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| **AFRICAN UNION** |  | **UNION AFRICAINE** |
|  | **UNIÃOAFRICANA** |

**GRANT CONTRACT**

**–THE AFRICAN UNION COMMISSION**

**<***Grant contract identification number>*

The African Union Commission ("the Contracting Authority")of the one part, and

("the Beneficiary")of 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: <*title of the Action>* (hereinafter referred to as "the Action") described in Annex I.

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 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 <*number of months>*.

2.4 The execution period of this contract will 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 cost of the Action is estimated at <*Enter the amount of heading 13 of Annex III...USD*>,

as set out in Annex III.

 The total eligible cost is estimated at <*Enter the amount of heading 11 of Annex III...USD*>, as set out in Annex III.

3.2 The Contracting Authority undertakes to finance a maximum of<*... .....USD*, equivalent to <*...*>% of the estimated total eligible cost of the Action.

 The Contracting Authority’s contribution is further limited to <*...*>% of the estimated total accepted cost of the Action.

 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.

3.3 Pursuant to Article 14.4 of the Annex II, <…>% *(maximum 7%)*of the final amount of direct eligible costs of the Action established in accordance with Articles 14 and 17 of the Annex II, may be claimed by the beneficiary as indirect costs.

3.4 Pursuant to Article 14.6 of Annex II, the Regulation under which this contract is financed authorises payment of taxes, including VAT, in the case the Beneficiary can show it cannot reclaim.

**Article 4 - Narrative and financial reporting and payment arrangements**

4.1 Narrative and financial reports shall be produced in support of payment requests, in compliance with Articles 2 and 15.1 of Annex II.

4.2 Expenditure verification report shall accompany every request for payment, in compliance with Articles 2 and 15.1 of Annex II.

4.3 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:

a) 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): <... ........ Contracting Authority currency>

b) Forecast further instalment(s) of pre-financing: <... ........Contracting Authority currency>

(subject to the provisions of Annex II)

c) Forecast final payment

(subject to the provisions of Annex II): <... ........ Contracting Authority currency>**]**

4.3 In case where the pre-financing instalments are to be paid by the Contracting authority, the first instalment of pre-financing will be paid to the Beneficiary within 45 days, as from the date of receipt by the Contracting authority of signed contract accompanied by the financial guarantee if required in accordance with article 15.7 of the General Conditions.

**Article 5 - Contact addresses**

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

For the Contracting Authority

Payment requests and attached reports, including requests for changes to bank account arrangements should be sent to:

<*address of the Contracting Authority's management department>***]**

For the attention of <*address of the management unit/section>***]**

For the Beneficiary

<address of the Beneficiary for correspondence>

**[**5.2 The audit firm which will carry out the verification(s) referred to in Article 15.6 of Annex II is <*name, address, and telephone and fax numbers>***]**.

**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 of the Grant Contracts Applicable to GMES & Africa Support Programme Grants

Annex III: Budget for the Action

Annex IV: Contract-award procedures

Annex V: Standard request for payment and financial identification form

Annex VI: Model narrative and financial report

Annex VII: Model report of factual findings and terms of reference for an expenditure verification of an AU financed grant contracts.

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, those of Annex II shall take precedence.

Done in English in three originals: two originals being for the Contracting Authority, and one original being for the Beneficiary.

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| --- | --- |
| For the Contracting Authority | For the Beneficiary |
| Name |  | Name |  |
| Title |  | Title |  |
| Signature |  | Signature |  |
| Date |  | Date |  |