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Annex Ia

All text highlighted in yellow in this Partnership Agreement model must be completed by the Beneficiary and its partner.

In no circumstances any part of these standard provisions may be altered. Complementary to the rules set out below, the Beneficiary and its partner may agree on other specific rules to be included in this Partnership Agreement.

Please remember to delete this paragraph in the final version.

**PARTNERSHIP AGREEMENT
between the Beneficiary and its ENPI Partner
for the Joint Operational Programme “Black Sea 2007-2013”**

Having regard to:

Regulation (EC) No 1638/2006 of the European Parliament and of the Council of 24 October 2006 laying down general provisions establishing a European Neighbourhood and Partnership Instrument

Commission Regulation (EC) No 951/2007 of 9 August 2007 laying down implementing rules for cross-border cooperation programmes financed under Regulation (EC) No 1638/2006 of the European Parliament and of the Council laying down general provisions establishing a European Neighbourhood and Partnership Instrument,

The Joint Operational Programme “Black Sea 2007-2013”, adopted by the European Commission through the Decision no. 7406/27.11.2008,

And on the basis of the decision of the Joint Monitoring Committee of the Joint Operational Programme “Black Sea 2007-2013” from <date/month/year> to award a grant to the Action,

Full official name and address of the Beneficiary, represented by
("the Beneficiary")

of the one part,

and

Full official name and address of the Partner, represented by
("the Partner")

of the other part,

have agreed as follows:

ARTICLE 1 - GENERAL PROVISIONS

1.1 The purpose of this Partnership Agreement (hereinafter “the Agreement”) is to define the rules of procedure for the joint implementation of the Action entitled: <title of the Action> (“the Action”) and the relations among the Beneficiary and its Partner.

1.2 Where in this Agreement the ‘JMA’ is mentioned this refers to *the Ministry of Regional Development and Housing*, which shall sign the Grant Contract with the Beneficiary and shall provide the grant funding. The JMA is not a party to this Agreement.



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1.3. The Beneficiary and the Partner shall implement the Action under their own responsibility and in accordance with the Description of the Action with a view to achieving the objectives laid down therein.

1.4. The Beneficiary and the Partner 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 Agreement.

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

1.5. The Partner declares that it got acquainted with the joint operational programme and it has read the Guidelines for Grant Applicants and the Grant Contract and understands and accepts the obligations and contractual conditions stipulated therein.

ARTICLE 2 -IMLEMENTATION PERIOD OF THE ACTION

2.1 This Agreement shall enter into force on the date when the Grant Contract enters into force.

2.2 Implementation of the Action shall begin on the date specified in the Grant Contract. The Beneficiary shall inform the Partner no later than 5 days after the signature of the Grant Contract about the start date of the implementation of the Action.

2.3 The Action's implementation period is <number of months>.

ARTICLE 3 - FINANCING THE ACTION

3.1 The total ENPI eligible cost of the Action is estimated at <...EURO >.

3.2 The JMA shall finance a maximum of <...EURO>, equivalent to maximum 90% of the estimated total ENPI eligible cost of the Action.

3.3 The Beneficiary undertakes to co-finance the implementation of the Action with <...EURO >.,

3.4 The Partner undertakes to co-finance the implementation of the Action with <...EURO >.

ARTICLE 4 - PAYMENT AND INTEREST

4.1. The total ENPI grant to be paid by the Beneficiary to the Partner is [to be defined by the Partnership]

The Beneficiary will pay the grant to the Partner in the following manner: [to be defined by the Partnership, according to the calendar of the activities foreseen to be implemented by the Partner]

4.2 The Beneficiary shall make payments to the Partner in euro.

The Beneficiary shall transfer the corresponding amounts of the Grant to the Partner within [timeframe to be defined by the partnership] days as from the dates set out above, without making any deduction, retention or further specific charge.

4.3 If the total accepted ENPI costs of the part of the Action implemented under the Partner's responsibility at the end of the Action are less than the estimated ENPI cost as referred to in Article 4.1, the Partner shall be limited to the amount approved by the JMA for the respective part of the Action.



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4.4. The Partner accepts that the ENPI 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 part of the action implemented under its responsibility. Profit shall be defined as a surplus of actual income over the actual expenditure of the Action in question when the request is made for payment of the balance.

4.5 Any interest or equivalent benefits accruing from pre-financing paid by the Beneficiary to the Partner shall be mentioned in the reports. Any interest accruing from pre financing paid by the Beneficiary to the Partner shall be assigned to the Action and deducted from the payment of the balance of the amounts due to the Partner.

