GRANT CONTRACT - EXTERNAL AID

[**…….**] *(Contract identification number)*

The National Agency for Regional Development of the Ministry of Agriculture and Regional Development, represented by the Programme Authorising Officer (“the ” Contracting Authority),

of the one part,

and

[**……**] (*full name of Beneficiary*)[**…….**] (*acronym*) with its office at [**……**] **(***address [of registered office - for companies and associations; of main office - for public bodies and universities], VAT number or equivalent official registration number where appropriate*] (“the Beneficiary”),

of the other part,

have agreed as follows:

Special Conditions

Article 1 - Subject

1(1) The subject of this Contract is a Contracting Authority’s grant for the implementation of the operation entitled: [**.....**] (“the Operation”).

1(2) The Beneficiary will be awarded the grant on the terms and conditions set out in this Contract, which consists of these special conditions ("Special Conditions") and their annexes, which the Beneficiary hereby declares he has taken note of and accepts.

1(3) The Beneficiary accepts the grant and undertakes to carry out the Operation under his own responsibility.

Article 2 - Duration of execution

2(1) Implementation of the Operation will begin on:
- ***the day following that on which the parties sign***

2(2) The Operation's duration of execution, as laid down in Annex I, is [….] number of months and must be completed until *28 February 2004*.

Article 3 - Financing the Operation

3(1) The total cost of the Operation eligible for financing by the Contracting Authority is estimated at EUR [**...**], as set out in Annex III.

3(2) The Contracting Authority undertakes to finance a maximum of EUR [**...**], equivalent to [**...**]% of the estimated total eligible cost specified in paragraph 1; the final amount will be established in accordance with Article 17 of Annex II.

Article 4 - Technical and financial reporting and payment arrangements

4(1) Technical and financial reports must be produced to back up payment requests, in compliance with Articles 2 and 15(1) of Annex II.

4(2) Payment will be made in accordance with Article 15 of Annex II; of the options referred to in Article 15(1), the following will apply:

Advance (80% of the part of the forecast budget for the first 12 months of implementation financed by the Community excluding contingencies):	EUR [.....]
Intermediate annual payment(s):	EUR [.....]
Forecast final payment (subject to the provisions of Annex II)	EUR [.....]

Article 5 - Contact addresses

Any communication relating to this Contract, including requests for changes to bank account arrangements must be in writing, must state the number and title of the Operation and must use the following addresses

For the Contracting Authority:

Ministry of Agriculture and Regional Development
National Agency for Regional Development
Budapest
Gellerthegy u. 30-32.
H1016

For the Beneficiary:

Copies of the documents referred to above, and correspondence of any other nature, should be sent to:

European Social Fund National Implementing Agency
Budapest
Ajtósi Dürer sor 19-21.
H-1146

Payment requests and attached reports should be sent to:

(address of the Regional Development Agency)

A copy of the final report referred to in Article 4 will be sent to the Commission Delegation responsible for supervising the Operation.

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 Operation

Annex II: General Conditions applicable to European Community-financed grant contracts concluded under decentralised external aid programmes

Annex III: Budget for the Operation

Annex IV: contract-award procedures

Annex V: standard request for payment and financial identification form

6(2) in the event of conflict between the provisions of the Annexes and those of the Special Conditions, 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, the provisions of Annex II shall take precedence.

Article 7 - Other specific conditions applying to the Operation

7(1) The following shall supplement the General Conditions:

7(1)(1) The audit firm which will carry out the audit(s) referred to in Article 16(5) of Annex II is [.....] (name, address, telephone and fax).[1]

7(2) The following derogations from the General Conditions shall apply:

7(2)(1) By derogation from Article 14(1), the costs of preparing the Operation will be eligible costs.

7(2)(2) By derogation from Article 15(1), payments to the Beneficiary will be made based on approved reports. The Beneficiary submits and the Contracting Authority approves the interim report, a plan of action and budget for the following period (cf. article 15(1) of the General Conditions).
The Advance Payment is 60% of the grant. It shall be paid after the signature of the grant contract and receipt of a request for advance from the beneficiary.

The First Intermediate Payment is 10% of the grant. It is due to the approval of the First Progress Report: semi annual report.

The Second IntermediatePayment is 20% of the grant. It is due to the approval of the Second Progress Report: annual report.

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[1] This provision will be inserted only where an audit is provided for under the terms of Article 16(4) of Annex II.

The Final Payment (the last 10 % of the grant) will be paid upon submission by the Beneficiary and approval by the Contracting Authority of the Final Report after completion of the project (cf. article 15(1) of the General Conditions).

Done at Budapest in five originals in English, one original being for the Commission, one original being for the Contracting Authority, one original for the Ministry of Social and Family Affairs, one original for the Ministry of Economic Affairs and one original being for the Beneficiary.

For the Beneficiary	For the Contracting Authority
……..	…….
[name and title of the individual(s) authorised to sign]	[name of the official(s) authorised to sign] Programme Authorising Officer
[signature]	[signature]
[date]	[date]

Endorsed for financing by the European Community

……

[name and title of the individual(s) authorised to sign]

[signature]

[date]