

AFRICAN UNION



UNION AFRICAINE

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GRANT CONTRACT

AFRICAN UNION RESEARCH GRANT (EU - financed grant contracts for external actions)

Grant Contract Identification Number: AURG/031/2012

CRS IDENTIFICATION NUMBER : 2012/288-957

	<p>10th European Development Fund The African Component of the ACP Research Programme for Sustainable Development Ref: EuropeAid/130-741/D/ACT/ACP</p>	
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The African Union Research Grants programme is financed through the Financing Agreement between the European Commission and the ACP Group of States (Agreement No REG/FED/2009/021/-575) under the ACP Research for sustainable Development Program RPR/011/09, of the 10th EDF Intra-ACP Envelop. The African Union Commission through its Department of Human Resources, Science and Technology is the Delegated Regional Authority for the African Component of the Programme.

African Union Commission, (Hereinafter referred to as "the Contracting Authority") on the one part,

and

Centre de Coopération Internationale en Recherche Agronomique pour le Développement (CIRAD)

Etablissement Public à Caractere Industriel et Commercial

Organisation official registration number: 331 596 270

42, rue Scheffer

Code Postal: 75116

Paris, France

Tel : +33 1 53 70 20 45

Fax : +33 1 53 70 20 34

E-mail : pdg@cirad.fr

VAT number: FR84331596270,

("the Beneficiary") on the other part,

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 for the implementation of the Action entitled: Enhancing food security and well-being of rural African households through improved synergy between Agro-Forestry Systems and Food-crops (AFS 4 Food) ("the Action") described in Annex I.

1.2 The Beneficiary shall be awarded the grant on the terms and conditions set out in this Contract, which consists of these special conditions ("Special Conditions") and the annexes, which the Beneficiary hereby declares it has noted and accepted.

1.3 The Beneficiary accepts the grant and undertakes to carry out the Action under its own responsibility.

Article 2 - Implementation period of the Action

2.1 This contract shall enter into force on the date when the last of the two Parties signs.

2.2 Implementation of the Action shall begin on:

- The day following that on which the last of the two Parties signs



- 2.3 The Action's implementation period, as laid down in Annex I, is 36 months.
- 2.4 The execution period of this contract shall end at the moment when final payment is paid by the Contracting Authority and in any case at the latest 18 months as from the end of the implementation period as stipulated in art 2.3 above.

Article 3 - Financing the Action

- 3.1 The total accepted cost of the Action is estimated at 1,497,423.00 EURO or Contracting Authority currency, as set out in Annex III.

The total eligible cost is estimated at <1,497,423.00 EURO or Contracting Authority currency>, as set out in Annex III.

- 3.2 The Contracting Authority undertakes to finance a maximum of 748,711.50 EURO, or Contracting Authority currency, equivalent to <50.00 %> of the estimated total eligible cost of the Action specified in paragraph 1.
- 3.3 The Contracting Authority's contribution is further limited to < 50 %> of the estimated total accepted costs of the Action.
- 3.4 The final amount of the Contracting Authority's contribution shall be established in accordance with Articles 14 and 17 of Annex II. Moreover the percentages laid down with regard to the total eligible costs and total accepted costs shall apply cumulatively so that the Contracting Authority's contribution shall be limited to the lowest amount obtained by respectively applying the percentages to the final total eligible and accepted costs approved by the Contracting Authority.

Where the beneficiary requests taxes including VAT to be eligible costs, as per the Guidelines for the Applicants 2.1.4 (1), the Contracting Authority will accept them as eligible costs only when the Beneficiary (or, where applicable, its partners) can show that it cannot reclaim them.

Article 4 - Narrative and financial reporting and payment arrangements

- 4.1 Narrative and financial reports shall be produced in support of payment requests (See Annex VI and V respectively), in compliance with Articles 2 and 15.1 of Annex II.
- 4.2 Payment shall be made in accordance with Article 15 of Annex II. Of the options referred to in Article 15.1, the following shall apply:

First instalment of pre-financing (80% of the part of the forecast budget for the first 12 months of implementation financed by the Contracting Authority): <332,232.96 EURO >

Forecast further instalment(s) of pre-financing: <208,239.27 EURO >

(subject to the provisions of Annex II)

Forecast final payment

(subject to the provisions of Annex II): <208,239.27 EURO>



- 4.3 The first instalment of pre-financing, if applicable, shall be paid to the Beneficiary within 45 days, as from the date of reception by the Contracting Authority of the signed Contract accompanied by the financial guarantee if required in accordance with Article 15.7 of the General Conditions. The signed contract serves as payment request.

Article 5 - Contact addresses

- 5.1 Any communication relating to this Contract must be in writing, state the number (both Grant Contract and CRIS Identification numbers) and title of the Action and be sent to the following addresses:

For the Contracting Authority

Programme Management Unit
African Union Research Grant
Department of Human Resources, Science and Technology
African Union Commission
Roosevelt Street
P. O. Box 3243
Addis Ababa, Ethiopia
Tel. +251 115 51 77 00
Fax: +251 115 51 78 44
E-mail: research-info@africa-union.org

A copy of the reports referred to in Article 4.1 must be sent to the concerned service of the European Commission, at the following address:

Delegation of the European Union to the African Union
Operations Section
P.O. Box 25223 / 1000
Addis Ababa, Ethiopia

For the Beneficiary

42, rue Scheffer
Code Postal: 75116
Paris, France
Tel : +33 1 53 70 20 45
Fax : +33 1 53 70 20 34
E-mail : pdg@cirad.fr

- 5.2 The audit firm which will carry out the verification(s) referred to in Article 15.6 of Annex II is

Mr Tarik Bounit
KPMG
Immeuble le Palatin
3 cours du triangle
92900 Paris la Défense
Email : tbounit@kpmg.fr
Tel: +33 155688553 / Secret. ; +33 155688666
Fax. : +33 155687300

Web site: <http://www.kpmg.com/fr>

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
- Annex II: General Conditions applicable to European Union-financed grant contracts for external Actions
- Annex III: Budget for the Action (Worksheet 1 and 3)
- Annex IV: Contract-award procedures
- Annex V: Request for payment for grant Contract
- Annex VI: Model narrative and financial report
 - a. Interim Narrative Report
 - b. Final Narrative Report
 - c. Financial Report
- Annex VII: Model report of factual findings and terms of reference for an expenditure verification of an EU financed grant contract for external actions
- Annex VIII: Model Pre-Financial Guarantee

6.2 In the event of conflict between the provisions of the present Special Conditions and any Annex thereto, the provisions of the Special Conditions shall take precedence. In the event of conflict between the provisions of Annex II and those of the other annexes, those of Annex II shall take precedence.

Done in English in three originals, one original being for the Contracting Authority, one original being for the European Commission, > and one original being for the Beneficiary.

For the Beneficiary

Name *Dr. Didier Snoeck*
Title
Signature *D Snoeck*
Date *28/03/2012*

For the Contracting Authority

Name *Prof. Jean Pierre EZIN*
Title *Commissioner HRST, AUC*
Signature *JPEZIN*
Date *28/03/2012*

Endorsed for financing by the European Union

Name *Gary QUINCE*
Title *Ambassador EU Delegation to the African Union*
Signature *G. Quince*
Date *4/04/2012*



NB: - This Grant Contract is bounded by the Financing Agreement No REG/FED/2009/021-575

Annexes

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Annex I

Description of the Action/Project

1. RATIONALE

The project is born from the recognition that the current research on food security has paid little attention to the role of AFS at plot, farm and landscape levels, and vice versa. Based on the research results conducted by the project' partners in the three target zones, our hypothesis is that AFS contribute directly (via various kinds of edible products, timber products, medicinal products and other non-timber products) and indirectly (through providing sustainable environmental services) to farmers' food security and well-being. This hypothesis should be tested through the accurate assessment of the synergy between food crops and AFS for increasing the food security level of African rural households.

2. Description

The overall objective of the project is to enhance food security and well-being of rural African households through improved synergy between food-crops and perennial agroforestry systems (AFS). The aim of the project is clearly within the objectives of the EuropeAid Program and its priority issues as it will reinforce intra-regional scientific collaborations that contribute to African sustainable development.

The project will develop a scientific network involving the national and international institutes for agricultural research in three African countries (Cameroon, Kenya and Madagascar) belonging to different economical communities. This network will offer the opportunity for building capacities and improving links of the African research community through collaborations on developing common methodologies, analysing contrasted experiences and results, and drafting technical and policy recomm. The contribution of AFS to food security for the rural household and its complementarity with food crops at plot, farm and landscape level are still insufficiently understood and shared among relevant stakeholders (see 1.2.2). Generating and sharing knowledge about AFS contribution to food security through its synergy with food crops will therefore shed light on the importance of AFS for sustainable development in tropical African countries. It will also contribute to generate adequate recommendations for the agricultural and forestry sectors in order to improve food security and better synergy between food crops and AFS.

By linking three research platforms having different historical and economic backgrounds (see 1.2.2) working toward the common issue of improving smallholders' food security through a better synergy between food-crops and AFS, the project will provide insights contributing to the sustainable agricultural development in each country involved in the project and to other regions with similar conditions.

The project focuses on the first priority area of the call, Post-harvest and Agriculture, and addresses the priority sector of Food security and productivity. The expected results of the

project are: 1) Strengthening research and partnerships in and between the target countries, 2) Identification of constraints and trade-offs experienced by smallholders in improving their livelihood (food security and income); 3) Identification of pathways that better conciliate sustainable production and provision of environmental services for rural poverty alleviation, 4) Documenting the role of AFS in buffering climate and market changes at plot, farm and landscape level to improve food-security and revenues, and Documenting the role of AFS in improving agricultural product quality and diet of rural households. The expected results are consistent with those mentioned in the guidelines of the call (food security and food safety, productivity, agricultural product quality, agroforestry systems, cereals, and cash-crops).

2.1. Objectives

The overall objective of the project is to enhance food security and well-being of rural African households through improved synergy between food-crops and perennial agroforestry systems (AFS) via a participatory research approach and an intra-regional scientific collaboration network.

The specific objectives are to:

- Analyse the main drivers that have transformed farming systems (food-crop and AFS) to identify the most resilient ones likely to withstand future hazards.
- Assess the contribution of AFS to food security and resilience at plot, farm, and landscape levels.
- Identify pathways that better conciliate production with provision of environmental services for rural poverty alleviation.
 - Consolidate African research capacities and scientific network in tropical agroforestry.

2.2. Expected results

- Strengthening research and partnerships in the target countries.
- Identification of constraints and trade-offs experienced by smallholders in improving their livelihood (food security and income).
- Identification of pathways that better conciliate sustainable production and provision of environmental services for rural poverty alleviation.
- Role of AFS in buffering climate and market changes to improve households' food-security and diversify revenues.
- Documenting the role of AFS in improving agricultural product quality and diet of rural households.

2.3. Activities and implementation timetable

Year 1													
Activity	Semester 1						Semester 2						Implementing body
Month	1	2	3	4	5	6	7	8	9	10	11	12	
1.1. Identification of study farms and communities													CIRAD, ICRAF, CRF, CTHT and IRAD
1.2. Creating Steer. comm. & Ext. adv. panels													CIRAD, ICRAF, CRF, CTHT and IRAD
1.3. Sci. coord. of the network													3 Regional leaders (IRAD, CTHT and ICRAF)
1.3. Workshops													Cameroon (IRAD)
1.4. Capacity building													Cameroon (IRAD) + Madagascar (CTHT)
2.1. Spatio-temporal dynamics													CIRAD, ICRAF, CRF, CTHT and IRAD
3.1. Assess interactions AFS and food crops													CIRAD, ICRAF, CRF, CTHT and IRAD
3.2. Assess pathways to improve synergies													Kenyan partners (CRF and ICRAF)
4.1. Characterization of SAF product quality													CIRAD, ICRAF, CRF, CTHT and IRAD
4.2. Drivers of AFS product quality													CIRAD, ICRAF, CRF, CTHT and IRAD
5. Dissemination of results													CIRAD, ICRAF, CRF, CTHT and IRAD

Activity	Following years				Implementing body
	Year 2		Year 3		
Semesters	3	4	5	6	
1.3. Scientific coordination of the network	X	X	X	X	All partners
1.3. Workshops		X		X	Kenya (ICRAF) and Madagascar (CTHT)
1.4. Capacity building	X	X	X	X	All partners
2.2. Evolution of farmers' strategies	X	X			All partners
2.3. Modelling and forecasting			X	X	All partners
3.1. Assess interactions AFS and food crops	X	X			All partner
3.2. Assess pathways to improve synergies	X	X	X	X	All partners
4.1. Characterization of SAF product quality	X	X	X	X	All partners
4.2. Drivers of AFS product quality	X	X	X	X	All partners
5. Dissemination of results	X	X	X	X	All partners

3. Location And Duration

3.1. Location

Cameroon, Centre Province, Bokito and Talba
Kenya, Central region, Muranga District
Madagascar, regions of East Fénéryve and Sainte Marie Island

3.2. Duration

Broadly, the project will start to implement three local steering committees and select study zones and partners. Dissemination of results should start as from year 2, and continue after the project.

4. Implementation

4.1. Organisational set-up and responsibilities

CIRAD will be the administrative and technical coordinating partner and will collaborate, via staff members posted at headquarters of the three regional leading partners, on all activities in the three regions, particularly in the development of tools (indicators, GIS, methodologies, etc.), agro-economic evaluations and the formulation of recommendations and policies. Thanks to its physical presence in the three countries, CIRAD will favour exchanges between partners with respect to methodologies and information regarding the elaboration of technical, institutional and market-oriented recommendations, and deontological and intellectual properties respect. CIRAD has a long experience in Central Africa, Eastern Africa and Madagascar in the concerned zones, through cooperation projects. Its expertise ranges from social forestry and agroforestry, food and cash crop management, socio-economic and commodity chains, in order to ensure the sustainability and the quality of agricultural production, promote local governance and empowerment of farmers organizations with an access to markets and better prices, as key entries for food security, poverty alleviation, and, as a whole, improvement of rural livelihoods.

IRAD, CHTT and CRF will be involved in providing training and support of local partners in the acquisition of local knowledge, macro and micro economic information about households strategy and their drivers, assessment of trade-offs between productions and environmental services in AFS and food cropping systems and their drivers at plot, farm and landscape level, assessment of the main AFS product quality and its drivers, and in the use of the resulting information in the formulation of spatially explicit, multi-scale integrated technical recommendations.

The Universities in Cameroon (Yaoundé, Dschang), Kenya (Jomo Keita), Madagascar (ESSA) and other partners, will participate through their facilities in accessing documentation of local agro-ecological knowledge, and rapid assessment of farmer perceptions. They will help developing training and support in knowledge acquisition, assessment of productive and environmental performances. Researchers and

academics from the Universities will undertake the implementation and execution of field activities. Practically, every activity is under the responsibility of a researcher of partner institutions. In fairness, all the partner institutions will participate as an associate member to one or more activities.

The World Agroforestry Centre, ICRAF will principally provide methodological support for designing and monitoring activities, but also for their implementation. ICRAF is responsible for capacity building activities in the toolbox development and assessment of productive and environmental performances of AFS and food crops. ICRAF is an international agricultural research centre, one of 15 members of the Consultative Group for International Agricultural Research (CGIAR). Building on 25 years of collaboration with national agricultural organizations in East Africa and beyond, ICRAF, as an international leader in agroforestry research and development with global headquarters in Kenya is in a unique position to lead and coordinate Kenyan activities in the project.

Structure of the project coordination

The CIRAD team, the coordinating partner, will be composed of more than 12 scientists including a project coordinator, agro-foresters, a GIS specialist, an entomologist, a pathologist, a socio-economist, a specialist in rural organizations, a commodity chain specialist, all with significant tropical experience. At least, one CIRAD specialist will be posted permanently in each of the three countries for the duration of the project. In each country, the local teams will be composed of several cocoa, or coffee, or clove agro-foresters, at least one scientist (pathology & local coffee value chain), one biodiversity expert, GIS specialists, socio-economists specialized in rural dynamics and commodity chains, all with a significant tropical experience as well as specialists from national universities and producers' groups.

Role and participation of actors and stakeholders

All the partners will have sufficient staff with relevant experience to satisfy all the areas of expertise needed to implement this project. Furthermore, local staff and graduate students will be hired by the project to complement this pool of experts, especially in terms of data collection and contacts with and dissemination to farmers' organizations.

4.1.1. Method of Implementation

Target study zones will be identified with **key local partners** through the **steering committee**. Criteria for selection of study zones will be **their socio-economic and agro-ecological attributes** and the **percentage of AFS and food crops** in land use. Criteria for target communities will include the existence of dynamic cooperatives and/or associations, their.



Farmers and farmers' organizations in the target zones will be selected according to their **eagerness to look for sustainable and more economically** viable options and their potential to **produce quality**, sustainably food and cash-crops and for their eagerness to **use sustainable agroforestry technologies**. Geo-referenced maps of AFS and protected areas will serve as the backbone for GIS with additional layers of information on structural diversity of cocoa- coffee- clove-based AFS, environmental indices and socio-economic data. At the onset of the project, the project will elaborate a series of pertinent and easy-to-monitor **indicators of food security** considering the environmental impacts and services provided by the AFS, based on results from published scientific studies **on cocoa- coffee- or clove-based AFS** and other agricultural systems, empirical knowledge of farmers, local and expert consultants. The productive and environmental monitoring of AFS and food cropping systems will take place in a **network of farms**, representative of each target study zone.

Multi-sector committees, comprising farmers, local and external research and extension and farmers representatives will **interact regularly with researchers** and oversee uptake activities in the organisation of activities carried-out (meetings, training, field measurements and trials) and to keep communities informed of the progress. The proposed technical recommendations in selected zones of each target study zone, will involve the **full participation of farmers, rural communities and local authorities**, as appropriate for each variable or intervention, in order to review and adjust monitoring methods and recommendations.

African Researchers: The involvement of the **same pool of experts in the three target countries**, that will share knowledge through local meetings and international workshops of specialists from these regions, is foreseen as a major plus of the project that will: 1) **speed up** the elaboration of generally applicable **assessment methodologies and indicators**; 2) favour the exchange of information on experiences and results **from pilot testing**; and 3) guarantee the development of **harmonized guidelines**, conveyed in terms understandable and socially-acceptable by farmers.

Multi-sector stakeholders' participation will guarantee: 1) **wide coverage of social situations and environmental issues** in target study zones; 2) more complete **identification of stakeholders' constraints**; 3) a consensual **formulation of locally applicable recommendations**; 4) enhanced **awareness of the full value of AFS**; and 5) **empowerment of local stakeholders**, particularly rural communities. This should help ensure continuation of actions and benefits once the project ends. **Participatory definition** and validation of agroforestry management practices by farmer experimenters is essential to achieve broad acceptance by farmers' communities and significant impacts of the proposed management guidelines. Furthermore, the experience gained by multi-sector steering committees, where representatives of producers' organizations,

local authorities and the private and public sector work together, is essential for the elaboration of **technical and policy recommendations**. It also should facilitate close association between local partners and authorities and hence **socially-acceptable recommendations**. The development of easy-to-monitor environmental indicators is motivated by the fact that they should not rely on sophisticated scientific equipment or costly laboratory analyses; initially they will be used in a network of farms dispersed in target study zones and subsequently on a much broader scale. GIS is an indispensable tool for monitoring land use changes, impacts due to technical and policy recommendations and to explore scenarios in order to elaborate land use strategies at the landscape level; the only relevant scale to assess habitat fragmentation and environmental impacts, especially on biodiversity conservation.