If the JMA requests the Beneficiary to reimburse the interest generated by pre-financing payments before the payment of the balance, the Partner shall be liable to reimburse to the Beneficiary any interest accruing from pre financing paid to it.

Interest shall not be due for pre-financing paid to the EU Member States.

ARTICLE 5 - OBLIGATION TO PROVIDE INFORMATION AND REPORTS

5.1. The Beneficiary must provide the JMA with all required information on the implementation of the Action. The Partner undertakes to provide the Beneficiary with all required information within 10 days of the request.

5.2 The Partner must draw up progress reports, interim report (to be attached to the request for payment for further pre-financing) and a final report, corresponding to the part of Action implemented under their own responsibility.

The progress report shall consist of a narrative section conforming to the model in Annex VI of the Grant Contract template as published in the Guidelines for Grant Applicants and shall cover every 4 months of the implementation period of the Action.

The interim and final reports shall consist of a narrative section and a financial section and shall conform to the model in Annex VI of the Grant Contract template as published in the Guidelines for Grant Applicants.

The reports shall cover the Action as a whole. Each report must provide a full account of all aspects of the Action's implementation for the period covered. The proofs of the transfers of ownership referred to in Art 14.3 are also annexed to the final report.

If there is an overlapping between the dates when the progress report and the interim report or the final report are due, only the interim or the final report shall be drawn up and submitted to the Beneficiary.

5.3. The Partner must provide the Beneficiary with a report on the verification of the part of the Action's expenditure, produced by a designated controller (in case of a Partner located in a Member State) or by an approved auditor (in case of a Partner located in a Partner Country) who meets the specific conditions of the Terms of Reference for the expenditure verification, conforming to the model in Annex VII of Grant Contract template as published in the Guidelines for Grant Applicants, to be attached to:

- any request for further pre-financing payments;
- any final report;

The Partner has to inform the Beneficiary about the audit firm (in case of a partner located in a Partner Country)/control entity (in case of a partner located in Member State) which will carry out the verifications of expenditure referred to above (*name, contact responsible person, address, telephone and fax numbers*). The Partner shall notify in this respect the Beneficiary as soon as possible, but not later than *[timeframe to be defined by the partnership]* days after the signature of this Partnership Agreement.



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The auditor/controller examines whether the costs declared by Partner are real, accurately recorded and eligible in accordance with the Grant Contract and this Agreement, as well as the revenue of the part of the Action implemented under its responsibility.

Any conversion into euro of the real costs borne in other currencies shall be done by the Partner at the rate made up by the average of the rates published in InforEuro for the months covered by the relevant reports.

5.4. The reports shall be drafted in English language. They shall be submitted to the Beneficiary at the following intervals: **[timeframe to be defined by the partnership]**

5.5. If the Partner fails to supply the Beneficiary with any of the reports by the deadline laid down in Article 5.4, it has to furnish an acceptable and sufficient written explanation of the reasons why it is unable to comply with this obligation.

5.6 The Partner understands and accepts that any report shall be considered approved if there is no written reply from the JMA to the Beneficiary 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.

5.7. The Beneficiary shall keep the Partner informed on a regular basis about all relevant communication with the JMA regarding the approval of the reports and about all other essential issues connected to the Action implementation;

ARTICLE 6- ELIGIBLE COSTS

6.1. Eligible costs are costs actually incurred by the Partner which meet all the following criteria:

a) they are incurred during the implementation of the Action, with the exception of costs relating to final reports, expenditure verification and evaluation of the action, whatever the time of actual disbursement by the Partner. Procedures to award subcontracts for goods/services/works used/provided/delivered during the implementation period may have been initiated but contracts may not be concluded by the Partner before the start of the implementation period of the Action, provided the provisions regarding *Procurement by grant Beneficiaries in the context of European Community external actions* (Annex IV of the Grant Contract template, as published in the Guidelines for Grant Applicants) were respected.

b) must be indicated in the estimated budget of the part of the Action implemented under the Partner's responsibility,

c) must be necessary for the implementation of the Action which is the subject of the grant,

d) they are identifiable and verifiable, in particular being recorded in the accounting records of the Partner and determined according to the applicable accounting standards of the country where the Partner is established and according to the usual cost accounting practices of the the Partner,

e) must be reasonable, justified and comply with the requirements of sound financial management, in particular regarding economy and efficiency,

6.2. Subject to the above and where relevant to the provisions regarding *Procurement by grant Beneficiaries in the context of European Community external actions* (Annex IV of the Grant Contract template, as published in the Guidelines for Grant Applicants) being respected, the following direct costs of the Partner shall be eligible:



