

**ANNEX II – MODEL SPECIFIC GRANT AGREEMENT FOR AN ACTION\***

**SPECIFIC AGREEMENT No .../..<sup>1</sup>**  
**ON A GRANT FOR AN ACTION**

This specific agreement ("the agreement") is concluded between:

The European Union (hereinafter referred to as "the Union" ), represented by the European Commission (hereinafter referred to as "the Commission"), itself represented for the purposes of signature of this agreement by [forename, surname, function, DG/service]  
of the one part,

and

[full official name]  
[official legal form]  
[official registration No]  
[official address in full]  
[VAT number],  
("the partner"), [represented for the purposes of signature of this agreement by [forename, surname and function]]  
of the other part,

The following annexes form an integral part of the agreement:

**Annex I: Description of the action**

**Annex II: Estimated budget for the action**

[**Annex III** *Technical implementation reports and financial statements to be submitted*]<sup>2</sup>

**Article 1 – Purpose of the agreement**

The agreement is concluded in the context of the partnership established between the parties. It is drawn up in accordance with the relevant terms of framework partnership agreement No [...] signed between the Commission and the partner on [...].

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\* The footnotes are internal instructions for the authorizing officers only and must be deleted before the specific agreement is sent out.

<sup>1</sup> Insert the reference number of the framework agreement.

<sup>2</sup> If necessary, a specific annex should be included setting out any special requirements (as regards content, form, etc.) for the technical implementation reports and the financial statements to be submitted to the Commission for approval. In certain cases, the instructions may already be set out in Annex I. This annex may also be drawn up as part of the framework agreement if the requirements are common to all the actions.

The Commission has decided to award a grant, under the terms and conditions set out in this agreement and the framework agreement, which the partner hereby declares that he has taken note of and accepts, for the action entitled [...] ("the action").

The partner accepts the grant and undertakes to do everything in his power to carry out the action as described in Annex I, in accordance with the terms and conditions of the above-mentioned framework agreement applicable to the implementation of the agreement, acting on his own responsibility.

## **Article 2 – Duration of the action**

The action shall begin on [...] ("starting date of the action")<sup>3</sup>

The action shall last for [...] months from the starting date.

The period of implementation of the action shall determine the period of eligibility for the Union grant.

## **Article 3 - Financing the action**

The total cost of the action is estimated at EUR [...], as shown in the estimated budget in Annex II. The estimated budget shall give a detailed breakdown of the costs that are eligible for Union funding under the terms of Article II.15 of the framework agreement, of any other costs that the action may entail, and of all receipts, so that receipts and costs balance[, *subject to provisions for possible variations in exchange rates*]<sup>4</sup>.

*Option 1:*

*The total eligible costs of the action for which the Commission grant is awarded [are estimated at EUR [...]] [equal the total costs of the action], as shown in the estimated budget in Annex II.*

*[Indirect costs are eligible for flat-rate funding of [...]]<sup>5</sup> of the total direct eligible costs, subject to the conditions laid down in Article II.15.3. of the framework agreement.]*

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<sup>3</sup> In accordance with Article 112 of the Financial Regulation (FR), a grant may be awarded for an action which has already begun only where the applicant can demonstrate the need to start the action before the agreement is signed. In such cases, expenditure eligible for financing may not have been incurred prior to the date of submission of the grant application, save in duly substantiated exceptional cases (as provided for in the basic act, or aid for crisis situations and humanitarian aid operations). No grant may be awarded retrospectively for actions already completed.

<sup>4</sup> Application of the flexibility allowed for variations in exchange rates implies an automatic derogation from sixth indent of Article II.15.4 of the framework agreement, as the Special Conditions take precedence over the General Conditions.

<sup>5</sup> Under the terms of Article 181(3) of the Implementing Rules (IR) of the Financial Regulation, the grant agreement may authorize flat-rate cover of indirect costs up to a maximum of 7% of total eligible direct costs for the action, unless the Commission takes a reasoned decision to exceed this ceiling (provision for exceeding this ceiling should then be provided in the agreement). If there are no plans to provide flat-rate cover of eligible indirect costs, this option should not be included. Funding for indirect costs is not permissible if the partner receives an operating grant.