Multi-scale integrated analysis: The overall objective of the proposed project (enhance food security and livelihood through AFS) need to be done through a **multi-criteria** and a **multi-scale integrated analysis** to be achieved. It will be multi-scale because the management options that could be identified at plot level need to consider farmers' objectives and strategy at farm level; with themselves considering the socio-economic and agro-ecological opportunities and constraints at landscape level. Remote sensing will help integrating these different scales to assess the contribution of AFS in food security and farmers livelihood.

A **set of indicators of productions and services** provided by AFS and food crop is needed to assess their contribution in food security and farmers livelihood (at plot, farm and landscape levels). Indeed, food security and livelihood cannot be reduced to the sole criteria of quantity of food produced as we also need to consider its **nutritional value**, its **diversity** and its **distribution throughout the year**, as well as the **income generated**. We also need to consider the distribution of income generated by **various products** to limit the market and climatic risks, the use of products for farmers' subsistence and culture.

The set of indicators to assess the productions and services provide by AFS and food crop systems will be identified through a **conceptual modelling process**. This process will guide field data acquisition and analysis. It will also help to integrate **expert and local knowledge** to determine the management options conciliating productions and services and capable to withstand future market and climatic conditions with the final objective to enhance food security and livelihoods.

Conceptual modelling will be used to guide **field data acquisition and analysis**, integration of **expert knowledge**. Innovative agricultural systems need to combine the

production of goods with the provision of environmental services to withstand with changes. When agronomists assess multifunctional agro-ecosystems, they consequently have to interact with a **growing range of scientific disciplines** (plant biology, soil science, ecology, economy, sociology, etc.) while continuing to use their **systemic approach** as a cornerstone. The number and types of concepts and data that need to be mobilized is also increasing. This knowledge needs to be shared among disciplines, but sharing is frequently hampered by the lack of detail in the description and of a statement of the hypotheses that are used by each discipline. A protocol was proposed to describe and document the conceptual models that underlie data collection and analysis in agronomic research. The conceptual modelling approach aims to improve the **transparency of the systemic representation** of agro-ecosystems that is required when experts from different disciplines interact, and to prepare the way for other uses such as data acquisition and analysis, system design or system modelling.

The conceptualisation protocol is implemented in **four stages**: (i) **structural analysis**, (ii) **functional analysis**, (iii) **dynamic analysis**, and (iv) **consistency check**. These stages are combined in an **iterative process**. The resulting Conceptual Model of Agro-ecosystem is a knowledge base (including the assumptions made when building the CMA) with its graphical representation. The protocol was **already tested** on a range of biophysical objects (from a single plant to a complex cropping system) and a range of problems. Among them assessing the trade-offs between production and tree biodiversity in coffee agroforests, diagnosing cotton yield variability in farmers' fields. Compared to existing methods, the CMA protocol **proved to be efficient** in identifying and linking the variables to be measured in the field, in building a common view of a problem across disciplines, and in combining available knowledge from different disciplines and different types of expertise. It is thus complementary to methods currently used to collect data on agro-ecosystems, e.g. field surveys and experiments. It enabled the identification of knowledge gaps, and the design and analysis of experiments on complex problems. We will propose to **use this protocol** to identify indicators of productions and performances of AFS and food cropping systems, indicators for analyse their drivers at plot, farm and landscape level that will be used in the proposed actions of the project

Remote sensing surveys are proposed as a tool to complete some of the proposed actions in the WP2 and WP3. Four deliverables are expected to be generated by these surveys:

1. A **data base of indicators** on the plot structure for the various agroforestry systems: number of species, number of dominant trees, canopy closure, cover fraction of the different classes of trees (shade, value-added, fruit, and so on...), density, planting organisation, shading distribution.
2. A **typology of the various agroforestry systems**, based on generic structural characteristics that can be applied on every site or base-crop.



3. A **typology of the various farm managements** in terms of associations of the different cropping systems and productions (relationships between perennial and food crops, contribution of agroforestry systems to the overall farm organisation and incomes ...).

4. A **cartography of the distribution of the agroforestry plots** in the landscape.

These products will provide with a comprehensive overview of different contexts and base-crop, and to test the generic ability of the typologies. To achieve these objectives, **two main scales** have to be explored:

1. the **plot and intra-plot scale** for deliverable 1 and 2.
2. the **landscape scale** for deliverable 2, 3, and 4 and the connections between these scales and the causal relationships that may exist.

Very high resolution satellite imagery, providing pixels less than one meter in dimension, is thus required to allow the individual tree detection and identification and to extract intraplot indicators; in addition, the spectral richness of new sensors like Worldview2 (8 spectral bands) might improve the species discrimination and we thus propose to acquire this type of data. This kind of data is also adequate for the processing at the landscape level of a dedicated sample area like proposed in this project (14km*14km), for which a precise discrimination of the type of crop is required, only possible at very high resolution too due to a) the size of plots and b) the class descriptors.

Image analysis and processing schemes will be developed for the production of 1 and 2, based on field enquiry and measurements and in partnership with the agronomists. Product 4 might be obtained based on classical methods for land cover mapping based on remote sensing data, associated with landscape ecology analysis. A GIS will be implemented to carry on the point 3 including, as an example, results of data processing, physical and agronomical data.

To determine the **quality of the products**, different standard methodologies will be used: 1) **Sensorial analyses** is done by a panel of experts giving a qualitative and quantitative description of sensory attributes like aroma, flavour, astringency, bitterness, acidity; followed by a statistical analysis of attributes. 2) **Classical analyses and GC-MS** are carried out for a precise qualitative and quantitative identification of volatile and biochemical compounds. For some traits like purines, fat content, polyphenols, NIRS (Near Infrared Spectroscopy) will be applied allowing a larger scale analyses of this kind of compounds and developed specific databank to quantify these compounds. NIRS is a spectroscopy method measuring the **near infrared absorption** (wavelengths and intensity) of a sample. NIRS is a quantitative and qualitative quick and non-destructive analysis method. It is quantitative when it is used to predict chemical constituent contents and qualitative when it is used to identify a product according to its spectral fingerprints. Specifically, NIRS refers to the spectral range of electromagnetic radiation whose wavelengths are between the visible and mid-infrared (between 800 and 2500 nm). The absorption spectrum is the resultant of all the elementary absorption process.

This gives a veritable **fingerprint (spectral image)** of the product that is uniquely dependent upon its history. NIRS spectra actually contain relevant information about the nature, the physical characteristics and the chemical composition of the studied samples. **By linking this spectral data to quantitative and qualitative data**, it becomes possible to identify and authenticate the product

4.2. Programme Budget

Cost of the action and amount requested from the Contracting Authority

Total estimated eligible cost of the action (A)	Amount requested from the Contracting Authority (B)	% of total estimated eligible cost of action (B/Ax100)
1,497,423.00 EUR	748,711.72 EUR	50%

5. Monitoring and Evaluation

5.1. Monitoring & Evaluation

The research activity is subject to monitoring and evaluation. Firstly the project will be monitored by the AUC as part of its routine monitoring and evaluation process, which include quarterly reporting. The programme will be primarily judged on the quality, relevance and impact of the report produced.

5.2. Audit and Internal Control

The AUC/EC shall appoint, in accordance with the AUC procurement rules, a reputable external auditor/accountant (i.e. international firm member of an internationally recognised auditing body). The auditor/accountant's role shall include:

1. Monitoring the project's expenditure and auditing the project's accounts for submission to the AUC.
2. Monitoring that the segregation of duties between the Authorising officer and the accounting officer is in place and respected.
3. The beneficiary will ensure internal control of management operations.
4. In the case where the audits carried out identify non-eligible expenditure, the following procedure is applicable:
 - i. The AUC shall send the beneficiary a report concerning the non-eligible expenses;

- ii. The beneficiary shall submit its comments to the commission within one month following its reception of the report;
- iii. The commission will communicate its final decision concerning the non-eligible expenses to the beneficiary;
- iv. The Beneficiary shall transfer the non-eligible amount to the project account within 45 days following communication of the AUC final decision. In the case that this deadline is not respected, the commission may withhold this amount from future payments to the project account.

6. Communication and Visibility

The project will ensure that actions that are wholly or partially funded by the European Union (EU) incorporate information and communication activities designed to raise the awareness of specific or general audiences of the reasons for the action and the EU support for the action in the country or region concerned.

All communication and visibility activities will be carried out in close cooperation with the appropriate **Delegation of the European Union** or the relevant department of the European Commission and and the **AU Commission**. Particularly, the project will implement a website via the CIRAD website that will be established in close cooperation with the EU Delegation.

A budgeted communication and visibility plan will be included in the work plan of the project, highlighting the external communication activities that will take place at key stages in the life of the action. The project will ensure that contractors, implementing partners and international organisations will **give adequate publicity to the action** they are implementing as well as to the support they receive from the EU.

DK



ANNEX II
**General Conditions applicable to European Union-financed grant
contracts for external actions**

CONTENTS

Explanations to the definitions used throughout this General Conditions may be found in the "Glossary of terms", annex A1 to the Practical Guide to contract procedures for EU external actions.

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GENERAL AND ADMINISTRATIVE PROVISIONS

ARTICLE 1 - GENERAL OBLIGATIONS

- 1.1. The Beneficiary shall implement the Action under its own responsibility and in accordance with the Description of the Action in Annex I with a view to achieving the objectives laid down therein.
- 1.2. The Beneficiary shall implement the Action with the requisite care, efficiency, transparency and diligence, in line with best practice in the field concerned and in compliance with this Contract.

For this purpose the Beneficiary shall mobilise all the financial, human and material resources required for full implementation of the Action as specified in the Description of the Action.

- 1.3. The Beneficiary shall act alone or in partnership with one or more non governmental organisations or other bodies identified in the Description of the Action. Partners take part in the implementation of the Action, and the costs they incur are eligible in the same way as those incurred by the Beneficiary.

If the Beneficiary or, where applicable its partners, have to conclude contracts in order to carry out the Action, these may only cover a limited portion of the Action and shall respect the contract-award procedures and rules of nationality and origin set out in Annex IV of this Contract.

In order to support the achievement of the objectives of the Action, and in particular where the implementation of the Action requires financial support to be given to third parties, the Beneficiary may award sub-grants if so provided for in the Special Conditions. However, sub-granting may not be the main purpose of the Action and it shall be duly justified. The Special Conditions shall establish the total amount which may be used for awarding sub-grants as well as the minimum and maximum amount per sub-grant. The maximum amount of a sub-grant shall be limited to EUR 10 000 per third party while the total amount which may be awarded as sub-grants to third parties shall be limited to EUR 100 000. The Description of the Action shall include a list with the types of activity which may be eligible for sub-grants, together with the criteria for the selection of the beneficiaries of these sub-grants.

The bulk of the Action must, however, be undertaken by the Beneficiary and, where applicable, his partners.

The Beneficiary alone shall be accountable to the Contracting Authority for the implementation of the Action. It shall undertake that the conditions applicable to it under Articles 1, 3, 4, 5, 6, 7, 8, 10, 14, 16 and 17 shall also apply to its partners, and those applicable under Articles 1, 3, 4, 5, 6, 7, 8, 10 and 16 to all its contractors. It shall include provisions to that effect as appropriate in its contracts with them.

- 1.4. The Beneficiary and the Contracting Authority are the only parties to this Contract. Where the European Commission is not the Contracting Authority, it is not party to this Contract, which confers on it only the rights and obligations explicitly mentioned therein.
- 1.5. Any personal data included in the Contract shall be processed pursuant to Regulation (EC) No 45/2001 on the protection of individuals with regard to the processing of personal data by the European Union institutions and bodies and on the free movement of such data. The data shall be processed solely for the purposes of the performance, management and

monitoring of the Contract by the Contracting Authority without prejudice to possible transmission to the bodies charged with a monitoring or inspection task in application of Union law. The Beneficiary shall have the right of access to his/her personal data and the right to rectify any such data. Should the Beneficiary have any queries concerning the processing of his/her personal data, s/he shall address them to the Contracting Authority. The Beneficiary shall have right of recourse at any time to the European Data Protection Supervisor.

Where the Contract requires the processing of personal data, the Beneficiary may act only under the supervision of the data controller, in particular with regard to the purposes of the processing, the categories of data which may be processed, the recipients of the data, and the means by which the data subject may exercise his/her rights.

The data shall be confidential within the meaning of Regulation (EC) No 45/2001 of the European Parliament and of the Council on the protection of individuals with regard to the processing of personal data by Community institutions and bodies and on the free movement of such data. The Beneficiary shall limit access to the data to the staff strictly necessary for the performance, management and monitoring of the Contract.

The Beneficiary undertakes to adopt appropriate technical and organisational security measures having regard to the risks inherent in the processing and to the nature of the personal data concerned in order to:

- a) prevent any unauthorised person from having access to computer systems processing personal data, and especially:
 - aa) unauthorised reading, copying, alteration or removal of storage media;
 - ab) unauthorised data input as well as any unauthorised disclosure, alteration or erasure of stored personal data;
 - ac) unauthorised persons from using data-processing systems by means of data transmission facilities;
- b) ensure that authorised users of a data-processing system can access only the personal data to which their access right refers;
- c) record which personal data have been communicated, when and to whom;
- d) ensure that personal data being processed on behalf of third parties can be processed only in the manner prescribed by the contracting institution or body;
- e) ensure that, during communication of personal data and transport of storage media, the data cannot be read, copied or erased without authorisation;
- f) design its organisational structure in such a way that it meets data protection requirements.

ARTICLE 2 - OBLIGATION TO PROVIDE INFORMATION AND FINANCIAL AND NARRATIVE REPORTS

- 2.1. The Beneficiary must provide the Contracting Authority with all required information on the implementation of the Action. To that end, the Beneficiary must draw up interim reports and a final report. These reports shall consist of a narrative section and a financial section and shall conform to the model in Annex VI. They shall cover the Action as a

whole, regardless of which part of it is financed by the Contracting Authority. Each report must provide a full account of all aspects of the Action's implementation for the period covered. In case where, in accordance with Article 15.6, no expenditure verification report is required the Beneficiary has to provide a list detailing each item of expenditure incurred in the period covered by the report, and indicating for each its title, amount, relevant heading in the Budget of the Action and the reference of the justifying document, is annexed to it. The proofs of the transfers of ownership referred to in Article 7.3 are also annexed to the final report.

- 2.2. The Contracting Authority may request additional information at any time and that information must be supplied within 30 days of the request.
- 2.3. The reports shall be drafted in the language of the Contract. They shall be submitted to the Contracting Authority at the following intervals:
- if payments are made in accordance with option 1 or option 3 of Article 15.1: a single final report shall be forwarded no later than three months after the implementation period as defined in Article 2 of the Special Conditions;
 - if payments are made in accordance with option 2 of Article 15.1:
 - an interim report must accompany every request for payment ;
 - the final report shall be forwarded no later than three months after the implementation period as defined in Article 2 of the Special Conditions.

The deadline for submission of the final report is extended to six months where the Beneficiary does not have its headquarters in the country where the Action is implemented

- 2.4. Any additional reporting requirement shall be set out in the Special Conditions.
- 2.5. If the Beneficiary fails to supply the Contracting Authority with a final report by the final report deadline laid down in Article 2.3 and fails to furnish an acceptable and sufficient written explanation of the reasons why it is unable to comply with this obligation, the Contracting Authority may terminate the Contract in accordance with Article 12.2 a) and recover the amounts already paid and not substantiated.

Furthermore, where payments are made in accordance with option 2 of Article 15.1 and the Beneficiary fails to present an interim report and a request for payment by the end of each twelve-month period following the date laid down in Article 2.2 of the Special Conditions, the Beneficiary must inform the Contracting Authority of the reasons why it is unable to do so, and provide a summary of progress in the Action. If the Beneficiary fails to comply with this obligation, the Contracting Authority may terminate the Contract in accordance with Article 12.2 a) and recover the amounts already paid and not substantiated.

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 by the Beneficiary or the Beneficiary's employees or individuals for whom those employees are responsible of rules or regulations, or as a result of violation of a third party's rights.

ARTICLE 4 - CONFLICT OF INTERESTS

The Beneficiary undertakes to take all necessary precautions to avoid conflicts of interests and shall inform the Contracting Authority without delay of any situation constituting or likely to lead to any such conflict.

There is a conflict of interests where the impartial and objective exercise of the functions of any person under this Contract is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with another person.

ARTICLE 5 - CONFIDENTIALITY

Subject to Article 16, the Contracting Authority and the Beneficiary undertake to preserve the confidentiality of any document, information or other material communicated to them in confidence until at least seven years after the final payment. Where the European Commission is not the Contracting Authority it shall still have access to all documents communicated to the Contracting Authority and shall maintain the same confidentiality.

ARTICLE 6 - VISIBILITY

- 6.1. Unless the European Commission agrees or requests otherwise, the Beneficiary must take all necessary steps to publicise the fact that the European Union has financed or co-financed the Action. Such measures must comply with the Communication and Visibility Manual for EU External Actions laid down and published by the European Commission, that can be found at: http://ec.europa.eu/europeaid/work/visibility/documents/communication_and_visibility_manual_en.pdf. The Beneficiary shall submit a communication plan for the approval of the European Commission and report on its implementation in accordance with Article 2.
- 6.2. In particular, the Beneficiary shall mention the Action and the European Union's financial contribution in information given to the final recipients of the Action, in its internal and annual reports, and in any dealings with the media. It shall display the EU logo wherever appropriate.
- 6.3. Any notice or publication by the Beneficiary concerning the Action, including those given at a conference or seminar, must specify that the Action has received EU funding. Any publication by the Beneficiary, in whatever form and by whatever medium, including the internet, must include the following statement: "*This document has been produced with the financial assistance of the European Union. The contents of this document are the sole responsibility of < Beneficiary's name > and can under no circumstances be regarded as reflecting the position of the European Union.*"
- 6.4. The Beneficiary authorises the Contracting Authority and the European Commission (where it is not the Contracting Authority) to publish its name and address, nationality, the purpose of the grant, duration and location as well as the maximum amount of the grant

and rate of funding of the Action's costs, as laid down in Article 3 of the Special Conditions. A derogation from publication of this information may be granted if it could endanger the Beneficiary or harm its commercial interests.

ARTICLE 7 - OWNERSHIP/USE OF RESULTS AND ASSETS

- 7.1. Ownership of, and title and intellectual and industrial property rights to, the Action's results, reports and other documents relating to it shall be vested in the Beneficiary.
- 7.2. Notwithstanding the provisions of Article 7.1 and subject to Article 5, the Beneficiary grants the Contracting Authority (and the European Commission where it is not the Contracting Authority) the right to use freely and as it sees fit all documents deriving from the Action, other than those reports referred to in Article 2, whatever their form, provided it does not thereby breach existing industrial and intellectual property rights.
- 7.3. Where the Beneficiary does not have its headquarters in the country where the Action is implemented and unless otherwise specified in the Special Conditions, the equipment, vehicles and supplies paid for by the Budget for the Action must be transferred to any local partners of the Beneficiary and/or the final beneficiaries of the Action, at the latest when submitting the final report. Copies of the proofs of transfers of equipments and vehicles, the purchase cost of which was more than EUR 5 000 per item, must be attached to the final report. Such proofs must be kept for control in all other cases.

ARTICLE 8 – EVALUATION/MONITORING OF THE ACTION

- 8.1. If the European Commission carries out an interim or ex post evaluation or a monitoring mission, the Beneficiary shall undertake to provide it and/or the persons authorised by it with any document or information which will assist with the evaluation or monitoring mission, and grant them the access rights described in Article 16.2.
- 8.2. If either party (or the European Commission) carries out or commissions an evaluation in the course of the Action, it must provide the other party and the European Commission (or the Parties) with a copy of the evaluation report.