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- the cost of staff assigned to the Action, corresponding to actual gross salaries including statutory deductions¹ and other remuneration-related costs; salaries and costs must not exceed those normally borne by the Partner, 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 Partner,. Any flat-rate reimbursement of the subsistence costs must not exceed the rates set out in the Budget of the Action, which correspond to the scales published by the European Commission at the time of signing the Grant contract;
- purchase (new) or rental (new or used) costs for equipment and supplies specifically for the purposes of the Action, and costs of services, provided they correspond to market rates;
- costs of consumables;
- subcontracting expenditure;
- costs deriving directly from the requirements of the Agreement (dissemination of information, evaluation specific to the Action, expenditure verification, translation, reproduction, insurance, etc.) including financial service costs (in particular the cost of transfers and financial guarantees);
- any other cost necessary for the implementation of the Action, in line with the national legislation and Budget of the Action.

6.3. The contingency reserve not exceeding 2 % of the direct eligible costs for the part of the Action implemented under the Partner's responsibility can be used only with the prior written authorisation of the JMA. The Partner shall submit the request to the Beneficiary, which shall ask for the approval of JMA.

6.4. A fixed percentage not exceeding 7% of the total amount of direct eligible costs of the part of the Action implemented under the Partner's responsibility may be claimed as indirect costs to cover the administrative overheads incurred by the Partner, without increasing the total amount due to it, as referred to in art. 3.4. 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 the Action.

6.5. Any contributions in kind do not represent actual expenditure and are not eligible costs. The contributions in kind may not be treated as co-financing by the Partner.

Notwithstanding to the above, if the Description of the Action foresees the contributions in kind, such contributions have to be provided.

6.6. The following costs shall not be considered eligible:

- debts and provisions for losses or debts;
- interest owed;
- items already financed in another framework;
- 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;
- taxes, including VAT, unless the Partner cannot reclaim them and the applicable regulations authorise coverage of taxes;
- credits to third parties

ARTICLE 7 - ACCOUNTS AND TECHNICAL AND FINANCIAL CHECKS

7.1. The Partner shall keep accurate and regular accounts of the implementation of the action using an appropriate accounting and double-entry book-keeping system. This should not lead to double registration

¹ According to its national legislation
2009



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of operations and inadequate bookkeeping. This system may either be an integrated part of the Partner'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 Partner's accounting and bookkeeping system. Accounts must provide details of interest accruing on funds paid by the Beneficiary.

The Partner shall ensure that the Financial Reports (both interim and final) as required under Article 5 can be properly and easily reconciled to the Partners' accounting and bookkeeping system and to the underlying accounting and other relevant records. For this purpose the Partner shall prepare and keep appropriate reconciliations, supporting schedules, analyses and breakdowns for inspection and verification.

7.2. The Partner will allow the European Commission, the European Anti-Fraud Office, the European Court of Auditors, the JMA and any controller or external auditor authorised by the JMA carrying out verifications as required per Article 4.4 and per Article 37 of Commission Regulation (EC) No 951/2007 of 9 August 2007 laying down implementing rules for cross-border cooperation programmes financed under Regulation (EC) No 1638/2006 of the European Parliament and of the Council laying down general provisions establishing a European Neighbourhood and Partnership Instrument ("Regulation no.951/2007") to verify, by examining the documents 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. The Partner ensures that all documents related to the implementation of the project are made available until the above final dates of possible inspections.

Furthermore, the Partner will allow the European Anti-Fraud Office, the JMA and any controller or external auditor authorised by the JMA carrying out verifications as required per Article 4.4 and per Article 37 of Regulation no. 951/2007 to carry out checks and verification on the spot in accordance with the procedures set out in the European Community legislation for the protection of the financial interests of the European Communities against fraud and other irregularities

To this end, the Partner 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 the JMA and to any controller or external auditor authorised by the JMA carrying out verifications as required per Article 15.6 and per Article 37 of Regulation no. 951/2007 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, the JMA and to any controller or external auditor authorised by the JMA carrying out verifications as required per Article 4.4 and per Article 37 of Regulation no. 951/2007 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 and the Partners must inform the JMA of their precise location.

The Partner 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 controller or external auditor authorised by the JMA carrying out verifications as required per Article 4.4 to carry out audits, checks and verification will be equally applicable, under the same conditions and according to the same rules as those set out in this Article 7, to the Partner's subcontractors. Where a partner or subcontractor is an international organisation, any verification agreement concluded between such organisation and the European Commission applies.

