICLE 11 SUSPENSION

11.1 The Beneficiary may suspend the implementation of the Action, or any part thereof, if exceptional circumstances, notably of *Force majeure*, make such implementation excessively difficult or dangerous. The Beneficiary shall inform the Contracting authority without delay, stating the nature, probable duration and foreseeable effects of the suspension.

11.2 The Beneficiary or the Contracting authority may then terminate this Contract in accordance with Article 12.1. If the Contract is not terminated, the Beneficiary shall try to minimize the time of the suspension and any possible damages and shall resume implementation once circumstances allow it, while consistently informing the Contracting authority.

11.3 The Contracting authority may request the Beneficiary to suspend the implementation of the Action, or any part thereof, if exceptional circumstances, notably of *Force majeure*, make such implementation excessively difficult or dangerous. To this purpose, the Contracting authority shall inform the Beneficiary stating the nature and probable duration of the suspension.

11.4 The Beneficiary or the Contracting authority may then terminate this Contract in accordance with Article 12.1. If the Contract is not terminated, the Beneficiary shall try to minimize the time of its suspension and any possible damage and shall resume the implementation once circumstances allow and after having obtained the approval of the Contracting authority.

11.5 The Contracting Authority may also suspend this Contract or the participation of the Beneficiary in this Contract if the Contracting authority has evidence that, or if, for objective and well justified reasons, the Contracting authority deems necessary to verify whether presumably:

a) the grant award procedure or the implementation of the Action have been subject to substantial errors, irregularities or fraud;

b) the Beneficiary has breached any substantial obligation under this Contract.

11.6 The Beneficiary shall provide any requested information, clarification or document within 30 (thirty) days of receipt of the requests sent by the Contracting authority. If despite the information, clarification or document provided by the Beneficiary, the award procedure or the implementation of the grant proves to have been subject to substantial errors, irregularities, fraud, or breach of obligations, the Contracting authority may terminate this Contract according to Article 12(2) h.

11.7 The Beneficiary shall not be held in breach of its contractual obligations if it is prevented from fulfilling them by circumstances of *Force majeure*. The term *Force majeure* covers any unforeseeable events, not within the control of either party to this Contract, which by the exercise of due diligence neither party is able to overcome such as acts of God, strikes, lock-outs or other industrial disturbances, acts of the public enemy, wars whether declared or not,

blockades, insurrection, riots, epidemics, landslides, earthquakes, storms, lightning, floods, washouts, civil disturbances, explosion.

ARTICLE 12 TERMINATION OF THE CONTRACT

12.1 In the cases foreseen in Article 11.1 and 11.3 of this Annex, if one Party believes that this Contract can no longer be executed effectively or appropriately, it shall duly consult the other Party. Failing agreement on a solution, either Party may terminate this Contract by serving 60 (sixty) written notice to the other Party, without being required to pay indemnity.

12.2 Without prejudice to Article 12.1, the Contracting authority may, after having duly consulted the Beneficiary, terminate this Contract without any indemnity on its part when:

- a) the Beneficiary fails, without justification, to fulfil any substantial obligation incumbent on it by this Contract and, after being given notice by letter to comply with those obligations, still fails to do so or to furnish a satisfactory explanation within 30 (thirty) days of receipt of the letter;
- b) the Beneficiary or any person that assumes unlimited liability for the debts of the Beneficiary is bankrupt, subject to insolvency or winding up procedures, is having its assets administered by a liquidator or by the courts, has entered into an arrangement with creditors, has suspended business activities, or is in any analogous situation arising from a similar procedure provided for under the national law or regulations relevant to the Beneficiary;
- c) the Beneficiary, or any related entity or person, have been found guilty of an offence concerning their professional conduct proven by any means;
- d) it has been established by a final judgment or a final administrative decision, or by proof in possession of the Contracting Authority that the Beneficiary has been guilty of fraud, corruption, involvement in a criminal organisation, money laundering or terrorist financing, terrorist related offences, child labor or other forms of trafficking in human beings or has committed an irregularity;
- e) a change to a Beneficiary legal, financial, technical, organisational or ownership situation, or the termination of the participation of a Beneficiary substantially affects the implementation of this Contract or calls into question the decision awarding the grant;
- f) the Beneficiary or any related person, are guilty of misrepresentation in supplying the information required in the award procedure or in the implementation of the Action or fail to supply within the deadlines set under this Contract, any information related to the Action required by the Contracting Authority;
- g) the Beneficiary has not fulfilled obligations relating to the payment of social security contributions, or the payment of taxes, in accordance with the legal provisions of the Beneficiary Contracting Party;
- h) the Contracting authority has evidence that the Beneficiary, or any related entity or person, has committed substantial errors, irregularities or fraud in the award procedure or in the implementation of the Action;
- i) the Contracting authority has evidence that the Beneficiary is subject to a conflict of interests;
- j) the Contracting authority has evidence that the Beneficiary has committed systemic or recurrent errors or irregularities, fraud, or serious breach of obligations under other grants