ARTICLE 9 - AMENDMENT OF THE CONTRACT

- 9.1. Any amendment to the Contract, including the annexes thereto, must be set out in writing in an addendum. This Contract can be modified only during its execution period.

If an amendment is requested by the Beneficiary, it must submit that request to the Contracting Authority thirty days before the date on which the amendment should enter into force, unless there are special circumstances duly substantiated by the Beneficiary and accepted by the Contracting Authority.

- 9.2. However, where the amendment to the Budget or Description of the Action does not affect the basic purpose of the Action and the financial impact is limited to a transfer between items within the same main budget heading including cancellation or introduction of an item, or a transfer between main budget headings involving a variation of 15% or less of the amount originally entered (or as modified by addendum) in relation to each concerned main heading for eligible costs, the Beneficiary may amend the budget and inform in writing without delay the Contracting Authority accordingly. This method may not be used to amend the headings for administrative costs or the contingency reserve.

Changes of address, bank account or auditor may simply be notified, although this does not stop the Contracting Authority from opposing the Beneficiary's choice of bank account or auditor.

The Contracting Authority reserves the right to require that the auditor referred to in Article 5.2 of the Special Conditions be replaced if considerations which were unknown when the Contract was signed cast doubt on the auditor's independence or professional standards.

- 9.3. An addendum may not have the purpose or the effect of making changes to the Contract that would call into question the grant award decision or be contrary to the equal treatment of applicants. The maximum grant referred to in Article 3.2 of the Special Conditions may not be increased.

ARTICLE 10 - ASSIGNMENT

The 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.

ARTICLE 11 - IMPLEMENTATION PERIOD OF THE ACTION, EXTENSION, SUSPENSION, FORCE MAJEURE AND END DATE

- 11.1. The implementation period of the Action is laid down in Article 2 of the Special Conditions. The Beneficiary must inform the Contracting Authority without delay of any circumstances likely to hamper or delay the implementation of the Action. The Beneficiary may request an extension of the Action's implementation period in accordance with Article 9. The request must be accompanied by all the supporting evidence needed for its appraisal.
- 11.2. The Beneficiary may suspend implementation of all or part of the Action if circumstances (chiefly force majeure) make it too difficult or dangerous to continue. The Beneficiary must inform the Contracting Authority without delay and provide all the necessary details. Each party may terminate the Contract in accordance with Article 12.1. If the Contract is not terminated, the Beneficiary shall endeavour to minimise the time of its suspension and shall resume implementation once circumstances allow, and shall inform the Contracting Authority accordingly.
- 11.3. The Contracting Authority may request the Beneficiary to suspend implementation of all or part of the Action if circumstances (chiefly force majeure) make it too difficult or dangerous to continue. Each party may terminate the Contract in accordance with Article 12.1. If the Contract is not terminated, the Beneficiary shall endeavour to minimise the time of its suspension and shall resume implementation once circumstances allow, after obtaining the prior written approval of the Contracting Authority.
- 11.4. The implementation period of the Action shall be extended by a period equivalent to the length of suspension, without prejudice to any amendment to the Contract that may be necessary to adapt the Action to the new implementing conditions.
- 11.5. Force majeure shall mean any unforeseeable exceptional situation or event beyond the parties' control which prevents either of them from fulfilling any of their contractual obligations, is not attributable to error or negligence on their part (or the part of their subcontractors, agents or employees), and proves insurmountable in spite of all due diligence. Defects in equipment or material or delays in making them available, labour disputes, strikes or financial difficulties cannot be invoked as force majeure. A party shall

not be held in breach of its contractual obligations if it is prevented from fulfilling them by force majeure. Without prejudice to Articles 12.2 and 12.4, the party faced with force majeure shall inform the other party without delay, stating the nature, probable duration and foreseeable effects of the problem, and take any measure to minimise possible damage.

- 11.6. The payment obligations of the European Union under this Contract shall end 18 months after the implementation period laid down in Article 2 of the Special Conditions, unless the Contract is terminated under Article 12.

The Contracting Authority shall notify the Beneficiary of any postponement of the end date.

ARTICLE 12 - TERMINATION OF THE CONTRACT

- 12.1. If a party believes that the Contract can no longer be executed effectively or appropriately, it shall consult the other party. Failing agreement on a solution, either party may terminate the Contract by serving two months' written notice, without being required to pay compensation.
- 12.2. The Contracting Authority may terminate the Contract, by giving a seven day notice and without paying compensation of any kind:
- a) where the Beneficiary fails, without justification, to fulfil any of the obligations incumbent on it 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 days of sending of the letter;
 - b) where the Beneficiary is bankrupt or being wound up, is having its affairs administered by the courts, has entered into an arrangement with creditors, has suspended business activities, is the subject of proceedings concerning those matters or is in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
 - c) where the Contracting Authority has evidence on the Beneficiary or any related entity or person, of grave professional misconduct; this also applies to partners and agents of the Beneficiary;
 - d) where the Contracting Authority has evidence on the Beneficiary or any related entity or person, of fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the European Union's financial interests; this also applies to partners and agents of the Beneficiary;
 - e) where the Beneficiary changes legal personality, unless an addendum recording that fact is drawn up;
 - f) where the Beneficiary does not comply with Articles 4, 10 and 16;
 - g) where the Beneficiary makes false or incomplete statements to obtain the grant provided for in the Contract or provides reports that do not reflect reality;
 - h) where 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 country in which it is established;

- i) where the Contracting Authority has evidence on the Beneficiary or any related entity or person, of substantial errors, irregularities or fraud in the award procedure or the performance of the grant; this also applies to partners and agents of the Beneficiary;

In the cases referred to in points (c), (d) and (i) above, any related person shall mean any physical person with powers of representation, decision-making or control in relation to the Beneficiary. Any related entity shall mean in particular any entity which meets the criteria laid down by Article 1 of the Seventh Council Directive n° 83/349/EEC of 13 June 1983.

- 12.3. The Beneficiary who has made false declarations, has made substantial errors or committed irregularities and fraud, or has been found in serious breach of its contractual obligations may be excluded from all contracts financed by the Contracting Authority for a maximum of five years from the date on which the infringement is established, as confirmed following the adversarial procedure with the Beneficiary. This period can be extended to 10 years in the event of a repeated offence within 5 years of the date referred above.
- 12.4. In the event of termination, the Beneficiary shall be entitled to payment of the grant only for the part of the Action carried out, excluding costs connected with current commitments that would be implemented after termination. For this purpose the Beneficiary shall introduce a payment request and a final report in accordance with Article 2.
- 12.5. However, in the event of termination of the Contract by the Contracting Authority under the cases specified in points d), e) and g) of Article 12.2, the Contracting Authority may request full or partial repayment of sums already paid from the grant, in proportion to the gravity of the failings in question and after allowing the Beneficiary to submit its observations.
- 12.6. Prior to, or instead of, terminating the Contract as provided for in this Article, the Contracting Authority may suspend payments as a precautionary measure without prior notice.
- 12.7. This Contract shall be terminated automatically if it has not given rise to any payment by the Contracting Authority within three years of its signature.

ARTICLE 13 - APPLICABLE LAW AND DISPUTE SETTLEMENT

- 13.1. This Contract shall be governed by the law of the Contracting Authority or, where the Contracting Authority is the European Commission, by the European Union law supplemented as appropriate by Belgian law.
- 13.2. The Parties shall do everything possible to settle amicably any dispute arising between them during 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. A party must reply to a request for an amicable settlement within 30 days. Once this period has expired, or if the attempt to reach amicable settlement has not produced agreement within 120 days of the first request, each party may notify the other that it considers the procedure to have failed.
- 13.3. In the event of failure to reach an amicable agreement, the dispute may by common agreement of the Parties be submitted to the conciliation of the European Commission if it is not the Contracting Authority. If no settlement is reached within 120 days of the opening of the conciliation procedure, each party may notify the other that it considers the procedure to have failed.

- 13.4. In the event of failure of the above procedures, each party may submit the dispute to the courts of the country of the Contracting Authority, or to the Brussels courts where the Contracting Authority is the European Commission.

FINANCIAL PROVISIONS

ARTICLE 14 - ELIGIBLE COSTS

- 14.1. Eligible costs are costs actually 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 with the exception of costs relating to final reports, expenditure verification and evaluation of the Action, whatever the time of actual disbursement by the Beneficiary and/or its partners. Procedures to award contracts, as referred to in the Article 1.3, may have been initiated but contracts may not be concluded by the Beneficiary or its partners before the start of the implementation period of the Action, provided the provisions of Annex IV were respected;
 - b) must be indicated in the estimated overall budget of the Action;
 - c) must be 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 applicable accounting standards of the country where the Beneficiary is established and according to the usual cost accounting practices of the Beneficiary;
 - e) must be reasonable, justified and comply with the requirements of sound financial management, in particular regarding economy and efficiency.
- 14.2. Subject to the above and where relevant to the provisions of Annex IV being respected, the following direct costs of the Beneficiary and its partners shall be eligible:
- the cost of staff assigned to the Action, corresponding to actual gross salaries including social security charges and other remuneration-related costs; salaries and costs must not exceed those normally borne by the Beneficiary or its partners, as the case may be, unless it is justified by showing that it is essential to carry out the Action;
 - travel and subsistence costs for staff and other persons taking part in the Action, provided they do not exceed those normally borne by the Beneficiary or its partners, as the case may be. Any flat-rate reimbursement of the subsistence costs must not exceed the rates set out in Annex III, which correspond to the scales published by the European Commission at the time of signing this Contract;
 - purchase or rental costs for equipment and supplies (new or used) specifically for the purposes of the Action, and costs of services, provided they correspond to market rates;
 - costs of consumables;
 - costs entailed by contracts awarded by the Beneficiary for the purposes of the Action referred to in Article 1.3;
 - 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 (in particular the cost of transfers and financial guarantees;

- taxes, including VAT, where the Regulation and/or Financing Agreement with the third country under which the Contract is financed do not exclude coverage of taxes and the Beneficiary (or, where applicable, its partners) can show it cannot reclaim. Notwithstanding, the Beneficiary (or its partners) will not have to show it cannot reclaim taxes in any of the cases set out in Article 14.7.

- 14.3. A contingency reserve not exceeding 5 % of the direct eligible costs may be included in the Budget of the Action. It can be used only with the prior written authorisation of the Contracting Authority
- 14.4. A fixed percentage not exceeding the percentage laid down in Article 3 of the Special Conditions of the total amount of direct eligible costs of the Action may be claimed as indirect costs to cover the administrative overheads incurred by the Beneficiary for the Action, save where the Beneficiary is in receipt of an operating grant financed from the EU budget. The flat-rate funding in respect of indirect costs does not need to be supported by accounting documents.

Indirect costs are eligible provided that they do not include costs assigned to another heading of the budget of this Contract.

This Article 14.4 does not apply in the case of an operating grant.

- 14.5. Any contributions in kind, which must be listed separately at Annex III, do not represent actual expenditure and are not eligible costs. Unless otherwise specified in the Special Conditions, the contributions in kind may not be treated as co-financing by the Beneficiary. Notwithstanding to the above, if the Description of the Action foresees the contributions in kind, such contributions have to be provided.
- 14.6. The following costs shall not be considered eligible:
- debts and debt service charges;
 - provisions for losses or potential future liabilities;
 - interest owed;
 - costs declared by the Beneficiary and covered by another action or work program;
 - purchases of land or buildings, except where necessary for the direct implementation of the Action, in which case ownership must be transferred to the final beneficiaries and/or local partners, at the latest at the end of the Action;
 - currency exchange losses;
 - credits to third parties, unless otherwise specified in the Special Conditions
- 14.7. The Beneficiary (or, where applicable, its partners) will not have to show it cannot reclaim taxes in any of the following cases:
- where the amount of taxes per invoice is less than EUR 200, within a maximum of EUR 2 500, representing not more than 5% of the Contracting Authority's contribution;
 - where the Beneficiary can demonstrate that the steps necessary for recovery of taxes oblige it to incur costs in a country where it only performs the relevant operations on an ad hoc and isolated basis; and that these costs for recovery (e.g., registration fees in the country or the costs for appointing a tax representative, declaration fees, etc.) clearly exceed the amount of the taxes declared to the Contracting Authority;

- where a country has been declared in crisis situation or in the need for emergency and post-emergency assistance by the European Commission. This exception is limited to the period in which the declaration is in force. The Beneficiary shall be informed in writing thereof.
- Where the Action relates to the protection of fundamental rights of peoples, as provided for in the Special Conditions.

The Beneficiary shall certify that the concerned taxes have not been or will not be recovered from the local tax authorities and prove that the above requirements are met at the latest when submitting the final report.

ARTICLE 15 - PAYMENT AND INTEREST ON LATE PAYMENT

15.1. Payment procedures are set out in Article 4 of the Special Conditions and correspond to one of the three options below:

Option 1: Actions with an implementation period not exceeding 12 months or where the financing provided by the Contracting Authority does not exceed EUR 100 000

The Contracting Authority shall pay the grant to the Beneficiary in the following manner:

- pre-financing of 80% of the sum referred to in Article 3.2 of the Special Conditions following the provisions in Article 4.3 of the Special Conditions.
- the balance within 45 days of the Contracting Authority approving the final report in accordance with Article 15.2, accompanied by a request for payment of the balance conforming to the model in Annex V.

Option 2: Actions with an implementation period of more than 12 months and where the financing provided by the Contracting Authority is more than EUR 100 000

The Contracting Authority shall pay the grant to the Beneficiary in the following manner:

- an initial pre-financing instalment of 80% of that part of the estimated budget for the first 12 months financed by the Contracting Authority by applying the percentage to eligible costs laid down in article 3.2 of the Special Conditions following the provisions in Article 4 of the Special Conditions.
- further pre-financing instalments designed to normally cover the part of the Beneficiary's financing needs for each twelve month period of implementation of the Action financed by the Contracting Authority by applying the percentage to eligible costs laid down in article 3.2 of the Special Conditions. Payment will be made within 45 days of the Contracting Authority approving an interim report in accordance with Article 15.2, accompanied by:
 - a request for payment conforming to the model in Annex V,
 - a forecast budget for the subsequent 12-month period (or of the remaining period if its shorter),
 - an expenditure verification report under Article 15.6, if required,
 - a financial guarantee if required under Article 15.7;
- the balance within 45 days of the Contracting Authority approving the final report in accordance with Article 15.2, accompanied by:

- a request for payment of the balance conforming to the model in Annex V,
- an expenditure verification report required under Article 15.6.

Further pre-financing may only be given if the part of the expenditure actually incurred which is financed by the Contracting Authority (by applying the percentage set out in Article 3.2 of the Special Conditions) stands at 70% at least of the previous payment (and at 100% of any previous payments) as supported by the corresponding interim report and, where applicable, by an expenditure verification report as specified in Article 15.6.

Where reports are submitted in compliance with Article 2 but 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 amount corresponding to the difference between the 70% threshold and the amount actually consumed of the previous pre-financing payment.

The total sum of pre-financing under the Contract may not exceed 90% of the amount referred to in Article 3.2 of the Special Conditions.

Option 3: All Actions

The grant shall be paid to the Beneficiary by the Contracting Authority in one payment within 45 days of the Contracting Authority approving the final report in accordance with Article 15.2, accompanied by:

- a request for payment of the balance conforming to the model in Annex V,
- an expenditure verification report if required under Article 15.6.

- 15.2. Any report shall be considered approved if there is no written reply from the Contracting Authority within 45 days of its receipt accompanied by the required documents. Approval of the reports shall not imply recognition of their regularity nor of the authenticity, completeness and correctness of the declarations and information they contain.

The Contracting Authority may suspend the time-limit for approval of a report by notifying the Beneficiary that the report cannot be approved and that it finds it necessary to carry out additional checks. Suspension shall take effect when the notification is sent by the Contracting Authority. In such cases, the Contracting Authority may request clarification, alteration or additional information, which must be produced within 30 days of the request. The time-limit starts running again on the date the required information is received.

Reports shall be presented in accordance with Article 2.

- 15.3. The time-limit of 45 days for payment referred to in Article 15.1 above shall expire on the date on which the Contracting Authority's account is debited. Without prejudice to Article 12.6, the Contracting Authority may suspend this time-limit by notifying the Beneficiary that the request for payment is inadmissible, either because the amount in question is not due or because proper supporting documents have not been supplied or it thinks it is necessary to conduct further checks, including on-the-spot checks, to make sure that the expenditure is eligible. Suspension shall take effect when the notification is sent by the Contracting Authority. The time-limit for payment shall start running again on the date on which a correctly formulated request for payment is recorded.
- 15.4. Once the time-limit referred to above has expired, the Beneficiary - unless the Beneficiary is a government department or public body in a European Union Member State - may, within two months of receipt of the late payment, receive default interest:

- at the rediscount rate applied by the central bank of the country of the Contracting Authority if payments are in the currency of that country;
- at the rate applied by the European Central Bank to its main refinancing transactions in euro, as published in the Official Journal of the European Union, C series, if payments are in euro,

on the first day of the month in which the time-limit expired, plus three and a half percentage points. The interest shall be payable for the time elapsed between the expiry of the payment deadline and the date on which the Contracting Authority's account is debited. By way of exception, when the interest calculated in accordance with this provision is lower than or equal to EUR 200, it shall be paid to the Beneficiary only upon demand submitted within two months of receiving late payment. This interest is not considered income for the purposes of Article 17.3.

- 15.5. Where the award procedure or performance of the Contract is vitiated by substantial errors or irregularities or by fraud attributable to the Beneficiary, the Contracting Authority may refuse to make payments or may recover amounts already paid, in proportion to the seriousness of the errors, irregularities or fraud. The Contracting Authority may also suspend payments in cases where there are suspected or established errors, irregularities or fraud committed by the Beneficiary in the performance of another contract funded by the general budget of the European Union or by EDF, which are likely to affect the performance of the present Contract. Suspension shall take effect when the notification is sent by the Contracting Authority.
- 15.6. A report on the verification of the Action's expenditure, produced by an approved auditor who meets the specific conditions of the Terms of Reference for the expenditure verification, shall be attached to:
- any request for pre-financing payments per financial year in case of grants of EUR 750 000 or more;
 - any final report in the case of a grant of more than EUR 100 000;
 - any request for payment of over EUR 100 000 for the financial year, in the case of an operating grant

The auditor examines whether the costs declared by the Beneficiary are real, accurately recorded and eligible in accordance with the Contract, as well as the revenue of the Action and issues an expenditure verification report conforming to the model in Annex VII.

The Beneficiary grants the auditor all access rights mentioned in Article 16.2.

The expenditure verification report accompanying a request for payment of the balance covers all expenditures not covered by any previous expenditure verification report.

Based on the expenditure verification report the Contracting Authority determines the total amount of eligible expenditure which may be deducted from the total sum of pre-financing under the Contract (clearance).

Where the Beneficiary is a government department or a public body or an international organisation, the Contracting Authority may exempt it from the expenditure verification requirement.

- 15.7. If the total sum of pre-financing paid under the Contract is more than 80% of the Contract amount and exceeds EUR 60 000, its payment must be fully covered by a financial guarantee. Where the Beneficiary is a non governmental organisation, such guarantee is

requested if the total sum of pre-financing paid under the Contract is more than EUR 1 million or 90% of the contracting authority's contribution. The financial guarantee must be denominated in euro or currency of the Contracting Authority, conforming to the model in Annex VIII and, unless the Contracting Authority otherwise agrees, provided by an approved bank or financial institution established in one of the Member States of the European Union. This guarantee shall remain in force until its release by the Contracting Authority when the total amount of pre-financing under the Contract is once again less than EUR 1 million or after payment of the balance.

