

GRANT CONTRACT

Karelia CBC Programme 2014-2020

Grant contract identification number

KAxxx/5/2018

Name of the project

xx

Project acronym

xx

The Parties to this contract shall be the Managing Authority of the Karelia CBC Programme 2014-2020 and the Lead Partner of the project:

The Managing Authority

Name: Council of Oulu Region

Address: Sepänkatu 20
FI-90100 Oulu
FINLAND

The Lead Partner

Name	xx
Official address	xx
Postal address	xx
Country	xx
Business ID	xx

The Parties to this contract, have agreed as follows:

Article 1

Purpose

1.1 The purpose of this contract is the award of a grant by the Managing Authority for the implementation of the Project entitled:xx (the Project) described in Annex I. The grant is financed from the European Neighbourhood Instrument in the framework of the Karelia CBC Programme 2014-2020 (the Programme) within its Thematic objective xx, climate change adaption and Priority x. xxx

1.2 The Lead Partner, representing the partnership identified in Annex I, will be awarded the grant on the terms and conditions set out in this contract and in its annexes,which the Lead Partner hereby declares it has noted and accepted. The contract is signed in accordance with the negotiations of the Managing Authority and the Lead Partner. The contract is based on the decision of the Joint Monitoring Committee xx/xx/2017 and the Executive Order made by the Managing Authority on the xx/xx/2018 to award a grant to the Project.

Article 2

The Obligations of the Lead Partner

2.1 The award and implementation of the grant shall be governed by the Implementing Regulation of the European Commission (EU) No 897/2014 laying down the specific provisions of the implementation of cross-border cooperation programmes financed under Regulation (EU) No 232/2014 of the European Parliament and the Council establishing a European Neighbourhood Instrument and by the Agreement on Financing and Implementation of the respective Programme. Any other relevant national legislation must be also observed in the implementation of the Project.

2.2 The Lead Partner accepts the grant and undertakes to carry out the Project in cooperation with the other partners identified in Annex I. The Lead Partner shall be responsible for the overall implementation of the Project. The Lead Partner receives the grant from the Managing Authority and ensures that it is managed and, where appropriate, distributed to the partners in accordance with the description of the Project (Annex I) and Budget for the Project (Annex III) without unnecessary delay. The obligations of partners laid out in Annex II must be observed throughout implementation.

2.3 The Lead Partner shall establish partnership agreements with all partners to guarantee proper implementation of the Project and sound financial management, especially with regard to recovery of unduly paid funds and financial responsibilities among the partnership. The agreements must also guarantee that obligations laid out in Annex II are observed by all partners throughout implementation.

2.4 The Lead Partner shall ensure that all expenditure declared by the partners has been incurred for the purpose of implementing the Project and relate to the activities described in Annex I and have been verified pursuant to the rules of the Programme described in Annex II and in Annex IV.

Article 3

Implementation Period of the Project

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

3.2 Implementation of the Project shall begin on xx/xx/2018 and end on xx/xx/20xx . The Project's indicative implementation period shall be xx months. In case this contract has not been signed by both Parties by the starting date of the Project identified in this Article, the project shall begin on the date on which the last of the two Parties signs this contract.

3.3 The execution period of this contract will end at the moment when final payment is paid by the Managing Authority and in any case at the latest 18 months as from the end of the implementation period as stipulated in Article 3.2 above.

Article 4

Costs and Financing of the Project

4.1 The total eligible costs of the Project are estimated at 000 000 €, as set out in Annex I.

4.2 The Managing Authority undertakes to finance a maximum of 000 000 € equivalent to 00.00 % of the estimated total eligible costs of the Project; the final amount of the eligible costs shall be established in accordance with Articles 14 and 17 of Annex II.

The total Programme financing of the Project consists of the following funding shares:

	Funding
European Union	000 000 € equivalent to 00.00 % of total eligible costs
Finland	000 000 € equivalent to 00.00 % of total eligible costs
Russia	000 000 € equivalent to 00.00 % of total eligible costs

The total grant shall be a maximum of **000 000** Euros.