Option 2:<sup>6</sup>

*The total eligible costs of the action are estimated at EUR [...], which corresponds to the following headings/items of expenditure as shown in the estimated budget in Annex II, applying the eligibility conditions laid down in Article II.15 of the framework agreement:*

- ....
- ....
- ....

*[Indirect costs are eligible for flat-rate funding of [...]<sup>5</sup> of the total direct costs eligible, subject to the conditions laid down in Article II.15.3 of the framework agreement.]*

The Commission shall contribute a maximum of EUR [...], equivalent to [...] % of the estimated total eligible costs indicated above. *[The amount of the Union contribution is further limited to [...] % of the total costs of the action].*<sup>7</sup> The final amount of the grant shall be determined as specified in Article II.18 of the framework agreement, without prejudice to Article II.20 thereof.

**[Article 4 – Adjustment of the estimated budget]**<sup>8</sup>

Option 1:

*By way of derogation from Article II.14 of the framework agreement, the partner may, when carrying out the action, adjust the estimated budget by transfers between headings of eligible costs, provided that this adjustment of expenditure does not affect the implementation of the action and the transfer between headings does not exceed 10% of the amount of each heading of estimated eligible costs for which the transfer is intended, and without exceeding the total eligible costs indicated in Article 3. He shall inform the Commission in writing.*

Option 2:

*By way of derogation from Article II.14 of the framework agreement, the partner may, when carrying out the action, request an adjustment of the estimated budget by transfers between headings of eligible costs, provided that this adjustment of expenditure does not affect implementation of the action and the transfer between headings does not exceed 10% of the total eligible costs indicated in Article 3. The partner shall request this adjustment by registered letter, with acknowledgement of receipt or equivalent, addressed to the Commission, which reserves the right to refuse the request within 20 days from the date of receipt. After 20 days, the request shall be deemed to have been accepted.*

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<sup>6</sup> This option may be used if the responsible authorizing officer wants to single out specific items of eligible expenditure in the budget which alone will be supported by the grant. At all events, the action's budget must cover the entire action in order to ensure that the co-financing rule, and ultimately the no-profit rule, is observed.

<sup>7</sup> This second ceiling should be applied in cases where the intention is to further limit the amount of the grant to a fixed percentage of total costs. Where this is the case, the corresponding additional special condition provided under Article I.[.] of the framework agreement must be included.

<sup>8</sup> This article may be placed in the framework agreement at the authorizing officer's discretion.

## [Article 5 – Payment arrangements]<sup>9</sup>

[Pre-financing:

*Within [...] <sup>10</sup> days of [the latest of the following dates:] <sup>11</sup>  
the date when the last of the two parties signs the agreement <sup>12</sup>  
[receipt of the request for pre-financing]  
[receipt of a financial guarantee [amounting to EUR [...]] [or an amount equivalent to the  
amount of pre-financing granted]] <sup>13</sup>,*

*a pre-financing payment of EUR [...] shall be made to the partner, representing [...] % of the  
maximum amount of the grant specified in Article 3.]*

[Further pre-financing payments:

*Pre-financing may be paid in several instalments. In that case, payment of each further  
instalment may not be made until at least [...] % of the previous pre-financing payment has  
been used up [and shall be conditional on the partner producing a financial guarantee [of  
[...] EUR] [or equivalent to the aggregate amount of pre-financing]] <sup>14</sup> [Where the  
consumption of the previous pre-financing is less than 70%, the amount of the new pre-  
financing payment shall be reduced by the unused amounts of the previous pre-financing.] <sup>15</sup>*

*Every request for payment of a further pre-financing instalment must be accompanied by the  
documents specified in Article II.16.2 of the framework agreement [and by a progress report  
on the action's implementation] [as well as a certificate on the action's financial statements  
and underlying accounts]. <sup>16</sup>*

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<sup>9</sup> Ditto footnote 8, in cases where the payment arrangements are identical for all the actions for which grants are awarded under the framework partnership agreement.