This provision shall not apply if the Beneficiary is a government department or public body or an international organisation, unless otherwise stipulated in the Special Conditions. The payments owed by the Contracting Authority shall be made to the bank account or sub-account referred to in the financial identification form in Annex V, which identifies the funds paid by the Contracting Authority and allows the calculation of the interests produced by such funds. The funds paid to this account or sub-account shall, in accordance with the law of the State in which the account or sub-account is opened, yield interest or equivalent benefits. Such interest or benefits shall, if they are generated by pre-financing, be deducted from the payment of the balance or recovered by the Contracting Authority as specified in Article 15.9

- 15.8. The Contracting Authority shall make payments in the currency of the country to which it belongs or in euro, in accordance with the Special Conditions. In the latter case, any conversion into euro of the real costs borne in other currencies shall be done at the rate made up by the average of the rates published in InforEuro for the months covered by the relevant report, unless otherwise provided in the Special Conditions.

In the event of an exceptional exchange-rate fluctuation, the Parties shall consult each other with a view to restructuring 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.

- 15.9. Any interest or equivalent benefits accruing from pre-financing paid by the Contracting Authority to the Beneficiary shall be mentioned in the interim and final reports. Subject to the conditions laid down in the basic act, any interest accruing from pre-financing equal or below EUR 250 000 paid by the Contracting Authority shall not be due to the Contracting Authority and may be used by the Beneficiary for the Action. Any interest accruing from pre-financing of more than EUR 250 000 paid by the Contracting Authority shall be assigned to the Action and deducted from the payment of the balance of the amounts due to the Beneficiary, unless the Contracting Authority requests the Beneficiary to reimburse the interest generated by pre-financing payments before the payment of the balance.

Interest shall not be due to the Contracting Authority either for pre-financing paid to the EU Member States or for pre-financing under pre-accession aid.

- 15.10. Subject to the conditions laid down in the basic act, in case of crisis management actions recognized as such by the Contracting Authority, the interests accruing from pre-financing equal or below EUR 750 000 shall not be due to the Contracting Authority and may be used by the Beneficiary for the Action. Any interest accruing from pre-financing of more than EUR 750 000 is due to the Contracting Authority.
- 15.11. Subject to the conditions laid down in basic act, the Contracting Authority shall recover for each reporting period the interests accruing from pre-financing of more than EUR 750 000 at the end of each financial year.

- 15.12. The interests are not taken into account when calculating the total sum of pre-financing under the Contract and are not considered as revenue of the Action for the purposes of final amount as referred to in Article 17.
- 15.13. All references to days in this Article 15 are to calendar days.

ARTICLE 16 - ACCOUNTS AND TECHNICAL AND FINANCIAL CHECKS

- 16.1. The Beneficiary shall keep accurate and regular accounts of the implementation of the Action using an appropriate accounting and double-entry book-keeping system. These systems may either be an integrated part of the Beneficiary's regular system or an adjunct to that system. This system shall be run in accordance with the accounting and bookkeeping policies and rules that apply in the country concerned. Accounts and expenditure relating to the Action must be easily identifiable and verifiable. This can be done by using separate accounts for the Action concerned or by ensuring that expenditure for the Action concerned can be easily identified and traced to and within the Beneficiary's accounting and bookkeeping systems. Accounts must provide details of interest accruing on funds paid by the Contracting Authority.

The Beneficiary shall ensure that the financial report (both interim and final) as required under Article 2 can be properly and easily reconciled to the Beneficiary's 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.

- 16.2. The Beneficiary shall allow the European Commission, the European Anti-Fraud Office, the European Court of Auditors and any external auditor authorised by the Contracting Authority carrying out verifications as required per Article 15.6 to verify, by examining the documents and to make copies thereof or by means of on-the-spot checks, the implementation of the Action and conduct a full audit, if necessary, on the basis of supporting documents for the accounts, accounting documents and any other document relevant to the financing of the Action. These inspections may take place up to 7 years after the payment of the balance.

Furthermore, the Beneficiary shall allow the European Anti-Fraud Office and any external auditor authorised by the Contracting Authority carrying out verifications as required per Article 15.6 to carry out checks and verification on the spot in accordance with the procedures set out in the European Union legislation for the protection of the financial interests of the European Union against fraud and other irregularities

To this end, the Beneficiary undertakes to give appropriate access to staff or agents of the European Commission, of the European Anti-Fraud Office and of the European Court of Auditors as well as to any external auditor authorised by the Contracting Authority carrying out verifications as required per Article 15.6 to the sites and locations at which the Action is implemented, including its information systems, as well as all documents and databases concerning the technical and financial management of the Action and to take all steps to facilitate their work. Access given to agents of the European Commission, European Anti-Fraud Office and the European Court of Auditors and to any external auditor authorised by the Contracting Authority carrying out verifications as required per Article 15.6 shall be on the basis of confidentiality with respect to third parties, without prejudice to the obligations of public law to which they are subject. Documents must be easily accessible and filed so as to facilitate their examination and the Beneficiary must inform the Contracting Authority of their precise location.

The Beneficiary guarantees that the rights of the European Commission, of the European Anti-Fraud Office and of the European Court of Auditors as well as of any external auditor authorised by the Contracting Authority carrying out verifications as required per Article 15.6 to carry out audits, checks and verification shall be equally applicable, under the same conditions and according to the same rules as those set out in this Article 16, to the Beneficiary's partners, contractors and sub-grantees. Where a partner, contractor or sub-grantee is an international organisation, any verification agreement concluded between such organisation and the European Commission applies.

16.3. In addition to the reports mentioned in Article 2, the documents referred to in Article 16.2 include:

- Accounting records (computerised 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;
- Proof of procurement procedures such as tendering documents, bids from tenderers and evaluation reports;
- Proof of commitments such as contracts and order forms;
- 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;
- Proof of receipt of goods such as delivery slips from suppliers;
- Proof of completion of works, such as acceptance certificates;
- Proof of purchase such as invoices and receipts.
- Proof of payment such as bank statements, debit notices, proof of settlement by the contractor;
- Proof that taxes and/or VAT that have been paid cannot actually be reclaimed;
- For fuel and oil expenses, a summary list of the distance covered, the average consumption of the vehicles used, fuel costs and maintenance costs;
- Staff and payroll records such as contracts, salary statements, 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. For expatriate and/or European-based staff (if the Action is implemented in Europe) analyses and breakdowns of expenditure per month of actual work; assessed on the basis of unit prices per verifiable block of time worked and broken down into gross salary, social security charges, insurance and net salary.

ARTICLE 17 - FINAL AMOUNT OF FINANCING BY THE CONTRACTING AUTHORITY

- 17.1. The total amount to be paid by the Contracting Authority to the Beneficiary may not exceed the maximum grant laid down in Article 3.2 of the Special Conditions neither in terms of absolute amount nor in percentage.
- 17.2. If the total costs of the Action at the end of the Action are less than the estimated total eligible costs as referred to in Article 3.1 of the Special Conditions, the Contracting Authority's contribution shall be limited to the amount obtained by applying the percentage laid down in Article 3.2 of the Special Conditions to the total eligible costs of the Action approved by the Contracting Authority.

17.3. The Beneficiary accepts that the grant can under no circumstances result in a profit for itself and that it must be limited to the amount required to balance income and expenditure for the Action. Profit shall be defined as:

- In the case of a grant for an Action, a surplus of actual receipts over the actual costs of the Action in question when the request is made for payment of the balance. However, in the case of Actions designed specifically to strengthen the financial capacity of the Beneficiary, it is distribution to the members making up the beneficiary body of the surplus revenue resulting from its activity leading to their personal enrichment.
- In the case of an operating grant, a surplus balance on the operating budget of the Beneficiary.

These provisions shall not apply to study, research or training scholarships paid to natural persons, nor in the case of prizes awarded following contests.

17.4. In addition and without prejudice to the right to terminate the Contract in accordance with Article 12.2, the Contracting Authority may, by a duly reasoned decision, if the Action is not implemented or is implemented poorly, partially or late, reduce the grant initially provided for in line with the actual implementation of the Action on the terms laid down in this Contract.

ARTICLE 18 - RECOVERY

18.1. The Beneficiary undertakes to repay any amounts paid in excess of the final amount due to the Contracting Authority within 45 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.

18.2. 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 the central bank of the country of the Contracting Authority if payments are in the currency of that country;
- at the rate applied by the European Central Bank to its main refinancing transactions in euro, as published in the Official Journal of the European Union, C series, where payments are in euro,

on the first day of the month in which the time-limit expired, plus three and a half percentage points. 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.

18.3. Amounts to be repaid to the Contracting Authority may be offset against amounts of any kind due to the Beneficiary. This shall not affect the Parties' right to agree on payment in instalments.

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

18.5. Where necessary the European Union may as a donor subrogate itself to the Contracting Authority.

18.6 If the Contract is terminated for any reason whatsoever, the guarantee securing the pre-financing may be invoked forthwith in order to repay the balance of the pre-financing still owed by the Beneficiary, and the guarantor shall not delay payment or raise objection for any reason whatever.

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Annex III. Budget for the Action¹

Costs	All Years				Year 1 ²			
	Unit	# of units	Unit rate (in EUR)	Costs (in EUR)	Unit	# of units	Unit rate (in EUR)	Costs (in EUR)
1. Human Resources								
1.1 Salaries (gross salaries including social security charges and other related costs, local staff) ⁴								
1.1.1 Technical Cameroon	Per month	96	115	11 040	Per month	32	115	3 680
1.1.1 Technical Kenya	Per month	31	695	21 750	Per month	10	695	7 250
1.1.1 Technical Madagascar	Per month	43	259	11 254	Per month	14	259	3 751
1.1.1 Technical Cirad	Per month	3	4 380	13 140	Per month	1	4 380	4 380
1.1.2 Administrative/ support staff Cameroon	Per month	36	200	7 200	Per month	12	200	2 400
1.1.2 Administrative/ support staff Kenya	Per month	36	200	7 200	Per month	12	200	2 400
1.1.2 Administrative/ support staff Madagascar	Per month	36	200	7 200	Per month	12	200	2 400
1.1.3 Student training : Cameroon	Per month	23	46	1 062	Per month	8	46	354
1.1.3 Student training : Kenya	Per month	40	420	16 620	Per month	13	420	5 540
1.1.3 Student training : Madagascar	Per month	73	199	14 555	Per month	24	199	4 852
1.1.4 Researcher Kenya	Per month	8	4 500	36 000	Per month	3	4 500	12 000
1.1.4 Researcher Cameroon	Per month	75	460	34 500	Per month	25	460	11 500
1.1.4 Researcher Madagascar	Per month	90	296	26 640	Per month	30	296	8 880
1.1.4 Researcher Cirad (expatriates)	Per month	33	12 000	396 000	Per month	11	12 000	132 000
1.2 Salaries (gross salaries including social security charges and other related costs, expat/int. staff)								
1.1.2 Administrative/ support staff Cirad	Per month	6	5 000	30 000	Per month	2	5 000	10 000
1.2.2 Student trained in France	Per month	41	420	17 220	Per month	14	420	5 740
1.2.2 Researcher Cirad (France)	Per month	27	6 800	183 600	Per month	9	6 800	61 200
1.2.3 Coordinator Cirad	Per month	5	9 700	48 500	Per month	2	9 700	16 167
1.3 Per diems for missions/travel ⁵				0				0
1.3.1 Abroad (staff assigned to the Action) Ethiopia	Per diem	14	180	2 520	Per diem	5	180	840
1.3.1 Abroad (staff assigned to the Action) Cameroon	Per diem	128	132	16 941	Per diem	43	132	5 647
1.3.1 Abroad (staff assigned to the Action) Kenya	Per diem	159	144	22 830	Per diem	53	144	7 610
1.3.1 Abroad (staff assigned to the Action) Madagascar	Per diem	209	97	20 258	Per diem	70	97	6 753
1.3.2 Local (staff assigned to the Action) Cameroon	Per diem	1 874	22	41 313	Per diem	625	22	13 771
1.3.2 Local (staff assigned to the Action) Kenya	Per diem	200	35	7 020	Per diem	67	35	2 340
1.3.2 Local (staff assigned to the Action) Madagascar	Per diem	30	19	560	Per diem	10	19	187
1.3.3 Seminar/conference participants Cameroon	Per diem	120	20	2 400	Per diem	40	20	800
1.3.3 Seminar/conference participants Kenya	Per diem	120	20	2 400	Per diem	40	20	800
1.3.3 Seminar/conference participants Madagascar	Per diem	120	20	2 400	Per diem	40	20	800
Subtotal Human Resources				1 002 123				334 041
2. Travel⁶								
2.1 International travel								
2.1.1 International travel Cameroon	Per flight	14	1 200	16 800	Per flight	5	1 200	5 600
2.1.2 International travel Kenya	Per flight	14	1 200	16 600	Per flight	5	1 200	5 533
2.1.3 International travel Madagascar	Per flight	12	1 383	16 600	Per flight	4	1 383	5 533
2.1.4 International travel Ethiopia	Per flight	4	1 500	6 000	Per flight	1	1 500	2 000
2.1.5 International travel across Africa	Per flight	18	1 500	27 000	Per flight	6	1 500	9 000
2.2 Local transportation						0	0	
2.2.1 Local transportation Cameroon	Per month	36	180	6 480	Per month	12	180	2 160
2.2.2 Local transportation Kenya	Per month	36	424	15 250	Per month	12	424	5 083
2.2.3 Local transportation Madagascar	Per month	36	709	25 533	Per month	12	709	8 511

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Subtotal Travel				130 263					43 421
3. Equipment and supplies⁷									
3.1 Purchase or rent of vehicles	Per vehicle	1	28 000	28 000	Per vehicle	1	28 000	28 000	
3.2 Furniture, computer equipment	per unit	5	988	4 940	per unit	2	988	1 647	
3.3 Machines, tools...	per unit	13	918	11 930	per unit	4	918	3 977	
3.4 Spare parts/equipment for machines, tools				0			0	0	
3.5 Other (please specify)	per unit	7	1 300	9 100	per unit	2	1 300	3 033	
Subtotal Equipment and supplies				53 970					36 657
4. Local office									
4.1 Vehicle costs	Per week	212	40	8 480	Per week	71	40	2 827	
4.2 Office rent	Per month			0	Per month			0	
4.3 Consumables - office supplies	Per month	180	374	67 280	Per month	60	374	22 427	
4.4 Other services (tel/fax, electricity/heating, maintenance)	Per month	180	31	5 580	Per month	60	31	1 860	
Subtotal Local office				81 340					27 113
5. Other costs, services⁸									
5.1 Publications ⁹	per unit	27	160	4 320	per unit	9	160	1 440	
5.2 Studies, research ⁹	per unit	75	154	11 575	per unit	25	154	3 858	
5.3 Expenditure verification	per unit	12	1 725	20 700	per unit	4	1 725	6 900	
5.4 Evaluation costs	per unit			0	per unit	0		0	
5.5 Translation, interpreters	per unit			0	per unit	0		0	
5.6 Financial services (bank guarantee costs etc.)	per unit	108	50	5 400	per unit	36	50	1 800	
5.7 Costs of conferences/seminars ⁹	per unit	3	1 820	5 460	per unit	1	1 820	1 820	
5.7 Costs of conferences/seminars ⁹	per unit			0	per unit	0		0	
5.8. Visibility actions ¹⁰	per unit	1	260	260	per unit	0	260	87	
Subtotal Other costs, services				47 715					15 905
6. Other									
6.1. Material for laboratory trials Cameroon	per unit	50	411	20 550	per unit	17	411	6 850	
6.1. Material for laboratory trials Kenya	per unit	3	1 000	3 000	per unit	1	1 000	1 000	
6.1. Material for laboratory trials Madagascar	per unit	6	1 000	6 000	per unit	2	1 000	2 000	
6.2. Quality analysis Cameroon	per unit	60	125	7 500	per unit	20	125	2 500	
6.2. Quality analysis Kenya	per unit	200	68	13 500	per unit	67	68	4 500	
6.2. Quality analysis Madagascar	per unit	40	838	33 500	per unit	13	838	11 167	
Subtotal Other				84 050					28 017
7. Subtotal direct eligible costs of the Action (1-6) (excluding taxes)				1 399 461					485 154
8. Provision for contingency reserve (maximum 5% of 7, subtotal of direct eligible costs of the Action) (excluding taxes)									
9. Total direct eligible costs of the Action (7+ 8) (excluding taxes)				1 399 461					485 154
10. Administrative costs (maximum 7% of 9, total direct eligible costs of the Action) (excluding taxes)				97 962					33 961
11. Total eligible costs (9+10) (excluding taxes)				1 497 423					519 114
12. Taxes ¹¹									
13. Total eligible/accepted¹² costs of the Action (11+12)				1 497 423					519 114

1. The Budget must cover all total accepted costs of the Action, not just the Contracting Authority's contribution. The description of items must be sufficiently detailed and all items broken down into their main components. The number of units and unit rate must be specified for each component depending on the indications provided. Unit rates may, where relevant, be based on average rates.

Note: This section must be completed if the Action is to be implemented over a period of more than 12 months.

Let (At) ... at the ... year ... budget ... be ... of the ... and ...

may, where relevant, be based on average rates.

2. This section must be completed if the Action is to be implemented over a period of more than 12 months.
3. If the Contracting Authority is not the European Commission, the budget may be established in euro or in the currency of the country of the Contracting Authority. Costs and unit rates are rounded to the nearest euro cent.
4. If staff are not working full time on the Action, the percentage should be indicated alongside the description of the item and reflected in the number of units (not the unit rate).
5. Indicate the country where the per diems are incurred and the applicable rates (which must not exceed the scales published by the E.C. at the time of contract signature http://ec.europa.eu/europeaid/work/procedures/index_en.htm). If information is not available, enter a global amount. Per diems cover accommodation, meals and local travel within the place of the mission and sundry expenses.
6. Costs for CO2 offsetting of air travel may be included. CO2 offsetting shall in that case be achieved by supporting CDM/Gold Standard projects (evidence must be included as part of the supporting documents) or through airplane company programmes when available. Indicate the place of departure and the destination. If information is not available, enter a global amount.
7. Costs of purchase or rental.
8. Specify. Lump sums will not be accepted.
9. Only indicate here when fully subcontracted.
10. Communication and visibility activities should be properly planned and budgeted at each stage of the project implementation. These activities should not only focus on publicising the EU support for the action but also on its outcome and impact. Please note that the Communication and Visibility Manual for EU External Actions is available on the following website: http://ec.europa.eu/europeaid/work/visibility/index_en.htm
11. Taxes, including VAT. Only to be filled in where the Beneficiary (or where applicable, its partners) can show it cannot reclaim them.
12. Choice to be done in accordance with the basic act.

NB: The Beneficiary alone is responsible for the correctness of the financial information provided in these tables.

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Sources of funding

						Amount	Percentage
						EUR	of total
							%
Applicant's financial contribution						747 880	49,9%
EU/EDF contribution sought in this application						749 543	50,1%
Contribution(s) from other European Union Institutions or EU Member States							
<i>Name</i>	<i>Conditions</i>						
Contributions from other organisations:							
<i>Name</i>	<i>Conditions</i>						
TOTAL CONTRIBUTIONS							
Direct revenue from the Action							
OVERALL TOTAL						1 497 423	

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ANNEX IV
Procurement by grant Beneficiaries in the context of
European Union external actions¹

1. GENERAL PRINCIPLES

If the implementation of an Action requires procurement by the Beneficiary, the contract must be awarded to the most economically advantageous tender (ie, the tender offering the best price-quality ratio), in accordance with the principles of transparency and fair competition for potential contractors and taking care to avoid any conflicts of interest.