Financing of the Project shall include the own contribution of the partners, which amounts to **00.00** % of the total eligible costs of the Project.

A maximum of up to **0.00** € of the grant may be used on activities implemented outside the Programme core region. Any such activities must be necessary for achieving the Project's objectives and must be foreseen and clearly indicated in Annexes I (Project Plan) and III (Project Budget).

4.3 Pursuant to Article 14.4 of Annex II, a flat-rate payment of up to **0.00** % the final amount of direct eligible costs of the Project, excluding any costs incurred in relation to the provision of infrastructure, established in accordance with Articles 14 and 17 of the Annex II, may be claimed by the partners as indirect costs.

4.4 Pursuant to Article 14.3 of Annex II, the Regulation and the Financing Agreement under which this contract is financed Value Added Tax paid by Programme Participants in the framework of procurement and grant contracts financed by the Programme shall be treated as eligible cost where it is not recoverable under the applicable national law. In such case the Programme participants shall demonstrate that they are unable to reclaim such tax.

Article 5

Narrative and Financial Reporting and Payment Arrangements

5.1 Narrative and financial reports shall be produced in support of payment requests, in compliance with Articles 2 and 15.1 of Annex II. Required reporting is submitted to the Managing Authority electronically. In addition to the electronic version, required signed originals must be submitted to the Managing Authority.

5.2 Payments shall be made as follows:

Pre-financing payment

0 € of which

European Union	0 €
Finland	0 €
Russia	0 €

Interim payment

0 € of which

European Union	0 €
Finland	0 €
Russia	0 €

Balance payment

0 € of which

European Union	0 €
Finland	0 €
Russia	0 €

Article 6

Auditing and Verification Requirements

6.1 The expenditure declared by the partners in payment requests shall be examined by an independent auditor, chosen by the partners. The auditor shall verify that the expenditure and any revenues reported are real, accurately recorded and eligible with regard to this contract and its annexes. The examination must be undertaken according to the principles described in Annex II and in Annex IV.

6.2 The partners shall inform the Managing Authority of their choice of auditor within six months of the beginning of implementation of the Project. The Managing Authority has the right to reject expenditure verification reports that contain inconsistencies or errors. The Managing Authority may ask any partner to designate another auditor in accordance with Article 9.4 of Annex II.

6.3 The Managing Authority may perform administrative and on-the-spot verifications to ensure that services, supplies and works have been performed, delivered and/or installed. The Managing Authority may also carry out verifications to ensure that payments related to any expenditure declared by the partners have been made and that this expenditure complies with applicable legislation, Programme rules and other conditions set for Programme support. The Managing Authority may be assisted in this task by other relevant Programme bodies named in the Joint Operational Programme.

6.4 The European Commission, the European Anti-Fraud Office, the European Court of Auditors, the Audit Authority/Group of Auditors, representatives of national authorities involved in the implementation and financing of the Programme and any representatives or external auditor authorised by the Managing Authority or one of the above-mentioned institutions and bodies may conduct documentary and on-the-spot checks on the use made of the project's financing and carry out a full audit, if necessary, on the basis of supporting documents of accounts and accounting documents and any other documents relating to the financing of the project.

Article 7

Annexes

7.1 The following documents are annexed to this contract and form an integral part of the contract:

Annex I: Project Plan

Annex II: Conditions applicable to Grant Contracts financed by the Karelia CBC Programme

Annex III: Project Budget

7.2 In the event of conflict between the provisions of the Annexes and those of the Grant Contract, the provisions of the Grant Contract 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.

Article 8

Other Specific Conditions Applying to the Project

8.1 Referring to the articles 2.4 and 6.1, instead of Annex IV the Terms of Reference of the expenditure verifications provided on the Programme websites at www.kareliacbc.info are used.

Signature

Done in English in two originals : one original being for the Managing Authority and one original being for the Lead Partner

For the Lead Partner	For the Managing Authority
Name:	Name:
Position:	Position:
Date:	Date:
Signature: <hr/>	Signature: <hr/>

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