7.3. In addition to the reports mentioned in article 5, the documents referred to in Article 7.2 include, but are not limited to:



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- Accounting records (computerised or manual) from the Partner'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 tenders 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 (including boarding passes), 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 subcontractor;
- 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 statutory deductions² (e.g. gross salary, social security charges, insurance and net salary, etc). 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 statutory deductions (gross salary, social security charges, insurance and net salary).

ARTICLE 8 - RECOVERY

8.1 Where the JMA's contribution to the final accepted cost is lower than the sum of pre-financing and interim payments already transferred by the Beneficiary to the Partner, the Partner is liable to repay to the Beneficiary any amount paid in excess of the final amount due to it, in 30 days from the receiving date of the notification from the Beneficiary.

8.2. Should the Partner fail to make repayment within the deadline set, the Beneficiary may increase the amounts due by adding interest at the rate applied by the European Central Bank to its main refinancing transactions 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 Beneficiary, and the date on which payment is actually made. Any partial payments shall first cover the interest thus established.

8.3 If the JMA shall refer the case to the Member State (in case of an amount due by a Partner located in a Member State) or to the Commission (in case of an amount due by a Beneficiary or a Partner located in a Partner Country) which, on the basis of a complete file, shall take over the task of recovering the amounts owing directly from the Partner, the Partner undertakes to repay any amounts paid in excess of the final amount due to the European Commission or to the Member State, as the case may be.

8.4. Bank charges incurred by the repayment of amounts due to the Beneficiary, to the European Commission or to the Member State shall be borne entirely by the Partner.

ARTICLE 9 - LIABILITY

9.1. The Beneficiary and the Partner agree that one Party cannot under any circumstances or for any reason whatsoever be held liable for damage or injury sustained by the staff or property of the other Party while the Action is being carried out or as a consequence of the Action.

² According to its national legislation
2009



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9.2. The Beneficiary and the Partner agree that they shall assume sole liability towards third parties, including liability for damage or injury of any kind sustained by them while the part of the Action implemented under their own responsibility is being carried out or as a consequence of that part of the Action.

ARTICLE 10 - CONFLICT OF INTERESTS

10.1 The Partner undertakes to take all necessary precautions to avoid conflicts of interests. The Partner shall inform the Beneficiary, in writing, without delay of any situation constituting or likely to lead to any such conflict. The Partner shall immediately take all necessary measures to neutralise any situation giving rise to a conflict of interest and shall take appropriate actions to remedy any negative effects of the conflict of interest within 30 days from the notification of the Beneficiary.

10.2 For the purpose of this Agreement, the conflict of interest shall mean any situation where there is a divergence between the fulfilment of responsibilities by the Parties and the private interest of the persons involved in the Agreement, which may adversely affect the impartial and objective exercise of the functions of any person involved in this Agreement, for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with another person.

ARTICLE 11 - CONFIDENTIALITY

Subject to Article 7, the Partner undertakes 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.

The European Commission and the JMA shall still have access to all documents and will maintain the same confidentiality.

ARTICLE 12 - VISIBILITY

12.1. The Partner must take all necessary steps to publicize 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 Commission and with the Visual Identity Manual for Joint Operational Programme « Black Sea 2007-2013 ».

12.2. In particular, the Partner 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.

12.3. Any notice or publication by the Partner concerning the Action, including those given at a conference or seminar, must specify that the Action has received EU funding. Any publication by the Partner, 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/Partners' name > and can under no circumstances be regarded as reflecting the position of the European Union."

12.4. The Partner authorises the JMA and the European Commission to publish their 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 eligible costs. Derogation from publication of this information may be granted if it could endanger the Partners or harm its commercial interests.

ARTICLE 13 - OWNERSHIP/USE OF RESULTS AND EQUIPMENT



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13.1. 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 and the Partner.

13.2. Notwithstanding the provisions of Article 14.1 and subject to Article 12, the Partner grant the JMA and the European Commission the right to use freely and as they see fit all documents deriving from the Action, whatever their form, provided it does not thereby breach existing industrial and intellectual property rights.

13.3. Where the Partner is located outside the Programme's eligible area and unless otherwise specified in the Special Conditions, the equipment, vehicles and supplies purchased by that partner and paid for by the Budget for this part of the Action must be transferred to the beneficiary and/or any partners located inside the Programme's eligible area and/or the final recipients of the Action, at the latest by the end of the implementation of the Action. Copies of the proofs of transfers of equipments and vehicles, the purchase cost of which was more than 5 000 Euros per item, must be attached to the final report. Such proofs must be kept for control in all other cases.