To this end, the Beneficiary must comply with the rules set out in sections 2 to 7 below, subject to section 8.

In the event of failure to comply with the rules referred to above, expenditure on the operations in question is not eligible for Community financing.

The Commission will carry out ex post checks on Beneficiaries' compliance with the rules.

The provisions of this Annex apply mutatis mutandis to contracts to be concluded by the Beneficiary's partners.

2. ELIGIBILITY FOR CONTRACTS

2.1. The nationality rule

Participation in tender procedures administered by the Beneficiary is open on equal terms to all natural and legal persons of the Member States and the States and territories of regions expressly covered and/or allowed by the Financial Regulation, the basic legislation or other instruments governing the aid programme under which the grant is being financed. Tenderers must state, in the tender, the country of which they are nationals by presenting the usual proof of nationality under their national legislation.

This rule does not apply to the experts proposed by service providers taking part in tender procedures or service contracts financed by the grant.

2.2. The rule of origin

If the basic act or the other instruments applicable to the programme under which the grant is financed contain rules of origin for supplies acquired by the Beneficiary in the context of the grant, the tenderer must state the origin of supplies. For the purpose of this annex, the term "origin" is defined in articles 23 and 24 of Council Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code and other Community legislation governing non-preferential origin. Contractors must present proof of origin to the Beneficiary no later than when the first invoice is presented, for equipments and vehicles of a unit cost on purchase of more than € 5 000. The certificate of origin must be made out by the competent authorities of the country of origin of the supplies and must comply with the rules laid down by the relevant Community legislation.

Where the basic act or other instruments applicable to the programme under which the grant is financed do not contain rules of origin for supplies acquired by the Beneficiary in the context of the grant, the origin of those supplies is free and no certificate of origin is required.

¹ Decision C (2007) 2034 adopted by the European Commission 24 May 2007

2.3. Exceptions to the rules on nationality and origin

Where an agreement on widening the market for procurement of goods or services applies, the procurement contracts must also be open to nationals of other countries under the conditions laid down in that agreement.

In addition, in duly substantiated exceptional cases, the Commission may allow nationals of countries other than those referred to in section 2.1 to tender for contracts (or supplies of goods originating in such countries) on the basis of the specific conditions laid down in the basic act or other instrument governing the programme under which the grant is financed.

2.4. Grounds for exclusion from participation in procurement

Candidates or tenderers will be excluded from participation in a procurement procedure if:

- (1) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- (2) they have been convicted of an offence concerning their professional conduct by a judgment which has the force of *res judicata*;
- (3) they have been guilty of grave professional misconduct proven by any means which the Beneficiary can justify;
- (4) they have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the Beneficiary or those of the country where the contract is to be performed;
- (5) they have been the subject of a judgment which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Communities' financial interests;
- (6) they are currently subject to an administrative penalty referred to in section 2.3.5 of the Practical Guide to contract procedures for EC external actions.

Candidates or tenderers must certify that they are not in one of the situations listed above.

2.5. Exclusion from award of contracts

Contracts may not be awarded to candidates or tenderers which, during the procurement procedure:

- (a) are subject to a conflict of interests;
- (b) are guilty of misrepresentation in supplying the information required by the Beneficiary as a condition of participation in the contract procedure or fail to supply this information.

3. RULES COMMON TO ALL TENDER PROCEDURES

The tender documents must be drafted in accordance with best international practice. If they do not have their own documents, Beneficiaries may use the models published on the European Commission's web site relating to external actions. The European Commission will not publish the tender documents established by the Beneficiary.

The time-limits for receipt of tenders and requests to participate must be long enough to allow interested parties a reasonable and appropriate period to prepare and submit their tenders.

All requests to participate and tenders declared as satisfying the requirements must be evaluated and ranked by an evaluation committee on the basis of the exclusion, selection and award criteria announced in advance. This committee must have an odd number of members, at least three, with all the technical and administrative capacities necessary to give an informed opinion on the tenders.

4. RULES APPLICABLE TO SERVICE CONTRACTS

4.1. Contracts of € 200 000 or more

Service contracts worth € 200 000 or more must be awarded by means of an international restricted tender procedure following publication of a procurement notice.

The procurement notice is to be published in all appropriate media, in particular on the Beneficiary's web site, in the international press and the national press of the country in which the Action is being carried out, or in other specialist periodicals. It must state the number of candidates which will be invited to submit tenders within a range of four to eight candidates, and must be sufficient to ensure genuine competition.

All would-be service providers fulfilling the conditions referred to in section 2 may ask to participate but only candidates satisfying the published selection criteria and invited in writing by the Beneficiary may submit a tender.

4.2. Contracts under € 200 000

Service contracts worth less than € 200 000 must be awarded by means of a negotiated procedure without publication, in which the Beneficiary consults at least three service providers of its choice and negotiates the terms of the contract with one or more of them.

For services of a value of € 10 000 or less, the Beneficiary may place orders on the basis of a single tender.

5. RULES APPLICABLE TO SUPPLY CONTRACTS

5.1. Contracts of € 150 000 or more

Supply contracts worth € 150 000 or more must be awarded by means of an international open tender procedure following publication of a procurement notice.

The procurement notice is to be published in all appropriate media, in particular on the Beneficiary's web site, in the international press and the national press of the country in which the Action is being carried out, or in other specialist periodicals.

Any would-be supplier which fulfils the conditions referred to in section 2 may submit a tender.

5.2. Contracts between € 60 000 and € 150 000

Such contracts are awarded by means of an open tender procedure published locally: the procurement notice is published in all appropriate media but only in the country in which the Action is being carried out.

A local open tender procedure must provide other eligible suppliers with the same opportunities as local firms.

5.3. Contracts under € 60 000

Supply contracts worth less than € 60 000 must be awarded by means of a negotiated procedure without publication, in which the Beneficiary consults at least three suppliers of its choice and negotiates the terms of the contract with one or more of them.

For supplies of a value of € 10 000 or less, the Beneficiary may place orders on the basis of a single tender.

6. RULES APPLICABLE TO WORKS CONTRACTS

6.1. Contracts of € 5 000 000 or more

Works contracts worth € 5 000 000 or more must be awarded by means of an international open tender procedure following publication of a procurement notice.

The procurement notice is to be published in all appropriate media, in particular on the Beneficiary's web site, in the international press and the national press of the country in which the Action is being carried out, or in other specialist periodicals.

Any contractor which fulfils the conditions referred to in section 2 may submit a tender.

6.2. Contracts of between € 300 000 and € 5 000 000

Such contracts are awarded by means of an open tender procedure published locally: the procurement notice is published in all appropriate media but only in the country in which the Action is being carried out.

A local open tender procedure must provide other eligible contractors with the same opportunities as local firms.

6.3. Contracts under € 300 000

Works contracts worth less than € 300 000 must be awarded by means of a negotiated procedure without publication, in which the Beneficiary consults at least three contractors of its choice and negotiates the terms of the contract with one or more of them.

For works of a value of €10 000 or less, the Beneficiary may place orders on the basis of a single tender.

7. USE OF THE NEGOTIATED PROCEDURE

The Beneficiary may use the negotiated procedure on the basis of a single tender in the following cases:

- (a) where, for reasons of extreme urgency brought about by events which the Beneficiary could not have foreseen and which can in no way be attributed to him, the time-limit for the procedures referred to in sections 3 to 6 cannot be kept. The circumstances invoked to justify extreme urgency must in no way be attributable to the Beneficiary.

Actions carried out in crisis situations identified by the Commission are considered to satisfy the test of extreme urgency. The Commission will inform the Beneficiary if a crisis situation exists and when it comes to an end.

- (b) where the services are entrusted to public-sector bodies or to non-profit institutions or associations and relate to activities of an institutional nature or designed to provide assistance to peoples in the social field;

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- (c) where contracts extend activities already under way which are not included in the main contract but which, because of unforeseen circumstances, have become necessary to perform the contract, or which consist of the repetition of similar services entrusted to the contractor providing services under the initial contract;
- (d) for additional deliveries by the original supplier intended either as a partial replacement of normal supplies or installations or as the extension of existing supplies or installations, where a change of supplier would oblige the Beneficiary to acquire equipment having different technical characteristics which would result in either incompatibility or disproportionate technical difficulties in operation and maintenance;
- (e) for additional works not included in the initial contract concluded which have, through unforeseen circumstances, become necessary for carrying out the works;
- (f) where the tender procedure has been unsuccessful, that is where no qualitatively and/or financially worthwhile tender has been received. In such cases, after cancelling the tender procedure, the Beneficiary may negotiate with one or more tenderers of its choice, from among those that took part in the tender procedure, provided that the initial terms of the tender procedure are not substantially altered;
- (g) where the contract concerned follows a contest and must, under the rules applying, be awarded to the winner of the contest or to one of the winners of the contest, in which case, all winners shall be invited to participate in the negotiations;
- (h) where, for technical reasons, or for reasons connected with the protection of exclusive rights, the contract can be awarded only to a particular service provider;
- (i) where warranted by the nature or particular characteristics of the supplies, for example, where performance of the contract is exclusively reserved for the holders of patents or licences to use patents;
- (j) where the orders are placed with a humanitarian central buying office, recognised as such by the relevant service of the European Commission;
- (k) for the issue of the expenditure verification report and the financial guarantee where they are required under the Contract;
- (l) for contracts declared to be secret, or for contracts whose performance must be accompanied by special security measures or when the protection of the essential interests of the European Union or the beneficiary country so requires;
- (m) for contracts in respect of supplies quoted and purchased on a commodity market;
- (n) for contracts in respect of purchases on particularly advantageous terms, either from a supplier which is definitively winding up its business activities, or from the receivers or liquidators of a bankruptcy, an arrangement with creditors, or a similar procedure under national law.

8. SPECIAL CASES

8.1. Co-financing

Where:

- the Action is co-financed by several donors and
- one of the other donors, whose contribution to the total cost of the Action is greater than that of the Commission, imposes procurement rules on the Beneficiary that differ from those set out in sections 3 to 7,

the Beneficiary may apply the rules imposed by the other donor. In all cases, the general principles and rules on nationality and origin set out in sections 1 and 2 still apply.

8.2. Public administrations of the Member States

Where the Beneficiary or a partner is a contracting authority and/or a contracting entity within the meaning of the Community Directives applicable to procurement procedures, it must apply the relevant provisions of those texts, in preference to the rules set out in 3 to 7. In all cases, the general principles and rules on nationality and origin set out in 2 still apply.

8.3. International Organisations

Where a partner is an international organisation, it applies its own procurement rules if they offer guarantees equivalent to internationally accepted standards. If they do not or in specific cases, the Commission and the Beneficiary agree on the use of other procurement procedures which offer such guarantees. In all cases the general principles and rules on nationality and origin set out in point 2 still apply.

8.4. Central Buying Offices

Where the Beneficiary uses a central buying office as service provider, he selects it in conformity with the procedures set out above for service contracts.

A central buying office for the purpose of point 7 (j) is a non-profit making, autonomous and professional structure, specialised in the technical and commercial management of supplies.

This central buying office applies the rules imposed on the Beneficiary. Where it is a humanitarian central buying office recognised as such by the relevant service of the European Commission (see http://ec.europa.eu/echo/about/actors/procurement_en.htm), it applies the rules agreed upon at the time of its approval, subject to the rules on nationality and origin set out in point 2 above.

ANNEX V
Request for payment for grant Contract
European Union external actions

<Date of the request for payment>

For the attention of

<address of the Contracting Authority>

<Financial unit/section indicated in the Contract >¹

Reference number of the grant Contract:

Title of the grant Contract: Name and address of the Beneficiary:

Request for payment number: Period covered by the request for payment:

Dear Sir/Madam,

I hereby request *< [a further] pre-financing payment/payment of the balance >* under the Contract mentioned above.

The amount requested is *<as indicated in Article 4(2) of the Special Conditions of the Contract/the following: ...>*.

Please find attached the following supporting documents:

- <- expenditure verification report (if required by Article 15.6 of the General Conditions of the Contract)*
- financial guarantee (if required by Article 15.7 of the General Conditions of the Contract)*
- technical and financial interim report (for further pre-financing payments)*
- a forecast budget for the subsequent 12-month period (or of the remaining period if its shorter) (for further pre-financing payments)*
- final implementation report (for payment of the balance). >*

[The amount covered by the expenditure verification report and claimed for deduction from the sum total of pre-financing under the contract is the following: ...]

I hereby certify that the information contained in this request for payment is complete, faithful and reliable, that the costs incurred can be considered eligible in accordance with the Contract and that this request for payment is substantiated by adequate supporting documents that can be checked.

Yours faithfully,

< signature >

¹ Please do not forget to send a copy of this letter to, if applicable, the entities mentioned in Article 5(1) of the Special Conditions of the Contract, if any.



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ANNEX VI INTERIM NARRATIVE REPORT

- This report must be completed and signed by the Contact person.
- The information provided below must correspond to the financial information that appears in the financial report.
- Please complete the report using a typewriter or computer (*you can find this form at the following address <Specify>*).
- Please expand the paragraphs as necessary.
- *Please refer to the Special Conditions of your grant contract and send one copy of the report to each address mentioned.*
- The Contracting Authority will reject any incomplete or badly completed reports.
- The answer to all questions must cover the reporting period as specified in point 1.6.

1. Description

- 1.1. Name of beneficiary of grant contract:
- 1.2. Name and title of the Contact person:
- 1.3. Name of partners in the Action:
- 1.4. Title of the Action:
- 1.5. Contract number:
- 1.6. Start date and end date of the reporting period:
- 1.7. Target country(ies) or region(s):
- 1.8. Final beneficiaries &/or target groups¹ (if different) (including numbers of women and men):
- 1.9. Country(ies) in which the activities take place (if different from 1.7):

¹ "Target groups" are the groups/entities who will be directly positively affected by the project at the Project Purpose level, and "final beneficiaries" are those who will benefit from the project in the long term at the level of the society or sector at large.



2. Assessment of implementation of Action activities

2.1. Executive summary of the Action

Please give a global overview of the Action's implementation for the reporting period (no more than ½ page)

2.2. Activities and results

Please list all the activities of the contract implemented during the reporting period as per Annex 1.

Activity 1:

Title of the activity: Conference at location W with X participants for Y days on Z dates

Topics/activities covered <please elaborate>:

Reason for modification for the planned activity <please elaborate on the problems - including delay, cancellation, postponement of activities- which have arisen and how they have been addressed> (if applicable):

Results of this activity <please quantify these results, where possible; refer to the various assumptions of the Logframe>:

2.3. Please list activities that were planned and that you were not able to implement, explaining the reasons for these.

2.4. What is your assessment of the results of the Action so far? Include observations on the performance and the achievement of outputs, outcomes and impact in relation to specific and overall objectives, and whether the Action has had any unforeseen positive or negative results (please quantify where possible; refer to Logframe Indicators).

Please list potential risks that may have jeopardized the realisation of some activities and explain how they have been tackled. Refer to logframe indicators.

If relevant, submit a revised logframe, highlighting the changes.

Please list all contracts (works, supplies, services) above 10.000€ awarded for the implementation of the action during the reporting period, giving for each contract the amount, the award procedure followed and the name of the contractor.

2.5. Please provide an updated action plan ²

Year	Semester 1						Semester 2						Implementing body
	Month 1	2	3	4	5	6	7	8	9	10	11	12	
<i>Example</i>	<i>example</i>												<i>Example</i>
Preparation Activity 1(title)													Local partner 1
Execution Activity 1(title)													Local partner 1
Preparation Activity 2 (title)													Local partner 2

² This plan will cover the financial period between the interim report and the next report.

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Etc.																				

3. Partners and other Co-operation

- 3.1. How do you assess the relationship between the formal partners of this Action (i.e. those partners which have signed a partnership statement)? Please provide specific information for each partner organisation.
- 3.2. How would you assess the relationship between your organisation and State authorities in the Action countries? How has this relationship affected the Action?
- 3.3. Where applicable, describe your relationship with any other organisations involved in implementing the Action:
 - Associate(s) (if any)
 - Sub-contractor(s) (if any)
 - Final Beneficiaries and Target groups
 - Other third parties involved (including other donors, other government agencies or local government units, NGOs, etc)
- 3.4. Where applicable, outline any links and synergies you have developed with other actions.
- 3.5. If your organisation has received previous EU grants in view of strengthening the same target group, in how far has this Action been able to build upon/complement the previous one(s)? (List all previous relevant EU grants).

4. Visibility

How is the visibility of the EU contribution being ensured in the Action?

The European Commission may wish to publicise the results of Actions. Do you have any objection to this report being published on the EuropeAid website? If so, please state your objections here.

Name of the contact person for the Action:

Signature:

Location:

Date report due:

Date report sent:

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ANNEX VI FINAL NARRATIVE REPORT

- This report must be completed and signed by the Contact person.
- The information provided below must correspond to the financial information that appears in the financial report.
- Please complete the report using a typewriter or computer (you can find this form at the following address <Specify>).
- Please expand the paragraphs as necessary.
- Please refer to the Special Conditions of your grant contract and send one copy of the report to each address mentioned.
- The Contracting Authority will reject any incomplete or badly completed reports.
- Unless otherwise specified, the answer to all questions must cover the reporting period as specified in point 1.6.
- Please do not forget to attach to this report the proof of the transfers of ownership referred to in Article 7.3 of the General conditions.

1. Description

- 1.1. Name of beneficiary of grant contract:
- 1.2. Name and title of the Contact person:
- 1.3. Name of partners in the Action:
- 1.4. Title of the Action:
- 1.5. Contract number:
- 1.6. Start date and end date of the Action:
- 1.7. Target country(ies) or region(s):
- 1.8. Final beneficiaries &/or target groups¹ (if different) (including numbers of women and men):
- 1.9. Country(ies) in which the activities take place (if different from 1.7):

2. Assessment of implementation of Action activities

2.1. Executive summary of the Action

Please give a global overview of the Action's implementation for the whole duration of the project

2.2. Activities and results

Please list all the activities in line with Annex 1 of the contract since the last interim report if any or during the reporting period

¹ "Target groups" are the groups/entities who will be directly positively affected by the project at the Project Purpose level, and "final beneficiaries" are those who will benefit from the project in the long term at the level of the society or sector at large.



Activity 1:

Title of the activity: Conference at location W with X participants for Y days on Z dates

Topics/activities covered <please elaborate>:

Reason for modification for the planned activity <please elaborate on the problems - including delay, cancellation, postponement of activities, change in target, etc - which have arisen and how they have been addressed> (if applicable):

Results of this activity <please quantify these results, where possible; refer to the various assumptions of the Logframe>:

2.3. Activities that have not taken place

Please outline any activity and/or publications foreseen in the contract, that have not taken place, explaining the reasons for these

2.4. What is your assessment of the results of the Action? Include observations on the performance and the achievement of outputs, outcomes, impact and risks in relation to specific and overall objectives, and whether the Action has had any unforeseen positive or negative results. (Please quantify where possible; refer to Logframe Indicators).

2.5. What has been the outcome on both the final beneficiaries &/or target group (if different) and the situation in the target country or target region which the Action addressed?

2.6. Please list all materials (and no. of copies) produced during the Action on whatever format (please enclose a copy of each item, except if you have already done so in the past).

Please state how the items produced are being distributed and to whom.

2.7. Please list all contracts (works, supplies, services) above 10.000€ awarded for the implementation of the action since the last interim report if any or during the reporting period, giving for each contract the amount, the award procedure followed and the name of the contractor.