<sup>10</sup> No more than 45 days in accordance with the IR. The time-limits (in days) indicated in this agreement refer to calendar days.

<sup>11</sup> Use this option if other documents than the signed specific grant agreement are required; in that case, select the appropriate options.

<sup>12</sup> If the partner signs last, the following formula should be used: "the date when the signed agreement is officially received".

<sup>13</sup> Under the Implementing Rules, a prior financial guarantee must be obtained if pre-financing exceeds 80% of the total amount of the grant, provided pre-financing exceeds EUR 60 000 (90% or EUR 1 000 000 for NGOs active in the field of external actions), unless the beneficiary is a public body or an international organisation and the authorizing officer decides to exempt it from this obligation. For grants with a value of less than or equal to EUR 10 000, such a guarantee can only be required in duly substantiated cases.

<sup>14</sup> Depending on the aggregate amount of pre-financing, a financial guarantee may be required (see footnote 13).

<sup>15</sup> Use this option if the threshold for new pre-financing instalments, mentioned in the second sentence of this paragraph, is less than 70%. In that case, the new pre-financing instalment shall be reduced by the amount corresponding to the difference between the 70% threshold and the amount that was actually consumed. (Example: previous pre-financing 300 of which 100 (< 70%) was consumed; calculation: 210 (70% threshold of 300) - 100 consumed = deduction of 110 from following pre-financing instalment.)

<sup>16</sup> An audit of this kind may be required by the responsible authorizing officer in respect of any payment, depending on his assessment of the management risk. It is compulsory for interim payments and the payment of the balance in the case of grants of EUR 750 000 or more, when the cumulative amount of payment requests is at least EUR 325 000. Depending on his assessment of the risk, the authorizing officer may exempt from this obligation public bodies and international organisations within the meaning of the Implementing Rules, as well as beneficiaries of grants for humanitarian aid and crisis management actions, except for balance payments.

*Within [...] <sup>10</sup> days after the Commission receives the request for payment of a further instalment, together with the documents referred to in the previous sub-paragraph, a further pre-financing payment of EUR [...] shall be made to the partner, equivalent to [...] % of the maximum amount of the grant specified in Article 3.]*

*[Interim payment:*

*Option 1:*

*Any request for interim payment shall be accompanied by the interim technical implementation report and financial statement specified in Article II.16.3 of the framework agreement [and by a certificate on the action's financial statements and underlying accounts] <sup>16</sup>.*

*The Commission shall have [...] <sup>17</sup> days to approve or reject the technical implementation report or to request additional supporting documents or information under the procedure laid down in Article II.16.3. In that case, the partner shall have [...] <sup>18</sup> days to submit the additional information requested or a new report.*

*The amount of the interim payment shall be determined on the basis of the eligible costs actually incurred, as shown in the interim statement and approved by the Commission, to which shall be applied the percentage of the Union grant specified in Article 3.*

*In no circumstances may the interim payment exceed [[...] % of] the maximum amount of the grant specified in Article 3. [Where appropriate, [...] % of] the amount of any pre-financing previously paid to the partner shall be deducted.]*

*The interim payment shall be made to the partner within [...] <sup>10</sup> days following approval by the Commission of the technical implementation report accompanying the request for interim payment.*

*The Commission may suspend the period for payment in accordance with the procedure in Article II.17.2 of the framework agreement.*

*Option 2: <sup>19</sup>*

*Any request for interim payment shall be accompanied by the interim technical implementation report and financial statement specified in Article II.16.3 of the framework agreement [and by a certificate on the action's financial statements and underlying accounts]. <sup>16</sup>*

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<sup>17</sup> No more than 45 calendar days (or 60 calendar days involving technical actions which are particularly complex to evaluate).

<sup>18</sup> No more than 30 days are recommended.

<sup>19</sup> The responsible authorizing officer may decide that a single time-limit for the approval of the report and payment shall apply. This single time-limit cannot exceed the aggregate maximum applicable periods for approval of the report and for payment.