ARTICLE 14 - EVALUATION/MONITORING OF THE ACTION

14.1. If the Commission or the JMA carries out an interim or ex post evaluation or a monitoring mission, the Partner 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 7.2.

14.2. If an evaluation is carried out or commissioned by the Beneficiary or the JMA or the European Commission in the course of the Action, the Beneficiary must provide the Partner with a copy of the evaluation report

ARTICLE 15 - ASSIGNMENT, LEGAL SUCCESSION AND CHANGES IN THE PARTNERSHIP

15.1 The Agreement 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 JMA and of the JMC.

15.2 Being aware of the fact that all changes in the partnership must be set out in an addendum to the Grant Contract, the Beneficiary and the Partner agree not to withdraw from the Action unless there are unavoidable reasons for it.

15.3 In case of legal succession, if the Partner changes its legal form, the Partner is obliged to transfer all duties under this contract to the legal successor. The Partner shall notify beforehand the Beneficiary.

15.4 In case another partner withdraws from the Action or is debarred from it, the Beneficiary and the Partner will undertake to find a rapid and efficient solution to ensure the further proper Action implementation without any delay. Consequently, the Beneficiary and the Partners will endeavour to cover the contribution of the withdrawing partner, either by assuming its tasks by one or more of them or by asking one or more new participants to join the partnership, regarding the respective programme provisions.

15.5 The provisions set in Article 7 shall remain applicable if the Partner withdraw or is debarred from the Action.

ARTICLE 16 - AMENDMENT OF THE AGREEMENT, EXTENSION, SUSPENSION AND FORCE MAJEURE

16.1. Any amendment to the Agreement must be set out in writing in an addendum, which shall be submitted by the Beneficiary for the approval of the Partners, the JMA and the JMC.

16.2 If an amendment is requested by the Partner, it must submit that request to the Beneficiary in due time, so that the Beneficiary is able to submit the request to the JMA two months before the date on



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which the amendment should enter into force. The request must be accompanied by all the supporting evidence needed for its appraisal.

16.3 The Partner must inform the Beneficiary without delay of any circumstances likely to hamper or delay the implementation of the Action and provide all the necessary details.

The Partner may suspend implementation of all or part of the Action if circumstances (chiefly force majeure) make it too difficult or dangerous to continue. The Partner must inform the Beneficiary without delay and provide all the necessary details.

The Partner shall endeavour to minimise the time of its suspension and shall resume implementation once circumstances allow, and shall inform the Beneficiary accordingly.

16.4. The Beneficiary may request the Partner to suspend implementation of all or part of the Action if circumstances (chiefly force majeure) make it too difficult or dangerous to continue, the Partner shall endeavour to minimise the time of its suspension and shall resume implementation once circumstances allow.

16.5. The implementation period of the Action may be extended by a period equivalent to the length of suspension, after obtaining the prior written approval of the JMA.

16.6. 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. 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.

16.7 If the Partner changes its address, its bank account or its auditor, it shall notify the Beneficiary immediately.

ARTICLE 17 - TERMINATION OF THE AGREEMENT

17.1 The termination of the Agreement is possible only with prior approval of the JMA or of the JMC, according to each case.

17.2 This Agreement is automatically terminated, without any other formality, where the JMA decides to terminate the Grant Contract, due to the reasons stipulated therein.

ARTICLE 18 - APPLICABLE LAW AND DISPUTE SETTLEMENT

18.1. This Agreement shall be governed by the law of [law of the Beneficiary's country], which is the seat of the Beneficiary.

18.2. The Beneficiary and the Partner shall do everything possible to settle amicably any dispute arising between them during implementation of this Agreement. 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.

18.3. 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 a commonly agreed arbitrator.



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18.4. In the event of failure of the above procedures, each Party may submit the dispute to the courts of [.....].

ARTICLE 19 - FINAL PROVISIONS

19.1 All references to days in this Agreement are to calendar days.

19.2 Any official communication relating to this contract must be in English language, in writing, state the number and title of the Action and be sent to the following addresses:

For the Beneficiary

<address of the Beneficiary for correspondence>

For the Partner

<address of the Partner for correspondence>

19.3 In the event of conflict between the provisions of the Agreement and those of the Grant Contract signed by the Beneficiary with the JMA, the provisions of the Grant Contract shall take precedence. The Agreement is an integral part of the Grant Contract and all the annexes.

Done in English in 3 originals, one original being for the JMA, one for the Beneficiary and one for the Partner.

For the Beneficiary

Name

Title

Signature

Date

For the Partner

Name

Title

Signature

Date