2.8. Describe if the Action will continue after the support from the European Union has ended. Are there any follow up activities envisaged? What will ensure the sustainability of the Action?

2.9. Explain how the Action has mainstreamed cross-cutting issues such as promotion of human rights², gender equality³, democracy, good governance, children's rights and indigenous peoples, environmental sustainability⁴ and combating HIV/AIDS (if there is a strong prevalence in the target country/region).⁵

2.10. How and by whom have the activities been monitored/evaluated? Please summarise the results of the feedback received, including from the beneficiaries.

2.11. What has your organisation/partner learned from the Action and how has this learning been utilised and disseminated?

² Including those of people with disabilities. For more information, see "Guidance note on disability and development" at http://ec.europa.eu/development/body/publications/docs/Disability_en.pdf

³ http://www.jiav.nl/epublications/2004/toolkit_on_mainstreaming_gender_equality.pdf

⁴ Guidelines for environmental integration are available at: <http://www.environment-integration.eu/>

⁵ To refer to EC Guidelines on gender equality, disabilities...

3. Partners and other Co-operation

- 3.1. How do you assess the relationship between the formal partners of this Action (i.e. those partners which have signed a partnership statement)? Please provide specific information for each partner organisation.
- 3.2. Is the partnership to continue? If so, how? If not, why?
- 3.3. How would you assess the relationship between your organisation and State authorities in the Action countries? How has this relationship affected the Action?
- 3.4. Where applicable, describe your relationship with any other organisations involved in implementing the Action:
 - Associate(s) (if any)
 - Sub-contractor(s) (if any)
 - Final Beneficiaries and Target groups
 - Other third parties involved (including other donors, other government agencies or local government units, NGOs, etc)
- 3.5. Where applicable, outline any links and synergies you have developed with other actions.
- 3.6. If your organisation has received previous EU grants in view of strengthening the same target group, in how far has this Action been able to build upon/complement the previous one(s)? (List all previous relevant EU grants).
- 3.7. How do you evaluate co-operation with the services of the Contracting Authority?

4. Visibility

How is the visibility of the EU contribution being ensured in the Action?

The European Commission may wish to publicise the results of Actions. Do you have any objection to this report being published on the EuropeAid website? If so, please state your objections here.

Name of the contact person for the Action:

Signature:Location:

Date report due:Date report sent:





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ANNEX VI

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The beneficiary alone is responsible for the correctness of the financial information provided in these tables.

Forecast budget and follow-up:

In accordance with article 15.1 of the General Conditions a forecast budget for the subsequent 12 months period or of the remaining period (if it is shorter) have to be provided with any request for payment of further pre-financing instalment.

Interim Report & Final Report

Expenses: for each currency in which the budget has been implemented during the specific reporting period (including the € where the exchange FX rate into € will be = 1) the report will have a set of four columns (numbers of units, unit cost in FX, total cost in FX, total cost in €) so per each currency a set of four columns will be inserted establish the exchange rates (local currency > €) to be used by having, for the period, the simple arithmetical average of the InforEuro exchange rate (i.e. sum the exchange rates of the months of the reporting period and divide the sum by the number of months)
To ease the preparation of the reports, indications are provided on the relevant columns, FX= foreign currency

Addenda and use of contingencies

To be filled in case of an addendum and/or when contingencies are used.

ROUNDINGS

Figures have to be rounded to the nearest euro cent

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Contract n°
Implementation period of the contract (dd/mm/yyyy-dd/mm/yyyy)

Forecast Budget & follow-up

Expenditures	Previous period (dd/mm/yyyy-dd/mm/yyyy)				Real Previous Period Costs (in EUR)	Following period (dd/mm/yyyy-dd/mm/yyyy)			
	Forecast					Forecast			
	Unit	# Units	Unit cost (in EUR)	Costs (in EUR)		Unit	# Units	Unit cost (in EUR)	Costs (in EUR)
1. Human Resources									
1.1 Salaries (gross amounts, local staff)									
1.1.1 Technical	Per month					Per month			
1.1.2 Administrative/ support staff	Per month					Per month			
1.2 Salaries (gross amounts, expat/int. staff)	Per month					Per month			
1.3 Per diems for missions/travel									
1.3.1 Abroad (staff assigned to the Action)	Per diem					Per diem			
1.3.2 Local (staff assigned to the Action)	Per diem					Per diem			
1.3.3 Seminar/conference participants	Per diem					Per diem			
Subtotal Human Resources									
2. Travel									
2.1. International travel	Per flight					Per flight			
2.2 Local transportation	Per month					Per month			
Subtotal Travel									
3. Equipment and supplies									
3.1 Purchase or rent of vehicles	Per vehicle					Per vehicle			
3.2 Furniture, computer equipment									
3.3 Machines, tools...									
3.4 Spare parts/equipment for machines, tools									
3.5 Other (please specify)									
Subtotal Equipment and supplies									
4. Local office									
4.1 Vehicle costs	Per month					Per month			
4.2 Office rent	Per month					Per month			
4.3 Consumables - office supplies	Per month					Per month			
4.4 Other services (tel/fax, electricity/heating, maintenance)	Per month					Per month			
Subtotal Local office									
5. Other costs, services									
5.1 Publications									
5.2 Studies, research									
5.3 Auditing costs									
5.4 Evaluation costs									
5.5 Translation, interpreters									
5.6 Financial services (bank guarantee costs etc.)									
5.7 Costs of conferences/seminars									
5.8 Visibility actions									
Subtotal Other costs, services									
6. Other									
Subtotal Other									
7. Subtotal direct eligible costs of the Action (1-6)									
8. Provision for contingency reserve (maximum 5% of 7, subtotal of direct eligible costs of the Action)									
9. Total direct eligible costs of the Action (7+8)									
10. Administrative costs (maximum 7% of 9, total direct eligible costs of the Action)									
11. Total eligible costs (9+10)									
12. Taxes									
13. Total accepted costs of the action (11+12)									

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Addenda or use of contingencies

Contract n°
Implementation period of the contract (dd/mm/yyyy-dd/mm/yyyy)

Expenditures	Budget as per contract/last addendum signed				Use of contingencies/ addenda	Budget as per new addendum signed ¹			
	Unit	# Units (a)	Unit cost (in EUR) (b)	Costs (in EUR) (a)*(b)		Unit	# Units (a)	Unit cost (in EUR) (b)	Costs (in EUR) (a)*(b)
1. Human Resources									
1.1 Salaries (gross salaries including social security charges and other related costs, local staff)									
1.1.1 Technical	Per month					Per month			
1.1.2 Administrative/ support staff	Per month					Per month			
1.2 Salaries (gross amounts incl social sec charges and other related costs, expat/int. staff)	Per month					Per month			
1.3 Per diems for missions/travel									
1.3.1 Abroad (staff assigned to the Action)	Per diem					Per diem			
1.3.2 Local (staff assigned to the Action)	Per diem					Per diem			
1.3.3 Seminar/conference participants	Per diem					Per diem			
Subtotal Human Resources									
2. Travel									
2.1. International travel	Per flight					Per flight			
2.2 Local transportation	Per month					Per month			
Subtotal Travel									
3. Equipment and supplies									
3.1 Purchase or rent of vehicles	Per vehicle					Per vehicle			
3.2 Furniture, computer equipment									
3.3 Machines, tools...									
3.4 Spare parts/equipment for machines, tools									
3.5 Other (please specify)									
Subtotal Equipment and supplies									
4. Local office									
4.1 Vehicle costs	Per month					Per month			
4.2 Office rent	Per month					Per month			
4.3 Consumables - office supplies	Per month					Per month			
4.4 Other services (tel/fax, electricity/heating, maintenance)	Per month					Per month			
Subtotal Local office									
5. Other costs, services									
5.1 Publications									
5.2 Studies, research									
5.3 Evaluation costs costs									
5.4 Evaluation costs									
5.5 Translation, interpreters									
5.6 Financial services (bank guarantee costs etc.)									
5.7 Costs of conferences/seminars									
5.8 Visibility actions									
Subtotal Other costs, services									
6. Other									
Subtotal Other									
7. Subtotal direct eligible costs of the Action (1-6)									
8. Provision for contingency reserve (maximum 5% of 7, subtotal of direct eligible costs of the Action)									
9. Total direct eligible costs of the Action (7+ 8)									
10. Administrative costs (maximum 7% of 9, total direct eligible costs of the Action)									
11. Total eligible costs (9+10)									
12. Taxes									
13. Total accepted costs of the Action (11+12)									

¹ Only to be completed when an amendment is necessary.

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Interim financial report:
period (dd/mm/yyyy-dd/mm/yyyy)

Contract n°													
Implementation period of the contract (dd/mm/yyyy-dd/mm/yyyy)													
Expenditures	Budget as per contract/addendum				Reallocation allowed reallocation (article 9.2 of the GC)	Expenditures incurred							
	Unit	# Units (a)	Unit cost (in EUR) (b)	Costs (in EUR) (a)*(b)		Per currency			Fx-rate, Total cost (in EUR) (g) (f)*(Fx-rate)	Total for the period in EUR		Cumulated costs (before current report) (in EUR) (i)	Cumulated costs (from start of implementation to present report included) (in EUR) (h)+(i)
						Exchange rate of the period (dd/mm/yyyy-dd/mm/yyyy): # Units (d)	Unit cost (in currency n°1) (c)	Total cost (in currency n°1) (f)-(d)*(c)		Units total # for all currencies Sum (d ₁ +d _n)	Total cost of the period (in EUR) (h) Sum (g ₁ +g _n)		
1. Human Resources													
1.1 Salaries (gross amounts, local staff)													
1.1.1	Technical	Per month											
1.1.2	Administrative/ support staff	Per month											
1.2 Salaries (gross amounts, expat/int. staff)													
1.3 Per diems for missions/travel													
1.3.1	Abroad (staff assigned to the Action)	Per diem											
1.3.2	Local (staff assigned to the Action)	Per diem											
1.3.3	Seminar/conference participants	Per diem											
Subtotal Human Resources													
2. Travel													
2.1	International travel	Per flight											
2.2	Local transportation	Per month											
Subtotal Travel													
3. Equipment and supplies													
3.1	Purchase or rent of vehicles	Per vehicle											
3.2	Furniture, computer equipment												
3.3	Machines, tools												
3.4	Spare parts/equipment for machines, tools												
3.5	Other (please specify)												
Subtotal Equipment and supplies													
4. Local office													
4.1	Vehicle costs	Per month											
4.2	Office rent	Per month											
4.3	Consumables - office supplies	Per month											
4.4	Other services (tel/fax, electricity/heating, maintenance)	Per month											
Subtotal Local office													
5. Other costs, services													
5.1	Publications												
5.2	Studies, research												
5.3	Auditing costs												
5.4	Evaluation costs												
5.5	Translation, interpreters												
5.6	Financial services (bank guarantee costs etc.)												
5.7	Costs of conferences/seminars												
5.8	Visibility actions												
Subtotal Other costs, services													
6. Other													
Subtotal Other													
7. Subtotal direct eligible costs of the Action (1-6)													
8. Provision for contingency reserve (maximum 5% of 7, subtotal of direct eligible costs of the Action)													
9. Total direct eligible costs of the Action (7+8)													
10. Administrative costs (maximum 7% of 9, total direct eligible costs of the Action)													
11. Total eligible costs (9+10)													
12. Taxes													
13. Total accepted costs of the action (11+12)													
Bank interests on EU/ EDF contribution yielded during the period: (see article 15.9 of the General Conditions).													
						Per currency		Total for the period in EUR		Cumulated costs (before current report) (in EUR)			
						Amount in currency n°1		Amount in EUR					

DA

Contract n°
Implementation period of the contract (dd/mm/yyyy-dd/mm/yyyy)

Final financial report:
period (dd/mm/yyyy-dd/mm/yyyy)

Expenditures	Budget as per contract/addendum				Reallocation allowed reallocation (article 9.2 of the General Conditions)	Expenditures incurred								Variations in comparison with initial budget/addendum		
	Unit	# Units (a)	Unit cost (in EUR) (b)	Costs (in EUR) (a)*(b)		Exchange rate of the period (d)	Per currency Name of currency n°1 (dd/mm/yyyy-dd/mm/yyyy):		Fx-rate, Total cost (in EUR) (f) (f) (f) (f)*(Fx-rate)	Total for the period in EUR		Cumulated costs (before current report) (in EUR) (j)	Cumulated costs (from start of implementation to present report included) (in EUR) (h)+(i)	In absolute value in EUR	In %	Explanation for all variations
							Unit cost (in currency n°1) (c)	Total cost (in currency n°1) (f) (f) (f) (f)		Units total # for all currencies Sum (d ₁ +d ₂)	Total cost of the period (in EUR) (g) (g) (g) (g)					
1. Human Resources																
1.1 Salaries (gross amounts, local staff)																
1.1.1 Technical	Per month															
1.1.2 Administrative/ support staff	Per month															
1.2 Salaries (gross amounts, expat/int. staff)	Per month															
1.3 Per diems for missions/travel																
1.3.1 Abroad (staff assigned to the Action)	Per diem															
1.3.2 Local (staff assigned to the Action)	Per diem															
1.3.3 Seminar/conference participants	Per diem															
Subtotal Human Resources																
2. Travel																
2.1. International travel	Per flight															
2.2 Local transportation	Per month															
Subtotal Travel																
3. Equipment and supplies																
3.1 Purchase or rent of vehicles	Per vehicle															
3.2 Furniture, computer equipment																
3.3 Machines, tools																
3.4 Spare parts/equipment for machines, tools																
3.5 Other (please specify)																
Subtotal Equipment and supplies																
4. Local office																
4.1 Vehicle costs	Per month															
4.2 Office rent	Per month															
4.3 Consumables - office supplies	Per month															
4.4 Other services (tel/fax, electricity/heating, maintenance)	Per month															
Subtotal Local office																
5. Other costs, services																
5.1 Publications																
5.2 Studies, research																
5.3 Auditing costs																
5.4 Evaluation costs																
5.5 Translation, interpreters																
5.6 Financial services (bank guarantee costs etc.)																
5.7 Costs of conferences/seminars																
5.8 Visibility actions																
Subtotal Other costs, services																
6. Other																
Subtotal Other																
7. Subtotal direct eligible costs of the Action (1-6)																
8. Provision for contingency reserve (maximum 5% of 7, subtotal of direct eligible costs of the Action)																
9. Total direct eligible costs of the Action (7+8)																
10. Administrative costs (maximum 7% of 9, total direct eligible costs of the Action)																
11. Total eligible costs (9+10)																
12. Taxes																
13. Total accepted costs of the action (11+12)																

Bank interests on EU/EDF contribution yielded during the period: (see article 15.9 of the General Conditions)	Per currency	Total for the period in EUR	Cumulated costs (before current report) (in EUR)	Cumulated costs (from start of implementation to present report included) (in EUR)
	Amount in currency n°1 Amount in EUR			

DA

Final sources of funding

		Amount EUR
Applicant contribution		
Other contributions (other EU Funds or EU Member States etc)		
<i>Name</i>	<i>Conditions</i>	
Revenue from the Action		
To be inserted if applicable and allowed by the guidelines:		
In-kind contribution		
Interests from prefinancing (see article 15.9 of the General Conditions)		

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ANNEX VII

TERMS OF REFERENCE FOR AN EXPENDITURE VERIFICATION OF A GRANT CONTRACT

- EXTERNAL ACTIONS OF THE EUROPEAN UNION -

HOW TO USE THIS TERMS OF REFERENCE MODEL? All text highlighted in yellow in this ToR model and its annex 1 and 2 is for instruction only and beneficiaries of grant contracts should remove it after use. The parts of the ToR presented in <.....> (e.g. <name of the beneficiary> must be completed by the beneficiary.

The following are the terms of reference ('ToR') on which <name of the Beneficiary> 'the Beneficiary' agrees to engage <name of the audit firm> 'the Auditor' to perform an expenditure verification and to report in connection with a European Union financed grant contract for external actions concerning <title of the action and number of the grant contract> (the 'Grant Contract'). Where in these ToR the 'Contracting Authority' is mentioned this refers to <the European Commission or name of another contracting authority> which has signed the Grant Contract with the Beneficiary and is providing the grant funding. The Contracting Authority is not a party to this agreement.

1. RESPONSIBILITIES OF THE PARTIES TO THE ENGAGEMENT

'The **Beneficiary**' refers to the organisation that is receiving the grant funding and that has signed the Grant Contract with the Contracting Authority.

- The Beneficiary is responsible for providing a Financial Report for the action financed by the Grant Contract which complies with the terms and conditions of the Grant Contract and for ensuring that this Financial Report can be reconciled to the Beneficiary's accounting and bookkeeping system and to the underlying accounts and records. The Beneficiary is responsible for providing sufficient and adequate information, both financial and non-financial, in support of the Financial Report.
- The Beneficiary accepts that the ability of the Auditor to perform the procedures required by this engagement effectively depends upon the Beneficiary, and as the case may be his partners, providing full and free access to the Beneficiary's staff and its accounting and bookkeeping system and underlying accounts and records.
- 'The **Auditor**' is responsible for performing the agreed-upon procedures as specified in these ToR, and for submitting a report of factual findings to the Beneficiary. 'Auditor' refers to the audit firm contracted for this engagement and in particular to the partner or other person in the audit firm who is responsible for the engagement and for the report that is issued on behalf of the firm, and who has the appropriate authority from a professional, legal or regulatory body.

By agreeing these ToR the Auditor confirms that he/she meets at least one of the following conditions:

- The Auditor and/or the firm is a member of a national accounting or auditing body or institution which in turn is member of the International Federation of Accountants (IFAC).
- The Auditor and/or the firm is a member of a national accounting or auditing body or institution. Although this organisation is not member of the IFAC, the Auditor commits him/herself to undertake this engagement in accordance with the IFAC standards and ethics set out in these ToR.
- The Auditor and/or the firm is registered as a statutory auditor in the public register of a public oversight body in an EU member state in accordance with the principles of public

oversight set out in Directive 2006/43/EC of the European Parliament and of the Council (this applies to auditors and audit firms based in an EU member state¹).

- The Auditor and/or the firm is registered as a statutory auditor in the public register of a public oversight body in a third country and this register is subject to principles of public oversight as set out in the legislation of the country concerned (this applies to auditors and audit firms based in a third country).

2. SUBJECT OF THE ENGAGEMENT

The subject of this engagement is the <interim or final; delete what is not applicable> Financial Report in connection with the Grant Contract for the period covering <dd Month yyyy to dd Month yyyy> and the action entitled <title of the action>, the 'Action'. Annex 1 to these ToR contains information about the Grant Contract.

3. REASON FOR THE ENGAGEMENT

The Beneficiary is required to submit to the Contracting Authority an expenditure verification report produced by an external auditor in support of the payment requested by the Beneficiary under Article 15 of the General Conditions of the Grant Contract. The Authorising Officer of the Commission requires this report as he makes the payment of expenditure requested by the Beneficiary conditional on the factual findings of this report.

4. ENGAGEMENT TYPE AND OBJECTIVE

This expenditure verification is an engagement to perform certain agreed-upon procedures with regard to the Financial Report for the Grant Contract. The objective of this expenditure verification is for the Auditor to carry out the specific procedures listed in Annex 2A to these ToR and to submit to the Beneficiary a report of factual findings with regard to the specific verification procedures performed. Verification means that the Auditor examines the factual information in the Financial Report of the Beneficiary and compares it with the terms and conditions of the Grant Contract. As this engagement is not an assurance engagement the Auditor does not provide an audit opinion and expresses no assurance. The Contracting Authority assesses for itself the factual findings reported by the Auditor and draws its own conclusions from these factual findings.