*The amount of the interim payment shall be determined on the basis of the eligible costs actually incurred, as shown in the interim statement and validated by the Commission, to which shall be applied the percentage of the Union grant specified in Article 3.*

*In no circumstances may the interim payment exceed [...]% of] the maximum amount of the grant specified in Article 3. [Where appropriate, [...]% of] the amount of any pre-financing previously paid to the partner shall be deducted.]*

*The Commission shall have [...] <sup>20</sup> days to approve or reject the report and to pay the interim payment, or to request additional supporting documents or information under the procedure laid down in Article II.16.3 of the framework agreement. The partner shall have [...] <sup>18</sup> days in which to submit additional information or a new report.*

*The Commission may suspend the period for payment in accordance with the procedure in Article II.17.2 of the framework agreement.]*

#### Payment of the balance

##### *Option 1:*

*The request for payment of the balance shall be accompanied by the final technical implementation report and financial statement specified in Article II.16.4 of the framework agreement [and by a certificate on the action's financial statements and underlying accounts].<sup>16</sup>*

*The Commission shall have [...] <sup>17</sup> days to approve or reject the technical implementation report or to request additional supporting documents or information under the procedure laid down in Article II.16.4. In that case, the partner shall have [...] <sup>18</sup> days to submit the additional information or a new report.*

*A payment representing [the balance of] the grant determined in accordance with Article II.18 of the framework agreement shall be made to the partner within [...] <sup>10</sup> days following approval by the Commission of the implementation report accompanying the request for payment of the balance.*

*The Commission may suspend the period for payment in accordance with the procedure in Article II.17.2 of the framework agreement.*

##### *Option 2:<sup>19</sup>*

*The request for payment of the balance shall be accompanied by the final technical implementation report and financial statement specified in Article II.16.4 of the framework agreement [and by a certificate on the action's financial statements and underlying accounts].<sup>16</sup>*

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<sup>20</sup> No more than 90 calendar days or 105 calendar days involving technical actions which are particularly complex to evaluate.

*The Commission shall have [...] <sup>20</sup> days to approve or reject the report, and to pay the balance in accordance with Article II.18 of the framework agreement, or to request additional supporting documents or information under the procedure laid down in article II.16.4 of the framework agreement. The partner shall have [...] <sup>18</sup> days in which to submit additional information or a new report.*

*The Commission may suspend the period for payment in accordance with the procedure in Article II.17.2 of the framework agreement.*

## **Article 6 – Submission of reports and other documents** <sup>21</sup>

*[The provisions relating to the submission of the technical implementation reports, financial statements and other documents referred to in Article 5 (Payment arrangements) are contained in Annex [...].]*

*[The technical implementation reports, financial statements and other documents referred to in Article 5 (Payment arrangements) or the equivalent article in the framework agreement must be submitted in [...] copies in [language] on the following dates:*

- [progress report on the action's implementation and]<sup>22</sup> [detailed statement of the costs incurred]: within [...] months following the date when the utilisation of pre-financing reaches the level specified in the paragraph on further pre-financing payments in Article 5 or the equivalent article in the framework agreement]*
- [interim technical implementation report<sup>22</sup> and financial statement: [within [...] months following [insert date]] [or before [insert date]], covering the period [insert dates]] [...]*
- final technical implementation report and financial statement: [within [...] months following the closing date of the action specified in Article 2] [or before [insert date]], covering the period [insert dates].]*

## **[Article 7 – Bank account** <sup>23</sup>

*Payments shall be made to the partner's bank account or sub-account denominated in euros,<sup>24</sup> as indicated below:<sup>25</sup>*

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<sup>21</sup> Choose one or other of the options in this article, according to whether or not the necessary information regarding the form and content of the reports is given in Annex I or in the framework agreement.

<sup>22</sup> Whenever appropriate, intermediate targets should be established, upon which the report becomes due.

<sup>23</sup> Article to be inserted if not included in the framework agreement.

<sup>24</sup> This proceeds except in the case of bank accounts in countries that do not accept euro transactions.