financed by the Contracting Authority and awarded to that specific Beneficiary under similar conditions, provided that those errors, irregularities, fraud or serious breach of obligations have a material impact on this grant.

The cases of termination under points (b), (c), (d), (h), (i) and (j) may refer also to persons who are members of the administrative, management or supervisory body of the Beneficiary and/or to persons having powers of representation, decision or control with regard to the Beneficiary.

12.3 Unless earlier terminated as provided herein, the payment obligations of the Contracting authority under this Contract shall end not later than 3 (three) months after the implementation period laid down in Article 2 of the Special conditions. .

The Contracting authority shall postpone this end date, so as to be able to fulfil its payment obligations, in all cases where the Beneficiary has submitted a payment request in accordance with contractual provisions or, in case of dispute, until completion of the dispute settlement procedure provided for in Article 13. The Contracting authority shall notify the Beneficiary of any postponement of the end date.

12.4 This Contract will be terminated automatically if the Contracting authority has not executed any payment to the Beneficiary within 1 (one) year of its signature.

12.5 Upon termination of this Contract, the Beneficiary shall take all steps to bring the Action to a close in a prompt and orderly manner and to reduce further expenditure to a minimum.

12.6 Without prejudice to Article 14 of this Annex, the Beneficiary shall be entitled to payment only for the part of the Action carried out, excluding costs related to current commitments that are due to be executed after termination. To this purpose, the Beneficiary shall introduce a payment request to the Contracting authority within the time limit set by Article 15.2 of this Annex starting from the date of termination. In the cases of termination foreseen in Article 12.2 a), c), d), f), h) and j) the Contracting authority may, after having properly consulted the Beneficiary, and depending on the gravity of the failings, request full or partial repayment/refund of amounts unduly paid for the Action.

ARTICLE 13 ADMINISTRATIVE SANCTIONS

13.1 Without prejudice to the application of other remedies laid down in this Contract, a sanction of exclusion from all contracts and grants financed by the Contracting authority may be imposed when the Beneficiary is:

- a. Guilty of grave professional misconduct, has committed irregularities, or has shown significant deficiencies with the main obligations in the performance of the Contract.
- b. Guilty of fraud, corruption, participation in criminal organisation, money laundering, terrorist-related offences, child labor or trafficking human beings.

13.2 In addition or in alternative to the situation mentioned in 13.1, the Beneficiary may also be subject to financial penalties up to 10% of the Contract value.

ARTICLE 14 APPLICABLE LAW AND DISPUTE SETTLEMENT

14.1 This Contract shall be governed by the laws of the Republic of Albania.

14.2 The Parties to this Contract shall do everything possible to settle amicably any dispute arising between them during the implementation of this Contract. To that end, they shall

communicate their positions and any solution that they consider possible in writing, and meet each other at either's request. The Beneficiary and the Contracting authority shall reply to a request sent for an amicable settlement within 30 (thirty) days. Once this period has expired, or if the attempt to reach an amicable settlement has not produced an agreement within 120 (hundred and twenty) days of the first request, either Party may notify the other Party that it considers the procedure to have failed.

14.3 In the event of failure of the above procedures, either Party may appeal to the competent court in the Republic of Albania, as the Host Country of the Contracting authority.