5. STANDARDS AND ETHICS

The Auditor shall undertake this engagement in accordance with:

- the International Standard on Related Services ('ISRS') 4400 Engagements to perform Agreed-upon Procedures regarding Financial Information as promulgated by the IFAC;
- the IFAC Code of Ethics for Professional Accountants (developed and issued by IFAC's International Ethics Standards Board for Accountants (IESBA), which establishes fundamental ethical principles for Auditors with regard to integrity, objectivity, independence, professional competence and due care, confidentiality, professional behaviour

¹ Directive 2006/43 of the European Parliament and of the Council of 147 May 2006 on statutory audits of annual accounts and consolidated, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253 EEC.

and technical standards. Although ISRS 4400 provides that independence is not a requirement for agreed-upon procedures engagements, the Contracting Authority requires that the Auditor is independent from the Beneficiary and complies with the independence requirements of the IFAC Code of Ethics for Professional Accountants.

6. PROCEDURES, EVIDENCE AND DOCUMENTATION

The Auditor plans the work so that an effective expenditure verification can be performed. The Auditor performs the procedures listed in Annex 2A of these ToR ('Listing of specific procedures to be performed') and applies the guidelines in Annex 2B (Guidelines for specific procedures to be performed). The evidence to be used for performing the procedures in Annex 2A is all financial and non-financial information which makes it possible to examine the expenditure claimed by the Beneficiary in the Financial Report. The Auditor uses the evidence obtained from these procedures as the basis for the report of factual findings. The Auditor documents matters which are important in providing evidence to support the report of factual findings, and evidence that the work was carried out in accordance with ISRS 4400 and these ToR.

7. REPORTING

The report on this expenditure verification should describe the purpose, the agreed-upon procedures and the factual findings of the engagement in sufficient detail in order to enable the Beneficiary and the Contracting Authority to understand the nature and extent of the procedures performed by the Auditor and the factual findings reported by the Auditor.

The use of the Model Report for an Expenditure Verification of an EU Grant Contract in Annex 3 of these ToR is compulsory. This report should be provided by the Auditor to <name of the Beneficiary> within <xx> number of working days to be indicated by the Beneficiary> working days after the day of signature of these ToR.

8. OTHER TERMS

The fee for this engagement shall be <fee amount and currency> <The Beneficiary may want to agree a fixed fee for the engagement or otherwise, The Beneficiary and the Auditor may want to agree specific terms if the Auditor needs to extend verification coverage from 65% to 85%. The Beneficiary should specify any reimbursable expenses and allowances (e.g. travelling, other) agreed with the Auditor and whether VAT and/or other relevant taxes are included in the fees/expenses.>

[The Beneficiary and the Auditor can use this section to agree any other specific terms]

ANNEX VII

- Annex 1** Information about the Grant Contract
- Annex 2A** Listing of specific procedures to be performed
- Annex 2B** Guidelines for specific procedures to be performed
- Annex 3** Model report for an expenditure verification of an EU grant contract

For the Beneficiary:

Signature

<name and capacity>

<date>

For the Auditor:

Signature

<name and capacity>

<date>

ANNEX VII

Annex 1 Information about the Grant Contract

[Annex to be completed by the Beneficiary]

Information about the Grant Contract	
Reference number and date of the Grant Contract	< Contracting Authority's reference of the Grant Contract >
Grant contract title	
Country	
Beneficiary	< full name and address of the Beneficiary as per the Grant Contract >
Budget line Contract	< Contracting Authority reference of the budget line and Commission reference where the Contracting Authority is not the Commission >
Legal basis for the Contract	
Start date of the Action	
End date of the Action	
Total cost of the Action	<amount in Art. 3.1 of the Special Conditions of the Grant Contract >
Grant maximum amount	<amount in Art. 3.2 of the Special Conditions of the Grant Contract >
Total amount received to date by the Beneficiary from Contracting Authority	< Total amount received as per dd.mm.yyyy >
Total amount of the payment request	< provide the total amount requested for payment as per Annex V of the General Conditions for Grant Contracts (Request for payment for a grant contract European Union external actions) >
Contracting Authority	<Provide the name, position/title, phone and E-mail of the contact person at the Contracting Authority. To be completed only if the Contracting Authority is not the Commission.>
European Commission	< provide the name, position/title, phone and E-mail of the contact person in the Delegation of the European Union in the country concerned, or if applicable at Headquarters >
Auditor	< Name and address of the audit firm and names/positions of the auditors >




ANNEX VII

Annex 2A Listing of Specific Procedures to be performed

[This Annex is a standard listing of specific procedures to be performed and it shall not be modified]

1. GENERAL PROCEDURES

1.1. Terms and Conditions of the Grant Contract

The Auditor obtains an understanding of the terms and conditions of the Grant Contract by reviewing the Grant Contract and its annexes and other relevant information, and by inquiry of the Beneficiary. The Auditor obtains a copy of the original Grant Contract (signed by the Beneficiary and the Contracting Authority) with its annexes. The Auditor obtains and reviews the Report (which includes a narrative and a financial section) as per Article 2.1 of the General Conditions.

1.2. Financial Report for the Grant Contract

- The Auditor verifies that the Financial Report complies with the following conditions of Article 2 of the General Conditions the Grant Contract:
- The Financial Report must conform to the model in Annex VI of the Grant Contract;
- The Financial Report should cover the Action as a whole, regardless of which part of it is financed by the Contracting Authority;
- The Financial Report should be drawn up in the language of the Grant Contract;
- The proof of the transfers of ownership of equipment, vehicles and supplies (Article 7.3 of the General Conditions of the Grant Contract) should be annexed to the final Financial Report.

1.3. Rules for Accounting and Record keeping

- The Auditor examines – when performing the procedures listed in this Annex - whether the Beneficiary has complied with the following rules for accounting and record keeping of Article 16 of the General Conditions the Grant Contract:
- The accounts kept by the Beneficiary for the implementation of the Action must be accurate and up-to-date;
- The Beneficiary must have a double-entry book-keeping system;
- The accounts and expenditure relating to the Action must be easily identifiable and verifiable;
- The accounts must provide details of interest accrued on funds paid by the Contracting Authority.

1.4. Reconciling the Financial Report to the Beneficiary's Accounting System and Records

The Auditor reconciles the information in the Financial Report to the Beneficiary's accounting system and records (e.g. trial balance, general ledger accounts, sub ledgers etc.) (See Article 16.1).

1.5. Exchange Rates

The Auditor verifies that amounts of expenditure incurred in a currency other than the Euro have been converted at the exchange rate which is made up of the average of the rates published in InforEuro for the months covered by the Financial Report, unless otherwise provided in the Special Conditions of the Grant Contract (Article 15.8 of the General Conditions)

2. PROCEDURES TO VERIFY CONFORMITY OF EXPENDITURE WITH THE BUDGET AND ANALYTICAL REVIEW

2.1. Budget of the Grant Contract

The Auditor carries out an analytical review of the expenditure headings in the Financial Report.

The Auditor verifies that the budget in the Financial Report corresponds with the budget of the Grant Contract (authenticity and authorisation of the initial budget) and that the expenditure incurred was indicated in the budget of the Grant Contract.

2.2. Amendments to the Budget of the Grant Contract

The Auditor verifies whether there have been amendments to the budget of the Grant Contract. Where this is the case the Auditor verifies that the Beneficiary has:

- requested an amendment to budget and obtained an addendum to the Grant Contract if such an addendum was required (Article 9.1 of the General Conditions).
- informed the Contracting Authority about the amendment in case the amendment was limited (Article 9.2 of the General Conditions) and an addendum to the Grant Contract was not required.

3. PROCEDURES TO VERIFY SELECTED EXPENDITURE

3.1. Eligibility of Costs

The Auditor verifies, for each expenditure item selected, the eligibility criteria set out below.

(1) Costs actually incurred (Article 14.1)

The Auditor verifies that the expenditure for a selected item was actually incurred by and pertains to the Beneficiary. For this purpose the Auditor examines supporting documents (e.g. invoices, contracts) and proof of payment. The Auditor also examines proof of work done, goods received or services rendered and he/she verifies the existence of assets if applicable.

(2) Cut-off - Implementation period (Article 14.1a)

The Auditor verifies that the expenditure for a selected item was incurred during the implementation period of the Action.

(3) Budget (Article 14.1b)

The Auditor verifies that the expenditure for a selected item was indicated in the Action budget.



(4) *Necessary (Article 14.1c)*

The Auditor verifies whether it is plausible that the expenditure for a selected item was necessary for the implementation of the Action and that it had to be incurred for the contracted activities of the Action by examining the nature of the expenditure with supporting documents.

(5) *Records (Article 14.1d)*

The Auditor verifies that expenditure for a selected item is recorded in the Beneficiary's accounting system and was recorded in accordance with the applicable accounting standards of the country where the Beneficiary is established and the Beneficiary's usual cost accounting practices.

(6) *Justified (Article 14.1e)*

The Auditor verifies that expenditure for a selected item is substantiated by evidence (see section 1 of Annex 2B, Guidelines for Specific Procedures to be performed) and notably the supporting documents as specified in Article 16.2 and 16.3 of the General Conditions of the Grant Contract.

(7) *Valuation*

The Auditor verifies that the monetary value of a selected expenditure item agrees with underlying documents (e.g. invoices, salary statements) and that correct exchange rates are used where applicable.

(8) *Classification*

The Auditor examines the nature of the expenditure for a selected item and verifies that the expenditure item has been classified under the correct (sub)heading of the Financial Report.

(9) *Compliance with Procurement, Nationality and Origin Rules*

Where applicable the Auditor examines which procurement, nationality and origin rules apply for a certain expenditure (sub)heading, a class of expenditure items or an expenditure item. The Auditor verifies whether the expenditure was incurred in accordance with such rules by examining the underlying documents of the procurement and purchase process. Where the Auditor finds issues of non-compliance with procurement rules, he/she reports the nature of such events as well as their financial impact in terms of ineligible expenditure. When examining procurement documentation the Auditor takes into account the risk indicators listed in Annex 2B and he/she reports, if applicable, which of these indicators were found.

3.2. Eligibility of Direct Costs (Article 14.2)

If the expenditure for a selected item is recorded under one of the direct costs headings 1 to 6 of the Financial Report, the Auditor verifies that this type of expenditure is covered by the direct costs as defined in Article 14.2 by examining the nature of the expenditure items concerned.

3.3. Provision for Contingency Reserve (Article 14.3)

The Auditor verifies that the provision for contingency reserve (heading 8 Financial Report) does not exceed 5% of the direct eligible costs of the Action and that the Beneficiary has obtained prior written authorisation of the Contracting Authority for the use of this contingency reserve.

3.4. Administrative costs (Article 14.4)

The Auditor verifies that the indirect costs to cover the administrative overheads (heading 10 Financial Report) do not exceed 7% of the total amount of eligible direct costs of the Action.

3.5. Contributions in kind (Article 14.5)

The Auditor verifies that costs in the Financial Report do not include contributions in kind. Contributions in kind are not eligible costs.

3.6. Ineligible costs (Article 14.6)

The Auditor verifies that the expenditure for a selected item does not concern an ineligible cost as described in Article 14.6 of the General Conditions. The Auditor verifies whether expenditure includes certain taxes, including VAT. If this is the case the Auditor verifies that the Beneficiary (or, where applicable the partners) cannot reclaim these taxes through an exemption system and/or a refund *a posteriori*. If this is the case, taxes can be considered as eligible costs, provided that the basic act which finances the EU-contribution does not exclude payment of taxes.

3.7. Accepted costs

Where the basic act which finances the EU-contribution excludes taxes as eligible costs, these taxes may nevertheless be taken into consideration as co-financing by the grant beneficiary. The Auditor verifies that the beneficiary (or, where applicable, the partners) cannot reclaim these taxes through an exemption system and/or a refund *a posteriori*.

3.8. Revenues of the Action

The Auditor examines whether revenues which should be attributed to the Action (including inter alia grants and funding received from other donors and other revenue generated by the Beneficiary in the context of the Action such as for example interest earned) have been allocated to the Action and disclosed in the Financial Report. For this purpose the Auditor inquires with the Beneficiary and examines documentation obtained from the Beneficiary. The Auditor is not expected to examine the completeness of the revenues reported.



Annex 2B Guidelines for Specific Procedures to be performed

[This Annex provides standard guidelines for the specific procedures to be performed and these guidelines shall not be modified]

1. VERIFICATION EVIDENCE

When performing the specific procedures listed in Annex 2A the Auditor may apply techniques such as inquiry and analysis, (re)computation, comparison, other clerical accuracy checks, observation, inspection of records and documents, inspection of assets and obtaining confirmations.

The Auditor obtains verification evidence from these procedures to draw up his report of factual findings. Verification evidence is all information used by the Auditor in arriving at the factual findings and it includes the information contained in the accounting records underlying the Financial Report and other information (financial and non-financial).

The contractual requirements that relate to verification evidence are:

- Expenditure should be identifiable, verifiable and recorded in the accounting records of the Beneficiary (Article 14.1.d) of the General Conditions of the Grant Contract);
- Expenditure must be easily identifiable and verifiable and traced to and within the Beneficiary's accounting and bookkeeping systems (Article 16.1 of the General Conditions);
- The Beneficiary will allow any external auditor to carry out verifications on the basis of supporting documents for the accounts, accounting documents and any other document relevant to the financing of the Action. The Beneficiary gives access to all documents and databases concerning the technical and financial management of the Action (Article 16.2 of the General Conditions);
- Article 16.3 of the General Conditions of the Grant Contract provides a list of the types and nature of evidence that the Auditor will often find in expenditure verifications.

Moreover, for the purpose of the procedures listed in Annex 2A, evidence:

- Must be available in documentary form, whether paper, electronic or other medium (e.g. a written record of a meeting is more reliable than an oral presentation of the matters discussed);
- Must be available in the form of original documents rather than photocopies or facsimiles;
- Should preferably be obtained from independent sources outside the entity (an original suppliers invoice or contract is more reliable than an internally approved receipt note);
- Which is generated internally is more reliable if it has been subject to control and approval;
- Obtained directly by the Auditor (e.g. inspection of assets) is more reliable than evidence obtained indirectly (e.g. inquiry about the asset).

If the Auditor finds that the above criteria for evidence are not sufficiently met, he/she should detail this in the factual findings.

2. OBTAINING AN UNDERSTANDING OF THE TERMS AND CONDITIONS OF THE GRANT CONTRACT (ANNEX 2A - PROCEDURE 1.1)

The Auditor obtains an understanding of the terms and conditions of the Grant Contract and he/she should pay particular attention to Annex I of the Grant Contract, which contains the Description of the Action, Annex II (General Conditions) and Annex IV, which provides rules for procurement (including nationality and origin rules) by grant beneficiaries in the context of EU external actions. Failure to comply with these rules makes expenditure ineligible for EU financing. These procurement rules apply to all grant contracts but depending on the legal basis for the Grant Contract (e.g. TACIS, ALA, Food Aid and Development Co-operation Instrument) nationality and origin rules may vary. The Auditor ensures with the Beneficiary that the applicable nationality and origin rules are identified and understood. Applicable rules of nationality and origin are set out, for each legal basis, in Annex A2 to the Practical Guide² to contract procedures for external actions of the European Communities.

If the Auditor finds that the terms and conditions to be verified are not sufficiently clear he should request clarification from the Beneficiary.

3. SELECTING EXPENDITURE FOR VERIFICATION (ANNEX 2A - PROCEDURES 3.1 – 3.7)

The expenditure claimed by the Beneficiary in the Financial Report is presented under the following expenditure headings: 1 Human Resources, 2 Travel, 3 Equipment and Supplies, 4 Local office, 5 Other costs, services, 6 Other, 8 Provision for contingency reserve and 10 Administrative costs. Expenditure headings 1 to 6 represent direct costs of the Action. Expenditure headings can be broken down into expenditure subheadings such as for example 1.1 Salaries.

Expenditure subheadings can be broken down into individual expenditure items or classes of expenditure items with the same or similar characteristics. The form and nature of the supporting evidence (e.g. a payment, a contract, an invoice etc) and the way expenditure is recorded (i.e. journal entries) vary with the type and nature of the expenditure and the underlying actions or transactions. However, in all cases expenditure items should reflect the accounting (or financial) value of underlying actions or transactions no matter the type and nature of the action or transaction concerned.

Value should be the principal factor used by the Auditor to select expenditure items or classes of expenditure items for verification. The Auditor selects high value expenditure items to ensure an appropriate coverage of expenditure.

4. VERIFICATION COVERAGE OF EXPENDITURE (ANNEX 2A - PROCEDURES 3.1 – 3.7)

The Auditor applies the principles and criteria set out below when planning and performing the specific verification procedures for selected expenditure in Annex 2A (procedures 3.1 – 3.7).

Verification by the Auditor and verification coverage of expenditure items does not necessarily mean a complete and exhaustive verification of all the expenditure items that are included in a specific expenditure heading or subheading. The Auditor should ensure a systematic and

² Practical Guide (applicable for Budget and Edf) and annexes for Budget and EDF see: http://ec.europa.eu/europeaid/work/procedures/implementation/practical_guide/index_en.htm

representative verification. Depending on certain conditions (see further below) the Auditor may obtain sufficient verification results for an expenditure heading or subheading by looking at a limited number of selected expenditure items.

The Auditor may apply statistical sampling techniques for the verification of one or more expenditure headings or subheadings of the Financial Report. The Auditor examines whether 'populations' (i.e. expenditure subheadings or classes of expenditure items within expenditure subheadings) are suitable and sufficiently large (i.e. are made up of large numbers of items) for effective statistical sampling.

If applicable the Auditor should explain in the report of factual findings for which headings or subheadings of the Financial Report sampling has been applied, the method used, the results obtained and whether the sample is representative.

The Expenditure Coverage Ratio ('ECR') represents the total amount of expenditure verified by the Auditor expressed as a percentage of the total amount of expenditure reported by the Beneficiary in the Financial Report and claimed by the Beneficiary for deduction from the total sum of pre-financing under the Grant Contract. This amount is reported in Annex V of the Grant Contract.

The Auditor ensures that the overall ECR is at least **65%**. If he finds an exception rate of less than 10% of the total amount of expenditure verified (i.e. 6,5 %) the Auditor finalises the verification procedures and continues with reporting.

If the exception rate found is higher than 10% the Auditor extends verification procedures until the ECR is at least **85%**. The Auditor then finalises verification procedures and continues with reporting regardless of the total exception rate found. The Auditor ensures that the **ECR for each expenditure heading and subheading** in the Financial Report is at least **10%**.

5. PROCEDURES TO VERIFY SELECTED EXPENDITURE (ANNEX 2A - PROCEDURES 3.1 – 3.7)

The Auditor verifies the selected expenditure items by carrying out procedures 3.1 - 3.7 listed in Annex 2A and reports all the factual findings and exceptions resulting from these procedures. Verification exceptions are all verification deviations found when performing the procedures set out in Annex 2A.

The Auditor quantifies the amount of the verification exception found and the potential impact on the EU contribution, should the Commission declare the expenditure item(s) concerned ineligible (where applicable taking into account the percentage of funding of the Commission and the impact on indirect expenditure (e.g. administrative costs)). The Auditor reports all exceptions found including the ones of which he cannot quantify the amount of the verification exception found and the potential impact on the EU contribution.