<sup>25</sup> As shown by the account identification document issued or certified by the bank concerned.

Name of bank: [...]  
Address of branch: [...]  
Precise denomination of the account holder: [...]  
Full account number (including bank codes): [...]  
[IBAN account code: [...]]<sup>26</sup>

*This account or sub-account [must identify the payments made by the Commission] [must be reserved exclusively for EU funds paid for carrying out the action for which the grant is awarded pursuant to the agreement]. [Moreover, the funds paid to this account or sub-account shall yield interest or equivalent benefits under the law of the State on whose territory the account or sub-account is opened. Such interest or benefits shall, if they are generated by pre-financing, be deducted from the payment of the balance or recovered by the Commission as specified in Article II.17.4 of the framework agreement.]<sup>27</sup> ]*

**[Article [.] – Other special conditions]**<sup>28</sup>

*[The following additional special conditions apply to this grant agreement:]*

*[.] Union grant [percentages] [ceilings] applicable<sup>29</sup>*

*For the application of Article[s] [I.5] and II.18 of the framework agreement, the respective Union grant [percentages] [ceilings] specified in Article 3 with regard to the total costs and eligible costs of the action shall apply cumulatively.]*

*[.]Financial support to third parties<sup>30</sup>*

*Where implementation of the action requires financial support to be given to third parties, the partner may give such financial support in accordance with the description of the action in Annex I, [subject to the [following] provisions [laid down in Annex [. ]]]...].*

*The cost of the financial support, which may not in any event exceed EUR 10,000 per each third party and a total of EUR 100,000, [is shown in the estimated budget in Annex II] [amounts to a*

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<sup>26</sup> BIC code for countries where the IBAN code does not apply.

<sup>27</sup> This provision applies to all grant beneficiaries receiving pre-financing payment(s), apart from the exceptions allowed under Article 5a of the Financial Regulation and Article 3 of its Implementing Rules.

<sup>28</sup> To be filled in if necessary by the responsible authorizing officer.

<sup>29</sup> See footnote n° 7 for the application of this clause.

<sup>30</sup> Article 120 FR and Article 184a IR provide the possibility to give financial support to third parties within the limits of the amounts stipulated, on the condition that the financial support is not the primary aim of the action and that the terms for the giving of such support are strictly defined in the grant agreement, with no margin for discretion. The text proposed offers a basic template to be completed so as to ensure that such a margin of discretion is excluded. Such aid should be provided according to the principles of Title VI (Grants) of the FR and its IR.

*maximum of EUR [.]]. The financial support takes the form of [reimbursement of a specified proportion of the eligible costs actually incurred by the third party] [[a] lump sum[s]] [flat-rate financing].*

*[By way of derogation from Article II.15.1 of the framework agreement, costs incurred by third parties, recorded in their accounts in accordance with the applicable accounting principles and their usual cost-accounting practices, shall be considered eligible subject to the provisions of Article II.15 of the framework agreement and sub-paragraphs 1 and 2 above. The actual eligible costs shall be reimbursed in accordance with [the Union contribution percentage established in Article 3] [the contribution percentage as established in Annex I].]<sup>31</sup>*

*[The final amount eligible for Union funding of the financial support provided to each third party in the form of the [lump sum[s]] [flat-rate financing] is subject to sub-paragraphs 1 and 2 above and the following conditions being fulfilled:<sup>32</sup>*

*- ...]*

*The partner must undertake to ensure that the conditions applicable to him under Articles II.2, II.3, II.4, II.5, II.6, II.7, II.11 and II.20 of the framework agreement are also applicable to the third parties.]*

## SIGNATURES

For the partner

[forename / surname / function]

[signature]

Done at [place], [date]

In duplicate

For the Commission

[forename /surname]

[signature]

Done at [place], [date]

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<sup>31</sup> It applies if the option of reimbursement of a proportion of eligible costs actually incurred has been chosen in the sub-paragraph above.

<sup>32</sup> It applies if the option of financing in the form of lump sums and/or flat-rates has been chosen further above.