ARTICLE 15 ELIGIBLE COSTS

15.1 Eligible costs are actual costs incurred by the Beneficiary which meet all the following criteria:

- a) they are incurred during the implementation of the Action as specified in Article 2 of the Special Conditions, and in particular:
 - i. Costs related to goods and services shall relate to activities performed during the implementation period. Signature of a contract, placing an order, or entering into a commitment for expenditure within the implementation period for future deliveries of goods and services after the expiry of the implementation period do not meet this requirement.
 - ii. Costs incurred should be paid before the submission of the final reports. They may be paid afterwards, provided they are listed in the final report together with the estimated date of payment;
 - iii. an exception is made for costs relating to final reports, including expenditure verification, audit and final evaluation of the Action, which may be incurred after the implementation period of the Action;
- b) they are indicated in the estimated overall budget for the Action;
- c) they are necessary for the implementation of the Action;
- d) they are identifiable and verifiable, in particular being recorded in the accounting records of the Beneficiary and determined according to the accounting standards and the usual cost accounting practices applicable to the Beneficiary;
- e) they comply with the requirements of applicable tax and social legislation;
- f) they are reasonable, justified and comply with the requirements of sound financial management, in particular regarding economy and efficiency.

15.2 Subject to Article 14.1 and, where relevant, the following direct costs of the Beneficiary shall be eligible:

- a) staff cost assigned to execute the action, corresponding to actual gross salaries, including social security charges, or other remuneration related costs;
- b) travel and subsistence costs for staff and other persons taking part in the Action, provided they do not exceed those normally born by the Beneficiary according to its rules and regulations;
- c) purchase or rental costs for equipment and supplies (new or old) specifically dedicated to the purposes of the Action;
- d) costs of consumables;
- e) costs of service and supply contracts awarded by the Beneficiary for the purposes of the Action referred to in Article 9 of this Annex;

f) costs deriving directly from the requirements of the Contract (dissemination of information, evaluation specific to the Action, audits, translation, reproduction, insurance, etc.) including financial service costs;

g) duties, taxes and charges, including Value added Tax (VAT), paid and not recoverable by the Beneficiary, unless otherwise provided in the Special Conditions;

15.3 In accordance with the detailed provisions in the Budget form, Annex IV, eligible costs may also be constituted by any or a combination of the following cost options:

- a) unit costs;
- b) lump sums;
- c) flat-rate financing;
- d) Apportionment for costs related to field offices.

15.4 The methods used by the Beneficiary to determine unit costs, lump sums, flat-rates or apportionment shall be clearly described and substantiated in the “Budget form”, Annex IV and shall ensure compliance with the no-profit rule and shall avoid double funding of costs. The information used can be based on the Beneficiary's historical and/or actual accounting and cost accounting data or on external information where available and appropriate.

The amounts or rates of unit costs, lump sums or flat-rates set out in “Budget form”, Annex IV may not be amended unilaterally and may not be challenged by ex post verifications.

15.5 The following costs shall not be considered eligible:

- a) customs and import duties, or any other charges;
- b) purchases of land or buildings;
- c) fines, financial penalties and expenses of litigation;
- d) contribution in kind
- e) debts and debt service charges (interest);
- f) provisions for losses or potential future liabilities;
- g) currency exchange losses;
- h) any leasing costs
- i) depreciation costs
- j) credit to third parties.
- k) performance based bonus staff

15.6. The indirect costs/administrative costs for the action are those eligible costs which may not be identified as specific costs directly linked to the implementation of the action and may not be booked to it directly according to the conditions of eligibility in Article 15.1. However, they are incurred by the Beneficiary in connection with the eligible direct costs for the action.

They may not include ineligible costs as referred to in Article 15.5, or costs already declared under another costs item or heading of the budget of this contract. A fixed percentage of the total amount of direct eligible costs of the action not exceeding 7% may be claimed to cover indirect costs for the action. Flat-rate funding in respect of indirect costs does not need to be supported by accounting documents.

15.7 The expenditure verification(s) will be carried out by the Contracting authority or any external body authorized by the Contracting authority.