For example: if the Auditor finds an exception of 1.000€ with regard to procurement rules for a grant contract where the EU finances 60% of the expenditure and where administrative costs of 7% of total direct eligible expenses are foreseen, the Auditor reports an exception of 1.000€ and a financial impact of 642€ (1.000€ x 60% x 1.07).

Specific guidance for procedure 3.1.9 Compliance with Procurement, Nationality and Origin Rules

The Auditor should verify whether the expenditure for a selected item was incurred in accordance with the applicable procurement, nationality and origin rules by examining the underlying documents of the procurement and purchase process. Such documents relate to the opening of tenders, the assessment of the eligibility of tenderers and conformity of tenders, the evaluation of the offers and the decisions with regard to the awarding of the contract. When examining these procurement documents the Auditor takes into account the risk indicators listed at the end of this Annex and he reports, if applicable, which of these indicators were identified.

Specific guidance for procedure 3.5 Contributions in kind

The Auditor should verify that expenditure in the Financial Report does not include any contributions in kind. If contributions in kind are foreseen they must be indicated and valued in the Action budget. If this is not the case contributions in kind are not eligible. Examples: salaries of staff detached by a Ministry which is not part of the action or equipment and material received from organisations which do not participate in the Action.



ANNEX VII

RISK INDICATORS PROCUREMENT

- Inconsistencies in the dates of the documents or illogical sequence of dates. Examples:
 - Offer dated after the award of contract or before the sending of the invitations to tender
 - Offer of the winning tenderer dated before the publication date of the tender or dated significantly later than offers of other tenderers
 - Offers of different candidates participating in the same tenders all having the same date
 - Dates on documents not plausible/consistent with dates on accompanying documentation (e.g. date on the offer not plausible/consistent with the postal date on the envelope; date of a fax not plausible/consistent with the printed date of the fax machine)
- Unusual similarities in offers of candidates participating in the same tender. Examples:
 - Same wording, sentences and terminology in offers of different tenderers
 - Same layout and format (e.g. font type, font size, margin sizes, indents, paragraph wrapping, etc) in offers of different tenderers
 - Similar letterhead paper or logos
 - Same prices used in offers of different tenderers for a number of subcomponents or line items
 - Identical grammatical, orthographical or typing errors in offers of different tenderers
 - Use of similar stamps and similarities in signatures
- Financial statement or other information indicating that two tenderers participating in the same tender are related or part of a same group (e.g. where financial statements are provided, the notes to the financial statements may disclose ultimate ownership of the group. Ownership information may also be found in public registers for accounts)
- Inconsistencies in the selection and award decision process. Examples:
 - Award decisions not plausible / consistent with selection and award criteria
 - Errors in the application of the selection and award criteria
 - A regular supplier of the beneficiary participates as a member of a tender evaluation committee
- Other elements and examples indicating a risk of privileged relationship with tenderers:
 - A same tenderer (or small group of tenderers) is invited to different tenders with unusual frequency
 - A same tenderer (or small group of tenderers) wins an unusually high proportion of the bids
 - A tenderer is frequently awarded contracts for different types of goods or services

- The winning tenderer invoices additional goods not foreseen in the offer (e.g. additional spare parts invoiced without clear justification, installation costs invoiced while not foreseen in the offer).
 - Other documentation, issues and examples indicating a risk of irregularities:
 - Use of photocopies instead of original documents
 - Use of pro-forma invoices as supporting documents instead of official invoices
 - Manual changes on original documents (e.g. figures manually changed, figures "tippexed", etc)
 - Use of non-official documents (e.g. letterhead paper not showing certain official and/or compulsory information such as commercial registry number, company tax number, etc.)
-



ANNEX VII

Annex 3 : Model Report for an Expenditure Verification of an EU Grant Contract

HOW TO USE THIS MODEL REPORT? All text highlighted in yellow in this model report is for instruction only and auditors should remove it after use. Information requested in the following form <.....> (e.g. <name of the beneficiary> must be completed by the auditor.

<To be printed on AUDITOR'S letterhead>

Report for an Expenditure Verification of a Grant Contract

External Actions of the European Union

<Title of and number of the grant contract >

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ANNEX VII

Report of Factual Findings

<Name of contact person(s)>, < Position >
< Beneficiary's name >
<Address >

<dd Month yyyy >

Dear <Name of contact person(s)>

In accordance with the terms of reference dated <dd Month yyyy > that you agreed with us, we provide our Report of Factual Findings ("the Report"), with respect to the accompanying Financial Report for the period covering <dd Month yyyy - dd Month yyyy > (Annex 1 of this Report). You requested certain procedures to be carried out in connection with your Financial Report and the European Union financed Grant Contract concerning <title and number of the contract >, the 'Grant Contract'.

Objective

Our engagement was an expenditure verification which is an engagement to perform certain agreed-upon procedures with regard to the Financial Report for the Grant Contract between you and <the European Commission or the name of another contracting authority > the 'Contracting Authority'. The objective of this expenditure verification is for us to carry out certain procedures to which we have agreed and to submit to you a report of factual findings with regard to the procedures performed.

Standards and Ethics

Our engagement was undertaken in accordance with:

- International Standard on Related Services ('ISRS') 4400 *Engagements to perform Agreed-upon Procedures regarding Financial Information* as promulgated by the International Federation of Accountants ('IFAC');
- the *Code of Ethics for Professional Accountants* issued by the IFAC. Although ISRS 4400 provides that independence is not a requirement for agreed-upon procedures engagements, the Contracting Authority requires that the auditor also complies with the independence requirements of the *Code of Ethics for Professional Accountants*;

Procedures performed

As requested, we have only performed the procedures listed in Annex 2A of the terms of reference for this engagement (see Annex 2 of this Report).

These procedures have been determined solely by the Contracting Authority and the procedures were performed solely to assist the Contracting Authority in evaluating whether the expenditure claimed by you in the accompanying Financial Report is eligible in accordance with the terms and conditions of the Grant Contract.

Because the procedures performed by us did not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the accompanying Financial Report.

Had we performed additional procedures or had we performed an audit or review of the financial statements of the Beneficiary in accordance with International Standards on Auditing, other matters might have come to our attention that would have been reported to you.

Sources of Information

The Report sets out information provided to us by you in response to specific questions or as obtained and extracted from your accounts and records

Factual Findings

The total expenditure which is the subject of this expenditure verification amounts to <xxxxxx> €.

The Expenditure Coverage Ratio is <xx %>. This ratio represents the total amount of expenditure verified by us expressed as a percentage of the total expenditure which has been subject of this expenditure verification. The latter amount is equal to the total amount of expenditure reported by you in the Financial Report and claimed by you for deduction from the total sum of pre-financing under the Grant Contract as per your Request for Payment of <dd Month yyyy>.

We report the details of our factual findings which result from the procedures that we performed in Chapter 2 of this Report.

Use of this Report

This Report is solely for the purpose set forth above under objective.

This report is prepared solely for your own confidential use and solely for the purpose of submission by you to the Contracting Authority in connection with the requirements as set out in Article 15 of the General Conditions of the Grant Contract. This report may not be relied upon by you for any other purpose, nor may it be distributed to any other parties.

The Contracting Authority is not a party to the agreement (the terms of reference) between you and us and therefore we do not owe or assume a duty of care to the Contracting Authority who may rely upon this expenditure verification report at its own risk and discretion. The Contracting Authority can assess for itself the procedures and findings reported by us and draw its own conclusions from the factual findings reported by us.

The Contracting Authority may only disclose this Report to others who have regulatory rights of access to it in particular the European Commission [*Delete if the Commission is the Contracting Authority*], the European Anti Fraud Office and the European Court of Auditors.

This Report relates only to the Financial Report specified above and does not extend to any of your financial statements.

We look forward to discussing our Report with you and would be pleased to provide any further information or assistance which may be required.

Yours sincerely,



Auditors' signature [*person or firm or both, as appropriate and in accordance with firm policies*]

Name of Auditor signing [*person or firm or both, as appropriate*]

Auditors' address [*office having responsibility for the engagement*]

Date of signature <*dd Month yyyy*> [*date of when the final report is effectively signed*]



ANNEX VII

Information about the Grant Contract

[Chapter 1 should include a brief description of the Grant Contract and the Action, the Beneficiary/ implementing structure and key financial/budget information. (maximum 1 page)]

Procedures performed and Factual Findings

We have performed the specific procedures listed in Annex 2A of the terms of reference for the expenditure verification of the Grant Contract ('ToR'). These procedures are:

1. General Procedures
2. Procedures to verify conformity of Expenditure with the Budget and Analytical Review
3. Procedures to verify selected Expenditure

We have applied the rules for selection of expenditure and the principles and criteria for verification coverage as set out in Annex 2B (sections 3 and 4) of the ToR for this expenditure verification.

[Explain here difficulties or problems encountered if any]

The total expenditure verified by us amounts to <xxx> € and is summarised in the table below. The overall Expenditure Coverage Ratio is <xx%>.

[Provide here a summary table of the Financial Report in Annex 1, presenting for each (sub) heading the total expenditure amount reported by the Beneficiary, the total expenditure amount verified and the percentage of expenditure covered]

We have verified the selected expenditure as shown in the above summary table and we have carried out, for each expenditure item selected, the verification procedures specified at point 3.1 to 3.7 of Annex 2A of the ToR for this expenditure verification. We report our factual findings resulting from these procedures below.

1. GENERAL PROCEDURES

1.1. Terms and Conditions of the Grant Contract

We have obtained an understanding of the terms and conditions of this Grant Contract in accordance with the guidelines in Annex 2B (section 2) of the ToR.

[Describe factual findings and specify errors and exceptions. Procedures 1.1 - 1.5 in Annex 2A. If there are no factual findings this should be explicitly stated as follows for each procedure: 'No factual findings have arisen from this procedure'.]

- 1.2. **Financial Report for the Grant Contract**
- 1.3. **Rules for Accounting and Record keeping**
- 1.4. **Reconciling the Financial Report to the Beneficiary's Accounting System and Records**
- 1.5. **Exchange Rates**

2. **PROCEDURES TO VERIFY CONFORMITY OF EXPENDITURE WITH THE BUDGET AND ANALYTICAL REVIEW**
 - 2.1. **Budget of the Grant Contract**
 - 2.2. **Amendments to the Budget of the Grant Contract**

[Describe factual findings and specify errors and exceptions. Procedures 2.1 – 2.2 in Annex 2A. If there are no factual findings this should be explicitly stated as follows for each procedure: 'No factual findings have arisen from this procedure'.]

3. PROCEDURES TO VERIFY SELECTED EXPENDITURE

We have reported further below all the exceptions resulting from the verification procedures specified at point 3.1 – to 3.7 of Annex 2A of the ToR for this expenditure verification insofar these procedures did apply to the selected expenditure item.

We have quantified the amount of the verification exceptions found and the potential impact on the EU contribution, should the Commission declare the expenditure item(s) concerned ineligible (where applicable taking into account the percentage of funding of the Commission and the impact on indirect expenditure (e.g. administrative costs)). We have reported all exceptions found including the ones of which we cannot quantify the amount of the verification exception found and the potential impact on the EU contribution.

[Specify for which expenditure amounts / items exceptions between facts and criteria were found, the nature of the exception – this means which of the specific condition or conditions described at point 3.1 to 3.7 of Annex 2A of the ToR were not respected. Quantify the amount of verification exceptions found and the potential impact on the EU contribution, should the Commission declare the expenditure item(s) concerned ineligible]

3.1. Eligibility of Costs

We have verified, for each expenditure item selected, the eligibility criteria set out at procedure 3.1 in Annex 2A of the ToR for this expenditure verification.

[Describe factual findings and specify errors and exceptions. Procedure 3.1 in Annex 2A: eligibility of costs and the eligibility criteria (1) to (9). Example: we found that an expenditure amount of 6.500 € included in subheading 3.2 (furniture, computer equipment) of the Financial Report was not eligible. An amount of 2.000€ related to expenditure incurred outside the implementation period. Supporting evidence was not available for 3 transactions totalling 1.200€. The required procurement rules for purchases of office computers for 3.300€ were not respected. (Note: relevant details such as accounting record references or documents should be provided).]

- 3.2. Eligibility of Direct Costs (Article 14.2)
- 3.3. Provision for Contingency Reserve (Article 14.3)
- 3.4. Administrative costs (Article 14.4)
- 3.5. Contributions in kind (Article 14.5)
- 3.6. Non-eligible costs (Article 14.6)
- 3.7. Accepted costs
- 3.8. Revenues of the Action

[Describe factual findings and specify errors and exceptions. Procedures 3.2 - 3.7 in Annex 2A]

Annex 1 Financial Report for the Grant Contract

[Annex 1 should include the Beneficiary's financial report for the Grant Contract which has been the subject of the verification. The financial report should be dated and indicate the period covered.]

Annex 2 Terms of Reference Expenditure Verification

[Annex 2 should include a signed and dated copy of the terms of reference for the expenditure verification of this Grant Contract including Annex 1 (information about the Grant Contract) and Annex 2A (Listing of the specific procedures to be performed).]

ANNEX VIII
PRE-FINANCING GUARANTEE FORM

[To be completed on paper bearing the letterhead of the financial institution]

For the attention of
[Address of the Contracting Authority]
referred to below as the "Contracting Authority"

Subject: **Guarantee No ...**
Financing Guarantee for the repayment of pre-financing payable under Grant Contract <Contract number and title> (please quote number and title in all correspondence)

We the undersigned, <name and address of financial institution>¹ hereby irrevocably declare that we guarantee as primary obligor, and not merely as a surety, on behalf of <name and address of the Beneficiary>, hereinafter referred to as "the Beneficiary", payment to the Contracting Authority of <amount of the pre-financing in Euros/Contracting Authority currency²>, this amount representing the guarantee referred to in Article 15(7) of the grant contract <Contract number and title> concluded between the Beneficiary and the Contracting Authority, hereinafter referred to as "the Contract".

Payment shall be made without objection or legal proceedings of any kind, upon receipt of your first written claim (sent by registered letter with confirmation of receipt) stating that the Beneficiary has not repaid the pre-financing on request or that the Contract has been terminated. We shall not delay the payment, nor shall we oppose it for any reason whatsoever. We shall inform you in writing as soon as payment has been made.

We accept notably that no amendment to the terms of the Contract can release us from our obligation under this guarantee. We waive the right to be informed of any change, addition or amendment to the Contract.

We note that the guarantee will be released 45 days at the latest after the first of the following events:

- when the total amount of pre-financing under the Contract, after any clearance in accordance with Article 15(6) of the General Conditions of the Contract, is once again below the threshold laid down in article 15 (7) of the General Conditions of the Contract;
- when the balance provided for in the Contract has been paid;

[and in any case at the latest on at the expiry of 18 months after the implementation period of the Action mentioned in the Contract]³

[Any request to pay under the terms of the guarantee must be countersigned by the Head of Delegation of the European Union (This sentence should be deleted when the Contracting Authority is the Commission)]

The law applicable to this guarantee shall be that of <enter Belgium, or the country of the Contracting Authority if this is not the European Commission/country in which the financial institution issuing the guarantee is established>. Any dispute arising out of or in connection with this guarantee shall be

¹ The guarantee has to be supplied by a recognized financial or bank organism established in a Member State of the European Union. Where the Beneficiary is established in another State, the Contracting Authority may accept that a bank or financial organism established in that State supplies the guarantee if it considers that this organism do present insurances and characteristics equivalent to those offered by a financial or bank organism established in a Member State of the European Union.

² To be used in the case where the contract is in Contracting Authority currency

³ This mention has to be inserted only where required, for example where the law applicable to the guarantee imposes a precise expiry date.



ANNEX VIII
PRE-FINANCING GUARANTEE FORM

referred to the courts of <enter Belgium, or the country of the Contracting Authority if this is not the European Commission >.

This guarantee shall come into force and shall take effect on receipt of the pre-financing payment in the account designated by the Beneficiary to receive payments.

.....
(Date a place of signing)

.....
(Signature)⁴

⁴ The name(s) and position(s) of the persons signing on behalf of the guarantor must be shown in printed characters



ENTITE LEGALE

PRIVACY STATEMENT http://ec.europa.eu/budget/execution/legal_entities_fr.htm

ENTITE DE DROIT PUBLIC

FORME JURIDIQUE	ETABLISSEMENT PUBLIC A CARACTERE INDUSTRIEL ET COMMERCIAL		
ONG	OUI <input type="checkbox"/>	NON <input checked="" type="checkbox"/>	(Organisation Non Gouvernementale)
NOM(S)	CIRAD		
ACRONYME	CIRAD		
ADRESSE OFFICIELLE	42, rue Scheffer		
CODE POSTAL	75116	BOITE POSTALE	
VILLE	PARIS		
PAYS	FRANCE		
TVA**	FR84331596270		
LIEU D'ENREGISTREMENT	PARIS		
DATE D'ENREGISTREMENT	21 DD	06 MM	1985 YYYY
N° DE REGISTRE	331 596 270		
TELEPHONE	+33 1 53 70 20 45	FAX	+33 1 53 70 20 34
E-MAIL	pdg@cirad.fr		

IL CONVIENT DE FOURNIR CETTE FICHE "ENTITE LEGALE" COMPLETEE, SIGNEE ET ACCOMPAGNEE DE:
 * UNE COPIE DE LA RESOLUTION, LOI, ARRETE OU DECISION ETABLISSANT L'ENTITE CONCERNEE
 * A DEFAUT : TOUT AUTRE DOCUMENT OFFICIEL QUI PROUVE L'ETABLISSEMENT DE L'ENTITE CONCERNEE PAR LES AUTORITES NATIONALES
 ** SI CE CHAMP EST REMPLI, MERCI DE JOINDRE UN DOCUMENT "TVA" OFFICIEL

DATE: 19/12/2011
NOM + FONCTION DU REPRESENTANT AUTORISE André ROUZIERE Adjoint à la Direction du Département Persyst
SIGNATURE

CACHET

DA

SIGNALETIQUE FINANCIER

TITULAIRE DU COMPTE BANCAIRE	
NOM	C I R A D P e r s y s t
ADRESSE	4 2 r u e S c h e f f e r
COMMUNE/VILLE	P A R I S
CODE POSTAL	7 5 1 1 6
PAYS	F R A N C E
NUMERO TVA INTRACOMMUNAUTAIRE	F R 8 4 3 3 1 5 9 6 2 7 0

BANQUE	
NOM DE LA BANQUE	B N P P A R I B A S
AGENCE	E T O I L E - E N T R E P R I S E S
ADRESSE	8 3 A v e n u e C H A R L E S D E G A U L L E
	B P 5 7
COMMUNE/VILLE	N E U I L L Y S U R S E I N E
CODE POSTAL	9 2 2 0 2
PAYS	F R A N C E
SWIFT	B N P A F R P P P K L
NUMERO DE COMPTE	3 0 0 0 4 - 0 0 8 9 2 - 0 0 0 1 0 4 4 3 6 1 5 - 2 1
IBAN	F R 7 6 - 3 0 0 0 - 4 0 0 8 - 9 2 0 0 - 0 1 0 4 - 4 3 6 1 - 5 2 1

REMARQUES:

Nous soussignés, BNP PARIBAS, SA au capital de 1 679 234 990 Euros ayant son siège social 16 boulevard des Italiens 75009 PARIS, représentée par le Centre d'Affaires Paris Etoile Entreprises, certifions par la présente que la société CIRAD est cliente de notre établissement et que le compte sus mentionné est bien ouvert sur nos livres.

CACHET de la BANQUE + SIGNATURE du REPRESENTANT DE LA BANQUE (Les deux obligatoires)
<p>Marie-Laure DALEY</p>  

DATE + SIGNATURE DU TITULAIRE DU COMPTE : (Obligatoire)
 