ARTICLE 16 PAYMENT AND INTEREST ON LATE PAYMENT

16.1 The Contracting authority must pay the grant to the Beneficiary to its dedicated bank account previously submitted by the latter, as set out in Article 4 of the Special conditions, following the payment procedures:

- a) an initial pre-financing payment of 80% of the maximum amount referred to in Article 3.2 of the Special conditions;
- b) the balance of the final amount of the grant, upon the approval of the final report.

16.2 The Beneficiary shall submit the final report to the Contracting Authority no later than 30 (thirty) days after the implementation period as defined in Article 2 of the Special Conditions.

16.3 The payment request shall be drafted using the model in the “Standard request for payment”, Annex VIII, and shall be accompanied by:

- a) a narrative and financial report in line with Article 2 of this Annex;
- b) a detailed breakdown of expenditures providing information for each cost heading

For the purposes of the initial pre-financing payment, the signature of this Contract shall serve as a payment request.

16.4 The initial pre-financing payment shall be made within 30 (thirty) days of receipt of the payment request by the Contracting authority. Payments of the balance shall be made within 60 (sixty) days of receipt of the payment request by the Contracting authority.

The payment request is deemed accepted if there is no written reply by the Contracting authority within the deadlines set above.

16.5 The Contracting authority may suspend the time-limits for payments by notifying the Beneficiary that:

- a) the amount indicated in its request of payments is not due, or;
- b) proper supporting documents have not been supplied, or;
- c) clarifications, modifications or additional information to the narrative or financial reports are needed, or;
- d) there are doubts on the eligibility of expenditure and it is necessary to carry out additional checks, including on-the-spot checks to make sure that the expenditure is eligible, or;
- e) it is necessary to verify whether presumed substantial errors, irregularities or fraud have occurred in the grant award procedure or the implementation of the Action, or;
- f) it is necessary to verify whether the Beneficiary have breached any substantial obligations under this Contract.

The suspension of the time-limits for payments starts when the above notification is sent to the Beneficiary. The time-limit starts running again on the date on which a correctly formulated request for payment is recorded. The Beneficiary shall provide to the Contracting authority any requested information, clarification or document within 30 (thirty) days of receipt of the request.

If, despite the information, clarification or document provided by the Beneficiary, the payment request is still inadmissible, or if the award procedure or the implementation of the grant proves to have been subject to substantial errors, irregularities, fraud, or breach of obligations, then the Contracting Authority may refuse to proceed further with payments and may, in the cases foreseen in Article 12 of this Contract, terminate accordingly this Contract.

In addition, the Contracting Authority may also suspend payments as a precautionary measure without prior notice, prior to, or instead of, terminating this Contract as provided for in Article 12 of this Contract.

16.6 The Beneficiary must provide an expenditure verification report for the final report. The expenditure verification report shall cover all expenditure not covered by any previous

expenditure verification report, if not otherwise foreseen in this Contract. The detailed breakdown of expenditure shall be supported by a declaration of honor by the Beneficiary that the information in the payment request is full, reliable and true and that the costs declared have been incurred and can be considered as eligible in accordance to this Contract. The final report shall in all cases include a detailed breakdown of expenditure covering the whole Action.

16.7 The expenditure verification report shall not be provided by the Beneficiary if the verification is directly done by the Contracting Authority's own staff, or by a body authorized to do so on its behalf, according to Article of 15.7 of this Annex.

16.8 The Contracting authority shall make payments to the Beneficiary to the bank account referred to in the "Financial identification form", Annex X, which allows the identification of the funds paid by the Contracting authority. The Contracting authority shall make payments in EUR currency as set in article 3 of the "Special conditions".

16.9 Unless otherwise provided for in the "Special Conditions", costs incurred in other currencies than the one used in the Beneficiary's accounts for the Action shall be converted according to its usual accounting practices, provided they respect the following basic requirements:

- a) they are written down as an accounting rule, i.e. they are a standard practice of the Beneficiary;
- b) they are applied consistently;
- c) they give equal treatment to all types of transactions and funding sources;
- d) the system can be demonstrated, and the exchange rates are easily accessible for verifications.

In the event of an exceptional exchange-rate fluctuation, the Parties shall consult each other with a view to amending the Action in order to lessen the impact of such a fluctuation. Where necessary, the Contracting authority may take additional measures such as terminating the Contract.

ARTICLE 17

ACCOUNTS AND TECHNICAL AND FINANCIAL CHECKS

17.1. The Beneficiary shall keep accurate and regular accounts of the implementation of the Action using an appropriate accounting and double-entry book-keeping system. The accounts:

- a) may be an integrated part of or an adjunct to the Beneficiary's regular system;
- b) shall comply with the accounting and bookkeeping policies and rules that apply in the Beneficiary Contracting Party;
- c) shall enable income and expenditure relating to the Action to be easily traced, identified and verified.

17.2 The Beneficiary shall ensure that any financial report as required under Article 2 of this Annex can be properly and easily reconciled to the accounting and bookkeeping system and to the underlying accounting and other relevant records. For this purpose the Beneficiary shall prepare and keep appropriate reconciliations, supporting schedules, analyses and breakdowns for inspection and verification.

17.3 The Beneficiary shall allow the Contracting authority, or any external auditor authorized by the Contracting authority, to do the following:

- a) access the sites and locations at which the Action is implemented;

- b) examine its accounting and information systems, documents and databases concerning the technical and financial management of the Action;
- c) take copies of documents;
- d) carry out on the-spot-checks;
- e) conduct a full audit on the basis of all accounting documents and any other document relevant to the financing of the Action.

17.4 The Beneficiary shall keep all records, accounting and supporting documents related to this Contract for five years following the payment of the balance, and in any case until any on-going audit, verification, appeal, litigation or pursuit of claim has been disposed of. They shall be easily accessible and filed so as to facilitate their examination and the Beneficiary shall inform the Contracting Authority of their precise location.

17.5 All the supporting documents shall be available either in the original form, including in electronic form, or as a copy.

17.6 In addition to the reports mentioned in Article 2 of this Annex, the documents referred to in this Article include:

- a) accounting records (computerized or manual) from the Beneficiary's accounting system such as general ledger, sub-ledgers and payroll accounts, fixed assets registers and other relevant accounting information;
- b) proof of procurement procedures such as tendering documents, bids from tenderers and evaluation reports;
- c) proof of commitments such as contracts and order forms;
- d) proof of delivery of services such as approved reports, time sheets, transport tickets, proof of attending seminars, conferences and training courses (including relevant documentation and material obtained, certificates) etc;
- e) proof of receipt of goods such as delivery slips from suppliers;
- f) proof of completion of works, such as acceptance certificates;
- g) proof of purchase such as invoices and receipts;
- h) proof of payment such as bank statements, debit notices, proof of settlement by the contractor;
- i) for fuel and oil expenses, a summary list of the distance covered, the average consumption of the vehicles used, fuel costs and maintenance costs;
- j) staff and payroll records such as contracts, salary statements and time sheets. For local staff recruited on fixed-term contracts, details of remuneration paid, duly substantiated by the person in charge locally, broken down into gross salary, social security charges, insurance and net salary.

17.7 Failure to comply with the obligations set forth in paragraph 17.1 to 17.6 constitutes a case of breach of a substantial obligation under this Contract. In this case, the Contracting authority may in particular suspend the Contract, payments or the time-limit for a payment, terminate the Contract and/or reduce the grant.

ARTICLE 18

FINAL AMOUNT OF THE GRANT

18.1 The grant may not exceed the maximum ceiling provided in Article 3.2 of the "Special conditions" either in terms of the absolute value or the percentage stated therein. If the eligible costs of the Action at the end of the Action are less than the estimated eligible costs as referred to

in Article 3.1 of the Special Conditions, the grant shall be limited to the amount obtained by applying the percentage laid down in Article 3.2 of the Special conditions to the eligible costs of the Action approved by the Contracting authority.

18.2 In addition, and without prejudice to its right to terminate this Contract pursuant to Article 12 of this Annex, if the Action is implemented poorly or partially - and therefore not in accordance with the provisions of the “Application form” Annex III - or late, the Contracting authority may, by a duly reasoned decision, and after allowing the Beneficiary to submit its observations, reduce the initial grant in line with the actual implementation of the Action and in accordance with the terms of this Contract.

18.3 The receipts to be taken into account are the consolidated receipts on the date on which the payment request for the balance is made by the Beneficiary that fall within one of the two following categories:

- a) income generated by the Action, unless otherwise specified in the Special Conditions;
- b) financial contributions specifically assigned by the Beneficiary to the financing of the same eligible costs financed by this Contract and declared by the Beneficiary as actual costs under this Contract. Any financial contribution that may be used by the Beneficiary to cover costs other than those eligible under this Contract or that are not due to the Contracting authority where unused at the end of the Action are not to be considered as a receipt to be taken into account for the purpose of verifying whether the grant produces a profit for the Beneficiary.

18.4 Where the final amount of the grant determined in accordance with the Contract would result in a profit, it shall be reduced by the percentage of the profit corresponding to the final Beneficiary contribution to the eligible costs actually incurred approved by the Contracting Authority.

ARTICLE 19 RECOVERY

19.1 If any amount is unduly paid to the Beneficiary, or if recovery is justified under the terms of this Contract, the Beneficiary undertakes to repay the Contracting authority these amounts.

19.2 In particular, payments made do not preclude the possibility for the Contracting authority to issue a recovery order following an expenditure verification report, an audit or further verification of the payment request.

19.3 If a verification reveals that the methods used by the Beneficiary to determine unit costs, lump sums or flat-rates are not compliant with the conditions established in this Contract, the Contracting Authority shall be entitled to reduce the final amount of the grant proportionately up to the amount of the unit costs, lump sums or flat rate financing.

19.4 The Beneficiary undertakes to repay any amounts paid in excess of the final amount due to the Contracting authority within 45 (forty five) days of the issuing of the debit note, the latter being the letter by which the Contracting authority requests the amount owed by the Beneficiary.

19.5 Should the Beneficiary fail to make repayment within the deadline set by the Contracting authority, the Contracting authority may increase the amounts due by adding interest at the rediscount rate applied by Albanian Central Bank, on the first day of the month in which the time-limit expired, plus three and a half percentage points.

19.6 The default interest shall be incurred over the time which elapses between the date of the payment deadline set by the Contracting authority, and the date on which payment is actually made. Any partial payments shall first cover the interest thus established.

19.7 Amounts to be repaid to the Contracting authority may be offset against amounts of any kind due to the Beneficiary, after informing it accordingly. This shall not affect the Parties' right to agree on payment in installments.

19.8 The repayment under paragraph 19.4 or the offsetting under paragraph 19.7, amount to the payment of the balance.

19.9 Bank charges incurred by the repayment of amounts due to the Contracting authority shall be borne entirely by the Beneficiary.

19.10 Repayments shall be made to the following bank account:

Name of the account:	Regional Youth Cooperation Office (RYCO)
IBAN no.:	AL83 2021 1006 0000 0000 5129 6163
Name and address of the bank:	Raiffeisen Bank, Rruga "e Kavajes", 1, Tirana, Albania
Swift/BIC code:	SGSBALTX

ARTICLE 20 ANTI-TERRORISM

20.1 Beneficiary agrees to undertake all reasonable efforts to ensure that none of the funds received under this Contract are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts received under this Contract do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The text of the resolution can be accessed via https://www.sipri.org/sites/default/files/2016-03/UNSC_1267.pdf, while the list can be accessed via: <https://scsanctions.un.org/en/?keywords=al-qaida>.

20.2 This provision must be included in all sub-contracts or sub-agreements entered into under this Contract.

ARTICLE 21 GOVERNING LANGUAGE

This Contract has been negotiated and executed by the Parties in English. In the event any translation of this Contract is prepared for convenience or any other purpose, the provisions of the English version shall prevail. All correspondence and other documents pertaining to this Contract, which are exchanged by the Parties, shall be written in English.

Done in English on d/m 2020, in 3 (three) originals: 2 (two) originals being for the Contracting authority; and 1 (one) original being for the Supplier.

<p>for the Regional Youth Cooperation Office,</p> <p>[signature]</p> <p>Mr. Djuro Blanusa</p> <p>Secretary General</p>	<p>for [name of the Beneficiary],</p> <p>[signature]</p> <p>[M/Mrs/ Legal representative's Name/Surname]</p> <p>[Official title within the Organization]</p>
--	--